Ref. Ares(2024)4087147 - 06/06/2024

European Institute of Innovation & Technology

The EIT is a body of the European Union



European Institute of Innovation and Technology

Invitation No. 2 to request the amendment of KIC Business Plans 2023-2025/2024-2025 and of the Cross-KIC activities 2023-2025[1]

(Call HORIZON-EIT-2022-KIC and HORIZON-EIT-2024-2025-KIC-CCSI)

Version 1.0
22 May 2024

[1] With the exception of the Thematic Innovation „H2CITIES".

HISTORY OF CHANGES			
Version	Publication Date	Change	Page
1.0	22.05.2024	Initial version	

Table of Contents

1. Introduction 5
2. Topics of the amendment 7
3. Available budget for the additional funding allocation 2025 7
4. Timetable and deadlines 8
5. Admissibility 8
6. Eligibility 9
6.1 Entities eligible for funding 9
6.2 Activities eligible for funding 11
7. Exclusion criteria 11
8. Financial and operational capacity 11
9. Amendment of KIC Business Plans 2023-2025 /2024-2025 12
9.1 Topic description 12
9.2 Eligible entities for Business Plans 14
9.3 Eligible activities for Business Plans 14
9.4 Award criteria for the additional funding allocation 14
10. Amendment of Cross-KIC activities 2023-2025 19
10.1 Topic description 19
10.2 Eligible entities 23
10.3 Award criteria for the additional funding allocation 23
11. Submission of request for amendments 23
12. Data model and IT tools 24
13. Assessment process of the requests for amendment 24
13.1 Assessment of the requests for amendment 24
13.2 Multi-annual strategy assessment 25
13.3 Hearings with the KICs 26
14. Approval of the amendments 26
15. Legal and financial provisions 27
15.1 Maximum grant amount, reimbursement of eligible costs 27
15.2 Funding requirements in the EIT SIA 2021-2027 and funding rate in the GA 27
15.3 Reporting and payment arrangements and deliverables 27

15.4 Financial support to third parties established in HE and in non-HE eligible countries.... 27
15.5 Eligibility of direct and indirect costs 28
15.6 Eligible costs for equipment, infrastructure, and other assets 28
15.7 KIC's control strategy 29
15.8 Publication of Business Plans on the KIC websites..... 29
16. Processing of personal data..... 30
Annex 1: Key principles and concepts of the EIT KIC model 31
Annex 2: Revised guidelines (separate document) 33

1. Introduction

This is an **invitation addressed to the second, third, fourth and fifth wave of Knowledge and Innovation Communities (KICs) to request the amendment of the Grant Agreements** signed [2] following the *Invitation to submit proposals for KIC Business Plans 2023-2025, for the Cross-KIC activities 2023-2025 (hereafter "original invitation 2023-2025")* [3] and *Invitation to submit a proposal for the KIC Business Plan of EIT Culture & Creativity 2024-2025 (hereafter "original invitation EIT CC 2024-2025")*[4]. Therefore, in accordance with Article 39 of the Grant Agreements, the coordinators of these Grant Agreements will submit a request for amendment directly in the Portal Amendment tool in eGrants.

This invitation has the following purposes and scope:

1) **For the ongoing Business Plans 2023-2025 / 2024-2025 Grant Agreements of the second, third, fourth and fifth wave KICs:**
   - invite the KICs to update their Business Plans in light of the progress of the implementation made in 2023 and 2024 so far;
   - invite the KICs to propose additional Business Plan activities in light of the foreseen additional funding allocation 2025.
2) **For the ongoing Cross-KIC 2023-2025 Grant Agreements (except the Thematic Innovation H2CITIES for which the termination is currently ongoing):**
   - invite the Cross-KIC consortia to update their Cross-KIC Plans in light of the progress of the implementation made in 2023 and 2024 so far;
   - invite the Cross-KIC consortia to propose additional activities in light of the foreseen additional funding allocation 2025;
   - ensure the participation of EIT Culture & Creativity in the Cross-KIC Grant Agreements (if applicable).

The main conditions for the above-mentioned Grant Agreements in the 2023-2025 / 2024-2025 period are defined in the original invitation 2023-2025 and Invitation for amendment 2024[5], the original invitation EIT CC 2024-2025, the adjusted guidelines (Annex 2) and templates. These conditions continue to apply unless otherwise indicated herein. Further requirements concerning the amendment and the requirements for the additional funding allocation are laid down in this document.

This invitation does not cover the amendment of HEI Grant Agreement which is subject to a separate invitation and amendment procedure.

[2] At the time of the launch of the invitation, Grant Agreement 2024-2025 is not yet siged with EIT Culture & Creativity. Therefore, regarding EIT Culture & Creativity, this invitation for amendment is conditional upon the signature of Grant Agreement 2024-2025 before 30 September 2024.

[3] Ref. Ares(2022)6548792 (Amended version No 2)

[4] Ref. Ares(2023)2872684

[5] Ref. Ares(2023)3421537

Legal framework

The additional 2025 EIT financial contribution to the KICs will be determined based on the criteria and processes, as described below and in line with the following decisions of the EIT Governing Board:

- Decision 11/2022 of the EIT Governing Board on the principles for the determination of the EIT financial allocation to Knowledge and Innovation Communities' (KICs') Business Plans for 2023-2025, to Cross-KIC activities and shared services for 2023-2025[6];
- Decision 35/2022 of the EIT Governing Board on the initial allocation of the financial contribution to the KICs' Business Plans for 2023-2025 (Business Plans 2023-2024 for the first wave KICs), to Cross-KIc activities and to the pilot HEI in 2023[7];
- Decision 04/2023 of the EIT Governing Board on the principles for the determination of the additional EIT financial allocation for 2025 to the KICs' Business Plans for, to Cross-KIC activities and shared services[8];
- Decision 05/2023 of the EIT Governing Board on the principles for the determination of the initial EIT financial allocation for the 2024-2025 Business Plan of the Knowledge and Innovation Community EIT Culture & Creativity (EIT CC)[9];
- Decision 39/2023 on the allocation of the additional financial contribution for 2024 to the first, second, third and fourth wave of KICs' Business Plans, to Cross-KIC activities and shared servces and to the finalisation of the HEI pilot[10];
- Decision 42/2023 of the EIT Governing Board on the adoption of the Final Single Programming Document (2024-2026), Annex XI on Grants[11];
- Decision 43/2023 of the EIT Governing Board on adopting the EIT budget and establishment plan for the financial year 2024[12], as amended by Decision 15/2024 on adopting the EIT budget amendment No 1/2024[13];
- Decision 04/2024 of the EIT Governing Board on the adoption of the Draft Single Programming Document (2025-2027), Annex XI on Grants[14],
- Decision 11/2024 on the initial allocation of the financial contribution to the Business Plan 2024-2025 of EIT Culture & Creativitiy Knowledge and Innovation Community[15]
- Decision 16/2024 of the EIT Governing Board on the principles for the determination of the additional financial allocation for 2025 to the Business Plans of the second, third, fourth and fifth wave of KICs, to Cross-KIC activities and shared services[16];

[6] Ares(2022)2218730
[7] Ares(2022)8603359
[8] Ares(2023)1853153
[9] Ares(2023)1853190
[10] Ares(2023)8076871
[11] Ares(2023)8668848
[12] Ares(2023)8669589
[13] Ares(2024)3048646
[14] Ares(2024)704928
[15] Ares(2024)2400407
[16] Ares(2024)3048852

- Decision of the EIT Governing Board on the adoption of the EIT Budget and Establishment Plan for the financial year 2025[17].

