



DECISION 24/2022

OF THE GOVERNING BOARD OF

THE EUROPEAN INSTITUTE OF INNOVATION AND TECHNOLOGY (EIT)

ON THE ASSESSMENT AND ADOPTION OF THE 2021 ANNUAL ACTIVITY REPORT OF THE AUTHORISING OFFICER OF THE EUROPEAN INSTITUTE OF INNOVATION AND TECHNOLOGY

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

Having regard to 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),¹ (hereinafter referred to as the 'EIT Regulation'), and in particular Article 19 (2) thereof, point (1) (b) of section 2 and point (6) (d) of section 5 of the Statutes of the EIT provided in Annex I to the EIT Regulation (hereinafter the 'Statutes of the EIT');

Having regard to Commission Delegated Regulation (EU) No 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council² (hereinafter referred to as the 'Framework Financial Regulation'), and in particular Article 48 thereof;

Having regard to Decision 21/2019 of the Governing Board of the EIT of 25 September 2019 on the Financial Regulation of the EIT³ (hereinafter referred to as the 'EIT Financial Regulation'), and in particular Article 1 thereof;

Having regard to Decision 23/2021 of the Governing Board of the EIT of 17 June 2021 on the Charter of the Audit Committee and on the appointment of Chairperson for the EIT Audit Committee⁴;

Having regard to the consolidated annual activity report of the Authorising Officer in respect of the year 2021;

WHEREAS

- The Authorising Officer shall report to the Governing Board on the performance of his or her duties in a form of a consolidated annual activity report pursuant to Article 48(1) of the Framework Financial Regulation;
- The consolidated annual activity report shall be submitted to the Governing Board for assessment in accordance with Article 48(1) of the Framework Financial Regulation;
- The Governing Board shall adopt the consolidated annual activity report of the EIT based on the draft prepared by the Director pursuant to Section 2 and point (6) (d) of section 5 of the Statutes of the EIT;

¹ OJ L189 of 28.05.2021, p. 61.

² OJ L122 of 10.5.2019, p. 1.

³ Ares(2019)6810859

⁴ Ref. Ares(2021)3970085 - 17/06/2021

- No later than 1 July each year the consolidated annual activity report together with its assessment shall be sent by the Governing Board to the Court of Auditors, to the Commission, to the European Parliament and the Council in line with Article 48(2) of the Framework Financial Regulation;
- In line with the Charter of the Audit Committee, the Audit Committee shall advise the Governing Board regarding the assessment of the annual activity report of the Authorising Officer;
- The EIT Audit Committee expressed its positive opinion on the draft annual activity report prepared by the Director and supports the adoption of the Governing Board's assessment of the consolidated annual activity report 2021 as well as the adoption of the consolidated annual activity report 2021.

HAS DECIDED AS FOLLOWS:

Article 1
Assessment of the Consolidated Annual Activity Report 2021

The EIT Governing Board:

1. Welcomes the results presented in the Consolidated Annual Activity Report of the Authorising Officer (the 'CAAR') and appreciates the presentation of all the underlying building blocks that underpin the declaration of assurance. Expresses its satisfaction and appreciation of the results achieved by the EIT and the high level of commitment and the increasing quality and efficiency of work of the EIT staff.
2. Welcomes the fact that the EIT Community continues to increase in size and impact of its activities and has collectively now enabled over 1400 innovative products and services to be put on the market, trained thousands of entrepreneurs and supported over 4000 start and scale-ups that attracted close to EUR 4 billion in investments.
3. Welcomes that the EIT and its KICs managed the transition to Horizon Europe without disruption of its operations despite of the late adoption of the new legal framework for Horizon Europe and the EIT.
4. Expresses its satisfaction with the successful and timely organisation of the EIT Strategy Launch Event in June 2021, the main event under the EIT Stakeholder Forum, that attracted over 1020 participants and increase awareness about the EIT novelties and opportunities offered under the new SIA 2021-2027.
5. Welcomes the timely launch of new initiatives under Horizon Europe such as the Higher Education Institutions initiative, the launch of the call for a new KIC on Cultural and Creative Sectors and Industries, the successful transition to Horizon Europe, including the preparations for multiannual grants as well as the conclusion of key synergies via structured cooperations, for example, under the Memoranda of Understanding with the European Innovation Council and the European Union Intellectual Property Office.
6. Encourages the EIT to take further measures to enhance the impact of its Communication and Stakeholder Engagement strategy and to increase the visibility of the EIT and its KICs and more broadly disseminate the results achieved.
7. Welcomes the establishment of the new Member State Representatives Group (MSRG) and the Network of EIT National Contact Points (NCPs), which will be crucial in EIT's efforts to reinforce its engagement with EU Member States and increase information provision at national level.
8. Notes that the absorption rate for the 2020 grant agreements was 93.38% and the financial sustainability coefficients of KICs remained relatively low. It calls on the EIT management to make additional efforts to improve those rates.
9. Is satisfied that the detected error rate during ex-post verification of 2020 grants was 0.66 % and the residual error rate is 0.65%, which is well below the materiality level of 2%.

10. Expresses satisfaction that ECA concluded that revenue as well as payments underlying the accounts for the year ended 31 December 2020 are legal and regular in all material aspects.
11. Notes that the number of closed IAC audit recommendations has increased from 87 to 125 from end-2020 to end-2021. Calls on EIT management to further speed up the implementation of the audit recommendations.
12. Appreciates the fact that throughout 2021, the EIT Director kept the Governing Board fully informed of the EIT's activities and progress by way of regular Governing Board meetings, facilitated by a structured agenda and regular activity reports, as well as actively engaged the Board members in additional activities to promote the EIT mission.
13. Notes with satisfaction that the European Parliament granted discharge to the EIT in respect of the financial year 2020, which confirms the positive evaluation of the EIT's management and control systems.
14. Welcomes the steps taken by the EIT Director to enhance the efficiency of the EIT administration, including the strategic planning and prioritisation of tasks and the reorganisation of the EIT organisation, including the strengthening of its management capacity.
15. Expresses its regret that the number of posts planned, and therefore made available to the EIT by the EU institutions, has not followed the significant growth of the EIT's mandate, budget and activities under Horizon Europe and calls on the Commission to consider a timely increase of the staff allocated to the EIT.
16. Remains therefore highly concerned about the fact that the continuous structural understaffing of the EIT, as also confirmed by several independent auditors including the European Court of Auditors, has not been addressed by the EU institutions. In particular, the increased mandate under Horizon Europe with the expected creation of two new KICs, the new Higher Education Institutions capacity building initiative, the enhanced objectives of the EIT Regional Innovation Scheme as well opportunities from synergies with other programmes and EU policy priorities (e.g. European Innovation Council, EU Recovery Funds, Skill development, New European Bauhaus) and tasks related to enhanced EIT Governance and cooperation structures (e.g. the enhanced Member States Representative Group and EIT National Contact Points) have not been matched by any additional posts for the EIT.
17. In the light of this, the EIT Governing Board is highly concerned that unless the staffing situation is addressed, the EIT cannot fully deliver on its objectives and potential, and may be unable to fulfil its tasks in a satisfactory manner, in particular what concerns the necessary supervision and monitoring of KICs.
18. Points out that as a result the EIT may be unable to mitigate the risks of an increase of error rates, creating an unacceptable financial risk for the EIT. Moreover, allocating an additional mandate and tasks are a threat to the health of EIT staff and its work environment creating negative operational and reputational impact for the EIT.
19. In the light of the above the EIT Governing Board calls on the EIT Director to identify tasks that can be postponed, stopped or scaled down until the EU institutions address the staffing situation of the EIT and empowers him to take the necessary measures to maintain the error rate below the materiality threshold, for example through a further outsourcing of operational and administrative tasks within the current limits of the current legal framework.
20. Confirms that the EIT Governing Board's analysis and assessment of the Annual Activity Report 2021 is positive and that the Annual Activity Report 2021 provides it with the necessary assurance for a positive assessment of the results achieved in 2021.

Article 2

Adoption of the Consolidated Annual Activity Report

Based on the assessment of the Governing Board, as set out in Article 1 of this decision, the Consolidated Annual Activity Report 2021 by the EIT Director is adopted as set out in Annex 1 to this decision.

Article 3
Publication

The Consolidated Annual Activity Report 2021 shall be sent by the Chairperson on behalf of the Governing Board to the European Court of Auditors, to the Commission, to the European Parliament and the Council and shall be published on the website of the European Institute of Innovation and Technology.

Article 4
Entry into force

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

Done in Budapest on 21 June 2022

(e-signed)

Gioia GHEZZI

Chair of the EIT Governing Board

Annex 1: Consolidated Annual Activity Report 2021



A body of the European Union



CONSOLIDATED ANNUAL ACTIVITY REPORT

FINANCIAL YEAR: 2021

June 2022, Budapest



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INTRODUCTION

This consolidated annual activity report provides an overview of the activities and achievements of the European Institute of Innovation and Technology (EIT) in 2021.

The EIT's Annual Activity Report 2021 is a report of the EIT Director. It is a key component of the strategic planning and programming cycle: it is the basis on which the EIT Director takes its responsibility for the management of resources and the achievement of objectives. It also allows the EIT Director to decide on the necessary measures to address any potential management and control weaknesses identified. It is in compliance with Article 47 of the EIT Financial Regulation.

The Annual Activity Report 2021 comprises four main parts and annexes as follows.

Part I: Achievements of the financial year 2021. Mirroring the structure of the Annual Work Programme of the EIT for the year 2021, Part I provides information on achievements of objectives set in the annual work programme. This section also includes references to progress against Key Performance Indicators (KPIs) and targets.

Part II: Management. This section provides information on the functioning of the EIT Governing Board. It also includes major internal and external developments which had an impact on the EIT during the reporting year as well as information on budgetary and financial management, Human Resources management, assessment by the EIT management and also assessment of audit results during 2021, along with the follow-up of recommendations and action plans resulting from audits. It also includes components on the follow-up of observations from the Discharge authority.

Part III: Assessment of the effectiveness of the internal control systems. The report details in Part III the most important areas of risks associated with the EIT's operation as well as compliance with and effectiveness of the Internal Control Standards.

Part IV: Management assurance. The report concludes in Part IV with a declaration of assurance in which the EIT Interim Director, in his role as Authorising Officer, takes responsibility for the legality and regularity of all financial transactions.

In the annexes, the report provides statistics and information on the EIT core KPIs, financial management, organisational chart, establishment plan, Human and Financial resources used by activity, the EIT's final annual accounts and further specific annexes related to Part II and Part III of the report.

The EIT Annual Activity Report is a public document and is available on the EIT website. It follows the template provided by the European Commission.

The EIT in brief

The European Institute of Innovation and Technology (EIT) was set up to drive innovation across Europe. The EIT's mission is to contribute to the **competitiveness** of Europe, its **sustainable economic growth** and **job creation**, as well as to create favourable environments for **creative thought**, to **enable ground-breaking innovation to thrive in Europe**. It does this by promoting and strengthening synergies and cooperation among businesses, education institutions and research organisations, the so-called 'knowledge triangle'.

By bringing together organisations from these dimensions to cooperate in long-term partnerships through its **Knowledge and Innovation Communities (KICs)**, the EIT promotes innovation in Europe. The partners of the KICs' are **excellent innovators** that work together to tackle some of **Europe's greatest societal challenges**.

To date, the EIT has established a total of eight KICs, two new KICs will be launched and running by 2027:



EIT Climate-KIC

Accelerate the transition to a zero-carbon economy



EIT Digital

Drive Europe's digital transformation



EIT InnoEnergy

Achieve a sustainable energy future for Europe



EIT Health

Give EU citizens greater opportunities for a healthy life



EIT RawMaterials

Develop raw materials into a major strength for Europe



EIT Water

Contribute to a circular and sustainable water economy



EIT Culture & Creativity

Unite Europe's creatives



EIT Urban Mobility

Smart, green and integrated transport



EIT Manufacturing

Strengthen and increase the competitiveness of Europe's manufacturing industry



EIT Food

Lead a global revolution in food innovation and production

The EIT is now an integral part of **Horizon Europe**, the EU Framework Programme for Research and Innovation 2021-2027. EIT's new **Strategy for 2021-2027** marks a budget of nearly **EUR 3 billion** and a mandate to:

- ✓ Focus on the societal impact of our Innovation Communities by addressing the needs of innovators and through the creation of sustainable innovation ecosystems
- ✓ Improve the EIT Community's openness, inclusiveness and cooperation.
- ✓ Work harder to close Europe's innovation divide through the EIT Regional Innovation Scheme.
- ✓ Strengthening the innovation capacity of Higher Education even beyond the EIT Community.
- ✓ Enlarge our network with the creation of two new Innovation Communities: the first for the Cultural and Creative Sectors and Industries in 2022, the second for the Water, Marine and Maritime Sectors in 2026.

Individually, each Knowledge and Innovation Community focuses on providing solutions to today's most pressing societal challenges, on which the Sustainable Development Goals ('SDGs') are based, climate change, renewable energy, digital transition, urban mobility, raw materials, smart manufacturing, food and health.

- ➔ **EIT Climate-KIC** is taking urgent action to combat climate change and provides support to cities, regions and major businesses as they strive for net zero emissions. The KIC will strengthen sustainable innovation and entrepreneurial ecosystems across Europe.
- ➔ **EIT Urban Mobility** works to deploy and scale new sustainable solutions in cities driven by its mission to promote livable urban spaces engaging with the citizens in co-creation activities. EIT Urban Mobility plans to create liveable urban spaces, by encouraging the development of more efficient and integrated transport systems across various modes. It will address the mobility sector, which is in transformation, driven by the demand for safer, cleaner, and more efficient solutions in combination with new enabling technologies and a changed vision regarding the role of the car.
- ➔ **EIT Health** contributes greatly to addressing the health-related needs of citizens and the creation of stronger healthcare systems in Europe. The KIC works towards health continuum care pathways, bringing care home, creating the enabling environment for healthcare transformation, from the workplace to the health place, harnessing the power of real-world data, fostering healthy lives by introducing behavioral change.
- ➔ **EIT InnoEnergy** strives towards achieving its strategic goal of reducing greenhouse gas emissions, increasing the security of the energy system (operability of assets and autonomy in supply) and decreasing the cost of energy (€/kWh) across the value chain, aligned with the 2030 EU climate objectives.
- ➔ **EIT Manufacturing** promotes sustainable European Manufacturing, facilitating **responsible consumption and production**: reducing waste, raw materials and energy consumption for an increasingly circular and carbon-neutral economy. The EIT KIC brings manufacturing actors of Europe together in an innovation ecosystem that adds unique value to European products, processes, services – and inspire the creation of globally competitive and sustainable manufacturing.
- ➔ **EIT Raw Materials** focuses on securing raw materials supply from within Europe by strengthening and shortening raw materials supply chains in Europe from mines and secondary sources, and enabling sustainable new extraction and processing of raw materials. It contributes to the design for a **circular economy** by developing new designs and methodologies for material flow analysis and life-cycle assessment, as well as improving resource efficiency. EIT Raw Materials aims to design materials solutions by accelerating and upscaling the design and production of advanced and engineered materials. The KIC will counter the trend of advanced materials development moving from Europe to other regions.
- ➔ **EIT Digital** contributes towards a ‘strong digital Europe that is inclusive, fair and sustainable,’ promoting companies that not only have a strong commercial grounding but a positive societal impact also. EIT Digital is strategically concentrating its ‘deep tech’ investments in such selected focus areas as Digital Tech, Digital Cities, Digital Industry, Digital Wellbeing, Digital Finance.
- ➔ **EIT Food** places an emphasis on improving health outcomes through developing a digitally enabled circular, sustainable food system that contributes directly to engage consumers in an integrated food system, making personalised nutrition and more sustainable food choices a reality. With consumers at its core, EIT Food empowers a trusted multi-stakeholder community that includes market-leading and start-up businesses, technology innovators, best-in-class research institutions and educators, and advanced farmers and consumers.
- ➔ In 2021 a Call for Proposals was launched for **EIT Culture and Creativity**, an innovation community for Europe’s Cultural and Creative Sectors and Industries. The designation is planned for June 2022. **Another new EIT KIC on the Water, Marine and Maritime Sectors is planned to be created in 2026.**

EIT KICs have joined forces in a range of collaborative actions. For example, they are promoting the values of a **Circular Economy**, which is a major EIT initiative to reduce waste, ensure the secure supply of resources, and increase Europe's competitiveness. The EIT Community has set up a circular economy collaboration group with the European Commission and KICs are working on a MoU on circular economy-related cooperation with DG ENV.

Four EIT KICs have joined forces to develop innovative solutions to the challenges of **water scarcity in Southern Europe**. Led by EIT Food, they are identifying key water scarcity challenges, empowering entrepreneurs, training water leaders, and engaging citizens to create water-saving economies.

Many of the **EIT KICs** are taking up **leadership roles in the EU's industrial alliances**, which are key delivery vehicles for European policy objectives on competitiveness and sustainability.

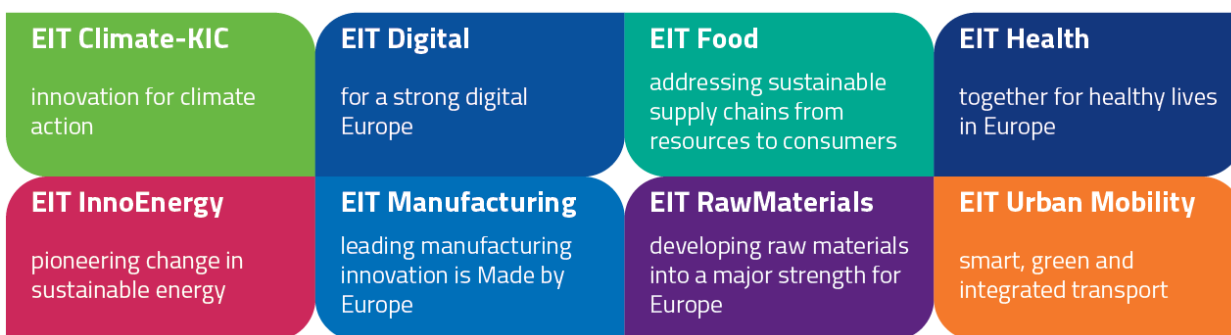
EIT InnoEnergy is managing the industrial development programme of giving strategic direction to the **European Battery Alliance (EBA)**⁵, a network of over 750 partners working to strengthen Europe's global position in energy storage and to upskill workers to keep pace with the increasing demand for batteries, with an estimated annual market value of up to €250 billion by 2025. The current annual value of the battery market estimated at EUR 250 Billion. With the launch of the EBA Academy, EIT is contributing to building a pan-European education ecosystem that will reduce the costs and reskill workers while drastically increasing the efficiency and quality of training (by reducing the lead time for local training providers to start and test new programmes or enhance their existing portfolio).

⁵ The European Battery Alliance (EBA) is an open ecosystem that work to strengthen Europe's global position in energy storage - <https://www.eba250.com/about-eba250/>

Executive Summary

Highlights of the year

Since the EIT was set up in 2008, its activities have continued to deliver **impact and ground-breaking innovations and it has created the largest innovation community in Europe**. The EIT model has been tried, tested and proven. By the end of 2021, the EIT Community has grown to over 2900 partners and 80 hubs, which collectively have by now put over 1400 innovative products and services on the market, trained several thousand entrepreneurs and supported over 4000 start and scale-ups that attracted close to EUR 4 billion in investments.



On 28 January 2021, a political agreement was reached between the Council and the European Parliament on **the EIT's Strategic Innovation Agenda (SIA) 2021-2027 and the recast EIT Regulation**. With an increased budget of nearly EUR 3 billion for the seven years and an enhanced mandate, the EIT has big ambitions to drive economic recovery, foster green and digital transition with the aim of building a more sustainable and resilient society. The new EIT legal basis includes a clearer and stricter definition for the KICs' Financial Sustainability, as well as requirements and tools for the EIT to guide KICs towards this objective. Financial Sustainability is an obligation for the KICs in order for them to maintain their innovation ecosystems and their knowledge triangle activities beyond the period of EIT provides financial support.

In 2021, a **financial contribution of EUR 357 million** was allocated by the GB to the eight EIT's Knowledge and Innovation Communities for the implementation of their 2021 Business Plans. The **average Time-To-Grant** from the submission of 2021 Business Plans to the signature of the Grant Agreements was **117 days** (improvement of 38%, compared to the 2020 time-to-grant of 187 days).⁶

Throughout the year, several EIT supported start-ups have become major success stories showing that the EIT is a powerful engine for the creation of the Europe's green and digital future. We proudly count four EIT-created Unicorns, i.e. ventures with a valuation and investments of over EUR 1 billion: Northvolt from Sweden, supported by EIT InnoEnergy, SWORD Health from Portugal, supported by EIT Health, Lilium Aviation from Germany, backed by EIT Climate-KIC, and Ynsect from France, supported by EIT Climate-KIC. The success of EIT InnoEnergy-supported

⁶ Time-to-grant: "informing all applicants of the outcome of the evaluation of their application, a maximum of six months from the final date for submission of complete proposals" (definition of time-to-grant in Chapter 3, Article 194 of the FA).

Northvolt which raised USD 2.75 billion is particularly outstanding as this is the single largest funding round raised by any tech company in Europe in 2021⁷.

2021 marked a revision of the **EIT cross-KIC** operational modality. Cross-KIC activities of a strategic nature and shared services activities were grouped in six clusters: Strategic Education, Strategic Regional Innovation, Access to Finance, Global Outreach, Shared Services and Strategic Synergies. In total, including three on-going Thematic Innovation cross-KIC activities, over 20 MEUR have been allocated for cross-KIC cooperation.



A highlight in 2021 was the successful launch of the **Cross-KIC activity on New European Bauhaus (NEB)**.⁸ The EIT Community NEB initiative is led by **EIT Climate-KIC** with the participation by **EIT Digital**, **EIT Food**, **EIT Manufacturing** and **EIT Urban Mobility** and with the aim of supporting the New European Bauhaus to become real for European citizens, and to engage businesses, artists, designers, researchers, universities, and decision-makers to catalyse the movement. To that end, the **EIT Community NEB** accelerates the most promising ventures, promotes citizen

and city/region initiatives, and fosters discussions around New European Bauhaus solutions to day-to-day issues. As for the **Artificial Intelligence cross-KIC cooperation**, **EIT Digital**, **EIT Health**, **EIT Food**, **EIT Manufacturing**, **EIT Climate-KIC** and **EIT InnoEnergy** have joined forces in 2021 to foster collaboration in education and uptake of Artificial Intelligence by European enterprises and society, including issuing an analysis report on the European approach towards the AI⁹.

In 2021 EIT launched its **HEI Initiative: Innovation Capacity Building for Higher Education**, representing a key objective of the EIT's Strategic Innovation Agenda (SIA) 2021-2027. With this new action, the EIT aims to integrate a wider number of HEIs into its innovation communities and coordinate new, inclusive, and cross-sectoral activities related to education. With **EIT RawMaterials** taking the lead in the implementation on behalf of the EIT Community, in June 2021, a panel of independent external experts evaluated a total of 62 proposals submitted in the Pilot Call for Proposals. **24 projects were selected** including **142 higher education institutions** and **155 non-academic organisations from 32 countries (38 new HEIs and 105 HEIs from RIS countries)**.

In order to inspire future generations across Europe to become entrepreneurs, by enabling them to create solutions to societal challenges described in the UN SDGs, EU Green Deal, A Europe Fit for the Digital Age and the Circular Economy Action Plan, and through mentor-based industry programmes, the EIT Community developed several dedicated projects in 2021, including (i) **Skills for Future**, (ii) **Girls go Circular**, or (iii) **Women In AgriFood**. At the same time, following strategic consultations with key internal and external stakeholders, in 2021 the EIT Community planned a cross-KIC programme dedicated to **women entrepreneurship and leadership**, with an estimated budget of **EUR 633,000**. Furthermore, in 2021 the EIT organised a series of activities in connection to implementation of its Gender Action Plan. In particular, in line with the EIT's 2021 AWP, the institute encouraged the KICs to mainstream more effectively the **Responsible Research and Innovation (RRI) concept** into their operations, in the domains of gender mainstreaming, incentivising and monitoring the KICs in pursuing gender balance and inclusiveness. **Girls Go Circular**

⁷ <https://sifted.eu/articles/european-tech-2021-atomico/>

⁸ In 2020 president von der Leyen in her State of the Union address expressed the EU's ambition to create beautiful, sustainable, and inclusive places, products and ways of living. The New European Bauhaus (NEB) is a creative and interdisciplinary initiative, creating a space of encounter to design future ways of living, located at the crossroads between art, culture, social inclusion, science and technology.

⁹ https://eit.europa.eu/sites/default/files/eit-digital-artificial-intelligence-report_1.pdf

(GGC) was one of the key actions implemented within the EIT community in 2021 so as to contribute to the goals set in Action 13 of the EU DEAP 2021-2027 – **Increase the participation of women in STEM**. Through the project, led by **EIT Raw Materials in collaboration with EIT Manufacturing, EIT Food and Climate KIC**, **8 000 young women and girls** from eight different countries (Hungary, Bulgaria, Greece, Italy, Poland, Portugal, Romania and Serbia) participated in online trainings to empower them to become future leaders and entrepreneurs. The focus on the circular economy will empower girls to become part of the solution to major societal challenges - while acquiring competences on the circular economy, girls use digital tools to solve challenges to promote or create circular innovation.



In 2021, the **EIT Alumni Community** selected its President, Ms Anca del Rio. She was selected from a large pool of highly accomplished candidates and following a rigorous selection and evaluation process. In March 2020, Anca del Rio founded the The Digital Aid Project, a global COVID-19 Resilience and Response initiative aiming to bring need-led innovation to the most vulnerable and to #LeaveNoOneBehind. Alongside her diverse executive, advisory and technical roles in healthcare strategy and planning, she is involved with several international organisations holding honorary positions. Anca del Rio is the Country Representative at EIT Health Alumni Network, and she is engaged in several activities to advance effective innovations towards Sustainable Development Goals.



In accordance with the SIA 2021-27, the **EIT published a Call for Proposals for EIT Culture & Creativity in October 2021**. The EIT GB is expected to designate the new KIC on 22 June 2022. Stakeholders from the CCSIs represented a new audience for the EIT, thereby a dedicated Stakeholder Engagement & Communication Plan was developed to ensure impactful mobilisation of stakeholders from the Cultural and Creative Sectors and Industries (CCSI). In 2021 the EIT developed a database of over 700 stakeholders from the CCSIs, opened a networking platform to facilitate connections among potential partners attracting over 1138 participants from 56 countries. Also, the EIT organised a series of communications actions including a media advertising campaign promoting the call and associated events with prominent outlets such as Monocle, Wired, Euractiv and Science Business.

