Ref. Ares(2026)6380660 - 24/06/2026

European Institute of Innovation & Technology

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European Institute of Innovation and Technology

Invitation to submit the KIC Business Plan proposal 2027-2028 of EIT WATER

(Call HORIZON-EIT-2026-KIC-IBA-WATER)

Version 1.0
23 June 2026

HISTORY OF CHANGES			
Version	Publication Date	Change	Page
1.0	23.06.2026	Initial version	

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1. Introduction

This is an invitation to submit a proposal for an EU action grant under the Horizon Europe (HE) Framework Programme for Research and Innovation[1], European Institute of Innovation and Technology (EIT).

The EIT, as part of HE, is governed by a regulatory framework (i.e. EIT Regulation (recast)[2], EIT Strategic Innovation Agenda 2021-2027[3]) and a contractual framework (EIT Partnership Agreement (PA) and HE Model Grant Agreement (GA) in the 2021-2027 period.

This invitation covers the conditions for a **multiannual grant for the 2027-2028 Business Plan of EIT Water ('KIC').** While the proposal is expected to cover activities to be implemented in the 2027-2028 period, the fund will be stemming from the EIT Budget 2027.

This invitation does not cover any Cross-KIC and Higher Education Institutions (HEI) Initiative activities in the 2027-2028 period.

This invitation is launched and the EIT financial contribution to the KIC 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 29/2025 of the EIT Governing Board on the adoption of the Final Single Programming Document (2026-2028), Annex XI on Grants (EIT Work Programme 2026)[4], as amended in June 2026;
- Decision 06/2026 of the EIT Governing Board on the principles for the determination of the EIT financial allocation for 2027-2028 to the Business Plan 2028-2028 of the Knowledge and Innovation Community EIT Water[5];
- EIT Budget 2027[6].

The KIC shall submit its proposal in accordance with the conditions laid down in the present invitation and should be aligned with the Horizon Europe Guidelines and attached EIT guidelines as annotated proposal templates. The invitation takes precedence over the guidelines.

The KIC is invited to read the **call documentation** carefully, and in particular this invitation, the Horizon Europe Model Grant Agreement, the EU Funding & Tenders Portal Online Manual, the Horizon Europe Guidelines and the EU Grants AGA — Annotated Model Grant Agreement.

[1] 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) 1290/2013 and (EU) No 1291/2013 (OJ L 170, 12.5.2021, p. 1.)

[2] Regulation (EU) 2021/819 of the European Parliament and of the Council of 20 May 2021 on the European Institute of Innovation and Technology (recast) (OJ L 189, 28.5.2021, p. 61)

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

[4] Ares(2024)9134718

[5] Ares(2026)2918646

[6] To be adopted in December 2026.

These documents below provide clarifications and answers to questions that might arise when preparing the above-mentioned proposal:

- The **invitation** outlines:
    - The topic of the invitation
    - Available budget and timetable
    - Admissibility and documents
    - Eligibility criteria
    - Exclusion criteria
    - Financial and operational capacity criteria
    - Award criteria
    - Evaluation, funding allocation and award procedure
    - Legal and financial set-up of the Grant Agreement
    - How to submit an application
- The **Online Manual** outlines the:
    - Procedures to register and submit proposals online via the EU Funding & Tenders Portal (Portal)
    - Recommendations for the preparation of the application.
- The annexed **Guidelines and Templates** contain:
    - EIT annotated proposal template for the Business Plan
    - Precise guidance on what to include in the different sections of the application form
    - Horizon Europe reference documents, online manual, IT how to, Glossary
- The **AGA — Annotated Model Grant Agreement** contains:
    - Detailed annotations on all the provisions in the Grant Agreement that KICs will have to sign to obtain the grant *(including cost eligibility, payment schedule, accessory obligations, etc)*.
- The **EIT's annotation of the provisions of Annex 5 of the Horizon Europe Model Grant Agreement** (Annex 5 Annotation) contains:
    - Detailed guidelines regarding the provisions of HE MGA Annex 5 *(including the NEFAs, open calls, KIC partnership calls and direct awards)*.

2. Available budget

The indicative EIT budget available for the grant under this invitation is maximum EUR 70 million[7].

The allocation of the above fund must comply with the requirements of Chapter 5.1 of the EIT Strategic Innovation Agenda 2021-2027 by ensuring that the KIC Business Plan includes at least 10% and a maximum of 15% of the EIT budget dedicated to implementing EIT RIS activities, thereby increasing the number of KIC partners from targeted countries and regions.

Funding allocation process

As stipulated in the EIT Strategic Innovation Agenda 2021-2027, the funding allocation criteria are **performance-based**.

The EIT Governing Board (GB) will take the **multiannual funding allocation decision** for the 2027-2028 period for the EIT Water KIC Fund, based on the assessment of the criteria laid down in Decision 06/2026 of the EIT Governing Board and a prudent multiannual planning.

3. Timetable and deadlines

The indicative timeline of the submission and evaluation procedure is as follows:

Key dates	Date and time or indicative period
Launch of the Invitation for the 2027-2028 Business Plans	24 June 2026
Opening date for accessing the submission platform	30 June 2026
Deadline for submission of the 2026-2028 Business Plan proposal	**24 September 2026**
Evaluation period	25 September – 26 October 2026
Hearing with the EIT Governing Board for the grant allocation 2027-28	17-18 November 2026
Funding allocation letter sent to the KIC, including conditions and strategic recommendations (if any)	25 November 2026
KIC to submit final Business Plan 2027-2028	15 December 2026
Grant award decision by EIT Director	31 January 2027
Signature of the Grant Agreement for 2027-2028 KIC Business Plan	End of February 2027
First pre-financing payments	Within 30 days following the signature of the GA

[7] See Article 2 of Decision 06/2026 of the EIT Governing Board on the principles for the determination of the EIT financial allocation for 2027-2028 to the Business Plan 2028-2028 of the Knowledge and Innovation Community EIT Water (ref. Ares(2026)2918646)

4. Admissibility and documents

The proposal must be submitted no later than the deadline for submission indicated in Chapter 3.

The proposal must be submitted electronically via the Funding & Tenders portal through a dedicated link provided by EIT.

The submission shall comply with the respective Guidelines and the templates and standards available on the Portal. Failure to comply with this requirement may lead to the rejection of the proposal.

The proposal must be drafted in English.

5. Eligibility criteria

5.1 Entities eligible for funding, restrictions

As laid down in the EIT's 2026 Work Programme, Article 198(c) of the EU Financial Regulation authorises the award of grants without a call for proposals to a body with a de jure or de facto monopoly, which is the case for the EIT KICs. Accordingly, **this invitation is addressed to EIT Water.**

In accordance with the Horizon Europe Work Programme 2026-2027[8] and the EIT Final Single Programming Document 2026-2028, in order to be eligible for funding, the **applicant KIC must be established in one of the eligible countries**, i.e.:

- the Member States of the European Union, including their outermost regions;
- the Overseas Countries and Territories (OCTs) linked to the Member States[9];
- countries associated to Horizon Europe[10];
- certain low- and middle-income countries[11].

Legal entities, which are established in countries not listed above will be eligible for funding if their participation is considered essential for implementing the action by the EIT.

[8] Horizon Europe Work Programme 2026-2027, General Annex: https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/horizon/wp-call/2026-2027/wp-15-general-annexes_horizon-2026-2027_en.pdf

[9] Entities from Overseas Countries and Territories (OCT) are eligible for funding under the same conditions as entities from the Member States to which the OCT in question is linked. See the Horizon Europe Programme Guide on the portal for a complete list of OCTs.

[10] Please see the Horizon Europe Programme Guide on the Funding and Tenders Portal for up-to-date information on the current list of and the position for Associated Countries: https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/horizon/guidance/programme-guide_horizon_en.pdf

[11] See the Horizon Europe Programme Guide on the Funding and Tenders Portal for a complete list of these countries.