2. Topics of the amendment

The main topics are as listed in the original invitation 2023-2025 (with the exception of the Thematic Innovation H2CITIES, and the Higher Education Institutions (HEI) Initivative, which are not subject to this request for amendment).

The details of the topics, including additional topics specific for the 2025 implemetation are included in section 9.1 for the Business Plans Grant Agreements and section 10.1 for the Cross-KIC Grant agreements.

3. Available budget for the additional funding allocation 2025

The total estimated budget for the additional funding allocation for 2025 equals EUR 134 million and shall be distributed by means of separate 'funds', as follows:

Type	Indicative budget (in MEUR)
Additional allocation to the second, third and fourth wave of KICs (2025)	100
Additional allocation to the fifth wave of KICs (2025)	25
Additional allocation for Cross-KIC activities (2025)	9
Total (without third country contributions)	**134**

The estimated amount takes into account the EIT's budget availability based on the 2021-2027 multiannual financial framework, including contributions from the European Commission and EEA-EFTA states, however without contributions from third countries for which the estimates and exact timing for future contributions are unknown at this stage.

The estimated budget for the KICs, outlined in chapter 9.1, represents an average figure resulting from the available budget, therefore it can be significantly higher or lower depending on the outcome of the Funding Allocation.

[17] To be adopted in Q4 of 2024.

It shall be ensured that there is no double funding of KIC activities by the additional funding allocation and award.

4. Timetable and deadlines

The indicative timeline of the amendment procedure for Business Plan Grant Agreements 2023-2025 / 2024-2025 and for Cross-KIC Grant Agreements 2023-2025 is as follows:

Key dates	Date and time or indicative period
Deadline to submit the requests for amendment	**30 September 2024**
Assessment of the requests for amendment Requests for additional information and clarifications from the EIT	October-December 2024
Hearings of the KICs with the EIT Governing Board	November 2024
Additional funding allocation decision by the EIT Governing Board Letters sent to the KICs, including strategic recommendations	**November 2024** Early December 2024
KICs to submit the final requests for amendment	December 2024
Amendment of the original grant award decisions by the EIT Director	January 2025
Signature of the amendments of the Grant Agreements	**January-February 2025**

5. Admissibility

The requests for amendment must be submitted by the coordinators of the Grant Agreements no later than the deadline indicated in the table in Chapter 4, via the amendment functionality of the eGrants tool.

The submission shall comply with the respective guidelines and templates[18]. Unless otherwise indicated in this invitation, failure to comply with this requirement may lead to the rejection of the proposed amendment.

The requests for amendment must be drafted in English.

[18] https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/common/guidance/amendment-guide_en.pdf

6. Eligibility

6.1 Entities eligible for funding

The general rules concerning **entities eligible for funding** under the Grant Agreements are defined in the original invitation 2023-2025 and in the original invitation EIT CC 2024-2025.

As it has been communicated to the KICs earlier, the following restrictions still apply:

- **Legal entities established in Russia, Belarus, or in non-government controlled territories of Ukraine** — Given the illegal invasion of Ukraine by Russia and the involvement of Belarus, there is currently no appropriate context allowing the implementation of the actions foreseen in this programme with legal entities established in Russia, Belarus, or in nongovernment controlled territories of Ukraine. Therefore, even where such entities are not subject to EU restrictive measures, such legal entities are not eligible to participate in any capacity. This includes participation as beneficiaries, affiliated entities, associated partners, third parties giving in-kind contributions, subcontractors or recipients of financial support to third parties (if any). Exceptions may be granted on a case-by-case basis for justified reasons.
- **Measures for the protection of the Union budget against breaches of the principles of the rule of law in Hungary** — Following the Council Implementing Decision (EU) 2022/2506, as of 16 December 2022, no legal commitments can be entered into with Hungarian public interest trusts established under the Hungarian Act IX of 2021 or any entity they maintain. Affected entities may continue to apply to calls for proposals. However, as long as the Council measures are not lifted, such entities are not eligible to participate in any funded role (beneficiaries, affiliated entities, subcontractors, recipients of financial support to third parties, etc).

In addition, as a new Horizon Europe requirement, participants must not fall under the **restrictions for the protection of European Communication networks**, as laid down in the Horizon Europe Work Programme 2023-2025, General Annexes, Point B – Eligibility, page 7, as follows:

"The protection of European communication networks has been identified as an important security interest of the Union and its Member States[19]. In line with the Commission Recommendation on the cybersecurity of 5G networks of 2019[20] and the subsequent report on EU coordinated risk assessment of the cybersecurity of 5G networks of 2019,[21] the EU Toolbox on 5G cybersecurity,[22] the second report on

[19] European Council conclusions of 1 and 2 October 2020 (EUCO 13/20), point 11; Council Conclusions on the significance of 5G to the European Economy and the need to mitigate security risks linked to 5G, 14517/19.
[20] Commission Recommendation (EU) 2019/534 of 26 March 2019 Cybersecurity of 5G networks, L 88/42.
[21] NIS Cooperation Group, Report on EU coordinated risk assessment of the cybersecurity of 5G networks, 9 October 2019.
[22] NIS Cooperation Group, EU Toolbox on 5G Cybersecurity, 29 January 2020.

Member States' progress in implementing the EU toolbox on 5G cybersecurity of 2023,[23] and the related Communication on the implementation of the 5G cybersecurity toolbox of 2023,[24] the Commission together with the Member States has worked to jointly identify and assess cyberthreats and security risks for 5G networks.[25] The toolbox also recommends adding country-specific information (e.g. threat assessment from national security services, etc.). This work is an essential component of the Security Union Strategy and supports the protection of electronic communications networks and other critical infrastructures.

Entities assessed as "high-risk suppliers", are currently set out in the second report on Member States' progress in implementing the EU toolbox on 5G cybersecurity of 2023[26] and the related Communication on the implementation of the 5G cybersecurity toolbox of 2023[27].

The toolbox also underlines that further developing European capacities in the area of 5G and post-5G technologies by leveraging EU Research & Innovation Funding programmes is a strategic risk mitigating measure. This entails the need to avoid the participation of high-risk supplier entities in the development of other technologies linked to the evolution of European communication networks to prevent technology transfer and the persistence of dependencies in materials, semiconductor components (including processors), computing resources, software tools and virtualisation technologies, as well as related cybersecurity.

In order to protect the specific policy requirements of the Union and/or its Member States, it is therefore appropriate that the following additional eligibility criteria apply to actions identified as "subject to restrictions for the protection of European communication networks" and to proposals within the MSCA part[28] that concern the evolution of European communication networks (5G, post-5G and other technologies linked to the evolution of European communication networks):

Entities that are assessed as high-risk suppliers of mobile network communication equipment (and any entities they own or control) are not eligible to participate as beneficiaries, affiliated entities and associated partners.

