



SEVEN-YEAR REVIEW METHODOLOGY

DECISION 36/2021 OF THE GOVERNING BOARD OF THE EUROPEAN INSTITUTE OF INNOVATION AND TECHNOLOGY (EIT)

ON THE METHODOLOGY FOR THE SEVEN-YEAR COMPREHENSIVE ASSESSMENT OF KNOWLEDGE AND INNOVATION COMMUNITIES (KICS)

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

Having regard to Regulation (EU) No 2021/819 of the European Parliament and of the Council of 20 May 2021 on the European Institute of Innovation and Technology (recast) (hereafter referred to as the “EIT Regulation (recast)”)¹, in particular Articles 10, 11 and 20 thereof and points (j) and (k) of Section 2 of the Statutes as annexed to the EIT Regulation (recast);

Having regard to Regulation (EU) 2021/695 of the European Parliament and of the Council of 28 April 2021 establishing Horizon Europe – the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination, and repealing Regulations (EU) No 1290/2013 and (EU) No 1291/2013 (hereafter referred to as the “Horizon Europe Regulation”)² in particular Article 10 and Annex III thereof;

Having regard to Decision 2021/820 of the European Parliament and of the Council of 20 May 2021 on the Strategic Innovation Agenda of the European Institute of Innovation and Technology (EIT) 2021-2027: Boosting the Innovation Talent and Capacity of Europe and repealing Decision No 1312/2013/EU (hereafter referred to as the “EIT SIA 2021-2027”)³, in particular Points 3.6.1 and 5.2.2 thereof;

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

Having regard to the Decision of the Governing Board of the EIT of 9 December 2014 on the designation of the Knowledge and Innovation Communities (KICs) in the ‘Innovation for healthy

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

living and active ageing’ theme and the: ‘Raw Materials sustainable exploration, extraction, processing, recycling and substitution’ thematic area⁵;

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 2016⁶;

Having regard to Decision 7/2017 of the Governing Board of the EIT of 29 May 2017 on the adoption of the EIT Monitoring Strategy⁷;

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’ proposals⁸;

Having regard to Decision 17/2018 of the Governing Board of the EIT on the confirmation of the Framework Partnership Agreement of the first wave of Knowledge and Innovation Communities (KICs) beyond 7 years⁹;

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 21/2019 of the Governing Board of the EIT of 25 September 2019 on the Financial Regulation of the EIT¹², in particular Article 1 thereof;

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

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) activities¹⁴;

⁵ 02008.EIT.2014.I.EIT.GB

⁶ 05940.EIT.2016.I.GB42

⁷ 01277.EIT.2017.I.GB.WP

⁸ 01148.EIT.2018.I.E1

⁹ 03144.EIT.2018.I.GB.WP

¹⁰ Ref. Ares(2018)6260797

¹¹ Ref. Ares(2018)6261053

¹² Ref. Ares(2019)6810859

¹³ Ref. Ares(2021)2134807

¹⁴ Ref. Ares(2021)3111256

Having regard to Decision 17/2021 of the Governing Board of the EIT on the Key Performance Indicators¹⁵;

Having regard to the Framework Partnership Agreements signed with EIT RawMaterials on 8 February 2016, with EIT Health on 25 February 2016, with EIT Food on 16 February 2018, with EIT Urban Mobility on 26 March 2020 and with EIT Manufacturing on 14 April 2020;

Having regard to with the Partnership Agreements signed with EIT RawMaterials on 19 May 2021¹⁶, with EIT Food on 19 May 2021¹⁷, with EIT Urban Mobility on 19 May 2021¹⁸, with EIT Manufacturing on 19 May 2021¹⁹ and with EIT Health on 20 May 2021²⁰, in particular Article 12 thereof;

WHEREAS:

- (1) The EIT carried out the seven-year review of the first wave of KICs (EIT Digital, EIT InnoEnergy, EIT Climate-KIC) in 2017 and the Governing Board confirmed their Framework Partnership Agreements of the beyond the first seven years by its Decision 17/2018;
- (2) As of 2021, the EIT is part of the Horizon Europe Framework Programme for Research and Innovation and the new financial framework (i.e. EU Multiannual Financial Framework 2021-2027). Additionally, the new specific legal framework (i.e. EIT Regulation (recast), Strategic Innovation Agenda 2021-2027) has been published in the Official Journal of the European Union on 28 May 2021. With the new legal framework the KICs are defined as Institutionalised European Partnerships and the new Partnership Agreements were signed with all eight KICs in early and mid-2021.
- (3) Annex III of the Horizon Europe Regulation on European Partnerships stipulates that European Partnerships shall be evaluated, phased-out or renewed on the basis of the criterion: evaluation of impacts achieved at Union and national level in relation to defined targets and key performance indicators, feeding into the Programme evaluation set out in Article 52, including an assessment of the most effective policy intervention mode for any future action; and the positioning of any possible renewal of a European Partnership in the overall European Partnerships landscape and its policy priorities.
- (4) In accordance with Article 11 of the EIT Regulation (recast), the decision of the EIT Governing Board to extend or terminate the Partnership Agreement shall be based on a comprehensive assessment of the performance and activities of each KIC.