For third parties receiving financial support, please see Chapter 13.

Business Plan proposal

A Business Plan proposal shall be submitted by the KIC LE on behalf of the KIC partnership. The KIC LE will become a beneficiary and signatory of the Grant Agreement. Entities associated to the KIC LE, if any (e.g. Co-Location Centres (CLCs), etc.) shall become **affiliated entities to the KIC LE.** Other entities (both KIC partners and non-KIC partners) can be recipients of financial support to third parties.

Restrictions

As indicated in the Horizon Europe Work Programme 2026-2027 (unless there is any change in the legal framework):

- **EU restrictive measures:** Entities subject to EU restrictive measures under Article 29 of the Treaty on the European Union (TEU) and Article 215 of the Treaty on the Functioning of the EU (TFEU)[12] as well as Article 75 TFEU[13], are not eligible to participate in any capacity, including as beneficiaries, affiliated entities, associated partners, third parties giving in-kind contributions, subcontractors or recipients of financial support to third parties (if any).
- **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 non-government 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.

  With specific regard to measures addressed to Russia, following the adoption of the Council Regulation (EU) 2024/1745 of 24 June 2024[14] (amending Council Regulation (EU) No 833/2014 of 31 July 2014) concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine, legal entities established outside Russia but whose proprietary rights are directly or indirectly owned for more than 50% by a legal person, entity or body established in Russia are also not eligible to participate in any capacity.
- **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

[12] Please note that the EU Official Journal contains the official list and, in case of conflict, its content prevails over that of the EU Sanctions Map.

[13] Please note that the EU Official Journal contains the official list and, in case of conflict, its content prevails over that of the EU Sanctions Map.

[14] OJ L 229, 31.7.2014, p. 1–11.

apply to calls for proposals and can participate without receiving EU funding, as associated partners, if allowed by the call conditions. 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 case of multi-beneficiary grant calls, applicants will be invited to remove or replace that entity in any funded role and/or to change its status into associated partner. Tasks and budget may be redistributed accordingly.

- Restrictions for the protection of European communication networks: The protection of European communication networks has been identified as an important security interest of the Union and its Member States.[15] In line with the Commission Recommendation on the cybersecurity of 5G networks of 2019[16] and the subsequent report on EU coordinated risk assessment of the cybersecurity of 5G networks of 2019,[17] the EU Toolbox on 5G cybersecurity,[18] the second report on Member States' progress in implementing the EU toolbox on 5G cybersecurity of 2023,[19] and the related Communication on the implementation of the 5G cybersecurity toolbox of 2023,[20] the Commission together with the Member States has worked to jointly identify and assess cyberthreats and security risks for 5G networks.[21] 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[22] and the related Communication on the implementation of the 5G cybersecurity toolbox of 2023[23].

  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,

[15] 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.
[16] Commission Recommendation (EU) 2019/534 of 26 March 2019 Cybersecurity of 5G networks, L 88/42.
[17] NIS Cooperation Group, Report on EU coordinated risk assessment of the cybersecurity of 5G networks, 9 October 2019.
[18] NIS Cooperation Group, EU Toolbox on 5G Cybersecurity, 29 January 2020
[19] NIS Cooperation Group, Second report on Member States' progress in implementing the EU Toolbox on 5G Cybersecurity, June 2023.
[20] Communication from the Commission: Implementation of the 5G cybersecurity Toolbox, Brussels, 15.6.2023 C(2023) 4049 final.
[21] Within the NIS framework NIS 1 + 2 [Directive - 2022/2555 - EN - EUR-Lex (europa.eu)]
[22] NIS Cooperation Group, Second report on Member States' progress in implementing the EU Toolbox on 5G Cybersecurity, June 2023.
[23] Communication from the Commission: Implementation of the 5G cybersecurity Toolbox, Brussels, 15.6.2023 C(2023) 4049 final.

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[24] 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);
  - 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 restrictions shall apply to financial support to third parties as well.

5.1 Eligible activities

In line with Article 7(1) of the EIT Regulation, the KIC will undertake in particular:

(a) innovation activities and investments with Union added value, including facilitating the creation of innovative start-ups and the development of innovative businesses in complementarity with the EIC and the InvestEU Programme, fully integrating the higher education and research dimensions to attain a critical mass and stimulating the dissemination and exploitation of results;

[24] Doctorial Networks, Postdoctoral Fellowships, Staff Exchanges, Cofund.

(b) innovation-driven research, experimentation, prototyping and demonstration in areas of key economic, environmental and societal interest and drawing on the results stemming from Union and national research, with the potential to strengthen the Union's competitiveness at international level and find solutions for the major challenges faced by European society, including those relating to health and the digital market;

(c) education and training activities in particular at master's and doctoral level, as well as professional training courses, in areas with the potential to meet future European socio-economic and socio-ecological needs and which expand the Union's talent base, promote the development of innovation-related skills, the improvement of managerial and entrepreneurial skills and the mobility of researchers and students, and foster knowledge-sharing, mentoring and networking among the recipients of EIT education and training activities, including those that are EIT-labelled;

(d) actions as part of the pilot higher education initiative to better integrate HEIs in innovation value chains and ecosystems and bring them together with other key innovation players from the knowledge triangle and thereby improve their innovation and entrepreneurial capacity – not applicable for this invitation;

(e) outreach activities and the dissemination of best practices in the field of innovation with a focus on the development of cooperation between higher education, research and business, including the service and financial sectors, and, where relevant, public and third sector organisations;

(f) RIS activities, fully integrated in the KICs' multiannual strategy and linked to the relevant smart specialisation strategies, in order to strengthen innovation capacity and to develop sustainable innovation ecosystems with a view to decreasing the disparities and divide in innovation performance across the Union;

(g) to seek synergies and complementarities between KIC activities and existing Union, national and regional programmes, in particular the EIC, other European Partnerships and missions of Horizon Europe, as appropriate;

(h) to mobilise funds from public and private sources, in particular seeking to raise an increasing proportion of their budget from private sources and from income generated by their own activities;

(i) to provide, on request, information on research and innovation outputs and results, and related intellectual rights, developed pursuant to the activities of the KICs, and on the relevant inventors.

Moreover, the proposal shall cover activities according to the provisions of Chapter 8 (8.1 and 8.2) and shall be in line with the EIT principles and concepts, as listed and referenced in Annex 1.

- Financing, monitoring and evaluation of KICs
- Financial sustainability principles
- EIT Key Performance Indicators (EIT Impact Framework)
- EIT RIS
- Innovation principles
- EIT Label Framework

- Good governance principles
- Sound portfolio management principles
- Openness and transparency
- Non EIT funded KAVAs
- Principles of Cooperation EU & Public Affairs

Furthermore, the proposal shall be aligned with the EIT Regulation, the EIT Strategic Innovation Agenda 2021-2027, the EIT Single Programming Document 2026-2028, and the KIC Strategic Agenda (Annex 1 of the Partnership Agreement – to be signed in Q4 2026/Q1 2027).

The activities described in the proposal shall be implemented in the 2027-2028 period through the awarded grant.

Ethics

The proposal must comply with ethical principles (including the highest standards of research integrity) and applicable EU, international and national law. Applicants must have completed the ethics self-assessment as part of their application[25].

A proposal involving ethics issues will have to undergo an ethics review to authorise funding and may be made subject to specific ethics requirements. These requirements become part of the Grant Agreement as ethics deliverables, e.g. ethics committee opinions/authorisations required under national or EU law.