The assessment is based on the following criteria:

- likelihood of interference from a non-associated third country, for example due to:
  - the characteristics of the entity's ownership or governance (e.g. state-owned or controlled, government/party involvement);

[23] NIS Cooperation Group, Second report on Member States' progress in implementing the EU Toolbox on 5G Cybersecurity, June 2023.
[24] Communication from the Commission: Implementation of the 5g cybersecurity Toolbox, Brussels, 15.6.2023 C(2023) 4049 final.
[25] Within the NIS framework NIS 1 + 2 [Directive - 2022/2555 - EN - EUR-Lex (europa.eu)]
[26] NIS Cooperation Group, Second report on Member States' progress in implementing the EU Toolbox on 5G Cybersecurity, June 2023.
[27] Communication from the Commission: Implementation of the 5G cybersecurity Toolbox, Brussels, 15.6.2023 C(2023) 4049 final.
[28] Doctorial Networks, Postdoctoral Fellowships, Staff Exchanges, Cofund.

- the characteristics of the entity's business and other conduct (e.g. a strong link to a third country government);
- the characteristics of the respective third country (e.g. legislation or government practices likely to affect the implementation of the action, including an offensive cyber/intelligence policy, pressure regarding place of manufacturing or access to information).

- (cyber-)security practices, including throughout the entire supply chain;
- risks identified in relevant assessments of Member States and third countries as well as other EU institutions, bodies and agencies, if relevant.

Exceptions may be requested from the granting authority and will be assessed case-by-case, taking into account the criteria provided for in the 5G cybersecurity toolbox, the security risks and availability of alternatives in the context of the action."

The above indicated new restriction shall apply to third parties receiving financial support too.

6.2 Activities eligible for funding

The general rules concerning the **activities eligible for funding** under the Grant Agreements are defined in the original invitation 2023-2025 and in the original invitation EIT CC 2024-2025, with additional specific requirements laid down in this invitation in Chapter 9.

7. Exclusion criteria

The **exclusion criteria** and **evidence** under the Grant Agreements are defined in the original invitation 2023-2025 and in the original invitation EIT CC 2024-2025.

8. Financial and operational capacity

The requirements for the **financial** and **operational capacity** under the Grant Agreements are defined in the original invitation 2023-2025 and in the original invitation EIT CC 2024-2025. In the conext of EIT CC. the award of additional grant will be subject to demonstrating adequate operational capacity by the KIC.

9. Amendment of KIC Business Plans 2023-2025 /2024-2025

9.1 Topic description

The topics of the amendment are as listed in the original invitation 2023-2025 and in original invitation EIT CC 2024-2025. Additional thematic requirements specific for the implementation of the Business Plans in 2025 are included in this chapter.

- KICs are expected to further describe in the amended Business Plan the measures planned in response to EIT Governing Board Strategic Recommendations related to the additional grant allocation 2023-2025, wherever applicable.
- Furthermore, KICs are strongly encouraged to address the following elements:
  - Strengthening KICs financial sustainability prospects in education, with concrete business model and plans behind;
  - Better integration of the education portfolio under the EIT Campus;
  - Increased ambition in delivering impactful results in the EIT Label programmes (more startups created, etc.).
- Additionally, as a general requirement concerning all activities, **special attention shall be given to gender mainstreaming, and incorporation of gender dimension in the expected outcomes, objectives, scope and impact of proposed activities,** in accordance with the Annotation to the EIT specific provisions of HE MGA Annex 5, and the EIT Gender Equality Policy and Action Plan.
- Additional activities require corresponding increase of KPI targets related to the thematic area(s) addressed by the 2025 allocation.

9.1.1 EIT Health Business Plan 2023-2025 (Topic ID: HORIZON-EIT-2023-25-KIC-EITHEALTH)

The expected outcome, objectives, scope and expected impact are described in the original invitation 2023-2025.

As set out in Chapter 1 of this invitation, as part of its request for amendment, the KIC is expected to propose **additional activities** in light of the foreseen additional funding allocation 2025.

Estimated additional budget for the topic: EUR 20 million

9.1.2 EIT RawMaterials Business Plan 2023-2025 (Topic ID: HORIZON-EIT-2023-25-KIC-EITRAWMATERIALS)

The expected outcome, objectives, scope and expected impact are described in the original invitation 2023-2025.

As set out in Chapter 1 of this invitation, as part of its request for amendment, the KIC is expected to propose **additional activities** in light of the foreseen additional funding allocation 2025.

Additionally, in line with the Annotation to the EIT specific provisions of HE MGA Annex 5, and the EIT Gender Equality Policy and Action Plan, the KIC shall ensure **development and adoption of Gender Mainstreaming Policy**, going beyond HR aspects, with clear guidance and robust indicators, accompanied by a well-defined and monitored Gender Equality Plan (GEP), with the aim to 1) increase participation of women in the KICs business creation & acceleration, innovation and education programmes 2) integration of gender dimension into research & innovation, and education content; 3) gender balance at all levels of personnel assigned to the subgranted action, including at supervisory and managerial level.

Estimated additional budget for the topic: EUR 20 million

9.1.3 EIT Food Business Plan 2023-2025 (Topic ID: HORIZON-EIT-2023-25-KIC-EITFOOD)

The expected outcome, objectives, scope and expected impact are described in the original invitation 2023-2025.

As set out in Chapter 1 of this invitation, as part of its request for amendment, the KIC is expected to propose **additional activities** in light of the foreseen additional funding allocation 2025.

Estimated additional budget for the topic: EUR 20 million

9.1.4 EIT Urban Mobility Business Plan 2023-2025 (Topic ID: HORIZON-EIT-2023-25-KIC-EITURBANMOBILITY)

The expected outcome, objectives, scope and expected impact are described in the original invitation 2023-2025.

As set out in Chapter 1 of this invitation, as part of its request for amendment, the KIC is expected to propose **additional activities** in light of the foreseen additional funding allocation 2025.

Estimated additional budget for the topic: EUR 20 million

9.1.5 EIT Manufacturing Business Plan 2023-2025 (Topic ID: HORIZON-EIT-2023-25-KIC-EITMANUFACTURING)

The expected outcome, objectives, scope and expected impact are described in the original invitation 2023-2025.

As set out in Chapter 1 of this invitation, as part of its request for amendment, the KIC is expected to propose **additional activities** in light of the foreseen additional funding allocation 2025.

Additionally, EIT Manufacturing is invited to define the activities and the related budget of the "**Innovate Together"** call, in line with the Contribution Agreemen foreseen to be signed between the EIT and the European Commission (represented by DG RTD) at a later date, according to its set conditions.

Additionally, in line with the Annotation to the EIT specific provisions of HE MGA Annex 5., and the EIT Gender Equality Policy and Action Plan, the KIC shall ensure **development and adoption of Gender Mainstreaming Policy**, going beyond HR aspects, with clear guidance and robust indicators, accompanied by a well-defined and monitored Gender Equality Plan (GEP), with the aim to 1) increase participation of women in the KICs business creation & acceleration, innovation and education programmes 2) integration of gender dimension into research & innovation, and education content; 3) gender balance at all levels of personnel assigned to the subgranted action, including at supervisory and managerial level.

Estimated additional budget for the topic: EUR 22 million[29]

9.1.6 EIT Culture ad Creativity Business Plan 2024-2025 (Topic ID: HORIZON-EIT-2023-24-KIC-EIT CULTURE AND CREATIVITY)

The expected outcome, objectives, scope and expected impact are described in the original invitation EIT CC 2024-2025.

As set out in Chapter 1 of this invitation, as part of its request for amendment, the KIC is expected to propose **additional activities** in light of the foreseen additional funding allocation 2025.