¹⁵ Ref. Ares(2021)3113267

¹⁶ Ref. Ares(2021)2402274

¹⁷ Ref. Ares(2021)3370989

¹⁸ Ref. Ares(2021)3370603

¹⁹ Ref. Ares(2021)3370892

²⁰ Ref. Ares(2021)2832659



- (5) EIT Strategic Innovation Agenda 2021-2027 requires the EIT to apply strict rules for reinforcing the comprehensive assessment mechanism prior to the expiry of the initial seven-year period of the KIC's operations in accordance with Articles 10 and 11 of the EIT Regulation (recast). That comprehensive assessment, to be undertaken with the help of independent external experts, shall be in line with best international practice and with the monitoring and evaluation criteria for European Partnerships set out in the Horizon Europe Regulation. It shall take place before the expiry of the initial seven-year period. As a result of the comprehensive assessment, the EIT Governing Board shall decide to continue, modify or discontinue (thus not extending the Partnership Agreement with that KIC) the financial contribution to a KIC and reallocate the resources to better performing activities. The EIT Governing Board shall seek the opinion of the Member State Representative Group (MRSBG) prior to adopting that decision.

- (6) In accordance with Article 11(6) of the EIT Regulation (recast), in the event that the continuous monitoring, an interim review or the comprehensive assessment of a KIC shows inadequate progress in areas referred to in Article 10 of that Regulation or a lack of Union added value, the Governing Board shall take appropriate corrective measures. The corrective measures may take the form of a reduction, modification or withdrawal of the EIT's financial contribution or the termination of a Partnership Agreement, as well as binding recommendations related to the KIC's activities, or suggestions for adaptations of its delivery and operational models.

- (7) Article 11(5) of the EIT Regulation (recast) requires that for the purpose of deciding whether to extend the Partnership Agreement with a KIC under paragraph 4, the EIT Governing Board shall take into account the criteria for implementing, monitoring and evaluating the European Partnerships set out in the Horizon Europe Regulation and, with regard to the KICs, the following matters:
 - (a) their relevance to the Union's global challenges;
 - (b) their Union added value and relevance with regard to the objectives of the EIT;
 - (c) the achievement of their objectives;
 - (d) their efforts to coordinate their activities with other relevant research and innovation initiatives;
 - (e) their capacity to ensure openness to new members;
 - (f) their achievements in attracting new members from across the Union;
 - (g) their compliance with good governance principles;
 - (h) their efforts and results in designing and implementing gender-sensitive measures and activities;
 - (i) their capacity to develop sustainable innovation ecosystems and the achieved level of financial sustainability.



- (8) As laid down in Chapter 5.2.2 of the EIT Strategic Innovation Agenda 2021-2027, the EIT Governing Board shall take into account the implementing, monitoring and evaluation criteria for the European Partnerships set out in the Horizon Europe Regulation, the achievement of the KIC's objectives, its coordination with other relevant research and innovation initiatives, its level of financial sustainability, its capacity to ensure openness to new members, the transparency of its governance, and its achievement in attracting new members, the Union added value and relevance with regard to the objectives of the EIT.
- (9) In line with the EIT Strategic Innovation Agenda (2021-2027), the EIT activities, including those managed through KICs, are expected to have technological/economic/innovation impact by influencing the creation and growth of companies, as well as the creation of new innovative solutions to address global challenges, creating direct and indirect jobs and mobilising additional public and private investments; scientific and educational impact by strengthening human capital in research and innovation, enhancing innovative and entrepreneurial skills both at individual and organisational levels and fostering the creation and diffusion of knowledge and innovation openly within society; societal impact, including the impact derived by the delivery of systematic solutions within and beyond the EIT Community, by addressing EU policy priorities in the fields of climate change (e.g. mitigation, adaptation and resilience), energy, raw materials, health, added value manufacturing, digital, urban mobility, food, culture and creativity, or water through innovative solutions, engagement with citizens and end-users and by strengthening the uptake of innovative solutions in these areas in society.

HAS DECIDED AS FOLLOWS:

Article 1
Adoption

The annexed methodology for the seven-year comprehensive assessment of KICs is hereby adopted.

Article 2
Entry into force

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

Done in Budapest on 28 July 2021²¹

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

Annex: Methodology of the Seven-year Comprehensive Assessment of EIT KICs (2021-2027)

²¹ Approved by written procedure on 28 July 2021.

Seven-year Comprehensive Assessment of EIT KICs (2021 – 2027)

The EIT – Making Innovation Happen

European Institute of Innovation and Technology (EIT)

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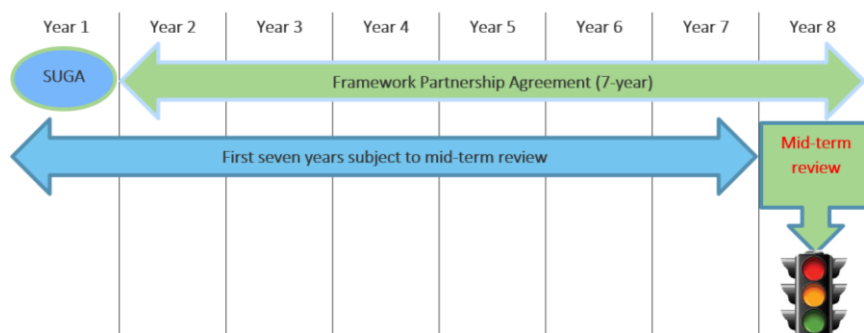
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Rationale

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

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

The first 7-year period of financial support shall be followed by a review. It covers the start-up period (SUGA) and the 6th completed year of the Partnership Agreement² as the figure below illustrates.