6. Exclusion criteria

Applicants which are subject to an **EU exclusion decision** or in one of the following **exclusion situations** that bar them from receiving EU funding can NOT participate[26]:

- bankruptcy, winding up, affairs administered by the courts, arrangement with creditors, suspended business activities or other similar procedures (including procedures for persons with unlimited liability for the applicant's debts)
- in breach of social security or tax obligations (including if done by persons with unlimited liability for the applicant's debts)
- guilty of grave professional misconduct[27] (including if done by persons having powers of representation, decision-making or control, beneficial owners or persons who are essential for the award/implementation of the grant

[25] See How to complete your ethics self-assessment.
[26] See Articles 138 and 143 of EU Financial Regulation 2024/2509.
[27] 'Professional misconduct' includes, in particular, the following: violation of ethical standards of the profession; wrongful conduct with impact on professional credibility; breach of generally accepted professional ethical

- committed fraud, corruption, links to a criminal organisation, money laundering, terrorism-related crimes (including terrorism financing), child labour or human trafficking (including if done by persons having powers of representation, decision-making or control, beneficial owners or persons who are essential for the award/implementation of the grant)
- shown significant deficiencies in complying with main obligations under an EU procurement contract, grant agreement, prize, expert contract, or similar (including if done by persons having powers of representation, decision-making or control, beneficial owners or persons who are essential for the award/implementation of the grant)
- guilty of irregularities within the meaning of Article 1(2) of EU Regulation 2988/95 (including if done by persons having powers of representation, decision-making or control, beneficial owners or persons who are essential for the award/implementation of the grant)
- created under a different jurisdiction with the intent to circumvent fiscal, social or other legal obligations in the country of origin or created another entity with this purpose (including if done by persons having powers of representation, decision-making or control, beneficial owners or persons who are essential for the award/implementation of the grant)
- intentionally and without proper justification resisted[28] an investigation, check or audit carried out by an EU authorising officer (or their representative or auditor), OLAF, the EPPO, or the European Court of Auditors.

Applicants will also be rejected if it turns out that[29]:

- during the award procedure they misrepresented information required as a condition for participating or failed to supply that information
- they were previously involved in the preparation of the invitation and this entails a distortion of competition that cannot be remedied otherwise (conflict of interest).

Evidence:

Entities acceding the Grant Agreement shall provide a **Declaration of Honour** (DoH) at the time of the Grant Agreement signature or the accession request, except when such declarations have already been submitted for the purposes of another award procedure, provided that the situation has not changed, and that the time that has elapsed since the issuing date of the declarations does not exceed one year[30].

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standards; false declarations/misrepresentation of information; participation in a cartel or other agreement distorting competition; violation of IPR; attempting to influence decision-making processes by taking advantage, through misrepresentation, of a conflict of interests, or to obtain confidential information from public authorities to gain an advantage; incitement to discrimination, hatred or violence or similar activities contrary to the EU values where negatively affecting or risking to affect the performance of a legal commitment.

[28] 'Resisting an investigation, check or audit' means carrying out actions with the goal or effect of preventing, hindering or delaying the conduct of any of the activities needed to perform the investigation, check or audit, such as refusing to grant the necessary access to its premises or any other areas used for business purposes, concealing or refusing to disclose information or providing false information.

[29] See Article 143 EU Financial Regulation 2024/2509.

[30] Article 139(1) of the EU Financial Regulation

In case of doubts, the granting authority may request a DoH during the evaluation procedure.

Before the time of the signature of the Grant Agreement, the EIT will request **appropriate evidence that the participating entity is not in one of the exclusion situations referred to in Article 138(1) of the EU Financial Regulation:** e.g. a recent extract from the judicial record for the KIC CEO and recent certificates issued by the competent authority/ies of the country of establishment of the KIC Legal Entity (KIC LE) (e.g. certificate from the registry in which the KIC LE is registered, tax certificate, social security certificate)[31]. The EIT Director may waive this obligation in the cases indicated in Article 139(4) of the EU Financial Regulation.

7. Financial and operational capacity

Financial capacity

In accordance with Article 27 of the Horizon Europe Regulation, the financial capacity shall be verified for the coordinator if the requested funding is equal or greater than EUR 500 000. If there are grounds to doubt the financial capacity of an applicant, the EIT shall also verify the financial capacity of the applicant, or of the coordinator even where the requested funding is below the threshold referred to above.

By submitting the proposal, the KIC confirms that it has stable and sufficient financial resources to successfully implement the proposal.

If the KIC is participating in several Grant Agreements, it must have sufficient financial capacity to implement them in parallel.

At the proposal submission stage, the coordinator will be asked to confirm that the organisation has carried out a self-check of the financial capacity of the organisation through the **financial self-check tool**[32] or has been covered by a financial viability check for an EU project for the last closed financial year.

If, after the financial capacity check, a coordinator's/applicant's financial capacity is considered not satisfactory, further information may be required and further measure(s) may be applied:

- an enhanced financial responsibility regime, i.e. joint and several responsibility for all beneficiaries or joint and several liability of affiliated entities;
- the financial capacity of the applicant may be structurally guaranteed by another legal entity/ies;
- prefinancing paid in instalments;
- the granting authority may propose no prefinancing;
- the activities may be subject to additional monitoring and reporting based on an action plan;
- the granting authority may request that the applicant is replaced or, if needed, reject the entire proposal.

[31] Article 139(3) of the EU Financial Regulation

[32] https://ec.europa.eu/research/participants/lfv/lfvSimulation.do

Evidence:

The financial capacity check will be carried out on the basis of the documents the applicant must upload in the Participant Register *(e.g. profit and loss account and balance sheet, business plan, audit report produced by an approved external auditor, certifying the accounts for the last closed financial year, etc)*. The analysis will be based on neutral financial indicators, but will also take into account other aspects, such as dependency on EU funding and deficit and revenue in previous years, etc. If needed, it may also be done for affiliated entities.

Operational capacity

By submitting the proposal, the KIC confirms that it has the experience, know-how, qualifications and operational resources (human, technical and other) to successfully implement the proposal.

If the KIC is participating in several Grant Agreements, it must have sufficient operational capacity to implement them in parallel.

If, in case of doubt, it is necessary to confirm the operational capacity of any applicant, the granting authority may request supporting documents, such as:

- information on the staffing situation of the applicant;
- profiles (qualifications and experiences) of the staff responsible for managing and implementing the activities,
- description of the participants in the Grant Agreement;
- activity reports of last year(s);
- information and list of other projects implemented.

8. KIC Business Plan 2027-2028

8.1 General requirements

The KIC Business Plan shall be aligned and comply with the provisions under the **eligible activities section of Chapter 5.** Therefore, the description of the strategic approach for the work plan implementation shall be aligned accordingly.

The results of the Business Plan 2027-2028 should contribute to the expected outcomes set out in the **EIT Water Strategic Agenda 2027-2033** over the medium term, and to the wider expected impacts and respective targets over the longer term.

The KIC's objectives shall be relevant and appropriate for the 2027-2028 implementation of their multiannual strategy, demonstrating their **excellence** (including objectives and ambition; methodology; financial sustainability), **impact** (including KIC's pathways towards impact; measures to maximise impact - dissemination, exploitation and communication) and **quality and efficiency of the implementation**

(including work plan and resources at portfolio level; capacity of participants and KIC Partnership as a whole).

The Business Plans shall address the **societal challenges** and **KTI** targets, contributing to achieving the future high-level results and impacts included in the EIT Impact Framework.

Furthermore, the Business Plan shall address the European Commission's Competitiveness Compass package, including the Union of Skills, the EU Startup and Scaleup Strategy, as well as the AI Continent Action Plan, by identifying and describing the activities that will fall under these and related initiatives such a Choose Europe, while addressing thematically relevant future measures to be launched during the period 2027-2028. relevant future measures to be launched during the period 2027-2028.