Estimated additional budget for the topic: EUR 25 million

9.2 Eligible entities for Business Plans

The requests for the amendment of the Business Plans shall be submitted by KIC LEs on behalf of the KIC partnership. The requirements for the eligible entities in the Business Plans are defined in the original invitation 2023-2025 and in the original invitation EIT CC 2024-2025.

9.3 Eligible activities for Business Plans

In addition to the eligible activities described in Chapter 6.2, specific eligibility criteria, regarding the EIT Regional Innovation Scheme (EIT RIS) activities, as are laid down in the original invitation and in Invitation 2024, shall continue to apply.

9.4 Award criteria for the additional funding allocation

For 2025, the additional allocation dedicated to the second, third and fourth wave of KICs shall be split as follows:

KIC wave	Indicative split
Second and third waves (EIT Health, EIT RawMaterials, EIT Food)	60%

[29] Including an estimated amount of 2 MEUR to be made available under the "Innovate Together" Contribution Agreement to be signed by EIT and the European Commission at a later date.

Fourth wave (EIT Manufacturing, EIT Urban Mobility)	40%

The EIT Governing Board will decide on the additional funding for each KIC, which will be calculated on a set of criteria, taking into account the performance of KICs:

Criteria	Maximum score	Type	Evidence
1) Progress in implementing the multiannual strategy of the EIT and the KIC (impact on the global challenges through KTI, progress towards the objective of financial sustainability, follow up of the EIT GB strategic recommendations, good governance)	40	Qualitative, progress in 2024 against multiannual goals	EIT GB Rapporteur visit conclusions; EIT GB Hearing minutes
2) Level of financial sustainability achieved (2023)	10	Quantitative, past performance 2023	KIC FS reports for the year 2023
3) Impact achieved measured by EIT core KPIs (2023)	35	Quantitative, past performance 2023	KIC KPI reports for the year 2023
4) Amended Business Plan proposal (2023-2025 / 2024-2025)	15	Qualitative, future outlook 2025 and beyond	Experts' reports on the Amended Business Plan 2023-2025 / 2024-2025

In case of second, third and fourth wave KICs, the score received by individual KICs will be converted to funding, based on the indicative budget per wave, in proportion of KICs' relative scores. Second and third wave KICs are grouped for the purpose of the calculation.

For EIT Culture & Creativity (5th wave), due to the lack of historical data on KPIs and financial sustainability (the KIC had a start-up plan in 2023 as opposed to a Business Plan), only criteria 1 and 4 will apply, with the maximum score per criteria as indicated in the above table (i.e. 40+15 = max. 55 points)[30].

The detailed sub-criteria, scoring methodology and evaluation evidence are explained in the following subchapters.

[30] The total score received by the KIC will be converted to EIT funding on a linear scale from 20 to 25 MEUR. If the KIC reaches the pass mark of 27.5 points out of 55 (50%), they will receive 20 MEUR. For every additional point received, they will be allocated 181,182 EUR (e.g. 35 points will convert to 21.36 MEUR, 40 points to 22.27 MEUR and 55 points to 25 MEUR).

9.4.1 Progress in implementing the multiannual strategy

The following will be considered when assessing the multiannual strategy criterion:

- Consistency with the strategic objectives of the European Union, in particular Horizon Europe and the EIT Strategic Innovation Agenda: KIC's contribution to achieving these goals;
- Progress in implementing the multiannual strategy: implementing GB strategic recommendations; impact in addressing the global challenges through knowledge triangle integration; financial sustainability approach and outlook; compliance with good governance principles.

The main focus will be on the following points:

- Impact from the strategy on societal challenges (success stories, top innovations);
- Effectiveness of financial sustainability strategy (assets created and revenue diversification);
- Innovation ecosystem effectiveness (governance, openness and geographical balance incl. RIS results).

The following indicative scale will be used (maximum 40 points):

- 0-7: KIC fails to demonstrate sufficient strategic focus, insufficiently addressing the key recommendations
- 8-14: Poor – KIC addresses the relevant aspects inadequately or there are serious inherent weaknesses
- 15-21: Fair – KIC broadly addresses the relevant aspects, but there are significant weaknesses
- 22-28: Good – KIC addresses the relevant aspects well, but a number of shortcomings are present
- 29-35: Very good – KIC addresses all relevant aspects very well, but small number of shortcomings are present
- 36-40: Excellent – KIC successfully addresses all relevant aspects. Any shortcomings are minor.

Evidence: The assessment with scores will be based on:

- the information provided by EIT and KICs in the framework of the EIT GB Rapporteur visit as well as other supporting documents e.g.: EIT dashboard / challenges paper;
- the Hearings with the EIT Governing Board.

As for supporting documents, the EIT will provide to the EIT Governing Board information synthesised from different available sources, among others based on the results of monitoring activities performed, identifying strength / weaknesses and critical challenges. They will focus on multi-annual aspects and trends. The KICs will be requested to address questions at the Hearings with the EIT Governing Board through a presentation and at the Q&A session.

9.4.2 Level of financial sustainability achieved (2023)

The financial sustainability coefficient will be scored as follows, based on validated data for the year 2023:

Score	2nd wave KICs	3rd wave KIC	4th wave KICs

10	≥40%	≥35%	≥30%
8	≥32% - <40%	≥28% - <35%	≥24% - <30%
6	≥24% - <32%	≥21% - <28%	≥18% - <24%
4	≥16% - <24%	≥14% - <21%	≥12% - <18%
2	≥8% - <16%	≥7% - <14%	≥6% - <12%
0	<8%	<7%	<6%

The financial sustainability coefficient captures the ability of the KIC Legal Entities and Co-location Centres to generate revenues from and attract financing to its KAVA activities. The allowed categories of financing are listed in the KICs Financial Sustainability principles adopted in March 2022 by the EIT GB[31]. The financial sustainability coefficient is calculated as the total amount of revenues and financing attracted excluding the financial contribution from the EIT divided by the EIT funding provided for EIT Funded Activities.

Evidence: The assessment with scores will be based on the submitted KIC Reports 2023 and their assessment carried out by experts and validated by the EIT.

9.4.3 Impact achieved measured by EIT core KPIs (2023)

The final score will be calculated as the sum of the results for the following EIT core KPIs based on the validated values achieved in the year 2023:

Code[32]	Title	Score
EITHE02.4	Number of innovations launched on the market during the KAVA duration or within 3 years after completion with a sales revenue of at least 10 000 EUR documented	Max 5 (+ 1 RIS)
EITHE04.4	Number of start-ups created as a result / based on the output(s) of KAVA(s), or start-ups created for the purpose of an innovation project to organise and support the development of an asset (but not later than three years after the completion of KAVA) having a financial transaction of at least 10 000 EUR for a service/product sold to customers	Max 5 (+ 1 RIS)
EITHE05.1	Number of start-ups created by students enrolled and graduates from EIT-labelled MSc and PhD programmes	Max 5 (+ 1 RIS)

[31] https://eit.europa.eu/library/gb-decision-062022-amendment-principles-financial-sustainability-knowledge-and-innovation

[32] KPI codes used in the KIC SA and BP 2023-25 template differ for some KPIs. KPIs are therefore identified by their titles and definitions. e.g. the KPIs coded EITHE02.4, EITHE04.4 and EITHE07.4 in the BP23-25 template are referring to the KPIs coded as EITHE02.1, EITHE04.1 and EITHE07.1 in the SA.