In January 2021 the EIT signed a **Memorandum of Understanding (MoU) with the European Innovation Council (EIC)** to strengthen cooperation for the future. To celebrate the MoU, a joint online press event was organised, opened by Commissioner Gabriel and with speaking engagements from the European Commission and EIT & EIC representatives. Several joint EIT & EIC events took place throughout the year, highlighting European innovation. **In 2021 over 700 participants benefited from the EIT-EIC joint activities.**

Under the running MoU with EUIPO¹⁰, 4 IP trainings sessions were held in 2021 for the EIT Community and beneficiaries including “Training on IP basics” and IP training for the EIT Community Jumpstarter Programme. Also a joint joint webinar on “Empowering & protecting creativity through intellectual property” took place in **October 2021 that reached 256 attendees** (with the 87.2% satisfaction rate).

¹⁰ <https://euipo.europa.eu/ohimportal/en>

On 14 June, under the auspices of the Portuguese Presidency of the Council of the European Union, the EIT held the **Launch Event** for the **EIT Strategic Innovation Agenda 2021-2027**. During the hybrid event, participants had the opportunity to hear about the main features of the SIA 2021-2027, the EIT's role in powering Europe's recovery and twin transition as well as opportunities for stakeholders to get involved. Among the prominent speakers were David Sassoli, President of the European Parliament, MEP Maria da Graça Carvalho, Commissioner Gabriel, Manuel Heitor, Portuguese Minister of Science, Technology and Higher Education, the Chairwoman of the EIT and Peter Carlsson, CEO of Northvolt - the first EIT-supported Unicorn. The Forum attracted over 1,020 participants from 50 different countries including all EU Member States and counted with a balanced representation of all sides of the knowledge triangle institutions and national authorities.

On 23, 24 June, the EIT was present at this year's edition of the **European Research and Innovation Days** (EU R&I Days), which is the European Commission's annual flagship Research and Innovation event. The flagship event attracted over 20.000 participants. The EIT organised the session "In the spotlight: the voice of EIT's young pioneers" where young EIT innovators presented their innovation journey. In addition, four EIT projects were featured at the virtual R&I Exhibition and participants could visit the virtual EIT House. Several EIT-supported innovators contributed to discussions in the Policy Conference, while the EIT Alumni teamed up with Marie Curie Alumni Association and Erasmus Mundus Association to share their insights about "The Role of Community and Mentoring in Driving Innovation".

The new EIT Strategic Innovation Agenda (SIA) 2021-2027 calls for a reinforced engagement with EU Member States through increased cooperation, communication and visibility towards national stakeholders. To this end, the EIT set up a dedicated network of **National Contact Points (NCPs)**, similar to other Horizon Europe programmes. The NCPs provide information and on-the-ground advice to potential partner organisations in the respective countries. Combined with **the EIT KIC Innovation and RIS Hubs**, they act as important multipliers on the ground, increasing awareness about the EIT Community and opportunities offered. The Network of EIT NCPs was formed in May 2021 and consists of **89 NCPs** representing 57 countries from EU Member States, Horizon Associated and Third Countries. Among the highlights of the first operational year of EIT NCPs was the organisation of 18 awareness raising events about the EIT and its KICs within a period of seven months. The EIT Regulation also foresees the establishment of the **EIT Member State Representatives Group (MSRG)**, with an advisory role on strategic matters to the EIT Governing Board and the EIT Director. The group had its kick off meeting on 18 November 2021 **with 57 participants representing 26 EU Member States and Norway**. A Secretariat to the MSRG was set up by EIT in the second half of the year, supporting on a daily basis the work of 67 MSRG Representatives via provision of information among other activities.

As part of its enhanced dissemination plans, in 2021 the EIT developed the **EIT Knowledge Centre**, a repository for sharing policy level working documents and reports prepared by the EIT and the EIT KICs. The Knowledge Centre was launched in February 2022 (over 100 policy documents are now accessible in the repository for any interested external readers). Overall, in 2021 EIT registered an increase in the number of social media followers. The number of LinkedIn followers increased by 38%, Twitter by 7.06%, Instagram by 32.88%, while the level of Facebook followers remained stable.

List of acronyms

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| AAR | Annual Activity Report |
| CA | Contract Agent |
| CCSI | Cultural and Creative Sectors and Industries |
| CFS | Certificate on Financial Statements |
| CLC | Co-Location Centre |
| DEAP | Digital Education Action Plan |
| EC | European Commission |
| EFTA | European Free Trade Association |
| EIC | European Innovation Council |
| EIT | European Institute of Innovation and Technology |
| EIT RIS | EIT Regional Innovation Scheme |
| ERC | European Research Council |
| ESIF | European Structural and Investment Funds |
| EU | European Union |
| EXCO | Executive Committee |
| FS | Financial Sustainability |
| GA | Grant Agreement |
| GB | Governing Board |
| HE | Horizon Europe |
| HR | Human Resources |
| IAC | Internal Audit Capability |
| ICC | Internal Control Coordinator |
| ICT | Information and Communications Technology |
| JRC | European Commission's Joint Research Centre |
| KAVA | KIC Added Value Activities |
| KIC LE | KIC Legal Entity |
| KIC(s) | Knowledge and Innovation Communitie(s) |
| KPIs | Key Performance Indicators |
| LE | Legal Entity |
| MGA | Model Grant Agreement |
| MOOCs | Massive Open Online Courses |
| PA | Partnership Agreement |
| SGA | Specific Grant Agreement |
| SA | KIC Strategic Agenda |
| SIA | EIT Strategic Innovation Agenda |
| SME | Small and Medium-sized Enterprise |
| SNE | Seconded National Expert |
| SPD | Single Programming Document |
| SUGA | Start-Up Grant Agreement |
| TA | Temporary Agent |
| WP | Work Programme |

PART I - ACHIEVEMENTS OF THE YEAR

1.1 Increasing the impact of KICs and knowledge triangle integration

1.1.1 Support to existing KICs

In 2021 the EIT continued to support a portfolio of KICs and furthered strengthen its successful platform for launching, growing and managing them. The eight KICs continued to operate through their CLCs. The KICs continued to pursue financial sustainability to achieve financial independence from the EIT grant in the long-term (at the latest, after 15 years) through leveraging public and private investments.

This was done on the basis of individual KIC Strategic Agendas (SAs) which were signed in 2021 which are annexed to the Partnership Agreements signed in 2021 between EIT and KICs. The SAs are overarching documents of a strategic character and cover all KIC activities regardless of EIT funding while also outlining the KICs' strategic objectives and targets, designed according to the SMART methodology and closely reflecting the EIT's strategic objectives as outlined in the EIT Legislative Package, including the proposed objectives to strengthen the innovation capacity and entrepreneurship of Higher Education Institutions (HEIs) and fully mainstream the EIT Regional Innovation Scheme (RIS).

1.1.1.1 Financial support, strategic supervision, and guidance of KICs

The EIT consolidated its investments into KICs through operating the grant management cycle, adapting the legal and operational aspects closer to the EIT KIC model, and aligning procedures and methodologies for eight KICs with the Horizon Europe provisions. The EIT dedicated a large share of its budget to support its KICs, amounting for 357 million euro, representing 96% of its total budget appropriations for 2021. It monitored and analysed their performance and ensured that they deliver towards the objectives of the EIT and the Horizon Europe Programme. The process of allocating **EIT financial contribution to KICs** for the implementation of their 2021 Business Plans was severely delayed due to the late adoption of the EIT Legislative Package for 2021-2027 by the co-legislators. The Council, the European Parliament and the European Commission reached a political agreement on the recast EIT Regulation and the EIT Strategic Innovation Agenda 2021-2027 on 28 January 2021 only. As a result, the EIT Governing Board could formally adopt the **principles for the 2021 EIT grant allocation** in February 2021, which included two main funds earmarked for implementing (1) the EIT Cross-KIC scheme, including HEI and (2) the KICs' portfolios of activities. For the latter – EIT KIC Fund – the Decision also indicated the distribution among the four waves of KICs as well as the split between support and competitive funding within each wave.

The EIT GB decision on the **principles for the 2022 EIT grant allocation** to KICs' business plans for 2022, including the cross-KIC activities and shared services for 2022 and the pilot higher education initiative (HEI) for 2022 was adopted in July 2021, while the EIT GB decision on the allocation of the **2022 financial contribution** to the KICs was adopted in November 2021. As laid down in the EIT Regulation (recast) and the SIA 2021-2027, the criteria for the funding allocation followed a performance-based funding model, thus, the support and competitive funding allocation principles were abandoned in the 2021 grant cycle. This performance-based allocation mechanism included assessing the KICs' Business Plans and performance was measured by continuous monitoring.

Beyond financial support, based on lessons learned, the **EIT provided strategic supervision to KICs as well as guidance on horizontal and specific issues**, including the establishment of synergies within Horizon Europe and other EU initiatives. In particular, the EIT supported KICs in establishing interfaces and fostering joint activities with relevant European Partnerships and other EU initiatives and programmes.

The **EIT ensured that its KICs apply all relevant principles, such as openness and transparency, financial sustainability, good governance, a balance between the different sides of the knowledge triangle**. Furthermore, the EIT also verified that grant implementation is in full compliance with the respective requirements stemming from the legal framework. The EIT adapted its guidance to the KICs with a view to facilitating in one side their adaptation to the proposed changes to the funding model as of 2021 and on the other side the transition towards Horizon Europe.

In this respect, the EIT decided to extend the Grant Agreements 2021 with the KICs to 2022 in the context of the transition to Horizon Europe. Therefore, the EIT launched in July the call for BP2022, encompassing BP2021 and financial allocation. As part of the Call package, the EIT included the Call Guidelines and necessary templates already adapted to Horizon Europe templates.

Furthermore, the EIT intensified the monitoring of the KIC's activities, including the KIC financial sustainability strategies (see sub-chapter 1.4).

| Actions | Indicator | Target | Achievements/results |
|---|--|---|--|
| Improving the grant management framework through transition to Horizon Europe as well as continuous support, guidance and control of KICs | Successful transition to Horizon Europe minimising operational disruptions and ensuring compliance | Full application of Horizon Europe rules by the end of 2021 | <p>Processes and templates to implement HE rules were worked out in close coordination with EC services:</p> <ul style="list-style-type: none"> • Legal review: PA and Model GA adopted; • Programming & Call Planning, including the planning of multiannual grant cycles • Proposals Submission and Evaluation forms and templates • Grant Preparation & Amendments • Monitoring & Reporting processes <p>Regular meetings of the Task Force Simplification (all together nine TFS meetings in 2021)</p> <p>EIT's new operational and funding model was created and formally approved by the EC, translated</p> |

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| | | | into explanatory and concept notes. |
| | | Continuous guidance provided to KICs to facilitate their transition to Horizon Europe | <p>Transition roadmap for 2021 implemented in close coordination with EC, including business processes, strategies, guidance and templates developed. (</p> <p>EIT staff were appointed to Steering Committees and Key User Groups.</p> <p>Regular meetings of the Task Force Simplification (all together nine TFS meetings in 2021)</p> <p>EIT's new operational and funding model was created and formally approved by the EC, translated into explanatory and concept notes.</p> |
| Improving the grant management framework through transition to Horizon Europe as well as continuous support, guidance and control of KICs | | <p>Formal adoption of new principles and internal strategies</p> <p>Formal guidance documents issued to KICs and all KIC queries followed up</p> | <p>New KIC financing, monitoring and reporting principles 2021-2027 adopted (GB decision May 2021).</p> <p>KIC BP Guidelines 2022 shared with KICs in July 2021.</p> <p>The Funding Allocation 2022 methodology was adopted in September 2021.</p> <p>Guidelines for Interim Reporting 2021-2022 shared with KICs in Dec. 2021.</p> <p>Knowledge management (including document sharing) platform with KICs in operation and up to date.</p> <p>New Control Strategy 2021 – 2027 postponed for adoption in 2022.</p> |

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| Partnership management and accession of KIC Partners to the 2021 GA | Timely processing of of Accession Forms submitted by the eight KICs | Confirmation communicated to KICs within 60 days of receiving the Accession Forms | One annex to the GA 2021_22 Amendment nr 1 per KIC listing beneficiaries, affiliated entities and associated partners verified by EIT in Dec. 2021 within the 60 days from receiving the Accession Forms. |
| KICs strategic guidance | KIC Strategic Agendas are aligned with the EIT SIA 2021-2027 targets, (approved or amended) | All eight KIC Strategic Agendas approved in 2021 | EIT's final assessment of 8 KICs' Strategic Agendas. All eight KIC SAs approved in May 2021 as Annex to PAs. |
| Grant allocation process / programming | Effectiveness and timeliness of funding allocation to eight KICs under grant allocation process 2022 | Full allocation of available funds to eight KICs by Q4 2021 | Invitations to submit KIC Business Plans and Cross-KIC proposals 2022 shared with KICs in July 2021. Eight Business Plans and Cross-KIC proposals 2022 submitted by all eight KICs in September 2021. EIT Evaluation reports of KIC Business Plan and Cross-KIC proposals 2022 finalised in time. Eight EIT GB rapporteur missions 2021 and reports completed during autumn 2021. EIT Governing Board decision on 2022 financial allocation to KICs adopted in July 2021. EIT GB decision on the allocation of the 2022 financial contribution to the KICs was adopted in November 2021. |
| Contracting, pre-financing, and amending PAs and GAs | Timely signature of Grant Agreement(s) and the amendment(s) | Signature of Partnership agreements/amendments by end March 2021 Signature of Grant Agreements 2021 by | Eight signed PAs in May due to late adoption of the new framework and late publication in the OJ. Eight signed Grant Agreements 2021 in June/July 2021 for same |

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| | | <p>end May 2021</p> <p>Signature of amendments of the Grant Agreements 2021 by end of 2021 (if applicable).</p> | <p>reason as for above, and in relation eight pre-financing payments made.</p> <p>Eight GA amendments 2021 nr 1 signed in Dec. 2021, which extended the duration of the action until 31 Dec. 2022 and included provisions for reporting requirements.</p> |
| <p>KIC reporting, EIT ex-ante verification (including performance and costs assessments), final balance payments</p> | <p>Timely processing and finalisation of ex-ante verifications of 2020 KIC Reports for eight KICs</p> | <p>KIC Reports on implementation of 2020 Business Plans verified by end-July 2021 and final balance payments made by end-August 2021</p> | <p>KIC Reports submitted by all KICs at the end of March 2021.</p> <p>CFS provided for all beneficiaries above applicable threshold, contracted either by the EIT or through shared services.</p> <p>Ex-ante verification completed for eight SGA 2020 KIC Reports.</p> <p>Eight Resolution meetings with KICs to finalise GR2020 assessments in June 2021.</p> <p>Eight Letters to KICs concluding on ex-ante verification and final balance payments.</p> <p>For all 8 KICs, the early release of the final balance payment has been made. The final balance was transferred to seven KICs, the payment of the balance for EIT Food will be concluded in 2022 due to missing information on KCAs.</p> |
| <p>Ex-post audits</p> | <p>Timely processing and finalisation of ex-post audits</p> | <p>In relation to SGA 2019, audits completed by end April 2021</p> <p>In relation to SGA 2020, auditors selected by Q4 2021</p> | <p>Final ex-post audit reports on SGA 2019.</p> <p>Unduly paid grants recovered.</p> <p>Signed contract for ex-post audit on SGA 2020.</p> |
| <p>Grant Management Platform (IT) and</p> | <p>Timely revision and</p> | <p>Grant Management Platform (IT) and</p> | <p>The Reporting, Business Planning and Partnership Management</p> |

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| <p>knowledge management</p> | <p>comprehensiveness of the Reporting, Business Planning and Partnership Management modules of the EIT's grant management platform</p> | <p>knowledge management</p> <p>Timely setup of eGrants</p> <p>Knowledge Management and BI available</p> | <p>modules of the EIT's grant management platform (DUNA) were developed to reflect the updated requirements as necessary.</p> <p>The eGrant platform/modules were set-up for use, EIT call was planned within the EC resource planning. However, due to delays in HE legal bases approval, eGrants was not yet implemented in 2021.</p> <p>DUNA based BI process was kept operational in 2021, requests by different stakeholders were served.</p> |
| <p>Progress towards KICs' financial sustainability</p> | <p>Timely analytical contributions throughout the year as part of the Grant Cycle (reporting, business planning, monitoring), and other cyclical evaluations such as the EIT KICs 7-year review on aspects related to financial sustainability, including EIT KICs financial assets valuation.</p> | <p>Improved visibility on EIT KICs financial sustainability positions, including financial assets.</p> <p>Progress made Year on Year by EIT KICs (FS coefficient, FS mechanisms in place, Co-funding levels across all pillars, financial assets), measured against the revised EIT Financial Sustainability principles.</p> <p>Development and implementation of new structured synergies contributing to the EIT KICs Financial Sustainability linked to investors and</p> | <p>Revised Financial Sustainability principles and framework for Financial Sustainability adopted in May 2021.</p> <p>Reports on the targets achieved as part of the public EIT annual report, (in other relevant internal reports), and briefings to EIT GB and other stakeholders in relation to EIT KICs Financial Sustainability.</p> <p>The EIT KICs in implemented and developed in 2021 new structured synergies, linked to investors and ecosystems, such as EIB, EIC and EIC (see point 1.5 Synergies and complementarities with other programmes).</p> |

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| | <p>Timely strategic contributions linked to EIT KICs financial Sustainability.</p> <p>Timely strategic and operational contributions on broader investors and ecosystems issues linked to EIT KICs financial sustainability, such as synergies with EIC, EIF and EIB.</p> | <p>ecosystems, including with EIC, EIF and EIB.</p> | |
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1.1.1.2. Enhancing education in the EIT model / Implementing and monitoring the EIT Label

Implementation of the EIT Label

Following the objective to enhance its education portfolio, the EIT has worked on implementation of a set of targeted cross-KIC actions that promote knowledge triangle integration. As a priority EIT has focused on implementation of the revision of the EIT Label, following the recommendations from the external experts and addressing the objectives as set out in the SIA 2021-2027. In March 2021 the EIT has successfully adopted the new EIT Label Framework, the main strategic document defining the values and element of the new EIT Label model for the programming period 2021-2027. In the next step the EIT has adopted in June 2021 the new EIT Label Handbook for degree education, with is the key operational level document to manage evaluation of the Masters and Doctoral programmes applying for the EIT Label. Having these major documents in place, the 2021 round of assessment was fully conducted according to the new model (in the end 7 KICs programmes were successfully awarded the EIT Label). In addition further work was conducted on other EIT Label model revision actions, progress was achieved in preparing the new EIT Label Fellowship and future EIT Label for non-degree education. However, some of the actions were delayed and will be followed up in 2022 (implementation of shared services)

Implementation of education initiatives to develop skills and competencies for the future and Digital Education Action Plan (DEAP)

In 2021, up to 8 000 young women and girls from eight different countries (Hungary, Bulgaria, Greece, Italy, Poland, Portugal, Romania and Serbia) participated in online trainings, encompassing individual work as well as group activities

and leadership challenges through the online learning platform of **Girls Go Circular project**. The Girls Go Circular project supports Action 13 – Encourage women’s participation in STEM of the European Commission’s Digital Education Action Plan and empowers schoolgirls in European countries defined as modest and moderate innovators (according to the European Innovation Scoreboard) to become future leaders and entrepreneurs.

DigiEduHack is an EIT initiative under the European Commission's Digital Education Action Plan, led by EIT Climate-KIC and organised on 9-10 November 2021. As a result of th DigiEduHack event, the three DigiEduHack 2021 Global Award winning teams will receive their awards and will be invited to pitch their solution to Mariya Gabriel, the European Commissioner for Innovation, Research, Culture, Education and Youth, during a high-level Awarding ceremony in 2022.

| Actions | Indicator | Target | Achievements/results |
|--|---|--|--|
| Developing and updating the EIT Label model | The EIT Label model revision action plan implemented, with a focus on the promotion of quality education and individual learner achievement Participation in the stakeholder events, promoting Label model | Up to 2 KICs piloting new EIT Fellowship scheme EIT Label concept promoted at 2 major stakeholder events Timely implementation of the EIT Label model revision action plan | EIT Climate-KIC and EIT Food executed their specific actions, which have been evaluated for their potential of future EIT Fellowship model. EIT Label promoted and presented at 2 conferences. EIT Label Action plan partially implemented – New EIT Label Framework adopted by the EIT GB and new EIT Label Handbook for degree programme adopted by the EIT. |
| Implementation of the improved EIT Label Framework | Impactful and harmonised approach implemented to EIT Labelled masters, doctoral programmes and other education programmes ensuring learning outcomes are achieved | Assessment of new programmes (and programmes applying for relabelling) organized | Standard annual round of assessment conducted (7 KICs programmes applied to the new model). EIT Decision for EIT labelled courses adopted. |

1.1.1.3. Enhancing collaboration among KICs

Cross-KIC cooperation

2021 marked a revision of the EIT cross-KIC operational modality. Cross-KIC activities of a strategic nature and shared services activities were grouped in six clusters: Strategic Education, Strategic Regional Innovation, Access to Finance, Global Outreach, Shared Services and Strategic Synergies. In total, including three on-going Thematic Innovation cross-KIC activities, over 20 MEUR have been allocated for cross-KIC cooperation. Cross-KIC activities were carefully monitored as it was foreseen in the 2021 EIT Monitoring Plan. The monitoring process of the cross-KIC activities implementation included quarterly monitoring reports (in February, May and August), monitoring calls if needed and assessment of the BP 2021 amendment process and BP 2022 assessment process.

| Actions | Indicator | Target | Main outputs |
|-----------------------|---|---|--|
| Cross-KIC cooperation | Effective cross-KIC cooperation on priority topics agreed by the EIT community to create value and clustered according to the three categories: EIT strategic cross-KIC activities, EIT thematic cross-KIC activities and shared services | At least 20 MEUR allocated of grants for cross-KIC cooperation/missions in BPs 2022 Launching new operationalisation model of the cross-KIC modality | A revised way of operationalisation of the cross-KIC modality was incorporated in the Business Plan Guidance 2022. Over 20 MEUR have been allocated for cross-KIC cooperation (including Thematic Innovation activities) in the BP 2022 The cross-KIC activities were regularly monitored. |

KIC shared services

The implementation of shared services were continued from one end such as CLC consolidation and Communications and dissemination, from another new areas were activated as planned. These areas are the shared contracting for Certificates for Financial Statement implemented by EIT Innoenergy on behalf of all 8 KIC, while the other is the shared initiative to develop an IT tool for potential use by the KICs and the EIT, coordinated by EIT Food. The exploration of new areas for shared services remains to be an objective for 2022 on.

| Actions | Indicator | Target | Achievements/results |
|---------------------|--|---|--|
| KIC Shared services | Effective cooperation on shared services agreed by the EIT community | <p>Continuation of already exiting shared service arrangements</p> <p>Exploring the feasibility of new types of shared services</p> | <p>Shared services as part of operations e.g.</p> <ul style="list-style-type: none"> • Provision of CFS • Common data models / BI <p>were implemented, service contracts were successfully signed to provide support to the 8 KICs.</p> <p>New shared services opportunities could not be explored, the framework and the concepts of the existing shared service initiatives were explored further, such as CLC consolidation, communication and dissemination areas.</p> |

1.1.2 Increasing the regional impact of KICs

2021 was a transitional year for the EIT Regional Innovation Scheme (RIS). The current EIT Legislative Framework, which was published in May 2021, markedly enhanced the Scheme’s mandate and resources for the period 2021-2027. The EIT RIS has now become mandatory, and an integral part of the EIT KICs’ multi-annual strategies. The EIT RIS has also been allocated additional resources¹¹, as well as, given a stronger mandate to further increase the EIT Community’s regional impact through enhanced openness towards potential partners and stakeholders and better articulated EIT KIC regional strategies closely linked to the relevant Research and Innovation Smart Specialisation Strategies (RIS3).

In order to provide strategic guidance to the EIT KICs in the implementation of the enhanced EIT RIS during the current programming period, the EIT issued an EIT RIS Implementation Framework (2022-2027). This guidance was reflected in the EIT KICs’ multi-annual Strategic Agendas, which included their EIT RIS strategies, and were enclosed to their Partnership Agreements.

Transitionally, in 2021, the EIT KICs continued to implement the EIT RIS, largely based on the EIT RIS Guidance Note 2018-2020. Their activities built on their previous activities which had, by the end of 2020, successfully lead to a

¹¹ Between 10% and 15% of the overall EIT funding for existing and new KICs, has been earmarked for EIT RIS activities, with the possibility to co-fund set at up to 100%.

significant expansion of EIT Community activities to more countries and regions across Europe, contributing to a pan-European spread of EIT Community engagement opportunities and networks.

| Actions | Indicator | Target | Achievements/results |
|---|---|--|--|
| Ensure effective implementation of EIT RIS activities by KICs in line with the EIT SIA 2021-2027 and the respective implementation framework | Increased geographical representation of partners and projects coming from the EIT RIS countries and regions | Increased geographical representation of partners and projects coming from the EIT RIS countries and regions, reaching more than 15% of the total | <p>Unverified data from 2021 indicates an increase in the geographical representation of partners and projects coming from the EIT RIS countries and regions.</p> <p>Verified data from 2020 showed that 36% of the total number of partners in EIT KICs were based in the EIT RIS geographical area. Additionally, 29.7% of the total EIT Grant was disbursed within the EIT RIS geographical area.</p> |
| Oversee preparation of the KIC individual approaches of the EIT RIS and towards synergies with ESIF in alignment with the SIA 2021-2027 and the respective implementation framework | EIT RIS 2021-2027 operational framework adopted by KICs | KIC individual approaches developed on implementing EIT RIS and synergies with ESIF and Smart Specialisation Strategies in line with the 2021-2027 framework | <p>EIT RIS Implementation Framework (2022-2027), adopted.</p> <p>KIC individual approaches of the EIT RIS and towards synergies with ESIF in alignment with the SIA 2021-2027 and the respective implementation framework adopted as part of their Strategic Agendas 2021-2027.</p> |
| Coordinated dissemination of information and communication of EIT RIS activities together with the KICs | Timely communication of EIT KICs' activities including calls and events and support of cross-KIC communication actions leading to raised awareness in the EIT RIS countries and regions | Publication of EIT KICs' calls on EIT, and EU Framework Programme websites and dissemination of information and good practices via other relevant channels | EIT Regional Innovation Scheme Activity Report 2019 – 2020 was published in 2021 disseminating several good practices and success stories from the EIT RIS modality implementation. |

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| | | Improved communication and streamlined information about EIT KICs activities in seven priority countries, implemented by the service contract | EIT RIS Information Coordination Service launched. |
| Explore and if appropriate, conclude and implement Memoranda of Understanding with EU Member States eligible for the EIT RIS | Reinforcing mutual information sharing and dissemination, as well as, exploiting synergies and complementarities. | Explore and if appropriate, conclude and implement Memoranda of Understanding with EU Member States eligible for the EIT RIS and assess their effectiveness | <p>Memoranda of Understanding, with a view to reinforce mutual information sharing and dissemination, as well as, exploiting synergies and complementarities with Hungary, Bulgaria and Lithuania under rolling implementation on the basis of jointly drawn up 2021 Action Plans.</p> <p>Memorandum of Understanding with Latvia, with a view to reinforce mutual information sharing and dissemination, as well as, exploiting synergies and complementarities, concluded and implementation kicked-off on the basis of a jointly drawn up 2021 Action Plan.</p> <p>Reports on the implementation of the Memoranda of Understanding with Hungary, Bulgaria and Lithuania in 2020, jointly drawn up and adopted.</p> |

1.1.3 Launch of a new EIT KIC

Preparation and Publication of the 2021 KIC call package

In accordance with the SIA 2021-27, the EIT published a Call for Proposals for EIT Culture & Creativity in October 2021. Prior to this, the EIT Governing Board approved the call timeline and the evaluation criteria. Moreover, a document providing information on the EIT Innovation Model was published in November to further support the information sessions held on the call during November and December 2021.

