



DECISION 15/2020

OF THE GOVERNING BOARD OF

THE EUROPEAN INSTITUTE OF INNOVATION AND TECHNOLOGY (EIT)

ON THE ASSESSMENT AND ADOPTION OF THE 2019 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 (EC) No 294/2008 of the European Parliament and of the Council of 11 March 2008 establishing the European Institute of Innovation and Technology,<sup>1</sup> (hereinafter referred to as the 'EIT'), as amended by Regulation (EU) No 1292/2013 of the European Parliament and of the Council of 11 December 2013<sup>2</sup> (hereinafter referred to as the "EIT Regulation"), and in particular Section 2 (a) and Section 4 (3) (c) of the Statutes annexed to the EIT Regulation;

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 Council<sup>3</sup> (hereinafter referred to as the "Framework Financial Regulation"), and in particular Article 48 thereof;

Having regard to Decision 21/2019 of 25 September 2019 of the Governing Board of the European Institute of Innovation and Technology on the Financial Regulation of the EIT<sup>4</sup> (hereinafter referred to as the "EIT Financial Regulation"), and in particular Article 1 thereof;

Having regard to the Annual Activity Report of the Authorising Officer in respect of the year 2019;

**WHEREAS**

- (1) 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;
- (2) The consolidated annual activity report shall be submitted to the Governing Board for assessment in accordance with to Article 48(1) of the Framework Financial Regulation;
- (3) The Governing Board shall adopt the Annual Activity Report of the European Institute of Innovation and Technology based on the draft presented by the Director pursuant to Section 2 of the Statutes annexed to the EIT Regulation;

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<sup>1</sup> OJ L97 of 09.04.2008, p. 1.

<sup>2</sup> OJ L347 of 20.12.2013, p. 174.

<sup>3</sup> OJ L122 of 10.5.2019, p. 1.

<sup>4</sup> Ares(2019)6810859

- (4) 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 to Article 48(2) of the Framework Financial Regulation;
- (5) At its 38<sup>th</sup> Governing Board meeting of 3 December 2015, the EIT Governing Board welcomed the suggestion from the Audit Committee to give its opinion on the draft Annual Activity Report prepared by the Director before its assessment by the EIT Governing Board.
- (6) 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 Annual Activity Report 2019 as well as the adoption of the Annual Activity Report 2019.

**HAS DECIDED AS FOLLOWS:**

**Article 1**  
***Assessment of the Annual Activity Report 2019***

The EIT Governing Board:

1. Welcomes the results presented in the Annual Activity Report of the Authorising Officer (the 'AAR') and appreciates the presentation of all the underlying building blocks that underpin that declaration. 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's staff and management.
2. Welcomes the fact that the EIT community has grown to over 2200 partners and 50 hubs, which collectively have by now put over 900 innovative products and services on the market, trained several thousand entrepreneurs and supported over 2000 start and scale ups that attracted close to EUR 1.5 billion in investments.
3. Notes with satisfaction that the European Parliament granted discharge to the EIT in respect of the 2018 financial year, which confirms the positive evaluation of the EIT's management and control systems.
4. Expresses its satisfaction that the EIT allocated the highest ever EIT financial contribution of EUR 542.5 million to the KICs for the implementation of their 2020 business plans, which is another recognition of EIT impact on European innovation landscape.
5. Expresses its satisfaction that in 2019, EIT Manufacturing and EIT Urban Mobility have successfully achieved legal and operational readiness. However, it also draws the attention to the concerns raised regarding the governance and strategy of EIT Manufacturing and its possible consequences for the implementation of their activities in 2020 and beyond.
6. Welcomes the European Commission's proposals for the EIT's Strategic Innovation Agenda (SIA) 2021-2027 and the new EIT Regulation, which place the EIT at the heart of Horizon Europe with a reinforced mandate, in particular in the areas of education and regional outreach, as well as a 25% budget increase.
7. Is concerned that with understaffing, and in the light of an increase in its budget and number of KICs the EIT may not be able to maintain its checks in the future at a satisfactory level and risks an increase of error rates. It is also concerned that other operational activities may have to be decreased creating negative operational and reputational impact for the EIT, particularly hampering the development of its institute role. In addition, it calls the EIT management to take the necessary measures to maintain the error rate below the materiality threshold.
8. Is concerned that the number of posts planned, and therefore made available to the EIT by the EU institutions, has not followed the significant growth of budget and activities and calls on the Commission to consider a timely increase of the staff allocated to the EIT.

9. Expresses its satisfaction with the successful organisation of the INNOVEIT 2019 which gathered over 400 participants, including over 50 journalists, resulting in more than 150 published articles to date.
10. Notes that the absorption rate for the 2018 grant agreements was 88.91% and the financial sustainability coefficients of KICs remained low. It calls on the EIT management to make additional efforts to improve those rates.
11. Is satisfied that the detected error rate during ex-post verification of 2018 grants was 1.41 % and the residual error rate is 1.4 %, which is well below the materiality level of 2 %.
12. Notes that the number of open IAC audit recommendation has decreased from 68 to 64 from end-2018 to end-2019. Calls on EIT management to further speed up the implementation of the audit recommendations.
13. Welcomes that the selection and appointment of the EIT Director has been finalised which contributes to further organisational stability of the EIT.
14. Appreciates the fact that throughout 2019, 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.
15. Confirms that the EIT Governing Board's analysis and assessment of the Annual Activity Report 2019 is positive and that the Annual Activity Report 2019 provides it with the necessary assurance for a positive assessment of the results achieved in 2019.

**Article 2**  
***Adoption of the Annual Activity Report***

Based on the assessment of the Governing Board, as set out in Article 1 of this decision, the Annual Activity Report 2019 by the EIT Director is adopted as set out in Annex 1 to this decision.

**Article 3**  
***Publication***

Annual Activity Report 2019 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 10 June 2020*

[Signed]

Dirk Jan van den Berg  
Chairperson of the EIT Governing Board

*Annex 1: Consolidated Annual Activity Report 2019*

# Consolidated Annual Activity Report

Financial year: 2019

**The EIT – Making Innovation Happen**

European Institute of Innovation and Technology (EIT)

Budapest | June 2020

[www.eit.europa.eu](http://www.eit.europa.eu)



The EIT is a body of the European Union

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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 2019.

The EIT's Annual Activity Report 2019 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 2019 comprises four main parts and annexes as follows.

**Part I: Achievements of the financial year 2019.** Mirroring the structure of the Annual Work Programme of the EIT for the year of 2019, 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 2018, 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 Parts IV and V 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.

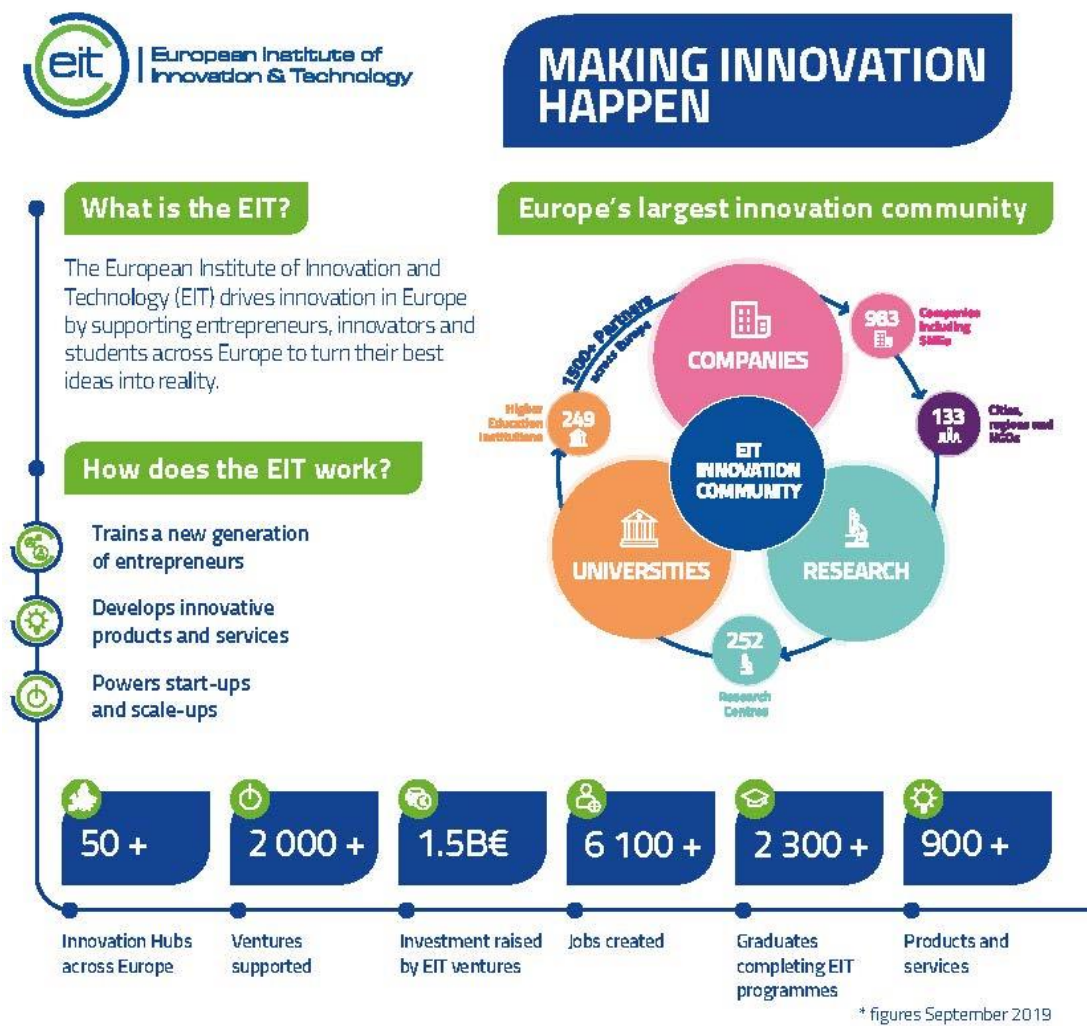
**In the annexes,** the report provides statistics and information on the EIT core KPIs, financial management, organisational chart, establishment plan, Human and Financial resources used by activity, the EIT's final annual accounts and further specific annexes related to Part II and Part III of the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

The EIT Annual Activity Report is a public document and is available on the EIT website.

## The EIT in brief

The European Institute of Innovation and Technology (EIT) strengthens Europe's ability to innovate by powering solutions to pressing global challenges and by nurturing entrepreneurial talent to create sustainable growth and skilled jobs across Europe. The EIT is an EU body which is an integral part of Horizon 2020, the EU Framework Programme for Research and Innovation. The Institute supports the development of dynamic pan-European partnerships - EIT Knowledge and Innovation Communities (KICs) - among leading innovations from companies and SMEs, research labs and universities.

Based on existing European excellence, the EIT's KICs support existing **innovation ecosystems** and create new ones. They tackle **fragmentation and duplication** of efforts across borders to **generate critical mass, strengthen collaboration**, optimise the use of **human, financial and physical resources**, and **attract talented individuals** from all over the world. Together, the EIT Community generates entrepreneurship-driven innovation and turns societal challenges into **economic opportunities** that create sustainable growth and high-skilled jobs for Europe.



The EIT's KICs deliver high impact innovations to accelerate the transition to a zero-carbon economy (*EIT Climate-KIC*), drive Europe's digital transformation (*EIT Digital*), lead the global revolution in food innovation and production (*EIT*

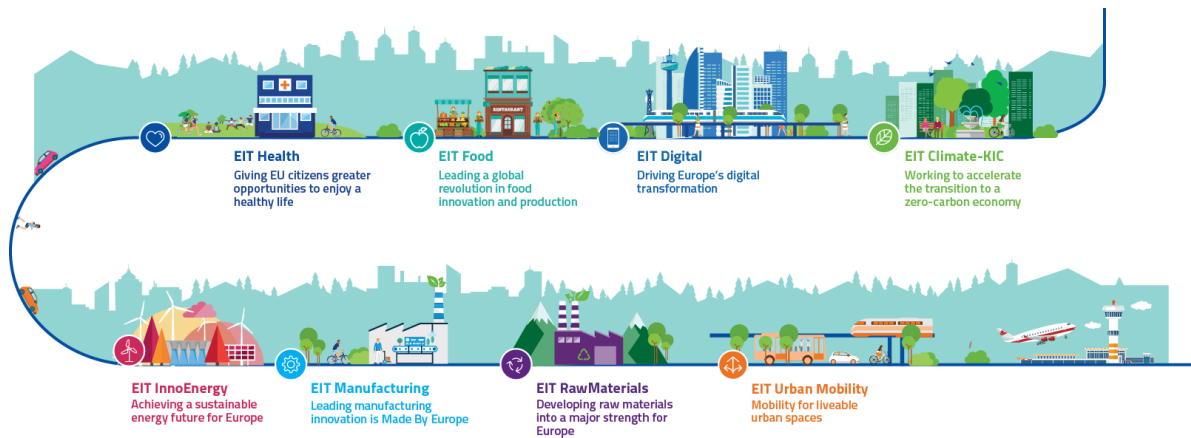


Food), give EU citizens greater opportunities to lead a healthy life (*EIT Health*), achieve a sustainable energy future for Europe (*EIT InnoEnergy*), strengthen the competitiveness of Europe’s manufacturing industry (*EIT Manufacturing*), develop raw materials into a major strength for Europe (*EIT RawMaterials*), and solve the mobility challenges of our cities (*EIT Urban Mobility*).

Together with their leading partners, the EIT’s KICs offer a wide range of innovation and entrepreneurship activities. This includes education courses that combine technical and entrepreneurial skills, business creation and acceleration services and innovation driven research projects.

To date, the EIT has established a total of eight KICs:

- **EIT Climate-KIC**, **EIT Digital** and **EIT InnoEnergy**, designated in 2010, are fully operational and deliver outputs and results as measured by the EIT’s core Key Performance Indicators (KPIs);
- **EIT Health** and **EIT Raw Materials**, designated in December 2014, are now delivering results in line with the KICs after completing their fourth full year of operations in 2018;
- **EIT Food**, designated by the EIT Governing Board in November 2016, completed its second year of operations in 2019 with its promising results emerging; and
- **EIT Manufacturing** and **EIT Urban Mobility** were selected by the EIT Governing Board in December 2018 and embarked on their start-up phases in 2019.



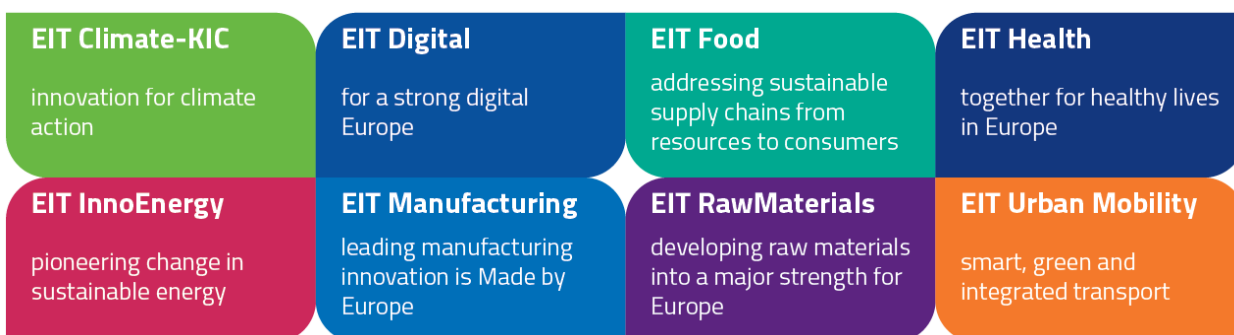
# Executive Summary

## 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 and has delivered:

- **eight** thriving Knowledge and Innovation Communities
- **50+ Co-location Centres** across Europe
- over **2,000 start-ups and scale-ups** supported who have raised more than **EUR 1.5 billion in investments**
- over **900 new products and services** brought to the market
- more than **2,300 students** have graduated from EIT-labelled programmes.

The **participation** in the first six Knowledge and Innovation Communities (EIT Climate-KIC, EIT Digital, EIT InnoEnergy, EIT Health, EIT RawMaterials and EIT Food) also increased to more than **2,200** organisations by the end of 2019 (an **increase of almost 600** participations compared to 2018) highlighting the attractiveness of the EIT Community to innovators.



In 2019, the **highest ever EIT financial contribution of EUR 542.5 million** was allocated to the eight EIT's Knowledge and Innovation Communities for the implementation of their 2020 Business Plans. As a result of further simplification efforts, the EIT also managed to keep the average time-to-grant very low (**148 days for the 2019 Specific Grant Agreements**, which is 40% lower than the Horizon 2020 target of 245 days).

In 2019, **EIT Manufacturing and EIT Urban Mobility** have successfully achieved legal and operational readiness, piloted innovation, business creation and education activities, prepared their multi-annual strategies and first business plans for activities to be implemented in 2020. Thus, the two new KICs were formally set up and they expected to grow and refine their strategy and operations in the upcoming years.

On 11 July 2019, **the European Commission published its proposals for the EIT's Strategic Innovation Agenda (SIA) 2021-2027 and the new EIT Regulation**. The proposals place the EIT at the heart of Horizon Europe with a reinforced mandate, in particular in the areas of education and regional outreach, as well as a 25% budget increase. Although the proposals are subject to the EU's inter-institutional negotiations, one thing is certain: the EIT will continue to make innovation happen in the next 10 years.

At the beginning of August, the call for expressions of interest for the appointment of up to eight new members of the EIT Governing Board was launched. Also related to governance and management, **the EIT Governing Board appointed Martin Kern as the Director of the EIT on 19 August** following a rigorous selection procedure.

One of the main highlights of the autumn in 2019 was another **successful edition of the EIT's annual Innovation Forum, INNOVEIT**, which included the EIT Stakeholder Forum, the Innovation Tour as well as the EIT Awards Ceremony. The event showcased 24 of the EIT Community's most successful innovators and gathered over 400 participants, including over 50 journalists, resulting in more than 150 published articles to date. In the margins of the event, the 2019 edition of EIT Alumni CONNECT was organised.



**The power to innovate: winners of EIT Awards 2019 announced**

2019 continued to see EIT Community supported innovators succeed. **The EIT-supported Northvolt became a unicorn** by raising more than USD 1 billion in a round led by Volkswagen, BMW and Goldman Sachs. Soon after, they received a EUR 350 million loan from the European Investment Bank (EIB). The **Global Cleantech 100 list and the Forbes 30 under 30 list** featured several entrepreneurs and innovators from the EIT Community. Such recognition for EIT Community entrepreneurs clearly affirms the EIT's impact and its unique role in driving innovation across Europe.

# PART I - ACHIEVEMENTS OF THE YEAR

## 1.1 Incentivising growth, impact and sustainability through the EIT

### 1.1.1 Consolidating, fostering growth and impact of the KICs

#### 1.1.1.1 Promoting collaboration and competition among KICs

##### Business Plan assessment and grant allocation for 2020

By its Decision No 04/2019, the EIT Governing Board defined the principles for the 2020 EIT grant allocation, including three main funds earmarked for implementing (1) the EIT Regional Innovation Scheme (EIT RIS), (2) the EIT Cross-KIC scheme and (3) the KICs' portfolios of activities. For the latter – EIT KIC Fund – the Decision also indicated the distribution among the three waves of KICs as well as the split between support and competitive funding within each wave.

In April 2019, the EIT invited the eight KICs to submit their Business Plans for 2020 and issued updated guidelines for the business plans preparation. Regarding the competitive funding allocation, the 2020 process was revised with the following scorecard:

Criteria	Maximum score	Responsible	Evidence
1) Multiannual strategy	30	EIT Governing Board	EIT GB Rapporteur visit; EIT GB Hearing
2) EIT core KPIs (2018)	30	EIT	KIC report 2018
3) Financial performance (2018) (budget absorption, error rate, co-funding, financial sustainability)	15	EIT	KIC report 2018
4) Fulfilment of non-financial requirements management diversity, good governance principles, EIT RIS, EIT/EU co-branding	15	EIT	KIC report 2018; Monitoring 2019
5) Business Plan fit to KIC strategy Business Plan strategic relevance and ambition	10	External expert	Business Plan 2020 (portfolio level)

All eight KICs submitted their Business Plans in September 2019 which were evaluated by the EIT with assistance of external experts. For the Business Plan assessment, the EIT contracted 44 experts from 21 countries, out of which 52% were female experts. The remote and consolidated evaluation period lasted from mid-September to end-October at which point the KICs were informed about the requirements to revise their Business Plans before they can be approved by the EIT.

In parallel, representatives of the EIT Governing Board – GB Rapporteurs – met with the KICs' high level representatives with the main objective to assess how the KICs had addressed the EIT Governing Board's strategic recommendations issued in November 2018. In preparation for Hearings with the KICs, which is the final step in the EIT grant allocation

process, the GB Rapporteurs analysed the KICs' strategies and multi-annual progress towards achieving their strategic objectives. The following key strengths and weaknesses had been established as a result.

**EIT Climate-KIC's** strategy and impact is being shifted towards theory of change and deep demonstration concept, both yet to be proved. The KIC's key strength is in its extensive network of collaborating organisations and connecting to relevant local stakeholders, such as governments and cities. The KIC retains an open and balanced partnership involving in total 437 organisations out of which 318 participated in the KIC's activities in 2019. The KIC is very active in cross-KIC collaboration and has comprehensive EIT RIS offerings. It also excels in number of start-ups supported. EIT Climate-KIC's weaknesses remain in the progress towards financial sustainability, in particular, overall the generation of revenues and the contribution of business creation and innovation activities.

**EIT InnoEnergy's** progress in strategy and impact setting is convincing and it has developed a maturing portfolio of innovations. Improvements are under way, especially to measure the impacts by concrete indicators in the innovation and entrepreneurship pillars. Its partnership is open with predominance from business sector. The partnership involves in total 490 organisations out of which 181 participated in the KIC's activities in 2019. Implementation is delivering results and the management team is effective and stable; however, improvement is still needed in terms of diversity. Financial sustainability is one of the KIC's strong area. The KIC is less active in the cross-KIC cooperation and should further promote the EIT/EU co-branding across the partnership and portfolio.

**EIT Digital** progressed in the strategy and impact area. The KIC launched its new three-year strategy. The partnership is open and remains balance involving in total 241 organisations out of which 178 participated in the KIC's activities in 2019. The KIC is creating and maintaining structured synergies with member state organisations, EC stakeholders and is participating in cross-KIC activities. The new ARISE Europe Venture Programme was launched to engage RIS countries stronger into the KIC portfolio. EIT Digital remained continuously strong in its education portfolio and generally has effective governance in place. However, weaknesses remain in gender balance in governance and management and ensuring EIT/EU co-branding. The generation of revenues remains low, however the KIC put in place new mechanisms to generate revenues from innovation and business creation activities.

**EIT Health's** strategic framework is structured and comprehensive and implementation is showing increasing results. The KIC is very active in establishing synergies and in cross-KIC cooperation. The partnership is partially open and remains balanced with 327 organisations participating in the KIC's activities in 2019. Entrepreneurship activities are very well structured with a focus on Knowledge Triangle Integration. The governance and management arrangements are efficient and effective, however the KIC Legal Entity does not have full effective oversight over Co-Location Centres (CLCs). The KIC should strengthen the competition for innovation funding and the contribution of the innovation pillar to the KIC's financial sustainability. Overall, progress towards financial sustainability is limited and the KIC should step up the efforts along its maturity.

**EIT RawMaterials'** overall strategic framework is clear, structured and comprehensive. The KIC actively participated in cross-KIC activities and developed an appropriate network of collaborating organisations at European and International level. The partnership is open and remains balance involving in total 505 organisations out of which 376 participated in the KIC's activities in 2019. EIT RawMaterials is actively involved in implementing RIS activities with a strong presence in the East & South-East Europe Region. The application of EIT and EU co-branding was significantly improved. However, the KIC should continue consolidating its portfolio - especially innovation activities are still fragmented and potentially lacking critical mass. The KIC has solid revenues for its maturity, but mainly depending on the membership fees. Strategies for creating revenues from innovation, education and business creation activities need to be put in place.

**EIT Food's** strategic approach is comprehensive and adequate, focused on KTI and placing consumers in the centre. The KIC is proactively engaging its key stakeholders, exploring potential synergies and participates actively in cross-KIC activities. The partnership remains balanced, involving in total 135 organisations out of which 107 participated in the

KIC's activities in 2019. The openness of the partnership could be further improved. Activities of the three pillars were launched in adequate scope, but so far only small steps were made to open the activities for non-KIC partners. The KIC is clearly following EIT/EU co-branding guidelines in all corporate communications and marketing. EIT Food shows a good performance on Financial Sustainability for a KIC that started operations in 2017. However, an effective model that generates revenues from the innovation and business creation activities need to be established.

**In 2019, EIT Manufacturing and EIT Urban Mobility** have successfully achieved legal and operational readiness, piloted innovation, business creation and education activities, prepared their multi-annual strategies and first business plans for activities to be implemented in 2020. Thus, the two new KICs were formally set up and they expected to grow and refine their strategy and operations in the upcoming years.

EIT Governing Board Hearings with the KICs as part of the 2020 funding allocation process were held on 20 - 21 November 2019. The Hearings followed the successful format from the previous year with a longer interactive Q&A session, allowing an in-depth discussion with the KIC representatives and thus providing the EIT Governing Board with information for their decision-making. The EIT Governing Board decided on the maximum financial contribution to the KICs (Decision No 22/2019).

As a result of the competitive funding allocation process, the following amounts were allocated by the EIT GB to individual KICs, excluding the amounts earmarked for EIT RIS and cross-KIC activities:

- EIT Digital: EUR 66,226,762
- EIT InnoEnergy: EUR 90,381,278
- EIT Climate-KIC: EUR 78,439,829
- EIT Health: EUR 85,132,950
- EIT RawMaterials: EUR 81,710,264
- EIT Food: EUR 55,084,765
- EIT Manufacturing: EUR 26,833,950
- EIT Urban Mobility: EUR 28,780,454

In addition, the EIT GB earmarked EUR 30,000,000 for the implementation of EIT RIS activities and EUR 12,500,000 Cross-KIC activities presented in the KICs' Business Plans and reviewed by the EIT and the external experts.

The EIT Governing Board also issued strategic recommendations to each KIC to further improve in key areas. For the first time, the strategic recommendations by the EIT Governing Board also included more immediate conditions to be addressed in areas where further progress is expected from KICs. These included two issues across all KICs requiring immediate action in the Business Plans 2020: one on mandatory financial sustainability mechanisms at the level of individual projects in particular in the area of innovation, whilst the other one linked to communication, dissemination and citizen engagement. Furthermore, due to the nature of strategic weaknesses revealed by the EIT GB in case of EIT Climate-KIC and EIT Manufacturing, KIC specific conditions were formulated making conditional one part of the grant awarded.

## [Report assessment and verification of Grant Agreements 2018](#)

### **Ex-ante assessment and payments**

Between April and August 2019, the EIT carried out the ex-ante verification of KIC Reports on the execution of the 2018 Business Plans. The assessment encompassed different operational and financial elements such as completeness and consistency check, performance assessment including KPIs, as well as verification of cost eligibility. External

experts supported the EIT in particular for the performance assessment. The financial assessment was largely based on Certificates of Financial Statements obtained from two independent audit firms contracted by the EIT. At the final stage of the process, a resolution meeting was organised between the EIT and each of the KICs to conclude on the last outstanding issues in an efficient and timely manner. The ex-ante verification methodology and modalities were strengthened compared to previous years and the outcome of the assessment was thoroughly documented for each KIC in the form of an EIT assessment report including several annexes.

