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European Institute of Innovation & Technology

A body of the European Union

Final Review of 1st Wave KICs: EIT Digital

Final Report

November 2023

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List of abbreviations

Table 1: List of abbreviations

Abbreviation	Full name/term
BP(s)	Business Plan(s)
CEO	Chief Executive Officer
CLC(s)	Co-Location Centre(s)
CSA	Coordination and support action
DG	Directorate-General
ECB	European Central Bank
EIC	European Innovation Council
EIF	European Investment Fund
EIT	European Institute of Innovation and Technology
ESIF	European Structural and Investment Funds
EU	European Union
FS	Financial Sustainability
GB	Governing Board
GGP	Good Governance Principles
H2020	Horizon 2020
HEIs	Higher Education Institutions
ICT	Information and communications technology
I&E	Innovation and Entrepreneurship
IP	Intellectual Property
KAVA(s)	KIC Added Value Activity/-ies
KIC	Knowledge and Innovation Community
KPI(s)	Key Performance Indicators
KTI	Knowledge Triangle Integration
LE	Legal Entity
MOOC(s)	Massive Open Online Course(s)
MoU	Memorandum of Understanding
MVP	Minimum Viable Product
NGO(s)	Non-Governmental Organization(s)
RIS	Regional Innovation Scheme
RoI	Return on Investment
SA	Strategic Agenda
SB	Supervisory Board
SDG(s)	Sustainable Development Goal(s)
SME(s)	Small and Medium-sized Enterprise(s)
SO(s)	Strategic Objective(s)
STEM	Science, technology, engineering and mathematics

1. Introduction

This report covers the findings of the final review of EIT Digital, a Knowledge and Innovation Community, (hereinafter "KIC" and/or "EIT Digital") conducted by White Research and Deloitte. Beyond the methodological overview, the report is organised into chapters, which also represent the evaluation criteria:

- Relevance to the EU global challenges
- EU added value and relevance with regard to the objectives of the EIT
- Achievement of KICs own objectives
- Efforts to coordinate KICs activities with other relevant research and innovation initiatives
- Capacity to ensure openness to new members
- Achievements in attracting new members from across the EU
- Compliance with good governance principles
- Efforts and results in designing and implementing gender-sensitive measures and activities
- Capacity to develop sustainable innovation ecosystems and the achieved level of financial sustainability (FS)

In each chapter the relevant indicators are assessed, and recommendations are made. The report concludes with separate chapters featuring recommendations based on the findings and a justification for the overall scoring. An overview of the methodology and data sources is provided in ANNEX I. Reference list.

European Institute of Innovation and Technology

The European Institute of Innovation and Technology (EIT) is the European Union (EU) flagship for innovation, using collaborative partnerships and cutting-edge research to find solutions to pressing global challenges. Established in 2008 as a driver of European innovation[1], EIT is an Agency of the EU based in Budapest, Hungary. Since 2014, the EIT has been an integral part of Horizon 2020 (H2020) and is now part of Horizon Europe's Pillar III "Innovative Europe". Over the years, it has become Europe's largest innovation ecosystem and the European innovation flagship, gathering over 2 900 partners[2], including research centres, universities, and businesses specialised in innovation and technology. The EIT was created to strengthen the EU's innovation capabilities and increase EU's competitiveness and sustainable economic growth by fostering and enhancing cooperation among entrepreneurs, academia, and research institutes. The EIT will also contribute to achieving the four key strategic orientations outlined in the Horizon Europe Strategic Plan[3].

As explained in its Strategic Innovation Agenda[4] (SIA), the EIT represents the embodiment of the knowledge triangle that brings together education, research, and innovation hubs in several long-term priority fields such as digitalisation, innoenergy, and climate change[5]. To do so, the EIT supports the development of dynamic, long-term, cross-border and public-private partnerships among businesses (industry and Small and medium-sized enterprises (SMEs)), research centres and universities to address and devise solutions to pressing global challenges. These partnerships are called Knowledge and Innovation Communities (KICs).