Raise awareness and promote the EIT's 2021 Call for Proposals

Stakeholders from the CCSIs were a new audience for the EIT, thereby a dedicated Stakeholder Engagement & Communication Plan was developed to ensure impactful mobilisation of stakeholders from the Cultural and Creative Sectors and Industries (CCSI). The Plan helped increase significantly the visibility of the new innovation opportunity offered by the EIT Culture & Creativity Call. Among other actions foreseen, the EIT developed a database of over 700 stakeholders from the CCSIs, opened a networking platform to facilitate connections among potential partners attracting over 1138 participants from 56 countries. Also, as part of a dedicated communication campaign the EIT organised a series of communications actions including a media advertising campaign promoting the call and associated events with prominent outlets such as Monocle, Wired, Euractiv and Science Business. Press actions were activated including targeted pitching to a database of CCSI journalists, press release dissemination, editorial placement and sponsored-op eds, and interviews with EIT spokesperson. A social media campaign was launched targeting pan European CCSI accounts and multipliers featuring young creative disruptors across Europe.

A crucial aspect of the CCSI stakeholder mobilisation was event organisation and participation. To this end, on the World Creativity & Innovation Day on 21 April 2021, the EIT organised *The Culture and Creativity Webinar on New Innovation Opportunities* which attracted a total of 1,371 unique viewers. The webinar was put under the auspices of the Portuguese Presidency of the Council of the EU. A separate press event was held ahead of the webinar that saw journalists attending from over 13 countries across the EU including CCSI journalists and tier 1 media. A series of four info webinars was organised between November and December 2021 which counted with over 850 viewers. Moreover, the EIT co-organised dedicated sessions targeting stakeholders from thematic CCSIs in the margins of the Cannes Festival and the Frankfurt BookFair, as well as in cooperation with the EUIPO and the Interactive Software Federation of Europe and the European Games Developer Federation. Furthermore, EIT participated at 13 third party events organised by strategic stakeholders such as the European Parliament CULT Committee and the Council Culture Committee, Science Business, ECBN, the Public Broadcasters International Conference and others. Overall, via all above-mentioned targeted activities, the EIT managed to reach +3000 stakeholders from the CCSIs.

| Actions | Indicator | Target | Achievements/results |
|---|---|---|--|
| Preparation and Publication of the Call | Call documentation fully prepared , ready to be published | Call published Q4 | Published Call for Proposals on 26 October 2021. |
| Awareness-raising of the EIT's Call for | Information provided to stakeholders through | EIT and key materials (Call criteria, Framework | Social media campaign activated from April 2021 |

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| <p>Proposals for EIT Culture and Creativity</p> | <p>webinars, website, incl. FQA, and social media that's useful and relevant</p> <p>Stakeholders from cultural and creative sectors are informed about the opportunities provided by the Call</p> | <p>of Guidance) promoted in a timely manner in line with visibility note and targets therein</p> <p>Online campaign to raise awareness of the call with minimum 2 posts per week and a dedicated campaign featuring ambassadors</p> <p>Organisation of 1 webinar for CCI stakeholders in Q1 and Q2 2021</p> <p>Participation of EIT representatives in at least 7 CCI-related events (physical / digital) in 2021</p> | <p>with amplification from key EU accounts (such as Creative Europe) and targeted to key stakeholders, national and pan-European sectors and industries. Social media campaign included posts and multimedia aligned with distinct visual identity and series of videos and features from young creative disruptors across Europe.</p> <p>Dedicated page on the EIT website as a one stop shop for all information, updates and multimedia including FAQs and events regarding the Call updated regularly throughout the campaign. The Call page subsequently became the most visited page of the EIT website during 2021 with 31 966 unique view.</p> <p>One webinar for CCI stakeholders organised in April with 1371 unique participants (585.5% increase against initial target); Over 80% of participants stated that they have an increased understanding of the EIT and its KICs after the webinar.</p> <p>A Press release took place, a press briefing and media advertising campaign ensuring wide dissemination of the call</p> |
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| | | | <p>information with special focus on CCSI journalists.</p> <p>Four information webinars about the Call were organised between November – December with over 850 participants. The post-event Report for the webinar series has been developed.</p> <p>Four additional information sessions were organised between July – October in the margins of the Cannes Festival, Frankfurt BookFair, with EUIPO and the Interactive Software Federation of Europe & the European Games Developer Federation with a total of +700 participants from the CCSIs.</p> <p>EIT spokespersons participated in 13 external events to raise awareness about the Call.</p> <p>Promotional video advertising the call garnered close to 16 500 views across EIT social media accounts.</p> |
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1.2 Supporting the entrepreneurial and Innovation capacity of higher education

The EIT has together with its KICs successfully launched the new initiative to support increase of the entrepreneurial and innovation capacity of the higher education sector by promoting and supporting institutional change in higher education institutions (HEIs) and their integration in innovation ecosystems, as foreseen in the SIA 2021-2027.

In 2021 the EIT has together with KICs (lead by the EIT RawMaterials) worked on setting up the relevant structures and through cross-KIC effort processes KICs have organized first call for projects resulting in selecting first 24 projects, which launched in Q3-Q4 with Phase 1.

| Actions | Indicator | Target | Achievements/results |
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| Design the Framework for entrepreneurial and innovation capacity of HEI initiative | Entrepreneurial and innovation capacity of HEI initiative framework in place and assessment prepared | Adopt the Framework by Q4/2021 | The HEI Initiative Governance Framework developed, however adoption in 2023. |
| Facilitate KICs launching the pilot action | EIT oversees the successful completion of the pilot project | To initiate 10 new projects covering 15 new HEIs Complete 2 monitoring visits | The pilot Call for Proposal organized, out of 64 projects were 24 selected and launched in Q3-Q4 (covering 142 HEIs, out of which 104 non-KIC partners). Second Call for proposals launched in November 2021. EIT conducted and completed 3 monitoring visits. |

1.3 EIT cross-cutting activities

1.3.1 Communications

1.3.1.1 Brand management and communications

2021 saw a continuation of our adaptation to the COVID pandemic. Building on the work done in 2020 the EIT continued to communicate in hybrid or fully digital formats given the changing circumstances over the course of the year. The difficult circumstances due to the pandemic resulted in putting on hold our flagship InnovEIT event which will now take place in an expanded format in October 2022. However, many other successes were achieved despite the challenging environment.

The year began with the signature of a Memorandum of Understanding (MoU) between the EIT and the European Innovation Council (EIC) to solidify our cooperation for the future. To celebrate the MoU, a joint online press event was organised, opened by Commissioner Gabriel and with speaking engagements from the European Commission and EIT & EIC representatives. Several joint EIT & EIC took place throughout the year, highlighting European innovation. On International Women's Day, 8 March, the EIT organised an online panel discussion on women in deep tech. In addition to showcase Europe's innovation support in response to COVID-19, a joint online event took place on 10 March, highlighting some of the promising innovations coming out of EU innovation support. The co-hosted online press event titled, *'One year on: how European support is helping innovators develop solutions to tackle the covid-19 pandemic'*. The press briefing, streamed live to the public, featured innovators from both the EIT and the EIC who have powered real solutions at a remarkable speed. In addition to the press briefing, a joint factsheet was published, videos highlighting EIT Community innovators were created and broadcasted of innovations that were supported and a stream of success stories were added to the EIT webpage.

2021 also saw the launch of a call to establish a new Knowledge and Innovation Community in the Cultural and Creative Sectors and Industries (CCSI). The communication campaign kicked off on 15 April, with a press briefing titled, *'Creating new innovation opportunities for the Cultural and Creative Sectors and Industries (CCSI)'*. The press briefing was attended by over 30 journalists, and featured inter alia two successful EIT-supported innovators. The EIT subsequently organised a CCSI Webinar and press briefing, and launched a webpage for information on the call for EIT Culture & Creativity which acts as the one stop shop for all information on the call and includes a detailed timeline, teaser video and frequently asked questions (FAQ).

The EIT Culture and Creativity Webinar on New Innovation Opportunities was organised on World Creativity & Innovation Day on 21 April, under the auspices of the Portuguese Presidency of the Council of the EU. The webinar included several high-level speakers such as Manuel Heitor, Portuguese Minister of Science, Technology and Higher Education, MEP Eva Kaili, Viviane Hoffmann, Deputy Director-General, DG EAC. A total of 1,371 unique viewers watched the event and used the opportunity for a direct exchange with the speakers in the form of polls and Q&As. In addition, a networking platform was launched at the webinar with the aim to allow interested stakeholders to connect to potential partners; currently 1128 organisations have joined the platform. The networking platform can be accessed via the link [here](#).

This was followed up throughout the year with intensive engagement with stakeholders and multipliers to raise awareness of the call, through EIT participation in numerous and a highly successful four part webinar series in October and November.

Other highlights for the year included highly successful communication on the launch of the Cross-KIC activity on New European Bauhaus. A coordinated campaign launched on 18 October to spread news on the EIT Community activities for the New European Bauhaus and the launch of the EIT Community Booster. An EIT press release, background factsheet & infographic were produced, as well as a video interview with the coordinators from the cross-KIC activity. The launch of the campaign was accompanied by a press release from the European Commission and posts on the New European Bauhaus and European Commission social media channels. The news was featured on outlets like EU-startups, Slovenian Press Agency, ES Europa, LINA and Innovators Magazine.

2021 also saw a communications campaign to promote the launch of the pilot call on the Higher Education Initiative. This included a visual identity, website, press release, factsheet and social media posts. Commissioner Gabriel supported the launch on social media and after the launch on 24 March, three interviews with the media were held by the EIT Director. To inform interested institutes, three webinars were also organised with over 900 participants. On 15 July, the projects selected to be part of the Higher Education Initiative were announced with a press release, news item and social media posts. Commissioner Gabriel premiered the announcement on her Twitter and the projects were featured in the European Commission Daily News. The announcement got covered widely in the media including Research Europe, El Economista, Bursa Daily and Euractiv Italy. The selected consortia shared the news on their social media, including Dublin City University, University of East Finland, Maastricht University and La Palma Research. A second call was launched in Q4, and was promoted among key European stakeholders in higher education. The communication campaign also included four info-sessions organised in December 2021, where the wider audience of European universities was targeted.

The EIT’s communications also continued to better engage with wider audiences across different channels. One part of this was publication of an “Innovation Model Paper” to help better explain in accessible format how the EIT and its ecosystem functions. Work also continued on the redevelopment of a new more modern and attractive EIT website which will be further developed during 2022. Collaboration with the KICs and in particular strengthening the EIT brand also continued and was complemented with the launch of a new EIT Brand book in Q4.

The development of the EIT Communication and Stakeholder Strategy was postponed to 2022 due to new priorities that emerged during the year and had to be prioritised and in connection to staff limitations.

| Actions | Indicator | Target | Achievements/results |
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| Development and implementation of the EIT Communications Framework | Development of an improved branding strategy for the EIT to create a quality brand for innovation to increase EIT visibility and awareness in line with SIA Engagement Strategy 2021-2027 | Communications and Stakeholder strategy adopted | Strategy development postponed. |
| | Timely response to all citizen enquiries | EIT responds to all citizen enquiries in line with administrative good practice | 85 citizen enquiries were handled in 2021 in line with administrative good practice |
| | Effective and coordinated EIT Community communication | Regular meetings (min. 10) and | |

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| | <p>for enhanced EIT Community communication efforts</p> <p>Timely communication of EIT Community news to the target group</p> <p>Innovations@EIT for effective showcasing to stakeholders and visitors</p> | <p>coordinated actions to enhance EIT Community visibility, branding, communication of EIT activities and awareness</p> <p>Updated EIT Community Brand Book adopted by EIT GB in 2021</p> <p>Dedicated horizontal monitoring activity finalised in Q4 2021</p> <p>16 editions of the EIT Community in the Media internal newsletter in 2021</p> <p>10 innovations on display at the EIT</p> | <p>10 meetings organised with the EIT KIC Communications directors to discuss key updates, brand monitoring, and collaboration.</p> <p>Updated <u>EIT Community Brand Book</u> adopted on 21 October 2021.</p> <p>Monitoring activity finalised on 15 November 2021.</p> <p>13 editions of the EIT Community media newsletter were produced. Due to absence of a communication trainee between June – September, no newsletters were produced in that period</p> <p>On hold as a result of pandemic and closure of offices.</p> |
| <p>Enhancement of the EIT Corporate Communications (including EIT content production, EIT website, social media and press management)</p> | <p>Create compelling materials to present the EIT and its opportunities.</p> | <p>Update of minimum 4 EIT factsheets, 1 brochure, corporate presentation and 5 videos</p> <p>12 monthly newsletters published and disseminated to stakeholders.</p> | <p>13 In house videos produced centred around EIT opportunities and announcements</p> <p>5 animation videos produced centred around key EIT pillars, new strategy, and about the EIT.</p> <p>Series of new EIT infographics and icons produced</p> <p>Creation of EIT Culture and Creativity visual identity including the creation of professional teaser</p> <p>Creation of online brochure with EIT success stories and multimedia.</p> |

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| | | | <p>13 Monthly newsletters published and 3 Special Edition newsletters.</p> <p>In December 2021 there were 10 054 subscribers of the EIT Newsletter.</p> |
| | | <p>Minimum 10 EIT Checks In video series with 150 000 views of EIT Checks In video interview series</p> | <p>13 in house videos produced (interviews with EIT Community innovators, videos produced around key announcements) garnered over 1400 total views</p> |
| | | <p>Communications materials produced for National Day campaign highlighting EIT Community presence and support in each Member State</p> | <p>Twitter Number of posts: 24 Reach: 43K Engagement: 1.2K LinkedIn Number of posts:17 Reach: 57K Engagement: 800 Instagram Number of posts: 19 Reach: 16K Engagement: 600 Facebook Number of posts: 24 Reach 120K Engagement: 2.5K</p> |
| | <p>Increase in visits to the EIT website</p> | <p>5% increase in visitors to the EIT website in 2021 compared to 2020</p> | <p>2020: 474,119 visitors 2021: 587,386 visitors 23.89% increase in visits,</p> <p>2020: 159,777 2021: 266,6663 42,16% increase in “our activities” page views,</p> <p>2020: 30,533 2021: 7363 130% increase in “Events” page views (-> CCSI workshops)</p> |

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| | % increase in the number of EIT social media channels followers | Increase engagement with followers leading to % increase LinkedIn (25%), Twitter (10%), Facebook (2%) and Instagram (40%) in 2021 compared to 2020 | Followers on 31/12/2021 LinkedIn: 56 300 38.01% increase Twitter 59 800 7.06% increase Facebook 57 379 1.51% increase Instagram 5500 32.88% increase |
| | | 3 dedicated events for press organised in 2021 | A total of 8 online press conferences, and recorded briefings or webinars were organised for press and the public. A total of 8 press releases were published. |
| | | Timely response to all press queries | A total of 13 press briefings were prepared for timely requests for interviews. |

1.3.1.2 Stakeholder Engagement

2021 was marked by the transition to Horizon Europe and a strengthened mandate for EIT under the newly approved EIT Regulation and Strategic Innovation Agenda 2021-2027. This affected strongly the EIT stakeholder engagement focus, with our efforts having a threefold objective:

- Supporting EU institutions, as appropriate, during their discussions towards the adoption of the EIT Regulation and Strategic Innovation Agenda 2021-2027 as well afterwards, by keeping them informed concerning the implementation of our strategy;
- Raising awareness about the priorities and opportunities offered under the new EIT Strategy, by organising or participating to relevant events at national and European level, and
- Conceptualising and delivering on the novelties under the new Strategy, such as the new Member State Representatives Group (MSRG) and EIT National Contact Points (NCP) Network, the new EIT KIC on Cultural and Creative Sectors and Industries (CCSIs).

Despite the persisting challenges of the pandemic, in 2021 the EIT organised 32 events and information sessions, both hybrid and online, attracting +4400 participants from students, innovators and entrepreneurs to national and EU policy and decision makers to members of the EIT Community and beyond. Moreover, EIT spokespersons raised

awareness about the EIT activities and opportunities by participating in +130 events targeting existing and new stakeholders, at regional, national or EU level.

EIT Stakeholder Forum 2021

Following the successful format of 2020, the EIT Stakeholder Forum 2021 was organised to provide a space for interaction between EIT stakeholders and the EIT Community. The Forum included the below events and activities:

On 1 June 2021, the EIT organised its first annual meeting with the European Commission services under Horizon Europe. The online meeting counted with 50 participants including representatives from the EIT Community and the European Commission's various Directorates-General (DGs RTD, NEAR, AGRI, EAC). The meeting focused on EIT's efforts to bolster its engagement with the Western Balkans. It provided a framework to present the EIT's initiatives to foster its regional presence via the enhanced Regional Innovation Scheme and the cross-KIC action focused on Circular Economy, among others. The participants discussed plans for building synergies with other European Commission initiatives in the region aiming at creating the space for an ever-stronger EIT-EC cooperation.

On 14 June 2021, the EIT held the Launch Event for the EIT Strategic Innovation Agenda 2021-2027 under the auspices of Portugal's Presidency of the Council of the European Union. During the hybrid event, participants had the opportunity to hear about the main features of the SIA 2021-2027, the EIT's role in powering Europe's recovery and twin transition as well as opportunities for stakeholders to get involved. The Forum attracted over 1,020 participants from 50 different countries, including all EU Member States.

On 23, 24 June, the EIT was present and organised two sessions at this year's edition of the European Research and Innovation Days (EU R&I Days), which is the European Commission's annual flagship Research and Innovation event and attracted over 20.000 participants.

Reinforced Engagement with EU Member States

The new EIT Strategy called for a reinforced engagement with EU Member States through increased cooperation, communication and visibility towards national stakeholders. As a consequence, the EIT and the Commission jointly initiated a dedicated network of National Contact Points (NCPs), similar to other Horizon Europe programmes. The Network of EIT NCPs was formed in May 2021 and consists of 89 NCPs representing 57 countries from EU Member States, Horizon Associated and Third Countries.

Secondly, the EIT established the new Member State Representatives Group (MSRG), with an advisory role on strategic matters to the EIT Governing Board and the EIT Director. The group had its kick off meeting on 18 November 2021 with 57 participants representing 26 EU Member States and Norway.

EIT Liaison Office Brussels

The EIT Liaison office fully reopened in March 2021, with the appointment of a new Liaison officer. For the rest of the 2021, central attention was given to reaching-out and offering support and technical intelligence to EU Institutions, as well as building and maintaining constructive working relations with the European Commission, European Parliament and other key synergy partners.

It should be noted that due to the delay in the development of the Communication and Stakeholder Relations Strategy, the Annual Stakeholder Engagement Plan was replaced by quarterly priority overviews.

| Actions | Indicator | Target | Achievements/results |
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| <p>Engagement with institutional and knowledge triangle stakeholders</p> | <p>Structured dialogue with institutional and knowledge triangle stakeholders</p> <p>Maximise EIT visibility through participation in events and awareness-raising</p> <p>Increase efficiency of EIT briefing preparations</p> | <p>The EIT Stakeholder Engagement Plan developed and updated on a bi-annual basis, in alignment with the new Stakeholder Engagement and Communication Strategy</p> <p>Participation of EIT representatives (including EIT Governing Board members) in a maximum of 40 European/ International events of key stakeholders, including at least 3 events in Hungary as EIT host country</p> <p>BASIS tool customised for EIT workflow and fully integrated into existing EIT systems by Q2 2021</p> <p>Organisation of trainings for EIT staff by Q3 2021</p> | <p>New strategy had to be postponed. Quarterly priority overviews on stakeholder priorities.</p> <p>Organisation of 32 EIT events and information sessions with a total of +4.400 participants.</p> <p>EIT representatives including GB members contributed to 134 third-party events; out of these over 40 were targeting European/international key stakeholders and 11 Hungarian stakeholders.</p> <p>95 Briefing Documents were prepared to support EIT spokespersons.</p> <p>Cancelled following an internal assessment.</p> |
| <p>Running EIT Liaison Office in Brussels</p> | <p>EIT visibility and stakeholder engagement in Brussels increased</p> <p>Effective coordination mechanism between EIT and KICs on stakeholder engagement</p> | <p>Participation of EIT Liaison Officer in Brussels in at least 20 events/meetings (physical/ digital) of/with key stakeholders and support to priority synergies</p> <p>4 Bi-monthly Reports by Q4 2021</p> | <p>Participation of EIT Liaison Officer in 10 events. The Liaison Officer took duty in March, while due to restrictions related to the pandemic and the online nature of the events, EIT was represented mainly by thematic officers from HQ.</p> <p>12 weekly/flash reports of the EIT House Liaison Office delivered.</p> |

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| | | | 4 Quarterly reports from the EU Affairs Group meetings submitted. |
| Organisation of EIT Stakeholder Forum | <p>Interaction of EIT Community with key stakeholders and increased visibility of EIT activities</p> <p>Positive, above-average feedback received from participants (as measured by a dedicated survey)</p> | <p>Report of EIT Stakeholder Forum 2020 finalised and communicated to stakeholders in Q1 2021</p> <p>EIT Community participates in the EU R&I Days 2021</p> <p>EIT-EC service meeting organised by Q4 2021</p> | <p>Final Report of EIT Stakeholder Forum 2020 was published and communicated to stakeholders in March 2021.</p> <p>Successful participation of EIT Community, under the EIT coordination, in the EU R&I Days. Post-event report developed.</p> <p>Successful organisation of the EIT-EC services meeting with 50 participants. Post-event report developed.</p> <p>Successful organisation of EIT SIA 2021-2027 Launch Event, under the auspice of the Portuguese Presidency of the Council with +1020 participants.</p> |
| Engagement with EU Member States | Establish a structured dialogue and provide targeted and timely information to national and regional authorities of EU MS | Two EIT Member States' Representatives Group meetings (physical/ digital) organised by Q4 2021 | <p>EIT MSRSG Secretariat established and managed nominations of 67 MSRSG Members from all EU Members States and 12 from Horizon Europe Associated countries.</p> <p>Successful organisation of the online Kick off MSRSG meeting on 18 November 2021 with a total of 57 participants Meeting summary developed.</p> |
| Coordination and support to EIT National Contact Points (NCPs) | Establish a mechanism for NCPs to provide information regarding EIT | Webinars/ meetings of EIT NCPs organised by Q4 2021 | EIT NCP Secretariat established and supported 89 NCPs from 57 countries. |

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| | and KIC calls and other EIT Community opportunities | Information Package for EIT NCPs developed by Q4 2021 Call for the EIT NCP Coordination and Support Action (CSA) launched and proposals assessed by Q4 2020 | <p>1 meeting and 7 information sessions organised, targeting EIT NCPs.</p> <p>Information package for NCPs developed by Q4 2021, including FAQ document, KIC Membership Table, List of EIT Community CLCs & RIS Hubs contacts, Success Stories per country and other relevant information.</p> <p>6 monthly newsletters developed and circulated to NCPs.</p> <p>80 NCP inquiries addressed.</p> <p>End-year EIT NCP satisfaction survey with 90% satisfaction rate conducted.</p> <p>*CSA Call was not launched as the Commission (DG EAC) has formally the role of the EIT Secretariat and administrative responsibility for the CSA.</p> |
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1.3.1.3 EIT Awards

The year 2021 was a transitional year and the current EIT Legislative Framework was published in May 2021. The delay in the transition to Horizon Europe as well as the pandemic had implications on the EIT Awards 2021 planned for the second half of the year. Thus, it was decided by EIT Management to rather organise an impactful event including the EIT Awards ceremony in 2022 instead. The concept note for the EIT Awards was updated for implementation in 2022 and additional measures aiming at ensuring high-quality nominations put in place.

As of Q2 2021, preparations started to revamp the EIT Awards post 2022. Interviews with different stakeholders were held as well as an EIT internal workshop and a mutual learning exercise with KICs in order to take the EIT Awards to the next level.

1.3.1.4 EIT Alumni

The 2021 EIT Alumni Work Programme was fulfilled. The EIT Alumni activities focused in principle on governance evolution, strategy building, operational structure strengthening and efficiency and exploring options of financial sustainability of the different EIT KIC Alumni associations / communities and the EIT Alumni. As part of the governance evolution, a reform of the President position was taken place with the aim to separate the role of the president from the daily run of each community, increasing the focus on driving the overall EIT Alumni community forward, including also at an operational level. Review of the EIT Alumni Governance Model has started in 2021 and will be finalised in 2022 with the support of the EIT Alumni President who started to lay down the groundwork and direction of the EIT Alumni long-term strategy including the priority fields, objectives, key actions, mode of operation.

A service provider contracted in Q4 2020 facilitated in 2021 the EIT Alumni Community operations allowing the EIT Alumni Community to better execute its activities, including organisation of CONNECT 2021, and allow the EIT Alumni Board to focus on strategic decisions, thereby creating more value for the EIT Alumni members. The 2021 marked also several operational activities including a joint organisation with EFSA a hackaton. In 2021 the EIT Alumni community developed a new cross-KIC activity, a new operational modality, which will be supporting operations of the EIT Alumni community in 2022 and beyond.