For the implementation of 2018 Specific Grant Agreements, the validated core KPIs are presented in Annex I.

The ex-ante verification was completed and the final balance paid to all five KICs in August 2019. One KIC submitted officially a disagreement with the EIT's final conclusions, which resulted in additional financial audit performed at the premises of one of the KIC Partners. Based on the results of that audit, the EIT increased the amount of grant approved and paid to the KIC. The results of the ex-ante verification in relation to the 2018 grants were taken into account in the allocation of the 2020 grants as part of the past performance pillar.

For the 2018 Specific Grant Agreements, the main financial parameters are as follows:

	EIT Climate- KIC	EIT Digital	EIT Inno Energy	EIT Health	EIT Raw Materials	EIT Food	TOTAL
<b>EIT grant awarded</b> (MEUR)	84.6	87.0	87.7	57.8	55.1	26.8	<b>399.0</b>
<b>EIT grant requested</b> (MEUR)	81.0	70.3	80.8	51.6	52.3	21.8	<b>357.8</b>
<b>EIT grant approved and paid</b> (MEUR)	81.0	70.3	80.8	50.6	51.0	21.0	<b>354.7</b>
<b>Difference grant awarded vs. paid</b> (MEUR)	3.6	16.8	6.9	7.2	4.1	5.7	<b>44.3</b>
<b>Absorption rate</b> (%)	95.77	80.74	92.17	87.56	92.47	78.62	<b>88.91</b>
<b>Ex-ante error rate in KAVA costs declared</b> (%)	2.53	1.01	2.83	2.90	2.74	3.49	<b>2.53</b>
<b>Reimbursement rate of eligible KAVA costs</b> (%)	79.08	76.12	91.77	92.91	81.53	68.38	<b>82.38</b>

### Result of ex-post audits

Ex-post audits of cost reports related to Specific Grant Agreements 2018 were performed by an external service provider selected under a Framework Contract of the European Commission. In accordance with the audit programme developed by the EIT based on H2020 standards, 27 KIC Partners (7 for EIT Climate-KIC, 6 for EIT Digital, 4 for EIT InnoEnergy, 4 for EIT Raw Materials, 5 for EIT Health and 1 for EIT Food) were selected for ex-post audits.

In order to ensure representativeness, the KIC partners in the sample were selected by applying monetary unit sampling (MUS) method. At the second stage, for each partner 6 cost items were selected for testing by applying again MUS method. The sampling was done in collaboration with the European Court of Auditors, as the Court relies mostly on the results of ex-post audits when drawing its opinion on the legality and regularity of grant implementation by the EIT.

The ex-post audit process was completed in March 2020. The audited KAVA cost covered 2.41% of the KAVA cost approved for the Specific Grant Agreements 2018. As a result of the ex-post audits, the **detected error rate in grants** equals to **1.41%**, on the basis of the 178 cost items for 27 KIC partners in the ex-post audit sample. As consequence,

an amount of EUR 20,165.42 is to be recovered from EIT Health and an amount of EUR 5,402.48 is to be recovered from EIT Raw Materials. **The residual error rate after recoveries is 1.40%.**

### Contracting and amendment of legal framework

In 2019, six Framework Partnership Agreements were in place and the total number of eligible participations in the six KICs surpassed 2,200. During the year 2019, the following changes in the KIC Partnership and list of linked third parties had been requested from the six KICs through FPA amendments and processed by the EIT. This formally represented 37 FPA amendments related to the partnership and linked third parties signed.

KIC Name	ENTRY 2019	EXIT 2019
<b>EIT Climate-KIC</b>	100	21
<b>EIT Digital</b>	94	16
<b>EIT InnoEnergy</b>	65	2
<b>EIT Health</b>	236	2
<b>EIT Raw Materials</b>	129	33
<b>EIT Food</b>	42	1
<b>Total</b>	<b>666</b>	<b>75</b>

The substantial increase of the number of Partners and linked third parties in 2019 demonstrated well the continued attractiveness of the EIT-KIC model and the openness of the EIT Community. It was also affected by a change in the KIC Partnership model of EIT Health.

In the first quarter of 2019, the Specific Grant Agreements (SGA2019) were signed with six KICs between 1 and 19 February 2019. The **average Time-To-Grant** from the submission of 2019 Business Plans to signature of the Specific Grant Agreements was **148 days (15 % decrease as compared to the SGA2018 average time-to-grant – 176 days)**. This indicator is 40% lower than the H2020 target of 245 days (eight months). **In the second half of 2019, the six SGAs were amended.**

Additionally, 2 Start-up Grant agreements were signed with the 2 consortia designated by the EIT GB as EIT Manufacturing and EIT Urban Mobility.

### Improving the grant assurance framework

As regards ex-ante verifications, the EIT continued to contract providers of Certificates on Financial Statements (CFS) using its own four-year framework contract established in 2017. The centralised approach showed substantial improvement in the quality of CFS, a much larger number of issues were detected by CFS auditors compared to the certificates provided by KIC Partners in previous years. This allowed the EIT to reduce its own samples for ex-ante analysis and concentrate on the follow up of CFS findings, therefore a higher degree of assurance can be achieved in a more efficient way. Lessons learned, such as the absence of quantified findings by auditors, were taken into account when designing the ex-ante verification of the next grant cycle in the second half of 2019. Furthermore, enhancements were made to the Business Planning and KIC Reporting guidelines as well as in order to incorporate lessons learnt from the past. Guidelines for application of simplified cost options for the EIT Labelled education programmes was developed. Grant related internal procedures (i.e. KIC Business Plan assessment, KIC Report assessment) were streamlined to ensure a coherent approach and when needed, supporting IT tools were adjusted accordingly.



Actions	Indicator	Target	Planned outputs	Achievement/results
Grant allocation process / programming	Effectiveness and timeliness of funding allocation to eight KICs under grant allocation process 2020	Full allocation of available funds to eight KICs by Q4 2019 and implementation of the simplified rules to improve the Business Plans 2020	<p>EIT grant allocation to 8 KICs and 8 Business Plans 2020 to be assessed and approved in Q4 2019</p> <p>Invitation to submit Business Plans sent to the KICs</p> <p>Business plans submitted by all eight KICs</p> <p>Business Plan evaluation and rapporteur reports completed</p> <p>Cross-KIC and EIT RIS activities identified and included in the Business Plans</p> <p>EIT Governing Board decision on 2020 financial allocation to KICs.</p> <p>Lessons learnt on grant allocation 2019 completed</p>	<p>EIT grant allocation to 8 KICs and 8 Business Plans 2020 assessed and approved in Q4 2019</p> <p>Invitation to submit Business Plans sent to the KICs in April 2019</p> <p>Business plans submitted by all eight KICs in September 2019</p> <p>Business Plan evaluation and rapporteur reports completed in October 2019</p> <p>Cross-KIC and EIT RIS activities identified and included in the Business Plans – September 2019</p> <p>EIT Governing Board decision on 2020 financial allocation to KICs in November 2019</p> <p>Lessons learnt on grant allocation 2019 channelled into the participatory efficiency gained stream</p>

Contracting, pre-financing, and amending FPAs and SGAs	Timely signature of Specific Grant Agreement(s) and the amendment(s)	Signature of Specific Grant Agreements 2019 by end February 2019  Signature of amendments of the Specific Grant Agreements 2019 by end of 2019 (if applicable).	Six signed Specific Grant Agreements 2019 and Six pre-financing payments made  Six amendments 2019 signed (if applicable)	6 Specific Grant Agreements 2019 signed and related pre-financing payments made in Q1 2019  6 Specific Grant Agreements amendments signed by end 2019
	Timely signature of two FPA (excluding KIC Partnership entry/exit)	FPA with effect as of 1 January 2020 ready for signature by Q4 2019	FPAs sent for signature to two new KICs.	Two FPAs sent for signature to two new KICs in Q4 2019
Partnership Management and continuous support	Timely processing of changes in the KICs partnership requested by the six KICs.  Timely processing of the two new KIC Partnerships.	Confirmation communicated to the KICs within 60 days of the request  FPA Entities processed by 4Q and ready for FPA signatures.	Signed amendments to FPAs.  All checks related to the entities listed in the two new FPAs are finalized.	37 FPA amendments related to the partnership and linked third parties signed  All checks related to the entities listed in the two new FPAs initiated
Improving the grant assurance framework through support, guidance and control of KICs	Timely issuance of internal and KIC guidance documents and replies to KIC queries.	Formal guidance documents issued to KICs and all KIC queries followed up	Lessons learnt exercises completed for GA 2018 reporting and BP 2019  KIC BP2020 Guidelines KIC Reporting Guidelines 2019 and 2020 FPA entry and exit guidelines update  <i>EITs methodology and templates updated:</i>	Lessons learnt exercises completed for GA 2018 reporting and BP 2019  KIC BP2020 Guidelines KIC Reporting Guidelines 2019 and 2020  Guidelines for application of simplified cost options for the EIT Labelled education programmes  <i>EIT methodology and templates updated:</i> - EIT grant reporting 2019 methodology and templates

			<ul style="list-style-type: none"> <li>- EIT grant reporting 2019 methodology and templates</li> <li>- EITs methodology for SGA Amendments</li> <li>- EIT's methodology for FPA entry and exit</li> <li>- EIT's ex-post audit methodology</li> </ul> <p>Supplementary guidance documents for both EIT and KICs</p> <p>Update of FAQ, if applicable</p>	<ul style="list-style-type: none"> <li>- EIT methodology for SGA Amendments</li> <li>- EIT methodology for FPA entry and exit</li> <li>- EIT's ex-post audit methodology</li> </ul> <p>Supplementary guidance documents for both EIT and KICs issued (e.g. financial sustainability at KAVA level)</p> <p>Continuous queries from KICs responded in timely manner</p>
	Transition to Horizon Europe	Collaboration with H2020 Common Support Centre focussed on transition to Horizon Europe and full integration into Commission services for IT, audit, legal and BI ongoing	Transition priorities implemented with H2020 CSC based on a mutually agreed roadmap between EC and EIT	Transition priorities initiated with H2020 CIC based on a mutually agreed roadmap between EC and EIT
Grant Management Platform (IT)	Timely revision and comprehensiveness of the Reporting, Business Planning and Partnership Management modules of the EIT's grant management platform	Reporting 2018 (Q1) and Business Planning 2020 (Q3) and Partnership Management (Q2) IT tools are effective and fully in use, users at EIT and KICs adequately supported and trained	<p>Improved integrated platform modules operational for reporting, BP planning and PIO</p> <p>Reports on consolidated data availability and functionality of the systems</p>	IT platform to support reporting and planning procedures were performant, adequate training and support for users was provided

	Improved BI available	First stage of improved BI in use	<p>Roadmap for IT tool transition implemented</p> <p>Helpdesk support for EIT staff and KICs continuously available.</p> <p>BI module in operation</p>	<p>Delays occurred in the roadmap for the IT tool transition as the legal and operational architecture for Horizon Europe could not be finalised in 2019.</p> <p>BI is in use and data requests by different external internal stakeholders are supported on a continuous basis. However, the progress to improve the BI system is ongoing.</p> <p>A pilot of the Power BI module was completed.</p>
KIC reporting, EIT ex-ante verification (including performance and costs assessments), final balance payments	Timely processing and finalisation of ex-ante verifications of 2018 KIC Reports for six KICs	KIC Reports on implementation of 2018 Business Plans verified by end-July 2018 and final balance payments made by end-August 2018	<p>KIC Reports submitted by all KICs</p> <p>Ex-ante verification completed for six SGA 2018 KIC Reports</p> <p>Letters to KICs concluding on ex-ante verification and final balance payments</p> <p>Final balance transferred to six KICs</p> <p>Past Performance reports completed</p> <p>Lessons learnt report for reporting 2018 completed</p>	<p>Six KIC Reports submitted in March 2019</p> <p>Ex-ante verification completed for six KICs in July/August 2019, documented in a comprehensive note to the file</p> <p>Letters concluding on ex-ante verification sent out to six KICs in July/August 2019</p> <p>Final balance payment transferred to six KICs in July/August 2019</p> <p>Past performance reports completed to six KICs contributing to 2020 grant allocation</p>

				Lessons learnt incorporated in guidelines and KIC reporting methodology 2019
	Timely contracting of the CFS audits for the 2019 KIC Report assessment	For the 2019 cost verification specific contract(s) with CFS auditors signed by Q4 2019	CFS auditors contracted for more than 200 audits CFS audits for 2018 completed	Two audit companies contracted in Q4 2019 to carry out 241 CFS audits in Q1 2020 in relation to costs declared under SGA 2019
Ex-post audits	Timely processing and finalisation of ex-post audits	In relation to SGA 2017, audits completed by end April 2019  In relation to SGA 2018, auditors selected by Q4 2019	Final ex-post audit reports on SGA 2017  Unduly paid grants recovered (if applicable)  Signed contract for ex-post audit on SGA 2018	Ex-post audit completed (27 final ex-post audit reports) in May 2019 on SGA 2017  Recovery for due amount was performed  Contracts were signed in July 2019 for ex-post audit on SGA 2018, 27 KIC Partners were selected for audit in coordination with the ECA.

### 1.1.1.2. Knowledge Triangle Integration (KTI)

#### Implementation of the improved EIT Label framework

Throughout 2019, external experts reviewed all components of the EIT Label model to provide input on how to improve the existing model for Master’s and Doctoral programmes. In addition, the experts explored the potential of adapting the EIT Label to non-degree education activities and opening the EIT Label for all European higher education institutions. The final report was submitted by the experts in August. The key findings and recommendations were presented at the Governing Board meeting in September. Afterwards, the report was shared with the Commission and conclusions and recommendations were discussed with the KICs’ representatives in October. The outcome of this review also provides input to the implementation of the EIT’s future SIA.

Based on the report and the follow-up discussions with the relevant stakeholders, the EIT adopted an implementation Action Plan, which outlines the next steps in building the EIT Label 2.0 model. This Action Plan outlines ten concrete measures that the EIT will adopt, and identifies the next steps to make in order to implement selected, relevant recommendations from the EIT Label revision Final report over the next three years (2020-2022). The implementation of the Action Plan will be coordinated also with the KICs and other key stakeholders, including European Commission services.

According to the draft Action Plan, the EIT will in 2020 focus on the following three actions:

- New updated version of the EIT Label Framework for the next period (2021-2027) to be adopted;
- New version of the EIT Label Handbook for Masters and Doctoral programmes for the next period (2021-2027) to be adopted;
- Introduce and further develop concept of the EIT Fellowship and pilot with KICs.

In July and August 2019, the EIT also conducted assessments of the applications for the EIT Label. In 2019, the EIT received six standard applications for new programmes (three from EIT Climate-KIC, two from EIT Health and one from EIT Digital) and a progress report from an EIT Health programme, which was awarded the EIT Label provisionally in 2018. Based on the recommendation of the expert panel, all of the seven applicants were awarded the EIT Label.

### Further develop the Knowledge Triangle Integration agenda

#### **Business creation agenda**

As in previous years, the EIT-KICs Business Creation (BC) panel met on a quarterly basis to advance its agenda and develop common activities with priority given to pilot activities on innovation ecosystems and accelerator activities; pilot activities with EIF and other investors (angels, institutional, VCs, stock exchanges); dissemination of results and good practices in the BC area; and better public information sharing about the different KICs' BC programmes and activities to end beneficiaries. Two of these quarterly BC panel meetings were held in conjunction with the quarterly EIT-KICs Innovation Panel meetings to foster synergies across the two pillars and were also the opportunity to introduce common tools and opportunities to all EIT KICs with presentations by DealRoom, Tracxn, EU IPR Helpdesk, ENRICH Network, UBI Global to further develop BC activities and get recognised for their results and impact at the European level.

In 2019, as in previous years, Women Entrepreneurship & Leadership (WEL) opportunities and activities were organised and included EIT Digital Education Action Plan (DEAP) workshops, Women Investors, KICs own WEL activities, the online publication of EIT Alumni online inspirational Women profiles and the continuation of the activities of the EIT Alumni Women@EIT initiative, the continuation of the EIT WOMAN Award as part of the 2019 EIT Awards, the EIT HQ participation in external and WEL related events and Gender Mainstreaming activities at EIT.

In that respect, the EIT Community contributed participants and speakers to the annual DG GROW / WeGate.eu event in Brussels on June 13 with the four European level Women Business Angels investors' networks supported in 2017-2018, and with the purpose of matching investors with investable start-ups / scale-ups from the EIT Community.

The cooperation on investors events with DG CONNECT, DG GROW and organisations such as EBAN continued to connect KIC-supported female entrepreneurs and innovators with female investors and VCs and Angel investors.

Based on work done in 2019 on addressing the gender mainstreaming recommendations issued by the EIT GB, EIT adopted its Overarching Gender Action Plan early January 2020, aiming to implement actions at both the EIT and across KICs over 2020-2021. The Action plan focuses on effective communication efforts on the relevance of gender equality to its operations and activities; provides mitigation of potential negative impacts and risks of its activities for women and girls and takes the potential impact of gender equality into account in the design, implementation and monitoring of its operations and activities.

Finally, the EIT Alumni supported Women@EIT initiative continued to deliver its leadership trainings to EIT Alumni female members and focused its efforts in the organisation of technology, innovation and entrepreneurial trainings to the younger generation of female students in Europe.

### **Innovation agenda**

In 2019, the EIT further progressed with the implementation of the cross-KIC research driven innovation agenda aiming at fostering a stronger focus on projects and approaches that can bring the best ideas from the labs to the market, creating new products, services and processes and expanding technological frontiers.

The Innovation Action Plan addressing the recommendations of the Innovation and IPR Assessment was implemented as planned. In particular, the EIT strengthened effective cooperation mechanisms with the KICs and among the KICs. The Innovation Panel, which coordinated the EIT – KIC collaboration, met three times in 2019.

Among the most significant achievements of the Innovation Panel is the facilitation of six new cross-KIC activities in the innovation domain. Four activities are aimed at delivering very specific products and services (thematic innovation cross-KIC activities) and two focus on building synergies and achieving cross-KIC efficiency gains in two thematic areas, which are relevant for the majority of the KICs (horizontal cross-KIC activities on Artificial Intelligence and on Circular Economy).

In March 2019, the EIT in cooperation with the European Patent Office and Joint Research Centre organised a two-day tailored training session for the KICs' business creation and innovation managers. The training was aimed at developing the KICs' IP capacity and the agenda of the training included an exchange of good practices among the KICs in the area of IPR. In total over 40 participants from the KICs benefited from the workshop. The training also facilitated the KICs' contacts with the EPO for further collaboration (for example, EIT Health organised a joint training session in a cooperation with the EPO in November 2019). In 2019, the EIT also initiated collaboration between the KICs and the IPR Helpdesk (maintained by DG GROW) and the European Union Intellectual Property Office (EUIPO). Representatives of these two organisations also participated in the IP working group meeting held in November 2019.

In order to more effectively coordinate the EIT – KICs collaboration, in 2019 the members of the Innovation Panel were consulted and involved in activities of the other EIT working streams. In particular the Panel was consulted on the work of the Strategy and Impact Working Group in the context of the Impact Framework development and the Task Force Simplification for the development of the simplified cost approach and discussion on the RTD IT tool for the grant management. Additionally, the Panel members were linked with the EIT's working streams relevant for the innovation activities such as the annual assessment of the KICs' adherence to Good Governance Principles (especially in the context of the KICs openness and inclusiveness and transparency of the KICs' Strategic Agendas revisions) and the EIT's work on the dissemination of results.

The EIT through the Innovation Panel facilitated cooperation with several stakeholders relevant for implementing the KICs' innovation agendas, including DG Joint Research Centre, DG GROW, DG RTD, DG CNECT, the European Investment Fund and CERN. Last but not least, the Panel successfully facilitated the on-boarding process of two new KICs, EIT Manufacturing and EIT Urban Mobility - the representatives of the new KICs participated in the activities of the Panel (including the sessions on good practice exchanges).

In 2019 the EIT made the annual assessment of the KICs' call for the innovation activities, in particular focusing on assessing how the KICs address the Principles for Innovation Projects financed by the EIT. The outcomes of the assessment indicated that all KICs run calls for selecting innovation activities and the overall quality of the calls for innovation activities is satisfactory. In all cases criteria, evaluation procedures and submission deadlines were specified. KICs' evaluation processes are supported by external experts and almost all KICs impose on applicants to

have partners from at least two sides of the Knowledge Triangle and from at least two different countries, ensuring pan-European dimension of the innovation activities. All KICs that had been subject of the assessment of the calls for innovation activities in 2018 improved their calls in 2019 addressing many comments of the EIT. Also many good practices were identified, which were disseminated to the Panel members. Nevertheless, two KICs should increase openness of the calls for non-KIC partners and four of them should start publishing call documents on websites available for non-KIC partners.

The outcomes of the assessment indicated that at the level of KICs' calls for innovation activities the KICs well addressed the EIT Principles for Innovation Projects financed by the EIT, in particular:

- all KICs except one request in the call documents a requirement to indicate the commercialisation strategy;
- six KICs require applicants to ensure a financial streams for commercialisation of products and services to contribute to the KICs financial sustainability;
- all KICs require tangible outputs and outcomes of the innovation and research activities in a form of products and services;
- all KICs indicate the co-funding requirements in the call documents.

However, the review of the new innovation projects included in the KIC Business Plans 2020 indicated that KICs struggle to effectively operationalise the principles on dissemination of research results and on having a commercialisation strategy of the project outputs contributing towards achieving the KIC's financial sustainability. As a follow-up action, a dedicated session at the Innovation Panel meeting in March 2020 was held.

In 2019 the EIT further progressed with development of the Artificial Intelligence (AI) agenda. In the first months of 2019, the EIT finalised the Artificial Intelligence regulatory barriers project jointly implemented with DG JRC. The objective of the project was to explore major legal challenges intrinsic to working with AI technology. The report from the project was published in March 2019<sup>5</sup>. AI was the main discussion topic at the 8<sup>th</sup> edition of the annual meeting between the EIT Community and the Commission services in June 2019. Also in June the EIT Community presented the EIT Community's achievements in the field of AI at the European Parliament to the European Science Media Hub. In December, the EIT published the 2019 AI report<sup>6</sup> presenting the KICs activities in this domain and the EIT Community's ambitions for the next two years. Following the work in 2019, five KICs developed a new AI cross-KIC activity, which started in 2020.

The EIT and KICs participated in 2019 in the NewHoRRizon Social Lab project. The main objective of the project is to foster the integration of RRI (responsible research and innovation) into European, national and local research and innovation practice and mainstream RRI best practices and NewHoRRizon results into the next European Framework Programme.

### **Digital Education Action Plan (DEAP)**

From February to April 2019, more than 500 female students participated in the first round of the EIT's 'Inspirational Leadership & Entrepreneurship' workshops in Croatia, Italy, Montenegro, Turkey, and North Macedonia. In these one-day training sessions, interactive activities are combined with thought-provoking talks from female role models. The EIT's ultimate goal is to inspire young female students to consider careers in technology, entrepreneurship and

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<sup>5</sup> <https://ec.europa.eu/jrc/en/publication/legal-and-regulatory-implications-artificial-intelligence-case-autonomous-vehicles-m-health-and-data>

<sup>6</sup> [https://eit.europa.eu/sites/default/files/eit\\_ai\\_report\\_04-online.pdf](https://eit.europa.eu/sites/default/files/eit_ai_report_04-online.pdf)



innovation. The workshops also contribute to the implementation of the European Commission’s Digital Education Action Plan, particularly ‘Action 8: Training in digital and entrepreneurial skills for girls’.

The EIT continued to contribute to its implementation throughout the year by organising further trainings in digital and entrepreneurial skills for female students. More than 1 600 girls participated in these workshops by the end of the year, with the events taking place in following EIT RIS countries: Albania, Bulgaria, Croatia, Cyprus, Georgia, Greece, Italy, Lithuania, Malta, Montenegro, North Macedonia, Romania, Serbia and Turkey.

Actions	Indicator	Target	Planned outputs	Main outputs
Implementation of the EIT Label	Harmonised approach implemented to EIT Labelled masters, doctoral programmes and modules ensuring learning outcomes are achieved, including revision of the Label provisions	All new EIT labelled masters and doctoral programmes aligned with revised EIT Label handbook by end 2019	Revised EIT Label framework and handbook  EIT approval decisions for EIT labelled courses  Finalisation of phase II review of EIT label and action plan implemented	EIT Label phase 2 report was completed . The revision of the framework and guidelines was postponed to 2020  EIT decisions for EIT labelled courses adopted  Phase II of the review completed. The drafting of the action plan was initiated.
Enhance women entrepreneurship and leadership and increase the visibility of women entrepreneurs	Enhanced promotion of women entrepreneurship and leadership throughout the EIT community	Women entrepreneurship and leadership activities delivered by Q4 2019: <ul style="list-style-type: none"> <li>- Support to pilot activities under DEAP (see below)</li> <li>- Specific gender mainstreaming action plans for EIT and KICs adopted and under implementation</li> </ul>	Report from 2019 activities on women entrepreneurship and leadership and investor network by end of 2019  Gender mainstreaming action plans adopted by EIT and KIC CEOs and under implementation  EIT women investors network connected to EIT alumni and EIT KICs dealflow of	Final Reports from 2019 activities on DEAP available  EIT Gender mainstreaming Action Plan developed in 2019 and prepared for adoption.  Participation with the EIT Community to the annual WeGate.eu

		- Support to women investors network events	startups / scaleups / spin-offs;	Women Investors event in May 2019
Implementation of the EIT Innovation Action Plan and exploring ways to join the Innovation Radar	Increase effectiveness and efficiency of the KICs innovation agenda	Implementation of the Innovation Action Plan by Q4, including the innovation project principles.	Report from implementation of the Innovation Action Plan, incl. principles in the BP 2020.	The implementation of the Innovation Action Plan completed as planned
EIT positioned to provide input to thought leadership on societal challenges	EIT has created an enhanced basis for its institute role on thought leadership.	Training programme prepared for students to reflect on societal challenges.  Roundtable discussions with knowledge triangle stakeholders on societal challenges completed.	Training programme approved and tested.  Reports from workshops held on societal challenges.	The training programme prepared for students to reflect on societal challenges was completed  The roundtable discussions were cancelled.
Implementation of pilot Education initiatives to develop skills and competences for the future and Digital Education Action Plan (DEAP)	Contribute to the EU's Digital Education Action Plan and further develop EU Skills for the Future initiative on enhancing STEM and entrepreneurship education at schools level  Contribute to DEAP by developing digital skills for girls in secondary education	Study on EIT's role in skills for the future completed.  Train up to 3500 young women aged 12-18 years for entrepreneurial and digital skills in EIT RIS countries by Q4: - Young women trained directly by the EIT - Young women trained through KICs or with cooperation agreements with national authorities, business and foundations.	Study final report mapping  Training reports/certificates of trained students	Report on EIT's role in skills for the future submitted by the Expert  Training reports provided by contractors selected by the EIT (1636 young women trained).