The KICs are dynamic cross-border partnerships that develop innovative products and services and launch them on the market, create the environment for the establishment of new innovative companies, and train

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[1] European Parliament and Council of the European Union. 2008. Regulation 294/2008. Accessed on September 17th, 2021. Available at: https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX%3A32008R0294.

[2] https://eit.europa.eu/who-we-are/eit-community-across-europe

[3] European Commission. Horizon Europe Strategic Plan 2021-2024. Accessed on September 17th, 2021. Available at:https://op.europa.eu/en/web/eu-law-and-publications/publication-detail/-/publication/3c6ffd74-8ac3-11eb-b85c-01aa75ed71a1.

[4] Decision (EU) 2021/820 of the European Parliament and of the Council of 20 May 2021 on the Strategic Innovation Agenda of the European Institute of Innovation and Technology (EIT) 2021-2027: Boosting the Innovation Talent and Capacity of Europe and repealing Decision No 1312/2013/EU

[5] European Parliament and Council of the European Union. 2013. Decision n. 1312/2013 on the Strategic Innovation Agenda of the European Institute of Innovation and Technology (EIT): the contribution of the EIT to a more innovative Europe. Accessed on September 17th, 2021. Available at: https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:347:0892:0923:EN:PDF.

a new generation of entrepreneurs and allow them to thrive. Each of the KICs operates in innovation hubs, called Co-location Centres (CLCs), spread across Europe, to increase the impact and reach of the activities. Currently, there are 64 CLCs in Europe. Since 2008, EIT's KICs have contributed to the creation of over 13 000 jobs and nearly 1 500 products and services, and have supported more than 3 800 start-ups[6].

Our assessment focuses on EIT Digital. EIT Digital, along with EIT Climate-KIC and EIT InnoEnergy represent the first wave of KICs that was established in 2009, after an extensive selection and evaluation process by the EIT and external experts[7]. They aim to address long-term societal challenges to facilitate innovation and generate tangible impact.

EIT Digital

EIT Digital (formerly known as EIT Information and communications technology (ICT) Labs KIC) was set up for information and communication technologies[8]. Its central goal is to bridge the gap between research and innovation to develop products, services and businesses that will increase Europe's digital competitiveness and quality of life. To accelerate the market uptake of research-based digital technologies, EIT Digital invests in the following strategic areas: Digital Tech, Digital Cities, Digital Industry, Digital Wellbeing, and Digital Finance. Due to the high societal impact of digital transformation, activities in these domains are progressively carried out in collaboration with other KICs, such as EIT Food in the wellbeing domain.

With more than 440 key partners, the KIC represents the largest digital innovation ecosystem in Europe. It has supported over 2 900 students with the development of their digital knowledge and skills, launched more than 415 products and services, formed more than 265 ventures, and helped more than 455 start-ups grow internationally. EIT Digital continues to build on these achievements to develop a stronger digital Europe, specifically, to make it inclusive, fair and sustainable[9]. To accelerate the process, it will address the following challenges:

1. Consolidate Europe's Single Market
2. Attract investment in software
3. Boost deep tech innovation investments
4. Align the European education system with the digital world[10]

Final review of the 1st wave KICs

As the second and last seven-year Framework Partnership Agreements for EIT Climate-KIC, EIT Digital and EIT InnoEnergy draw to a close, a final review of those KICs' activities and performance is necessary to analyse and assess their achievements over the period 2016-2022 (and partially 2023) compared to what was promised in their proposals, Strategic Agendas, Business Plans (BPs) and grant reports and to market/public benchmarks/references[11].

In accordance with requirements in the EIT Regulation and Strategic Innovation Agenda[12], Article 12 of the Partnership Agreement[13], and Articles 10 and 11 of the EIT Regulation[14] the EIT shall carry out a

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[6] European Institute of Innovation and Technology (EIT). 2021. EIT Factsheet. Accessed on September 17th, 2021. Available at: https://eit.europa.eu/sites/default/files/eit_at_a_glance_-_factsheet.pdf.