Financial sustainability is a topic of a key importance of all EIT Alumni Communities. Throughout 2021 communities focused on sharing good practices and discussing how to share good practices among the community members. Besides the EIT-based funding, EIT Alumni communities explored possibilities to establish partnerships to scale up activities and generate incomes from participating in commercial projects or attract sponsors. The EIT Alumni sustainability strategy will be agreed in 2022 and will be a basis for a development of the EIT Alumni strategy in 2022.

| Actions | Indicator | Target | Achievements/results |
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| Provide strategic advice and guidance to the EIT Alumni Board to further develop the community and ensure alignment with EIT's strategy and activities | Implement EIT Alumni strategy and annual work plan under effective governance to enhance the impact of EIT | Approve the EIT Alumni 2022 work programme | The EIT Alumni work programme 2022 has been agreed in 2021 by the EIT Alumni Board and approved by the EIT Director in February 2022 (Ares(2022)1371132) |
| | Approval of EIT Alumni Annual Work Programme | Assess the implementation of the EIT Alumni 2020 activities | 2020 EIT Alumni Report has been published in May 2021. The 2020 EIT Alumni Activity Report was approved by the management in April 2021. |
| | Development and implementation of the EIT Alumni Challenges concept | Support contract in place. | The support contract is effectively implemented |
| | Development of sustainability strategy | | |

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| | | <p>Develop and implement the EIT Alumni Challenges concept</p> <p>Develop objectives of EIT Alumni sustainability strategy</p> | <p>and adjusted to the EIT Alumni Board's needs (Ares(2021)4984581).</p> <p>The Alumni work programme 2021 was implemented, including selection of EIT Alumni President and organisation of CONNECT 2021 online. The EIT Alumni governance has been enhanced by selecting the EIT Alumni President in July 2021. The new Alumni President has been appointed by the EIT Director decision in September 2021.</p> <p>The implementation the EIT Alumni Challenges modality has been incorporated into the cross-KIC activity – two the EIT Alumni hackathons are to be implemented in 2022.</p> <p>The EIT Alumni President developed the financial sustainability concept as part of the EIT Alumni sustainability strategy.</p> |
| Support the EIT Alumni Board in implementing its and activities | Support Alumni work programme implementation and organisation of the 2021 EIT Alumni Connect Event | Guidance and support to EIT Alumni Connect event provided by Q4 2021 and active participation of 120 students and alumni (>75% positive feedback in review). | EIT Alumni Connect event was organised on 11 December, 2021 in an online format due to the pandemic. Over 50 Alumni from the EIT's Knowledge & Innovation Communities gathered to network and help the EIT Alumni Community grow and thrive. The event was |

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| | | | organised with a 88% satisfaction rate. |
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1.3.2 Identify and share good practices

The EIT dissemination agenda has been further enhanced in 2021. In particular, the EIT has strengthened operational links with the EC through linking the EIT KICs operations with the EC dissemination tools and in particular with CORDIS, Horizon Europe Results Platform and the Horizon Booster Programme. The EIT is also a part of the EC's WG on Dissemination and WG on Feedback to Policy. In order to better steer and facilitate dissemination activities of the EIT KICs a dedicated WG was established in 2021.

In 2021 the EIT developed the EIT Knowledge Centre, a repository for sharing policy level working documents and reports prepared by the EIT and the EIT KICs. The Knowledge Centre has been launched in February 2022 (so far there are over 100 policy documents in the repository, which are accessible for any interested external readers).

Over the year the EIT has disseminated several good practices from the EIT Community operations including dissemination of good practices from IP activities (in close collaboration with the EUIPO), results from the implementation of the EIT Regional Innovation Scheme, results from implementation of the EIT Alumni activities (including the EIT Alumni Impact report and over 10 success stories disseminated through the EIT Alumni website and the EIT Alumni Social Media). As a part of the CCI call communication activities, the EIT has been constantly disseminating lessons learnt and good practices from the EIT model implementation presented in the Innovation Model report which was published in 2021.

| Actions | Indicator | Target | Achievements/results |
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| Identification, codification, dissemination of results, lessons learnt, and good practices with EIT stakeholders, including MS | EIT identifies, codifies and shares learnings and good practices. EIT supports the dissemination of results from KIC activities | EIT maintains a system that ensures enhanced KIC dissemination of results and good practices. EIT issues 3 sets of good practices with external support. Collaboration with OECD (or other partners) provides for a preceding systems analysis | An EIT's Concept paper for the identification, codification and dissemination of results, lessons learnt and good practices was developed. The action plan implementation includes, an open access repository of the EIT and KICs' policy documents and establishing links with the EC dissemination activities. |

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| | | | <p>Among others the EIT disseminated in a close collaboration with the EUIPO results of its IP agenda (including three IP success stories). It also disseminated results of the EIT Regional Innovation Scheme, success stories from implementation of the EIT Alumni agenda and lessons learnt/ good practices from the EIT model implementation presented in the Innovation Model report.</p> |
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1.3.3 International Cooperation

Increased awareness and accessibility of EIT activities in the Western Balkans

During 2021, the EIT ramped up its engagement with the Western Balkans, as a matter of priority. The EIT Community’s efforts were spearheaded by a newly established EIT Cross-KIC initiative aimed at bolstering collaboration and enhancing the circular economy approach in the Western Balkans region. The key actions implemented by the Cross-KIC Western Balkans project in 2021 focused on system mapping and policy co-creation, HEI initiative capacity building, upskilling talents with Pre-Jumpstarter, citizen engagement and raising awareness and strengthening Cross-KIC collaboration.

In addition, several efforts were made to engage with other EU and non-EU initiatives targeting the Region with a view to establish concrete synergies towards increased awareness and accessibility of EIT activities in the Western Balkans. These included the European Enterprise Network, the World Economic Forum, the Regional Cooperation Council and COST.

Global Outreach

2021 was challenging for the Global Outreach (GO) Programme due to the transition to Horizon Europe and the association process of third countries to the framework programme. Despite that, EIT in close coordination with the EIT KICs and the EIT Hubs in Silicon Valley and Israel, ensured a smooth transition, avoiding disruptions in the hub activities. During the year EIT worked closely with the European Commission and the respective EU Delegations to ensure that activities under the programme are fully aligned with the new EU Global Approach in R&I. As a result, the menu of activities offered under EIT Hub Israel and Silicon Valley was further enriched to reflect EIT’s signature model,

the knowledge triangle, supporting numerous European corporates and innovators, among others, in their internationalisation efforts. The EIT Hub in China was paused, in view of the under revision collaboration agreement between the country and the European Commission. A new hub in UK was considered, with primary focus put in co-locating the EIT KICs based in the region, while a Feasibility Study for a potential EIT Hub in Africa was conducted. Within the highlights of the year was the launch of the new website www.go-eit.eu that will increase the visibility and reach of the Global Outreach Programme to stakeholders in Europe and the world.

In November 2021, acknowledging the importance of the GO Programme and its strong potential in building strategic connections with innovation hotspots across the world, the EIT Governing Board appointed two of its members as sponsors.

| Actions | Indicator | Target | Achievements/results |
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| Engagement with selected third countries and international organisations | <p>Increased awareness of EIT activities in locations of the Global Outreach Programme</p> <p>Increased awareness and accessibility of EIT activities in the Western Balkans</p> | <p>International cooperation plans of the EIT and the KICs, demonstrate European added value, under the supervision of the EIT Governing Board, in compliance with the Commission strategy for international cooperation on research and innovation and in consultation with the respective Commission services</p> <p>The Global Outreach cross-KIC project is closely monitored and the European Commission and EIT Governing Board is regularly informed</p> <p>Cooperation with other Funds identified and joint programming commenced</p> <p>More than 100 individuals and organisations</p> | Regular progress reports on the EIT Global Outreach Programme shared with the EIT Governing Board and European Commission. |

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| | | benefitting from the EIT activities in the Western Balkans | |
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1.4 Impact monitoring and evaluation

The EIT continued strengthening its impact-focused approach to delivering world-class solutions to targeted societal challenges. Reporting and monitoring including impact indicators aligned with the Horizon Europe Key Impact Pathways have been introduced, the KICs operational performance was regularly monitored as well as their outputs, results, and progress towards impact and contribution to the Horizon Europe impact targets.

1.4.1 EIT monitoring strategy implementation

Monitoring is carried out based on the Monitoring plans and can be complemented by internal checks on topics identified as critical during the year. The table below includes information about EIT’s performance in the area of monitoring strategy implementation in 2021.

| Actions | Indicator | Target | Achievements/results |
|-------------------------------------|---|---|---|
| 2021 monitoring plan implementation | Contribution of monitoring activities to improving KIC grant management | Monitoring plan implemented by Q4 2021 (target: EIT GB rapporteur meetings, meetings with EIT KIC Supervisory Boards, monitoring assignments on KIC processes and specific activities/projects) | Overall, the 2021 Monitoring was implemented successfully with few delays (2 out of 12 activities will be finalized in 2022). With the implementation of the transitional Monitoring Plan 2021, EIT successfully adjusted its portfolio of Monitoring Activities vis-à-vis the simplification conclusions and transition to new operational model under Horizon Europe- in particular, shift from KAVA level to portfolio and process level management of grants. |

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| Preparation of the Monitoring Plans 2022 | Improved planning and selection of monitoring activities 2022 | Monitoring plan prepared (Q4 2021) | The preparation of the Monitoring Plan 2022 started in Q4 2021 and it was approved in Q1 2022 The Plan 2022 includes 15 Monitoring Activities. |
| Implementation of the EIT Innovation Agenda | Design, selection, and implementation of Innovation activities are well aligned with the Principles for Innovation Projects financed by the EIT Timely implementation of the EIT Innovation Agenda | The KICs align their calls for selecting innovation activities with the Principles for Innovation Projects financed by the EIT The EIT Innovation Agenda was timely implemented | The annual assessment of the KIC's adherence to the Principles for Innovation Projects financed by the EIT was prepared and key conclusions were shared internally contributing to the assessment of KICs performance and communicated to the KICs. Several good practices have been identified and presented at the EIT – KICs Panel meeting. The EIT Innovation Agenda was timely and fully implemented including successful implementation of the EIT IP and dissemination agendas. The EIT hold regular meetings with KICs, which served as a platform for regular exchange and discussing best practices, steering and monitoring the KICs innovation agendas, progress towards financial sustainability and establishing synergies with key stakeholders including EIC, ERC, EUIPO, EPO and EC. |
| Implementation of the EIT Business Creation Agenda | Timely implementation of the EIT Business Creation ToR (planned activities, synergies with EIC, | The EIT KICs through the EIT KICs Business Creation (BC) panel | Minutes of the bimonthly EIT KICs BC panel meetings, prepared and shared with all participants |

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| | <p>synergies with EIF, synergies with EIB)</p> <p>Implementation of the EIT Business Creation Agenda key priorities for 2021, as agreed with KICs CEOs at KIC Forum level:</p> <ul style="list-style-type: none"> - Synergies / cross - KIC KAVAs Access to Finance A2F (EIC, EIF, EIB) - 2021 Monitoring activity – selection of startups / scaleups by KICs - Database of supported startups / scaleups - Exchange of good practices | <p>delivered on the agreed activities for the year.</p> | <p>and EIT Management and DG EAC associated colleagues.</p> <p>Complete report prepared and shared with Management for 2021 deliverables / outputs against EIT Business Creation Agenda key priorities for 2021, as agreed with KICs CEOs at KIC Forum level.</p> |
| <p>KICs' adherence to Good Governance Principles ensured</p> | <p>Improvement of KICs operation in terms of openness, transparency, effectiveness, and efficiency</p> | <p>The assessment concluded as part of the performance reporting by Q3 2021</p> <p>Transparency and openness KICs' operations followed</p> | <p>The annual assessment of the KICs' adherence to the EIT Good Governance Principles was prepared. The report also includes assessment of the KICs' operational transparency and their openness.</p> |
| <p>Revision on EIT Monitoring Strategy</p> | <p>The EIT Monitoring Strategy is revised and aligned with Impact Framework</p> | <p>Monitoring strategy approved</p> | <p>A new Monitoring and Evaluation Strategy (2022 – 2027) has been drafted. The Strategy is planned to be proposed for EIT Governing Board adoption in 2022.</p> |

1.4.2 Evaluation and impact assessment

Conducting a 7-year comprehensive assessment 2015-2021 of the second wave KICs

In accordance with the legislative package, the EIT initiated in November 2021 a comprehensive assessment of the second wave of KICs (EIT Health and EIT RawMaterials) with the help of independent external experts and contracted for this purpose a consortium of Deloitte and White Research.

The assessment covered the first seven years of EIT Health and EIT RawMaterials, i.e. the period from 2015 to 2021 (Start-up Grant Agreement and the first six years of the Partnership Agreement¹²).

The KICs were assessed against the monitoring and evaluation criteria for European Partnerships set out in the Horizon Europe Regulation and Article 11 of the EIT Regulation as follows:

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

The next steps include finalisation of the assessment reports, launching a 2-month consultation with the MSRG and GB Decision on termination or extension of the KICs Partnership Agreements.

| Actions | Indicator | Target | Achievements/results |
|-----------------------|---|--|--|
| 7 and 15-year reviews | 7-year review of the second wave KICs 2015-2021 conducted and 15-year review prepared | <p>A 7-year review of the EIT Health and EIT RawMaterials (2nd wave KICs) launched</p> <p>Year 15 review methodology developed, finalised for 1st wave KICs</p> | <p>Methodology of 7-year assessments developed and adopted by EIT GB.</p> <p>A consortium contracted for the 7-year assessment of 2nd wave of KICs.</p> <p>The assessment conducted through desk research, interviews and surveys.</p> <p>Draft reports on the 7-year comprehensive assessment of EIT Health and EIT RawMaterials developed.</p> <p>Draft final review methodology developed.</p> |

¹² In the Horizon 2020 period, the EIT signed 'Framework Partnership Agreements' with the KICs, these were replaced by the Partnership Agreements after the publication of the Horizon Europe Regulation

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| 3-year reviews | 3-year review of new KICs prepared | 3-year review for 4 th wave KICs designed. | Concept Note on KIC reviews and assessments developed. Draft interim review methodology developed. |
| Finalisation of a Methodology for implementation and mainstreaming of the EIT Impact Framework | The EIT Impact framework aligned with HE KPIs and mainstreamed across the evaluation and monitoring system of EIT | Robust system under implementation for impact-led planning, data collection, reporting, and assessment | Methodology for implementation of the EIT Impact Framework developed including guidelines and tools for data collection against each KPI in the Impact Framework, interview and survey templates. |

1.5 Synergies and complementarities with other programmes

A Memorandum of Understanding (MoU), focused on activities targeting the Horizon Europe widening-eligible and Western Balkan countries was agreed with COST. The purpose of the MoU was to formalise the Parties’ strong mutual commitment for a structured collaboration and dialogue, that will further enhance the impact of both Parties in areas of mutual interest. This MoU aims to establish a cooperation framework between the Parties by identifying the areas of cooperation based on common interest and by setting the objectives and principles of such cooperation.

In line with Joint Action Plan between the European Committee of the Regions (CoR) and the European Commission of November 2020, the EIT and the CoR have kicked-off negotiations aimed at concluding an Enhanced Cooperation Agreement in 2022.

The 2021 EUIPO-EIT action plan has been fully implemented. In 2021 over 700 participants benefited from the EIT-EIC joint activities. This included 4 IP trainings sessions held for the EIT Community and beneficiaries including “Training on IP basics” and IP training for the EIT Community Jumpstarter Programme. Also a joint joint webinar on “Empowering & protecting creativity through intellectual property” took place in October that reached 256 attendees (with the 87.2% satisfaction rate).

| Actions | Indicator | Target | Achievements/results |
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| Promotion of synergies with other EU initiatives | Added value priority synergies of EIT with other EU programmes and initiatives in place | Seek co-investment from ESIF with MoU countries and synergy implementation mechanisms with DG REGIO, EAC, RTD and JRC | Hungary and Bulgaria have included the necessary relevant provisions within their ESIF Operational Programmes to allow for concrete synergies with the EIT Community to be implemented during the current programming period. |
| | | Seek agreement with DG EAC and NEAR on synergies and co-investment with IPA III | While no agreement could be reached, discussions with the relevant European Commission Services and Serbia were held with varying levels of success. |
| | | Implement EIT-EIC MoU and structured operational level dialogue | <p>Throughout 2021, EIT and EIC collaborated at strategic and operational level.</p> <p>At strategic level, key priorities were discussed and agreed on for 2022 between the EIT and EIC-EISMEA Directors.</p> <p>At operational level, success was for example achieved in establishing the Fasttrack mechanism to EIC Accelerator for KICs supported startups / scaleups, with 48 companies previously supported by at least one EIC KIC were selected, out of 164 in total for the 2021 cut-off dates of the EIC Accelerator.</p> |
| | | Implement EIT-EIF structured cooperation with additional EIT KICs (beyond EIT Health) and | EIT-EIF MOU signed in Sep 2021, to cover four areas of collaboration (financial instruments, Education, |

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| | | at EIT-EIF level as per the scope and mechanism agreed | <p>Regional Innovation Scheme, common investors events). Activities will continue developing in 2022 in these four areas.</p> <p>EIT Health VCoE continued to develop (investors subscribing to the investment platform, first investments into innovation health startups / scaleups taking place), while EIT Food led the development of the first steps of VCoE AgriTech-BioEconomy with EIF.</p> |
| | | Implement EIT-EIB structured cooperation, as per the scope and mechanism agreed | <p>EIT supported EIT RawMaterials in the development of the the Access to Finance (A2F) cross-KIC cluster, in preparing investable innovation projects / scaleups supported by KICs.</p> <p>At this stage no structured cooperation was put in place.</p> |
| | | Implementation of the 2021 EUIPO-EIT action plan | <p>The 2021 EUIPO-EIT action plan was fully implemented; implementation of the plan is presented in the report.</p> |

1.6 Horizontal activities

1.6.1 Strategy: Co-ordination and implementation

In 2021, the EIT ensured the well-functioning of the EIT's management structures (Governing Board and working groups) and internal processes. The EIT's management team and the Director's Office oversaw the implementation of the Work Programme in 2021 and the budget, as adopted by the EIT Governing Board and in compliance with the regulatory framework. The EIT aimed to ensure adequate coordination of its operational activities, strategic policies and stakeholder engagement, and development of the overall EIT's strategic objectives as set in its Strategic Innovation Agenda 2021-2027

1.6.1.1. Strategy definition and coordination

EIT Governing Board meetings and EIT management

| Actions | Indicator | Target | Achievements/results |
|--|---|---|--|
| Strategic co-ordination by the EIT GB and EIT support services to the latter | Effective preparation and implementation of Governing Board (GB) and Executive Committee meetings, GB Working Groups meetings, Panel, GB Rapporteur and other meetings with GB Members participation including the meeting(s) with the KIC Chairmen | Effective and timely preparation and implementation of at least 4 regular GB meetings, 4 regular Executive Committee (ExCo) Meetings, Annual KIC Hearing in compliance with all applicable rules and procedures | The EIT Governing Board held five regular meetings as planned, two extraordinary meetings, and adopted 48 decisions. Executive Committee meetings were held before each GB meeting and the annual hearing with KICs was held in November 2021. |
| EIT management | Effective management and implementation of the EIT's Annual Work Programme | Timely and complete implementation of the AWP. Continuous feedback and corrective actions on areas of improvement | The implementation of the AWP was monitored by management on a continuous basis and quarterly review meetings were organised with the Heads of Unit, where feedback was provided and corrective actions were agreed. |
| Internal decision making | Efficient internal decision-making is in place | Regular management and unit meetings take place | Weekly meetings of the EIT Management Team were held, list of open priority actions |

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| | | 75% Implementation of the management action plans for internal communication and work environment action plan, updated following the staff survey | continuously maintained. The action plan for internal communication and work environment was implemented on a continuous basis, including the establishment of a new Way of Working document with the participation of all EIT staff. |
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Planning, programming, reporting and audits

| Actions | Indicator | Target | Achievements/results |
|---|---|--|--|
| Planning, Programming, and Reporting | Timeliness (preparation and submission) of the documents foreseen in the SPP (Strategic Planning and Programming) cycle, namely Budget, Annual Activity Report, Budget implementation report, Report on budgetary and financial management, and Single Programming Document | Budget 2022, Draft budget 2023, AAR 2020, Report on budgetary and financial management 2020 produced and transmitted on time. | AAR 2020, SPD 2022-2024, Budget 2022, Report on budgetary and financial management 2020. |
| | Timeliness (preparation and submission) of internal quality reporting | On-time delivery of accurate internal reports (ad-hoc, monthly, or quarterly) and bi-monthly summary reports for the Commission and GB | Bi-monthly summary reports to EIT GB and Commission. |
| Implementation of the Annual Work Programme | Timely implementation of the Annual Work Programme part of the SPD 2021 | 95% of activities implemented by Q4 2021 | Consolidated Annual Activity Report 2021. |
| Gender Action Plan | EIT effectively promotes gender equality and women entrepreneurship | Gender Action Plan 2021 implemented | EIT Gender Vision published on EIT website. |

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| | | Gender focus point designated | <p>EIT and KIC specific actions related to women entrepreneurship implemented.</p> <p>7 out of the 8 EIT KICs have put in place the Gender Equality Policies by 31 December 2021, having designated the gender focus points in dedicated action plans.</p> <p>Procedures screened to be gender-sensitive Gender training completed.</p> |
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1.6.1.2. Internal communications and work environment

| Actions | Indicator | Target | Achievements/results |
|------------------------|--|---|--|
| Internal communication | <p>Efficient communication structures are in place.</p> <p>Enhanced internal communication via participatory leadership approach</p> | <p>> 95% of staff is fully aware of the EIT and their objectives and priorities (survey)</p> <p>All EIT GB and Director's decisions are communicated to staff in a timely manner and are published as appropriate</p> <p>Regular general staff meetings are organised following Governing Board meetings</p> | <p>All staff in active employment concluded their annual objectives in writing.</p> <p>All decisions are available on the staff intranet and in the Ares filing system immediately.</p> <p>Weekly management meetings, monthly meetings with Heads of Sections and regular unit meetings took place.</p> <p>Regular general staff meetings were organised after each GB meeting.</p> |

1.6.2 Administrative support

1.6.2.1 Human resources

| Actions | Indicator | Target | Achievement/results |
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| HR – Recruitment | EIT is fully staffed in line with its Establishment Plan | Timely and compliant completion of staff selection procedures Publication of the vacancy notice within 6 weeks of a vacant post and completion of reserve lists within 4 months from the deadline for applications | Six (6) selection procedures were completed in 2021 with an overall average completion of 6 months from the deadline of the call to the establishment of reserve list, i.e. the result is below the target. |
| Payroll | Regular implementation of the salary run as required | Zero delays in the payroll process Less than 2% error rate | All payroll actions were implemented on time, with zero delay, and in full compliance with the respective HR rules. |
| HR management system (SYSPER) | Effective functioning of SYSPER with maximum use of available modules | Additional modules to be implemented 2021: HR reporting, Ethics, Appraisal and Reclassification, personal files and Rights module | In 2021 EIT continued to work on the implementation of the SYSPER reporting module, which is planned to be finalized in 2022. The implementation of the remaining modules, including Appraisal and Reclassification, personal files and Rights module were planned tentatively, in agreement with the Commission/DGHR, for 2022 and 2023. |
| HR – Training plan | Identification of in-house training courses according to the learning and development plan | 90% of in-house training sessions provided according to plan | In view of the continuing pandemic situation in 2021, priority was given to online trainings. According to the training plan, all trainings were carried out in 2021, |

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| | | | notwithstanding the challenges. Altogether 22 trainings took place, not counting the multitude of individual professional and other courses taken by staff as per their individual training maps. These included all staff trainings, language courses and specialized training for target groups. |
| Social Policy | Schooling Policy Implemented, sports clubs and reimbursement of public transportation | Timely adoption of the ceiling decision on schooling and transport costs. | The ceiling decision was adopted timely. All contracts with transport companies were duly prepared and signed. All eligible staffs' school- and kindergarten-related expenses were paid timely. |
| Implementation of the EIT Traineeships programme | Trainees support EIT activities and increase knowledge of EIT | At least 10 traineeships successfully completed in 2021 | 15 new trainees started in 2021; 7 out the 15 traineeship contracts were extended in 2021 for a further 6 months. 11 traineeships were successfully completed in 2021. |
| Ensure full use of available human resources | Reduction of the vacancy rate Use of interim staff for long-term (e.g. maternity) leaves | Not more than 3 vacant posts on average Interim staff in place for all long-term leaves without delay | The staff number as of 31 December 2021 (including SNEs) was 64 out of a total number of 70 posts. Interim staff was deployed to cover long-term absences, projects, or peak workload. As of 31 December 2021, 12 interim contracts were concluded or extended. |
| Implement obligations in the EIT Staff Regulation | Effective and efficient implementation of provisions under the Staff Regulation | Adopt implementing rules of the Staff Regulation | Implementing rules were adopted in a timely manner by the GB in 2021 in line |

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| | | | <p>with the Commission rules provided.</p> <p>All processes were implemented in compliance with the relevant rules and regulations. This statement is supported by lack of audit observations in this regard.</p> <p>Appraisal exercise was completed in Q2, and the reclassification exercise was completed in Q3. Therefore, both processes were implemented timely.</p> |
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| | | <p>Compliance with all provisions of staff rules and regulations in place</p> <p>Timely completion of appraisal (by Q2) and reclassification (by Q3)</p> | |
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1.6.2.2 Finance, Budget, Procurement, and Accounting

| Activity | Indicator | Target | Achievement/results |
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| Implementation of the annual budget | High level of absorption of EIT funds | <p>> 95% of non-grant commitment and > 90% payment appropriations absorbed by Q4</p> <p>Budget review has been performed at least once in 2021</p> | <p>98% for commitments and 99% for payments</p> <p>2 budget amendments and 4 transfers</p> |
| Implementation of financial transactions | <p>Legality and regularity of commitments and payments</p> <p>Further simplified financial transactions (Q2 2020)</p> <p>Registration time of invoices, cost claims, commitments</p> | <p>Introduce simplification measures for trainees, third parties, interview reimbursements</p> <p>Registration of invoices and cost claims within 5 calendar days</p> <p>Registration of commitment request within 2 working days</p> | <p>Travel allowance has been set for trainees.</p> <p>Invoices, cost claims registered in 3 days in average.</p> <p>Commitment requests registered within 2 days in average.</p> |