As required in the EIT SIA and Article 12 of the Partnership Agreement, the EIT shall apply strict rules for reinforcing the comprehensive assessment mechanism prior to the expiry of the initial seven-year period of the KIC operations in accordance with Articles 10 and 11 of the EIT Regulation (recast)³. That comprehensive assessment, to be undertaken with the help of independent external experts, shall be in line with best international practice and with the monitoring and evaluation criteria for European Partnerships set out in the Horizon Europe Regulation⁴. It shall take place before the expiry of the initial seven-year period.

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

² https://eit.europa.eu/sites/default/files/eit_kic_partnership_agreement_v1.0_final_14-03-2021.pdf

³ Regulation (EU) No 2021/819 of the European Parliament and of the Council of 20 May 2021 on the European Institute of Innovation and Technology (recast), OJ L 189, 28.5.2021, p. 61

⁴ 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

Respectively, 7-year comprehensive assessments are to be performed:

- for the 2nd wave of KICs EIT Health and EIT Raw Materials in 2021-2022 to cover their first 7 years, i.e. the period from 2015 to 2021 (SUGA and the first 6 years of the Partnership Agreement⁵);
- for the 3rd wave KIC EIT Food in 2023-2024 for the period 2017-2023, and
- for the 4th wave of KICs EIT Urban Mobility and EIT Manufacturing in 2025-2026 for the period 2019-2025.

As a result of the comprehensive assessments, the EIT Governing Board shall decide to continue, modify or discontinue (thus not extending the Partnership Agreement with that KIC) the financial contribution to a KIC and reallocate the resources to better performing activities. The EIT Governing Board shall seek the opinion of the MSRSG prior to adopting that decision.

The EIT Governing Board may decide to continue to financially support a KIC if the 7-year comprehensive assessment is globally positive and as long as the KIC implements, in a given timeframe, the corrective measures (if any) contained in the 7-year comprehensive assessment report. KICs will be required to develop a coherent plan for implementing the recommendations that should subsequently be approved by the EIT Governing Board. The latter will finalise its decision on further support for the KIC only after the approval of this plan. The EIT will monitor on a regular basis implementation of the plan. The assessed KICs are also required to describe in their Business Plans that will be submitted during the next 7-year period how they will address the recommendations, and the results of the implementation should be detailed in annual KIC Reports submitted to the EIT.

In addition, in accordance with Article 11(2) of the EIT Regulation (recast), the EIT shall, under the supervision of the EIT Governing Board, conduct interim reviews of the KICs' performance and activities covering the first three years following its extension (namely, the maturity phase). Those reviews shall be based on the continuous monitoring performed by the EIT. They shall help the EIT Governing Board to get early indications on the KICs' performance with respect to their strategy and targets, as well as compliance with the EIT Governing Board indications.

In accordance with Article 11(6) of the EIT Regulation (recast), in the event that the continuous monitoring, an interim review or the comprehensive assessment of a KIC shows inadequate progress in areas referred to in Article 10 of that Regulation or a lack of Union added value, the EIT Governing Board shall take appropriate corrective measures. The corrective measures may take the form of a reduction, modification or withdrawal of the EIT's financial contribution or the termination of a partnership agreement, as well as binding recommendations related to the KIC's activities, or suggestions for adaptations of its delivery and operational models.

participation and dissemination, and repealing Regulations (EU) No 1290/2013 and (EU) No 1291/2013, OJ L 170, 12.5.2021, p. 1

⁵ 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.

The 7-year comprehensive assessments (required by Article 10 and 11 of the EIT Regulation (recast)) are complementary to the European Commission evaluations of the EIT and KICs (required by Article 20 of the EIT Regulation (recast)) which shall examine how the EIT fulfils its mission and objectives and cover activities of the EIT and the KICs. These assessments and evaluations will be performed in way to ensure efficiencies in data collection and gathering, data assessments as well as data analysis.

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

1. Recap on 7-year Review of 1st wave KICs: main findings

1.1. Objectives of the first 7-year Review

The objective of the 7-year KIC Review of the first wave KICs, i.e. EIT Climate-KIC, EIT Digital and EIT InnoEnergy, was to assess their **delivery of the strategy, main results and impacts** from their designation in 2010 until the end of 2016, including general and specific budget evolution, strengths and weaknesses. As detailed in the EIT's Principles on KICs' Financial Sustainability⁶ *'In year 7 following a KICs' designation, the EIT will undertake an in-depth review of that KIC, with a particular focus on the implementation of its financial sustainability strategy'*. This assessment was conducted at the end of the 7-year period of EIT funding to the first wave of KICs against the baseline set out in the KICs' proposals submitted in 2009, as well as in subsequent KICs' strategic agendas, business plans and reports, and relevant EIT legal framework (e.g. EIT Regulation, etc.). This stock-taking exercise enabled the EIT to draw recommendations for improvements both to the EIT and to KICs as well as drawing lessons learnt and identifying good practices to be shared not only with the KICs subject to the Review, but also with the other KICs designated in 2014, 2016 and 2018 as well as future KICs.

