

DECISION 28/2021
OF THE GOVERNING BOARD OF
THE EUROPEAN INSTITUTE OF INNOVATION AND TECHNOLOGY (EIT)

**ON THE PRINCIPLES FOR THE DETERMINATION OF THE EIT FINANCIAL ALLOCATION
TO THE KNOWLEDGE AND INNOVATION COMMUNITIES' (KICS') BUSINESS PLANS FOR 2022,
INCLUDING THE CROSS-KIC ACTIVITIES AND SHARED SERVICES FOR 2022
AND THE PILOT HIGHER EDUCATION (HEI) INITIATIVE FOR 2022,
AND REPEALING DECISION 16/2021 OF THE EIT GOVERNING BOARD**

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 (hereafter referred to as the 'EIT Regulation (recast)'), and in particular Article 18(7) thereof and Section 2(c) of the Statutes annexed to the EIT Regulation;

Having regard to Regulation (EU) 2021/695 of the European Parliament and of the Council of 28 April 2021 establishing Horizon Europe – the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination, and repealing Regulations (EU) 1290/2013 and (EU) No 1291/2013²;

Having regard to the 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 (hereafter referred to as the "EIT Strategic Innovation Agenda 2021-2027")³, in particular Chapter 3.6.2 thereof;

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

Having regard to Decision 21/2019 of the EIT Governing Board of the EIT of 25 September 2019 on the Financial Regulation of the European Institute of Innovation and Technology (hereinafter referred to as the "EIT Financial Regulation")⁵, in particular Article 1 thereof;

Having regard to the Decision of the Governing Board of the EIT of 16 December 2009 on the selection and designation of KIC InnoEnergy, Climate KIC and EIT ICT Labs⁶;

¹ OJ L 189, 28.5.2021, p. 61.

² OJ L 170, 12.5.2021, p. 1.

³ OJ L 189, 28.5.2021, p. 91.

⁴ OJ L 193, 30.7.2018, p. 1-222

⁵ Ref Ares(2019)6810859

⁶ Ref Ares(2010) 130286

Having regard to the Decision of the Governing Board of the EIT of 9 December 2014 on the designation of the Knowledge and Innovation Communities (KICs) in the 'Innovation for healthy living and active ageing' theme and the: 'Raw Materials sustainable exploration, extraction, processing, recycling and substitution' thematic area⁷;

Having regard to Decision 29/2016 of the Governing Board of the EIT on the designation of the Knowledge and Innovation Communities (KICs) in the 'Food for Future' and 'Added Value Manufacturing' themes of 17 November 2016⁸;

Having regard to Decision 6/2018 of the Governing Board of the EIT of 2 March 2018 on the designation of the Knowledge and Innovation Community (KIC) in the 'innovation for healthy living and active ageing' theme and on the rejection of other applicants in the 2014 call for KICs' proposals⁹;

Having regard to Decision 36/2018 of the Governing Board of the EIT of 4 December 2018 on the designation of the Knowledge and Innovation Community in the 'Urban Mobility' thematic area¹⁰;

Having regard to Decision 37/2018 of the Governing Board of the EIT of 5 December 2018 on the designation of the Knowledge and Innovation Community in the 'Manufacturing' thematic area¹¹;

Having regard to Decision 06/2021 of the Governing Board of the EIT on the adoption of the Final Single Programming Document (2021-2023) of the EIT¹²;

Having regard to Decision 08/2021 of the Governing Board of the EIT on the adoption of the Draft Single Programming Document (2022-2024) of the EIT¹³;

Having regard to Decision 09/2021 of the EIT Governing Board on the allocation of the 2021 financial contribution of the Knowledge and Innovation Communities (KICs)¹⁴;

Having regard to Decision 13/2021 of the Governing Board of the EIT on the principles on the financial sustainability of Knowledge and Innovation Communities (KICs)¹⁵;

Having regard to Decision 14/2021 of the Governing Board of the EIT on the principles for financing, monitoring and evaluating Knowledge and Innovation Community (KIC) activities¹⁶;