Specific attention shall be paid when outlining the KIC objectives/priorities in the Business Plan, by describing its objectives using SMART criteria (specific, measurable, attainable, relevant and time-bound) and outlining why are they pertinent to the KIC Strategic Agenda.

Consequently, the Business Plan should show how the KIC could contribute to the outcomes and impacts described in the KIC Strategic Agenda 2027-2033 and the KPIs in the EIT Impact Framework following the specific EIT Impact Pathways, the likely scale and significance of this contribution, and the measures to maximise these impacts in the context of Horizon Europe. Each activity addressing the education, innovation, business creation and RIS pillars financed through the Business Plan should contribute to at least one core EIT KPI.

A large part of the KIC's activities shall be implemented by third parties through the category Financial Support to Third Parties (FSTP). The KIC is expected to define and outline the activities meant to achieve the KIC Strategic Agenda objectives, **aiming to ensure 70% of the EIT grant dedicated to FSTP**. When engaging third parties through FTSP, the KIC shall comply with the **provisions of Annex 5** in terms of procedures and processes as well as submission of mandatory evidence.

The KIC is required to implement gender mainstreaming in all activities, and incorporate the gender dimension in the expected outcomes, objectives, scope and impact of the proposed activities, in accordance with the EIT Gender Equality Policy and Action Plan 2025-2027 and the EIT Specific Provisions of HE MGA Annex 5. The KIC shall ensure the **development/revision 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 programmes, and in men-dominated education programmes, STEM[33]; 2) integrate the gender dimension into research & innovation, and education content and ensure inclusive programme design; 3) achieve gender balance within the KIC, and at all levels of personnel assigned to the sub-granted actions, including at supervisory and managerial level. In line with the EIT GEP 2025, integration of the gender dimension into KIC Calls shall be obligatory, award criterion, unless specified otherwise in the topic description. The KIC shall ensure reaching the

[33] In line with the STEM Strategic Education Plan (COM(2025) 89 final), the scope broadly covers the fields of education 'Natural sciences, mathematics and statistics (05)'; 'Information and Communication Technologies (06)' and 'Engineering, manufacturing and construction' (07)' of the International Standard Classification of Education (ISCED), as well as related interdisciplinary fields and studies

objectives and targets set by the EIT Gender Equality Action Plan 2025-2027. Annual Gender Mainstreaming Report deliverable shall be provided.

The Business Plan shall be elaborated by taking into consideration the expected actions meant to strengthen the KTI and the RIS applicability.

While designing the thematic portfolios, the KIC is encouraged to consider addressing water-related activities in the manufacturing sector as well.

The proposed estimated budget of the KIC Business Plan proposal outlined in Chapter 2 is an indicative figure. The exact amount will result from the scores received under the award criteria. Accordingly, the final amount might be significantly different.

Artificial Intelligence (AI) is rapidly becoming a foundational technology for Europe's future competitiveness and resilience, as well as a key enabler of the EU's green and digital transitions. Rooted in European values, AI is playing a critical role in addressing societal and economic challenges, including those tackled by the KICs. The EIT has already taken important steps in this domain by supporting AI-related activities across its KICs and establishing a dedicated EIT Community on AI to foster Cross-KIC collaboration. To scale its leadership in responsible and competitive AI, **the KIC shall aim to allocate 5 MEUR** to an impactful AI flagship initiative to address a major structural gap in the EU innovation landscape - namely, the absence of agile, AI-specific support mechanisms that integrate business creation, innovation, and education/skills development. This investment will enable a coordinated, high-impact effort across the EIT Community and lay the foundation for the EIT model to create further impact in the area of AI and Robotics.

Education

The KIC is expected to demonstrate an increased ambition in delivering impactful results focussing on the EIT Label programmes (e.g. more startups created, etc.) and alignment with the EU priorities and strategies (Union of Skills, STEM Education Strategic Plan), **addressing Europe's skills gaps and boosting its competitiveness** and in particular promoting broad-based entrepreneurial education and skills development, lifelong learning, and skills portability to create a flexible and adaptable workforce.

In general terms, the KIC shall **strengthen its financial sustainability prospects in education**, with concrete business models and plans behind, while also ensuring a better integration of the education portfolio under the EIT Campus. Every education programme supported through EIT funding must have in place clear market and need analysis. The KIC is invited to include only activities that can demonstrate that they are clearly and evidently on course of becoming financially sustainable.

The KIC's education activities shall aim to deliver on the following objectives.

- **Developing a highly skilled workforce**: equipping the learners in KIC specific thematic areas with the skills and entrepreneurial mindset needed to drive innovation in strategic sectors. This includes a strong emphasis on STEM skills and digital literacy, increasing participation of women in STEM, and integrating the gender dimension into education content, directly addressing the Competitiveness Compass's emphasis on innovation-led productivity growth.

- **Fostering innovation and entrepreneurship**: the KIC's educational programmes shall go beyond technical skills, cultivating creativity, problem-solving and entrepreneurial capabilities. By connecting learners with industry partners and supporting start-up development, the EIT significantly accelerates the translation of research into market-ready products and services.
- **Strategic collaboration**: the impact of the KIC's activities shall be amplified through close collaboration and synergies with other European instruments and national programmes, creating a robust and interconnected innovation ecosystem across Europe.

Innovation

The KIC is expected to implement **ambitious and well-structured innovation portfolios** that generate **measurable impact** in tackling key societal challenges within their respective thematic areas while addressing EU strategic priorities, including the package of relevant measures under the EU's Competitiveness Compass, as well as the AI Continent Action Plan. These portfolios should complement existing EU programmes and initiatives, offer a **clear value-added proposition** and result in the development and market deployment of **high-potential products and services**, underpinned by **solid Intellectual Property (IP) strategies**. Innovation activities must explicitly comply with **EIT Innovation Principles**, including mechanisms for post-funding monitoring, and should significantly contribute to both **KIC-specific and EIT core Key Performance Indicators (KPIs).**

A **balanced mix of incremental and breakthrough innovations** is encouraged, ensuring a diverse and impactful innovation portfolio. Innovations supported by the EIT should be close to the market and lead to effective commercialising, the creation of IP and commercialising via start-ups or other participants in the activities. **Strong integration with business creation and education activities** is essential, fostering synergies across the Knowledge Triangle. In line with its Strategic Agenda, the KIC must also ensure **the financial sustainability of its innovation activities** through robust business models and clear revenue-generation plans - such as Return on Investment (ROI) and equity stakes in supported ventures. The KIC should take on board lessons learnt and make adjustments to its previous innovation activities, where these have not been sufficiently successful. Integration of the gender dimension into innovation content shall be treated as obligatory, unless specified otherwise in the topic description. The proposal must demonstrate a **clear strategy for scaling innovation outcomes** across national, European and global markets, maximising the long-term impact of EIT investments and ensuring that successful innovation create a return for the KIC.

Business Creation

The KIC is expected to implement **ambitious and well-structured Business Creation portfolios** that generate **measurable impact** in tackling key societal challenges within its respective thematic areas while contributing to the EU strategic priorities, in line also with the EC Startup & Scaleup Strategy. These portfolios of Business Creation activities should include growth support activities of new and existing innovative startups at European level, with a special focus on supporting women-led start-ups, and should significantly contribute to both **KIC-specific and EIT core Key Performance Indicators (KPIs) and KICs Financial Sustainability**, in line with the KIC's Strategic Agenda.

The Business Creation portfolio should also include **concrete actions to improve** private sector involvement **(particularly SMEs and start-ups) and** investors **in the KIC's knowledge triangle activities in Education and Innovation, as well as deliver on** synergies **with the relevant EC services (GROW-EEN, RTD-EIC-EISMEA, DEFIS-EUSPA, CONNECT, etc.) and EIB-EIF where relevant.**

Regional Innovation Scheme (RIS)

In line with the EIT Strategic Innovation Agenda (SIA) 2021-2027, **10-15% of the EIT grant shall be earmarked to the EIT RIS on a multiannual basis. The KIC is strongly encouraged to propose the ambitious target of 15% of EIT grant dedicated to EIT RIS activities.** (Although, in the EIT RIS Implementation Framework, for the 2026-2027 period on average, not less than 13% is set, still the KIC is strongly encouraged to strive for 15%.)