EITHE06.1	Investment attracted in EUR by KIC-supported start-ups and scale-ups	Max 5 (+ 1 RIS)
EITHE07.4	Number of graduates from EIT-labelled MSc and PhD programmes	Max 5 (+ 1 RIS)

Primarily, the results will be benchmarked against the annual targets for 2023 in the KIC's approved Strategic Agenda. For each EIT core KPI the score will be calculated by comparing the achieved value with the target set in the Strategic Agenda on a scale of 0-3 (for example, if the target is 10 and the achievement is 7, then the score will be equal to 7/10 * 3 = 2.1). A zero target and/or zero achievement will produce zero score. One extra point will be awarded on each EIT core KPI, for overachievement of at least 10% (or by 1 if 10% of the target is below 1). In addition, one extra point will be awarded for the best achievement within the wave, considering the nominal value of the KPI (as opposed to achievement against the KIC's own target).

Furthermore, if for any of the above EIT core KPIs at least 15% of the achievement is attributable to RIS countries (i.e. innovation, start-up or student originating from RIS country), one extra point will be awarded per KPI. As such the RIS element accounts for a maximum of 5 points.

In addition, diversity will be scored as follows, taking into account the less represented gender in top governance and management positions combined:

Score	Proportion of less represented gender
5	≥40%
4	≥35% - <40%
3	≥30% - <35%
2	≥25% - <30%
1	≥20% - <25%
0	<20%

Top governance refers to the members of KIC boards (Supervisory Board or equivalent), whilst KIC management refers to the KIC CEO, COO, CFO / Director of Finance, Chief Strategy Officer, Pillar directors (Education, Innovation, Business Creation) and CLC Directors.

Evidence: The evaluation with scores for the EIT core KPIs will be based on the submitted KIC Reporting for 2023 and their assessment carried out by experts and validated by the EIT. As for diversity, the score will be given based on the state of play reported by the KIC as of the Business Plan amendment submission deadline, validated by the EIT.

9.4.4 Amended Business Plan proposal

Amended Business Plans for 2023-2025 / 2024-2025 will be assessed by the EIT with support of external experts, however the scope will be limited to changes compared to the initial Business Plan, which was assessed already in 2022/23 as part of the initial funding allocation. Due to additional funding, it is expected that ambitions described in the amended Business Plans will be increased.

The following three sub-criteria will be considered:

- Excellence, including objectives and ambition; methodology; financial sustainability;
- Impact including KIC's pathways towards impact; measures to maximize impact - dissemination, exploitation, and communication;
- Quality and efficiency of the implementation including work plan and resources at portfolio level; capacity of participants and KIC Partnership as a whole.

The scores received for the initial Business Plan proposals will be considered as a starting point, however based on the assessment by external experts, they can be adjusted in either direction by maximum 3 points.

As a reminder, the scale used for the Business Plan assessment is as follows where each of the three sub-criteria can score maximum 5 points, adding up to a maximum of 15 points:

- 0: KIC fails to address the relevant aspects
- 1: Poor – KIC addresses the relevant aspects inadequately, or there are serious inherent weaknesses.
- 2: Fair – KIC broadly addresses the relevant aspects, but there are significant weaknesses
- 3: Good – KIC addresses the relevant aspects well, but a number of shortcomings are present
- 4: Very good – KIC addresses all relevant aspects very well, but a small number of shortcomings are present
- 5: Excellent – KIC successfully addresses all relevant aspects. Any shortcomings are minor.

Evidence: The assessment with scores will be based on the evaluation of submitted Business Plan amendments compared to the description of the action included in the original Grant Agreements, supported by external experts.

10. Amendment of Cross-KIC activities 2023-2025

10.1 Topic description

The topics of the amendment are as listed in the original invitation 2023-2025 (with the exception of the Thematic Innovation H2CITIES and Higher Education Institutions (HEI) initiative, which are not subject to this request for amendment). Additional topics specific for the implementation of the Cross-KIC Grant Agreements are included below.

When applicable, additional activities require corresponding increase of KPI targets related to the thematic area(s) addressed by the 2025 allocation.

Additionally, as a general requirement concerning all activities, **special attention shall be given to gender mainstreaming, and incorporation of gender dimension in the expected outcomes, objectives, scope and impact of proposed activities,** in accordance with the Annotation to the EIT specific provisions of HE MGA Annex 5, and the EIT Gender Equality Policy and Action Plan.

10.1.1 EIT Community (Cross-KICs) Shared Services 2023-2025 (Topic ID: HORIZON-EIT-2023-25-Cross-KIC-SharedServices)

The expected outcome, objectives, scope and expected impact are described in the original invitation 2023-2025.

Additionally, the expected outcome / scope should be extended as follows compared to the original invitation:

- Proposing and developing a concept for a **Shared Service Centre,** i.e. a dedicated organisational entity/team within a KIC or linked to a KIC, which will provide services to all KICs, on a needs basis, in administrative and operational domains and processes that are common to all KICs such as joint procurement, management of external experts, financial control activities on sub-grants (e.g. cost checks), HR services (e.g. payroll, recruitment), accounting, sustainable office management, legal support and data protection, training and capacity building of KICs, anti-fraud measures, document management, etc.
- Strenghtening gender mainstreaming, outlining gender equality objectives, KPIs and targets in the WP6 on Communication and dissemination, and for all WPs, where relevant, for deliverables related to trainings.
- Continued participation of 1st wave KICs from 01 Jan 2025 upon condition of the EIT MoC signature.

Estimated additional budget for the topic: EUR 2.0-2.5 million to be used mostly (but not exclusively) as described above.

10.1.2 EIT Community (Cross-KICs) Strategic Outreach 2023-2025 (Topic ID: HORIZON-EIT-2023-25-Cross-KIC-Strategic Outreach)

The expected outcome, objectives, scope and expected impact are described in the original invitation 2023-2025.

Additionally, the expected outcome / scope should be extended to include the following:

- Scaling up of the activities of EIT GO Hub UK, Continuation of EIT GO Hub Silicon Valley activities, focusing on impact for the EIT supported startups / scaleups and innovators, rather than ecosystems actors, and with the overall aim to progress decisively towards Financial Sustainability of Strategic Outreach activities by the end of 2025. .
- Continued participation of 1st wave KICs from 01 Jan 2025 upon condition of EIT MoC signature.

Estimated additional budget for the topic: EUR 1.0-1.25 million to be used mostly (but not exclusively) as described above.

10.1.3 EIT Community (Cross-KICs) Strategic Regional Innovations 2023-2025 (Topic ID: HORIZON-EIT-2023-25-Cross-KIC-Regional Innovations)

The expected outcome, objectives, scope and expected impact are described in the original invitation 2023-2025.