		At least 3 cooperation agreements with national authorities and other stakeholders concluded and cooperation workshops with these partners completed.	Three Cooperation Agreements concluded	The activity was not implemented through KICs nor with cooperation agreements with national authorities, business and foundations, but by the EIT directly
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### 1.1.1.3. Fostering growth and creating impact

#### Promoting synergies with other EU initiatives

#### Collaboration with the European Innovation Council (EIC)

The EIT has been working with the EIC Task Force since 2019 to establish a structured collaboration between the EIT and EIC that will cover the full innovation value chain, linking to the EIC’s Pathfinder and Accelerator activities. At governance level, the EIT worked with counterparts at DG RTD to prepare a first joint meeting of the EIT Governing Board and EIC Advisory Board in September 2020 to best work together in tandem to provide comprehensive and integrated support to innovation under Horizon Europe’s ‘Innovative Europe’ pillar.

At level of governance, the EIT HQ is now working with counterparts at DG RTD to arrange a first joint meeting of the EIT Governing Board and EIC Advisory Board in September 2020 in order to discuss how to best work together in tandem to provide comprehensive and integrated support to innovation under Horizon Europe’s ‘Innovative Europe’ pillar.

At operational level, collaboration could include two-way access to funding and investment, provision of business support services, access to innovation ecosystems, as well as joint actions in support of the Green Deal and other Union policy priorities. Support and services offered should provide real added value, and complement what is currently being provided. Collaboration should cover full innovation value chain, linking to Pathfinder and Accelerator and Transition Activities.

Regarding operational linking, an EIT-EIC kick-off meeting took place in February 2020 at the EIT House in Brussels to discuss concrete opportunities, including Common Support Actions (CSAs) for the period 2020-2022 to be developed bilaterally with EIC and the participating EIT KICs (EIT Climate-KIC, EIT Digital, EIT InnoEnergy and EIT Health). These will be mainly related to KIC business creation activities and the EIC Enhanced pilot activities (Accelerator, Pathfinder, Investments): in the “Green Deal” area with EIT InnoEnergy and EIT Climate-KIC; in the “Digital Age” area with EIT

Digital; and in the “Health” area with EIT Health, with expected signatures of grant agreements and start of 18-24 months projects in Q3-Q4 2020, with EUR 1 million per KIC support action, for a total of EUR 4 million budget for the four participating EIT KICs.

It is planned that at operational level, collaboration will include two-way access to funding and investment, provision of business support services, access to innovation ecosystems, as well as joint actions in support of the Green Deal and other Union policy priorities. Support and services offered will provide real added value, and complement what is currently being provided.

### Implementation of the Memorandum of Understanding between EIT and the Joint Research Centre (JRC)

Several joint EIT-JRC actions were implemented in 2019. In May, the Composite Indicator (COIN) group of the JRC dedicated a workshop to the EIT Impact Framework Strategy to identify avenues for cooperation in the strategic work on societal impact indicators. As a follow up, the EIT has arranged four specialist meetings on energy, raw materials, health and climate (represented by the relevant units of the JRC) to identify synergies with relevant KICs. In addition, the EIT has facilitated talks about future cooperation on industrial modernisation between the JRC Smart Specialisation Platform (S3P) and EIT Manufacturing.

In June, EIT Urban Mobility and the JRC organised a kick-off meeting to discuss future cooperation. The discussions mainly focused on the JRC’s initiatives and facilities that are relevant to EIT Urban Mobility, including the Ispra living labs and the Smart Specialisation Platform. EIT Urban Mobility also presented the state-of-play of its Strategic Agenda development, which will be shared with the JRC once it is finalised.

In the last week of October, EIT Food had an insightful meeting with the JRC’s Competence Centres on Composite Indicators and Scoreboards (COIN) and on Microeconomic Evaluation (CC-ME) in Ispra with the objective of refining EIT Food’s indicator framework and evaluation plans.

The JRC Strategy Director and the EIT Director met in the JRC Headquarters in December 2019 to identify the strategic tasks in the 2020 cooperation based on the new priorities and the progress made in 2019. Key tasks were outlined which were harmonised with the new Commission’s political priorities as well as with the new Horizon Europe structures. The ongoing activities are being streamlined, common resources will be designated to be used for the tasks in efficient way (i.e. Education Label works, Open Labs and Alumni, smart specialisation platform etc.) and the future activities will be synchronised with the citizen oriented approaches by the JRC.

### Collaboration with DG Environment

Circular Economy is a relevant policy area led by DG Environment in which several EIT KICs are delivering activities as part of their portfolios. DG ENV invited the EIT and the KICs to initiate a cooperation on the 2019 Environmental Technology Programme (ETV) to create synergies with the EIT Community’s support of SMEs in marketing innovations. The objective of this activity is to consolidate a structured cooperation between the EIT and DG ENV and align it with other cross-KIC activities in the field of circular economy and other activities of the ETV. Six of the EIT KICs, under the leadership of EIT RawMaterials, expressed interest in supporting the ETV Programme through a dedicated cross-KIC activity on resource efficiency. The project has been initiated in 2020.

## Cooperation with the European Investment Bank and the European Investment Fund

Following a working level meeting with the EIF Mandate Team representatives and the KICs' Business Creation and Innovation Directors in October 2019, further discussions took place between the EIT Director and the KIC CEOs in February 2020 and bilateral discussions between EIT and EIF since. Based on the discussions, a high-level meeting with EIF will take place in the first half of 2020. The objective of the meeting will be to explore the opportunities of extending the Venture Centre of Excellence (VcoE) Initiative of EIT Health to other potentially interested KICs (EIT Food, EIT Climate-KIC, EIT Digital, EIT Raw Materials and EIT Health).

## Preparation of the cooperation with missions under Horizon Europe

The EIT and KICs in the second half of 2019 accelerated cooperation with the Horizon Europe Missions. In December 2019, the EIT prepared a scoping paper on the potential contribution of the EIT Community to this Mission, for the attention of the Mission Secretariat / Mission Board members. The scoping paper was followed by the presentation of the EIT Community at the Mission Board meeting in February 2020. The EIT also established links with the Mission on Adaptive Climate.

## Synergies with the European Structural and Investment Funds

In December 2019, a Science for Policy report was published<sup>7</sup> by the EIT and the Joint Research Centre (JRC) of the European Commission. The Report investigates for the first time the motivations, practices and opportunities for strengthening collaborations between EIT Knowledge and Innovation Communities and national and regional authorities in charge of public funding within the context of Research and Innovation Strategies for Smart Specialisation (RIS3).

The report aims to deliver a practical contribution: (1) to optimise research and innovation spending efficiency, (2) to combine the objectives of increased competitiveness and cohesion, and, (3) to better address the global challenges facing our society on the eve of the launch of the 2021-2027 Multi-annual Financial Framework.

## Privileged access to finance for KIC ventures

On 26 January 2019, Nasdaq Nordic hosted a meeting with the EIT Community in Stockholm to explore and facilitate the potential listing of EIT Community start-ups and secure capital for their ventures. As a result, the two sides decided to jointly organise an EIT-Nasdaq Investors Day on 20 September 2019 in Stockholm with the following objectives: 1) pitching the EIT Community's services to some of Nasdaq's top digital, cleantech and biotech companies; 2) learning about Nasdaq companies' experiences in listing companies and attracting investments; and 3) pitching EIT KICs' ventures to selected investors and entrepreneurs from Nasdaq's ecosystem.

The EIT Investors Day @ Nasdaq was successfully organised and attracted around 50 invited experts. During the event, Nasdaq disseminated information about the event and the EIT Community to all Nasdaq North-listed companies, promoting the EIT to a big pool of stakeholders. In addition, an exciting panel of speakers, comprising investors, entrepreneurs and financial advisors, discussed their experiences in listing companies, how companies can get access to capital in the growth phase and how companies can succeed in attracting investments.

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<sup>7</sup> [https://publications.jrc.ec.europa.eu/repository/bitstream/JRC116904/jrc-eit\\_joint\\_report\\_collaboration\\_in\\_ris3\\_context.pdf](https://publications.jrc.ec.europa.eu/repository/bitstream/JRC116904/jrc-eit_joint_report_collaboration_in_ris3_context.pdf)

Finally, ventures from the EIT Community pitched their innovations to a selected group of investors and entrepreneurs from Nasdaq’s ecosystem. There was three different pitching sessions, focusing on the digital, healthcare and cleantech sectors individually. The pitches were scrutinised by an experienced panel of jury members. The three winners from each pitching session, which got their logos published by Nasdaq on Times Square in New York City were:

- Firstbeat with an advanced performance analytics solution for stress, recovery and exercise in the Digital Category
- Diabeloop with an disruptive innovation for diabetes management in the Healthcare category; and
- C-Green Technology with a revolutionary new way to convert biomass into biofuel in the Cleantech category.

### Identifying, codifying and disseminating good practices and learnings

The update, further development and finalisation of the EIT concept paper for the identification, codification and dissemination of results, lessons learnt and good practices were hampered by the lack of human resources at the EIT. By mid-2019 efforts were enhanced again to deliver a final draft of the concept note including:

- an overview of the legal obligations and responsibilities of the EIT and its Innovation Communities with regard to the dissemination and exploitation of results, based on existing legal frameworks;
- definitions of key terms to ensure a common understanding;
- a first mapping of activities regarding the dissemination of results from the EIT and KICs as well as lessons learnt and good practices;
- first ideas to improve the dissemination of results, lessons learnt and good practices from the EIT Community;
- an indicative action plan.

Actions	Indicator	Target	Planned outputs	Achievement/results
<b>Promotion of synergies with other EU initiatives</b>	Synergies of EIT with other EU programmes and initiatives to mutually increase impact	Continuation of joint projects/ activities started in previous years, in particular with the Commission - DG EAC, DG REGIO, DG RTD, DG GROW, EASME, DG NEAR and the European Parliament	Structured dialogue with key partners in place and at least 5 joint projects implemented or facilitated at EIT or KIC level	The EIT continued the joint projects/ activities started in previous years, in order to maximise synergies with other EU initiatives  Particular focus was placed on collaboration between EIT and EIC.
<b>Implementation of the EIT-JRC MoU<sup>8</sup></b>	Mutual value creation between EIT and JRC	Continuation of selected joint activities according to the EIT-	Reports from implemented activities.	2019 the co-creation in activities on EIT Education Label Framework, Analytical

<sup>8</sup> In order to facilitate the cooperation between the EIT and the JRC, a staff member of the JRC has been seconded to the EIT since August 2018 for a duration of 2 years.

		JRC MoU and Action Plan		framework, Technology Transfer Framework, Impact Framework development progressed well, communication and citizen engagement work has been reorganised to better align to the JRC-EIT priorities
<b>Identification, codification, exploitation/dissemination of results, good practices and learning shared within the EIT community and beyond</b>	EIT results, good practices and learning prepared and disseminated in a structured manner.	First set of good practices and learnings prepared and disseminated.  EIT community platform for information sharing operational.  Transparency Action Plan approved and implemented.	Dissemination tool in use  EIT community information platform operational  Transparency Action Plan implemented.	Final draft of EIT concept paper for the identification, codification and dissemination of results, lessons learnt and good practices has been prepared.  The dissemination tool could not be fully completed.

## 1.1.2 Creating new KICs

### Consolidate lessons learnt from Call 2018

Following the successful designation of the two new KICs in December 2018, the Independent Observer, Joseph Prieur, concluded at the beginning of 2019 his report “on the conduct of the evaluation process and application of the evaluation criteria by the evaluators”, stating that:

- All evaluation activities were conducted with fairness, diligence and transparency, and in compliance with all guiding principles and all relevant rules, procedures and criteria;
- The evaluation procedures are robust and the methodology well adapted to the evaluation of KICs. The hearing stage, with the direct involvement of the EIT GB, is very important and well-suited for a decision on the designation of large sustainable entities; and
- Throughout the process, the dedication, competence and professionalism of all participants were outstanding and contributed to the high quality of the evaluation.

Based on the Independent Observer’s report, experts’ feedback questionnaires and experience of the EIT staff involved in the 2018 KIC Call, the EIT prepared a paper on lessons learnt from the KIC Call 2018.

### Support the start-up process of EIT Urban Mobility and EIT Manufacturing

Following the designation of the “MOBILUS” consortium as EIT Urban Mobility and the “Made by Europe” consortium as EIT Manufacturing in early December 2018, the EIT launched the 2019 Call for their Start-up Plan proposals and estimated budgets on 7 December 2019 with a view to signing Start-up Grant Agreements with the two consortia and providing financial support for the setting up of EIT Manufacturing and EIT Urban Mobility.

Both consortia submitted their Start-up Plans by the envisaged deadline of 9 January 2019, were assessed by the EIT and the Start-up Grant Agreements signed in March. The EIT provided support throughout the process by organising two full-day consultation opportunities (an Induction Day on 13 December 2018 and a Kick-Off Meeting on 16-17 January 2019) as well as providing ad-hoc advice upon request.

The EIT has provided continuous support during 2019 to reach the main objective of the start-up phase for the consortia designated as EIT Manufacturing and EIT Urban Mobility, to set up the respective KICs and reach legal and operational readiness together with EIT identify and initiation of first activities. Both KICs submitted their monthly reports and their Interim Progress Reports in mid-September 2019, providing feedback on the progress achieved and submitting the main deliverables that were implemented until 15 September. The EIT carried out an assessment of the KICs’ progress in the implementation of the Start-up Plan and submitted its findings to the EIT Governing Board to support their decision-making concerning the endorsement of the results of the start-up year during the 60<sup>th</sup> EIT Governing Board meeting on 21 November 2019.

In addition, the EIT provided specific support to both EIT Manufacturing and EIT Urban Mobility to achieve the milestones during the Start-up phase participating in key events and meetings, such as matchmaking events, monitoring actions (i.e. selection of KIC managerial positions; Governance), KIC Supervisory Board meetings, KIC General Assemblies, inauguration events.

On 7 November 2019, EIT Manufacturing held its Inauguration Event on its headquarters in Paris-Saclay. More than 150 attendees listened to keynote speakers (Agnès Paillard, EIT Governing Board Member; Gintaras Vilda, Vice-Minister of Economy and Innovation of the Republic of Lithuania and Valérie Pécresse, President of Paris Region) and the Panel discussion on “Synergies between European initiatives for a world-leading European Manufacturing sector” followed between EC representatives and Klaus Beetz, CEO EIT Manufacturing; followed by the ribbon cutting ceremony. EIT Manufacturing’s website: [www.eitmanufacturing.eu](http://www.eitmanufacturing.eu).



On 19 November 2019, the Inauguration event of EIT Urban Mobility took place as part of the Smart City Expo World Congress Barcelona 2019, Spain. The event was attended by approximately 120-150 persons with participation of the EIT with a key note speaker. The EIT Urban Mobility Inauguration Event was preceded by a High-level dialogue on EIT Urban Mobility with the participation of Ms. Ada Colau, Mayor of the City of Barcelona and Mr. Giuseppe Sala, Mayor of the City of Milan. The discussion was moderated by Dr. Maria Tsavachidis, CEO of EIT Urban Mobility, who also took the chance to briefly present the KIC. They were later joined on stage by Luca de Meo, President of SEAT and Francesc Torres, Rector, Universitat Politècnica de Catalunya (UPC), who emphasized the role their organisations intend to play in the KIC and in shaping the transition to a new urban mobility model. EIT Urban Mobility’s website: [www.eiturbanmobility.eu](http://www.eiturbanmobility.eu)





## Evaluate the start-up phase of the two newly designated KICs

With the Start-up year closed on 31 December 2019, the KICs Final Reports were submitted by the Coordinators on 28, respectively 29 February 2020, requesting payment of the balance. EIT is carrying out the assessment of the SUGA Final reports in Q2 2020.

The finalisation of the designation process was conditionally approved by the EIT GB. This means that the signature of the Framework Partnership Agreement and first Business Plan/ Specific Grant Agreement by the EIT Director were subject to the completion of all compulsory milestones set out in the Start-up Grant Agreement as well as the approval of the KIC Strategic Agenda (SA) and measures taken on other topics raised at the Hearings by the EIT GB in November 2019.

The KICs and the EIT have been intensively working on it since November 2019 and the EIT has provided intense support to EIT Manufacturing and EIT Urban Mobility for the finalization of their Strategic Agendas, FPA and SGA2020 documents.

Actions	Indicator	Target	Planned outputs	Achievement/results
Support in the setting up process of the new KICs (start-up phase) - EIT Urban Mobility and EIT Manufacturing	Timely signature of Start-up Grant Agreement(s) and the amendment(s)	KICs legally and operationally ready – successful completion of the start-up phase	EIT report to the GB on the start-up plan, GB endorsement of the KICs' start-up phase, KIC Strategic agendas finalised by KICs	EIT Manufacturing:  The KIC was established on 6 June 2019.  The EIT GB endorsed the completion of the KIC's start-up phase with conditions in November 2019.
		FPA award (by 4Q)	FPA award decision EIT lessons learnt transfer organised	FPA award by EIT Director in 2020 (7 April 2020).
	Start-up Plan successfully implemented in line with the pre-defined milestones for legal, operational and other readiness.	Start-up Grant Agreement and its amendment approved by the EIT by Q4	Start-up Grant Agreement 2019 and its amendments signed	SUGA and its amendment were signed by Q4 2019  During Start-up year (2019) the KIC's Interim Management Team members were involved in activities of relevant EIT Working Groups and Cross-KIC Groups
		Best practices shared with new KICs and cross-KIC cooperation initiated		

			<p>FPA award decision EIT lessons learnt transfer organised</p> <p>Start-up Grant Agreement 2019 and its amendments signed</p>	<p>EIT Urban Mobility: The KIC was established on 19 November 2019.</p> <p>FPA award by EIT Director on 20 March 2020.</p> <p>SUGA and two amendments signed by Q4 2019.</p> <p>EIT UM initiated a close collaboration with other KICs with the objective of sharing best practices. They also joined 3 of the Cross-KIC activities, namely EIT House, Cross-KIC EIT RIS and Cross-KIC Common Outreach.</p>
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## 1.2. Enhancing the EIT’s impact

### 1.2.1. The EIT’s next Strategic Innovation Agenda (SIA) 2021-2027

In the run-up to the publication of the EIT legislative Package in July 2019, the EIT provided its operational and legal input to the European Commission in order to assist in the **development of an EIT SIA** which increases the ambition and impact of the EIT.

Following the publication, the EIT has fully and continuously supported the European Commission during **the inter-institutional negotiations on the EIT Legislative Package**, which remain ongoing. The EIT regularly provided the European Commission with detailed information as requested by the co-legislators during the course of the negotiations. Additionally, upon invitation, the EIT actively participated in two Workshops which fed into the negotiations – in October 2019 with the Council Research Working Party and in December 2019 with the European Parliament’s ITRE Committee.

Actions	Indicator	Target	Planned outputs	Achievement/results
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Follow-up of the European Commission's proposal for the SIA	SIA proposed by the Commission that increases ambition and impact of the EIT	Operational and legal input to EC for the development of the EIT's SIA and proposal on Horizon Europe legislative package	EIT position papers, input documents and strategy papers  EIT model developed	EIT Legislative Package published in July 2019  Continuous inputs to EIT mode development provided by the EIT to fully support to the European Commission in the course of the inter-institutional negotiations.
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## 1.2.2 Fostering knowledge exchange through communications and dissemination

### 1.2.2.1. Fostering knowledge exchange through communications

Following the adoption of the EIT Communications Strategy in 2018 to increase the efficiency and effectiveness of the EIT's communications and promotion activities, implementation started in 2019.

Several activities and actions were executed in this context, including a significant update of the EIT website completed in May 2019. The update resulted in a simplified architecture and navigation, a refreshed design and stronger emphasis on results and achievements from EIT Community activities. Updates and opportunities to join EIT Community activities continued to be actively shared on the EIT website, monthly newsletter and through the EIT's social media channels. This led to a 19.4% increase in unique visitors to the EIT website and an 18.6% increase in subscribers to the EIT newsletter, of which 13 editions were published during the course of 2019. In addition, preparatory work began on a new EIT website, with the preparation of a concept note.

To increase the reach and impact of its communications, the EIT implemented a promotion campaigns focused on specific tools and channels. This campaign was focused on EIT activities and results (incl. INNOVEIT and the EIT Awards 2019) and led to very good results for both EIT media (\*no media coverage was in place for Q2) and social media coverage. EIT media coverage included positive tonality articles in a wide range of print and online outlets, such as Forbes, Handelsblatt, Index.hu, Business Insider, Poslovni Dnevnik, Corriere della Sera, Postimees, Tekniikka&Talous, Euractiv, Publico to name but a few. The 2019 campaign also increased both followers and engagement on EIT social media channels.

Actions	Indicator	Target	Planned outputs	Achievement/results
EIT Corporate Communications	EIT visibility and awareness raised	1% increase in unique visitors to the EIT website in 2019 compared to 2018 unique visitor statistics	Dissemination of information to external stakeholders through the EIT website and EIT newsletter: longer	2018: 350 938 unique visitors 2019: 418 974 unique visitors ➔ 19.4 % increase

	<p>Preparatory works to launch a new website completed by Q4 2019</p> <p>visits to EIT website and more informed stakeholders</p> <p>Development of a web based tool to provide a platform for knowledge sharing and networking around the EIT</p> <p>Monthly newsletter issued</p> <p>12 monthly newsletters</p> <p>EIT activity reports for key internal stakeholders prepared per quarter</p> <p>4 EIT activity reports</p> <p>Enhanced communication efforts of the EIT community through regular meetings and coordinated actions to enhance EIT Community visibility, communication of EIT activities and awareness</p> <p>Minutes of EIT Community Communications network and presentation to the Forum.</p> <p>Improved presentation of EIT KIC activities.</p>	<p>Timely communication of EIT Community news to target group</p> <p>Effective and coordinated communication in the EIT community</p>	<p>EIT website refresh delivered in May 2019 with simplified navigation, updated design, user-friendly presentation.</p> <p>A Website Concept Note was prepared, outlining key considerations, features and next steps.</p> <p>13 editions of the EIT Newsletter were issued in 2019. 18.6% increase in subscribers to EIT newsletter.</p> <p>Activity reports (4 in 2019) prepared for EIT Governing Board meetings.</p> <p>Three one-day meetings of EIT Community Communications Working Group in 2019. Complemented by monthly calls to increase coordination of communications and branding across the EIT Community leading to increased consistency in communications of EIT KIC activities.</p>	
<p><b>Implementation of the updated EIT community</b></p>	<p>Increased visibility and awareness of the EIT among EIT key stakeholders</p>	<p>Based on results and achievements from EIT Community, create and disseminate engaging stories about innovators and entrepreneurs.</p>	<p>At least 10 Inspiring success stories and 10 largest activities of KICs presented in attractive and innovative formats</p>	<p>Achieved through different activities including EIT Awards 2019 promotion (brochure, videos, social media,..) and EIT Community entrepreneurs interviewed during EIT</p>

<p><b>Communication strategy through the 2019 Integrated Communications Campaign and additional actions</b></p>	<p>and the wider public.</p> <p>Quantitative and qualitative increase in EIT media coverage</p> <p>Quantitative increase in visits to the EIT website and likes/followers on Facebook, Twitter and LinkedIn accounts</p> <p>Implementation of additional measures based on new</p>	<p>1% increase in EIT press (print and online) coverage in 2019 compared to 2018 statistics</p> <p>2% increase in the number of users liking or following EIT social media channels: Facebook, Instagram, LinkedIn, and Twitter in 2019 compared to 2018 statistics.</p> <p>EIT communication and media actions to reach a wider audience/ citizen engagement</p> <p>Implementation of 2019 measures of the Communication Strategy</p>	<p>through EIT external communications channels.</p> <p>Increased engagement with the press: EIT mentions in media publications and articles increased compared to 2018</p> <p>EIT social media posts with a focus on achievements and results as well as activities to join EIT Community activities for external stakeholders through EIT social media channels: wider social media reach and engagement</p>	<p>Awareness Days and EIT events (e.g. INNOVEIT) with videos shared with press, across EIT social media channels, on EIT website and newsletters, ..</p> <p>Total number of media clippings: 2018: 3 414 2019: 2 452*</p> <p>*There was no media monitoring in place for April, May and June 2019, hence overall numbers can only be partially compared</p> <ul style="list-style-type: none"> <li>• Twitter followers 2018: 42 600 Twitter followers 2019: 50 626 ➔ 18.8% increase</li> <li>• LinkedIn followers 2018: 13 562 LinkedIn followers 2019: 23 579 ➔ 73.9% increase</li> <li>• Facebook followers 2018: 52 308 Facebook followers 2019: 54 221 ➔ 3.7% increase</li> <li>• Instagram followers 2018: 1 121 Instagram followers 2019: 2 283 ➔ 103.7% increase</li> <li>• Brand monitoring of the EIT's first 6 KICs` alignment with EIT and EU co-branding requirements</li> <li>• Co-ordination with EIT KICs strengthened</li> <li>• EIT website improvements</li> <li>• Review and update of EIT materials: factsheets and brochures</li> </ul>
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	<p>Communication Strategy</p> <p>Innovation examples showcased</p>	<p>Innovation Tour and showcasing at INNOVEIT, EIT and EIT House</p>	<p>Journalist network meeting showcasing one KIC completed</p> <p>2 innovative and creative EIT communication actions implemented targeting key EIT stakeholders (MEPs) and/ or wider public</p> <p>All EIT award nominees participate in the innovation tour and at least 10 innovations on display in EIT and EIT House</p>	<p>Concept updated: one press briefing for journalists held in January 2019 introducing EIT Urban Mobility and EIT Manufacturing.</p> <p>1/ EIT Community participation in the European Parliament Science Media Hub (ESMH) summer school for young journalists. 2/ not implemented due to resource availability</p> <p>28 innovations were showcased during the Innovation Tour in the EIT’s annual Innovation Forum – INNOVEIT. EIT HQ Innovation Showcase area set up with six ‘physical’ innovations on display and four digital ones.</p>
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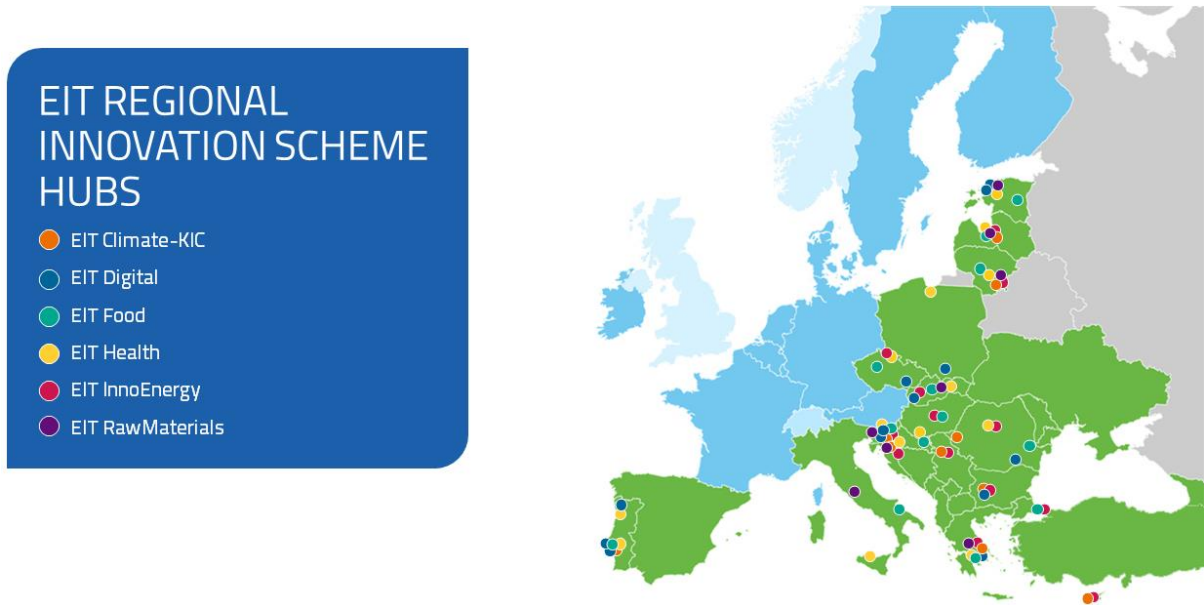
### 1.2.2.2. EIT Regional Innovation Scheme (EIT RIS)

#### Ensuring effective implementation of EIT RIS activities by KICs

The EIT Regional Innovation Scheme (EIT RIS) is designed for countries who are modest and moderate innovators, and where the linkages among the innovation actors (such as business accelerators, start-ups, agencies, educational and research institutions, etc) are lacking or need further development. The main aim of the EIT RIS is to widen the participation in EIT Knowledge and Innovation Communities’ activities for entities that cannot (yet) become KIC partners as well as to provide targeted support to individuals and entities from EIT RIS eligible countries to take part in KICs’ activities and benefit from the services and programmes.