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| | <p>Processing salary payments by the deadline set by the Staff Regulation</p> <p>Smooth verification of mission claims within 4 working days</p> <p>Payments transferred in line with the legal due dates</p> | <p>Authorise salary payments by the 10th of each month</p> <p>Verification of mission claims within 4 working days</p> <p>Min 95% of payments are authorized in less than 27 days from registration (considering suspensions)</p> | <p>Authorisation of salary payments completed by the 10th of each month.</p> <p>Mission claim verification is outsourced to PMO who verified the claims in average of 15 calendar days.</p> <p>92% of payments authorized in less than 3` days.</p> |
| Procurement | <p>Procurement procedures completed</p> <p>Managed EIT contract portfolio</p> <p>Procurement procedures are compliant with the applicable rules</p> | <p>Min 85% procurement procedures completed in line with the adopted procurement plan by end of Q4 2021 (subject to the initiation of the operational units) including 100% of the prioritised procurement procedures</p> <p>Structured contract portfolio information is available in ABAC.</p> <p>97% of procurement procedures without complaints/court cases</p> <p>2021 Procurement Plan is updated on a quarterly basis.</p> | <p>87% of procurement procedures were completed in accordance with the 2021 PROC plan.</p> <p>All priority procedures were completed except the new framework contract for communication services and event management.</p> <p>A number of new procedures were added to the PROC plan during the year, structured contract portfolio is maintained in ABAC LC module, there were no formal complaints/ court cases in relation to procurement procedures in 2021.</p> |
| Accounting | <p>Effective implementation of SLA with the Commission</p> <p>All purchased items above EUR100 are correctly encoded in ABAC assets</p> | <p>Timely performance of accounting correspondent tasks</p> <p>Contribute to the validation of local system performed by DGBUDG by the deadline set</p> | <p>All accounting task performed by the official deadlines.</p> <p>Contribution to the validation of local system performed by DGBUDG provided by the deadline set.</p> |

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| | Obsolete, broken, stolen, lost inventory material is proposed for write-off | <p>Audit of accounts performed in 2021</p> <p>Ensure that inventory checks carried out before the end of the year and with >98% accuracy</p> <p>Ensure that the written-off inventory items are removed from premises</p> | <p>Accounts audited by external company, audit report delivered by the deadline.</p> <p>Annual inventory check was postponed to 2022.</p> <p>Decision of write off made, items were removed before end of the year.</p> |
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1.6.2.3 ICT, Document Management and Infrastructure

Management of Information and Communication Technologies (ICT)

| Actions | Indicator | Target | Achievement/results |
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| Implementation of the EIT IT Framework | Timely implementation of the EIT IT Strategy and the 2021 IT Master Plan | <p>Adoption of the EIT IT Master Plan by Q1</p> <p>95% of the IT master plan implemented</p> <p>Quarterly ITSC meetings</p> <p>Effective EIT IT governance</p> <p>All new IT projects have an approved IT project request, Business Case document, and a Project Charter</p> | <p>IT MasterPlan approved.</p> <p>76% of the IT MasterPlan were completed (32 out of 42).</p> <p>ITSC meetings took place every quarter.</p> <p>All PM2 templates recorded.</p> |
| Ensure EIT IT Security | Effective implementation of the EIT IT Policy and General Information Security Policy | Implementation of EC Risk | The EC IT Risk Management tool is in testing phase . |

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| | | <p>Management Methodology</p> <p>GovSec reporting</p> <p>Mitigation measures implemented</p> <p>Access to ABAC and other IT systems used at EIT has been checked 1 time during the year</p> | <p>EC GovSec is still on draft. Testing to the acceptance environment ongoing.</p> <p>LAM performed regular checks. The EIT IAC performed in Q2 2021 the Compliancy validation of user accesses to the EIT's financial system ABAC.¹³</p> |
| Raising awareness in the field of ICT | Number of trainings and awareness events | 2 trainings completed | <p>All Staff CERT-EU cybersecurity training.</p> <p>All staff CEPOL cybersecurity training.</p> |
| Provide adequate ICT systems and infrastructure | <p>Adequate Systems, Services, Infrastructure, equipment, and tools available to staff.</p> <p>Availability ensured (average over one year), including planned maintenance</p> <p>Backup solutions in place</p> <p>Timely response to user requests provided Cybersecurity and Personal Data Protection</p> | <p>Acquisition of Equipment, tools, Infrastructure, Systems and Services</p> <p>Systems permanently available to all staff as required. Services availability > 99%</p> <p>Planned maintenance < 3,65 days (1% services unavailability)</p> <p>Local and Remote Backups implemented according to RTO/RPO</p> | <p>Equipment, tools, Infrastructure, Systems and Services acquired.</p> <p>99% availability of Office365, Azure, Duna.</p> <p>100% backups operational.</p> <p>Tickets resolved in less than 2 working days.</p> |

¹³ IAC report Ref. Ares(2021)3992785 - 18/06/2021

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| | | <p><10% of normal user requests require more than two working days to resolve</p> <p><10% of critical tickets are solved within 4h</p> <p>Number of IT security incidents reported to CERT-EU & EDPS <4</p> | <p>No critical tickets recorded.</p> <p>No security incidents recorded.</p> |
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Data Protection and Document Management

| Actions | Indicator | Target | Achievement/results |
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| Document Management System | Reliable and comprehensive implementation of DMS via ARES/HAN | Comprehensive DMS of the Commission (ARES/HAN) fully in use at EIT via SLA | HAN fully operational and in use. |
| Organisation of information, archiving and storage | Adequate guidance, plan and procedures implemented | <p>Full implementation of applicable guidance and archiving and data cleaning plan.</p> <p>Internal guidance on information provision, access to the document, complaints in place.</p> | <p>SOP on document management archive and storage</p> <p>Note on physical archiving and storage.</p> <p>Instructions for intermediate archives and on current archives developed.</p> |
| Data Protection | <p>Effective DPO supervision and implementation of the Data Protection Regulation and the DPO implementing rules</p> <p>Effective and compliant processing of personal data by data controllers.</p> <p>Continuous data protection awareness-raising</p> | <p>Continuation of the DPO action plan implementation</p> <p>Very low number of data breaches</p> <p>Increased data protection</p> | <p>52% of the DPO action plan for 2021 was implemented.</p> <p>33 out of the 64 records containing personal data processing operations were updated.</p> |

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Logistics and Building Management

| Actions | Indicator | Target | Achievement/results |
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| Office facilities | EIT premises in Budapest and EIT House in Brussels run effectively and are prepared for the future work | <p>Effective overall maintenance of office space at EIT and provision of supplies</p> <p>Planned improvement actions (incl. feasibility study) submitted to management</p> <p>Timely coordination of postal services and reception services</p> <p>Timely replenishment of office supplies</p> <p>Effective coordination with contractors and landlords</p> | <p>EIT premises were running effectively, and all entire locations were regularly maintained. Furthermore, COVID-19 measures were implemented.</p> <p>Preliminary survey was made, but the planned actions were postponed to 2022. Postal service was handled and provided in appropriate level. The reception service tasks were drafted in a new open call, which will be launched in 2022.</p> <p>The quantity of the office supplies were above the operational level throughout, ensure the smooth supplies.</p> <p>The coordination with contractors and landlords were effective and and well performed.</p> |
| Ensure security within the EIT premises | Provide efficient and timely security of the EIT staff and assets | Effective Work and Fire safety at EIT according to the local legislation | The fire safety regulation was updated. Evacuation procedure was performed. |

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| | | Review of physical security and potential improvements | The review of the physical security started, the implementation of the improvements was postponed to 2022. |
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1.6.2.4 Internal Audit Capability

Internal Control and risk management

| Activity | Indicator | Target | Main outputs |
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| Internal Control Framework | EIT achieves a high level of implementation of the Internal Control Framework | <p>The Internal control Framework is implemented</p> <p>2020 Internal Control self-assessment conducted</p> <p>90% of the baseline Internal Control indicators set for 2020 are met.</p> <p>Maximum 3 re-current exceptions/internal control weaknesses reported in 2021</p> | <p>ICC coordination mechanism is in place.</p> <p>Report on Internal Control self-assessment was presented to the EIT management. Mitigating measures for identified weaker areas were proposed.</p> <p>Register of exception and non-compliance events was maintained and updated.</p> |
| Risk Assessment/Risk Management | EIT risks are identified and addressed | <p>Critical risks are identified in the Annual Work Programme and action plans to address them are in place, review as part of the Annual Activity Report</p> <p>80% of recommendations from the audit follow up register are closed (IAS, IAC, ECA)</p> | <p>Report on critical risks in the Annual Work Programme and Annual Activity Report.</p> <p>Updated risk register 2021.</p> <p>Updated audit follow-up action plans.</p> |

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|---|---|---|--|
| Implementation of the EIT Anti-Fraud Strategy | Efficient and effective EIT Anti-Fraud measures | 90% actions of the Anti-Fraud Strategy and Action Plan for 2021 implemented, strategy reviewed and action plan updated Annual training for all staff on Anti-Fraud | Reported to all staff on the implementation of the action plan 2018-2020 during the AF and IC annual trainings. Implementation of the updated 2021 -2023 Anti-Fraud Strategy and Action Plan. |
|---|---|---|--|

Internal Audit Capability

| Activity | Indicator | Target | Main outputs |
|---|---|---|--|
| Preparation and adoption of IAC periodic plan, subject to EIT GB discussion taking into account advice of the EIT Audit Committee | Timely preparation of the IAC audit plan | Audit plan adopted by the EIT GB by March 2021 | The GB adopted the IAC audit plan on 17 June 2021. |
| Execution of periodic IAC plan | Timely production and transmission of IAC audit reports | Submission of the reports to the Director and to the Governing Board by the end of 2021 | All IAC reports have been finalised and submitted to the Director and the Governing Board by end-2021 except for two that were finalised in the beginning of 2022 in line with the Decision of the GB. |
| Organisation of the EIT Audit Committee meetings | Timely organisation of the EIT Audit Committee meetings | At least 2 Audit Committee meetings organised in the course of 2021. | More than 2 Audit Committee meetings were organised. |

PART II - MANAGEMENT

2.1. EIT Governing Board

Based on the recast EIT Regulation, as from 2021, the EIT Governing Board (EIT GB) consists of **15 members that are appointed by the European Commission**, aiming to ensure gender and geographical balance, as well as a balance between those with experience in business, higher education, and research. They have a **four-year, non-renewable** term of office. However, the Commission may extend the term of office once by a two-year period on the proposal of the Governing Board. The members of the Board act in the interests of the EIT, safeguarding its goals, mission, identity, autonomy and coherence, in an independent and transparent way. The EIT GB is assisted by an Executive Committee composed of five EIT GB members, including the Chair of the EIT GB and a Commission Representative.

In 2021, the EIT conducted **two exercises of conflict of interest verification** of EIT GB members, the annual exercise and the verification related to KIC Business Plans. In cases where an actual or potential conflict of interest was identified, appropriate measures were implemented depending on the associated risk level of the identified conflict.¹⁴

In 2021, the **EIT GB held five ordinary meetings and two extraordinary meetings**, including the hearings of the eight KICs in the context of the allocation of EIT financial contribution to KICs for 2022. Furthermore, the EIT GB Chair **had an online discussion with the Chairs of the Supervisory Boards of the KICs** to discuss strategic issues in June 2021. The Executive Committee met regularly via videoconference meetings to prepare for the EIT GB meetings.

The EIT GB members took an **active role in the grant allocation process** for the KICs for the year 2022. Specifically, four EIT GB members acted as Rapporteurs for the four waves of KICs. The Rapporteurs participated in online meetings with the KICs' management and governance teams and followed up on the strategic recommendations put forward by the EIT GB in 2020 contributing strongly to the grant allocation decision.

Having regard to the end of mandate of four members throughout 2022, while taking into account the increasing number of members from 12 to 15 according to the (recast) Regulation of the European Institute of Innovation and Technology, the **Board launched a selection procedure for up to seven new members on 1 September 2021**.¹⁵ The Call was launched via a news item that was published on the EIT's website.¹⁶ All of the relevant decisions of the Board were included in the news item and were made publicly available.

During the selection procedure, and in accordance with the EIT Regulation, special attention was paid to the gender and geographical balance of the Board as a whole. Also, a balance among those with experience in business, higher education, and research was considered. Consequently, and upon completion of this selection procedure, the Board submitted its proposal for the appointment of seven new members of the Board to the Commission. The Call was extensively promoted across all of the EIT media channels, which generated 180 interactions on Twitter, over 370

¹⁴ According to Decision 13/2015 of the Governing Board of the European Institute of Innovation and Technology (EIT) on the Code of Good Conduct on Conflicts of Interest for Members of the EIT Governing Board, as well as the accompanying methodology to the individual assessments.

¹⁵ *Decision 32/2021 of 30 July 2021 on the 2021 Call Text for Expressions of Interest for the Appointment of New Members to the EIT Governing Board (ref. Ares(2021)4876201).*

¹⁶ <https://eit.europa.eu/news-events/news/deadline-extended-join-eit-governing-board-apply-12-november>

likes on LinkedIn and more than 4100 interactions on Facebook, with an overall 146.000+ impressions on the three platforms.

As a result of the Call, the EIT received **259** applications and the EIT GB formally submitted the adopted shortlist of candidates to the Commission. On the basis of the proposed shortlist of candidates submitted by the Board, the Commission will appoint the new members of the Board (May -June 2022).

Besides actively attending the EIT GB meetings, the members took on additional roles in **promoting the EIT amongst key stakeholders** in bilateral meetings and with speaking engagements at high-level conferences and events, including various conferences under the Presidencies of the Council of the EU. In 2021, the **EIT GB adopted 48 formal decisions**, which can be consulted on the EIT’s website.¹⁷

2.2. Budgetary and Financial Management

Planning

The EIT’s medium-term priorities were set out in its rolling Single Programming Document 2021–2023, which incorporates the annual work programme and financing decision for 2021. The Single Programming Document is adopted by the EIT Governing Board on the basis of proposals by the EIT Director following the opinion of the European Commission.

Implementation

In line with the new MFF, 2021 appropriations in the budget were set at EUR 369.7million(40.9% lower compared to the 2020) in commitments, and EUR 400.7 million(28.4% lower) in payments. The significant difference comes from the fact that 2020 was the last year of the previous MFF in which the trend of appropriations usually show increase towards the end of the period. In 2021, the EIT did not present any significant adjustments via amending budgets. In the last adjustment the level of payment and commitment appropriations was adjusted in order to align it more closely to the estimates of needs in conjunction with the Annual Work Programme. All titles reached high levels of implementation in 2021. The 2021 implementation for all types of appropriations (budget and assigned revenue) was 97.1% for commitments and 98.7% for payments. Appropriations from the EU subsidy were almost fully implemented in 2021 (98,9 % in commitments and 99,5 % in payments). Outstanding commitments (RAL, committed amounts not yet paid for) stood at EUR 120.8 million at the end of 2021. A decrease from the 2020 level had been expected, given the start of the new MFF in 2021. The key performance indicators (KPIs) applicable to the implementation of the budget are listed in the table below:

| KPI | Target | 2021 result | 2020 result |
|---------------------------------------|--------|-------------|-------------|
| 1 Commitment implementation rate (C1) | 95% | 98% | 100% |
| 2 Payment implementation rate (C1) | 90% | 99% | 99% |

¹⁷ <https://eit.europa.eu/newseit-governing-board-meetings-and-decisions>

| | | | | |
|----------|---|-----|-----|-----|
| 3 | Commitment implementation rate for all non-grant related expense (C1) | 95% | 97% | 93% |
| 4 | Late payment rate | 5% | 7% | 6% |
| 5 | Execution rate of carried over amounts from 2020 | | | |
| | Title 1 staff expenditure | 85% | 89% | 73% |
| | Title 2 | 85% | 83% | 55% |
| 6 | Maximum rate of carryover to year N+1 of total commitments within title | | | |
| | Title 1 | 10% | 8% | 7% |
| | Title 2 | 20% | 26% | 22% |
| | Title 3 | 30% | 33% | 35% |
| | <i>Average</i> | | 33% | 34% |

These performance indicators are important measurements of the EIT's budget management, used internally.

Moreover, failure to meet the targets for the implementation of appropriations (KPIs 1 and 2 above), can have consequences for the amount of EU contribution paid to the EIT's budget in the subsequent year.

The ceilings for KPIs 6 are those applied by the European Court of Auditors for their audit work and are for guidance only.

Amendments and transfers

Two budget amendments were adopted by the EIT Governing Board during the 2021 financial year. The EIT Director approved four transfers, which are below the limit established by the EIT Financial Regulation.

The 2021 final budget following the amendments and transfers has been increased by 1% compared to the initial budget. Title 1 "Staff expense" has decreased with 4%, while Title 2 "Administrative expense" has increased with 4%. The appropriation on Title 3 "Operational expense" has been changed slightly in ratio, however this was the biggest budget change in absolute terms. The additional appropriations coming from carryovers and assigned revenue increased the budget by 6% in commitments and by 3% in payments.

| Title | Initial Budget (EUR) | | Amendments / Transfers (EUR) | | Final Budget (EUR) | | % variation Commitment Appropriation | % variation Payment Appropriation |
|---|-----------------------------|--------------------------|------------------------------|--------------------------|-----------------------------|--------------------------|--|---|
| | Commitment Appropriation | Payment Appropriation | Commitment Appropriation | Payment Appropriation | Commitment Appropriation | Payment Appropriation | | |
| Title 1 | 6,515,830.00 | 6,515,830.00 | - 247,391.25 | - 247,391.25 | 6,268,438.75 | 6,268,438.75 | -4% | -4% |
| Title 2 | 888,750.00 | 888,750.00 | 37,897.25 | 37,897.25 | 926,647.25 | 926,647.25 | +4% | +4% |
| Title 3 | 349,427,260.14 | 388,219,388.62 | 4,359,526.70 | 2,457,290.38 | 353,786,786.84 | 390,676,679.00 | +1% | +1% |
| Total | 356,831,840.14 | 395,623,968.62 | 4,150,032.70 | 2,247,796.38 | 360,981,872.84 | 397,871,765.00 | +1% | +1% |
| Additional appropriations | | | | | | | | |
| Carry over on decision | | | | | 9,442,081.30 | 1,659,693.58 | | |
| Carry over of unused appropriations from internal assigned revenues | | | | | 3,385,178.34 | 3,385,178.34 | | |
| Assigned revenue | | | | | 3,361,345.90 | 3,361,345.90 | | |
| GRAND TOTAL | 356,831,840.14 | 395,623,968.62 | | | 377,170,478.38 | 406,277,982.82 | +6% | +3% |

Carry-over/re-entry from previous financial year(s)

89.7% of the non-differentiated appropriations (Title 1 and Title 2 as for the administrative appropriations) which were carried over from 2020 to 2021 were paid.

On Title 1 the execution was high and set at 91.5%. The lowest implementation rate (below 50%) concerns schooling, kindergarten and training expense. Both schooling and kindergarten expenses were overestimated for the carry forward. As to the training expense, various trainings organized by the European Commission in 2020 and early 2021 were not invoiced to the EIT in 2021, which resulted in a low implementation rate.

83% of the carried-over appropriations on Title 2 were paid in 2021. The implementation was below 80% on building rental and maintenance expenses, as well as on IT, postage, and expenditure of the EIT Governing Board. It is difficult to estimate building-related costs, such as utilities due to their nature. The continuation of home office due to continued pandemic situation in 2021 resulted in under-implementation of the postage budget and printouts purchases. Regarding the GB-related expenditure, the final amount of a GB member 2020 rapporteur's fee was less than planned due to cancelled missions.

| Title | Fund Source | Appropriations | Final amounts of commitments | Paid amount | Paid / appropriations, % | Paid / committed, % |
|----------------------------|-------------|-------------------|------------------------------|-------------------|--------------------------|---------------------|
| 1 | C8 | 476,537.87 | 436,106.97 | 423,106.97 | 91.52 % | 97.02 % |
| 2 | C8 | 128,925.06 | 107,005.11 | 107,005.11 | 83.00 % | 100.00 % |
| TOTAL Title 1 and 2 | | 605,462.93 | 543,112.08 | 530,112.08 | 89.70 % | 97.61 % |
| 3 | C8 | 187,041,313.00 | 155,415,822.10 | 154,750,842.10 | 83.09 % | 99.57 % |

On Title 3 "Operational expenditure", EUR 187 million was carried over from 2020 to 2021, and 7% of the carried over amount was decommitted. An amount of EUR 0.7 million representing 0.4% of the committed amounts remain open and not paid, and therefore carried over to 2022. The latter relates to contracts whose duration goes beyond the financial year. The KICs could not fully absorb the grants awarded in 2020 which explains the relatively low implementation rate of 82.9% on the grant budget line.

| Budget line | Budget item description | Fund Source | Commitment Appropriations | Final amounts of commitments | Final amount of payments | Outstanding commitment | % Committed | % Paid |
|--------------|---|-------------|---------------------------|------------------------------|--------------------------|------------------------|---------------|---------------|
| 3110 | KIC Grants | C8 | 181,862,790.41 | 150,683,297.97 | 150,683,297.97 | 0.00 | 82.9 % | 100.0 % |
| 3111 | Strategic supervision, guidance | C8 | 1,719,846.92 | 1,641,755.12 | 1,641,755.12 | 0.00 | 95.5 % | 100.0 % |
| 3112 | EIT Label | C8 | 109,500.00 | 102,325.00 | 90,625.00 | 11,700.00 | 93.4 % | 88.6 % |
| 3115 | Regional impact of KICs | C8 | 588,680.00 | 588,680.00 | 47,400.00 | 541,280.00 | 100.0 % | 8.1 % |
| 3202 | Brand management, communication, stakeholders | C8 | 1,999,687.00 | 1,674,835.08 | 1,624,835.08 | 50,000.00 | 83.8 % | 97.0 % |
| 3203 | EIT Alumni | C8 | 206,543.67 | 197,553.93 | 135,553.93 | 62,000.00 | 95.6 % | 68.6 % |
| 3204 | EIT Awards | C8 | 320,000.00 | 320,000.00 | 320,000.00 | 0.00 | 100.0 % | 100.0 % |
| 3206 | Monitoring and Evaluation | C8 | 184,361.00 | 167,775.00 | 167,775.00 | 0.00 | 91.0 % | 100.0 % |
| 3207 | Identification and sharing of good practices | C8 | 49,904.00 | 39,600.00 | 39,600.00 | 0.00 | 79.4 % | 100.0 % |
| TOTAL | | | 187,041,313.00 | 155,415,822.10 | 154,750,842.10 | 664,980.00 | 83.1 % | 99.6 % |

Appropriations of EUR 3 385 178.34 from assigned revenue cashed in 2020 but carried over to 2021 were fully committed and paid.

In its decision on adopting the budget and establishment plan for the financial year 2021, the EIT Governing Board decided to re-enter commitment appropriation of EUR 9 442 081.30 and payment appropriations of EUR 1 659 693.58 on budget line 3110 KICs grants, which were previously cancelled. 2021 was the last year when EIT could re-enter appropriations cancelled in previous years. The re-entered appropriations were fully consumed both on commitment and payment.

RAL situation at the end of the financial year

RAL volumes vary considerably. This is a consequence of the time lag between commitment and payment rather than a problem specifically related to a particular EIT activity.

The amount of the outstanding commitments as of 31 December 2021 was of EUR 120 805 164.24 which represents a decrease in comparison of the financial year 2020 (-36%). The decrease mainly relates to the lower amount awarded to the KICs in 2021.

The high amount of RAL for Title 1 Staff expenditure comes mainly from, the extension of the interim agents' contracts to the next financial year as well as the IT support contract which goes beyond the financial year.

| Budget Title | 2021 | 2020 | % Variation |
|--|-----------------------|-----------------------|-------------|
| 1 Staff expenditure | 505,981.23 | 476,537.87 | 6% |
| 2 Infrastructure and operating expenditure | 232,456.85 | 128,925.06 | 80% |
| 3 Operational expenditure | 120,066,726.16 | 187,041,313.00 | -36% |
| TOTAL | 120,805,164.24 | 187,646,775.93 | -36% |

The high amount of RAL for operational expenditure is the result of the grants awarded to the KICs in 2021. Due to the nature of these grants, and the fact that payment of final balance (an average of 30% of the grant amount) is executed in year N+1, the amount of RAL is, and will always remain, very high.

In average EIT carry forward 5-10% of commitments made on Title 1 budget lines, 20-30% on Title 2 budget lines and 30-35% on Title 3 budget lines.

| Budget Title | Commitments made in 2021 | Outstanding related to commitments made in 2021 | % of outstanding commitment and commitments made |
|--|--------------------------|---|--|
| 1 Staff expenditure | 6,220,290.44 | 505,981.23 | 8% |
| 2 Infrastructure and operating expenditure | 900,199.57 | 232,456.85 | 26% |
| 3 Operational expenditure | 359,131,759.60 | 120,066,726.16 | 33% |
| TOTAL | 366,252,249.61 | 120,805,164.24 | 33% |

Reporting

Budget execution was reported to the EIT Management on a quarterly basis with deviations from budget execution targets by budget chapters, thereby identifying mitigating actions if and when needed. In addition, the implementation of the EIT Annual Work Programme was continuously monitored. These allowed for corrective actions to be taken where needed to optimise the utilisation of available human and financial resources.

2.3. Delegation and sub-delegation

The mechanism of delegation is set up through an Internal Note signed by the EIT Director which identifies the responsibilities per budget lines.

The EIT Director acts as Authorising Officer. In line with the EIT Financial Regulation, the Authorising Officer has delegated his power of implementation of revenue and expenditure to the Heads of Units for all transactions, for budget lines they are in charge and up to EUR 60 000. The only exception is applicable for the transactions related to salaries, as the Head of Unit Services and Finance has unlimited rights on salary budget lines. In the absence of the Head of Unit Services and Finance, the EIT Director acts on transactions related to salaries. Delegations are granted without time limits. The function of Authorising Officer by sub-delegation is not applicable. Co-delegation is applied on a limited number of budget lines.

Deputation for AOD is regulated via requests by the AOD for periods longer than three working days. The request shall indicate material transactions expected during the period for deputation. On a quarterly basis, each AOD reports to the AO on the implementation of appropriations he/she is responsible for.

2.4. Human Resources (HR) Management

Recruitment

A total of six selection procedures were launched in accordance with the EIT recruitment guidelines in 2021. Out of these 6 selection procedures, four procedures were launched in the late second half of the year due to EIT operational gaps identified for the next programming period and in anticipation of additional tasks set for the EIT. A total of 6 selection procedures were completed in 2021. It took an overall average of 6.25 months to complete these selection

procedures, from the deadline of the vacancy notice to the establishment of the reserve list. New measures were introduced to accommodate online testing and interviews, triggered by the COVID-19 pandemic and travel restrictions.