As a result of the Review, Decision 17/2018⁷ of the EIT Governing Board on the confirmed of the Framework Partnership Agreement of the first wave of KICs beyond 7 years.

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

⁶ Decision 04/2015 of the Governing Board of the EIT on the principles on KICs' financial sustainability, 00105.EIT.2015.I.GB34 (repealed since then by Governing Board Decision 13/2021)

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

- Key EIT documents (e.g. EIT Regulation, EIT Financial Rules, EIT SIA 2014-2020, EIT Triennial Working Programmes, Single Programming Document)
- 2009 Call for KIC Proposals documentation; 2009 KIC Proposals;
- Framework Partnership Agreements and KICs' Strategic Agendas;
- KICs Business Plans 2010-2016 and Reports 2010-2015 and experts' assessments;
- KIC Assessments: Business Creation, Education, Knowledge Triangle integration, Innovation;
- EIT consolidated report on the KIC Monitoring visits and reports 2015-2016 with a clear financial sustainability/impact scope;
- Specific EIT guidance to KICs (e.g. governance code of conduct, etc.);
- EIT Principles on KICs' Financial Sustainability;
- EIT Guidance on the EIT Regional Innovation Scheme (EIT RIS);
- EIT and KICs websites (deliverables included in websites as well as those submitted with KIC reports);
- ECA Reports and Recommendations;
- EIT Mid-term Evaluation (EC-led, conducted by ICF/Technopolis);
- EIT Impact Study (PwC).

1.2. Main findings of first 7-year Review

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

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

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

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

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

Further, it is recommended that KICs follow up on the recommendations of the report on 'EIT: Our Impact from 2010 to 2016'⁸ containing the first EIT-led analysis, conducted by PwC, describing EIT/KICs' impacts from 2010 to 2016. It contains a proposal for an Impact Logic which is the foundation of the EIT's Impact Framework. The methodology of the study was grounded in the available impact assessment literature and adopts key principles from the European Commission's Impact Assessment Guidelines. In addition, a series of in-depth interviews across KICs were made to validate data and clarify pertinent issues. The same approach as well as targeted interviews would be followed in the 7-Year Review and KICs will be informed in a timely manner on the details to ensure optimal results.

2. Seven-year comprehensive assessments (2021-2027)

2.1. New legal framework from 2021

The new EIT Regulation (recast) in force since 28 May 2021 reinforces the comprehensive mid-term review of each KIC before the expiry of the initial Partnership Agreement. It states that subject to the outcome of a comprehensive mid-term review before the expiry of the initial period of seven years, the EIT Governing Board may decide to extend the Partnership Agreement with a KIC beyond the initial period for another period of a maximum of seven years or to discontinue the EIT's financial contribution and not to extend the Partnership Agreement. The EIT Governing Board shall take into account in particular **the achieved level of financial sustainability of a KIC, its capacity to ensure openness to new members as well as the limits of the Union financial contribution** [referred to in Article 20] **and relevance with regard to the objectives of the EIT.**

⁸ https://eit.europa.eu/sites/default/files/11983-eit-2017_our_impact_from_2010_to_2016.pdf

The review needs to consider the following criteria:

- 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.

Further, the EIT Regulation (recast) clearly states that in the event that evaluations of a KIC show inadequate results or lack of European added value, the EIT Governing Board shall take appropriate measures, including the reduction, modification or withdrawal of the EIT's financial contribution or the termination of the Partnership Agreement.

2.2. Methodological approach

2.2.1 Desk Research

The 7-year comprehensive assessments of the 2nd, 3rd and 4th waves KICs will comprise a substantive desk research to be conducted by a consultancy firm, supervised by EIT officers. It will be based on relevant documents like those used during the first wave's review listed under 1.2 above, in particular:

- Key EIT documents (e.g. old EIT Regulation and EIT Regulation (recast), EIT Financial Regulation, EIT SIA 2014-2020 and EIT SIA 2021-2027, Triennial Work Programmes, Single Programming Documents);
- Calls for KIC Proposals documentation 2014, 2016 and 2018; KIC Proposals;
- Framework Partnership Agreements (repealed by 31 December 2020), new Partnership Agreements and KICs' Strategic Agendas (originals and any later updates);
- KICs Business Plans and Reports for relevant years and experts' assessments;
- KIC Assessments: Business Creation, Education, Knowledge Triangle integration, Innovation;
- RIS Evaluation 2020 and subsequent RIS evaluations;
- EIT consolidated reports on the KIC Monitoring/GB Rapporteur visits and reports;
- Specific EIT guidance to KICs (e.g. governance, code of conduct, etc.);

- EIT Principles on KICs' Financial Sustainability (old and new);
- EIT Guidance on the EIT Regional Innovation Scheme (EIT RIS) 2018-2020 and EIT RIS Implementation Framework 2021-2027;
- EIT Good Governance Principles and respective assessments;
- EIT and KICs websites (deliverables included in websites as well as those submitted with KIC reports);
- ECA Reports and recommendations;
- EIT Interim Evaluations (2019 and 2024-2025);
- EIT Impact Study (PwC);
- KICs' action plans for tackling specific issues (i.e. EIT and EU co-branding; communications strategy; Project Partners, etc.).