A pivotal role in the implementation of the EIT RIS is played by the **EIT Hubs**. These entities are organisations located in EIT RIS countries, and they are selected through an open competitive process. The overall EIT Hub role is to ensure visibility of the respective KIC and EIT Community at large and raise awareness about EIT Community activities. In the

process, the EIT Hubs will facilitate cooperation activities among KICs and local players of education, business and research areas, thus promoting the Knowledge Triangle Integration.



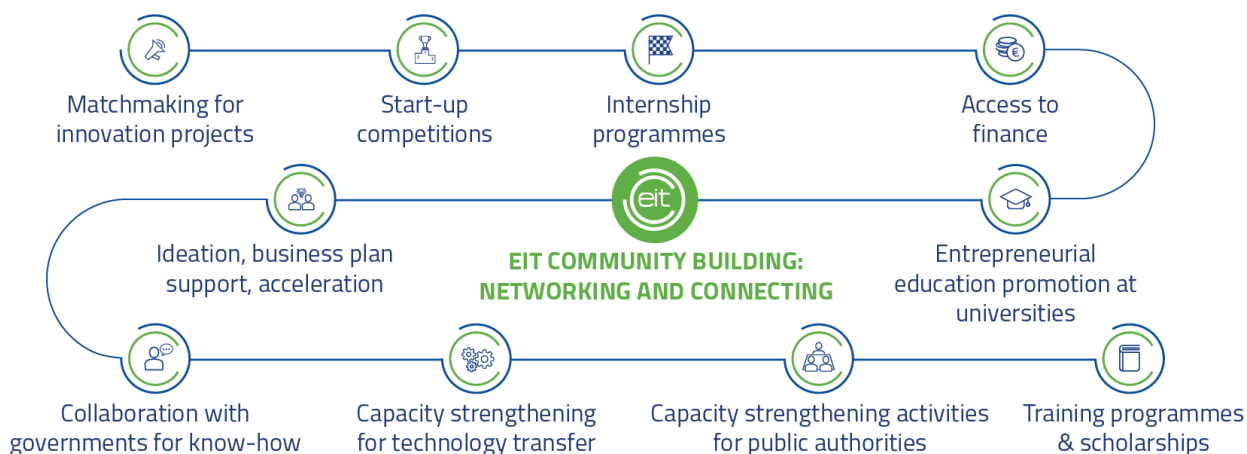
Midway in the implementation of the EIT RIS Guidance Note 2018-2020 and KICs' individual EIT RIS Strategies 2018-2020, the KICs have shown a solid commitment in implementing the EIT RIS activities. The following 18 EIT RIS-eligible countries have local organisations functioning as EIT Hubs (as shown in the figure above): **Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Greece, Hungary, Latvia, Lithuania, Malta, Poland, Portugal, Romania, (South) Italy, Slovakia, Slovenia, Serbia and Turkey**. More than 65 EIT Hubs operate in these countries.

In 2019 KICs implemented a wide range of activities. The activities mainly targeted individuals offering scholarships, fellowships, training programmes, summer schools and internship possibilities. The KICs, notably EIT Health and EIT InnoEnergy, continued to work with universities and research organisations to support development and commercialisation of innovation projects.

Furthermore, 2019 marked a year when the KICs increased their innovation activities as part of their EIT RIS programmes. For instance, EIT Food worked on a poultry industry project, as well as launched a consumer engagement project aimed at developing new products for seniors in the EIT RIS countries. EIT Climate-KIC and EIT Health in turn launched a number of local projects based on the EIT innovation model. EIT RawMaterials put a special emphasis on the Balkan area and ran a number of innovation projects in the mining industry.

As in 2018, the KICs continued their work with early stage start-ups offering a diverse set of business creation programmes. The programmes typically prepare early stage entrepreneurs and teams for the acceleration services. The success and popularity of these programmes is demonstrated by numbers. In 2019, the KICs have supported around **700 entrepreneurs and teams** from the EIT RIS countries, which is 100 more than in the previous year.

The graph below summarises the diverse set of EIT RIS activities:



In 2019 KICs continued to grow their network in the EIT RIS area by establishing new EIT Hubs, welcoming new partners from the EIT RIS countries and engaging external participating organisations in their activities.

In June 2019, **EIT Digital** launched its EIT Hub in Braga, Portugal. Furthermore, EIT Digital included three new universities from the EIT RIS countries in their EIT-labelled summer school programme (Tallinn Technical University, University of Ljubljana and Lisbon University Institute - ISCTE-IUL). From 2020, Tallinn Technical University has become a KIC's full member and a participating university in the EIT Digital Master School.

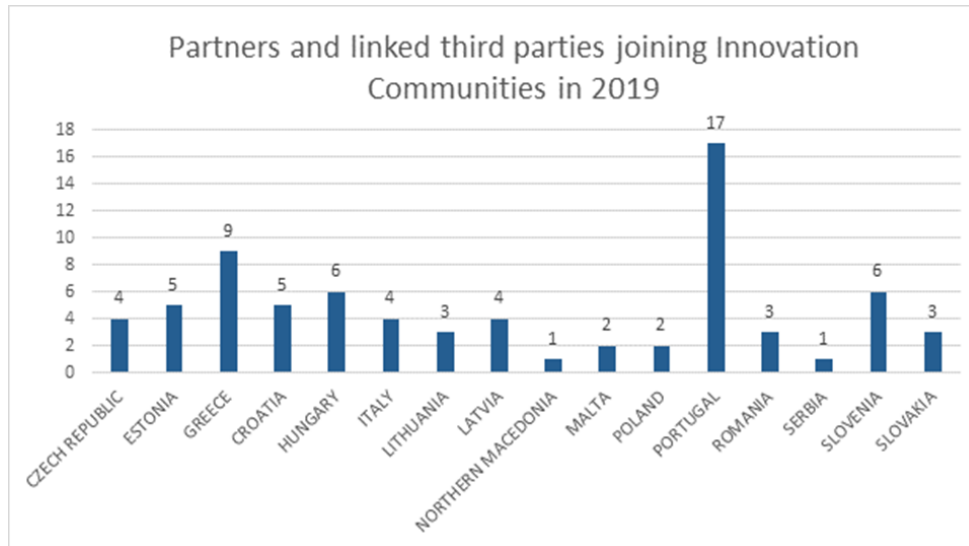
In November 2019, **EIT Climate-KIC** launched a call to select EIT Climate-KIC Hubs in the Czech Republic and Slovakia, whereas **EIT Food** selected 13 organisations from Croatia, Czech Republic, Estonia, Greece, Hungary, Italy, Latvia, Lithuania, Portugal, Romania, Slovakia, Slovenia and Turkey to assume the role of EIT Food Hubs.

**EIT Health** also further expanded its network by welcoming the Tartu Biotechnology Park in Estonia and Ljubljana University Incubator in Slovenia to serve as EIT Health Hubs.

In September 2019, **EIT RawMaterials** launched its Baltic Hub in Riga, covering Estonia, Latvia and Lithuania. The consortia of the Hub are the Riga Technical University, Kaunas University of Technology and Tallinn University of Technology. This way, the Hub will contribute to the competitive innovation in the raw materials sector, connecting researchers and entrepreneurs with industry partners.

Altogether, as a result of a more visible and active presence of the EIT Community in the EIT RIS countries, 75 partners / linked third parties joined the Innovation Communities.





### Coordinated dissemination of information and communication of EIT RIS activities

In 2019, EIT published its first **EIT RIS Report 2018**<sup>9</sup>, summarising the achievements of the KICs and outlining the future perspective of the EIT RIS.

A specific **EIT RIS webpage**<sup>10</sup> was created to display information about the overall implementation of the programme. There is information about the location of the EIT Hubs, main accelerator and educational programmes developed by the KICs, and important links.

Concerning the KICs' efforts to communicate and disseminate EIT RIS activities, in October 2019, **EIT RawMaterials** held its first conference dedicated to education in EIT RIS countries. Over 100 industry professionals, scientists and educators from 19 European countries came together in Zagreb, Croatia to discuss the importance of innovation in and through higher education related to the raw materials sector.

**EIT Food** ran awareness days in Croatia, Czech Republic, Estonia, Greece, Hungary, Italy, Latvia, Lithuania, Poland, Portugal, Slovenia, Spain and Turkey. The participants represented business, research, innovation and higher education areas.

**EIT Digital** was present in education fairs and other student engagement events in Albania, Bulgaria, Croatia, Greece, Poland, Portugal, Serbia, Slovakia and Slovenia. These events promoted the EIT Digital's programmes, such as the Master School, Summer School and Digital Venture Programme. An overview of opportunities open to stakeholders from all EIT RIS eligible countries started being regularly compiled and circulated to representatives of EIT RIS-eligible Member States on the EIT Member State configuration, for onward dissemination across their networks. This initiative has been warmly welcomed by the EIT Member State configuration.

<sup>9</sup> [https://eit.europa.eu/sites/default/files/eit\\_ris\\_report\\_2019.pdf](https://eit.europa.eu/sites/default/files/eit_ris_report_2019.pdf)

<sup>10</sup> <https://eit.europa.eu/our-activities/eit-regional-innovation-scheme-ris>

Actions	Indicator	Target	Planned outputs	Main outputs
Ensure effective implementation of EIT RIS activities by KICs in line with the EIT RIS Guidance	Widening of participation by EIT RIS eligible countries in EIT activities and deepening collaboration with local innovation ecosystems	Increase participation and budget consumption by EIT RIS stakeholders in EIT activities under BP 2019 and 2020.	Implementation of EIT RIS by KICs in line with EIT guidance.	In the 2019 Business Plans, 506 external organisations from the EIT RIS countries were estimated to take part in the KICs' activities (compared to 257 in the 2018 Business Plans).
Coordinated dissemination of information and communication of EIT RIS activities together with the KICs	Timely communication of EIT RIS activities including calls and events and support of cross-KIC communication actions  Coordinated awareness raising with potential EIT RIS cooperation organisations and related stakeholders	Service provider contracted by Q3 providing comprehensive EIT RIS information in a coordinated manner.	Service contract providing bimonthly reports on EIT RIS activities in each country from service provider, including updates on website, publications and joint initiatives	In the 2019 Business Plans, 20 MEUR has been earmarked for the EIT RIS activities, which demonstrates an increase compared to 2018 when 15 MEUR were allocated to the EIT RIS.  Regular updates on the opportunities to enrol in KICs' programmes, join KICs' events and participate in calls are being communicated to the EIT RIS Member States.  Service contract was postponed.

## 1.2.3. Fostering and attracting talent

### 1.2.3.1. EIT Alumni Community 2019

The EIT Alumni Community celebrated in 2019 its fourth year of existence, which saw a few evolutions and shifts in the EIT Alumni Community' activities and structure, aiming at further outreach, impact and overall strengthening.

In terms of governance, the representatives of EIT and each EIT KIC Alumni Communities' welcomed on board an external observer and advisory member Peter Olesen, ex-Chairman of the EIT Governing Board. The EIT Alumni Board composition also changed and most of new selected EIT Alumni board members committed for a 2 year mandate. Representatives from future EIT Urban Mobility Alumni and EIT Food Alumni communities were welcomed as

observers to the EIT Alumni Board to give them access to best practice sharing from existing associations/communities.

The EIT Alumni CONNECT 2019 event took place on 14 October in Budapest the day before INNOVEIT 2019. It was the largest and most successful edition so far, particularly in regards to the attendance of high-level speakers and the more focused nature of the workshops. Over 130 Alumni from the EIT Community came together to connect, build partnerships, co-create on projects and work together to strengthen the EIT Alumni Community. The event was themed around the UN SDGs (Sustainable Development Goals) and how the EIT Community can contribute to their progression, in particular on SDG 11 ‘Sustainable Cities and Communities’. Key note speakers were Maria Tsavachidis, CEO of EIT Urban Mobility, and Niclas Holmberg, Managing Director of Global Listings at NASDAQ Sweden. Several current and past EIT GB members also attended, as well as external organisations EIT Alumni is collaborating with, such as the Marie Curie Alumni Association.

The EIT Alumni Community made further use of the “challenge solver” concept through various experimentations meant to be amplified in 2020 in a more scalable manner to answer challenges posed by EIT, KIC partners and external sponsors organising, finding solutions and contributing to further career opportunities for participating EIT Alumni members.

The KICs’ Alumni associations continued to grow their membership (8000+ members at the end of 2019) and run activities across Europe, including career, innovation and entrepreneurship related opportunities in coordination with their respective KICs (EIT Health, EIT Digital, EIT InnoEnergy, EIT Climate-KIC, and EIT Raw Materials). EIT InnoEnergy held its annual event on 26-28 October in Lisbon, while EIT Health and EIT Climate-KIC held their respective events in Paris on 1 December and 14-15 December.

Actions	Indicator	Target	Planned outputs	Main outputs
EIT Alumni Board strategy support and ensure alignment with EIT’s strategy and activities	EIT Alumni have a strategy, work plan and effective governance in place to create additional EIT impact	Approve EIT Alumni 2020 work programme by Q4 2019  Mobilise alumni to address specific EIT challenges	EIT Alumni work programme 2020 in place and Full implementation of Alumni work programme 2019  3 alumni challenges implemented	EIT Alumni WP 2020 adoption postponed to Q1 2020  The setting and implementation of challenges was postponed to 2020
Support the EIT Alumni Board in implementing its and activities	Support Alumni work programme implementation and organisation of the 2019 EIT Alumni Connect Event	Guidance and support to EIT Alumni work programme, incl. EIT Alumni Connect event provided by Q4 2019 and active participation of 120 EIT alumni (>75%)	2019 EIT Alumni Annual Report  Reformed EIT alumni governance and management in place	EIT Alumni CONNECT 2019 delivered successfully  EIT Alumni Governance renewed with members supported by KIC CEOs

		positive feedback in review)	Organise a successful EIT Alumni CONNECT 2019	
		Alumni secretariat in place.	Contract for running the EIT Alumni secretariat in place	EIT Alumni Services Contract postponed to 2020

## 1.2.4 Enhancing stakeholder engagement

### 1.2.4.1 Stakeholder engagement

#### Engaging institutional and knowledge triangle stakeholders

2019 was marked by several important milestones that affected EIT’s priorities in terms of stakeholder engagement. In July, the European Commission published its proposal for the EIT Strategic Innovation Agenda 2021-2027 and EIT Regulation (recast), the European elections in May significantly changed the composition of the European Parliament with around 60 percent of new members and a new College of European Commissioners took office in December. At the same time, negotiations on the EIT SIA 2021-2027 and the EIT Regulation were initiated in the Council and the European Parliament, calling for our intensified efforts to engage with key stakeholders in different formats. Against this background, the EIT developed its 2019 Stakeholder Engagement Plan with the main objective to ensure support and adequate resources to fulfil its ambition and fully deliver on its mission and enhanced mandate. Engagement with key stakeholders was intensified with a particular focus to the EU Institutions as well as national authorities of Member States and other key stakeholders from across the Knowledge Triangle. Regular formal and informal exchanges took place at different levels including via the EIT Governing Board Members, the EIT Management Team and staff, resulting in increased awareness and visibility of the EIT Community, its activities and results.

Concretely, in 2019 members of the EIT Governing Board, Management Team and staff represented the Institute in 163 third party events and meetings, a 13% increase compared to 2018. EIT representatives conveyed key messages on the occasion of several high-level events, including events organised under the Romanian and Finnish Presidencies of the Council of the EU; the Start-Up Europe Summit, the European Clusters Conference, the Innovative Enterprise Week, Manufuture 2019 and the Circular Economy Conference. Furthermore, under the auspices of the two Presidencies of the Council, EIT co-organised for the first time the High Level Policy Dialogue during the EIT Festival in Helsinki and a workshop on Synergies with the National Contact Points Network for Widening Activities in Cluj.

Intensified efforts on stakeholder engagement activities, required also an increased focus to key decision makers in Brussels. In addition to bilateral meetings with members of the European Parliament, among other key stakeholders, EIT co-organised, together with the European Commission, a high-level event to celebrate the ten years of the EIT powering innovation across Europe, with an outlook to the future. Mr Tibor Navracsics, EU Commissioner for Education, Culture, Youth and Sport and Dirk Jan van Den Berg, the EIT Chairperson, were among the speakers of

the well-attended event (ca 100 person). In addition, the EIT successfully participated and coordinated the EIT Community representation at the EU Research & Innovation Days organised for the first time in September 2019.

Moreover, regular meetings and information exchange took place on several occasions with key EU multipliers such as LERU, IGLO, The Guild, EARTO, ERRIN, ERT, NCP Network, COST, Science Business, K4I, and Politico aiming to enhance engagement with these organisations and their members and ensure their support towards EIT's central positioning in Horizon Europe and future ambitions.

### Organising the EIT Stakeholder Forum INNOVEIT 2019

On 15 October 2019, the EIT successfully organised the fifth edition of EIT Stakeholder Forum, INNOVEIT 2019, that combined the EIT Stakeholder Forum, the Innovation Tour and the EIT Awards Ceremony. The main objectives were to showcase the EIT Community; introduce EIT Manufacturing and EIT Urban Mobility; and promote the EIT's draft Strategic Innovation Agenda 2021-2027.

The Forum represented an important opportunity to showcase successful innovations, ventures, graduates, entrepreneurs and leaders who have emerged from the EIT Community. The event attracted 417 participants with a wide geographical coverage, including entrepreneurs, EU, national and regional policy-makers, representatives of the EIT Innovation Communities, higher education and research institutions, EIT Governing Board members as well as over 50 journalists. Participants and speakers included several VIPs, including Commissioner Navracsics, Sanja Damjanović, Minister of Science of Montenegro and László Palkovics, Minister for Innovation and Technology of Hungary.

The 2019 edition consisted of a compact, half-day event for general participants with a bespoke half-day programme was designed for journalists in the morning. The programme included two panel debates: (1) the EIT's future strategy with a special focus on the EIT's education and the regional dimension; and (2) the potential KIC on the Cultural and Creative Industries (CCIs).

### EIT Liaison Office in Brussels

With a view to further enhancing visibility, awareness and ultimately understanding of the EIT and the EIT Community among Brussels based political decision-makers and innovation stakeholders, the EIT in 2019 reinforced its engagement on-site in Brussels ensuring a continued and focused engagement with both institutional and Knowledge Triangle stakeholders.

Since its inception in April 2018, the **EIT Liaison Office** in Brussels has been supporting the EIT positioning in and transitioning to the next Framework Programming for Research and Innovation (Horizon Europe). With publication of the European Commission Proposal for the **EIT Legislative Package**, in July 2019, focus shifted to targeted engagements with Members of the European Parliament supporting the ongoing negotiations of the EIT Regulation (recast) and EIT Strategic Innovation Agenda 2021-2027, clarifying key elements and specifying potential implications of proposed provisions.

Informal engagements included the EIT Director meeting with all European Parliament rapporteurs and shadow rapporteurs of both the **European Parliament's Committee on Industry, Research and Energy (ITRE)** and **Culture and Education (CULT)**. Topics discussed included openness and transparency of the EIT Community, post year-15 relations with first wave EIT Knowledge and Innovation Communities, future concept of the EIT Regional Innovation Scheme and the proposed new action in the area of capacity building of Higher Education Institutions. Informal bilateral engagements were complemented with a dedicated info session organised by the European Commission/DG EAC targeting assistants to Members of the European Parliament and political group advisors.

A substantial number of mainly informal engagements took place at the **EIT Liaison Office** with European Commission and Parliament colleagues, with Member State representatives, and European multiplier organisations from the Knowledge Triangle. In addition, facilitation of and support to the Chair and members of the EIT Governing Board as well as the EIT Director during their speaking engagements in Brussels remained an important part of the EIT Liaison Office function.

Moreover, an important task of the EIT Liaison Office has been to enhance communication and coordination with and among the EIT and its Knowledge and Innovation Communities. This includes closer cooperation on the ground on day-to-day basis at the EIT House as well as participation in strategic **EIT Community meetings** held **at the EIT House** with a view to ensuring greater coherence and consistency in the representation of the EIT Community towards both external and internal stakeholders.

Throughout 2019, EIT contributed proactively to the **EIT House Work Plan 2019**, identified priority activities and engagements with Brussels based stakeholders (in line with the **EIT Stakeholder Engagement Plan** as approved by the EIT-KIC Forum comprising the EIT Director and CEOs of all Knowledge and Innovation Communities).

### Meetings with targeted groups of EU Member State and other key stakeholders

The annual 2019 edition of the EIT Member State Configuration meeting was organised on 26 November in Brussels. The meeting gathered 32 representatives from 19 countries to discuss the EIT's achievements and operations during the current programming period, as well as, its future under the Horizon Europe Framework Programme.

With the aim to raise awareness about EIT activities and present opportunities for local stakeholders to get involved, three EIT Awareness Days were organised successfully in Latvia, Lithuania and Cyprus, bringing together around 350 national stakeholders. In addition to this, with a focus to enhancing engagement at Member State level, several meetings were organised with national authorities around opportunities and joint efforts to increase or better coordinate the EIT Community presence and information flow at national level. In this context, EIT representatives met with national authorities from France, Ireland, Sweden, Italy, Estonia, Hungary, Latvia, Lithuania and Cyprus.

The increased interaction with several Member States served as a basis for the establishment of an enhanced mutual communication as well as joint activities. In Hungary, this was formalised via the signature of a Memorandum of Understanding, on 15 October 2019. In addition to this and as part of the EIT's efforts to raise awareness about its mission and activities in the host country and beyond, the EIT contributed to the EU Day organised in Budapest by the Commission Permanent Representation on 12 May, with the participation of over 1,000 Hungarian citizens.

In June 2019 the EIT organised the 9<sup>th</sup> Annual Meeting between the EIT Community and the European Commission Services with 80 participants from several Units across the European Commission. The meeting was centred around the topics of citizen engagement in research and innovation and a stronger European approach to artificial intelligence. In addition to the Annual Meeting, EIT representatives engaged with several services of the European Commission on different occasions and at different levels throughout the year, either in the context of strengthening bilateral relations and collaboration or with the aim to facilitate relations and collaboration with the EIT KICs.

In October 2019 the EIT hosted a delegation of the European Parliament's Committee for Industry, Research & Energy (ITRE), following a request by its members to meet representatives of the EIT and the EIT KICs and get updated on latest activities and achievements from the Community. In the context of the visit the delegation had the opportunity to experience the first-hand support offered to innovators and entrepreneurs both on the ground and at the EIT HQ, through a short tour to the recently established Innovations@EIT exposition. The fruitful discussions that took place in the margins of the visit were extremely important, as they served as a good starting point for the European Parliament Reports on the EIT legislative package.

An important tool supporting the EIT's efforts in stakeholder engagement in 2019 was the EIT Country Factsheets. A set of 30 country factsheets were developed internally for all EU Member States, Norway and Switzerland and were used as information material for interested stakeholders that could see in a comprehensive document for the first time facts and figures at country level about the EIT presence and activities in their country.

Actions	Indicator	Target	Planned output	Main outputs
Engagement with institutional and knowledge triangle stakeholders	Structured dialogue with institutional and knowledge triangle stakeholders  Maximise EIT visibility through participation in events and awareness raising	Stakeholder engagement plan 2019 approved by February 2019 and implemented accordingly  Participation of EIT representatives (including EIT Governing Board members) in at least 20 European/ International events of key stakeholders	Stakeholder engagement and priority event plan approved and implemented  Assessment of events, speeches, presentations, mission reports and media articles on events	Stakeholder engagement plan approved in February 2019 and implemented throughout the year.  Participation of EIT representatives to 163 events and meetings, of which over 60 were high-level events at EU/ international level, according to priorities set at the EIT Stakeholder Engagement Plan. A total of 190 invitations were assessed in 2019
Organisation of EIT Stakeholder Forum 2019 (INNOVEIT)	Targeted information provided and dialogue with key stakeholders  Positive, above-average feedback received from participants (as measured by a dedicated survey)  Dedicated stakeholder events on EIT related topics organised under the	Participation by at least fifty knowledge triangle representatives of all three sides and 75% of EU Member States  > 75 % of feedback received above average  Lessons learnt completed and concept note for 2020 proposed	Participation by at least fifty knowledge triangle representatives of all three sides and 75% of EU Member States  > 75 % of feedback received above average  Lessons learnt completed and	417 participants in total, out of which <sup>11</sup> : - Business Representatives: 42 - Higher Education Representatives: 21 - Research Representatives: 10 Participants came from 26 Member States (92% representation)  81% positive feedback received  First version of lessons learnt document finalised in December 2019.

<sup>11</sup> Numbers exclude Knowledge Triangle representatives from within the EIT Community.

	EU Presidencies and in the EP	3 targeted stakeholder events organised with EU Presidencies and EP	concept note for 2020 proposed  3 targeted stakeholder events organised with EU Presidencies and EP	Two stakeholder events organised under the Romanian and Finnish Presidencies (in Cluj and Helsinki) and 1 event with the EP (ITRE visit in Budapest)
EIT Liaison Office in Brussels	EIT visibility and stakeholder engagement in Brussels increased	Participation of EIT in Brussels in at least 20 events/meetings of/with key stakeholders  Effective coordination mechanism between EIT and KICs	Participation of EIT in Brussels in at least 20 events/meetings of/with key stakeholders  Effective coordination mechanism between EIT and KICs	EIT Liaison Office represented EIT in about 80 events/meetings of/with key stakeholders in Brussels  EIT participation in all EIT House Coordination Group quarterly face-to-face meetings and bi-weekly coordination calls.
Meetings with targeted groups of EU Member State and other key stakeholders.	Targeted information provided and structured dialogue established with key stakeholders from EU MS, European Commission and other key EIT stakeholders	EIT Member State configuration meeting organised by Q4 2019  EIT EC service meeting organised by Q4 2019  Organise at least three EIT Awareness Days organised in EU MS  Host country agreement/ Memorandum of Understanding implemented and dedicated activities	EIT Member State configuration meeting organised by Q4 2019  EIT EC service meeting organised by Q4 2019  Organise at least three EIT Awareness Days organised in EU MS  Host country agreement/ Memorandum of Understanding implemented and dedicated	EIT Member State configuration meeting successfully organised on 26 November 2019  9 <sup>th</sup> Annual Meeting with EC services successfully organised on 19 June 2020  Three Awareness Days organised in Latvia, Lithuania and Cyprus on 28-29 March and 27 June  Memorandum of Understanding with Hungary signed on 15 October 2019.



		to synergise and raise awareness in Hungary are implemented involving KT stakeholders	activities to synergise and raise awareness in Hungary are implemented involving KT stakeholders	EIT participated in Europe Day in Budapest on 9 May 2019
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### 1.2.4.2 Relations with third countries and international organisations

Two important milestones were reached in 2019, with the formal launch of the EIT Hubs in Silicon Valley (US) and Tel Aviv (Israel) that took place in March and December, respectively. The currently fully operational Hubs were established in the context of the Global Outreach cross-KIC Programme and are the results of close collaboration and joint efforts between the EIT and its Knowledge and Innovation Communities. Furthermore, several pilot activities were delivered in China throughout the year and an advanced engagement with several European and Chinese organisations was achieved, preparing the ground for the formal launch of the EIT Hub in Beijing in 2020. Close coordination with the European Commission and the EIT Governing Board was essential for this achievement. The three Global Outreach EIT Hubs will act as a bridge between the European and outreach location ecosystems, contributing therefore to having a stronger EIT Community and European footprint.