A new traineeship call was launched in 2021, for an planned intake of 15 new trainees. In addition, four traineeship contracts were extended for a further 6 months.

In 2021, the EIT has proceeded to procure interim services¹⁸ to cover long-term absences, projects and peak workload, where identified. In total, 15 interim service contracts have been successfully concluded or extended in 2021.

Learning & development

The HR section proposes at the end of every year to the EIT management a training map programme that enables Heads of Units to identify the needs and requests of staff members working within their units, and to identify areas of weaknesses or poor performance and best solutions to the performance problems.

By adopting a training map programme before the end of the year, Heads of Units are able to use this training map as a tool to improve the general performance of the Unit as well as to plan ahead the general objectives of the Unit directly linked to the content of the training.

The abovementioned training map is mainly targeted to in-house learning activities which allow the development of trainings tailor-made to the needs of the Agency, and in particular, of the EIT staff members.

In 2021, all trainings were offered online triggered by the COVID-19 pandemic and travel restrictions.

In line with the above and in order to offer benefits to the individuals and the organisation as a whole, the following in-house training sessions were organised in 2021 and due to COVID-19, a couple of trainings were replaced with more relevant training sessions and all trainings took place online, e.g.: Ethics & Integrity, prevention of harassment, data protection, in-house language courses, dealing with stress, in addition to the EIT team building day (which focused on organisational culture) and courses attended individually by staff members online.

Staffing situation

Out of the 70 posts allocated according to the 2021 establishment plan, 64 posts were filled as at 31 December 2021. Out of the 6 vacant posts on 31 December 2021, three were TA (AD) positions, two CA positions and one SNE position. The vacant SNE position proved difficult to fill in 2021, given the specific contractual conditions attached to the SNE contract, and which has had an impact on human resources capacity in carrying out operational activities.

2.5 Strategy for efficiency gains

The EIT has been striving to achieve efficiency gains for many years now in order to address its structural understaffing that has been confirmed by the European Court of Auditors. The EIT introduced dedicated IT systems by the end of 2016 to improve the efficiency of budget planning and to introduce paperless finance workflows. In 2017-2019, the EIT also introduced Commission IT tools such as ARES for document management, SYSPER for HR management

¹⁸ EIT has concluded a framework contract for interim service in 2019.

and also outsourced its Accounting Officer function to the European Commission. These results have stretched the EIT's resources to their maximum.

More to this, in order to gain efficiencies in its grant operations, in 2021, the EIT commenced implementing its transition roadmap from H2020 to Horizon Europe. This also covered the assessment of the possibility of integration to the HE IT infrastructure. This assessment was implemented in close collaborations with the EC. Most of the EIT staff was dedicated to this exercise, EIT looking into all aspects of the transition – legal, financial, budgetary, procurement, impact wise and assessed the risks associated to these. As an important building block of this complex exercise, the EIT already implemented the gradual adjustment of its modus operandi to multiannual grants, implementing 2021 and 2022 as a biannual cycle allocation. For this purpose EIT consulted with the KICs. Different operational models were assessed in terms of cascading levels. Namely the introduction of cascading and portfolio implementation model to increase the efficiency and effectiveness of the EIT-KIC model (including resource wise). EIT will have completed the transition to the new model by end of 2022 including the transition to HE IT systems. Owing only to extreme efforts by the EIT staff, the scarce resources have not resulted in efficiency losses. However, the staffing situation is not sustainable in the long run and would have to be addressed without any delay. The European Commission's Internal Audit Service ('IAS'), has been repeatedly informed of this problem through our requests and in regular meetings.

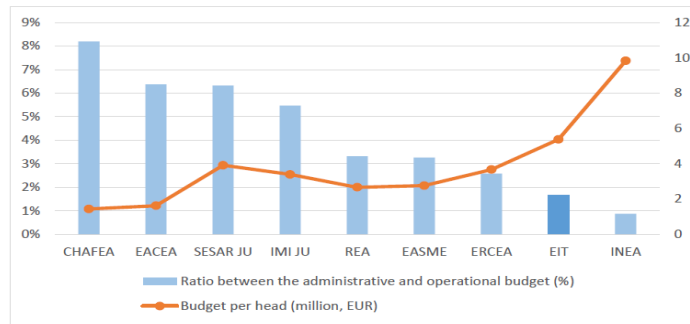
The IAS auditors evaluated various aspects of the staffing level in the EIT and benchmarked them to comparable organisations. Among European Union institutions six executive agencies and two joint undertakings were identified as suitable for comparison¹⁹. All selected organisations have grant management (direct management) and related activities (e.g. policy feedback) as their main operational process. Each of these entities have different characteristics such as organisation and governance, size, budget, complexity and diversity of the programme portfolio managed, etc. As a result, the exercise enabled IAS to gain understanding of the context and provide meaningful insight into the situation of the EIT in terms of staffing level. The auditors conducted an examination of two aspects (ratios) that were also used by the Commission in the performance evaluation of the executive agencies in terms of human resources management and cost-effectiveness:

- a) programme management cost-efficiency (the ratio between the administrative and operational budgets for payments), and
- b) budget per head (funds managed per person).

The result of this analysis for the period 2017-2019 is shown in a graph below taking the average numbers of the three years. As an outcome of this examination, it was identified by IAS that:

- the EIT is more cost-efficient and manages more funds per staff than the other 5 EU entities, with the exception of INEA;
- **without reinforcing the staffing capacity there is a risk that the EIT cannot fully implement its multi-annual work programme** (reduced effectiveness and impact) and provide assurance on funds managed (risk of errors and irregularities);
- the EIT should consider options to increase the proportion of staff allocated to operational functions;
- the EIT should continue its efforts and work together with the partner DG of the Commission, DG EAC, aiming at achieving an improved working environment promoting a better and healthier work-life balance.

¹⁹ The Consumers, Health, Agriculture and Food Executive Agency (CHAFEA), the Executive Agency for Small and Medium-Size Enterprises (EASME), the Innovation and Networks Executive Agency (INEA), the Education, Audiovisual and Culture Executive Agency (EACEA), the Research Executive Agency (REA), the European Research Council Executive Agency (ERCEA), the Innovative Medicines Joint Undertaking (IMI JU) and the SESAR Joint Undertaking (SESAR JU). The joint undertakings selected are the largest, the most comparable in terms of size to the EIT. The other JUs are very small in size.



In order to address the structural problems identified, and to be able to effectively carry out the new tasks described above, as well as to manage the growth of existing tasks, the EIT requested the approval of 10 additional establishment plan posts from 2023. This request takes into account that already in 2023, to be institutionally fit for purpose, the EIT will adjust its organisation within the current establishment plan to reflect its objectives and strategic priorities under the new Strategic Innovation Agenda 2021-2027 adopted in May 2021.

In order to deploy the available resources more efficiently and effectively, the EIT Governing Board endorsed in its meeting on 25 November 2021 **the reorganisation of the EIT**. The new organisational structure will enable the Institute to focus better on delivering on the new ambition and strategic objectives set out in the EIT Strategic Innovation Agenda 2021-2027.

| |
|--------------------|
| Director |
| Governance Section |
| Legal Section |

| Operations 1 | | Operations 2 | |
|-----------------------------------|------------------------------|------------------------------------|------------------------------------|
| Supervision and Monitoring Unit | Grant Implementation Unit | Innovation Ecosystem Unit | Communication & Engagement Unit |
| Supervision Section | Programme Management Section | Innovation Capacity Section | Public & Community Affairs Section |
| Monitoring and Evaluation Section | Grant Assurance Section | Entrepreneurship Education Section | Communications Section |

| |
|-----------------------------------|
| Administration Unit |
| HR Section |
| Budget and Finance Section |
| Procurement and Logistics Section |
| IT Section |

The EIT aims to transition to a more effective organisational structure in two steps: the first phase started in 2021 with the planning exercise and will be finalised in 2022 using the existing human resources as per the establishment plan.

The EIT is now requesting the budgetary authority to approve the reinforcements for the Institute. It will allow the EIT to reach the necessary capacity to continue building the European innovation ecosystem that fosters local talents, start-ups and SMEs. Consequently, the Institute shall deliver on the enhanced ambition, budget and mandate under its Strategic Innovation Agenda 2021-2027.

Furthermore, in 2021 the EIT implemented the following actions with a view to achieving further efficiency gains and successfully implementing its work programme in the new programming period 2021 -2027:

- Focused recruitments and retraining to address capacity gaps at the EIT (e.g. investment, entrepreneurship education competence), including strengthened management capacity, mobility, diversity;

- Further outsourcing of some activities (via experts, consultants, shared services, cross-KIC);
- Sharing services with other agencies or outsource some services (e.g. archiving, IT security, EUAN Chair, etc.);
- Targeted use of interim staff and trainees, an additional request for national experts and Commission secondments. In particular, the EIT will use a limited number of interim staff for an extended period, in line with the applicable legislation, in order to be able to deliver on its ambition.

2.6 Assessment of audit results and ex-post evaluations during 2021

2.6.1 Internal Audit Service (IAS)

The Internal Audit Service has prepared a report on significantly delayed IAS recommendations 2021, according to which there was no open critical or very important IAS recommendation. There were a number of delayed important IAS recommendations that were still open reported as ready for review in Q1 and Q2 2022.

In 2021, the IAS completed its planned audit on the audit on human resources management, as stipulated in its Strategic internal Audit Plan 2019-2021, which was ongoing as of end-2020. Three important audit recommendations were issued on that occasion.

2.6.2 Internal Audit Capability (IAC)

2.6.2.2 Internal Audit Capability reports and other results delivered in 2021

The Internal Audit Capability executed the following engagements:

i. Assurance (audit) engagements

- Compliancy validation of the access rights to the EIT's financial system (ABAC)
- Audit on Audit on External Communications, Stakeholder Relationship Management and Dissemination, finalised in 2022.
- 2021 Follow-up to past assurance engagements, final report issued in 2022.
 - Follow-up to the 2012 IAF Audit on Monitoring of Activities
 - Follow-up to the 2015 IAC Audit on Document Management incl. Data Protection
 - Follow-up to the 2016 IAC Audit on IT
 - Follow-up to the 2020 Audit on Budget Management
 - Follow-up to the 2020 Audit on Salaries and other payments to EIT staff
 - Follow-up to 2017 IAC ABAC Validation
 - Follow-up to 2019 IAC ABAC Validation
 - Follow-up to 2019 IAC Letter on Tuition Fees

- Follow-up to an issue of Asset Disposal and Inventory (from the 2019 IAC FU report)
- Follow-up to the recommendations issued by the 2020 IAC follow-up report
- Follow-up to the 2022 IAC ABAC Validation

ii. Consultancy and blended engagements

- 2020 follow-up to past consulting engagements, Audit plan reference: N° 6:
 - Follow-up to the 2014 IAC report on Conflict of Interest Management
 - Follow-up to the 2014 IAC report on Management of Sensitive Functions
 - Follow-up to the 2014 IAC report on Procurement
 - Follow-up to the 2017 IAC report Entry and Exit of KIC Partners and Linked Third Parties
 - Follow-up to the 2018 IAC Cons. on the Outsourcing of the Accounting Officer`s Functions
 - Follow-up to the 2018 IAC report related to the EIT`s Financial Autonomy
- Providing secretariat for the EIT Audit Committee, including the drafting of agenda, minutes, drafting decisions for the Governing Board on the appointment of Audit Committee members.
- Acting as the EIT contact person for the IAS planning.
- Training of new staff members regarding the EIT`s audit environment.

iii. Planning, reporting and risk assessment

- Annual Report of the IAC for 2020 was delivered in 2021.
- Update of the IAC risk assessment with the aim of providing a basis for the 2021-23 multi-annual audit plan.
- IAC contribution to the 2021 Annual Activity Report of the Authorising Officer and to the Single Programming Document.

iv. Miscellaneous activities

- Coordination with the Internal Audit Service and external auditors (e.g. the European Court of Auditors). Participation at/coordination with the network of EU internal audit capabilities (AuditNet).
- IAC quality assurance and capacity building: training, audit methodology, IAC stakeholder survey, Internal Quality Review (self-assessment), maintenance of the IAC page on the EIT intranet site, preparation of an Audit Committee.
- Participation and reporting at meetings of the Governing Board, the Audit Committee and the Management Team. Participation as observer in other meetings such as the IT Steering Committee.

2.6.3 European Court of Auditors (ECA)

Financial (discharge) audit on year 2020

The European Court of Auditors published its annual audit report on the EIT on 29 October 2021, **issuing an unqualified (clean) opinion stating that all expenditure and revenue presented in the EIT`s 2020 accounts are „legal and regular in all material respects“**. Based on the audit report, the CONT Committee of the European Parliament voted, on 07 April 2022, in favour of granting discharge to the Director of the EIT in respect of the implementation of the EIT budget in

2020. Finally, the **European Parliament granted discharge to the Interim Director of the EIT** following a vote in the plenary session on 04 May 2022²⁰.

ECA observations from 2020

No observations issued.

Follow-up of open ECA recommendations

| No. | Title |
|-----|---|
| 1 | <p>As in previous years, the KICs did not fully use the grant amounts awarded by the EIT</p> <p>EIT note: Ongoing, not under Institute's control</p> |
| 2 | <p>The EIT monitored KIC's performance and calculated some performance corrections. These corrections, however, have had no financial impact for any of the KICs, because EIT applies only the higher of the financial and performance corrections.</p> <p>ECA note: Completed.</p> |
| 3 | <p>The EIT publishes vacancy notices on its own website and on the DG HR website, but usually not on the website of the European Personnel Selection Office (EPSO).</p> <p>ECA note: Ongoing.</p> <p>EIT note: In 2021 all vacancy notices were published on EPSO website.</p> |
| 4 | <p>According to its statutes, the EIT can only offer its temporary staff fixed-term contracts with a maximum duration of five years, extendable once for another five years. This could potentially hamper the continuity of operations.</p> <p>ECA note: Completed.</p> |
| 5 | <p>Progress towards sustainability remains limited despite adopted plans in line with the EIT guidance for all KICs. The EIT should concentrate on lean management structures, review the portfolio of activities pursued and promote alternative revenue sources to increase the KICs' financial independence from the EIT.</p> <p>ECA note: Completed.</p> |
| 6 | <p>In one case, the Institute reimbursed travel and subsistence expenses, even though this was not required in the applicable service contract.</p> <p>EIT note: The event was registered in the EIT's Exceptions register. Mitigating measures were taken. Reported to ECA on the steps taken in 2021.</p> |

²⁰ https://www.europarl.europa.eu/doceo/document/A-9-2022-0094_EN.html

| | |
|---|---|
| 7 | <p>The increase in the EIT's budget and the growing number of KICs to oversee have not been accompanied by a respective increase in the number of posts.</p> <p>EIT note: Outstanding. Not under the Institute's control.</p> |
|---|---|

2.7 Follow up of recommendations and action plans for audits and evaluations

In 2021 the EIT has taken a series of steps in order to take stock and follow-up open audit recommendations. Significant actions were taken to improve the management of monitoring, conflict of interest, IT, document management, budget management and the management of access rights to the EIT's financial system ABAC. According to the EIT IAC's report "2021 Follow-up to IAC Recommendations"²¹ out of 87 recommendations in the scope of the follow-up audit:

- a. 29 open recommendations have been closed,
- b. 25 open recommendations have been downgraded and,
- c. No open recommendations has been upgraded.

There were no open critical or very important recommendations.

2.8 Follow up of observations from the Discharge authority

In response to the European Parliament decision of 04 May 2021 on discharge in respect of the implementation of the budget of the EIT for the financial year 2020, the EIT informed the Discharge Authority of follow-up actions taken and progress made in respect of observations made by the European Parliament in April 2021. In particular, the following actions have been taken in order to address the observations of the European Parliament.

Budget and financial management

The EIT reported in respect of a one-off payment error noted by the Discharge Authority that the error had already been detected and corrected by the EIT at the time of the Court of Auditors' audit visit. The likelihood of a similar situation repeating itself is considered very low. In order to ensure prudence and to prevent the risk of double-funding, the new call for procuring similar services mitigates the risk.

Performance

The EIT has taken additional measure in relation to the Knowledge and Innovation Communities (KICs) using fully the grant amounts awarded by the Institute. In this context, in 2021, the EIT intensified the monitoring of the KIC's activities, including the KIC financial sustainability strategies and the absorption by the KICs of the grants allocated.

Staff policy

In terms of the staffing situation, the EIT reiterates its position that due to the structural understaffing of the Institute, the level of control and checks, and subsequent assurance that can be reached may be lower than that of other EU programmes and Agencies, which have more adequate staffing compared to the budgetary amounts and operational complexity of programmes managed. With the sharp increase in the number of grant beneficiaries and even more

²¹ Ref. ARES(2020)4065265 of 01/08/2020

ambitious targets set in the Strategic Innovation Agenda for 2021-2027, the EIT may not be able to maintain the same level of controls and hands-on guidance without increasing the number of staff working on grant management activities and risks an increase in error rates.

In particular, as the EIT has not been provided with the modestly requested staff resources to fulfil its mandate to present, the level of monitoring, checks and controls of the EIT Knowledge and Innovation Communities has to be kept at a low level, increasing the risk of inefficiencies, undetected errors, irregularities and fraud. As such, core control and monitoring tasks cannot be outsourced by the EIT, this risk cannot be further mitigated other than by additional staff resources being provided by the EU institutions.

The EIT takes note of the observation on the staffing gender balance, and is implementing its recruitment policy in line with its gender policy, whilst keeping a balance as regards performance and meritocracy.

Procurement

The EIT has completed the procurement procedure for acquisition of the communication services in Q1 2022. This was the largest procurement procedure processed at the EIT. The service framework contract was signed on 19 March 2022. Overall, no formal complaints and no court cases in relation to procurement procedures in 2021 were recorded.

Prevention and management of conflicts of interest and transparency

In 2021 the EIT have updated its Conflict of Interests Policy, which was endorsed at the EIT governing Board meeting in November 2021, pending final approval subject to DG HR endorsement.

Internal Control

The EIT took note of the opinion of the EP as regards this critical audit recommendation on IT and addressed the risk. In 2021 the IT section addressed the identified open audit recommendation by issuing a Standard Operating Procedure on user account management, and taking considerable efforts in ensuring the IT security of the institute (in 2021 no incidents were recorded, security trainings were provided to all staff, as well as the CEPOL colleagues). Accordingly the risk was downgraded from critical to important. Further mitigating measures are planned for implementation in 2022.

Other comments

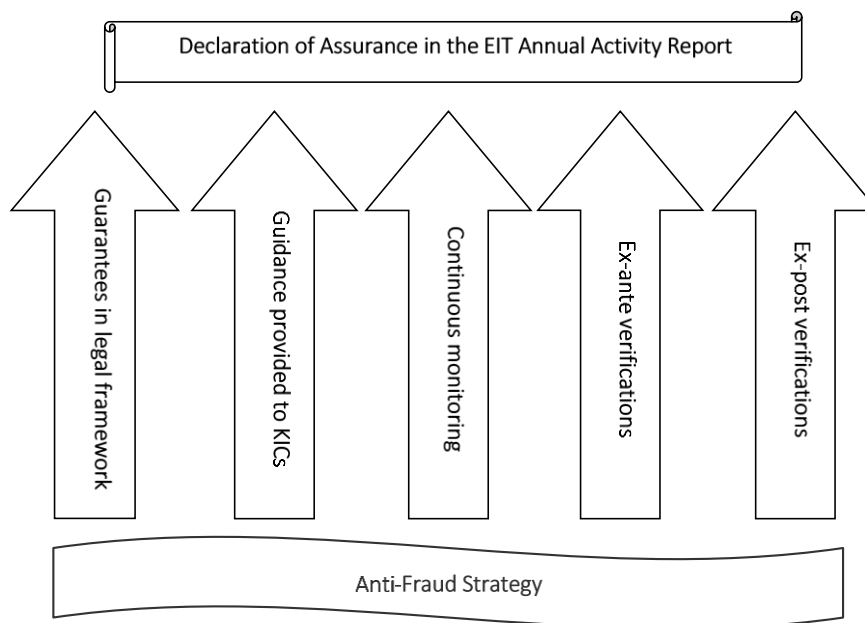
In 2021 the EIT continued to increase the digitalisation of its operations, aligning it to the European Commission standards and beyond. The transition to the EC IT tools shall be finalised in 2022, with the use of EC tools for the 2023 – 2025 multiannual grant cycle management.

2.9 Environment management

Please see Annex VII.

2.10 Assessment by Management

The Grant Assurance Strategy adopted in October 2016 relies on the following building blocks of assurance:



Ex-ante measures applied to grant transactions

The EIT consistently carries out **ex-ante verification of both commitment and payment transactions**. To ensure full compliance, any changes in the legal framework and model grant agreements are taken over by the EIT and incorporated in the Partnership Agreements (PA) and Grant Agreements (GA) signed with KICs. In 2021, relevant guidelines were made available providing detailed instructions to KICs, for example, Guidelines for the 2022 KIC Business Plan and Updated Guidelines for Grant Reporting 2020. To avoid compliance issues, any doubts as regards interpretation of the legal provisions are regularly discussed with KICs as part of the EIT-KIC Forum and Task Force Simplification meetings. Furthermore, the EIT falls under the scope of the HE Mutual Insurance Mechanism (MIM) which is an additional financial risk mitigating measure.

In 2021, **final balance payments** were executed for closing the SGA 2020 with eight KICs. The EIT performed the technical and financial assessment of all final reports to assess the adequacy of the implementation of Business Plans and to establish the final balances due. In line with its EIT's Grant Assurance Strategy, in terms of cost eligibility, the EIT relies mostly on Certificates on the Financial Statements (CFSs) issued by independent auditors. In order to address deficiencies observed previously in the quality of the CFSs, since 2016 the CFS audit exercise has been centralised, i.e. audit companies performing the CFS audits have been contracted by the EIT directly or by EIT InnoEnergy under EIT Cross-KIC Shared Services, instead of letting the individual beneficiaries/ affiliated entities to contract the auditors. Considering that the corporate methodology applicable under HE was not developed by the Commission services on time, the EIT in agreement with the Commission and in cooperation with the EY audit company adapted the existing H2020 CFS methodology and the agreed upon procedures according to the HE rules. For the interim report of the GA 2021-22, the CFS auditors were contracted by EIT InnoEnergy within the Shared Services Cross-KIC activity. All exceptions and weaknesses identified by CFS auditors were followed up with KICs during the ex-ante assessment process, which led either to the acceptance of the costs reported following the receipt of further supporting evidence,

or alternatively cost rejections made by the EIT. In addition, the EIT checked the respect of thresholds of EIT funded part of KIC management costs; any excess detected led to cost rejections.

Details of the expenditure/KIC partner coverage for the ex-ante verification of 2020 grants are shown in the following table:

| | EIT Climate-KIC | EIT Digital | EIT Inno Energy | EIT Health | EIT Raw Materials | EIT Food | EIT Urban Mobility | EIT Manufacturing | TOTAL |
|--|-----------------|-------------|-----------------|------------|-------------------|----------|--------------------|-------------------|--------------|
| EIT-financed KAVA cost reported (MEUR) | 117.5 | 90.0 | 119.0 | 114.1 | 117.6 | 79.0 | 33.1 | 35.3 | 705.6 |
| EIT grant requested (MEUR) | 93.4 | 67.6 | 89.6 | 98.6 | 94.7 | 67.3 | 27.6 | 29.5 | 568.3 |
| EIT grant approved and paid (MEUR) | 92.0 | 67.6 | 88.4 | 97.3 | 94.4 | 66.1 | 27.6 | 29.2 | 562.4 |
| EIT grant approved and paid (% of grant requested) | 98.4 | 100.0 | 98.6 | 98.7 | 99.7 | 98.1 | 100.0 | 98.9 | 99.0 |
| KAVA cost covered by CFS (MEUR) | 77.8 | 61.8 | 104.4 | 88.5 | 79.7 | 65.8 | 19.3 | 24.8 | 522.0 |
| KAVA cost covered by CFS (%) | 66.3 | 68.6 | 87.7 | 77.5 | 67.7 | 83.3 | 58.3 | 70.3 | 74.0 |
| Cost rejection by EIT based on financial assessment (MEUR) | 2.5 | 1.7 | 5.3 | 3.9 | 0.3 | 1.1 | 0.1 | 0.4 | 15.4 |
| Ineligible costs (%) | 2.1 | 2.5 | 4.7 | 3.5 | 0.3 | 1.4 | 0.4 | 1.2 | 2.3 |
| Grant reduction by EIT based on technical assessment (MEUR) | 0.4 | 2.5 | 1.2 | 3.4 | 1.6 | 2.6 | 1.1 | 0.2 | 13.0 |

Taking into consideration the high coverage and the generally good quality of the CFSs, combined with the additional checks carried out by the EIT, **it can be concluded that the assurance provided by the EIT ex-ante assessment as regards the legality and regularity of grant expenditure is reasonable.**

Ex-post verification of grants

To obtain reasonable assurance on the legality and regularity of expenditure reported by the KICs and with a view to detecting and correcting errors, the EIT developed and implemented an **ex-post audit strategy**. This complements ex-ante controls embedded in the KICs' grant management processes.

Ex-post audits of cost reports relating to EIT-KIC SGAs are performed by an external service provider selected using a Framework Contract of the European Commission. The audit methodology has been devised by the EIT based on the H2020 standard audit programme with EIT-specific elements added. The external auditor carries out on-the-spot

audits and reports to the EIT on the results. For the SGAs 2020, 28 KIC Partners (4 for EIT Climate-KIC, 3 for EIT Digital, 4 for EIT InnoEnergy, 5 for EIT Raw Materials, 5 for EIT Health, 4 for EIT Food, 2 for EIT Manufacturing and 1 for EIT Urban Mobility) were selected for ex-post audits. In order to ensure representativeness, the KIC partners in the sample were selected by applying the monetary unit sampling method. As a second stage, for each KIC partner, a sample of 6 cost items was selected for testing (except for one entity with 12 cost items selected). The sampling was done in collaboration with the European Court of Auditors, which relies mostly on the results of ex-post audits when drawing its opinion on the legality and regularity of grant implementation by the EIT.

PART III - ASSESSMENT OF THE EFFECTIVENESS OF THE INTERNAL CONTROL SYSTEMS

3.1. Effectiveness of internal control systems

Compliance and effectiveness of the Internal Control Framework

The EIT uses the organisational structure and the internal control systems suited to achieving its policy and internal control objectives in accordance with the internal control principles and has due regard to risks associated with the environment it operates.