Having regard to Decision 16/2021 of the Governing Board of the EIT on the principles for the determination of the EIT financial allocation to the Knowledge and Innovation Communities (KICs') Business Plans for 2022-2024, to Cross-KIC activities and shared services for 2022-2024, and to the higher education (HEI) initiative 2022-2023¹⁷;

Having regard to Decision 21/2021 of the Governing Board of the EIT on the authorisation of the EIT Director to prepare, negotiate and conclude partnership agreements and grant agreements¹⁸;

⁷ 02008.EIT.2014.I.EIT.GB

⁸ 05940.EIT.2016.I.GB42

⁹ 01148.EIT.2018.I.E1

¹⁰ Ref. Ares(2018)6260797

¹¹ Ref. Ares(2018)6261053

¹² Ref. Ares(2021)1558856

¹³ Ref. Ares(2021)1545757

¹⁴ Ref. Ares(2021)1576463

¹⁵ Ref. Ares(2021)2134807

¹⁶ Ref. Ares(2021)3111256

¹⁷ Ref. Ares(2021)3110958



WHEREAS

- (1) As of 2021, the EIT is part of the Horizon Europe Framework Programme for Research and Innovation and the new financial framework (i.e. EU Multiannual Financial Framework 2021-2027). Additionally, the new specific legal framework (i.e. EIT Regulation (recast), EIT Strategic Innovation Agenda 2021-2027) has been published in the Official Journal of the European Union on 28 May 2021.
- (2) The new framework requires the significant revision of the funding allocation and financial sustainability rules of the EIT applied until now. For this reason, the EIT Governing Board has recently adopted Decision 13/2021 on the principles on the financial sustainability and Decision 14/2021 of the Governing Board of the EIT on the principles for financing, monitoring and evaluating Knowledge and Innovation Community (KIC) activities with retroactive effect of 1 January 2021.
- (3) As laid down in the EIT Regulation (recast) and the EIT Strategic Innovation Agenda 2021-2027, the criteria for the funding allocation most follow a performance-based funding model, thus, the support and competitive funding allocation principles have already been abandoned in the 2021 grant cycle. This performance-based allocation mechanism shall include assessing the KICs' Business Plans and performance as measured by continuous monitoring in accordance with Article 10 of the EIT Regulation (recast) and as set out in the EIT Strategic Innovation Agenda 2021-2027.
- (4) In accordance with the EIT Regulation (recast), the EIT funding shall continue to decrease for the first wave of KICs. The KICs' co-financing requirements shall be aligned with the rates indicated in Chapter 3.6.2 of the EIT Strategic Innovation Agenda 2021-2027. In addition, in accordance with the same chapter, some KICs' activities, due to their specific nature, might need extra incentives to be performed. To that end, the EIT Governing Board might decide to apply more favourable funding conditions for cross-KIC activities, RIS activities and the pilot higher education initiative.
- (5) In accordance with the EIT Strategic Innovation Agenda 2021-2027 and Decision 9/2021 of the EIT Governing Board on the allocation of the 2021 financial contribution of the KICs, the pilot HEI initiative has started in 2021 and shall last for three years.
- (6) The EIT Director should define the specific criteria and modalities of the funding allocation process with regard to the assessment of the proposals and performance in all activities: KIC Business Plans, cross-KIC activities, and the pilot HEI initiative activities. Decision 21/2021 of the Governing Board of the EIT authorised the EIT Director to prepare, negotiate and conclude grant agreements with the KICs.
- (7) Due to the very late publication of the new Horizon Europe Regulation and EIT legal framework and the need to clarify and define key aspects of the future EIT KIC model, it is proposed to postpone the start of the first multiannual cycle from 2022 to 2023, therefore Decision 16/2021 of the Governing Board of the EIT on the principles for the determination of the EIT financial allocation to the KIC Business Plans for 2022-2024, to cross-KIC activities and shared services for 2022-2024, and to the higher education (HEI) initiative 2022-2023 shall be repealed by this decision.