[7] EIT. Decision 17/2018 of the governing board of the European Institute of Innovation and Technology (EIT). Accessed on August 9th, 2022. Available at:
https://eit.europa.eu/sites/default/files/17_2018_gb_decision_confirmation_of_duration_kics.pdf

[8] EIT Digital. 2020. Celebrate innovation: EIT Digital 2010-2020. Accessed on August 9th, 2022. Available at: https://www.eitdigital.eu/fileadmin/files/2020/publications/EIT-Digital-2010-2020.pdf

[9] (ibid.)

[10] EIT Digital. Strategic agenda 2022-2024. For a strong digital Europe: Inclusive. Fair. Sustainable. Accessed on August 12th, 2022. Available at: https://www.eitdigital.eu/fileadmin/2021/publications/sia/EIT-Digital_SIA_2022-2024.pdf

[11] Request for services

[12] Decision (EU) 2021/820 of the European Parliament and of the Council of 20 May 2021.

[13] European Institute for Innovation and Technology. "Model EIT KIC Partnership Agreement". Accessed on Sept 17th, 2021. Available: https://eit.europa.eu/sites/default/files/eit_kic_partnership_agreement_v1.0_final_14-03-2021.pdf

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

comprehensive assessment and a final review of the KICs' activities in line with the standards set out in the Better Regulation Guidelines[15] and the criteria for European Partnerships set out in the Horizon Europe Regulation[16]. Based on the results of the final reviews, the EIT Governing Board will decide whether to conclude a Memorandum of Cooperation with the respective KICs, in the consultation of the Member State Representative Group.

To provide a comprehensive final review, the evaluation has been based on the analysis of these criteria:

1. **Relevance to the Union's global challenges**; this criterion relates to the relevance to the EU's objectives. The pivotal role of innovation, economic growth, green and sustainable Europe and digital transition in the Union's political agenda suggests that all KICs' activities orbiting around relevant objectives shall be properly assessed against the societal challenges they were designated for.

2. **KIC's Union added value and relevance with regard to the objectives of the EIT**; as one of the main pillars of innovation in the EU, the KICs have created added value through their actions towards promoting innovation, entrepreneurship and education. This criterion assesses whether the KICs have been aligned with the EIT objectives.

3. **Achievement of KIC's objectives**; all KICs are required to present a 7-year Strategic Agenda. This document serves as their raison d'être and it contains – inter alia – their strategic objectives, goals and expected results within these seven years. Assessing this criterion will help us understand whether the KICs have actually managed to address their objectives and goals and whether they have been successful in achieving the expected results, by analysing societal, economic and mid-term impact Key Performance Indicators (KPIs).

4. **KICs efforts to coordinate their activities with other relevant research and innovation initiatives**; as mentioned above, the KICs are one of the main pillars of innovation in the EU. As such, they create different collaborations with various relevant stakeholders in the EU. This criterion assesses whether the KICs have succeeded in pursuing such synergies and their volume.

5. **KIC's capacity to ensure openness to new members**; KICs' function requires constant evolution towards new partners. It is important that throughout their years of existence the KICs operate in an open, transparent and inclusive manner that allows them to expand their members and achieve their objectives. This criterion evaluates whether the KICs' attraction of new partners within their years of operation have aided in reaching their goals and subsequently whether their activities have been open to new members, specifically representing the knowledge triangle players (innovation, research, education).

6. **KIC's achievements in attracting new members from across the Union**; as part of their evolution, KICs are required to create synergies with all the EU players and RIS eligible countries. These collaborations ensure that the KICs have achieved an adequate geographical representation of all key actors of the knowledge triangle. This criterion assesses the effectiveness of the eco-system that the KICs have built throughout the years and its volume, in the EU including RIS eligible countries.