As EIT Water is a new KIC, its participation in the **EIT Regional Innovation Booster pilot** is not mandatory under this Invitation. Still, the KIC voluntarily can include such activities in their Business Plan proposal.

The KIC should ensure that partners and participants established in EIT RIS eligible countries and territories[34] increasingly participate in KIC portfolio of activities moving towards the objective to integrate EIT RIS participants into the portfolio. The EIT expects that by implementing the EIT RIS and by integrating additional EIT RIS organisations, the KIC will realise the ambitious EIT RIS related EIT Core KPIs at portfolio level, as well as ensure better geographical diversity of their activities.

KIC activities supported through the EIT RIS shall aim to deliver on the following objectives:

- Improve the innovation capacities of the local ecosystem, via capacity building activities and closer interactions between the local KT innovation actors (such as, clusters, networks, regional public authorities, HEIs, research organisations, Vocational Education and Training (VET) institutions, SMEs) and their activities;
- Support the objective of attracting and facilitating the integration of potential new partners in the KICs and link local innovation ecosystems to pan-European innovation ecosystems, including through the establishment of CLCs and RIS Hubs, as part of a "place-based" innovation approach;
- Used as a bridge towards relevant RIS3s (Research and Innovation Smart Specialisation Strategies);
- Leverage additional private and public funding, with particular attention to European Structural and Investment Funds (ESIF).

[34] In line with the EIT RIS eligible criteria from 2025, the following countries and territories are eligible for the EIT RIS: EU Member States: Bulgaria, Croatia, Cyprus, Czechia, Estonia, Greece, Hungary, Italy, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Slovakia, Slovenia, Spain. Horizon Europe Associated Countries: Montenegro, North Macedonia, Serbia, Turkey, Ukraine, Albania, Bosnia and Herzegovina, and Israel. Outermost Regions: Guadeloupe, French Guiana, Réunion, Martinique, Mayotte and Saint-Martin (France), the Azores and Madeira (Portugal), and the Canary Islands (Spain).

In this context, the KIC is strongly expected to engage with local players from EIT RIS countries and territories, most especially in those geographical areas where their engagement remains limited[35], with the aim of attracting and facilitating their participation in its activities.

Whilst having to adhere to the EIT RIS Implementation Framework, the KIC has a certain degree of flexibility in designing its own EIT RIS activities, provided the activities contribute towards achieving the EIT's overarching objectives as defined in Annexes I and Ia to the Regulation establishing Horizon Europe, as well as the specific objectives of the EIT for the period of 2021-2027, including the EIT Gender Equality Action Plan 2025-2027, as outlined in the EIT SIA. Namely, the KIC is free to design the best-fitting approach in line with their multi-annual strategies and priorities to deliver the desired tangible deliverables and impact, especially in terms of widening participation in the KICs. In designing these activities, the EIT KIC must demonstrate how these will contribute to the EIT / EIT RIS KPIs outlined in the EIT Impact Framework.

The KIC may choose to use its annual EIT RIS dedicated budget allocation to finance EIT RIS activities, as described in the EIT RIS Implementation Framework, co-funded up to 100%, in line with its strategy and priorities to deliver tangible deliverables including widening participation in the KIC from EIT RIS countries and regions. In this context, the EIT RIS should also be mainstreamed within the KIC's core activities (that is participation in innovation, business creation and education actions) and used to exempt EIT RIS participants from co-funding rates and membership fees, thereby facilitating and attracting a high-level of participation to the EIT Community and boosting its pan-European spread. The KIC needs to pre-fix the co-funding rate already at the call stage.

However, the use of 100% co-funding should be clearly used in exceptional cases. Instead, to the greatest extent possible, while ensuring a balanced approach that does not create barriers to work with EIT RIS countries and regions, EIT RIS activities should aim at attracting co-funding and, over time, demonstrate the ability that activities achieve the objective of becoming financially sustainable.

It is pertinent to note that beyond the 15% maximum budget dedicated to the EIT RIS, entities and partners from EIT RIS countries and territories will still be fully involved in all activities in line with the co-funding rates delineated in the EIT SIA. Yet, the up to 100% funded activities is limited to the EIT RIS allocations which will be capped at a maximum 15% of the overall EIT funding for existing and new KICs. The EIT GB will regularly monitor and evaluate the EIT RIS funding and may issue strategic guidance as appropriate.

8.2 Award criteria

The EIT Governing Board will decide on the maximum funding for the KIC, which will be calculated on a set of criteria, taking into account the performance of KIC and the quality of the Business Plan:

[35] In line with Chapter 4.3 of the EIT RIS Implementation Framework, each EIT KIC is expected to annually undertake an assessment of the countries and territories eligible for the EIT RIS to identify those having a particularly low innovation capacity and / or where engagement remains limited in terms of participation in their KICs' activities and / or on-the-ground representation.

The KIC's performance and Business Plan will be assessed against the following criteria:

Criteria	Maximum score	Type	Evidence
1. Progress made in the start-up year in implementing the multiannual strategy as set out in the original proposal and the start-up plan	50	Qualitative, progress in 2026 based on monitoring	EIT GB Rapporteur visit, EIT GB Hearing
2. Business Plan proposal (2027-2028)	50	Qualitative, assessed by external experts	Business Plan 2027-2028

The total score received by the KIC will be converted to EIT funding on a linear scale from 40 to 70 MEUR. If the KIC reaches the **pass mark of 50 points out of 100**, it will receive 40 MEUR. For every additional point scored, it will be allocated 0.6 MEUR (e.g. 60 points will convert to 46 MEUR, 75 points to 55 MEUR and 100 points to 70 MEUR).

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

8.2.1 Progress in implementing the multiannual strategy (related to Criterion 1)

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

- As part of developing the KIC's Strategic Agenda
  - Consistency with the strategic objectives and priorities of the European Union, in particular Horizon Europe and the KIC's contribution to achieving these goals;
  - Consistency with the EIT innovation model and contribution to the EIT's objectives and KPI targets;
  - Establishing governance arrangements compliant with the EIT's good governance principles.
- Progress made in the start-up year in developing the innovation ecosystem including knowledge triangle integration and RIS, i.e. openness and geographic, thematic, and institutional composition of the innovation eco-system, involvement of entities from RIS countries and regions, level of knowledge triangle integration in activities
  - Financial sustainability approach and outlook, i.e. soundness of the KIC financial sustainability strategy, robust revenue projections for the coming years, revenue diversity outlook

A key element of the assessment is the visit of EIT GB Rapporteurs in order to familiarise with the KIC's strategic and multi-annual development. The final score however will be determined by the EIT Governing Board after the Hearing.

The following indicative scale will be used (maximum 50 points):

- 0-8: KIC fails to demonstrate sufficient strategic focus, insufficiently addressing the key aspects.
- 9-16: Poor – KIC addresses the relevant aspects inadequately or there are serious inherent weaknesses
- 17-25: Fair – KIC broadly addresses the relevant aspects, but there are significant weaknesses
- 26-34: Good – KIC addresses the relevant aspects well, but a number of shortcomings are present
- 35-42: Very good – KIC addresses all relevant aspects very well, but small number of shortcomings are present
- 43-50: Excellent – KIC successfully addresses all relevant aspects. Any shortcomings are minor.

Evidence: The evaluation with scores will be based on:

- the information provided by EIT and the KIC in the framework of the EIT GB Rapporteur visit;
- the briefing prepared by EIT and approved by EIT GB Rapporteurs in advance of the Hearing;
- the Hearing with the EIT Governing Board.