Moreover, the following additional documents will also be considered:

- Multi-annual Dashboard;
- Annual Grant KIC Performance Assessment Reports;
- EIT GB Strategic Recommendations issued during the assessed period;
- EIT GB Rapporteur Reports.

2.2.2 Interviews with KICs' management and partners

Qualitative interviews will be carried out with representatives of the KIC management (headquarter and CLC) and key KIC partners (estimated at about 5 per KIC). They will be organised after conducting the initial desk research and assessing the collated data. The interviews may address the following issues:

- gather additional data which is not present in the above documents proposed for the desk research;
- clarify further critical aspects of the KIC performance against some of the comprehensive assessment indicators below (as indicated in Table 2);
- triangulate or clarify data collated through the desk research and surveys.

2.2.3 Targeted surveys

To build data regarding KIC results and particularly, the socio-economic impact, created to date and to analyse the KIC progress towards achieving the planned impact the following surveys may take place:

- Survey of graduates from EIT labelled programmes and participants in executive/professional courses. The survey will focus on questions related to the impact of the EIT education label programmes on employability, entrepreneurialism and innovativeness of its graduates; effectiveness of the KIC education programmes in attracting relevant students and in raising the overall awareness of the programmes distinctive profile; the

extent to which graduates benefit from the wider ecosystem of the KIC on their journey into employment or business start-up; whether the skills developed as a consequence of the innovation and entrepreneurship approach of the KIC programmes improve opportunities for KIC graduates in their careers (employed or self-employed).

- Survey of ventures supported by the KICs. This will allow building data about the economic and societal impacts of the KICs (or progress made in their impact pathways) related to revenue growth of the supported ventures, jobs created, competitiveness, etc. (see Table 2)
- Other surveys, e.g. of partners and other stakeholders, if considered relevant.

2.3. Focus of the comprehensive assessment

The 7-year assessment is a comprehensive analysis on what the KICs have achieved over the period of seven years (SUGA and first 6 years of their Partnership Agreement), compared to what was promised in their proposals, Strategic Agendas, Business Plans, and grant reports and to market/public benchmarks/references. Therefore, the 7-year comprehensive assessment report will assess all areas of activities and aspects relevant for a KIC, notably:

1. *KIC Governance, KIC Partnership, Processes & Operations*
2. *KIC Funding, Financial Sustainability & Business Models*
3. *Knowledge Triangle Integration, Innovation Ecosystem and Co-location Centres*
4. *Education & Alumni*
5. *Innovation & Research*
6. *Entrepreneurship & Business Creation*
7. *EIT Regional Innovation Scheme (EIT RIS)*
8. *Synergies, Complementarities & Cross-KIC collaboration*
9. *Communications, Dissemination & Outreach*

Under each chapter listed above, the following key elements will be thoroughly analysed:

- 1) Main activities, results, societal and economic impacts/progress against impact targets, including EU added value, and KPIs achieved;
- 2) Budget evolution: what was the EIT and non-EIT budget for the main activities and the 'value-for-money' in relation to the point 1) above;

- 3) Strengths and weaknesses: what have worked well and what did not work (with justifications);
- 4) Recommendations for improvement: what should be improved in the next 7-years, how and when.

KICs will be asked to perform on a regular basis a self-assessment (including future Grant Reports and Business Plans) on where they are in relation to the activities listed above, with a particular focus on results, impacts and KPIs.

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

The EIT Regulation (recast) Article 11 (5) requires that “for the purpose of deciding whether to extend the Partnership Agreement with a KIC under Article 11(4), the Governing Board shall take into account the criteria for implementing, monitoring and evaluating the European Partnerships set out in the Horizon Europe Regulation and, with regard to the KICs, the matters listed under Chapter 2.1 above.

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

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

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

The evaluation **criteria and respective indicators** for the 7-year assessments have been respectively designed in consideration of the above requirements (see Table 2).

If one of the criteria falls below the threshold, the 7-year assessment of the concerned KIC will be considered negative and as such the EIT Governing Board may decide to terminate the

Partnership Agreement and subsequent financial support via Grant Agreements, or may set conditions that have to be addressed before further financial support is provided to the KIC.

In addition, the assessments will encompass an analysis of achieving the KICs' targets as set in their initial proposals, Framework Partnership Agreements (FPA) and KICs' Strategic Agendas, as well as achieving their targets for the 7-year period for the EIT indicators and KPIs. The assessments will conclude with a recommendation for the EIT Governing Board to continue EIT financial support for a KIC during the 2nd stage of its 15-year lifecycle, conditions to be met by the KIC before financial support is provided, or termination of the Partnership Agreement.

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

The EIT Governing Board will take a decision for each KIC based on the report received and after consulting relevant stakeholders.