7. **KIC's compliance with good governance principles**; as part of the EU, the KICs are required to operate under good governance principles and ensure compliance with them. This criterion evaluates whether the KICs are compliant with the relevant good governance principles, through the analysis of relevant EIT assessments.

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[15] European Commission (EC). "General Principles". Better regulation: guidelines and toolbox. Accessed on September 17th, 2021. Available at: https://ec.europa.eu/info/law/law-making-process/planning-and-proposing-law/better-regulation-why-and-how/better-regulation-guidelines-and-toolbox_en

[16] Regulation (EU) 2021/695 of the European Parliament and of the Council of 28 April 2021 establishing Horizon Europe – the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination, and repealing Regulations (EU) No 1290/2013 and (EU) No 1291/2013, OJ L 170, 12.5.2021, p. 1.

8. **KIC's effort and results in designing and implementing gender-sensitive measures and activities**; KICs are also required to operate in a gender balanced environment, adjusted to society's challenges. Implementing gender sensitive measures is considered as one challenge that numerous organisations need to overcome and thus, this criterion assesses whether KICs have designed and implemented such measures.

9. **KIC's capacity to develop sustainable innovation ecosystems and the achieved level of financial sustainability**; KICs are established to address innovation challenges. For this specific reason, they need to develop strong innovation eco-systems that will be a part of a wider innovation community. However, the FS of such eco-systems is also being assessed and this criterion will delve deeper into analysing the sustainability of the latter and whether the KICs have addressed the societal challenges they were established for.

Scores (10 for each criterion)[17] and pre-defined weighting were applied for each criterion, as shown below:

Table 2: Final review assessment scoreboard

0-10	Scores interpretation
0	The profile does not meet the criterion at all or cannot be assessed due to missing or incomplete information
1-2	Poor – serious weaknesses
3-4	Fair – goes some way to meeting the criterion, but with significant weaknesses
5-6	Good – but with a number of shortcomings
7-8	Very good – but with a small number of shortcomings
9-10	Excellent – meets criterion in every relevant respect. Any shortcomings are minor

Points were awarded based on whether the detailed indicators under each criterion category have been met, the number and significance of shortcomings and weaknesses.

Desk research has been conducted, supplemented by key-informant interviews, targeted surveys, a detailed counterfactual analysis and additional evaluation methods (i.e., theory-based impact evaluation, multicriteria analysis, network analysis) in order to assess the performance of the KIC. The desk research reviewed relevant and strategic documents such as:

- EIT regulations, guidance, and principles
- KIC proposals, agreements, business plan, reports and action plan
- previous evaluation, impact study findings and relevant findings stemming from previous 7-year assessments
- internal monitoring data and EIT recommendations, and
- other background data and materials shared by the KIC throughout the entire assessment period.

A qualitative, semi-structured interview has been carried out with representatives of the KIC's management to complement, triangulate, and further clarify data collected through desk research and surveys.

Finally, the findings of all data collection instruments and indicators used have been triangulated in an assessment matrix in order to produce solid conclusions and recommendations.

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[17] The maximum and threshold points for each criteria was predefined by EIT.

2. Executive summary

The report covers the findings of the final review of EIT Digital conducted by White Research and Deloitte, under contract 21-3030-03/EIT. Under the contract, three first-wave KICs have been assessed, namely EIT Digital, EIT Climate and EIT InnoEnergy, using a single assessment methodology. This report covers the overall evaluation proceedings and findings related to EIT Digital.

EIT Digital was established with the aim of bridging the gap between research and innovation to develop products, services and businesses that will increase Europe's digital competitiveness and quality of life and accelerating the market uptake of research-based digital technologies. With more than 440 key partners, the KIC represents the largest digital innovation ecosystem in Europe. It has supported over 2 900 students with the development of their digital knowledge and skills, launched more than 415 products and services, formed more than 265 ventures, and helped more than 455 start-ups grow internationally. EIT Digital continues to build on these achievements to develop a stronger digital Europe and make it inclusive, fair and sustainable.