As for the briefing, the EIT will provide to the EIT Governing Board synthesised information from different available sources, among others based on the results of monitoring activities performed, identifying strengths / weaknesses and critical challenges. The KIC will be requested to address challenges at the Hearing with the EIT Governing Board through a presentation and at the Q&A session.

8.2.2 Business Plan proposal (related to Criterion 2)

The Business Plan for 2027-2028 will be assessed by the EIT with support of external experts, with respect to three sub-criteria:

- Excellence, including objectives and ambition; methodology; financial sustainability; contribution to gender equality objective.
- Impact including KIC's pathways towards impact; measures to maximise 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.

Each of the three sub-criteria can score maximum 5 points. The following scale will be used:

- 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.

Half points can be given. The overall score will be converted to a scale of 0-50 points (final score divided by 15 and multiplied by 50).

Evidence: The evaluation with scores will be based on the evaluation of submitted Business Plan proposal and compulsory annexes, supported by external experts.

9. Submission of the proposal

The proposal must be submitted electronically using the electronic submission system of the Portal of the European Commission, **the link to the submission platform will be provided by the EIT following the opening date for the submission**.

The proposal must be created and submitted by a representative/contact person of the coordinating organisation.

The electronic submission system is an online wizard that guides the applicant step-by-step through the preparation of the proposal. The proposal itself consists of two main parts as structured in the Proposal Template:

- PART A) administrative forms (structured information of the basic administrative data, declarations of partners, organisations and contact persons, etc.)
- PART B) technical annex, which is the detailed description of the planned Business Plan, outlining work packages, costs, etc.

Further mandatory annexes required by the invitation are outlined in the Guidelines.

More information on how to participate in Horizon Europe proposals is available here: https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/how-to-participate/how-to-participate/1

At proposal submission, the KIC will have to confirm that it has the **mandate to act** for all applicants. Moreover, the KIC will have to confirm that the information in the application is correct and complete and that the participants comply with the conditions for receiving EU funding (especially eligibility, exclusion, financial and operational capacity, etc). Before signing the Grant Agreement, each beneficiary and affiliated entity (if any) will have to confirm this again by signing a Declaration of Honour. If the proposal is without full support, it will be rejected.

The application must be **readable, accessible and printable**.

The proposal is limited to a maximum of **50 pages** (Part B). All tables, figures, references and any other element pertaining to these sections must be included as an integral part of these sections and are thus counted against this page limit. The number of pages included in each section of the template is only indicative. The page limit will be applied automatically. In the Call Package, the structure of the actual proposal template that needs to be submitted is present, all instruction pages that are watermarked shall be removed.

The KIC may be asked at a later stage for further documents (for legal entity validation, financial capacity check, bank account validation, exclusion criteria evidence, etc).

10. Data model and IT tools

eGrants

EIT and KICs will use the eGrants IT system for the purpose of grant management, therefore proposal submission, Grant Agreement signature and reporting will be managed via this tool. Each KIC should submit the data in the agreed format through a portfolio approach via proposal and reporting templates into the eGrants platform. Additionally, throughout the Grant Agreement implementation, each KIC will need to collect and import additional data (e.g. project, partner, proposal, FS, Impact etc.) directly to EIT IT Portal. All data from the EIT Portal will be transferred to *CORDA - European Union's data warehouse* feeding *eCORDA* (accessible by member state representatives) and Horizon Dashboard – publicly accessible through any web browser.

By using CORDA, the EIT will ensure it meets the standards of Horizon Europe with respect to transparency and openness.

EIT IT Portal

While eGrants is a European Commission grant management tool used for selection, signature and reporting on Grant Agreements between KICs and the EIT, **the EIT IT Portal is used to collect additional, more granular data relevant for assessment/monitoring, analysis guiding strategic decision-making but also for statistical purposes and business intelligence.** This collection should include data on KIC performance (Impact indicators, KPIs, FS etc.), KIC calls (call calendar, call text, call evaluation outcome) but also data proposals submitted to KIC calls and subgranted projects/participants to allow for monitoring of EIT grant consumption (e.g. per Area, country etc).

By the time the data pipeline is developed, KICs should import all project data to the EIT portal on a monthly basis at the latest, ensuring that all collected data are up to date. Besides of projects, other different datasets might have different deadlines specified by the EIT (e.g. in the data guidance note or other) e.g. KPIs can be reported throughout the whole year with annual hard deadline for reporting period, proposals should be submitted as soon as the call evaluation is completed and evaluation summary report is submitted to the Portal, Financial Sustainability data reporting happens on a quarterly basis etc.

KICs should as well develop a data pipeline under the Cross-KIC Shared Services Grant Agreement which should be used by all KICs for data reporting. As ultimate aim, EIT should ping the API and retrieve relevant data when needed, ensuring smooth data import.

All EIT data reporting needs are specified in the EIT guidance documents.

11.Evaluation Process

11.1 Proposal assessment

The proposal shall be assessed by **independent external experts** selected by the EIT and organised in a panel. The assessment will be supported by EIT officers.

The KIC shall not have direct or indirect contact with the external experts regarding the evaluation at any time, including during or after the evaluation exercise. The information and the names of the experts shall remain confidential.

The evaluation 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 Business Plan at portfolio level, the proposal 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 Grant Agreement provisions are also verified.

The outcomes of the Business Plan evaluation are included in the evaluation reports which contains scores substantiated by evaluative justifications. The outcome of this assessment leads to formal EIT requirements, which shall be met prior to the approval of the Business Plan as a condition for the grant award and the Grant Agreement signature.

The evaluation will be based on the whole Business Plan proposal. The EIT and the experts may also consult other submitted documentation, as described by the annotated templates and Horizon Europe Guidelines, or may browse publicly available sources to verify information provided by the KIC.

11.2 Progress in implementing multi-annual strategy assessment

The assessment of the progress made in the start-up year in implementing the multiannual strategy as set out in the original proposal and the start-up plan will be carried out by the **EIT Governing Board** with support from the appointed EIT GB Rapporteurs. It will also include the performance of the KIC during the Hearing with the EIT Governing Board.

EIT GB Rapporteurs, designated by the EIT Governing Board, will oversee the progress and related assessment process during the year and will report back to the Board during the Hearing with the KIC.

Two EIT GB Rapporteurs, members of the EIT Governing Board, are appointed. One GB Rapporteur is appointed as Lead Rapporteur, whilst one is appointed as Associate Rapporteur to support the tasks of the Lead Rapporteur. The EIT GB Rapporteurs' main role is to **visit the KIC in order to familiarise with the**

KIC's 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. Based on the knowledge gained during the visit and the KIC's strengths and weaknesses identified, a briefing to the EIT Governing Board will be prepared by EIT and approved by the GB Rapporteurs. In the preparatory session for the Hearing, EIT GB Rapporteurs will highlight the KIC's progress and key challenges which will then be discussed at the Hearing with the KIC.

11.3 Hearing with the KIC

The Hearing with the KIC constitutes an important part of the multi-annual strategy assessment of the KIC Business Plan, but also, it embraces the whole financial allocation process.

The Hearing with the KIC CEO will be held in person or online on the date shown in the indicative timeline in Chapter 3. The modalities of the Hearing, in particular the scope and structure of the KIC intervention and the time allocated, will be communicated to the KIC in due time.

The main objective of the Hearing will be to conclude on the progress made in the start-up year in implementing the multiannual strategy as set out in the original proposal and the start-up plan (Criterion 1) assessment and to issue strategic recommendations to the KIC as applicable.