The following criteria and scoring will be used for the EIT GB decision on whether the EIT should continue further supporting a KIC, including financially, during the 2nd stage of their 15-year lifecycle:

Table 2: 7-year comprehensive assessment 2015-2021: criteria, main sources, and indicators

7-year assessment Criteria	Main sources of evidence	Indicators
Global Threshold – 60/100		
<p>1. Relevance to the Union’s global challenges</p> <p><u>15 points max</u></p> <p><u>Threshold: 9</u></p>	<p>KIC original proposal</p> <p>Business Plans</p> <p>Grant Reports and assessments (incl. KPIs)</p> <p>KIC Strategic Agenda (current and past)</p> <p>KICs’ EIT RIS strategies</p> <p>Relevant EU policy reports</p> <p>Interviews</p> <p>Surveys</p>	<p>The results of the KIC’s activities have been relevant to the objectives of the Union, including boosting economic growth, strengthening the innovation capacity of the Member States, fostering innovation and entrepreneurship.</p> <p>The results of the KIC’s activities have contributed significantly in addressing the societal challenge it was designated for.</p> <p>KIC has made evidenced progress against the following impact indicators (as per definitions provided in the EIT Impact Framework):</p> <p>Societal Impact KPIs per KIC</p> <p>EIT Health</p> <ul style="list-style-type: none"> • Citizens and patients involved in seeking solutions for multi-morbid and chronic conditions • Citizens and patients benefitting from EIT Health products and services • Creating sustainable healthcare systems

- Creating structured processes for the accelerated implementation and scaling up of innovations, using digital tools

EIT RawMaterials

- Carbon savings
- Critical raw materials substitution /reduction
- Advanced materials produced
- Increased recycling rate over current rate
- Improved industrial competitiveness
- Raw materials concentrate produced
- Improved gender balance
- Enhanced sustainability

EIT Food

- Increased public engagement in food system
- Increased adoption & uptake of innovation in the food system
- Increased intake of foods with healthier nutritional profile
- Reduction in relative risk (R) of obesity & Non-Communicable Disease (NCD) prevalence in target populations due to known dietary factors
- Improved Food Safety & Security
- Improved Environmental Impact of Agri-Food systems
- Products on the market derived from alternative sources
- Reduction in Food Waste & Food Loss
- Alumni staying in the food system
- New skills and professions developed in the food sector
- Improvement in food system contribution to outcomes under EU Circular Economy Monitoring Framework (including inter alia waste management, recycling, competitiveness & innovation)

- Improved efficiency and sustainability of food systems

EIT Manufacturing

- A strong European workforce with skill levels that make our industry competitive on a global scale. Generic and flexible skills that allow Europe to adapt to changing job market requirements.
- Strong female impact on the European manufacturing innovation and start-up arena
- Manufacturing as the go-to-job for creative and innovative people of all ages, genders and physical capabilities.
- Best possible use of automation to support humans in the workplace. Citizens feel safe, empowered, inspired and innovative at work.
- Attractive open regional arenas, empowering ideas that satisfy industry needs and allow venture capital to flow into emerging and growing companies
- European industry becomes the global innovation hotspot for manufacturing technology and solutions and a core engine of societal growth and persistence
- Europe's manufacturing industry becomes a role model in terms of circular product design. Products manufactured in Europe are easier to maintain and repair, upgrade and recycle than those produced elsewhere. Europe is the world market leader for circular economy processes and technologies.
- Worldwide, Europe has the highest share of production facilities with a net zero-carbon footprint
- European manufacturing companies make extensive use of industrial data and digital business platforms and manage their supply chains and customers in digital eco-systems.

- Efficiency, flexibility and eco-friendliness in manufacturing is high through the application of digital technologies over the whole product cycle.

EIT Urban Mobility

- Improved quality of public space design and public infrastructure to encourage active modes and enhanced use of other alternative modes to motorised individual traffic. Introduce more green and blue elements to address climate emergency. Create the conditions through projects for public space to improve social inclusion and community cohesion.
- Repurposed traffic road space to public places which encourage healthy and clean mobility and new flexible uses that could benefit urban liveability, the local economy and the environment. Improve the quality of public space for healthy lifestyles and mobility habits and enhance accessibility for all. Develop new forms and flexible models of urban road space use.
- A modal shift to clean and healthy mobility alternatives to motorised transport. Reduced emissions from urban logistic operations by introducing new technologies and cleaner solutions.
- New competencies created that match future needs for the mobility sector and respond to city challenges.
- Reduced GHG emissions and liveable urban areas created through implementation and scaling of solutions.
- Moving away from investments and incentives benefitting individual motorised transport towards an increased share of public-private investments and incentives for sustainable urban mobility measures and services.
- Increased citizen involvement and level of active participation in decision making and co-creation of urban mobility solutions.

		<ul style="list-style-type: none"> Improved travel behaviour. As a result of continued investment in sustainable mobility, the KIC will contribute to increase the mode share of walking, cycling, public transport use combined and reduce individual motorised transport. <p>Economic Impact KPIs</p> <ul style="list-style-type: none"> % (& € if available) contribution to revenue growth and profitability of organisations trading or employing KIC innovations # and revenue of start-ups and scale-ups supported by KICs trading at least 1 year after KIC support ceased # new jobs created in start-ups/scale-ups Impact on employment growth as a result of company being engaged with KICs # and type of jobs in existing businesses in KIC sector sustained through innovations # and type of skill gaps and/or skill shortages filled by KIC sector
<p>2. KIC’s Union added value and relevance with regard to the objectives of the EIT</p> <p><u>15 points max</u></p> <p><u>Threshold: 9</u></p>	<p>KIC original proposal</p> <p>Business Plans</p> <p>Grant Reports and assessments</p> <p>KIC Strategic Agenda</p> <p>KICs’ EIT RIS strategies</p> <p>Relevant EU policy reports</p> <p>Interviews</p>	<p>The KIC has created a significant European added value with respect to building a sustainable innovation ecosystem through knowledge triangle integration, and as a result has developed concrete solutions to societal challenge it addresses as foreseen in the original proposal.</p> <p>All KIC’s activities have been fully aligned with and relevant to the EIT objectives as defined in EIT legislative framework.</p> <p>KIC RIS activities have been fully aligned with the EIT RIS Guidance note 2018-2020 and RIS Implementation Framework (2021-2027)</p>