The assessment has been carried out in line with the requirements set out in the Request for Service No. 01 implementing document[18], using the **following methodological tools:**

- **Desk research:** The goal of the desk research was to collect both qualitative and quantitative data on the KIC's activities, impact and results. The documents assessed were partly declared in the above referenced Request for Services document, additional documents needed for the assessment were requested from EIT and EIT Digital
- **Surveys:** We have developed and with the help of EIT Digital distributed three unique sets of questionnaires for three main target groups. The surveys provided more statistically significant data and in that way lead to more objective results. The questionnaires aimed to build upon the collected information as to complete and enrich understanding from the initial desk research.
- **Semi-structured interviews:** The semi-structured interview has been carried out with EIT Digital's representative in two rounds to complement the data collected during the desk research.
- **Multi criteria analysis:** In line with the EC's Better Regulation Guidelines and its toolbox we have carried out a Multi-Criteria Analysis. This evaluation tool has been utilised to assess overall possible alternatives and preferences and evaluate them under different criteria at the same time.
- **Theory-based impact evaluation:** Theory-based impact evaluation has been utilised to assess cause and effect between interventions and outcomes in a more detailed manner, zooming in on the various elements within an intervention and taking into account potential impactful external factors as well.
- **Counterfactual impact evaluation:** Counterfactual impact evaluation enabled us to estimate more reliably the impact of EIT Digital by comparing the outcomes of interest of those who have participated in their programme(s) or benefited from their support with those who are similar but have not participated in the program.
- **Survival analysis (Kaplan-Meier estimate):** One indicator has been identified under the societal and economic impact KPIs suitable for survival analysis: Number and revenue of start-ups and scale-ups supported by KICs trading 3 years after KIC support ceased.
- **Network analysis:** Our network analysis will be focusing on the patterns of relationships between the organisations and the strength of these connections.
- **Triangulation, conclusions and recommendations:** The goal of using this method was to address all the data findings from the aforementioned collection, and if necessary, complete it with any additional findings to reach solid conclusions of this assessment. Based on this, we were able to formulate all relevant recommendations.

During the assessment, the KIC's results and activities were assessed along the nine criteria set out by the EIT but the following areas were also taken into account and expanded upon as part of Section 6.2:

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[18] Ref. Ares (2022)5507243 - 01/08/2022.

- KIC Governance, KIC Partnership
- KIC Funding, FS
- Knowledge Triangle Integration (KTI), Innovation Ecosystem and CLCs
- Education & Alumni
- Innovation
- Entrepreneurship & Business Creation
- EIT Regional Innovation Scheme (EIT RIS)
- Synergies, Complementarities & Cross-KIC collaboration
- Communications, Dissemination & Outreach