In addition, in 2019 EIT explored the possibility for a formal collaboration with CERN in the areas of knowledge transfer, visibility and awareness raising as well as exchange of good practices in several common areas of interest. An agreement in principle was reached for the signature of a Memorandum of Understanding, which will be further explored within 2020, depending on available resources and capacity.

Actions	Indicator	Target	Planned outputs	Main outputs
Engagement with selected third countries, including Horizon 2020 Associated countries, and international organisation	Establish structured dialogues in targeted Third Countries (China, US, Israel and Serbia) on knowledge triangle integration issues	Structured dialogue set up in the 4 targeted countries and/ or international organisations by Q4 2019	Engagement with key stakeholders in non-EU countries and structured dialogue with international organisations	Structured dialogue established in US (Silicon Valley) and Israel via the establishment of the EIT Hubs.  Structured dialogue established with several public and private organisations in China in preparation of the

				<p>upcoming EIT Hub China.</p> <p>Dialogue initiated with CERN and a potential Memorandum of Understanding with EIT was in principle agreed.</p>
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### 1.2.4.3. EIT Awards

#### Organisation of the 2019 EIT Awards

The EIT Awards promote innovation and encourage entrepreneurs by placing the most innovative ventures, entrepreneurial graduates, innovation teams and women from the EIT Community in the spotlight.

As in previous years, they created role models for change, in the following categories:

- The EIT CHANGE Award recognises graduates of EIT education programmes who spur innovation and entrepreneurship, inspiring change for a sustainable future.
- The EIT INNOVATORS Award recognises teams from our Innovation Communities that develop high-impact products and services for a sustainable future.
- The EIT VENTURE Award recognises successful start-ups and scale-ups that have been supported by the EIT’s Innovation Communities through dedicated business creation and acceleration programmes.
- The EIT WOMAN Award recognises the outstanding achievements of women entrepreneurs and leaders from our Innovation Communities.
- The EIT PUBLIC Award recognises the public's recognition of overall excellence, and the innovativeness of one of the Nominees in the other four Award categories listed above.

As in previous years, the nominees were selected from the EIT Community for driving European innovation through ground-breaking products, projects and services that tackle global challenges in the fields of climate, energy, digitalisation, food, health and raw materials.

On 15 October 2019, the final living pitching of the EIT Awards were organised as part of INNOVEIT 2019, the EIT's annual Innovation Forum and all nominees took part in the 2019 EIT Innovation Tour.

**Michael Dittel, LeafTech** (Germany and supported by EIT Climate-KIC), **Marc Julien, Diabeloop** (France and supported by EIT Health), **Matthew Dickson, CorPower Ocean** (Sweden/United Kingdom and supported by EIT InnoEnergy), **Sara Guimarães Gonçalves, Trigger.Systems** (Portugal and supported by EIT InnoEnergy and EIT Food) and **David Pistoni Perez, Zeleros** (Spain and supported by EIT Climate-KIC), won the top prizes for innovations in the fields of climate, energy and health.

#### Preparation of the 2020 EIT Awards

A lessons learned exercise was conducted as part of the INNOVEIT 2019 and EIT Alumni CONNECT 2019 events to identify elements to improve on to be included in the 2020 EIT Awards. The 2020 EIT Awards will retain for the most part their current format one more year, although they may take place online due to the COVID-19 crisis and safety and health measures in place for large public events. A parallel exercise was conducted in 2019 to do a mapping of existing Awards / Prizes / Challenges in Europe in the field of entrepreneurship and innovation for possible evolutions of the format and content of the EIT Awards. Main conclusions of this study will be used to organize the 2021 EIT Awards and to open them up and potentially include challenges with accompanying prizes that will adapt to current key societal and trending innovation challenges.

Actions	Indicator	Target	Planned outputs	Main outputs
Organisation of the 2019 EIT Awards	Timely implementation of the 2019 EIT Awards	2019 winners of all five categories awarded by Q4 2019	Five 2019 EIT Awards winners  Lessons learnt exercise completed	2019 EIT Awards fully delivered by end of 2019  Lessons learnt exercise completed
Preparation of the 2020 EIT Awards	Timely launch of the preparation for the 2020 EIT Awards competition	Preparations for 2020 EIT Awards competition started by Q4 2019	Preparations for 2020 EIT Awards competition started	2020 EIT Awards ready to be launched as scheduled in 2020

## 1.3. New delivery mechanisms and results-oriented monitoring

### 1.3.1 EIT-KIC relations

#### 1.3.1.1. The role of the EIT as an investor

##### Monitoring the KIC's implementation of the Principles on Financial Sustainability

Monitoring the KICs' implementation of the Principles on Financial Sustainability comprised the following activities: assessment of the reports of KICs' financial sustainability strategies and measures that were drafted and communicated to KICs in the context of the 2018 KIC Reports, 2020 Business Plans, GB Rapporteur monitoring visits as well as specific bilateral meetings between the KICs' CEOs/CFOs and GB members and EIT staff. The EIT Governing Board at its meeting in September 2019 reiterated recommendations to KICs such as ensuring engagement at C-level on financial sustainability, agreeing and stabilising financial sustainability strategies and linking them with impact/KPIs, embedding financial sustainability as an objective at activity level, focusing on high-revenue measures vs. cost reduction/optimisation to achieve profits, introducing clear policies on revenue distribution and early and continuous engagement with EIT on significant developments (e.g. KICs' investment and impact funds). While KICs implement these recommendations they reported their revenues under five categories: 1) ROI & Equity; 2) Education; 3) Services

& Consulting; 4) Membership Fees; and 5) Alternative Funding Sources. Given the increasing importance of KICs' financial sustainability as part of the EIT-KIC model, the EIT Governing Board's decision at the end of 2019 on the allocation of EIT financial support to KICs for 2020 was conditional on KICs' strengthening their financial sustainability strategies.

In 2019, KICs reported a total of 40.4 MEUR revenues achieved in 2018 (an increase of over 40% compared to 2017 revenues) - the lowest revenues were reported by EIT Climate-KIC with 4.2 MEUR, and the highest revenues were achieved by EIT InnoEnergy with 11 MEUR.

### Support KICs' own fund initiatives

The EIT has been following up on KICs' own fund initiatives, notably those initiatives from EIT Food, EIT InnoEnergy and EIT Health in order to share good practice and promote coordination. In particular, EIT Health developed a joint initiative with the EIF named Venture Centre of Excellence (VCoE) aimed at supporting healthcare start-ups (to be launched in 2020). With the objective of ensuring EIT level coordination, the EIT has developed and adopted in 2019 high level principles on KICs' fund initiatives. The principles provide strategic direction and high level operational guidance to KICs when designing and/or raising a fund or funds dedicated to investments in start-ups or SMEs, capturing key lessons learnt. Attracting third party capital in KICs' funds will contribute to KICs financial sustainability as KICs will benefit from successful investments into their start-ups and companies.

Actions	Indicator	Target	Planned outputs	Main outputs
Monitor and develop implementation of the Principles on KICs' Financial Sustainability	Incentivise KICs to reach Financial Sustainability and ensure EIT model is further developed	Assessment reports of KICs' financial sustainability strategies and clarification of open issues on the model by Q4 2019	Assessment reports of KICs' financial sustainability strategies; specific guidance issued on 7-year reports and post year 15 cooperation	Assessment reports of KICs' financial sustainability strategies and measures were drafted and communicated to KICs in the context of the 2018 KIC Reports, 2020 Business Plans, GB rapporteur monitoring visits as well as specific bilateral meetings between the KICs CEOs and GB members and EIT staff.
Support KICs' own fund initiatives	Regular monitoring and best practice sharing of KICs' own fund initiatives is carried out and	EIT effectively supports KICs' own fund initiatives and supports access to finance by-Q4 2019	Reports and best practice sharing with KICs' own fund initiatives and access to	EIT followed-up and ensured high level coordination of KICs' own fund initiatives (namely for EIT

	additional access to finance is incentivised		finance support to EIT community	InnoEnergy, EIT Health and EIT Food).  The EIT provided guidance to KICs by adopting the High level principles on KICs' fund initiatives.
Cross-KIC cooperation	Effective cross-KIC cooperation on priority topics agreed by the EIT community to create value	At least 15 MEUR allocated of grants for cross-KIC cooperation/missions in BPs 2020	Cross-KIC cooperation activities included in KIC BPs 2020  Reports received from 7 existing cross-KIC cooperation programmes under BP 2019	12.5 MEUR of the EIT funding was allocated for cross-KIC activities in BPs 2020. The total value of the cross-KIC activities exceeded 15 MEUR  Quarterly status reports received from the lead KICs for all cross-KIC projects
Gender mainstreaming	Ensure that EIT community progresses on gender mainstreaming	EIT and KIC specific action plans in line with the gender mainstreaming methodology implemented by Q4 2019	Progress report from Action Plans	EIT Gender Mainstreaming action developed in 2019, and adopted early January 2020

### 1.3.2. Simplification

#### Implementing improvement measures within current framework

In 2019, the Task Force Simplification (TFS) simplified and accelerated the business plan preparation and funding allocation, the business plan amendment process as well as the reporting and final grant payment cycle. Lessons learnt from different grant related processes were discussed at the TFS and incorporated in grant management. All EIT guidelines have been consulted at the TFS before formally issuing them to KICs. As a cornerstone of the EIT control strategy, the EIT continued to contract audit companies directly for issuing Certificates of Financial Statements on cost claims of KIC partners, which has significantly improved the assurance gained. As a good practice, resolution meetings have been maintained both at the BP assessment and report assessment stage between EIT and each of the KICs, in order to avoid several rounds of clarification questions and conclude on the remaining issues in an efficient and timely manner.

## Designing the post-2020 legal and operational framework

In addition to the continuous improvements of the grant cycle processes, the EIT made progress on priorities pre-defined for 2019:

- The framework to operationalise multiannual grants was designed in consultation with the KICs. Appropriate mechanisms for commitment and payment appropriations allocation in the EU's next multiannual financial framework were set up and the redesign process of the legal and operational framework for implementation of the Horizon Europe draft legal framework was initiated in discussion with EC services.
- Shared services and facilities were identified where the EIT and KICs will make further progress. Strategy to introduce shared services into the cross-KIC activities and under the umbrella of the Horizon Europe framework was initiated.
- As regards simplified costs, the design of concept was delayed to 2020, to be applicable as from 2022 cycle. To cover year 2021 legally, EIT aims to extend the applicability of the H2020 simplified cost framework.

Actions	Indicator	Target	Planned outputs	Main outputs
Improvement measures implemented within current framework	High impact measures for simplification identified and implemented to reduce complexity and increase efficiency	Simplification measures selected by the EIT-KIC Forum and implemented by the Task Force for Simplification by Q4 2019	Simplified grant cycle processes (business planning, amendments, reporting, audits and monitoring)  Minutes of the Task Force Simplification and EIT-KIC Forum	Simplified grant cycle processes (business planning, amendments, reporting, audits and monitoring)  Minutes of the Task Force Simplification and EIT-KIC Forum
Designing of post-2020 legal and operational framework with specific focus on future priorities identified	Laying down the foundations of the post-H2020 legal and operational framework	Assessing the feasibility of some measures identified which are expected to bring simplified business processes	Adopted concepts for three simplification measures (multiannual grants, shared services and simplified costs)  Detailed implementing rules in place as	- Multiannual framework operational conditions are planned - Pilot shared services identified lead KIC are identified. - Simplified cost bridging decision for 2021 is proposed.  Discussions with Commission (EAC, RTD, Legal Service)

			regards multiannual grants for post 2021	and KICs continued on future legal and operational framework, however cannot be finalised before HE Regulation and EIT legislative package are formally adopted
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### 1.3.3. Monitoring, Impact Analysis and Evaluation

#### 1.3.3.1. Implementation of the EIT monitoring strategy

##### Continuous and systematic monitoring of KIC activities

In 2019, eight KICs were monitored and 40 monitoring activities were planned in total including KIC specific and horizontal monitoring applicable to all KICs. This included the two new consortia designated to become EIT Manufacturing and EIT Urban Mobility.

Out of the 32 KIC specific monitoring activities planned (i.e. 3 main monitoring and 1 reserve list monitoring per each KIC), 26 were successfully implemented. A non-exhaustive list of topics monitored are the selection of innovation projects as carried out by the KICs before the Business Plan submission, KIC activities with high planned costs and/or issues identified in the Business Plans during its evaluation and other KIC-specific aspects such as monitoring and learning, digital communication, EIT RIS participation and openness. For the two new KICs, the topics mainly included the setting up of good governance systems and selection for the key managerial positions.

The below eight horizontal monitoring activities were implemented with some minor delays in the procurement and HR reviews, which were initiated in 2019 but are finalised in 2020:

- Good Governance Principles Assessment
- HR policies review
- Implementation of Innovation Principles
- EIT/EU co-branding review
- Procurement review
- GB Rapporteur recommendations follow up
- Financial sustainability assessment
- Monitoring of cross-KIC activities

In general, each monitoring activity included a visit to the KIC's premises and discussion with KIC management but also representatives of KIC Partners. Some monitoring activities were supported by external experts.

The recommendations from the monitoring activities were communicated to the respective KICs and incorporated in a recommendations repository.

## Assessing the KICs' implementation of the Good Governance Principles

In 2019 the EIT monitored how the KICs were addressing the recommendations from the 2018 assessment of the KICs adherence to the EIT Good Governance Principles. In particular:

- the EIT monitored the KICs' performance during the GB Rapporteurs visits in June and July. The findings were included in the assessment of the 2018 KICs performance reports;
- in September and October the EIT had a round of monitoring calls with the KICs to finalise the 2019 assessment;
- in addition, the structuring process of the governance systems of new KICs was carefully monitored as a part of the 2019 Monitoring Plan.

In September 2019 the EIT prepared on request of the EIT Governing Board a note presenting the current status of how the KICs address the EIT Good Governance Principles and presented identified good practices. The analysis concluded that the Good Governance Principles introduced by the EIT are relevant and significantly improved transparency, effectiveness and efficiency of KICs operations. In the meantime the EIT developed an effective monitoring system. However, there are still several challenges to be addressed in order to better steer the governance of KICs:

1. Further improvement of the openness and transparency of KICs and their operations is needed (as is reflected in the Commission proposal of the EIT Strategic Innovation Agenda 2021-2027 and the new EIT Regulation).
2. The selection of excellent personnel at management, governance and staff level should be ensured.
3. Diversity of governing and supervisory structures to improve KIC decision-making should be further improved.
4. A review of governance systems at the level of KIC Co-Location Centres in view of their complexity is needed.

Following the monitoring activities the EIT further developed the assessment of compliance with the Good Governance Principles as the part of the 2020 funding allocation process.

The outcomes of the 2019 assessment confirmed that the KICs in general well addressed the Good Governance Principles but there is still room for improvement. For example, some KICs should improve their code of good conduct and conflict of interest (Col) policies and monitoring mechanisms. KICs need to introduce formalised processes for the revision or amendment of their Strategic Agendas to ensure full transparency and inclusiveness of the process. In case of certain KICs there is a risk that the KIC Legal Entities do not have full control over the CLCs to fully implement the annual Business Plans and the Strategic Agenda. This aspect will be followed up in 2020 through a horizontal monitoring activity.

The EIT also identified potential weaknesses regarding the governance structures of the two new KICs. In particular the EIT Urban Mobility's governance body was not compliant with the EIT Good Governance Principles, as the selection of the KIC's permanent Supervisory Board was postponed to 2020 and none of the interim Supervisory Board members were independent from the KIC partners. The issues identified were reflected in the Strategic Recommendation issued to the KICs.

The outcomes of the assessment also indicated that KICs had progressed the transition from the compliance stage towards adopting good practices in governance. For example, KICs significantly improved openness to the EIT funding by launching fully open calls for the selection of innovation projects.



In 2019 the KICs also increased number of independent members in their supervisory bodies. However, the pace of this progress should be accelerated in 2020. Regarding transparency of KICs operations the KICs performed satisfactorily. Diversity in the KICs Supervisory Boards is an area for further improvement, which was recognised by the EIT Governing Board and addressed in the 2019 Strategic Recommendations.

Actions	Indicator	Target	Planned outputs	Main outputs
Implementation of the 2019 monitoring plan in line with the approved EIT monitoring strategy	Contribution of monitoring activities to improving KIC the grant management	Monitoring plan implemented by Q4 2019 (target: 15 visits or alternative monitoring activities)	Reports and recommendations from monitoring activities	Reports and recommendations from monitoring activities finalised
Preparation of the Monitoring Plans 2020	Improved planning and selection of monitoring activities 2020	Monitoring plan prepared (Q4 2019)	Final Monitoring plan 2020	Monitoring plans adoption postponed to 2020
Annual assessment of the KICs' adherence to Good Governance Principles	Improvement of KICs operation in terms of transparency, effectiveness and efficiency	Assessment concluded as part of the performance reporting by Q3 2019	Assessment report as part of annual performance assessment	The assessment was completed

### 1.3.3.2. Evaluation and impact assessment

#### Implementing recommendations from previous evaluations

In 2019 the EIT continued to monitor the implementation of the strategic recommendations from the evaluations, assessments and reviews conducted over the last years, namely the EIT Mid-term Evaluation, Impact Study, 7-year KIC Review, Innovation and IPR Assessment, Education Assessment, KTI Review, Entrepreneurship, Business creation and Development and the High-level Advisory Group set up by the Commissioner Navracsics. The progress made on the recommendations was updated on a semi-annual basis whereas the implementation of respective actions were monitored in line with their timeline. When needed, corrective measures were taken to ensure recommendations are fully implemented and lead to excelling the EIT and KICs strategies, policy and activities.

#### Developing the Impact Framework

The EIT jointly with the KICs has developed an Impact Framework and Pathway to underpin its future SIA (2021-2027) and further strengthen its impact-focused approach to delivering world-class solutions to targeted societal challenges.

The draft Impact Framework encompasses the Horizon Europe economic/technological impact pathways and indicators. The current EIT KPIs are integrated where possible to allow for continuity, comparative analysis and setting up baselines considering historical data. Apart from the impacts and respective impact indicators, the Impact

Framework encompasses all other levels in the EIT impact pathway: outputs, short-term and medium-term results and respective indicators.

The EIT Impact Framework will serve in 2021 – 2027 the following critical functions: KICs’ impact-led planning, evaluations including impact assessments and result-based investment.

Subsequently, the EIT Governing Board provisionally approved the list of EIT Core Key Performance Indicators (KPIs) for the next programming period (2021 – 2027). The new set of EIT Core KPIs 2021 - 2027 would replace the current one as of 1 January 2021. In total, there are 27 KPIs plus additional (KIC-specific) societal impact indicators, out of which KICs should report on 14 selected KPIs on an annual basis.

The KICs have proposed societal impacts specific for the societal challenge they address. They need to be further improved and, subsequently, the EIT Framework to be updated respectively by end of 2020. Along with the KIC societal impacts, respective indicators and targets, this update will include the Horizon Europe KPIs, which are currently under development by DG RTD, and an impact pathway for the future EIT objective related to strengthening the entrepreneurship and innovation capacity of Higher Education Institutions.

Actions	Indicator	Target	Planned outputs	Main outputs
Implement recommendations from the EIT and H2020 interim evaluations, reviews and studies	Up-to-date Repository including actions for addressing the recommendations implemented	Recommendations from evaluations systemically addressed and repository is maintained updated by Q4 2019	Improved evaluation and monitoring system, incl. KPIs and indicators  Repository up to date and reports to the EIT GB	Altogether 99 consolidated recommendations were monitored, about one third of which were completed  The repository of strategic recommendations was updated regularly and major achievements/ improvements were reported to the GB
Development, implementation and mainstreaming of the Impact Framework	EIT Impact framework developed in consultation with all KICs and mainstreamed across the evaluation and monitoring system of EIT and its communities.	Robust system in place for systematic impact data collection, reporting and assessment by Q2.	Improved system for impact data collection, reporting and assessment approved by EIT community.	EIT Impact Framework developed that will be in the core of future EIT and KICs monitoring and evaluation activities; List of 27 EIT Core Key Performance Indicators for the next

				programming period (2021 – 2027) provisionally approved by EIT GB; EIT Impact Framework reflected in KIC Strategic Agenda, FPA and MGA templates;
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## 1.4. Horizontal activities

### 1.4.1 Strategy: Co-ordination and implementation

#### 1.4.1.1. EIT Governing Board meetings and EIT management

Actions	Indicator	Target	Planned outputs	Main outputs
EIT internal strategic co-ordination and implementation	Quality of collaboration between the members of senior and middle management measured by the number of meetings in 2019  Preparation of Strategy Notes on key elements of the EIT/KIC model	Ongoing feedback collection among senior and middle management to assess quality of collaboration and to identify areas of improvement	Minutes of regular management meetings, regular meetings of the  Director with the units, ad-hoc project oriented cross-unit meetings as needed, quarterly workshops	Weekly meetings of the EIT Management Team held, list of open priority actions continuously maintained  The Director participated in several unit meetings as necessary, workshops were held in particular on simplification and transition to Horizon Europe
Strategic co-ordination and implementation between the EIT and the EIT GB and support services to the latter	Effective preparation and implementation of Governing Board (GB) and Executive Committee meetings, GB Working Groups meetings, Panel, GB	Effective and timely preparation and implementation of at least 4 regular GB meetings, 4 regular Executive Committee (ExCo)	GB, ExCo, KIC Hearing, minutes and decisions.	The EIT Governing Board held five regular meetings as planned and adopted 27 decisions, including the annual funding allocation to

	Rapporteur and other meetings with GB Members participation including the meeting(s) with the KIC Chairmen	Meetings, Annual KIC Hearing in compliance with all applicable rules and procedures		the eight KICs and the designation of EIT Manufacturing and EIT Urban Mobility. Furthermore, the EIT GB finalised the selection process and appointed the EIT Director in August 2019.
	GB member selection 2019 completed	Call for new GB members conducted by Q4 2019	6 new GB members proposed to the Commission for appointment	The selection of new GB members started in 2019 and is being finalised in 2020 (Commission decision on the appointment expected in June 2020).

#### 1.4.1.2. Planning, programming and reporting

Actions	Indicator	Target	Planned outputs	Main outputs
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 2020, Draft budget 2021, AAR 2018, Budget implementation report 2018, Report on budgetary and financial management 2018 produced and transmitted on time  EIT Governing Board adopts the Single Programming Document 2020-2022, Budget 2020 and Draft Budget 2021 by mid-Dec 2019	AAR 2018, SPD 2021-2023, Budget 2020, Draft budget 2021, Report on budgetary and financial management 2018	Budget 2020, Draft budget 2021, AAR 2018, Budget implementation report 2018, Report on budgetary and financial management 2018 produced and transmitted on time  Single Programming Document 2020-2022 was adopted by mid-December 2019, Draft SPD 2021-2023 and Draft Budget 2021 by end-January 2020, respecting the legal deadline of 31 January 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	Monthly budget execution reports mentioning the deviation to the forecast  Monthly procurement reports with comparison to the forecast  Bi-monthly summary reports for Commission and GB	Monthly budget execution reports mentioning the deviation to the forecast produced  Monthly procurement reports with comparison to the forecast  Bi-monthly activity reports for Commission and GB produced
Implementation of the Annual Work Programme	Timely implementation of the Annual Work Programme part of the SPD 2019	95% of activities implemented by Q4 2019	Consolidated Annual Activity Report 2019 (in 2020)	Completed with a few activities postponed to 2020 as presented in this current Report

#### 1.4.1.3. Internal control and risk management

Actions	Indicator	Target	Planned outputs	Main outputs
Internal Control Coordination	Achieves a high level of implementation of Internal Control Principles	Internal control principles are implemented and MoU with the Commission adhered to by Q4 2019	Annual review of implementation of IC principles  ICC coordination mechanism in place  Implementation of MoU with the Commission	EIT, in coordination with the EC, prepared for adoption the Commission Decision on Internal Control in order to endorse the IC principles as required.  Regular coordination meetings took place between the Director, Head of Unit SF and other relevant staff members in respect of ICC tasks  The MoU with the Commission was implemented on a continuous basis

Risk Assessment/Risk Management	Critical risks are identified and addressed	Critical risks are identified in the Annual Work Programme and action plans to address them are in place  80% of recommendations from the audit follow up register are closed	Report on critical risks in the Annual Work Programme Updated risk register  Updated audit follow up register	Critical risks were identified in the AWP and action plans, respectively mitigating measure were put in place  Out of the IAC seven recommendations, five have been implemented, one has been replaced and one is being implemented.
Implementation of the EIT Anti-Fraud Strategy	Timely implementation of the actions foreseen in the EIT Anti-Fraud Strategy	75% actions planned for 2019 implemented by Q4 2019	Improved anti-fraud procedures	85% of the actions foreseen in the Anti-fraud Strategy 2018-2020 were adopted, such us: Annual meeting of the EIT-KICs antifraud network held; Secure mail system in place; 2019 survey to the staff was launched and results were presented to management and staff.  Compulsory training session on ethics& integrity and antifraud; Annual fraud risk assessment was completed in 2019;

#### 1.4.2. Internal communication and work environment

Actions	Indicator	Target	Planned outputs	Main outputs
Internal Communication	Efficient internal communication structures are in place.	> 95% of staff is fully aware of the EIT and their own objectives and priorities (survey)		All staff in active employment concluded their annual objectives in writing

		<p>All EIT Director's decisions are communicated to staff</p> <p>Regular management and unit meetings take place</p> <p>Regular general staff meetings are organised following Governing Board meetings</p> <p>Implementation of the internal communication and work environment action plan</p>	<p>Agenda and minutes of weekly management and unit meetings</p> <p>Report on internal communication and work environment action plan</p> <p>Complete and updated job descriptions and objectives of staff</p>	<p>All decisions are available on the staff intranet immediately</p> <p>Weekly management meetings and regular unit meetings took place</p> <p>Regular general staff meetings were organised after each GB meeting</p> <p>Most actions implemented on a continuous basis</p> <p>Job descriptions were updated in 2019. Objectives were set for all staff in active employment.</p>
Conduct EIT staff engagement survey	Level of staff satisfaction	Increased staff satisfaction by end-2019 compared to previous survey	Regular annual staff survey EIT staff engagement survey provided by PwC under the Framework Contract for "Benchmarked Staff Engagement Surveys"	Staff Survey took place in October 2019 where 89% of the staff participated. The results were provided in December 2019 and were presented to and discussed with all staff. A management action plan was prepared.