	Surveys	<p>KIC has made evidenced progress against the following indicators (as per definitions provided in the EIT Impact Framework):</p> <ul style="list-style-type: none"> • # and % of KIC Label graduates employed • # and % of students and graduates from EIT labelled MSc and PhD programmes who joined start-ups • Revenue from the innovations launched on the market
<p>3. Achievement of KIC's objectives</p> <p><u>15 points max</u></p> <p><u>Threshold: 9</u></p>	<p>KIC original proposal</p> <p>Business Plans</p> <p>Grant Reports and assessments</p> <p>KIC Strategic Agenda</p>	<p>A KIC has fully achieved its 7-year Strategic Agenda objectives and expected results in line with its initial strategic objectives. Any deviation from the Strategic Agenda has been justified, approved by the EIT and has led to maximizing impact.</p> <p>The KIC has achieved its objectives and respective targets as stated in its original proposal and Strategic Agenda in relation to the societal challenge.</p> <p>KPI targets defined in the KIC original proposal, Strategic Agenda and Business Plans achieved.</p> <p>The KICs have delivered EIT RIS activities and achieved results within the scope of their EIT RIS Strategies. Any deviations are duly justified and having led to maximized results.</p>
<p>4. KICs efforts to coordinate their activities with other relevant research and innovation initiatives</p> <p><u>5 points max</u></p>	<p>KIC original proposal</p> <p>Business Plans</p> <p>Grant Reports and assessments</p> <p>KIC Strategic Agenda</p>	<p>The KIC has achieved the concrete synergies and complementarities described in the original proposal and Strategic Agenda</p> <p>Number of synergies with other relevant education, research and innovation initiatives in the same area of the societal challenge at national, EU and global level</p>

<p><u>Threshold: 3</u></p>	<p>KICs' EIT RIS strategies</p> <p>Relevant EU policy reports</p> <p>Interviews</p>	
<p>5. KIC's capacity to ensure openness to new members</p> <p><u>5 points max</u></p> <p><u>Threshold: 3</u></p>	<p>KIC original proposal</p> <p>Business Plans, respective Grant Reports and assessments</p> <p>KIC Strategic Agenda</p> <p>GB Strategic Recommendations and related monitoring reports</p> <p>Good Governance assessments</p> <p>KICs' EIT RIS strategies</p>	<p>Partnership size, growth, composition and performance are adequate for achieving the long-term objectives of the KIC Strategic Agenda.</p> <p>KIC's Calls for activities have been fully open to new members.</p> <p>KIC has fully addressed the EIT Good Governance Principles (GGP) – based on relevant GGP assessments related to openness to new members</p> <p>Balanced representation of all key knowledge triangle players in the partnership</p>
<p>6. KIC's achievements in attracting new members from across the Union</p> <p><u>10 points max</u></p> <p><u>Threshold: 6</u></p>	<p>KIC original proposal</p> <p>Business Plans, Grant Reports and assessments</p> <p>RIS assessment</p>	<p>KIC has grown to an effective sustainable innovation eco-system with partners within and outside the EU, including RIS countries and regions</p> <p>Number of the EU Member States covered by the KIC partnership and representation of all the knowledge triangle players</p> <p>Number of the RIS countries and regions covered by the KIC partnership and representation of all the knowledge triangle players in its activities</p> <p>Trend of new active partners over the 7- year period</p>

		Balanced geographical presence of CLCs and EIT RIS Hubs in line with the strategic objectives and societal challenges
7. KIC's compliance with good governance principles <u>10 points max</u> <u>Threshold: 6</u>	KIC original proposal Business Plans, Grant Reports and assessments EIT consolidated report on the KIC Monitoring visits GB Strategic Recommendations Good Governance assessments	KIC fully addresses the EIT Good Governance Principles (GGP) – based on the relevant GGP assessment GB Strategic recommendations have been effectively addressed and fully implemented by the KIC
8. KIC's efforts and results in designing and implementing gender-sensitive measures and activities <u>5 points max</u> <u>Threshold: 3</u>	KIC original proposals Business Plans, Grant Reports and assessments	KICs have designed and implemented gender sensitive measures and activities Positive expert's assessment of the outputs and results delivered by these activities
9. KIC's capacity to develop sustainable innovation ecosystems and the achieved level of financial sustainability	Initial KIC proposal KIC Strategic Agenda KICs Business Plans, Grant reports and assessments	The KIC has created a sustainable innovation ecosystem effectively addressing the societal challenges and skill gaps it was established for KIC has made evidenced progress against the following indicators (as per definitions provided in the EIT Impact Framework):