Summary of the Assessment Criteria

Table 3: Assessment summary

Criterion	Summary Assessment	Scoring (points)	Weight
	Global Score (after weighting was applied): 81 /100		
	Global Threshold: 60 / 100		
Relevance to the Union's global challenges	EIT Digital's efforts are highly commendable, effectively contributing to the European Union's objectives of economic growth, innovation capacity enhancement, and fostering entrepreneurship. The organisation has surpassed its targets in supporting start-ups, attracting investments, and building an innovative portfolio. Additionally, EIT Digital's strong alignment with United Nations Sustainable Development Goals reflects its commitment to advancing sustainable development through digital innovation and inclusive education, thus this criterion has been assessed as **Very Good**. Assessment **1.1 – 8 – Very Good:** EIT Digital's efforts are highly relevant to the objectives of the Union, effectively contributing to boosting economic growth, enhancing the innovation capacity of Member States, and fostering Innovation and Entrepreneurship (I&E). The organisation has surpassed its targets in supporting start-ups and scale-ups, attracting significant investments, and creating a robust portfolio of innovative ventures. EIT Digital's commitment to strengthening 'the digital sovereignty for Europe' is evident through its multifaceted initiatives, including its Innovation Factory, RIS Venture programme, and strategic engagements with EU programmes. The organisation's impact on innovation, venture growth, and talent development is evident, as seen in its impressive innovation portfolio, successful accelerator programme, and growing number of substantial European tech enterprises. Despite these achievements, there's room for improvement in achieving targets related to designed and tested innovations. Overall, EIT Digital's dedication to enhancing innovation capacity and fostering entrepreneurship positions is a significant driver of 'Europe's digital transformation and sustainable development. **1.2 – 7 – Very Good:** EIT Digital's multifaceted approach to digital innovation, education, entrepreneurship, and partnership is making significant strides in addressing the societal challenges it was designated for. The organisation's commitment to aligning its activities with critical areas of the 2030 Agenda for UN Sustainable Development Goals reflects a strong dedication to sustainable development in the digital era. EIT Digital's impact can be observed through its open innovation activities, strategic investments in societal challenge areas, and the nurturing of ventures that leverage core digital technologies. These actions demonstrate a proactive approach to finding innovative solutions to pressing issues. Moreover, EIT Digital's emphasis on entrepreneurial education, evidenced by the success of its Summer Schools and educational programmes, is equipping the next generation with the skills and mindset needed to tackle real-world challenges effectively. The organisation's support for start-ups and scale-ups, as exemplified by the achievements of companies in its Innovation	8/10 (Threshold: 6)	1

Criterion	Summary Assessment	Scoring (points)	Weight
	Global Score (after weighting was applied): 81 /100		
	Global Threshold: 60 / 100		
	Factory and Accelerator, highlights its role in fostering concrete solutions to societal challenges. Its involvement in digital healthcare solutions, smart cities, digital inclusion, and deep tech innovation showcases a broad spectrum of contributions to key societal issues and its collaborative efforts with other EIT Innovation Communities further amplify its impact, emphasising the collective commitment to addressing challenges. The report highlights concerns about the tangible impact and reporting of the KIC, particularly in the areas of access to high-speed networks and support for European regulatory affairs, while suggesting that EIT Digital needs to improve its impact reporting despite making progress in addressing societal challenges.		
KIC's EU added value and relevance with regard to the objectives of the EIT	EIT Digital has performed well in various aspects of creating a sustainable innovation ecosystem and addressing societal challenges. There are, however, weaknesses in financial sustainability related areas. Thus, this criterion has been assessed as **Very Good.** Assessment **2.1 – 9 – Excellent:** EIT Digital has successfully established innovation ecosystems and demonstrated robust Knowledge Triangle Integration, contributing to addressing societal challenges and enhancing digital competitiveness in EU Member States. The organisation excels in supporting start-ups, attracting investments, and blending innovation, research, and education through programmes like Entrepreneurial education and its various schools. EIT Digital's agile approach fosters T-shaped talents[19] who combine technical knowledge with entrepreneurial skills. The integration of innovation and business creation within its portfolio, particularly through the Venture portfolio, reinforces a sustainable innovation ecosystem. This approach positions EIT Digital as a significant player in the digital innovation landscape. **2.2 – 7 – Very Good:** EIT Digital aligns well with the objectives of the EIT, as it integrates the knowledge triangle of research, innovation, and education, with a strong focus on digital innovation and entrepreneurship. It has demonstrated notable success in creating start-ups and ventures, which contributes to reinforcing the Union's innovation capacity and addressing societal challenges, particularly in digital technology. The organisation offers a range of educational programmes at various levels, further promoting the integration of education and innovation. However, concerns have been	8/10 (Threshold: 6)	1