HAS DECIDED AS FOLLOWS:

¹⁸ Ref. Ares(2021)3798804

**CHAPTER 1
GENERAL PROVISIONS**

***Article 1
Funding allocation principles***

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

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

- (1) The overall indicative EIT budget available for the 2022 funding allocation decision is MEUR 385.
- (2) In 2022, the funding shall be distributed by means of three separate 'funds', as follows:

Type of 'Fund'	Indicative budget in 2022
EIT KIC Fund (i.e. KIC Business Plans)	MEUR 320
Cross-KIC Fund (i.e. cross -KIC activities, including shared services and the thematic innovations)	MEUR 30 (out of which MEUR 5 is for cross-KIC thematic innovations)
HEI Fund (i.e. pilot HEI activities)	MEUR 35

Total (without third country contributions)¹⁹

MEUR 385

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

Article 3

Allocation of the funding by the EIT Governing Board

- (1) The EIT Governing Board will take a funding allocation decision 2022
- for the KIC Fund,
 - for the Cross-KIC Fund,
 - for the HEI Fund,
- based on the assessment of the criteria laid down in this decision.
- (2) If the final EIT budget available for 2022 requires it, the Governing Board authorises the EIT Director to make non-significant adjustments which do not result in a major change of the provisions of this Decision.

Article 4

Definition of modalities for 2022

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

¹⁹ The level of third-country contributions to the 2022 EIT Budget is unknown at this stage. They will be included in the EIT budget and allocated to the KICs once available.

CHAPTER 2
EIT FUNDING TO KIC BUSINESS PLANS 2022

Article 5
Distribution of the EIT grant among the waves of KICs

For the funding allocation 2022, the EIT KIC Fund shall be split as follows:

KIC wave	Indicative split
First wave (EIT Climate-KIC, EIT Digital, EIT InnoEnergy)	25%
Second and third waves (EIT Health, EIT Raw Materials, EIT Food)	50%
Fourth wave (EIT Manufacturing, EIT Urban Mobility)	25%

Article 6
Criteria for funding allocation per KIC

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

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

Article 7
Criteria for cross-KIC grants allocation

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

EIT Strategic activities	Excellence	Impact	Quality and efficiency of the implementation
Weights of criteria	40%	40%	20%
Sub-criteria	- Relevance, value added and objectives - Quality of the	- Impact - Dissemination, and communication	- Quality and effectiveness of the work plan, assessment of risks,

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

Article 8
Criteria for HEI grants allocation

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

	Excellence	Impact	Quality and efficiency of the implementation
Weights of criteria	40%	40%	20%
Sub-criteria	<ul style="list-style-type: none"> - Clarity pertinence and relevance of the proposal's objectives - Quality of the proposed coordination and/or support measures including soundness of methodology. - Quality of synergies and links with existing initiatives at EU, national and regional level. - Credibility of the 	<ul style="list-style-type: none"> - Credibility of the pathways to achieve the expected outcomes and impacts specified in the EIT SIA 2021-2027, participating KICs' strategic agendas and in the EIT Impact Framework, and the likely scale and significance of the contributions due to the proposal. - Suitability and quality of the measures to 	<ul style="list-style-type: none"> - Quality and effectiveness of the work plan, assessment of risks, and appropriateness of the effort assigned to work packages, and the resources overall. - Capacity and role of each participant, and extent to which the consortium as a whole brings together the necessary expertise.

	financial model and contribution to KICs financial sustainability.	maximise expected outcomes and impacts, as set out in the dissemination and exploitation plan, including communication activities.	
--	--	--	--

- (5) Based on the results of the evaluation of the pilot HEI initiative, the EIT Governing Board shall decide whether the pilot HEI initiative is to be continued and scaled-up or discontinued.

CHAPTER 3 FINAL PROVISIONS

Article 9 Entry into force and repeal

- (1) This decision shall enter into force on the day of its adoption²⁰.
- (2) Decision 16/2021 of the Governing Board of the EIT on the principles for the determination of the EIT financial allocation to the KIC Business Plans for 2022-2024, to cross-KIC activities and shared services for 2022-2024, and to the higher education (HEI) initiative 2022-2023 shall be repealed by this decision with retroactive effect as from its entry into force on 7 May 2021.

Done in Budapest, 5 July 2021

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

²⁰ Adopted by a written procedure on 5 July 2021