## 1.4.3 Administrative support

### 1.4.3.1. Human resources

Actions	Indicator	Target	Planned outputs	Main outputs
HR Management - Recruitment	Timely and compliant completion of selection procedures	Publication of the vacancy notice within 6 weeks of a vacant post and completion of reserve lists within 5 months from the deadline for applications	Posts filled according to the adopted staffing and recruitment plan	Out of the 9 procedures launched in 2019, 7 procedures were launched within 6 weeks of a post becoming vacant and 8 reserve lists were completed within 5 months from the deadline of applications (the remaining selection procedure was completed within 5.5 months of deadline of vacancy notice).
HR Management - Training	Identification of in-house training courses in the learning and development plan	90% of training sessions provided according to plan	In-house training sessions completed	All (100%) of the planned training sessions as per the adopted office Training plan were implemented.
Implementation of the EIT Traineeships programme	Trainees support EIT activities and increase knowledge of EIT	Subject to budgetary constraints and needs of the Institute, at least 7 traineeships successfully completed in 2019	Traineeship reports	11 traineeships successfully completed in 2019.
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	Posts filled according to the adopted establishment plan  Interim staff contracts	4 vacant posts as at 31 December 2019 (two of which are SNE posts allocated, for which, notwithstanding suitable candidates available, hiring has proved challenging given the nature of



				contractual conditions for national authorities.)  New FWC signed in August 2019. Out of the 5 interim needs identified to cover long-term absences, 4 have been covered.
Implement obligations in the EIT staff Regulation	Effective and efficient implementation of provisions under the Staff Regulation	Adopt implementing rules of the Staff Regulation  Compliance with all provisions of staff rules and regulations in place  Timely completion of appraisal (by Q2) and reclassification (by Q3)	Finalised appraisal reports and reclassification exercise  Overview table on implementing rules	Appraisal exercise 2019 completed in Q2. Reclassification exercise for 2019 was completed within the required timeframe.  Overview table is recurrently updated and available on the EIT Intranet to all staff.
Ensure the effectiveness of human resources policies	Staff engagement	At least 65% staff satisfaction based on the result of the staff engagement survey	Staff engagement survey	Staff engagement survey was completed.
Introduction of SYSPER HR management system	Adoption of the SYSPER system after the analysis and customisation phases	SYSPER in production use by Q2 2019	SYSPER in place	SYSPER was efficiently introduced in December 2019.
Joint staff committee with CEPOL	Number of meetings between EIT management and staff committee	At least three meetings between EIT management and joint staff committee	Minutes of meetings, improvement measures/actions agreed	A joint staff committee was set up but resigned in the course of 2019 as several members left.
Staff support services	Effective staff support services provided	At least 3 new or improved support services launched (e.g. medical, host country support, reception service, canteen, social policy)	Additional staff support services in use	Medical services put in place.  Reception service tender cancelled.

### 1.4.3.2. Finance, procurement and accounting

Activity	Indicator	Target	Planned outputs	Main outputs
Implementation of the annual budget	High level of absorption of EIT funds	> 95% of non-grant commitment and payment appropriations absorbed by Q4	Monthly budget implementation reports,  Budget review Budget amendments, transfers	Execution of non-grant commitment appropriations stands at 95.24%, and of payment appropriations at 83.66% (total 97.03% for commitment appropriation and 97.57% for payment appropriation) 1 budget review 2 budget amendments and 5 transfers
Implementation of financial transactions	Legality and regularity of commitments and payments  Payments transferred in line with the legal due dates	For <2 % of commitments and payments errors are detected ex-post  Min 95% of payments are authorized in less than 27 days from registration (considering suspensions)	Commitment and payment transactions are processed in line with the applicable provisions  Total number of late payments below 5% in 2019	Commitment and payment transactions are processed in line with the applicable provisions  Total number of late payments is below 6% 92% of payments are authorized in less than 27 days from registration (considering suspensions)
Procurement	Efficient and effective procurement procedures completed  Managed EIT contract portfolio	85% procurement procedures completed in line with the 2019 procurement plan by Q4 (subject to the initiation of the operational units) including 100% of the prioritised	Concluded contracts	There was a total of 171 procurement procedures in the procurement plan with 104 procedures completed in 2019 and 3 procedure completed in early 2020. The remaining 32 were cancelled and

	Procedures implemented are compliant with the applicable rules	procurement procedures Structured contract portfolio information is available.  Less than 3% of procurement procedures trigger complaints / court cases	Internal report on number of complaints / court cases and their outcome.  Regularly updated procurement plan  Regularly updated contract portfolio	32 were postponed until 2020.  There were no formal complaints on procurement procedures in 2019.  The procurement plan was updated on an a regular (quarterly) basis
Accounting	Effective implementation of SLA with the Commission	Effective liaison with DG BUDG	EIT accounts prepared	Report on quarterly controls delivered in time; Cut-off bookings completed; EIT accounts prepared.

#### 1.4.3.3. ICT, document management and infrastructure

##### Management of Information and Communication Technologies (ICT)

Actions	Indicator	Target	Planned outputs	Main outputs
IT Strategy	IT Strategy adopted and implemented	Adoption and implementation of IT strategy and related master plan  Effective EIT IT governance	Strategy and projects implemented, new governance, infrastructure and software in place  IT SC meeting minutes	IT strategy was drafted and is expected to be adopted in 2020.  A draft for IT policy was prepared for adoption in 2020  IT SC minutes prepared.  EC Project Management Methodology (PM2) implemented.
IT Security Strategy (GISP)	Effective IT security strategy	Development of IT security strategy	IT strategy	IT Security strategy is being drafted,

		LISO designation  Mitigation measures implemented	LISO reports to EIT management  IT security threats eliminated or mitigated	planned to be adopted in 2020.  The scope was extended to General Information Security Policy  No LISO was designated in 2019, plans to designated a LISO in 2020.  IT security mitigating measures were implemented on recurrent basis, such as server updates, server upgrades, Firewall upgrade, VPN implemented for all staff members, Digital Certificates renewed, CERT-EU audits.
Awareness and trainings in the field of ICT	Number of trainings and awareness events	2	ICT facilities and services used in an appropriate and responsible manner	General staff meeting participation on communicating the roadmap of IT Section. Awareness emails and step-by-step procedures.
Servers' availability ensured	1. Servers' availability (average over one year) 2. Planned maintenance	1. > 96% 2. 4 days	1. Business continuity 2. Report on planned maintenance	2 incidents recorded regarding email services
Provide adequate ICT systems and infrastructure	Adequate IT and infrastructure tools available to staff and backup solutions in place  Hours of continuous downtime of systems minimised and timely	Make general and individualised IT systems available to all staff as required  Maximum three hour downtime of system per incident,	Available IT systems to all staff and external users  ICT systems operational and business	New storage architecture implemented New local backups architecture implemented New remote backups architecture implemented

Provide high availability for the DUNA Core Business web site	<p>response to user requests provided</p> <p>Minimum downtime of the EIT core business web site for Grant Management</p>	<p>&lt;10% of normal user requests require more than two working days to resolve</p> <p>&lt;10% of critical tickets are solved within hours</p> <p>Duna site availability &gt; 98%</p>	<p>continuity ensured.</p> <p>Reports on incidents and user requests</p> <p>Improved Duna user satisfaction for the provided services</p>	<p>Bandwidth increased from 100Mbps to 1Gbps</p> <p>Additional resources allocated to servers: Memory, Processor, disk space.</p> <p>Duna availability report: 99.99%</p> <p>Total Tickets: 936</p> <p>Incident open for less 48hours: 95</p> <p>Incident open for more than 48hours: 40</p>
IT equipment inventory	To be performed within 3 months after completion of inventory exercise	<ol style="list-style-type: none"> <li>1. Up-to-date ABAC ASSET Inventory with &gt;98% accuracy</li> <li>2. Complete retirement of a tangible long-lived asset end of Q3 2019</li> </ol>	<ol style="list-style-type: none"> <li>1. All assets are labelled and registered in ABAC Assets</li> <li>2.Virtual write off of items</li> </ol>	<p>All new equipment registered on inventory. However, IT is not yet in the asset register</p> <p>No equipment identified for disposal.</p>

### Document Management

Actions	Indicator	Target	Planned outputs	Main outputs
Document Management System	Reliable and comprehensive implementation of DMS	Comprehensive DMS (HAN) fully operational	Filing plan and Retention list in place  ARES maintained	The DMS has been implemented, HAN is fully operational
Organisation of archiving and storage	Adequate guidance and procedures in place	Full implementation	Archiving policy and guidelines	The guidelines on archiving and storage have been developed, final adoption is pending

				(legal/DPO considerations)
Data Protection	Implementation of new Data Protection rules	DPO action plan implemented	DPO progress reports	60% of the tasks in the DPO action plan have been implemented.

### Logistics and Building Management

Actions	Indicator	Target	Planned outputs	Main outputs
Real estate activities 1) Plans for new meeting room, offices at HQ 2) Reception service at HQ 3) Parking lots 4) Office space at EIT Liaison office	EIT premises in Budapest and EIT House in Brussels run effectively	Actions completed by Q4	1. Plans for new meeting room, offices (e.g. architectural, etc.) 2. Reception installed, service contracted 3. Additional parking lots contracted 4. Office space built and furnished at EIT House	1. Plans provided. New rental possibility under negotiation. 2. Reception installed but service postponed to 2020 due to unsuccessful procurement. 3. Increase in use of public transport resulted in no need for additional parking lots. 4. Office space built and furnished at EIT House.
Establish a coherent, integrated approach as regards security	EIT security delivered	Drafted and adopted by Q2 2019	Security rules Security notices	Postponed to 2020.
Awareness and training on safety and prevention	Staff safety ensured	Training delivered by Q4 2019	First aid training Training on work safety Updated intranet Annual fire inspections completed	First aid training provided; Training on work safety delivered on the first week of newcomers; Intranet site updated;

				Annual fire inspections completed.
Inventory management 1. Conduct an inventory cycle 2. Retirement of a tangible long-lived asset	Effective EIT inventory management through 1. Tracking rate 2. Retirement to be performed within 3 months after completion of inventory exercise	Up-to-date ABAC ASSET Inventory with >98% accuracy  Complete retirement of a tangible long-lived asset end of Q3 2019	All assets are labelled and registered in ABAC Assets  Virtual write off of retired items completed	All furniture is registered in ABAC Assets.  Annual inventory of furniture completed in time with 98.94% accuracy  Virtual write off of retired items postponed to 2020
Provision of adequate infrastructure	EIT staff have access to adequate infrastructure and facilities	In the course of the year	Completion of incidents and repairs of damages  Incidents register	Incidents solved and repairs completed in time

#### 1.4.4 Internal Audit Capability

Activity	Indicator	Target	Planned outputs	Main outputs
Provision of Internal Audit services	Timely preparation of the IAC audit plan	Audit plan adopted by the EIT GB by March 2019	Audit plan for 2019-2021	The EIT GB adopted the 2018-2020 IAC Audit Plan in November 2017. Based on this plan, the IAC adopted its own 2019 Annual Audit Plan in March 2019.
Provision of Internal Audit services	Timely production and transmission of IAC audit reports	Submission of the reports to the Director and to the Governing Board by end 2019	Reports on audit findings and recommendations in line with the audit plan.  Audit register maintained	The IAC's 2019 annual audit plan included 6 IAC engagements, of 4 were delivered by the year-end and 2 were postponed, at the request of management. Out of these two reports, the one on Budget Management was

				finalised on 15 January 2020. The other one on KICs' Business Plans was finalised on 07/05/2020, following the reception of management's comments in March 2020.
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# PART II

## MANAGEMENT

### 2.1. EIT Governing Board

The EIT Governing Board (EIT GB) consists of **12 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, except the ones substituting members who have resigned during their mandate, as they serve for the remaining term of office of the member having resigned. 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 four EIT GB members, including the Chair of the EIT GB and a Commission Observer.

During 2019, 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 were identified, appropriate measures were implemented depending on the associated risk level of the identified conflict.<sup>12</sup>

In 2019, the **EIT GB held four meetings in Budapest**, including the hearings of the eight KICs' business plans for 2020. Furthermore, the EIT GB **met the Chairs of the Supervisory Boards of the KICs** to discuss strategic issues in Dublin in June 2019. The Executive Committee met regularly via teleconference meetings to prepare the EIT GB meetings.

The EIT GB members took an **active role in the grant allocation process** for the KICs for the year 2020. Specifically, four EIT GB members acted as Rapporteurs for the four waves of KICs. The Rapporteurs visited one of the locations of the KICs, met the KICs' management and governance teams and followed up on the strategic recommendations put forward by the EIT GB in 2018 contributing strongly to the grant allocation decision. Furthermore, the EIT Governing Board finalised the selection process and appointed the EIT Director in August 2019.

Having regard to the end of mandate of eight EIT GB members on 30 June 2020, **the Board launched a selection procedure for up to eight members on 2 August 2019**.<sup>13</sup> The Call was launched via a news item that was published on the EIT's website.<sup>14</sup> All of the relevant decisions of the Board were included in the news item and were made publicly available on the EIT's website. The Call was extensively promoted across all of the EIT' social media channels and the EIT informed a wide range of stakeholders across Europe about the Call, including the EIT Member State Configuration, the Chairs of the EIT Knowledge and Innovation Communities (KICs), former and current members of the EIT Governing Board and umbrella organisations. In addition, the Call was promoted during key meetings and events

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<sup>12</sup> 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.

<sup>13</sup> Decision 13/2019 of 2 August 2019 on the 2019 Call Text for Expressions of Interest for the Appointment of up to eight new Members of the EIT Governing Board

<sup>14</sup> <https://eit.europa.eu/news-events/news/innovation-leaders-join-eit-governing-board-deadline-extended-21-october>

across Europe, including the EIT's annual conference, INNOVEIT 2019. The deadline for the Call was extended from 7 October to 21 October 2019 in order to ensure that candidates with appropriate qualifications and experience, representing of the various segments of the knowledge triangle, have the opportunity to apply. The EIT also advertised the Call in The Economist and POLITICO as well as in Science|Business' biweekly newsletter in September 2019. As a result of the Call, **the EIT received 185 applications**. In line with the provisions of the Call text, applications were assessed by a Steering Committee composed of three Governing Board members, which also conducted interviews with the highest scoring candidates, before submitting a proposed list of candidates to the EIT Governing Board. Finally, 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 (expected to take place in June 2020).

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 at various conferences under the Romanian and Finnish Presidencies of the Council of the EU. In 2019, the **EIT GB adopted 27 formal decisions**, which can be consulted on the EIT's website.<sup>15</sup>

## 2.2. Major Developments

In 2019, the **EIT Community continued to deliver** impact and ground-breaking innovations. The EIT Community has already supported over **2,000 start-ups and scale-ups**, which have raised more than **EUR 1.5 billion in investments** and brought over **900 new products and services** to the market. Additionally, more than **2,300 students** have graduated from EIT-labelled programmes and thousands more benefitted from entrepreneurship training. Further demonstrating the attractiveness of the EIT Community, **participations** in the Knowledge and Innovation Communities increased to more than **2,000** by the end of 2019.

Yet again, the **Global Cleantech 100 list and the Forbes 30 under 30 list** featured several entrepreneurs and innovators from the EIT Community. In January, nine EIT-supported innovative companies (out of 25 European ventures) were included in the Global Cleantech 100 list, which contains the companies that are best positioned to solve the future's cleantech challenges. In February, 11 entrepreneurs from the EIT Community was featured in Forbes' list of leading young entrepreneurs, bringing the total over the last four years to 43 EIT innovators.

On 11 July 2019, **the European Commission published its proposals for the EIT's Strategic Innovation Agenda (SIA) 2021-2027 and the new EIT Regulation**. The proposals place the EIT at the heart of Horizon Europe with a reinforced mandate, in particular in the areas of education and regional outreach, as well as a 25% budget increase. Although the proposals are subject to the EU's inter-institutional negotiations, one thing is certain: the EIT will continue to make innovation happen in the next 10 years.

At the beginning of August, the call for expressions of interest for the appointment of up to eight new members of the EIT Governing Board was launched. Also related to governance and management, **the EIT Governing Board appointed Martin Kern as the Director of the EIT on 19 August** following a rigorous selection procedure.

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<sup>15</sup> <https://eit.europa.eu/interact/bookshelf>

Also in August 2019, **the EIT-supported Northvolt became a unicorn** by raising more than USD 1 billion in a mega-round led by Volkswagen, BMW and Goldman Sachs. Soon after, they received a EUR 350 million loan from the European Investment Bank (EIB).

One of the main highlights of the autumn in 2019 was another **successful edition of the EIT's annual Innovation Forum, INNOVEIT**, which included the EIT Stakeholder Forum, the Innovation Tour as well as the EIT Awards Ceremony. The event showcased 24 of the EIT Community's most successful innovators and gathered over 400 participants, including over 50 journalists, resulting in more than 150 published articles to date. In the margins of the event, the 2019 edition of EIT Alumni CONNECT was organised.

The EIT Governing Board's hearings in November gathered, for the first time, eight EIT Knowledge and Innovation Communities (KICs). The hearings resulted in the allocation of the **highest ever EIT financial contribution of EUR 542.5 million** for the implementation of the KICs' Business Plans for 2020.

Another successful edition of the annual EIT Member State Configuration meeting was organised on 26 November 2019, gathering the representatives of 19 countries to discuss the EIT's achievements in 2019 and its future. In December 2019, **the EIT Community launched a new Hub in Tel Aviv** with an inauguration ceremony that brought together over 200 stakeholders from both the Israeli and European innovation ecosystem.

The EIT is committed to ensure compliance with the **new data protection rules** applicable for EU institutions, agencies and bodies<sup>16</sup>: following the entry into force of the new rules in December 2018, the EIT Interim Director approved the EIT's data protection action plan in early 2019. In accordance with this action plan, the EIT updated its data protection implementing rules, started to revise its internal processes and prepared a significant number of data protection records.

## 2.3. Budgetary and Financial Management

### Planning

The EIT's medium-term priorities were set out in its rolling Single Programming Document 2019–2021, which incorporates the annual work programme and financing decision for 2019. 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

The budget of the EIT amounted to 557 897 kEUR in 2019. For commitments, the EIT reached an implementation rate of 97%, which was significantly above the execution rate of 2018 (2018: 92%, 2017: 91%, 2016: 95%, 2015: 91%). This is mainly owing to better execution on all Titles. On Title 1, the execution rate increased from 96% to 98% that comes from better planning of salary expense, socio-medical costs and external staff costs. On Title 2, the appropriations were implemented at a higher rate than in 2018, namely at 89% (2018: 84%). This result is achieved by efficient implementation on building related activities, more predictable public transport costs as well as meeting costs. The

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<sup>16</sup> Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and replacing Regulation (EC) No 45/2001 and Decision (EC) 1247/2002/EC (OJ L 295, 21.11.2018, p. 39)

implementation rate of commitment appropriations on Title 3 (97%) is higher than in 2018 (92%) mainly owing to improvement in planning and implementation in the field of KIC grants, KIC audits, experts for business plan assessments and reporting and Alumni activities.

For payments, EIT maintained a high level of execution rate at 98%.

The EIT budget is financed mainly by European Commission subsidy (99%) and other revenues. 81% of other revenue comes from repayments of KIC grants following ex-post audits. The remaining 19% received from surplus for 2018 and other revenue from administrative operations.

### Amendments and transfers

Two budget amendments were adopted by the EIT Governing Board during the 2019 financial year. In addition, five transfers were approved by the EIT Director which were below the limit established by the EIT Financial Regulation.

### Carry-over/re-entry from previous financial years

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.

83.8% of the non-differentiated appropriations, namely the administrative appropriations carried over from 2018 to 2018 were paid, which represents an adequate level of execution, considering the nature of these expenses. However, the estimation of amounts to be carried over must be further improved.

Commitment appropriations resulting from assigned revenue received in 2018 and carried over to 2019 have been fully committed. The payment on budget line 2100 was not executed because the laptops that EIT ordered have not been delivered before the year-end.

The EIT Governing Board decided to carry over appropriations cancelled in 2018 on two administrative budget lines that related to the office space in Brussels rented in 2018. The new office space needed to be reconstructed that started in 2018 and completed in 2019, thus the funds not used in 2018 have been carried over to cover the cost of works and furniture completed and delivered in 2019. The final cost of works and furniture were less than expected.

In its decisions on budget amendment No 1, the EIT Governing Board decided to re-enter commitment appropriations cancelled in 2016 and payment appropriations cancelled in 2016 and 2018, on budget line 3000 KICs grants for the financial year 2019. The re-entered payment appropriations were fully utilised.

The remaining cancelled appropriations are booked on Title 4, where EIT collects cancelled appropriations not needed in the financial year. Title 4 allows to monitor the use of cancelled appropriation and be in line with the derogation for following the three-year rule that will come to an end in 2021.

### 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 outstanding commitments as of 31 December 2019 was EUR 146.2 million, which represents an increase of 31.5% compared to 2018.

The high amount of RAL is the result of the budget increase for KIC grants. 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.

Budget Title	2019	2018	2017	Change from 2018 to 2019, EUR	Change from 2018 to 2019, %
1 Staff expenditure	233,214.68	438,508.03	168,172.75	(205,293.35)	-46.8%
2 Infrastructure and operating expenditure	285,253.22	295,179.64	252,018.44	(9,926.42)	-3.4%
3 Operational expenditure	145,675,666.90	110,427,233.91	76,999,708.27	35,248,432.99	31.9%
TOTAL	146,194,134.80	111,160,921.58	77,419,899.46	35,033,213.22	31.5%

#### Details of RAL on all Titles

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. The level of amounts of staff related commitments (Title 1) carried over to 2020 is very low, namely 4.0%. On Title 2 the relatively high rate of 29.4% comes from the nature of these expenses as well as the starting date of the contracts that are other than January in most of the cases. 30.8% of differentiated appropriations (operational expenses) carried over from 2019 to 2020 owing to particularly 2019 KIC grants to be paid in 2020.

Budget Title	Commitments made	Outstanding	% of outstanding commitment and commitments made
1 Staff expenditure	5,829,058.23	233,214.68	4.0%
2 Infrastructure and operating expenditure	970,777.81	285,253.22	29.4%
3 Operational expenditure	473,720,597.02	145,675,666.90	30.8%
TOTAL	480,520,433.06	146,194,134.80	30.4%

#### Management information systems

The EIT used the following software during the financial year: BLUEBELL for budgetary planning and monitoring; ABAC Workflow for budget management, budgetary accounting and contract management; SAP for financial accounting (general accounting); SPEEDWELL for electronic payment workflow; Data warehouse for financial reporting; ABAC Assets for fixed asset management; MiMa for mission management; EMI for expert contract and payment management and the EIT collaboration platform “DUNA” for submission of KICs business plans and reports.

## 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. Comprehensive budget reports were made available to the organisation on the EIT Intranet. The allocation of financial resources was reviewed once in August and re-allocations were formulated where required.

## 2.4. Delegation and sub-delegation

The mechanism of delegation set up through an Internal Note signed by the EIT Director which permit to identify 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-limit. The function of Authorising Officer by sub-delegation is not applicable.

Co-delegation is applicable on the following budget lines:

- 1300 Mission expenses: Each AOD approves mission orders for her/his staff; all payments are authorised by Head of Unit Services and Finance;
- 1500 Training: each AOD approves training requests for her/his staff; all payments are authorised by Head of Unit Services and Finance;
- 3111 Planning, reporting and audits: AOD is Head of Unit Innovation Communities, 1% of the budget authorised by Head of Unit Strategy and Impact;
- 3202 Communications and Dissemination: AOD is Head of Unit Communication and Stakeholder Relations, 20% of the budget authorised by the other Heads of Units;
- 3303 Monitoring and evaluation: AOD is Head of Unit Strategy and Impact, 20% of the budget authorised by Head of Unit Innovation Communities.

Deputisation 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 deputisation. On a quarterly basis each AOD reports to the AO on the implementation of appropriations he/she is responsible.

## 2.5. Human Resources (HR) Management

### Recruitment

Nine selection procedures were launched according to the EIT recruitment guidelines adopted in July 2019. Five out of the nine selection procedures were launched in 2019 in order to ensure business continuity in critical functions, given the expiry of 10 contracts in 2020. The overall average time to complete all 9 selection procedures launched in 2019, was 4.05 months from the deadline of the vacancy notice to the establishment of the reserve list.

The traineeship call which was completed in January 2019, provided for the recruitment of 11 trainees in total, covering all units across the EIT.

Following the signature of the new framework contract for interim services in August 2019, the EIT proceeded to procure interim services to cover long-term absences, projects and peak workload, where identified. In total, since the inception of the new interim services framework contract, seven interim service contracts have been successfully concluded.

### Learning and development

The HR section proposes at the end of every year to the EIT management a training program map 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 Unit 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.

In November 2019, the HR Section submitted to the staff the general training plan which was adopted by management in December 2019.

The above mentioned 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 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 2019: Ethics & Integrity, Fraud prevention and detection, Writing with impact, data protection, in-house language courses, PMO Pension information session and Training on composite indicators, in addition to a team building activity and courses attended individually by staff members on external locations.

### Staffing situation

Out of the 70 posts allocated according to the 2020 establishment plan, 66 posts were filled as at 31 December 2020. Out of the 4 vacant posts as at 31 December 2019, two are SNE posts, which proved very challenging to fill in 2019, 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.

## 2.6 Strategy for efficiency gains

The EIT introduced dedicated IT systems by end-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 and also outsourced its Accounting Officer function to the European Commission. Furthermore, the EIT carried out an internal reorganisation and in 2018 finalised and updated all key Standard Operating Procedures. These measures translated into immediate efficiency gains. However, the EIT has been facing with an increasing complexity and workload as the Institute has grown and as a consequence of the full financial autonomy since 1 January 2018.

In the area of grant management, the EIT set up a Task Force for Simplification in 2015, with the involvement of KICs, in order to reengineer the grant-related business processes to reduce unnecessary administrative burden while maintaining a high level of assurance. As a first result, the EIT introduced a revised, "first time right" system for the assessment of KIC reports as from 2016. This revised process is estimated to have led to an efficiency gain of 0.5 FTE on an annual basis, which was absolutely necessary to be able to ensure an appropriate assessment of KIC reports and a high level of assurance despite the EIT's limited human resources. During 2019, the EIT continued to implement its simplification strategy aimed to align and optimise EIT-KIC business processes to reduce unnecessary administrative burden and controls, improve predictability and timeliness of decisions, coherence, clarity while increasing the focus on results; and to improve the internal processes through a thorough review, clarification and simplification of financial circuits, actors and procedures underlying transactions and improved use of IT tools. Based on 8 priority areas identified by EIT staff, the EIT launched simplification processes in these areas using the participatory leadership approach in order to increase efficiency and staff engagement. Furthermore, the EIT initiated a structured cooperation with the Commission's Common Implementation Centre in November 2017 with the aim to rely more on the accumulated knowledge and experience of the European Commission in implementing Horizon 2020.