In January 2020, EIT Governing Board adopted Decision 01/2020 on Internal Control Framework of the European Institute of Innovation and Technology²², which is largely based on the European Commission's Internal Control Framework ('ICF'), with limited adjustments to EIT context. On 01 June 2020, EIT appointed an Internal Control Coordinator ('ICC'). On 07 November 2020, the EIT adopted decision 19/2020 on the annual assessment of the internal control system at the EIT, defining the indicators to be used for assessing the implementation of the new ICF, based on the indicative list provided by the Commission, thus setting up the baseline for the 2020 to 2022 assessment exercises.

The 2021 self-assessment based on the new EIT ICF was implemented in Q1 and Q2 2022 with the results reported in the current annual report and has demonstrated overall compliance and effectiveness of the existing EIT Internal Control Framework. It is based on the following main sources of information:

- ✓ Assessment of the **internal control indicators** and the specific actions implemented by the EIT contributing to each principle;
- ✓ Evaluation of **audit findings and follow-up of recommendations** (see point 2.6, 2.7 and 2.8);
- ✓ Results of the **risk assessment exercise(s)**;
- ✓ Analysis of **registered non-compliances and exception events** that may reveal underlying deficiencies;
- ✓ **Fraud prevention and detection** measures.

Furthermore, as stipulated in Annex 2.7, based on the IAC's review of implementation status of open IAC recommendations, in 2021, out of the 87 recommendations in the scope of the follow-up audit, 29 were closed. As a result, the total number of closed recommendations has reached 125. In addition, 20 issues have been downgraded due to partial implementation. By 31 December 2021, no critical issues remained open. [Risk Management](#)

EIT implements the risk assessment exercise as part of the annual programming cycle. For each of the risks identified, mitigating action(s), action owners and deadlines for these actions are agreed and recorded in the EIT's Risk Register 2021²³. The significant and critical risks assessed above the acceptable risk at the EIT from an overall EIT perspective are indicated in the EIT Single Programming Document and followed up in the Consolidated Annual Activity Report. An update of the 2021 identified risks took place in July 2021²⁴.

²² Ref. ARES(2020)616311 of 31/01/2020

²³ Ares(2021)62568 of 18/12/2020

²⁴ Ares(2021)4800774 of 26/07/2021

The following main risks were considered as having a high likelihood of occurrence and significant impact on the EIT's activities in 2021:

- ***Non-implementation of core elements of EIT Annual Work Programme 2021 due to insufficient human resources (1)***

The risk has been identified by EIT since 2017, and it has considerably increased along the years, until the resources are fully aligned with the new mandate expectations. The modest requests for additional posts by the EIT have so far not been addressed, although in the legislative financial statement it is acknowledged that *“the EIT administrative costs are very low with less than 2% of the total budget compared to the average of 4.6% reported for Horizon 2020”*²⁵.

In the light of this, the EIT is highly concerned that the EIT cannot fulfil its tasks in a satisfactory manner. In particular, the supervision and monitoring of KICs cannot be performed to a level that mitigates the risks of an increase of error rates, creating an unacceptable financial risk for the EIT and significant pressure on the EIT staff and a threat to their health. The described contribute to creating a negative working environment as well as, a negative reputational impact for the EIT. In the meantime, the EIT has put an emphasis on mitigating the risk by considering prioritising tasks and managing of stakeholder's expectations, providing support to staff (improve social policy, hiring interim staff) and requesting additional resources from the Budgetary Authority.

The risks is acknowledged also by the European Court of Auditors and the Commission's Internal Audit Service. The latter reported in its audit report on the resulting high likelihood of irregularities and staff heavy workload which *“is believed to be leading to tensions, sickness and impossibility to implement the EIT's multi-annual work programme and provide assurance on the managed funds”*.

As the EIT's request for additional posts for 2021 and for 2022 have not been granted by the EU institutions, the EIT Governing Board endorsed in its meeting on 25 November 2021 the reorganisation of the EIT in order to deploy the available resources more efficiently and effectively (in order to reduce the critical risk). , in 2021 the EIT management concluded a revision exercise on its organisation structure and planned the transition to a new organigramme, taking place in 2022. The new organisational structure has been modified to reflect the efforts to make the organisation leaner, clarify reporting lines and strengthen the focus on the core activities, including closer monitoring and supervision of the EIT KICs. On this note, in 2021, the EIT initiated the transition of the IAC function to a KICs' monitoring and supervision function. The exercise was completed by 30 April 2022, being part of the reorganisation process. In same year, the EIT repeatedly requested new posts, to address the minimum needs and continued its efforts to reinforce the erational teams' monitoring and supervision capacity. Based on analys of he EIT's strategic objective and priorities under the 2021/2027 Strategic Innovation Agenda, the EIT reintroduced a request for 10 posts, which represents a minimum basis that could support the Institute in its path towards empowering innovation and entrepreneurship in Europe.

- ***Business continuity of KIC financing in 2021 for the KICs is not ensured (2)***

The EIT performed regular legal assessments of risks in connection to uncertainties and delays in respect to transition to Horizon Europe ('HE'). The risk was discussed regularly at the EIT management meetings and was reduced by regular legal assessments performed by the EIT's legal officers, taking onboard most of the requirements of the HE and assessing the financial risks related to the non-timely adoption of the EIT's revised legal framework. Most of the requirements of the HE legal framework were taken onboard in the call text. After the assessment of the financial risks was conducted, mitigation measures were designed to address the identified, i.e., the early release of the 2020 final balance payments to the KICs.

²⁵ COM (2019) 331 final, 11/7/2019, page 42.

- ***COVID-19 pandemic and lockdown measures generating disruption of the EIT's and KICs' activities (3)***

The EIT reduced the identified risk by using online collaborative tools and adaptation of the internal procedures to the current situation. Guidelines for various phases of working condition were prepared and communicated to staff on regular basis.

- ***Improper implementation of EIT-KICs agreements given the complexity of the KIC concept in combination with the transition year risks (4)***

This identified risk is linked to the legality and regularity of the EIT-KIC agreements implementation. The EIT's operational team work on significantly reducing this risk, by ensuring that the grant management processes are predictable and supported by existing IT systems for 2020 KIC report assessment, 2021 grant allocation and amendments. The EIT strengthened its KIC supervision and monitoring on 2021 business plans activities and worked on reinforcement of its operational capacity (see risk on "Non-implementation of core elements of EIT Annual Work Programme 2021 due to insufficient human resources").

- ***Inappropriate setting of EIT's future model due to KICs complexity and uncertainties of Horizon Europe legal and operational framework, delays in grant implementation and in particular launching call for 2022 grants (5)***

This identified risk may have affected heavily EIT's operational processes. The EIT managed to reduce the risk by transitioning to the HE legal operational framework, prepared via dedicated consultations with EC and KICS. Different operational models in terms of cascading levels were assessed, in terms of impact and risks and were submitted for the EIT decision making. Multiannuality is continuously discussed, planned and risks are considered for assurance model for the KIC operations. As a consequence, the EIT updated funding model was adopted.

- ***IT hardware or software failure (6)***

The IT-related risk is of a continuous nature, especially taking into account the hybrid way of working. The EIT's IT section addressed the risk in 2021 by performing various tests and trainings (including on staff member's knowledge on detecting malware email notifications), raising awareness of staff on cybersecurity (all staff CERT-EU training to EIT and CEPOL colleagues); improving the perimeter security systems for automated attacks, by ensuring 100% operational back-ups. Which on its turn lead to no security incidents registered in 2021 at EIT HQ.

- ***Lack of successful completion of the CCSI KIC Call 2021 -2022 (7, revised Risk Register July 2021)***

Due to delays in adopting the HE legal framework, uncertainties around the funding model under HE and possibility of receiving poor proposals, the EIT added to its risk register for 2021 the possible risk of lack of successful completion of the CCSI KIC Call 2021-2022. In order to reduce the risk, the EIT looked into the earlier issued and addressed IAS audit recommendations and identified lessons learned concerning the 2014 and 2016 KIC calls. All the processes planning included a 2-weeks contingency in case of unexpected legal and procurement problems. The EIT management also considered allocation of adequate operational and legal resource for the KIC call process, as well as, external expertise to ensure timeliness, legality and regularity of the call process.

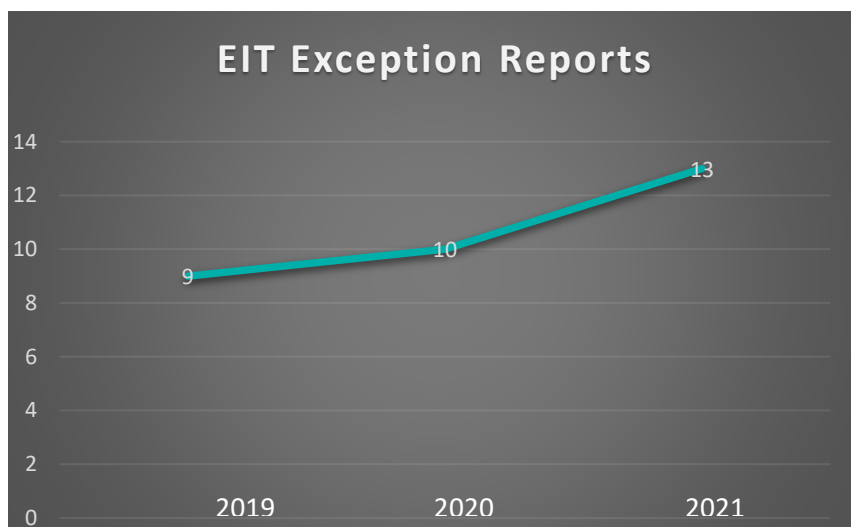
In Q3 2021, being a member of the European Union Agencies Network, the EIT took part in the **Peer review exercise of Agency risk for updating the 2021 and identifying the 2022 ones**, in the Support Business and Innovation Cluster. As an outcome of this review, the 4 risks identified in 2020 were reduced to 3 (see below). No new risks were reported. The final result was shared with the EUAN and European Commission:

1. IT security issues / Cyber-attacks to access restricted information / unauthorised access to information in the cloud or to disrupt Agencies' services;
2. Financial uncertainty or legal changes beyond the Agencies' control that could affect the Agencies' programme continuity;
3. Challenges to align HR resources with agency's needs, high turnover of staff, staffing constraints, outsourcing of core activities, potentially affecting the achieving of targets.

All the identified cluster risks are either partially or fully incorporated in the 2021 EIT's Risk Register. Mitigating actions and controls to reduce the identified risks were proposed for the EUAN's and European Commissions' attention.

Overall, the agency level risks identified in 2021 increased from 6 (in 2020) to 7, which per se is insignificant. However, looking in more depth, 5 out of the 7 risks are re-current ones. 80% of the recurrent risks are directly linked to the HE transition and to the implementation of the newly set strategic objectives in the EIT's 2021 -2027 Strategic Innovation Agenda²⁶. Insufficient human resources (acknowledged by the EIT's internal and external auditors), as well as delays in implementation of the new Horizon Europe legal framework may cause significant delays in achieving the core EIT's mission to boost the innovation talent and capacity of Europe. EIT's staff invested considerable efforts to reduce the identified risks and subsequently managed to implement most of the set priorities for 2021 successfully. However, some priorities being postponed to 2022, i.e. Monitoring Strategy, transition to eGrants, Communication and Stakeholder strategy being postponed for 2022. Despite all these efforts, it is not clear how much more the EIT's staff efforts can further trigger creation and development of the European's Union's largest innovation ecosystem in the same high quality and pace.

Exception reporting, analysis of internal control weaknesses or control failures recorded



In 2021, the EIT followed its standard operating procedure on **Exception and Non-Compliance reporting**²⁷. All instances of overriding controls or deviations from established processes and procedures were documented in the **EIT 2021 Non-compliance events and Exceptions' report**²⁸.

There were registered six exceptions and seven non-compliance events, which represents an increase in the recorded number of reported

exceptions in 2021 by 3 in comparison to 2020 and by 4 in comparison to 2019:

In spite of the increase in the reported cases, the total value of non-compliance events registered in 2021 decreased in comparison to past year. The total value of the reported non compliances was amounted for EUR 21,811.33 and the financial impact of the exceptions amounted to EUR 15,371.00. All events were individually assessed and corrective measures to prevent the repetition of the non-compliance or exception event were proposed. Where applicable, procedures were adjusted. The events registered do not indicate a systemic nature. More to this, the increase by 3 reported exceptions is linked to causes not connected or under the control of the EIT, or to past 2020 year:

²⁶ 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

²⁷ Ares(2020)4933775 of 21/09/2020

²⁸ Ares(2022)326766 of 17/01/2022

(a) Following EIT's IAC audit on salaries and other payments to EIT staff, a non-compliance report was initiated in Q4/2020, in connection to recommendation #13 on Stronger controls for school/pre-school. Due to an ongoing inventory on schooling and kindergarten fees transactions conducted by EIT HR and Finance teams, the non-compliance was moved from 2020 to the 2021 EIT Non-compliance and Exceptions report and was subject to finalisation of the HR inventory exercise.

(b) Due to the delay in the adoption of the EIT Regulation and of the EIT 2021-2027 SIA (art.40 EU FR), the submission of the 2022-2024 draft SPD of the EIT to the Commission, the European Parliament and the Council was performed after the set deadline of 31 January 2021.

(c) Due to limited human resources, LAM and back-up LAM functions were granted exceptionally to staff members with limited financial role.

In 2021, the EIT management continued to closely monitor the reported internal control deficiencies and took the necessary measures to address those. The timeframe of encoding and approval of the non-compliance and exception reports has significantly decreased, only 3 out of 13 reports overpassing the targeted 30 days deadline). In 2022 the EIT should focus on follow-up and monitoring of the mitigating measures proposed in the EIT's exception reports.

Fraud prevention and detection

On 07 May 2021 the EIT Governing Board adopted the revised EIT Anti-Fraud Strategy for 2021-2023.

The strategic objectives of the revised Anti-Fraud Strategy were driven by the EIT's strategic priorities and values, listed in its SIA 2021-2027. EIT set objectives to counter fraud at all levels within the EIT's fastest growing and largest innovation ecosystem in Europe, i.e., at the level of its Community, at the level of KICs, the Governing Board, and at the level of the EIT staff and external contractors, thus reinforcing the public trust in its activities. EIT and members of its community are aware of the OLAF's role in reporting alleged irregularities and fraud. Both EIT HQ and the EIT KICs have organised trainings on anti-fraud activities and fraud prevention, leading to a slight increase in the number of the OLAF reported cases of alleged irregularities by 2 cases (at the end of December 2021), in comparison to December 2020.

The EIT's operational budget is largely stable and usually represents 97 to 98 % of the EIT's annual budget, KICs benefiting on an annual basis from grant allocations. The process being modified though in 2021 with the introduction of the multi-annual grants. In this context the EIT's Governing Board has a significant decision-making power as part of the designation of KICs and grant allocation process. The EIT's AF Strategy objectives aim at encompassing all stages of the anti-fraud cycle: prevention, detection, investigation, recovery and sanction. Whilst prevention should remain one of the most important objectives of the revised Anti-Fraud Strategy, it was deemed appropriate to focus the efforts also on detection, in particular by encouraging internal reporting of any possible case of fraud as well as proactive random verifications in some areas, whilst reinforcing the EIT monitoring practices in the EIT's operational activities.

The following objectives were set for the 2021-2023 period:

O1 Maintain and enhance an anti-fraud culture underpinned by high level of awareness, integrity impartiality and transparency within the EIT community [Ecosystem];

O2 Enhance the EIT's controls over the financing, monitoring and evaluation of KIC activities [KICs];

03 Strengthen measures and focus effort on fraud-risk mitigation in identified areas of the EIT as an organisation, i.e. IT security, procurement and conflicts of interest ('Col') [EIT].



Out of the 14 EIT anti-fraud set objectives for the year 2021:

9 were fully achieved, 4 were partially achieved, and 1 was postponed.

The postponed one refers to the update of the EIT's Procurement SOPs, which is of an important nature, but not critical. Overall, the postponement is linked to the (i) incompleteness of the procurement team, (ii) in the delayed adoption of the legal framework, and planning documents of the EIT, as well as (iii) the postponement of the EIT SOPs update exercise due to the planned reorganisation process and reprioritisation process linked to limited EIT human resources.

Costs and Benefits of controls at EIT

In line with the provisions of Article 36.4 (g) of the EU Financial Regulation, the EIT's Internal Control system is considered efficient and cost-effective. The costs for the financial year 2021 are as follows:

1. **Outsourced** - In 2021, the ex-post audit services for SGAs 2019 amounted to 154,875.00 euros. As regards the CFS, the reports were partially covered by the EIT budget and partially by the KICs grants. The EIT budget covered EUR 1.01 million of the costs.

2. **Internal resources** – the EIT has in place the following internal control resources:

(a) ICC function – consisted of 0.6 FTEs and is overall responsible for the proper implementation of the ICF and proposing mitigating measures to the EIT management;

(b) Grant Assurance Section – the team responsible for providing assurance that the grants allocated to the EIT KICs are implemented correctly and in line with the EU legal requirements. It consists of 5 FTEs.

(c) Audit, Legal and IT Section – the team responsible for the horizontal support for the ex-post audits, that attributed 0.2 FTEs in regards to internal control elements.

(c) Dedicated teams – the HR, finance and procurement teams ensure that the transactions received are compliant and follow the internal standard operating procedures, as well as, the EIT's FFR and EU's FR and SR (2.1 FTEs for internal control tasks).

(d) EIT management team - the EIT Director together with the Heads of Units, set up and update the EIT's ICS (0.2 FTEs for tasks related to internal control).

Overall, following the ECA audit of the EIT's financial year of 2020, the EIT's accounts for the year ended 31 December 2020 are reported as legal and regular, thus in all material respects the benefits of the current ICS in place outweigh the costs incurred at EIT.

3.2. Conclusions of assessment of internal control systems

As an outcome of the 2021 EIT Internal Control Self-Assessment it was identified that there is an overall effective and efficient internal control system at the EIT, falling under Category 1:

16 internal control principles are efficient and are functioning well, with at times minor improvements needed;

1 of the EIT's internal control principles still remains partially efficient, meaning that it is present and functioning, but need some continued improvements.

Following a detailed assessment of each principle, characteristic and component, the conclusion is that the overall internal control systems at EIT are effective, falling under Category 1²⁹. However, some further improvements are needed, as regards principles 12 which falls under Category 2. At same time, the ICC proposes that in 2022 the EIT also focuses on principle 10, due to the planned reorganisation to be finalised by end of 2022 and in the context of full transition to the updated EIT recast framework and HE legal basis.

Namely, in 2022, the EIT should:

- Continue to timely implement the remaining and new open audit recommendation (ICF principle 12 *“The EIT deploys control activities through corporate policies that establish what is expected and in procedures that put policies into action.”*). The 2021 internal control activity estimated a slight increase in the total number of recommendations, despite the high rate of closing the older ones. This being linked to the 11 new audit recommendations following issuance of audit reports of IAC and IAS in 2021. Despite considerable efforts put into the exercise by the EIT teams, in 2021 the delay was due to the continues transition period to Horizon Europe and scarce human resources within the EIT. As a mitigating measure, the EIT management has prioritised the implementation of all the open due recommendations that fall under the remit of the EIT.

- This year the EIT ICC proposes for Director's prioritisation ICF principle number 3 *“Management establishes, with political oversight, structures, reporting lines, and appropriate authorities and responsibilities in the pursuit of objectives.”*. This proposal comes as a result of the IAS HR audit report conducted in 2020, highlighting the need to ensure that EIT fosters talent and maps competences for achieving its strategic objectives as set in the 2021 -2027 SIA. As well as, by end of 2022 EIT envisages to have in place a new organisational structure that would encompass and reinforce EIT's capability to support boost Europe's innovation talents and foster EIT Innovation Community. By prioritising this ICF principle, the EIT management shall ensure that the new EIT organisational structure is it for the purpose, the new authorities and responsibilities are set in the pursuit of the EIT's objectives and that the exercise is completed in due time and in a qualitative manner.

Overall, no major weaknesses are detected in any of the EIT's Internal Control system components that could jeopardise the achievement of operational, financial or control objectives and prevent the EIT Director from signing his declaration of assurance for 2021. The identified deficiencies were discussed with the EIT management team in March 2022 and are listed in the EIT's Internal Control Self-assessment Report for the financial year 2021 - Annex 3 EIT Register of deficiencies & Corrective Action plan.

²⁹ Category 1 – the ICF principles are present and functioning well, only minor improvements needed;
Category 2 – the ICF principles are present and functioning, but some improvements are needed;
Category 3 – the ICF principles are partially present and functioning, major improvements are needed;
Category 4 – the ICF principles are not present and are not functioning.

3.3. Statement of the manager in charge of risk management and internal control (ICC)

Statement of the Manager in charge of risk management and internal control

I, the undersigned, Iuliana Vizitiu, Manager in charge of risk management and internal control within the EIT,

In my capacity as Internal Control Coordinator in charge of risk management and internal control, I declare that in accordance with EIT's Internal Control Framework, I have reported my advice and recommendations on the overall state of internal control in the Agency to the EIT Director.

I hereby certify that the information provided in the present Consolidated Annual Activity Report and in its annexes is, to the best of my knowledge, accurate, reliable and complete.

Place Budapest,

Signed electronically in ARES,

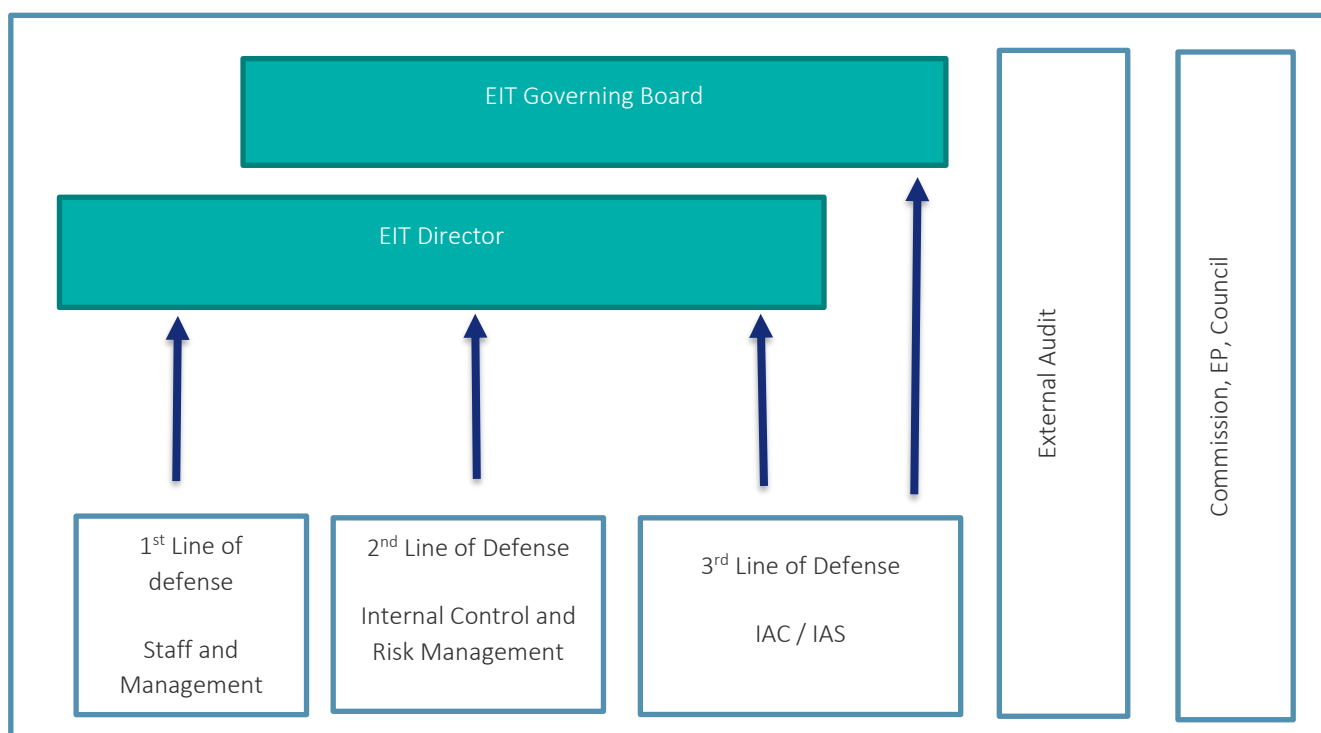
Iuliana VIZITIU,

Internal Control Coordinator

PART IV MANAGEMENT ASSURANCE

4.1 Review of the elements supporting assurance

The EIT's corporate governance framework is ensured through the following three main lines of defense or building blocks of assurance:



The Agency applies since January 2020 the updated COSO internal control framework promoted by the Commission, adjusted to the EIT dimension, through the Internal Control components and principles.

The information reported in Parts II and III derives from the results of the management supervision of activities and audit observations contained in the audit reports listed. These reports are based on a systematic analysis of the evidence available. This approach provided sufficient guarantees as to the completeness and reliability of the information reported and ensures complete coverage of the EIT budget.

In conclusion, the management has reasonable assurance that, overall, suitable controls are in place and working as intended; risks are being appropriately monitored and mitigated, and necessary improvements and reinforcements are being implemented. The Director of the EIT, in his capacity as Authorising Officer has signed the Declaration of Assurance. Nevertheless, the EIT Director wishes to repeatedly draw attention to the remaining critical risk concerning **the limitation of the EIT's staffing capacity that gives rise to critical risks in relation to the legality and regularity of future grant payments to KICs, EIT staff health and well-being and the EIT's reputation by diminishing its ability to achieve its strategic objectives set out in its Strategic Innovation Agenda for 2021-2027.**

4.2 Overall conclusion on assurance

The information reported in Parts II and III does not result in any major issues meriting a reservation as regards 2021 expenditure in the EIT's accounts.

In 2021 the EIT managed to successfully pursue with the transition to Horizon Europe. The new EIT Strategy 2021-2027 was successfully adopted and presented in the framework of several events, including the EIT Stakeholder Forum, that attracted over 1020 participants and increase awareness about the EIT novelties and opportunities it offers.

By the end of 2021, the EIT Community has grown to over 2900 partners and 80 hubs, which collectively have by now put over 1400 innovative products and services on the market, trained several thousand entrepreneurs and supported over 4000 start and scale-ups that attracted close to EUR 4 billion in investments. At same time the EIT established the new Member State Representatives Group (MSRG) and the Network of EIT National Contact Points (NCPs), which will be crucial for the EIT to reinforce its engagement with EU Member States and increase information provision at national level.

As regards the EIT's core operations, the detected error rate during ex-post verification of 2020 grants was 0.66 % and the residual error rate is 0.65%, which is well below the materiality level of 2%, due to its improved grant assurance strategy relying on thorough ex-ante and ex-post verifications, as well as continuous guidance to the beneficiaries (KIC Partners).