<p><u>20 points max</u></p> <p><u>Threshold: 12</u></p>	<p>GB recommendations related to Financial Sustainability</p> <p>Interviews</p>	<ul style="list-style-type: none"> • Sustainable and institutionalised partnerships between the organisations engaged with KICs • Visible innovation ecosystems not previously in existence • Innovation ecosystems evolving into business ecosystems <p>Effective Financial Sustainability Strategy, including Financial Sustainability mechanisms in place including diversified revenue sources and aligned with the original proposal and subsequent business plans/reports</p> <p>An adequate level of revenues from its activities is demonstrated and a plan for the management and exploitation of intellectual property and financial assets supporting the KIC's business model is in place</p> <p>Financial Sustainability (FS): revenues of KIC LE, FS coefficient</p> <p>Budget consumption of KICs and management cost evolution</p> <p>Co-funding rates</p>
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2.4. Main activities, milestones, and deliverables of the 7-year comprehensive assessment of the 2nd wave of KICs

The table below will be updated for the 7-year assessments of the 3rd and 4th waves of KICs.

Activity	Indicative Timeline
Preliminary discussions of key activities and timeline with two KICs subject to the assessment – identify main figures presented in KICs’ proposals and business plans	EIT Forum on 16 May 2019 (completed)
Update Governing Board on state of play key activities and timeline and first interactions with KICs	GB meeting on 5 June 2019 (completed)
Meeting with both EIT Health and EIT Raw Materials	22-23 July 2019 (completed)
GB Monitoring visits and GB Hearings – KICs’ Self-Assessment (KPIs) – against KIC proposal and last three grant cycles	June – Dec 2019 (incl. GB meeting in Nov) (completed)
First Meeting/VC with EIT Health on its Self-Assessment (KPIs) against the original proposal and last three grant cycles (<i>to counter check EIT data vs KIC data; to clarify objectives and methodology of 7-year assessment</i>)	09 Oct. 2019 (completed)
A round of discussion with EIT RM; EIT data vs KIC data checked	Oct.-Dec. 2019 (completed)
Revise, continuously adapt and fine-tune 7-year assessment paper and discuss it internally (with IC Unit), in particular the assessment criteria, weighting and timeline including alignment with the EIT Impact Framework	October 2019 – August 2020 (completed)
Consult KICs on revised methodology	November 2020

Align the 7-year assessment with the revised EIT Regulation and SIA (2021 – 2027)	Q2 2021
EIT Governing Board approval of the 7-year assessment Methodology	August 2021
Procure and contract consultancy company	Jan-August 2021
Consultancy work on 7-year assessment (1 st stage)	September -November 2021
Draft 7-year Assessment Reports for comments by EIT and KICs	November 2021
Revise the 7-year Assessment Reports based on comments from EIT and KICs (and considering the 2020 KIC Grant Reports)	December 2021
EIT Governing Board meeting on 7-year assessment preliminary results and GB decides based on the 7-year assessment results to date	January 2022
Contractor continues the 7-year assessment with the 2021 reported data and 2021 Grant Report assessment results and prepares the Final Reports (these will not include validated KPIs, only reported)	Jan-April 2022
Final Reports on 7-year assessment of EIT Health and EIT Raw Materials	April 2022
Consulting the Member States Representative Group on the extension of the Partnership Agreements (submitting to MSRSG the Final Reports and the EIT recommendations for the GB decision)	April-June 2022 (2,5 months needed)
Consulting the draft GB decision with the European Commission (4 weeks before the GB meeting, or in the case of written procedure, 2 weeks before the initiation of the written procedure).	June-July 2022
EIT Governing Board decides on the final results for each assessed KIC	August 2022

Annex I – Description of 7-year Comprehensive Assessment Criteria Scale

The following scale will be used:

Each selection sub- criterion will be according to the following scale:

Scale 0-20

0-20	Scores interpretation
0	The profile does not meet the criterion at all or cannot be assessed due to missing or incomplete information
1-4	Poor – serious weaknesses
5-8	Fair – goes some way to meeting the criterion, but with significant weaknesses
9-12	Good – but with a number of shortcomings
13-16	Very good – but with a small number of shortcomings
17-20	Excellent – meets criterion in every relevant respect. Any shortcomings are minor

Scale 0-15

0-15	Scores interpretation
0	The profile does not meet the criterion at all or cannot be assessed due to missing or incomplete information
1-3	Poor – serious weaknesses
4-6	Fair – goes some way to meeting the criterion, but with significant weaknesses
7-9	Good – but with a number of shortcomings
10-12	Very good – but with a small number of shortcomings
13-15	Excellent – meets criterion in every relevant respect. Any shortcomings are minor

Scale 0-10

0-10	Scores interpretation
0	The profile does not meet the criterion at all or cannot be assessed due to missing or incomplete information
1-2	Poor – serious weaknesses
3-4	Fair – goes some way to meeting the criterion, but with significant weaknesses

5-6	Good – but with a number of shortcomings
7-8	Very good – but with a small number of shortcomings
9-10	Excellent – meets criterion in every relevant respect. Any shortcomings are minor

Scale 0-5

0-5	Scores interpretation
0	The profile does not meet the criterion at all or cannot be assessed due to missing or incomplete information
1	Poor – serious weaknesses
2	Fair – goes some way to meeting the criterion, but with significant weaknesses
3	Good – but with a number of shortcomings
4	Very good – but with a small number of shortcomings
5	Excellent – meets criterion in every relevant respect. Any shortcomings are minor