In addition, in order to reduce costs, improve efficiency and promote best practices in the area of public procurement, the EIT participates in a number of inter-institutional procurement procedures of the European Commission and of other agencies, in particular, the EIT took part in: the call for interest for call expressions of interests for inter-agency confidential counsellors led by the EMA, procurement procedure for "Broker Services for Advertising Related to Recruitment" organised by EIOPA, and participation in the Management skills Assessment call organised by EIOPA for the recruitment of Heads of Unit. EIT uses several of the Commission's framework contracts for ordering services in order to achieve efficiency gains in its procurement activities. In addition, the EIT has a Memorandum of Understanding with CEPOL, also located in Budapest, covering several joint activities, like for instance, joint trainings courses or a joint medical tender concluded in 2018. Furthermore, the EIT and CEPOL have carried out a joint public procurement procedure for IT services. The EIT continues to work with CEPOL to explore further synergies such as conducting common procurement procedures or sharing services in the future. Finally, the EIT introduced a budget management IT system (Bluebell) and a paperless workflow system (Speedwell), developed by ERC, that has further increased the efficiency of operations. Representatives from other EU agencies were also invited to provide internal trainings at the EIT premises and EIT House, in particular, regarding Ethics & Integrity and Anti-fraud training to the KICs. This action contributed to reduce the costs of the budget allocated to the EIT trainings.

As a result of the above efficiency gains, the EIT has gained the equivalent of an estimated 2.5 FTE assistant positions. However, these efficiency gains have been immediately absorbed by an increasing workload related to the growing number of KICs, budget and tasks at the EIT. Consequently, the EIT has transferred several positions to the IC unit dealing with grant management in 2019.

The EIT will strive to achieve further efficiency gains in the following areas in 2020:



- Sharing services with other agencies (e.g. data protection, document management, IT security etc.) and the Knowledge and Innovation Communities (KICs);
- Targeted use of interim staff and trainees, 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;
- Complete the simplification exercise at EIT level in 8 high impact priority areas using the participatory leadership approach;
- Simplify internal processes and review procedures in view of the new EIT Regulation and Strategic Innovation Agenda.

## 2.7 Assessment of audit results and ex-post evaluations during 2019

### 2.7.1 Internal Audit Service (IAS)

The IAS finalised its 2019-2021 Strategic Internal Audit Plan for the EIT on 31 July 2019. Besides, the IAS finalised its audit on ex ante verification of payments to the KICs on 31 January 2019 as it was already covered in the EIT Annual Activity Report 2018. The IAS sent a note on the follow-up of outstanding recommendations from the audit on monitoring of grant agreements on 15/07/2019. The note concluded that recommendation 1 has been adequately implemented and that recommendations 2 and 4 were outstanding. Recommendation 3 was closed earlier.

### 2.7.2 Internal Audit Capability (IAC)

The 2019 Annual Audit Plan of the IAC included six engagements as follows.

**Audit on the Assessment of 2019 KICs' Business Plans and handling of amendments to the 2018 KICs' Business Plans:**

The draft report was finalised on 10 October 2019 and following contradictory procedure continued in 2020.

**The Audit on Budget Management** was finalised on 15 January 2020. The conclusion of the report was that the design of management and control systems set up by the EIT for budget management was adequate except for the budget monitoring process. The report contained eight recommendations, one rated as very important, two as important and five as desirable. The EIT Director accepted all recommendations and developed an action plan for their implementation.

**The IAC Validation of ABAC Access Rights** was finalised on 5 August 2019. The conclusion of the report was that the ABAC Workflow module authorisations contained six types of errors, the ABAC Accounting module authorisations were correct and that the ABAC Data Warehouse authorisations were correct except for the non-removal of the user ID of the previous Accounting Officer who left the EIT in April 2018. Beyond the corrections of the errors, the report included three other findings and recommendations, including two rated as important and one as desirable. The EIT Director accepted all recommendation except for one, which was partially accepted.

**2019 follow-up to past engagements** was finalised on 13 November 2019. Out of the 13 recommendations in the scope of this follow-up audit, two recommendation have been closed and two have been replaced.

The **Letter to management on the EIT schooling policy** was finalised on 1 October 2019. The letter included three recommendations, including one rated as important and two rated as desirable. The Director accepted all recommendations and developed an action plan.

A consultancy on EIT staff survey on Ethics, Integrity and Anti-Fraud was finalised on 22 March 2019.

## 2.7.3 European Court of Auditors (ECA)

### Financial (discharge) audit on year 2018

The European Court of Auditors published its annual audit report on the EIT on 15 October 2019, **issuing an unqualified (clean) opinion stating that all expenditure and revenue presented in the EIT's 2018 accounts are „legal and regular in all material respects“**. Based on the audit report, the CONT Committee of the European Parliament voted, on 20 February 2020, in favour of granting discharge to the Director of the EIT in respect of the implementation of the EIT budget in 2018. Finally, the **European Parliament granted discharge to the Interim Director of the EIT** following a vote in the plenary session on 14 May 2020.

### Financial (discharge) audit on year 2019

ECA carried out two audit missions in respect of the EIT's financial year 2019, in September 2019 and in March 2020, resulting in minor preliminary findings. According to the preliminary observations received from the Court of Auditors in May 2020, the ECA will issue an unqualified (clean) audit opinion on the EIT's 2019 accounts as well.

## 2.8 Follow up of recommendations and action plans for audits and evaluations

As reported in the EIT's Annual Activity Report for 2018, the EIT and the Commission had implemented the actions stemming from the recommendations of the ECA Special Report 4/2016 and was on track to implement the only open action, which referred to the amendment of the EIT Regulation as follows.

**Recommendation No 1: The Commission should propose an amended EIT legal basis to the European Parliament and Council, revising the EIT's funding model.** *“The KIC activities not funded by the EIT should not be included in the calculation basis when determining the EIT'S financial contribution to the KICs, as was the case in the original 2008 legal basis establishing the EIT. Removing the 25 % funding condition would alleviate much of the operational and financial reporting burden of the KIC partners. The leverage effect should be measured to demonstrate the EIT's success in attracting additional funding for innovation.”*

The Commission Proposal for the recast EIT Regulation was published on 11 July 2019, in which the above mentioned 25% funding condition had been removed and a new funding model had been proposed. Therefore, the EIT and the Commission have implemented all actions resulting from the recommendations of the ECA Special Report 4/2016.

The EIT was subject to a new horizontal performance audit covering all EU agencies in the course of 2019. The Court's audit report has not yet been issued as of May 2020.

## 2.9 Follow up of observations from the Discharge authority

In response to the European Parliament decision of 26 March 2019 on discharge in respect of the implementation of the budget of the EIT for the financial year 2017, the EIT informed the Discharge Authority of follow-up actions taken and progress made in respect of observations made by the European Parliament on 26 August 2019. In particular, the following actions have been taken in order to address the observations of the European Parliament.

As regards budgetary and financial management, the EIT's efforts to improve its budgetary processes during the 2018 financial year resulted in a commitment implementation rate of 92 %, compared to 91 % in 2017. This increase in the commitment implementation rate is mainly owing to an increase in commitment execution in operational expenditure and, in particular, grants for the EIT Knowledge and Innovation Communities (KICs). The EIT is fully prepared to move towards multi-annual grant agreements with the EIT KICs in the post-2020 period, which will further improve the rate of implementation of commitment appropriations. The EIT's ability to implement such agreements is, however, dependent on the budgetary allocation to the EIT for 2021 to 2027 as well as the Institute's future legal basis (i.e. the EIT Regulation and the EIT Financial Regulation). Furthermore, the EIT is continuously working to encourage KICs to generate their own revenues with the aim of becoming financially sustainable. All of the fully operational EIT KICs are now generating their own revenues. From 2017 to 2018, the total revenues of the EIT's two first waves of KICs (EIT Climate-KIC, EIT Digital, EIT InnoEnergy, EIT Health and EIT RawMaterials) increased by more than 43 percent from around € 24 million in 2017 to over € 34 million. EIT InnoEnergy had the largest increase from almost € 5 million in 2017 to over € 11 million in 2018, constituting a 124 % increase. EIT Food, which completed its first whole year as a fully operating KIC in 2018, generated more than € 4 million in revenues in 2018. Financial sustainability is a key priority among all of the EIT KICs and they are taking major steps towards generating revenues from a diverse set of sources.

As regards the Discharge Authority's recommendation for the EIT to refrain from relying too heavily on temporary contracts, the EIT pointed out that, in accordance with the provisions of the EIT's adopted establishment plan, the EIT can only employ Temporary Agents (TAs), Contract Agents (CAs) and Seconded National Experts (SNEs). Furthermore, the EIT can only offer time-bound contracts according to the provisions of the current EIT Regulation. Thus, the issue is beyond the EIT's control as it cannot employ permanent officials under the current legal framework.

Furthermore, the Discharge Authority *"took note of the fact that the Institute is structurally understaffed, as also endorsed by the Court in its Special Report No 4/2016; regretted that the Institute's requests to significantly increase its staff capacity have been declined by the Commission; called on the Institute to report to the discharge authority of any developments in this matter"*. As a response, the EIT requested the European Commission to grant it seven additional posts from 2020 onwards, moving from 70 to 77 staff members, to address the structural understaffing of the EIT and to be able to fully implement the EIT's work programme planned for 2020. This request was not granted by the European Commission. Furthermore, the European Commission's proposal for the EIT Legislative Package foresees no further increases in EIT staffing post-2020. The EIT's proposed new mandate, tasks and budget should be matched with an increase in its human resource allocation, as the Court has highlighted on several occasions that the EIT is already structurally understaffed.

The EIT made considerable efforts and put forward several requests to solve the issue related to the expiry of contracts of ten staff members in 2020. However, the EIT's requests were not met by the European Commission. As a result, the EIT could not offer contract extensions to the staff members whose contracts expire in 2020-2021 based on the provisions of the current EIT Regulation. Thus, the EIT has taken the necessary steps to launch calls for expressions of

interest for these key positions to ensure the continuity of its operations. The reference to fixed-term contracts of EIT staff is removed in the European Commission's proposal for the EIT Regulation (recast), which is now subject to negotiations between the European Commission, the European Parliament and the Council.

As far as procurement is concerned, the EIT introduced e-tendering and e-submission in 2018. The Institute has already processed several call for tender procedures via these e-procurement tools in 2019.

Following the findings of the Court in 2016 relating to procurement procedures of the KIC LEs, the EIT contracted external experts to review the KICs' procurement policies and procedures in 2016 to 2017. Following this review, the EIT introduced new provisions in the KICs' Specific Grant Agreements (SGAs) for 2018 to ensure that the KIC Legal Entities have procurement policies that are aligned with the main requirements of EU public procurement law. These provisions were drafted in line with what was agreed with the KICs as a follow-up of the expert assessment. In addition to the new provisions in the 2018 SGA, EIT Procurement Guidelines were prepared and sent to the KICs in December 2017. In accordance with these guidelines, the KIC Legal Entities are obliged to put in place a comprehensive procurement policy ensuring compliance with the main principles of transparency, equal treatment, non-discrimination and competition. In 2019, the EIT launched a new monitoring activity on the procurement policies and procedures of the KIC LEs and their Co-Location Centres (CLCs) as a part of the EIT's monitoring plan for 2019 and a follow up to the 2016-2017 expert assignment. This activity covers the first, second and third waves of KICs (EIT Digital, EIT Climate-KIC, EIT InnoEnergy, EIT Health, EIT RawMaterials and EIT Food). It does not cover the fourth wave of KICs (EIT Manufacturing and EIT Urban Mobility), since these two KICs are still in the start-up phase. It is also pertinent to note that the Court of Auditors did not report any such findings in 2018.

To address risks related to governance, the EIT reviews the KICs' compliance with the EIT's good governance principles. The 2018 assessment of the KICs' implementation of good governance principles was finalised in September 2018. This assessment addressed the recommendations that were put forward by the Commission's Internal Audit Service as follows:

- The EIT has developed a more specific questionnaire for the KICs' self-assessment and reporting;
- The EIT has set up a repository with all relevant documents supporting the analysis of KICs' adherence to the Good Governance Principles;
- The EIT has developed an assessment grid, based on the self-assessment questionnaire provided to the KICs;
- Before concluding the assessment, the EIT developed a set of mitigation measures/responses for the KICs to address identified weaknesses.

The 2019 assessment, as a part of the 2018 performance assessment of the KICs, was finalised in July 2019. According to the findings of the 2019 assessment, five out of six established KICs generally addressed the Good Governance Principles well, while one KIC was improving its performance.

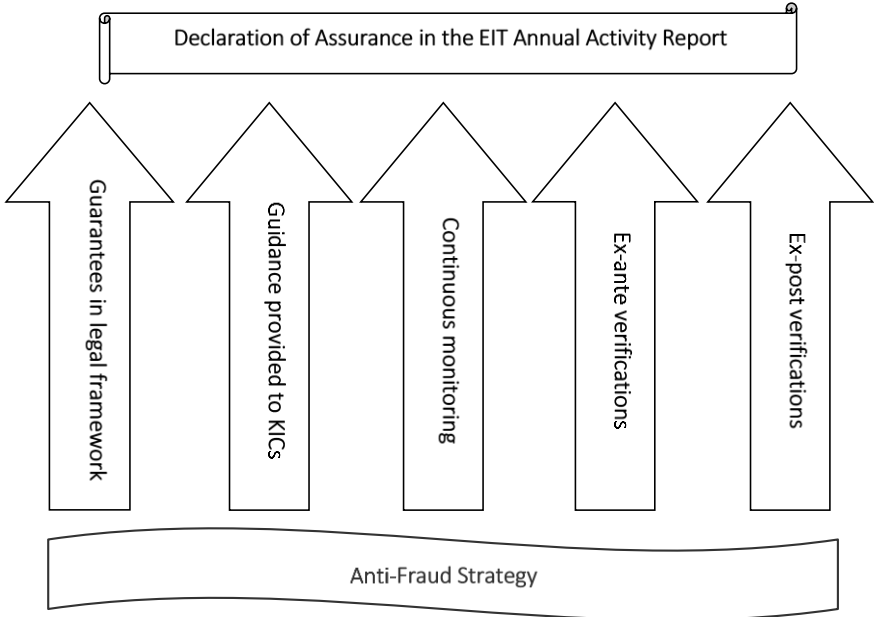
## 2.10 Environment management

Sustainability, including a "green" office environment has always been a priority for the EIT and is within the objectives of the EIT. The office has consistently implemented a package of measures in this regard, such as collection and disposal of used paper for recycling, waste sorting, utilisation of eco-friendly detergents by the cleaning company, etc. In addition to that, there is an ongoing trend towards a paperless office – the EIT has reduced substantially the paper documentation in the last two years by the introduction of the document-management system ARES as well as by other MIS, such as EMI and SYSPER2. In 2019, the office discontinued using plastic bottles and installed water filters,

thus providing an alternative source of drinking water for the EIT staff and visitors. Last, but not least, in order to contribute to a reduced carbon footprint by reduction of travel by air, the EIT is consistently optimising its missions plan and has been transitioning to videoconferencing for meetings with external partners and job interviews. Furthermore, the EIT has put in place a public transport costs refund policy, thus motivating a large percentage of staff to decrease the use of own vehicles. The EIT is also looking at the “green” office initiative beyond its own office, but also at the level of its KICs – many of them have introduced measures supporting environmental sustainability at the level of their organisations, but in addition to that EIT supports a cross-KIC discussion focused on exchange of such practices and adoption of common baseline.

### 2.11 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 H2020 legal framework and model agreements are taken over by the EIT and incorporated in the Framework Partnership Agreements (FPA) and Specific Grant Agreements (SGA) signed with KICs. In 2019, relevant guidelines were made available providing detailed instructions to KICs, for example Guidelines for the 2020 KIC Business Plan and estimated budget, Guidelines for KIC Reporting 2018 and Guidelines for application of simplified cost options for the EIT Labelled education programmes. 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 H2020 Participant Guarantee Fund which is an additional financial risk mitigating measure.

In 2019, final balance payments were executed for closing the SGA 2018 with six 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 Financial Statements (CFS) issued by independent auditors. The CFS methodology is fully aligned with H2020, as stipulated in an annex of the SGA. However, contrary to other H2020 programmes, CFS auditors were contracted directly by the EIT and not by grant beneficiaries, which improved quality and provided a higher level of assurance. 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/partner coverage for the ex-ante verification of 2018 grants are shown in the following table:

	EIT Climate- KIC	EIT Digital	EIT Inno Energy	EIT Health	EIT Raw Materials	EIT Food	TOTAL
<b>KAVA cost reported (MEUR)</b>	105.5	93.0	90.5	56.0	64.1	31.9	<b>441.1</b>
<b>EIT grant requested (MEUR)</b>	81.0	70.3	80.8	51.6	52.3	21.8	<b>357.8</b>
<b>EIT grant approved and paid (MEUR)</b>	81.0	70.3	80.8	50.6	51.0	21.0	<b>354.7</b>
<b>EIT grant approved and paid (% of grant requested)</b>	100.0	100.0	100.0	98.1	97.4	96.6	<b>99.1</b>
<b>KAVA cost covered by CFS (MEUR)</b>	75.4	66.8	77.6	35.3	44.2	20.1	<b>319.4</b>
<b>KAVA cost covered by CFS (%)</b>	71.4	71.8	85.7	63.0	68.9	63.1	<b>72.4</b>
<b>Number of KIC partners / linked third parties claiming EIT grant</b>	263	148	189	150	301	80	<b>1,131</b>
<b>Number of KIC partners / linked third parties covered by CFS</b>	49	43	36	30	49	18	<b>225</b>
<b>% of KIC partners/ linked third parties covered by CFS</b>	18.6	29.1	19.0	20.0	16.3	22.5	<b>19.9</b>
<b>Cost rejection by EIT based on financial assessment (MEUR)</b>	3.0	0.7	2.4	1.6	1.6	1.1	<b>10.5</b>
<b>Ineligible costs (%)</b>	2.5	1.0	2.8	2.9	2.7	3.5	<b>2.5</b>
<b>Grant reduction by EIT based on technical assessment (MEUR)</b>	0.6	3.4	1.8	1.7	0.8	1.0	<b>9.3</b>

Taking into consideration the high coverage and the generally good quality of 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 SGA 2018, 27 KIC Partners (7 for EIT Climate KIC, 6 for EIT Digital, 4 for EIT InnoEnergy, 4 for EIT Raw Materials, 5 for EIT Health and 1 for EIT Food) were selected for ex-post audits. In order to ensure representativeness, the KIC partners in the sample were selected by applying monetary unit sampling method. As a second stage, for each partner a sample of 6 cost items was selected for testing. The sampling was done in collaboration with the European Court of Auditors, who relies mostly on the results of ex-post audits when drawing its opinion on the legality and regularity of grant implementation by the EIT.

The ex-post audit process was initiated in September 2019, on-site visits took place in November and December 2019, and the whole process was completed in March 2020. The audited KAVA cost covered 2.41% of the KAVA cost approved for the SGAs 2018. As a result of the ex-post audits, the detected error rate equals to 1.41%. The residual error rate after ex-ante and ex-post controls is 1.40%, which is below the materiality level of 2.00% established in the EIT's control strategy. As a conclusion, the EIT considers that grants paid as part of the 2018 SGAs are free from material errors.

## PART III

# ASSESSMENT OF THE EFFECTIVENESS OF THE INTERNAL CONTROL SYSTEMS

### 3.1. Effectiveness of internal control systems

The EIT has put in place an operational and efficient system of Internal Controls. There is an appointed Internal Control Coordinator (ICC) and a Deputy ICC in place. In 2019, the functions continued to be assigned to the Head of Unit Services and Finance and to the Head of Section Finance and Procurement, respectively. The ICC focal points prepare

in coordination with the Director an annual plan for ICC related activities and respective measures to be implemented. During the reporting period the efforts in the IC area were focused on:

- Review and update of the Risk Register in cooperation with all Units and adopted by the EIT Management;
- Periodical review of internal Decisions, Guidelines, SOPs and other internal documents with a focus on internal controls;
- Maintaining a register of exception reports and non-compliance events;
- Providing IC-related reporting as needed;
- Preparing in November 2019 the Decision on the adoption of the Internal Control Framework of the EC, which was adopted by the EIT GB in January 2020.

As the majority of the EIT's budget is spent on (co-)financing the added-value activities of the Knowledge and Innovation Communities via grants, the main building block of the EIT's internal control system is the grant assurance strategy as outlined in section 2.11 above. The grant assurance strategy and its building blocks worked effectively in 2019 as demonstrated by the results of the ex-ante and ex-post verifications and by the audits of the European Court of Auditors. Furthermore, a supervisory review by the European Commission in 2019 confirmed the effectiveness of the internal controls employed by the EIT. Finally, the EIT put in place a mechanism in 2019 where the EIT Director, the Internal Control Coordinator and the Internal Audit Capability meet regularly and coordinate internal control issues.

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

As mentioned here-above, the ICC focal points managed as part of their portfolio the register of exceptions and non-compliance reports. EIT reported 5 exceptions and 4 non-compliance events during 2019. In addition to the fact that the number of exceptions is small, it needs to be indicated that registered issues had a negligible financial impact and were not related to fraudulent actions, but rather to non-intentional omissions of steps in certain processes. All of these issues were detected almost immediately after the omissions, respective reports were prepared and registered, and preventive measures were put in place for future reference.

As a challenge to its ICC function, EIT has acknowledged the fact that delegating the ICC function to a management staff with other functions, as was the case in 2019, is not optimal as ICC is a demanding function requiring a full-time post, ideally placed in the Director's Office due to its cross-cutting nature. Therefore, the EIT decided to establish an ICC function within Director's Office in 2020 to raise assurance and improve internal control. This function is also required for an effective implementation of the newly adopted internal control framework.

#### Fraud prevention and detection

The EIT has a sound anti-fraud system in place. An anti-fraud focal point (AFP) has been appointed by the EIT Director's Decision, which has been updated annually. Among other responsibilities, the AFP prepares an AF Strategy, which is adopted by the EIT Governing Board together with an Action Plan, thus implementing AF criteria, measures and follow up actions. In addition to that, there is an Ethics and AF training, which takes place every year and is mandatory for all staff. Moreover, EIT is subject to frequent audits and reviews, including ones carried out by ECA, IAS, Mazars (audit of annual accounts), supervisory reviews by DG EAC and IAC, which have not detected any fraudulent activities during the reporting period. It is important to note that the EIT has also put in place a sound risk management system, which detects and defines critical risks and respective mitigating measures, and there is a separate risk register dedicated to fraud-related risks and respective measures, which is reviewed and revised periodically.

As part of the EIT Anti-Fraud strategy, the EIT set up an EIT-KICs Anti-fraud Network, which met in Brussels on 7 November 2019. Representatives from the European Anti-Fraud Office (OLAF) joined the meeting and delivered a



presentation for the KICs, as did the EIT Anti-fraud coordinator. Reiterated in the meeting was the need for closer cooperation between the EIT and KICs on implementation of anti-fraud measures in all KICs, in particular on ensuring the proper implementation and follow-up of the KICs' anti-fraud action plans. The EIT also encouraged those KICs with deficiencies in anti-fraud activities to urgently adopt anti-fraud strategies and anti-fraud action plans. The KICs were also advised to increase the level of responsibilities to public requests or complaints.

The EIT started an assessment of the KIC procurement policies and HR policies in 2019, where the field of anti-fraud is also part of the assessments. The EIT Anti-fraud team also started to work to establish an EIT-KIC anti-fraud platform. This IT platform will be a tool to reinforce and encourage the exchange of information and sharing best practices between the EIT and the KICs antifraud contact points. It will also be used as a forum for discussion to promote and encourage the effective exchange of information using the available expertise in this area.

The Anti-fraud Team kept regular contacts with OLAF throughout 2019 in the context of ongoing investigations or requests for information regarding any potential allegations submitted to OLAF.

## 3.2. Conclusions of assessment of internal control systems

The EIT has reached the following conclusions on the assessment of its internal control systems:

- EIT has in place a well-functioning internal control and fraud prevention structure with solid plans to further strengthen it;
- All main tasks of the ICC function, such as risk register, exception register, regular planning and reporting were carried out in a timely manner in 2019;
- The overall quality of the internal controls of the office are backed by external and internal audit reports as well as by the positive conclusion of the supervisory review carried out by the Commission (DG EAC) during 2019;
- Further improvements will be achieved by recruiting a full-time dedicated ICC during 2020.

## 3.3. Statement of the manager in charge of risk management and internal control

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

*I, the undersigned, Tzvetan Zafirov,*

*Manager in charge of risk management and internal control within EIT,*

*In my capacity as Manager in charge of risk management and internal control, I declare that in accordance with the EIT's Internal Control Framework, I have reported my advice and recommendations on the overall state of internal control in the Agency to the 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, date: 10 June 2020*

*/signed/*

*Tzvetan Zafirov*

*Head of Unit Services and Finance*

# PART IV

## MANAGEMENT ASSURANCE

### 4.1 Review of the elements supporting assurance

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 a 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 draw attention to the remaining critical risk concerning the limitation of the EIT's staffing capacity that gives rise to significant risk as to the legality and regularity of future grant payments and the EIT's ability to achieve its strategic objectives set out in its Strategic Innovation Agenda for 2014-2020 and proposed Strategic Innovation Agenda 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 2019 expenditure in the EIT's accounts.

Nevertheless, as indicated in this report, there is an inherently higher risk level of the EIT that can only be addressed through the full implementation of mitigation measures. As some of these measures are under the control of other institutions than the EIT, the EIT Director cannot reduce this critical risk to an acceptable level and fully ensure that the EIT reaches its objectives without the indicated measures being implemented by these institutions.

As explained, the EIT has been structurally under-staffed to perform its tasks as confirmed at various occasions by the European Court of Auditors and as is recognised by the EIT Governing Board. The European Commission has been asked to address the structural understaffing of the EIT and provide an adequate level of resources in the establishment plan. Unfortunately, these requests were not granted despite of the confirmation by the European Court of Auditors of the EIT's structural understaffing. This means that 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. In particular, as the EIT has not been provided with the requested staff resources to fulfil its mandate, 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.

Despite its structural under-staffing, the EIT has been able to achieve lower error rates than the average for the Horizon 2020 up to now due to its improved grant assurance strategy relying on thorough ex-ante and ex-post verifications as well as continuous guidance provided to its beneficiaries (KIC Partners). However, with the sharp increase in the number of grant beneficiaries and even more ambitious targets set in the draft 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.

The alternative course of action for the EIT is to reduce or stop other operational activities, creating negative operational and reputational impact for the EIT, as it will not be able to achieve its objectives set out in the Strategic Innovation Agenda for 2014-2020 and the proposed Strategic Innovation Agenda 2021-2027.

The EIT is in the process to implement further measures to ensure core functions are maintained, for example through the development of shared services, cooperation with other EU Agencies, implementation of further efficiency gains (e.g. via e-services), a simplification drive across the EIT following a participatory leadership approach, an increased outsourcing of non-core tasks, extended use of interim staff, trainees and external experts. At the same time, several synergy initiatives with positive potential high impact will have to be delayed, minimised or discontinued. However, these measures have limitations in their scope and effectiveness. Consequently, a residual error rate below the materiality level of 2% cannot be necessarily assured in future years while the funds entrusted to the EIT are not balanced with an adequate staffing level.