The Hearing will comprise of an introduction and an in-depth Q&A session aiming to increase the level of interaction with the KIC, enabling a discussion and understanding of the KIC strategy. The session will focus on key strategic challenges in areas such as the KIC's e.g. impact, synergies, KIC business model and progress towards financial sustainability, building the EIT Community Brand Identity, KIC governance, partnership and openness.

Following the Hearing, the EIT Governing Board will take a decision on the final scores for Criterion 1, see Chapter 8.2.1.

The EIT Governing Board may issue recommendations to the KIC on strategic elements to improve key areas in order to maximise the impact and deliver on the EIT Strategic Innovation Agenda.

12. Funding allocation decision – Grant award – Grant Agreement signature

Funding allocation by EIT Governing Board

Following the Hearing, the EIT Governing Board will take the **funding allocation decision on the maximum EIT financial contribution for the KIC** (if its submitted Business Plan proposal met the admissibility, eligibility, exclusion, and financial and operational capacity criteria, and was positively evaluated under the award criteria, and a Hearing was held by the EIT Governing Board).

The EIT Director will communicate the evaluation results to the KIC and **request the submission of the updated version of the proposal** based on:

(a) the EIT requirements for the proposal revision, and

(b) the EIT Governing Board strategic recommendations (or other measures in line with the EIT Supervision Framework[36]).

A clarification session is offered following the EIT requirements letter.

Grant award by EIT Director

The EIT Governing Board's funding allocation decision will serve as the basis for the **award of the grant by the EIT Director** and for the conclusion of the Grant Agreement, provided that the updated version of the proposal, including the estimated budget:

- is in compliance with the requirement laid down in this invitation and respective guidelines;
- meets the requirements for the revision of the proposal issued by the EIT Director, including the decided maximum EIT financial contribution;
- is aligned with the strategic recommendations issued by the EIT Governing Board (as applicable).

A further precondition to sign the Grant Agreement is to have the KIC's Strategic Agenda adopted by the KIC and the Partnership Agreement between the EIT and the KIC signed first.

Grant Agreement signature

In the event of the grant awarded by the EIT Director, the EIT will sign the Grant Agreement detailing the conditions for the implementation of the Business Plan.

The Grant Agreement is inbuilt in the eGrants tool and will be signed within the tool (not on paper). The Grant Agreement follows the Horizon Europe legal framework and the Horizon Europe Model Grant Agreement (MGA). The MGA is published on the Funding and Tenders portal[37]. Please note that EIT-specific provisions can be found in Annex 5 of the HE MGA.

Any amendment to it should also be managed in eGrants.

13.Legal and financial provisions

13.1 Starting date, eligibility period

The following table shows the Grant Agreement, the starting date and the eligibility period:

[36] https://www.eit.europa.eu/sites/default/files/2021-42_20211125-gb69-42_supervision_framework_of_kics.pdf

[37] https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/common/agr-contr/general-mga_horizon-euratom_en.pdf

Topic	Grant agreement (GA)	Starting date and eligibility period of GA
EIT Water Business Plan (HORIZON-EIT-2026-KIC-IBA-WATER)	One Grant Agreement	1 January 2027 – 31 December 2028

The action's start date and duration will be fixed in the Grant Agreement.

This duration may be extended by the EIT in an exceptional situation with due justification. Such an extension shall be formalised with an amendment of the Grant greement.

13.2 Maximum grant amount, reimbursement of eligible costs

The eligible and ineligible costs, the form of grant and reimbursement, calculation of the final grant amount, reporting and payment arrangements together with other financial conditions are described in the HE Model Grant Agreement.

The grant awarded may be lower than the amount requested.

The EIT grant will be a reimbursement of actual costs grant. This means that it will reimburse ONLY certain types of costs (eligible costs) and ONLY those costs *actually* incurred (NOT the *budgeted* costs).

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

EIT funding for the KIC Business Plan shall be provided in line with the maturity of the KIC and funding requirements aligned with the EIT SIA 2021-2027. The respective EIT SIA funding condition applicable for the reference year for the KIC will have to be met at portfolio level that will consider both **EIT funded activities** and **Non EIT Funded activities (NEFA)**. The principle of proportionality shall be respected when allocating NEFAs to the portfolios, limiting unjustified excessive use of the concept. The rules and guidance regarding NEFAs can be found in Annex 5 of the HE MGA and in the Annex 5 Annotation.

The costs will be reimbursed at the **single reimbursement rate (SRR)** indicated in the Grant Agreement. Co-funding will be mostly provided at the level of projects implemented through financial support to third parties. The conditions for financial support to third parties, including co-funding requirements are set out in Annex 5 of the Grant Agreement.

Additionally, in accordance with Chapter 3.6.2 of the EIT SIA 2021-2027, some KIC activities, due to their specific nature, might need extra incentives to be performed. To this aim, the EIT Governing Board decided by its *Decision 06/2026 of the EIT Governing Board on the principles for the determination of the EIT financial allocation for 2027-2028 to the Business Plan 2028-2028 of the Knowledge and Innovation Community EIT Water* that **EIT RIS activities will be implemented in 2027-2028 at a funding rate up to 100%**.

The estimated budget for the KIC Business Plan proposal shall be prepared in the line with the annexed annotated templates and Horizon Europe Guidelines.

13.4 Reporting and payment arrangements and deliverables

The reporting and payment arrangements will be fixed in the Grant Agreement (Data Sheet, point 4 and Article 21 and 22). Mandatory deliverables set in the annotated templates (i.e. EIT Guidelines) and Horizon Europe Guidelines are expected to be submitted during the implementation years, while majority of deliverables are to be submitted together with the interim and/or final reports, as result of the implementation.

At the end of the implementation years, the KIC shall submit a report and EIT will calculate the final EIT grant amount. If the total of earlier payments is higher than the final grant amount, EIT will ask the KIC LE to pay back the difference (recovery).

All payments will be made to the coordinator.

Please also note that the KIC is responsible for keeping records on all the work done and the costs declared.

The payment of the grant will be made in **one pre-financing instalment,** one **interim payment** and a **final payment (the balance)**. The aim of the prefinancing is to provide the beneficiary/ies with a float. The pre-financing remains the property of the EU until they are cleared against eligible costs or contributions accepted by the granting authority (normally at final payment).

The following payment and reporting scheme is foreseen:

	When	Requirements	Reporting period
Pre-financing payment (app. 80% of total grant)	Within 30 days following the signature of the Grant Agreement.	5% as a contribution to the Mutual Insurance Mechanism will be retained from the prefinancing payment.	
Interim Report	Within 90 days [38] following the end of the reporting period.	Interim Report shall include a technical part and a financial part (i.e. individual and consolidated financial statements, explanation on the use of resources, certificates on the financial statements (CFS) if required, etc).	1-12 months
Interim payment	Within 90 days from receiving the Interim Report.	Based on the declared actual costs, with a ceiling that pre-financing and the interim payment together cannot be more than 90%	

[38] The KIC is allowed to submit the periodic report within 90 days (i.e. beyond the formal deadline of 60 days due to the complexity of reporting under the cascading model).

Final Report	Within 90 days [39] following the end of the reporting period.	The Final Report shall include a technical part and a financial part (i.e. individual and consolidated financial statements, explanation on the use of resources, certificates on the financial statements (CFS) if required, etc).	13-24 months
Final payment	Within 90 days from receiving the Final Report.	The EIT will calculate the final EIT grant amount. If the total of earlier payments is higher than the final grant amount, EIT will ask the beneficiary/ies to pay back the difference (recovery).	

13.5 Financial support to third parties

Financial support to third parties (FSTP) involves funding provided by the beneficiary (e.g. the KIC LE) to a recipient that is not a party to the Grant Agreement. Financial support to third parties includes sub-grants (financial support to third parties, Article 6.2.D.1 (a) of the GA); and financial support in the form of prizes (Article 6.2.D.1 (b) of the GA). The KIC is strongly encouraged to use the lump sum sub-grant type when awarding FSTP.