Nevertheless, as stipulated in this report and past EIT activity reports, the critical risks due to structural understaffing of the EIT remain valid and have increased due to the increased budget, mandate and activities, which the EIT has to deliver under Horizon Europe. In the light of an increase of its budget and of the number of KICs, the EIT may not be able to maintain its supervision and monitoring of KICs at the necessary level in the future and runs the risk of increasing error rates and non-detected irregularities. It also creates non-sustainable risks to EIT's staff health and well-being given the increasing workload. The EIT Director therefore urgently calls upon the EU institutions to effectively address the structural understaffing of the EIT compared to its budget and mandate, which was confirmed by independent auditors, including the European Court of Auditors and the Commission's Internal Audit Service.

The EIT will continue to attempt to mitigate these risks through actions within its control such as the implementation of its reorganisation exercise in 2022 and further outsourcing of tasks to interim staff and experts, where this is feasible. However, as these actions are not sufficient to address the structural understaffing situation, some of the EIT's operational activities will have to be decreased and postponed in 2022 even if it creates negative operational and reputational impact for the EIT.

In the light of the above, the EIT reiterates its request included in the draft Single Programming Document 2023-2025, which was adopted by the EIT Governing Board in early 2022 to receive the additional 10 staff positions, which would allow it to deliver on its 2023 work programme with a view to deliver the fully impact through Europe's largest Innovation Ecosystem.

DECLARATION OF ASSURANCE

I, the undersigned,

Director of the European Institute of Innovation and Technology

In my capacity as authorising officer

Declare that the information contained in this report gives a true and fair view.

State that I have reasonable assurance that the resources assigned to the activities described in this report have been used for their intended purpose and in accordance with the principles of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions.

This reasonable assurance is based on my own judgement and on the information at my disposal, such as the results of the ex-ante assessment, ex-post controls, the work of the internal audit capability, the observations of the Internal Audit Service and the lessons learnt from the reports of the Court of Auditors for years prior to the year of this declaration.

Confirm that I am not aware of anything not reported here which could harm the interests of the institution.

date

Martin Kern

ANNEXES

Annex I: EIT core KPIs (Grant Agreements 2021)³⁰

| EIT core KPI | | EIT Digital | EIT Climate-KIC | EIT InnoEnergy | EIT Health | EIT Raw Materials | EIT Food | EIT Manufacturing | EIT Urban Mobility |
|--------------|--|-------------|-----------------|----------------|------------|-------------------|----------|-------------------|--------------------|
| EITHEO 1.1 | Designed/ Tested Innovations | 9 | 16 | 35 | 15 | 116 | 193 | 35 | 46 |
| EITHEO 2.1 | Marketed Innovations | 61 | 62 | 50 | 8 | 55 | 15 | 30 | 13 |
| EITHEO 2.4 | Marketed Innovations with sales of 10,000 EUR | 22 | 6 | 44 | 1 | 21 | 0 | 2 | 8 |
| EITHEO 3.1 | Supported Start-ups/Scale-ups | 136 | 303 | 64 | 327 | 102 | 361 | 127 | 197 |
| EITHEO 4.1 | Start-ups created of/for innovation | 44 | 1 | 0 | 5 | 6 | 15 | 14 | 14 |
| EITHEO 4.4 | Start-ups created of/for innovation with a sales revenue of 10,000 EUR | 13 | 0 | 0 | 0 | 1 | 0 | 0 | 0 |
| EITHEO 5.1 | Start-ups created of EIT labelled MSc/PhD programmes | 4 | 0 | 7 | 1 | 2 | 0 | 0 | 0 |

³⁰ The KPIs may be subject to change, following assessment and the resolution meetings planned for end June 2022.

| EIT core KPI | | EIT Digital | EIT Climate-KIC | EIT InnoEnergy | EIT Health | EIT Raw Materials | EIT Food | EIT Manufacturing | EIT Urban Mobility |
|--------------|--|--------------------|-------------------|--------------------|--------------------|--------------------|--------------------|-------------------|--------------------|
| EITHEO 6.1 | Investment attracted by KIC supported start-ups/scale-ups | 128,380,000.00 EUR | 99,324,644.00 EUR | 690,211,697.26 EUR | 824,958,312.00 EUR | 180,611,996.00 EUR | 406,920,097.00 EUR | 3,510,000.00 EUR | 4,318,551.00 EUR |
| EITHEO 7.1 | Graduates from EIT labelled MSc/PhD programmes | 531 | 127 | 223 | 150 | 292 | 150 | 38 | 94 |
| EITHEO 8.1 | Participants in (non-degree) education and training | 1357 | 3365 | 10056 | 5824 | 11206 | 8818 | 5856 | 4767 |
| EITHEO 9.1 | EIT labelled MSc/PhD students and graduates who joined start-ups | 15 | 5 | 34 | 3 | 5 | 0 | 0 | 0 |
| EITHE1 1.1 | FS revenues | 8,976,942.17 EUR | 3,990,518.23 EUR | 34,781,000.00 EUR | 10,502,643.00 EUR | 9,416,808.86 EUR | 6,814,853.79 EUR | 6,206,914.46 EUR | 3,413,752.47 EUR |
| EITHE1 1.2 | FS coefficient | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| EITHE1 2.1 | Co-funding rate | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| EITHE1 3.1 | KIC success stories | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |

Annex II: Statistics on financial management

Budget outturn and cancellation of appropriations

| Budget outturn | 2019 | 2020 | 2021 |
|---|---------------------|---------------------|-------------------|
| Revenue actually received (+) | 416,030,924.15 | 550,031,181.22 | 401,233,110.90 |
| Payments made (-) | 405,987,745.47 | 541,891,232.07 | 400,862,907.47 |
| Carry-over of appropriations (-) | 519,806.66 | 3,990,641.27 | 5,188,571.04 |
| Cancellation of appropriations carried over (+) | 136,790.72 | 885,737.29 | 75,350.85 |
| Adjustment for carry over of assigned revenue appropriations from previous year (+) | 97,348.11 | 2,042.58 | 3,386,104.62 |
| Exchange rate differences (+/-) | 3,976.28 | 23,764.55 | - 15,476.86 |
| Adjustment for negative balance from previous year (-)[1] | | - 3,401,158.72 | 1,659,693.58 |
| Total | 9,761,487.13 | 1,659,693.58 | 287,304.58 |

Automatic carry-overs of appropriations corresponding to obligations duly contracted in 2020 (C8)

Pursuant to Article 12(6) of the FFR, non-differentiated appropriations, corresponding to obligations duly contracted at the close of the financial year, are carried over automatically to the following year.

| Title | Fund Source | Appropriations | Final amounts of commitments | Paid amount | Paid / appropriations, % | Paid / committed, % |
|---------------------|-------------|----------------|------------------------------|----------------|--------------------------|---------------------|
| 1 | C8 | 476,537.87 | 436,106.97 | 423,106.97 | 91.52 % | 97.02 % |
| 2 | C8 | 128,925.06 | 107,005.11 | 107,005.11 | 83.00 % | 100.00 % |
| TOTAL Title 1 and 2 | | 605,462.93 | 543,112.08 | 530,112.08 | 89.70 % | 97.61 % |
| 3 | C8 | 187,041,313.00 | 155,415,822.10 | 154,750,842.10 | 83.09 % | 99.57 % |

89.7% of the non-differentiated appropriations (Title 1 and Title 2 as for the administrative appropriations) which were carried over from 2020 to 2021 were paid.

On Title 1 the execution was high and set at 91.5%. The lowest implementation rate (below 50%) concerns schooling, kindergarten and training expense. Both schooling and kindergarten expenses were overestimated for the carry forward. As to the training expense, various trainings organized by the European Commission in 2020 and early 2021 were not invoiced to the EIT in 2021, which resulted in a very low implementation rate.

83% of the carried-over appropriations on Title 2 were paid in 2021. The implementation was below 80% on building rental and maintenance expenses, as well as on IT, postage and expenditure of the EIT Governing Board. By nature, it is difficult to estimate building cost such as utilities. The continuity of home office in 2021 resulted in under-implementation of the postage and print outs purchases. Regarding the GB expenditure, the final amount of a GB member 2020 rapporteur's fee was less than planned due to cancelled mission.

On Title 3 operational expenditure, EUR 187 million was carried over from 2020 to 2021. 7% of the carried over amount was decommitted. An amount of EUR 0.7 million representing 0.4% of the committed amounts remain open, namely not paid, and therefore carried over to 2022. This latter relates to contracts where the duration is beyond the financial year. The KICs could not fully absorb the grants awarded in 2020 which justify the low implementation rate of 82.9% on the grant budget line.

| Budget line | Budget item description | Fund Source | Commitment Appropriations | Final amounts of commitments | Final amount of payments | Outstanding commitment | % Committed | % Paid |
|--------------|---|-------------|---------------------------|------------------------------|--------------------------|------------------------|---------------|---------------|
| 3110 | KIC Grants | C8 | 181,862,790.41 | 150,683,297.97 | 150,683,297.97 | 0.00 | 82.9 % | 100.0 % |
| 3111 | Strategic supervision, guidance | C8 | 1,719,846.92 | 1,641,755.12 | 1,641,755.12 | 0.00 | 95.5 % | 100.0 % |
| 3112 | EIT Label | C8 | 109,500.00 | 102,325.00 | 90,625.00 | 11,700.00 | 93.4 % | 88.6 % |
| 3115 | Regional impact of KICs | C8 | 588,680.00 | 588,680.00 | 47,400.00 | 541,280.00 | 100.0 % | 8.1 % |
| 3202 | Brand management, communication, stakeholders | C8 | 1,999,687.00 | 1,674,835.08 | 1,624,835.08 | 50,000.00 | 83.8 % | 97.0 % |
| 3203 | EIT Alumni | C8 | 206,543.67 | 197,553.93 | 135,553.93 | 62,000.00 | 95.6 % | 68.6 % |
| 3204 | EIT Awards | C8 | 320,000.00 | 320,000.00 | 320,000.00 | 0.00 | 100.0 % | 100.0 % |
| 3206 | Monitoring and Evaluation | C8 | 184,361.00 | 167,775.00 | 167,775.00 | 0.00 | 91.0 % | 100.0 % |
| 3207 | Identification and sharing of good practices | C8 | 49,904.00 | 39,600.00 | 39,600.00 | 0.00 | 79.4 % | 100.0 % |
| TOTAL | | | 187,041,313.00 | 155,415,822.10 | 154,750,842.10 | 664,980.00 | 83.1 % | 99.6 % |

Appropriations from assigned revenue automatically carried over from 2020 to 2021 (C5)

Appropriations of EUR 3 385 178.34 from assigned revenue cashed in 2020 but carried over to 2021 were fully committed and paid.

Unused appropriations re-entered in 2021 on decision (C2)

In its decision on adopting the budget and establishment plan for the financial year 2021, the EIT Governing Board decided to re-enter commitment appropriation of EUR 9 442 081.30 and payment appropriations of EUR 1 659 693.58 on budget line 3110 KICs grants, which were previously cancelled. 2021 was the last year when EIT could re-enter appropriations cancelled in previous years. The re-entered appropriations were fully consumed both on commitment and payment.

Automatic carry over of appropriations corresponding to obligations duly contracted in 2021

The amount of the outstanding commitments as of 31 December 2021 was of EUR 120 805 164.24 which represents a decrease in comparison of the financial year 2020 (-36%). The decrease mainly relates to the lower amount awarded to the KICs in 2021.

The high amount of RAL for Title 1 Staff expenditure comes mainly from, the extension of the interim agents' contracts to the next financial year as well as the IT support contract which goes beyond the financial year.

The high amount of RAL for operational expenditure is the result of the grants awarded to the KICs in 2021. Due to

| Budget Title | 2021 | 2020 | % Variation |
|--|-----------------------|-----------------------|-------------|
| 1 Staff expenditure | 505,981.23 | 476,537.87 | 6% |
| 2 Infrastructure and operating expenditure | 232,456.85 | 128,925.06 | 80% |
| 3 Operational expenditure | 120,066,726.16 | 187,041,313.00 | -36% |
| TOTAL | 120,805,164.24 | 187,646,775.93 | -36% |

the nature of these grants, and the fact that payment of final balance (an average of 30% of the grant amount) is executed in year N+1, the amount of RAL is, and will always remain,

very high.

In average EIT carry forward 5-10% of commitments made on Title 1 budget lines, 20-30% on Title 2 budget lines and 30-35% on Title 3 budget lines.

| Budget Title | Commitments made in 2021 | Outstanding related to commitments made in 2021 | % of outstanding commitment and commitments made |
|--|--------------------------|---|--|
| 1 Staff expenditure | 6,220,290.44 | 505,981.23 | 8% |
| 2 Infrastructure and operating expenditure | 900,199.57 | 232,456.85 | 26% |
| 3 Operational expenditure | 359,131,759.60 | 120,066,726.16 | 33% |
| TOTAL | 366,252,249.61 | 120,805,164.24 | 33% |

Appropriations from assigned revenue automatically carried over from 2021 to 2022

Pursuant to Article 12(4) of the FFR, unused appropriations from internal assigned revenue shall be carried over for one year only. At the end of 2021, an amount of EUR 3,361,345.90 for appropriations from internal assigned revenue related to recoveries mentioned in Section 3.1. (from the KICs and recovery of other administrative expense) had not been consumed in 2021; therefore, the unused amount was automatically carried over to 2022.

Unused appropriations carried over from 2021 to 2022 on decision

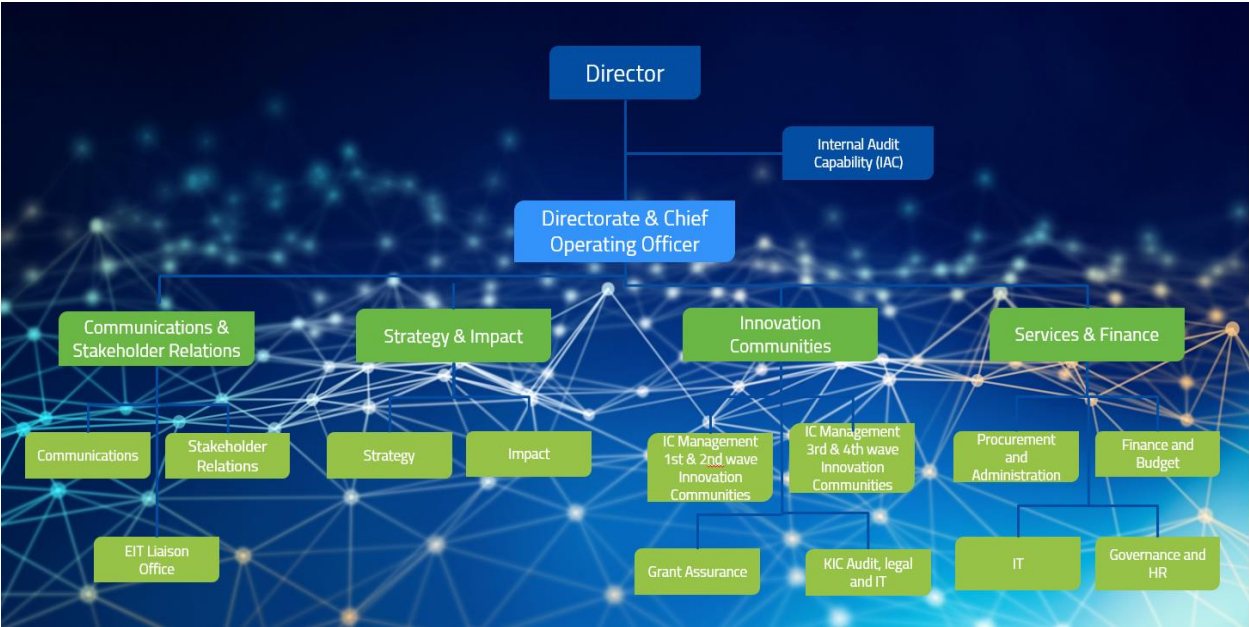
Appropriations which have not been used by the end of the financial year for which they were entered shall be cancelled. However, commitment and payment appropriations can be carried over on decision of the EIT Governing Board under certain conditions.

The EIT Governing Board adopted in its Decision No 3/2022 of 31 January 2022,

- a. the carry-over of commitment appropriations of EUR 7 269 133.99 in respect of amounts needed to cover the multi-annual grant agreements of the Knowledge and Innovation Communities for the period 2021 and 2022 and

b. the carry-over of payment appropriation of EUR 1 130 242.29 which is needed to cover the existing commitments made for the multi-annual grant agreements of the Knowledge and Innovation Communities for the period 2021 and 2022, where the payment appropriations provided for in the relevant budget lines for the following financial year are insufficient.

Annex III: Organisational chart in 2021



Annex IV: Establishment Plan and additional information on Human Resources management

Establishment Plan:

| Category and grade | Establishment plan 2021 | | Actually filled as of 31 December 2021 |
|--------------------|-------------------------|----------------------|--|
| | Officials (n/a) | Temporary staff (TA) | Temporary staff (TA) |
| AD 16 | | 0 | 0 |
| AD 15 | | 0 | 0 |
| AD 14 | | 1 | 1 |
| | | | |
| AD 13 | | 0 | 0 |
| AD 12 | | 1 | 0 |
| AD 11 | | 2 | 1 |
| AD 10 | | 9 | 6 |
| AD 9 | | 9 | 6 |
| AD 8 | | 10 | 13 |
| AD 7 | | 7 | 5 |
| AD 6 | | 1 | 6 |
| AD 5 | | | |
| Total AD | | 40 | 38 |
| AST 11 | | 0 | 0 |
| AST 10 | | 0 | 0 |
| AST 9 | | 0 | 0 |
| AST 8 | | 0 | 0 |
| AST 7 | | 0 | 0 |
| AST 6 | | 0 | 0 |
| AST 5 | | 3 | 1 |
| AST 4 | | 1 | 3 |
| AST 3 | | 1 | 1 |
| AST 2 | | 0 | 0 |
| AST 1 | | 0 | 0 |
| Total AST | | 5 | 4 |
| AST/SC 6 | | 0 | 0 |
| AST/SC5 | | 0 | 0 |
| AST/SC4 | | 0 | 0 |
| AST/SC3 | | 0 | 0 |

| | | | |
|--------------------|--|-----------|-----------|
| AST/SC2 | | 0 | 0 |
| AST/SC1 | | 0 | 0 |
| Total ST/SC | | 0 | 0 |
| TOTAL | | 45 | 42 |

| Category | Authorised 2021 | Actually filled as of 31 December 2021 |
|---------------------------------|-----------------|--|
| Contract staff (CA) | | |
| FG IV | 10 | 9 |
| FG III | 13 | 11 |
| FG II | | 1 |
| FG I | | 0 |
| TOTAL | 23 | 21 |
| Seconded national Experts (SNE) | 2 | 1 |
| TOTAL | 70 | 64 |

a) Information on the entry level for each type of post

| Key functions | Type of Contract (TA, CA) | Function group, grade of recruitment | Indication whether the function is dedicated to administrative support or operations |
|---|---------------------------|--------------------------------------|--|
| <i>Director (level 1)</i> | TA | AD 14 | <i>Management (both administration and operational)</i> |
| <i>Chief Operating Officer (level 2)</i> | TA | AD 11 | <i>Management (both administration and operational)</i> |
| <i>Head of Unit</i> | TA | AD9 | <i>Management (both administration and operational)</i> |
| <i>Senior Officer</i> | TA | AD8 | <i>Operational</i> |
| <i>Officer (Programme)</i> | TA/CA | AD6/FGIV | <i>Operational</i> |
| SUPPORT FUNCTIONS | | | |
| <i>Head of Unit Services and Finance</i> | TA | AD9 | <i>Administration</i> |
| <i>Head of Section Human Resources</i> | TA | AD6 | <i>Administration</i> |
| <i>Head of Section Finance and Budget</i> | TA | AD8 | <i>Administration</i> |
| <i>Communications Officer</i> | TA | AD6 | <i>administration and operational</i> |
| <i>Head of Section IT</i> | TA | AD 8 | <i>administration</i> |
| <i>Officer (Policy)</i> | TA | AD6 | <i>administration and operational</i> |
| <i>Secretary</i> | CA | FG II | <i>administration and operational</i> |
| SPECIAL FUNCTIONS | | | |

| | | | |
|---|----|-----|----------------|
| <i>Data Protection Officer (Legal officer appointed, not a separate function)</i> | TA | AD6 | Administration |
| <i>Legal Officer</i> | TA | AD6 | Administration |
| <i>Internal Auditor</i> | TA | AD7 | Administration |

b) Result of the job screening exercise (31/12/2021)

| Job Type and Category | Year 2020 | Year 2021 |
|---|-----------|-----------|
| ADMINISTRATIVE SUPPORT AND COORDINATION | 22.7% | 18.75% |
| Administrative Support | 11 | 9 |
| Coordination | 4 | 4 |
| OPERATIONAL | 66.7% | 70.3% |
| Top-Level Operational Coordination | 5 | 6 |
| Programme Management & Implementation | 19 | 19 |
| Evaluation & Impact Assessment | 10 | 10 |
| General Operational | 10 | 10 |
| NEUTRAL | 10.6% | 10.93% |
| Finance | 5 | 5 |
| Control | 2 | 2 |

Annex V: Human and Financial resources by activity

| Activity | TA | CA | SNE | Operational HR ¹ | Operational exp., EUR ² | Overheads, EUR ³ | Total cost (operational exp. and overheads), EUR |
|--|-----------|-----------|----------|-----------------------------|------------------------------------|-----------------------------|--|
| Consolidating, fostering growth and impact of the KICs | 18 | 5 | | 23 | 129,062,976.11 | 2,558,926.10 | 131,621,902.20 |
| Creating new KICs | 1 | 1 | | 2 | 11,222,867.49 | 222,515.31 | 11,445,382.80 |
| The EIT's next Strategic and Innovation Agenda (SIA) 2021-2027 | 3 | | | 3 | 16,834,301.23 | 333,772.97 | 17,168,074.20 |
| Fostering and attracting talent | 1 | 2 | | 3 | 16,834,301.23 | 333,772.97 | 17,168,074.20 |
| Enhancing stakeholder engagement | 3 | 1 | 1 | 5 | 28,057,168.72 | 556,288.28 | 28,613,457.00 |
| EIT KIC Relations | 1 | | | 1 | 5,611,433.74 | 111,257.66 | 5,722,691.40 |
| Simplification | 1 | | | 1 | 5,611,433.74 | 111,257.66 | 5,722,691.40 |
| Monitoring, impact analysis and evaluation | 3 | 2 | | 5 | 28,057,168.72 | 556,288.28 | 28,613,457.00 |
| Strategy: Coordination and implementation | 6 | 0 | | 6 | 33,668,602.46 | 667,545.94 | 34,336,148.40 |
| Administrative support and coordination | 5 | 10 | | 15 | 84,171,506.16 | 1,668,864.85 | 85,840,371.00 |
| TOTAL | 42 | 21 | 1 | 64 | 359,131,759.60 | 7,120,490.01 | 366,252,249.61 |

¹ The operational Human Resources consist of the total number of Temporary and Contract Agents directly involved in operations.

² The operational expenditure is the amount of contracts concluded for implementation of the projects of the AWP.

³ The overheads are costs indirectly involved in the implementation of the projects of the AWP. These include fixed costs such as salaries, rent, software licences and other similar costs. In addition, overheads include variable costs such as office equipment and supplies, ICT equipment, telecommunication costs and other similar expenses. The total overheads are distributed to each area of activity in proportion to the operational staff employed in each area of activity.

Annex VI: Contribution, grant and service level agreements.

Grants awarded

| Knowledge and Innovation Community | Amount EUR | Subject of grant or contract |
|------------------------------------|-----------------------|---|
| EIT Climate-KIC | 29,248,455.00 | Climate change mitigation and adaption |
| EIT Digital | 34,533,512.89 | Future information and communication societies |
| EIT Food | 59,488,128.20 | Sustainable food supply chain from resources to consumers |
| EIT Health | 54,523,893.62 | Improve the quality of life of Europe's citizens and sustainability of healthcare system |
| EIT InnoEnergy | 46,876,907.97 | Sustainable energy |
| EIT Manufacturing | 36,668,575.85 | Globally competitive and sustainable manufacturing |
| EIT RawMaterials | 62,428,933.86 | Raw materials (sustainable exploration, extraction, processing, recycling and substitution) |
| EIT Urban Mobility | 33,742,791.10 | Smart, green and integrated transport |
| Total | 357,511,198.49 | |

Annex VII: Environment management

The EIT is taking a series of steps towards impactful environment management, with a promoted sustainability action that foresees to disseminate such measures in the EIT Community. Within the EU, environment management is led by the EIT's Climate-KIC, which is a Knowledge and Innovation Community (KIC), working to accelerate the transition to a zero-carbon economy. Supported by the European Institute of Innovation and Technology, EIT Climate-KIC identifies and supports innovation that helps **society mitigate and adapt to climate change. Through innovation project scaling, start-ups as vehicles for replacing dirtier technologies for cleaner, and through wider diffusion of boosted KTI innovation model, by 2027 the KIC aims to have:**

1. Helped Europe avoid over 500 million tonnes (CO₂eq) of emissions, and
2. Strengthened the resilience of 10 million people to the impacts of climate change.
 - In its turn the EIT HQ actively contributes to impactful environment management, by taking environmentally conscious measures in regard to its HQ premises and staff:

The EIT office building has a LEED SILVER certificate issued by US Green Building Council.

- In 2021, the year the EIT reduced travel by 90% in comparison to 2019 due to COVID-19. By 2025 it is planned to reduce the travels by at least 40% compared to 2019. This target is to be achieved through the increase of online meetings and events, interviews of prospective candidates, etc.
- The EIT has phased out the use of plastic water bottles or paper cups installing water filtering machines, thus reducing their use by 100% - due to installation of water filters in lieu of plastic water bottles. For future EIT aims to **further reduce the paper use in the office through the introduction of electronic paperless systems (i.e. Sysper, ARES, Bluebell already in use).**
- In the same context, the EIT targets to reduce the use of electricity by 30%, through the utilisation of energy-saving **office equipment. The EIT purchases Energy Star labelled computers, copiers, printers, kitchen equipment. The continuous increase in the number of virtual meetings also contributes to the achievement of the set target.**
- The EIT incentivises its staff members to also contribute to the reduction of the CO₂ emissions, via **targeted social policies, such as the use of public transport rather than by car (subsidizing public transport tickets).**

Annex VIII: Final annual accounts 2021