# 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: 10 June 2020

/signed/

Martin Kern

# ANNEXES

# Annex I: Validated EIT core KPIs (Grant Agreements 2018)

EIT core KPI		EIT Digital	EIT Climate-KIC	EIT InnoEnergy	EIT Health	EIT Raw Materials	EIT Food
EITN01	# Graduates from EIT labelled MSc and PhD programmes	257	92	230	35	23	-
EITN02	# Start-ups created by students enrolled and graduates from EIT labelled MSc and PhD programmes	5	1	3	0	0	-
EITN03	# Products (goods or services) or processes launched on the market	74	109	26	16	50	3
EITN04	# Start-ups created as a result of innovation projects	7	3	2	5	1	1
EITN05	# Start-ups supported by KICs	68	278	93	255	47	65
EITN06	Investment attracted by start-ups supported by KICs	€ 233,128,571	€ 128,748,000	€ 20,065,986	€ 49,675,000	€ 122,189,314	€ 21,490,979
EITN07	# Success stories submitted to and accepted by EIT	8	78	15	35	20	6
EITN08	# External participants in EIT RIS programmes	24	190	221	112	133	266
EITN8.1	# External participants	15	112	187	112	89	266

	(individuals) in EIT RIS programmes						
EITN8.2	# External participants (organisations) in EIT RIS programmes	9	78	34	0	44	-
EITN09	Budget consumption of KICs	80.74%	95.77%	92,17%	87,56%	92,47%	78,62%
EITN10	Error rate of KICs	1.01%	2,53%	2,83%	2,90%	2,74%	3,49%
EITN11.1	Financial Sustainability (FS): revenue of KIC LE	€ 5,134,925.13	€ 4,245,982.67	€ 11,026,600.00	€ 6,950,000.00	€ 8,656,069.51	€ 4,344,844.86
EITN11.2	Financial Sustainability (FS): FS coefficient	7.31%	5.24%	13.65%	13.89%	16.99%	20.46%



# Annex II: Statistics on financial management

Breakdown and changes in commitment and payment appropriations per chapter:

Title, Chapter	Heading	VOTED BUDGET (Dec. 2017)		AMENDMENTS/TRANSFERS		RE-ENTRY		ASSIGNED REVENUE		FINAL BUDGET	
		Commitment appropriations (EUR)	Payment appropriations (EUR)	Commitment appropriations (EUR)	Payment appropriations (EUR)	Commitment appropriations (EUR)	Payment appropriations (EUR)	Commitment appropriations (EUR)	Payment appropriations (EUR)	Commitment appropriations (EUR)	Payment appropriations (EUR)
<b>1</b>	<b>STAFF EXPENDITURE</b>	<b>5,638,500.00</b>	<b>5,638,500.00</b>	<b>321,010.00</b>	<b>321,010.00</b>	<b>0.00</b>	<b>0.00</b>	<b>7,218.71</b>	<b>7,218.71</b>	<b>5,966,728.71</b>	<b>5,966,728.71</b>
11	Staff in active employment	4,575,000.00	4,575,000.00	316,800.00	316,800.00	0.00	0.00	6,197.01	6,197.01	4,897,997.01	4,897,997.01
12	Recruitment expenses	30,000.00	30,000.00	-7,000.00	-7,000.00	0.00	0.00	0.00	0.00	23,000.00	23,000.00
13	Mission	230,000.00	230,000.00	39,400.00	39,400.00	0.00	0.00	1,021.70	1,021.70	270,421.70	270,421.70
14	Socio-medical infrastructure	125,500.00	125,500.00	5,650.00	5,650.00	0.00	0.00	0.00	0.00	131,150.00	131,150.00
15	Training	80,000.00	80,000.00	-23,000.00	-23,000.00	0.00	0.00	0.00	0.00	57,000.00	57,000.00
16	External staff and linguistic support	595,000.00	595,000.00	-9,340.00	-9,340.00	0.00	0.00	0.00	0.00	585,660.00	585,660.00
17	Representation	3,000.00	3,000.00	-1,500.00	-1,500.00	0.00	0.00	0.00	0.00	1,500.00	1,500.00

2	<b>INFRASTRUCTURE AND OPERATING EXPENDITURE</b>	<b>1,147,157.20</b>	<b>1,147,157.20</b>	<b>-57,580.00</b>	<b>-57,580.00</b>	<b>26,892.80</b>	<b>26,892.80</b>	<b>2.42</b>	<b>2.42</b>	<b>1,116,472.42</b>	<b>1,116,472.42</b>
20	Building and associated costs	153,300.00	153,300.00	-30,600.00	-30,600.00	15,000.00	15,000.00	2.42	2.42	137,702.42	137,702.42
21	Information and communication technology	433,237.86	433,237.86	-48,850.00	-48,850.00	1,112.14	1,112.14	0.00	0.00	385,500.00	385,500.00
22	Moveable property and associated costs	13,619.34	13,619.34	6,200.00	6,200.00	10,780.66	10,780.66	0.00	0.00	30,600.00	30,600.00
23	Current administrative expenditure	353,000.00	353,000.00	27,000.00	27,000.00	0.00	0.00	0.00	0.00	380,000.00	380,000.00
24	Publications, information, studies and surveys	11,000.00	11,000.00	9,500.00	9,500.00	0.00	0.00	0.00	0.00	20,500.00	20,500.00
25	Meeting expenses	183,000.00	183,000.00	-20,830.00	-20,830.00	0.00	0.00	0.00	0.00	162,170.00	162,170.00
3	<b>OPERATIONAL EXPENDITURE</b>	<b>488,223,316.62</b>	<b>426,519,964.14</b>	<b>-191,928.08</b>	<b>-17,604,098.09</b>	<b>1,551,579.23</b>	<b>8,560,847.33</b>	<b>34,037.71</b>	<b>34,037.71</b>	<b>489,617,005.48</b>	<b>417,510,751.09</b>
30	Grants	482,257,316.62	420,361,964.14	1,052,871.92	-16,550,328.09	1,551,579.23	8,560,847.33	34,037.71	34,037.71	484,895,805.48	412,406,521.09
31	Knowledge and Innovation Communities	3,532,000.00	3,762,000.00	-827,500.00	-822,000.00	0.00	0.00	0.00	0.00	2,704,500.00	2,940,000.00
32	EIT's impact	2,295,000.00	2,257,000.00	-357,300.00	-220,270.00	0.00	0.00	0.00	0.00	1,937,700.00	2,036,730.00

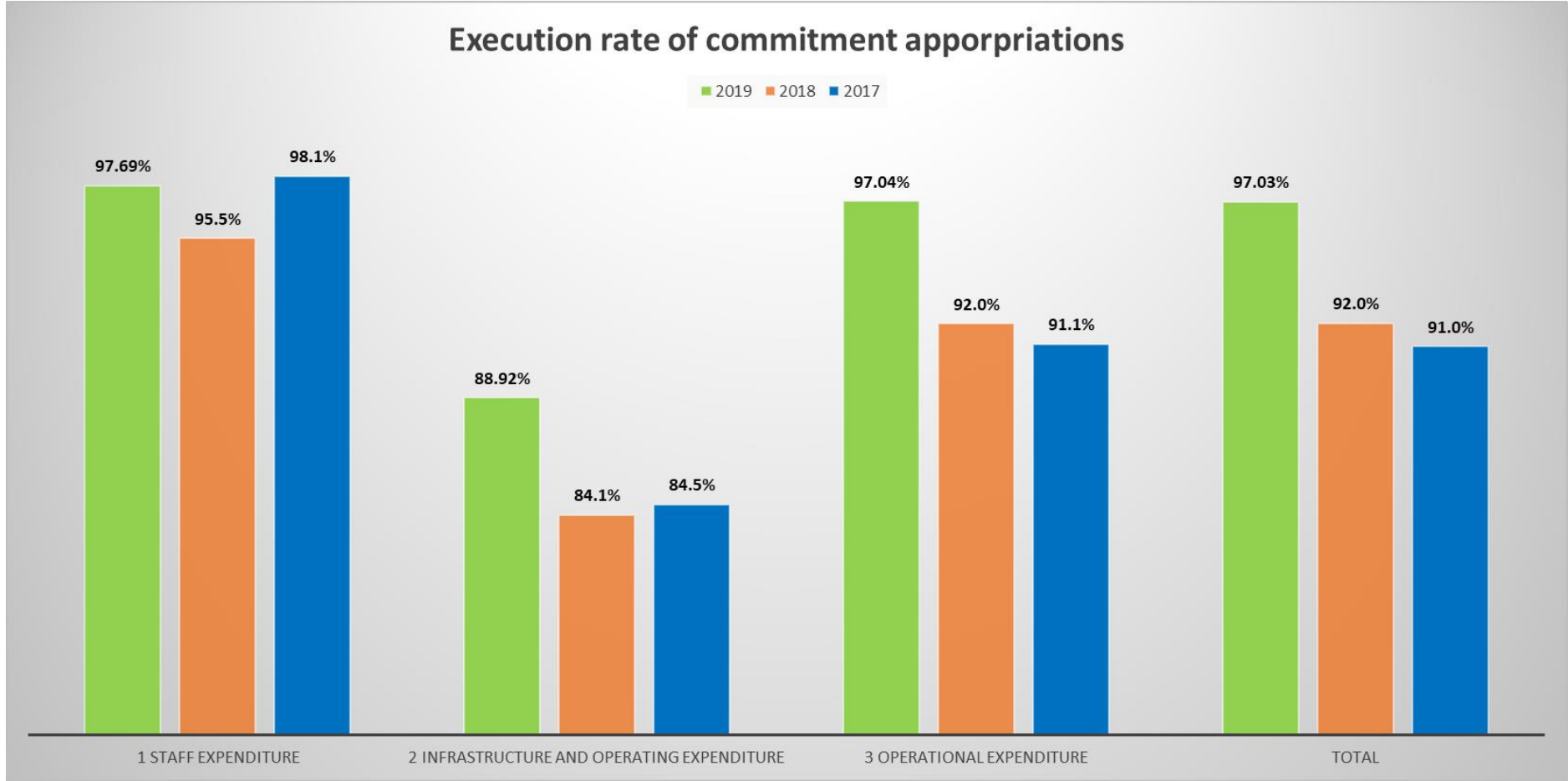
33	Simplification, monitoring and evaluation	139,000.00	139,000.00	-60,000.00	-11,500.00	0.00	0.00	0.00	0.00	79,000.00	127,500.00
4	<b>CANCELLED APPROPRIATIONS</b>	<b>27,514,196.51</b>	<b>0.00</b>	<b>33,682,579.61</b>	<b>0.00</b>	<b>0.00</b>	<b>11,818.44</b>	<b>0.00</b>	<b>0.00</b>	<b>61,196,776.12</b>	<b>11,818.44</b>
40	Cancelled appropriations not used in year n	27,514,196.51	0.00	33,682,579.61	0.00	0.00	11,818.44	0.00	0.00	61,196,776.12	11,818.44
	<b>TOTAL</b>	<b>522,523,170.33</b>	<b>433,305,621.34</b>	<b>33,754,081.53</b>	<b>-17,340,668.09</b>	<b>1,578,472.03</b>	<b>8,599,558.57</b>	<b>41,258.84</b>	<b>41,258.84</b>	<b>557,896,982.73</b>	<b>424,605,770.66</b>

EIT revenue collected, EUR

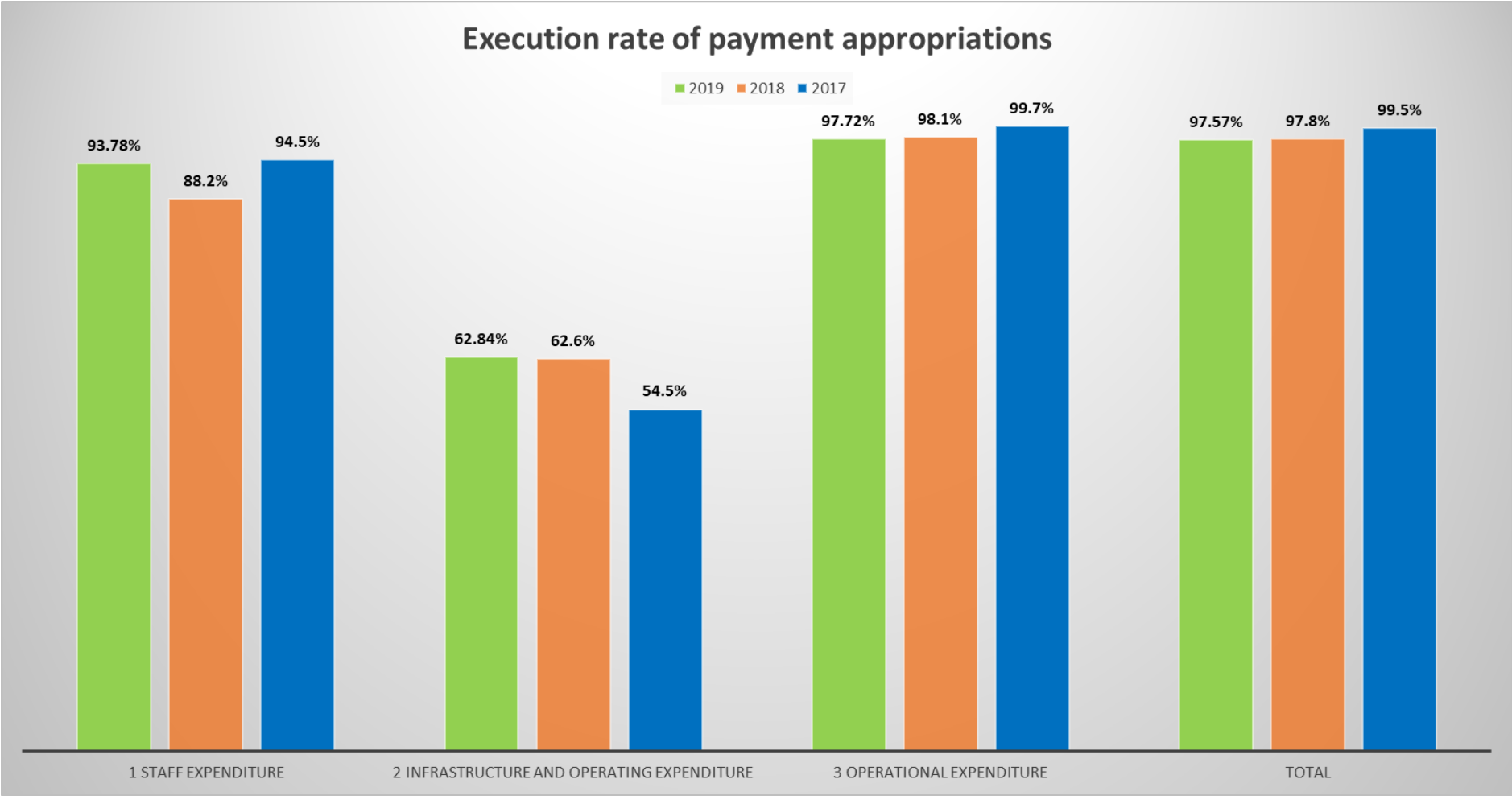
Income line	Income line header	Income appropriation, EUR	Entitlements established in 2018, EUR (1)	Entitlements established in 2019, EUR (2)	Revenue carried over from 2018, EUR (3)	Revenue received in 2019, EUR (4)	Outstanding amounts, EUR (1+2-3-4)
200	European Union subsidy	378,563,704.82		378,563,704.82		378,563,704.82	0.00
300	Contributions by the EFTA member states	9,425,179.18		9,425,179.18		9,425,179.18	0.00
310	Contributions by third countries	28,000,000.00		28,000,000.00		28,000,000.00	0.00
570	Revenue arising from repayment of amounts wrongly paid	7,999.37	780.66	7,218.71	780.66	7,218.71	0.00
590	Other revenue from administrative operations	1,895.07	1,112.14	782.93	1,112.14	782.93	0.00

600	Surplus, balances	8,477,210.46	8,477,210.46		8,477,210.46		0.00
701	Repayment of KICs grants incurred as a result of an ex-post audit (assigned revenue)	129,781.76	95,744.05	34,038.51	95,744.05	34,038.51	0.00
	TOTAL	424,605,770.66	8,574,847.31	416,030,924.15	8,574,847.31	416,030,924.15	0.00

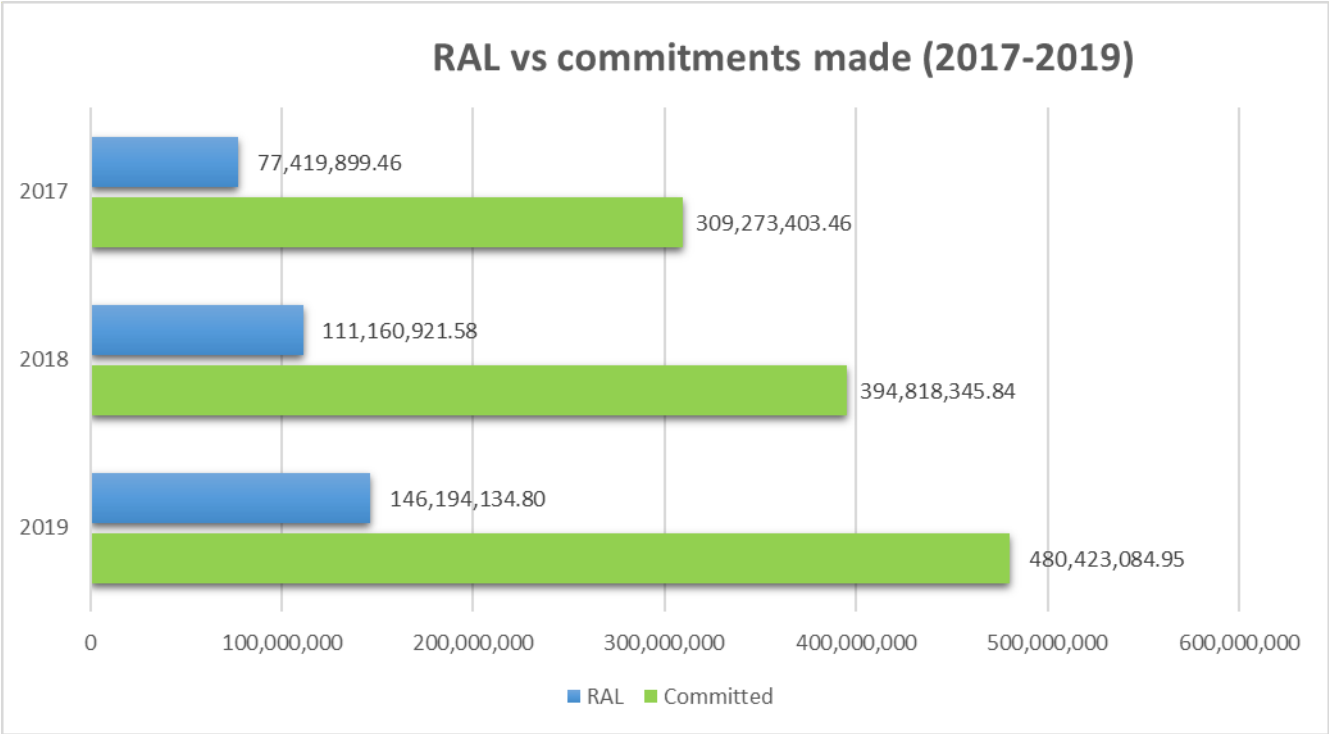
Comparison of budget execution for commitments, EUR



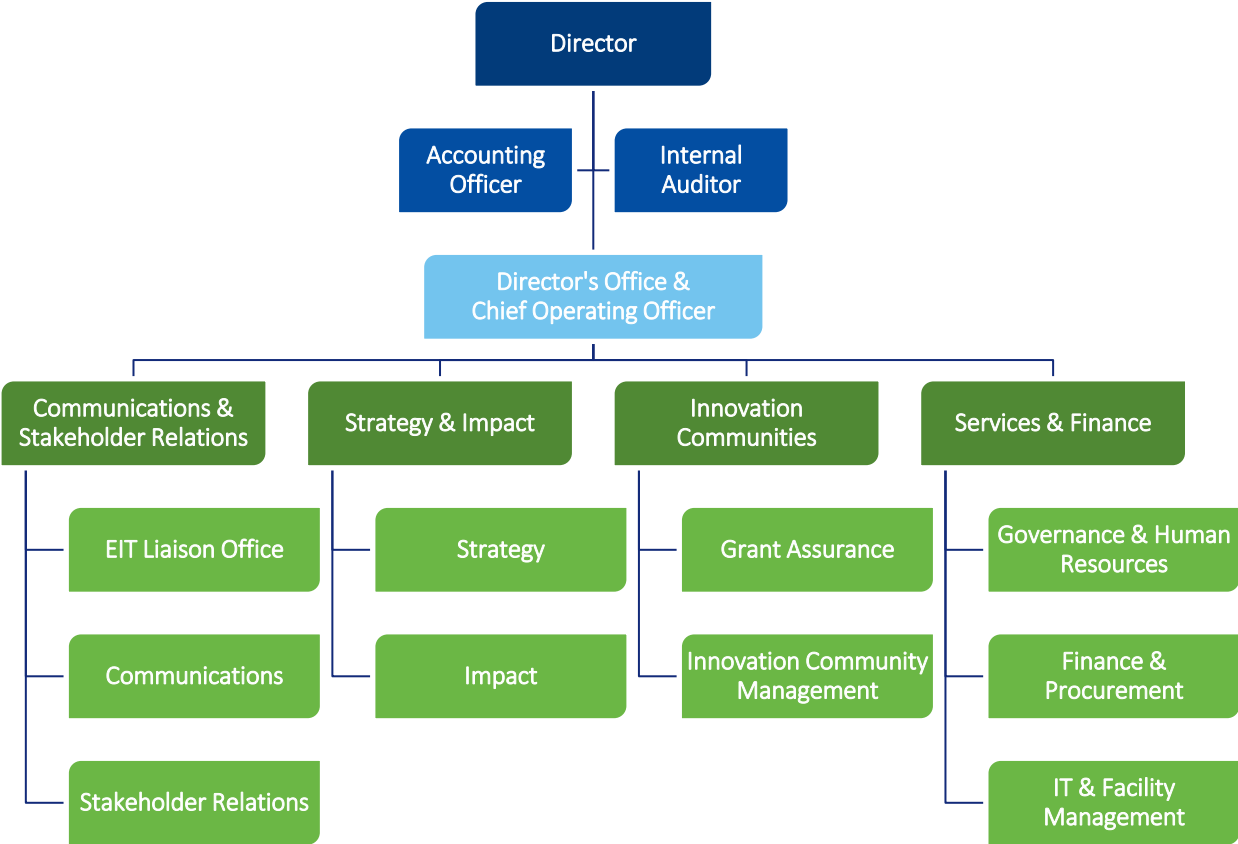
Comparison of budget execution for payments, EUR



Comparison of committed and RAL amounts for financial years 2015, 2016 and 2017, EUR



# Annex III: Organisational chart in 2019





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

Establishment Plan:

Category and grade	Establishment plan 2019		Actually filled as of 31 December 2019
	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	0
AD 10		7	2
AD 9		9	11
AD 8		10	10
AD 7		7	8
AD 6		3	7
AD 5		0	0
<b>Total AD</b>		<b>40</b>	<b>39</b>
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	2
AST 3		1	2
AST 2		0	0
AST 1		0	0
<b>Total AST</b>		<b>5</b>	<b>5</b>
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
<b>Total ST/SC</b>		<b>0</b>	<b>0</b>

<b>TOTAL</b>		<b>44</b>	<b>43</b>
<b>Category</b>	<b>Authorised 2019</b>	<b>Actually filled as of 31 December 2019</b>	
Contract staff (CA)			
FG IV	10	8	
FG III	10	11	
FG II	3	3	
FG I	0	0	
TOTAL	<b>23</b>	<b>22</b>	
Seconded national Experts (SNE)	2	0	
TOTAL	<b>70</b>	<b>66</b>	

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
<b>CORE FUNCTIONS</b>			
Director (level 1)	TA	AD 14	Management (both administration and operational)
Chief Operating Officer (level 2)	TA	AD 11	Management (both administration and operational)
Head of Unit	TA	AD9	Management (both administration and operational)
Senior Officer	TA	AD8	Operational
Officer (Programme)	TA/CA	AD6/FGIV	Operational
<b>SUPPORT FUNCTIONS</b>			
Head of Unit Services and Finance	TA	AD9	Administration
Head of Section Governance & Human Resources	TA	AD9	Administration
Head of Section Finance and Procurement	TA	AD6	Administration
Communications Officer	TA	AD5	administration and operational
Head of Section IT and Facility Management	TA	AD 6	administration
Officer (Policy)	TA	AD6	administration
Secretary	CA	FG II	administration and operational
<b>SPECIAL FUNCTIONS</b>			
Data Protection Officer (Legal officer appointed, not a separate function)	TA	AD6	Administration
Legal Officer	TA	AD6	Administration

<i>Accounting Officer</i>	<i>TA</i>	<i>AD8</i>	<i>Administration</i>
<i>Internal Auditor</i>	<i>TA</i>	<i>AD7</i>	<i>Administration</i>

b) Result of the job screening exercise (31/12/2018)

<b>Job Type and Category</b>	<b>Year 2017</b>	<b>Year 2018</b>
ADMINISTRATIVE SUPPORT AND COORDINATION	29%	29.41 %
Administrative Support	12	13
Coordination	7	7
OPERATIONAL	60%	60.29%
Top-Level Operational Coordination	4	5
Programme Management & Implementation	21	21
Evaluation & Impact Assessment	7	7
General Operational	7	8
NEUTRAL	11%	10.29%
Finance	6	6
Control	1	1

# Annex V: Human and Financial resources by activity

Activity	TA	CA	SNE	Operational HR <sup>1</sup>	Operational exp., EUR <sup>2</sup>	Overheads, EUR <sup>3</sup>	Total cost (operational exp. and overheads), EUR
Consolidating, fostering growth and impact of the KICs	20	6	0	26	386 283 534	2 794 135	389 077 668
Creating new KICs	2	1	0	3	254 914	322 400	577 314
The EIT's next Strategic and Innovation Agenda (SIA) 2021-2027	1	0.5	0	1.5	127 457	161 200	288 657
Fostering and attracting talent	2	2	0	4	339 886	429 867	769 752
Enhancing stakeholder engagement	4	1	1	6	509 828	644 800	1 154 629
EIT KIC Relations	0.5	0	0	0.5	42 486	53 733	96 219
Simplification	1	0	0	1	84 971	107 467	192 438
Monitoring, impact analysis and evaluation	3	0.5	0	3.5	297 400	376 133	673 533
Strategy: Coordination and implementation	4	1	0	5	0	537 334	537 334
Administrative support and coordination	5.5	8	0	13.5	0	1 450 801	1 450 801
<b>TOTAL</b>	<b>43</b>	<b>20</b>	<b>1</b>	<b>64</b>	<b>387 940 476</b>	<b>6 877 870</b>	<b>394 818 345</b>

*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 costs directly involved in the 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. Financial Framework Partnership Agreements

Grants awarded for 2019

Knowledge and Innovation Community	Amount EUR	Subject of grant or contract
EIT Climate-KIC	€ 86,195,044.06	Climate change mitigation and adaption
EIT Digital	€ 78,017,213.84	Future information and communication societies
EIT Food	€ 43,726,642.18	Sustainable food supply chain from resources to consumers
EIT Health	€ 85,247,094.03	Improve the quality of life of Europe's citizens and sustainability of healthcare system
EIT InnoEnergy	€ 90,381,277.96	Sustainable energy
EIT Manufacturing	€ 3,997,833.00	Strengthening and increasing the competitiveness of Europe's manufacturing
EIT RawMaterials	€ 77,737,104.58	Raw materials (sustainable exploration, extraction, processing, recycling and substitution)
EIT Urban Mobility	€ 3,999,148.00	Smart, green and integrated transport
<b>Total</b>	<b>€ 469,301,357.64</b>	

# Annex VII: Environment management

See section 2.10.

# Annex VIII: Final annual accounts 2019