Additionally, additional recommended outcomes should be extended as follows compared to the original invitation:

- Strengthen contribution to the New European Innovation Agenda by increasing gender mainstreaming and offering targeted-support to women-led ventures and women innovators in RIS-eligible countries and beyond.
- Improve accessibility of the EU Outermost Regions to activities of the SRI Cluster in line with the EIT Strategy to boost engagement with the EU Outermost Regions.
- Under WP 1, strengthen and widen the EIT Post-Jumpstarter initiative as well as implement an IPA III-funded Western Balkans Cohort under the EIT Jumpstarter, under WP1 (further details from DG NEAR to follow).
- Explore scaling up the Moldova support initiatives under WP2, and extend to cover Georgia and Armenia.
- Extend the EIT InfraBooster under WP2 to cover Türkiye.
- The activities under WP3 in support of Ukraine should be further strengthened and expanded.
- Ensure that any WP4 budgetary shortcomings in the EIT Community Officer network deployment are covered in order to implement the approach agreed during the EIT Forum of 8 November 2023.
- Establish an EIT Community RIS Hub in Bosnia and Herzegovina in 2025 under WP2.
- Roll-out initial Cross-KIC activities to be implemented by the first wave EIT Community RIS Hubs under WP2 in line with the areas identified in the EIT RIS Country-specific roadmaps.

The expected geographical scope should be extended to regions and countries eligible under the EIT RIS scheme. as well as other priority countries and regions, including all the Western Balkan economies, Moldova, Georgia and Armenia. In this context it is noted that Albania, Bosnia, Herzegovina and Israel [33] are expected to become EIT RIS eligible countries as from 2025.

Estimated additional budget for the topic: EUR 1.25-1.5 million, to be used primarily to:

- Enhance the EIT Post-Jumpstarter initiative and implement an IPA III-funded Western Balkans Cohort under the EIT Jumpstarter;
- Boost engagement with Ukraine, Moldova, the EU Outermost Regions, Georgia, Türkiye and Armenia;
- Strengthen the roll-out and implementation of the network of EIT Community RIS Hubs in line with the EIT RIS Hubs Minimum Standards and Guiding Principles and the EIT RIS Country-specific Roadmap;
- Continued participation of 1st wave KICs from 01 Jan 2025 upon condition of EIT MoC signature.

[33] Subject to final confirmation from the European Commission

10.1.4 EIT Community (Cross-KICs) Strategic Synergies 2023-2025 (Topic ID: HORIZON-EIT-2023-25-Cross-KIC-StrategicSynergies)

The expected outcome, objectives, scope and expected impact are described in the original invitation 2023-2025.

Additionally, the expected outcome / scope should be extended to include the following:

- Continuation of NEB activities for 2025.
- Additional impactful AI activities in relation with other EU / EC Initiatives, KICs current activities on the AI topic, and gender mainstreaming in AI.
- Increasing the scope of SUPERNOVAS activities, to effectively complement and support the EIT KICs gender mainstreaming efforts, with the aim to increase participation of women in KICs business creation & acceleration, innovation, and education programmes; and incorporate gender dimension into KICs programmes, and further develop the EIT Women Investors Network.
- Continued participation of 1st wave KICs upon condition of EIT MoC signature.

Estimated additional budget for the topic: EUR 1.5-2.0 million to be used mostly (but not exclusively) as described above.

10.1.5 EIT Community (Cross-KICs) Strategic Education 2023-2025 (Topic ID: HORIZON-EIT-2023-25-Cross-KIC-StrategicEducation)

The expected outcome, objectives, scope and expected impact are described in the original invitation 2023-2025.

Additionally, the expected outcome / scope should be extended to include the following:

- Strengthening gender mainstreaming, and further encouraging women's participation in STEM, in line with the annotation to the EIT HE MGA Annex 5, the EIT Gender Equality Policy and Action Plan, the new European Innovation Agenda and goals set in Action 13 of the European Digital Education Plan 2021-2027.
- Strengthening the contribution to the new European Innovation Agenda in 2025 under the EIT Deep Tech Talent Initiaitve, i.e. Call for Proposals 2025.
- Strengthening the targeted outreach activities and communications campaigns under the EIT Girls Go Circular.
- Increasing the overall budget and personnel under the EIT Alumni in line with the EIT Decision on EIT Alumni Governance Reform.
- Strengthening the promotion campaigns and expansion of the integrated services under the EIT Campus.
- Adjusting the budget allocation for continuation and completion of the EIT Innovation Internship Scheme.
- Continued participation of 1st wave KICs from 01 Jan 2025 upon condition of EIT MoC signature.

Estimated additional budget for the topic: EUR 2.0.-2.5 million, to be used mostly (but not exclusively) as described above.

10.1.6 EIT Community (Cross-KICs) Strategic Access to Finance 2023-2025 (Topic ID: HORIZON-EIT-2023-25-Cross-KIC-StrategicFinance)

The expected outcome, objectives, scope and expected impact are described in the original invitation 2023-2025.

Additionally, the expected outcome / scope should be extended to include the following:

- Addressing gender gaps in access to finance, in line with the European Innovation Agenda goals - identified as one of the key gender inequalities in innovation and entrepreneurship.
- Reinforced impactful collaboration activities with EIF and EIC in the area of Access to Finance for EIT supported startups / scaleups.
- Continued participation of 1st wave KICs from 01 Jan 2025 upon condition of EIT MoC signature.

Estimated additional budget for the topic: EUR 0.125-0.25 million to be used mostly (but not exclusively) as described above.

10.2 Eligible entities

The requirements for the eligible entities in the Cross-KIC activities are defined in the original invitation 2023-2025.

10.3 Award criteria for the additional funding allocation

The award criteria for the additional funding allocation are indicated in the original invitation 2023-2025.

11. Submission of request for amendments

The requests for amendments of the Grant Agreements must be submitted electronically using the Consortium requested amendment functionality of the eGrants tool via the EU Funding and Tenders portal[34].

Amendments requested by the consortium shall follow specific arrangements[35]. Amendments shall not call into question the original award of the grants.

As a recommendation, the page limit should be kept to a maximum of **50 pages** (Grant Agreement Annex 1 - Part B) in the case of amended Business Plans; and to a maximum of **45 pages** (Grant Agreement Annex 1 - Part B) in the case of Cross-KIC activities. All tables, figures, references and any other element shall be consistent with Grant Agreement Annex 1 – Part A.

[34] https://webgate.ec.europa.eu/funding-tenders-opportunities/display/IT/How+to+launch+an+amendment
[35] https://webgate.ec.europa.eu/funding-tenders-opportunities/display/OM/Amendments

The KICs and the Cross-KIC consortia may be asked for further clarification during the amendment process, if it is considered necessary by the EIT to complete the assessment (for example, on deliverables definitions, KPIs targets, cost-related information, etc.).

12. Data model and IT tools

The data model and IT tool as defined in the original invitation 2023-2025 and in the original invitation EIT CC 2024-2025.

13. Assessment process of the requests for amendment

The different steps and scope of the assessment process of the amendment requests of the Grant Agreements are summarised as follows.

Steps	Requests for amendment of the Business Plan Grant Agreements 2023-2025 / 2024-2025	Requests for amendment of the Cross-KIC Grant Agreements 2023-2025
Assessment by independent external experts and EIT	Yes	Yes
First requirement letter	Yes	Yes
GB Rapporteurs	Yes	-
GB Hearings	Yes	-
Additional funding allocation decision of the EIT Governing Board	Yes	Yes
GB recommendations and/or conditions	Yes	-
Second requirement letter	Optional	Optional

13.1 Assessment of the requests for amendment

The requests for amendment of the Grant Agreements (in particular the proposed additional activities) shall be assessed by **independent external experts** selected by the EIT and organised in panels. The assessment will be supported by EIT officers. The KICs shall not have direct or indirect contact with the external experts regarding the assessment process at any time, including during or after the assessment exercise. The information and the names of the experts shall remain confidential.