The EIT-specific rules laid down in Annex 5 of the HE MGA shall be followed when launching open calls, KIC partnership calls, or direct awards. Please also refer to the Annex 5 Annotations.

Additionally, the KIC needs to ensure the minimum threshold for the EIT budget dedicated to FSTP outlined in Chapter 8.1.

At proposal stage, the KIC budget shall be aligned with the threshold.

The EIT, acting as the granting authority, will assess compliance with the FSTP threshold during the final reporting process under the Grant Agreement and verify compliance with the FSTP threshold using the data available in the EIT Portal/Corda. Exceptionally, any deviation from the threshold must be justified by the KIC at the latest at the final reporting stage.

The assessment will be based on the amount of FSTP contracted by the KIC Legal Entity and the Co-location Centres (if any) with third parties ("subgrantees") within the duration of the Grant Agreement, rather than the final amount of FSTP costs approved by the EIT after the reporting process.

For this purpose, "contracting" means the signature of an agreement between a participant of the Grant Agreement and a subgrantee for the implementation of an activity under the EIT Water Business Plan 2027-2028. The agreement with the subgrantee must be signed between 1 January 2027 and 31 December 2028, regardless of when the relevant call was launched. If a project is terminated early, including following a stop/go evaluation process, the originally contracted FSTP amount will still be taken into account. Contracting may result from an open call, a KIC partnership call, a direct award, or any other eligible FSTP contracting mechanism under the Grant Agreement.

[39] See previous footnote.

If the EIT terminates the Grant Agreement early, the FSTP threshold referred to in Sections 8.1 and 13.5 of the Invitation will not apply.

Financial support to third parties established in HE eligible countries

As a general rule, **financial support should be awarded to entities established in HE eligible countries (see Chapter 5).**

Within this invitation, the maximum amount of financial support to third parties should not exceed **EUR 4 000 000** per recipient for the Grant Agreement (two-year duration).

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

If the recipient of financial support is established in a third country not eligible under HE:

- in case of recipients of financial support **above EUR 60 000 per Grant Agreement**: if the entity is not eligible for funding under a national scheme, they may receive EIT funding on an exceptional basis agreed with the EIT, if the participation of the entity established in the third country is deemed essential for the action;
- in case of recipients of financial support **below EUR 60 000 per Grant Agreement**: the KIC may award financial support to third parties, if duly justified.

13.6 Eligibility of direct and indirect costs

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 (regardless of the cost category), even if top governance and C-level staff perform activities directly linked to the performance of the action.

Similarly, the following costs of indirect nature cannot be claimed by the KIC LE and entities associated to the KIC LE (CLCs etc.) as direct costs: **office costs** (rental, utilities, maintenance, telecommunication, licences, etc.), **office supplies** (furniture, stationery, etc.), **corporate finance** (incl. bookkeeping), **HR-related costs** (incl. recruitment costs), **IT equipment** (laptops, computers, monitors, mobile phones, etc.), **IT software** not related to IT tools used for the implementation of a specific thematic activity (e.g. education platform development and licences, etc.), **postage**, etc.

Those costs shall be covered by the indirect costs flat-rate 25% of eligible direct personnel costs and purchase costs (travel & subsistence, equipment, other goods, works & services).

Also, the KIC shall ensure that costs incurred by KIC LE and CLC staff and/or by (sub)contracted organizations, which are involved in **activities related to EU and Public Affairs**, follow the Principles of Cooperation EU & Public Affairs. Any activity implemented by staff of the KIC LE and CLC and/or by (sub)contracted organizations that go against the Principles or harm the reputation of the EIT will not be eligible for funding.

Nota bene: the KIC needs to pay particular attention to properly budgeting direct and indirect costs, in line with this invitation's conditions and the GA provisions. The EIT reserves the right to review the cost classification provided in Annex 1 during the assessment of financial reports. If a cost declared as a direct cost does not meet the relevant eligibility criteria of the Grant Agreement, the EIT will consider it ineligible.

13.7 Eligible costs for equipment, infrastructure, and other assets

In line with Art. 6.2.C.2 of the GA, purchase of equipment, infrastructure or other assets used for the action must be declared as depreciation costs calculated on the basis of the costs actually incurred and written off in accordance with international accounting standards and the beneficiary's usual accounting practices.

For the following equipment, infrastructure or other assets **purchased specifically for the action (or developed as part of the action tasks) within the GA**, costs may exceptionally be declared as full capitalised costs:

Direct costs for construction of a prototype or pilot plant, if they fulfil 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),
- the costs are foreseen in the estimated budget (Annex 2),
- the eligibility conditions of Art. 6.1 and 6.2 of the 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).

If such equipment, infrastructure or other assets are rented or leased, full costs for renting or leasing are eligible, if they do not exceed the depreciation costs of similar equipment, infrastructure or assets and do not include any financing fees.

13.8 Joint and several liability of affiliated entities (if any)

As a general rule, declarations on joint and several liability will be requested by the EIT if the budget of the affiliated entity is higher than the budget of the beneficiary, with the following exceptions:

a. If the total budget of the affiliated entity is lower than EUR 100 000;

b. If the affiliated entity is a public body.

A Declaration on joint and several liability from the affiliated entities may also be requested, in case of weak financial capacity of the coordinator (see Chapter 7).

The KIC LE shall collect the Declaration on joint and several liability from the affiliated entities falling into the above situation and submit these to the EIT. Non-submission of the declaration may result in rejection of the costs for the affiliated entity concerned.

13.9 KIC's control strategy

The **KIC must have in place effective and reliable financial control and audit mechanisms**, in line with the provisions of the HE MGA Annex 5.

The mechanisms must include all the necessary elements defined in the '*EIT Guidelines for KICs' financial control and audit mechanisms*', further to the services provided under the joint Centre of Administrative Excellence.

14. 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 Invitation for Business Plans and Cross-KIC activities 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 (EDES) by the Commission, should the beneficiary be in one of the situations mentioned in Article 138 and 143 of the Financial Regulation 2024/2509 (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 KIC Partnership Agreement	https://eit.europa.eu/library/2021-1420210507-gbwpprinciples-finmonevalkics-activities-gbdml-eit EIT PA updated version
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 KIC Partnership Agreement	EIT PA updated version
EIT Label Framework	• Decision 11/2021 of the EIT Governing Board on the new EIT Label Framework	https://eit.europa.eu/library/2021-1120210317-gb66-11labelframework

	• 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/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 KIC Partnership Agreement (PA)	EIT PA updated version
Sound portfolio management principles	• Article 7.1 of the KIC Partnership Agreement (PA)	EIT PA updated version
Openness and transparency	• Article 7.2 of the KIC Partnership Agreement (PA) • Horizon Europe Model Grant Agreement, Annex 5 • Annex 5 Annotation	EIT PA updated version https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/common/agr-contr/general-mga_horizon-euratom_en.pdf Available in the TFS folder
Non EIT funded KAVA	• Horizon Europe Model Grant Agreement, Annex 5 • Decision 06/2022 of the EIT Governing Board on the principles on the financial sustainability of KICs	https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/common/agr-contr/general-mga_horizon-euratom_en.pdf https://eit.europa.eu/library/gb-decision-062022-amendment-principles-financial-sustainability-knowledge-and-innovation
EIT Supervision Framework	• Decision 42/2021 on the Supervision Framework of the Knowledge and Innovation Communities (KICs)	2021-42_20211125-gb69-42_supervision_framework_of_kics.pdf
KIC's financial control	• EIT Guidelines for KICs' financial control and audit mechanisms'	Available in the TFS folder

Electronically signed on 24/06/2026 09:19 (UTC+02) in accordance with Article 11 of Commission Decision (EU) 2021/2121