The assessment will be carried out and scored against the award criteria **at portfolio level,** based on the evidence presented in the previous chapters. To ensure quality of the amended Business Plan at portfolio level and Cross-KIC, the additional information submitted as part of the amendment will be assessed in

terms of **(a) Excellence**, **(b) Impact** and **(c) Quality and efficiency of the implementation**. Furthermore, regularity and legality and other elements relating to the applicable Grant Agreement amendment provisions are also verified.

The outcomes of the amended Business Plan and Cross-KIC agreement assessments are included in reports which contain the scores substantiated by due justifications. The outcome of this assessment leads to **formal EIT requirements,** which shall be met prior to the approval of the amended Grant Agreements, including the KIC Business Plan and Cross-KIC as a condition for the amendment of the original grant award and the Grant Agreement amendment signature.

Evidence: the complete requests for amendment of the Business Plans, Cross-KIC Annex 1 – Part A and Part B with its Annexes. The EIT and the experts may also consult other submitted documentation during the amendment request submissions, as described by the annotated templates and Horizon Europe Guidelines, or may browse publicly available sources to verify information provided by the KICs[36].

13.2 Multi-annual strategy assessment

The strategy and multi-annual progress assessment will be carried out by the **EIT Governing Board** with support from the appointed EIT GB Rapporteurs. It will focus on the **KIC development and achievements over the years from the strategic perspective**, i.e. how successful is the KIC in reaching the EIT's and KIC's strategic objectives. Part of this assessment will be also to verify that the strategic recommendations made by the EIT Governing Board in previous years have been addressed by the KICs and that monitoring recommendations are followed up. It will also include the performance of the KIC during the Hearings with the EIT Governing Board.

The assessment will be carried out by EIT GB Rapporteurs, designated by the EIT Governing Board, to oversee the assessment process and report back to the Board during the Hearings with the KICs.

The EIT GB Rapporteurs' main role will be to **meet the KICs in the particular wave in order to familiarise with the KICs' strategic and multi-annual development.** The EIT GB Rapporteurs will discuss the state-of-play of implementing the strategic recommendations with high-level representatives of the KIC (CEO, Chairperson or Members of the KIC Board). Any other topics of strategic importance identified during the year can also be discussed. The EIT GB Rapporteurs will conclude the visit with feedback to the KIC with respect to the key strengths and weaknesses and recommendations/ remaining challenges. The meeting will be documented in the form of main conclusions report. Based on the knowledge gained during the visit and the KIC's weaknesses identified, the EIT GB Rapporteurs will highlight the KIC's key challenges which will then be discussed at the Hearings with the KICs.

[36] https://eit.europa.eu/our-activities/opportunities/eit-launches-horizon-eit-2023-2025-kic-call

13.3 Hearings with the KICs

The Hearings with the KICs constitute an important part of the multi-annual strategy assessment, embracing also the whole financial allocation process. **The Hearings will be held in person** on the date shown in the indicative timeline in Chapter 4.

The main objective of the Hearing will be to conclude on the Multi-Annual Strategy criterion assessment and to issue strategic recommendations to the KICs. The Hearings will follow a strict structure, comprising of a short introduction and an in-depth Q&A session aiming to increase the level of interaction with the KICs, enabling a deep discussion and understanding of the KIC strategy. The sessions will focus on key strategic challenges in areas referred in Chapter 9.4 of this invitation.

Following the Hearings, the EIT Governing Board will take a decision on the final scores and decide on the additional maximum EIT financial contribution for each KIC. The EIT Governing Board will also issue recommendations to KICs on strategic elements to improve key areas in order to maximise the impact and deliver on the EIT's Strategic Innovation Agenda.

The exact modalities of the Hearings, in particular the scope and structure of the KIC interventions and the time allocated, will be communicated to the KICs in due time.

14. Approval of the amendments

The EIT Governing Board will take a decision on the level of the additional maximum EIT financial contribution for each KIC and Cross-KIC activities, in accordance with the timeline indicated in Chapter 2.

The EIT Director will communicate the amendment assessment results to the KICs and request the submission of the updated version of the GA Annex 1 – Part A and Part B based on:

(a) the EIT requirements for the GA Annex 1 revision, and
(b) the EIT Governing Board strategic recommendations.

Based on the level of compliance with the EIT requirements, further clarifications might be requested to the KICs in January 2025.

The formal requirements issued by the EIT – including the maximum EIT contribution – shall be met prior to the approval of the amendment requests as a condition for the additional grant award and the signature of the Grant Agreement amendments.

A clarification session is offered to each KIC and Cross-KIC consortia following each requirement letter.

The EIT Governing Board's additional allocation decision for 2025 will serve as the basis for the award of the additional for 2025 by the EIT Director and for the conclusion of the Grant Agreement amendments, provided that the updated versions, including the estimated budget:

- are in compliance with the requirements laid down in the original invitation, respective guidelines and this invitation;

- meet the requirement letter(s) issued by the EIT Director, including the decided maximum EIT additional financial contribution;
- are aligned with the Strategic Recommendations (if any) issued by the EIT Governing Board.

The Grant Agreements are inbuilt in the eGrants tool and amendments will be signed within the tool (not on paper).

15. Legal and financial provisions

15.1 Maximum grant amount, reimbursement of eligible costs

The main requirements regarding the **maximum grant, reimbursement of eligible costs** are defined in the original invitation and are complemented by the invitation for amendment no. 1 and this invitation for additional funding allocation in 2025.

15.2 Funding requirements in the EIT SIA 2021-2027 and funding rate in the GA

The **SIA funding requirements**, the **specific funding rates for EIT RIS, Cross-KIC and HEI activities**, the **Non EIT Funded activities (NEFA)**, and the **Single Reimbursement Rate (SRR) in the Grant Agreements** are defined in the original invitation.

15.3 Reporting and payment arrangements and deliverables

The general requirements regarding **reporting and payments**, as referred to in the original invitations and included in the latest signed GA shall continue to apply. Requirements related to the submission of **mandatory deliverables** are outlined in the latest guidelines for the BP2023-2025.

15.4 Financial support to third parties established in HE and in non-HE eligible countries

The specific requirements regarding **financial support to third parties established in HE eligible countries** and in **non-HE eligible countries** are outlined by the European Commission in the updated List of Participating Countries[37].

[37] https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/common/guidance/list-3rd-country-participation_horizon-euratom_en.pdf

15.5 Eligibility of direct and indirect costs

As stated in the original invitation, "direct costs" are specific costs directly linked to the performance of the action as described under eligible activities in the relevant chapters of this invitation and as presented in the work packages of the proposals, and which can therefore be directly booked to it. They are:

- either costs that have been caused in full by the activities of the action;
- or costs that have been caused in full by the activities of several actions (projects), the attribution of which to a single action can, and has been, directly measured (i.e., not attributed indirectly via an allocation key, a cost driver, or a proxy).

"Indirect costs" are costs that cannot be identified as specific costs directly linked to the performance of the action. In practice, they are costs whose link to the action cannot be (or has not been) measured directly, but only by means of cost drivers or a proxy (i.e. parameters that apportion the total indirect costs (overheads) among the different activities of the beneficiary).

For reasons of simplification, and notwithstanding the key importance for the operations of the KIC, the costs of top governance (Supervisory Board or equivalent) and KIC management (C-level staff) cannot be claimed as direct costs, even if top governance and C-level staff perform activities directly linked to the performance of the action.

15.6 Eligible costs for equipment, infrastructure, and other assets

The main requirements regarding the **eligible costs of equipment, infrastructure and other assets** are explained in the original invitation 2023-2025 and in the original invitation 2024-2025.

Clarification: The provisions regarding eligible costs for equipment, infrastructure, and other assets for direct costs for construction of a prototype or pilot plant[38] and for direct costs relevant to the set-up and

[38] Full purchase costs may be declared if they fulfill the cost eligibility conditions applicable to their respective cost categories and if all of the following applies:

- building the prototype or pilot plant is (one of) the main action task(s) as described in the KIC Business Plan (Annex 1 of the GA);
- the costs are foreseen in the estimated budget (Annex 2 of the GA);
- the eligibility conditions of Art. 6.1 and 6.2 GA are met.

If the beneficiary records the construction costs directly under a fixed assets account in the balance sheet rather than as expenses of the year, those costs will normally be considered as compliant with Art. 6.1(a)(v) GA provided that:

- it is in accordance with the national accounting standards and with the beneficiary's usual cost accounting practices;
- there is no double charging of costs (in particular, no charging of depreciation costs for the prototype or pilot plant to another EU or Euratom grant).

development of the KIC LE and CLCs[39] apply to KIC Business Plans GAs and do not apply to Cross-KIC and HEI Initiative GAs.

15.7 KIC's control strategy

As stated in the original invitation, and further to the sound management principles laid down in Article 7.1 of the EIT KIC Partnership Agreement, the KIC must have in place effective and reliable financial control and audit mechanisms to ensure that the recipients of financial support above EUR 60 000 are compliant with general and specific cost eligibility provisions of Article 6.

It is advised that the financial control and audit mechanisms include (non-exhaustive):

- Description of procedures and methodology for financial audits (e.g. criteria to identify recipients of financial support to be audited, and schedule of audits);
- Policy on avoiding double funding;
- Procedures for verification of recipients of financial support under exclusion criteria and their financial/operational capacity to implement the subgranted activity;
- Pre-financing policy, and insurance mechanism to cover the risk associated with non-recovery of sums due by the recipients and/or the possibility to use bank guarantees relating to pre-financing payments;
- Guidance on the applicable procurement requirements;
- Mandatory Horizon Europe training for recipients of financial support.

Further follow up and monitoring regarding the KIC's control strategies may take place in line with the annual Monitoring Plans of the EIT.

15.8 Publication of Business Plans on the KIC websites

In accordance with the guidelines of the invitations, Part B of the Business Plans should be published on the KIC websites. Therefore, during the amendment process, the KICs are invited to ensure that confidential pieces of information (e.g. information which constitute business interest, personal data) are not included in Part B and that there is no overlap with Part A.

[39] Full purchase costs may be declared if the following conditions are met:
- purchase costs are claimed by the KIC LE or CLCs for the activities identified in Annex 1;
- the relevant costs are claimed up to EUR 750 000 per year.

16. Processing of personal data

The reply to the present invitation involves the recording and processing of personal data (such as name, address and CV). Such data will be processed by the EIT pursuant to Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data[40]. Any personal data requested in accordance with the Call for Business Plans will be processed solely for that purpose by the EIT. The EIT privacy statement for the management of grants is available at: https://eit.europa.eu/data-protection

Personal data may be registered in the Early Detection and Exclusion System by the Commission, should the beneficiary be in one of the situations mentioned in Article 136 and 141 of the Financial Regulation 2018/1046 (for more information see the Privacy Statement on:

https://ec.europa.eu/info/data-protection-public-procurement-procedures_en.

[40] Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC

Annex 1: Key principles and concepts of the EIT KIC model

Besides the EIT Regulation and the EIT Strategic Innovation Agenda 2021-2027, the following reference documents and related working documents shall be applied:

Principle/concept	Reference documents	Link
Financing, monitoring and evaluation of KICs	Decision 14/2021 of the EIT Governing Board on the principles for financing, monitoring and evaluating KIC activities Articles 11-12 of the Partnership Agreement	https://eit.europa.eu/library/2021-1420210507-gbwpprinciples-finmonevalkics-activities-gbdml-eit
Financial sustainability principles	Decision 06/2022 of the EIT Governing Board on the principles on the financial sustainability of KICs	https://eit.europa.eu/library/gb-decision-062022-amendment-principles-financial-sustainability-knowledge-and-innovation
EIT Key Performance Indicators (EIT Impact Framework)	Decision 08/2022 of the EIT Governing Board on the EIT Key Performance Indicators	https://eit.europa.eu/library/gb-decision-082022-amendment-eit-key-performance-indicators-kpis-and-repealing-gb-decision
EIT RIS	EIT RIS Implementation Framework 2021-2027 EIT RIS Hubs Minimum Standards and Guiding Principles	https://eit.europa.eu/our-activities/eit-regional-innovation-scheme https://eit.europa.eu/library/ris-hubs-minimum-standards-and-guiding-principles
Innovation principles	Article 7.4.1 of the Partnership Agreement	https://eit.europa.eu/library/eit-kic-partnership-agreement-v10final14-03-2021

EIT Label Framework	Decision 11/2021 of the EIT Governing Board on the new EIT Label Framework EIT Decision 26/2021 on the adoption of the new EIT Label Handbook for degree programmes EIT Decision 62/2022 on the adoption of the EIT Label Handbook for the EIT Fellowships and the EIT Label Handbook for non-degree education and EIT competence certification model.	https://eit.europa.eu/library/2021-1120210317-gb66-11labelframework https://eit.europa.eu/sites/default/files/eit_label_handbook_degree_programmes_-_final.pdf https://eit.europa.eu/sites/default/files/eit_label_fellowship_handbook.pdf https://eit.europa.eu/sites/default/files/eit_label_nondegree_handbook.pdf
Good governance principles	Article 6.1 of the Partnership Agreement (PA)	https://eit.europa.eu/library/eit-kic-partnership-agreement-v10final14-03-2021
Sound portfolio management principles	Article 7.1 of the Partnership Agreement (PA)	https://eit.europa.eu/library/eit-kic-partnership-agreement-v10final14-03-2021
Openness and transparency	Article 7.2 of the Partnership Agreement (PA) Horizon Europe Model Grant Agreement, Annex 5	https://eit.europa.eu/library/eit-kic-partnership-agreement-v10final14-03-2021 https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/common/agr-contr/general-mga_horizon-euratom_en.pdf
Non EIT funded KAVA	Horizon Europe Model Grant Agreement, Annex 5	https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/common/agr-contr/general-mga_horizon-euratom_en.pdf

	Decision 06/2022 of the EIT Governing Board on the principles on the financial sustainability of KICs	https://eit.europa.eu/library/gb-decision-062022-amendment-principles-financial-sustainability-knowledge-and-innovation
Supervision framework	Decision 42/2021 on the supervision framework of Knowledge and Innovation Communities (KICs)	https://eit.europa.eu/library/gb-decision-422021-supervision-framework-knowledge-and-innovation-communities-kics

Annex 2: Revised guidelines (separate document)

Electronically signed on 06/06/2024 13:42 (UTC+02) in accordance with Article 11 of Commission Decision (EU) 2021/2121