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[19] T-shaped skills refer to a special type of qualities that make an employee valuable. A T-shaped individual possesses excellent knowledge of and skills in specific areas and is good at working with others in a collaborative way. There are different types of employees, referred to as "I's", "T's", and "X's." The most desirable type of employee is often a T. Retrieved from: https://corporatefinanceinstitute.com/resources/management/t-shaped-skills/

Criterion	Summary Assessment	Scoring (points)	Weight
	Global Score (after weighting was applied): 81 /100 **Global Threshold: 60 / 100**		
	raised about the number of graduates and start-ups created by students, highlighting the need for continued efforts in these areas. Overall, EIT Digital's performance aligns with the EIT's objectives. **2.3 – 8 – Very Good:** EIT Digital has demonstrated strong alignment with EIT RIS guidelines, excelling in Action Line 1 and 2 initiatives, such as the RIS Venture programme and summer schools in RIS countries. Its 2021-2027 Strategic Agenda remains well-attuned to the RIS Implementation Framework, emphasising the expansion of innovation ecosystems and incorporating RIS-specific KPIs. The introduction of the Venture Programme and 'External Partners' category reflects their commitment to inclusivity, though refinement may be necessary. The KIC's action plan for RIS activities promises to initiate ventures across RIS countries and expand its reach through the "virtual node" concept. To maximise their impact, EIT Digital must prioritise actions like establishing new hubs and deepening collaborations within EIT RIS countries.		
Achievement of KIC's objectives	EIT Digital has succeeded in attracting talent, supporting start-ups, and promoting innovation across various KPIs, reflecting its commitment to education and entrepreneurship. Despite some unmet targets, i.e. start-up creation, its overall performance demonstrates its ability to drive positive change. Within the EIT RIS framework for 2021-2022, EIT Digital's proactive approach led to exceeding expectations in innovation creation, investment attraction, and start-up support. However, areas needing improvement include tested innovations, and start-up creation from educational programmes, presenting opportunities for strategic enhancement. Thus, this criterion has been assessed as **Very Good.** Assessment **3.1 – 8 – Very Good:** EIT Digital has displayed success in various KPIs, especially in talent attraction, start-up support, and innovation promotion. While it didn't meet all targets such as overall revenues and innovation start-ups, its overall performance reflects its commitment to fostering education, innovation, and entrepreneurship in its initiatives. **3.2 – 9 – Excellent:** EIT Digital has successfully pursued its strategic objectives to strengthen the European digital ecosystem and enhance digital competitiveness. Various KIC's Initiatives, such as the EIT Digital Master School and Accelerator, have nurtured diversity and supported successful start-ups. EIT Digital has bridged innovation gaps through programmes like the RIS and Digital Cities projects. Also, EIT Digital's role in accelerating deep tech adoption and commercialisation through various platforms and collaborations is pivotal. Additionally, EIT Digital has prioritised education and diversity	8/10 (Threshold: 6)	2.5

and addressed policy challenges to achieve the digital sovereignty for Europe. Together, these efforts have significantly advanced 'Europe's digital landscape.

3.3 – 8 – Very Good: EIT Digital's performance shows success across a broad spectrum of KPIs. While there were instances where targets were not met, i.e. start-up creation of/for innovation, the organisation's overall performance indicates its commitment and ability to foster education, innovation, and entrepreneurship in its various initiatives.

3.4 – 8 – Very Good: EIT Digital has adopted an inclusive approach to engage partners from EIT RIS countries, fostering skills development, innovation, and knowledge sharing through initiatives like summer schools, RIS-oriented Venture Programmes, and public media engagement. The organisation has made commendable progress by establishing EIT RIS Hubs, exceeding targets in RIS start-up creation and attracting substantial investments. However, challenges remain in achieving the goal of EIT RIS Hubs by 2027, and there is room for growth in areas such as graduates from EIT-labelled programmes.

3.5 – 8 – Very Good: EIT Digital has demonstrated a relatively strong commitment to societal KPIs through its efforts to enhance the competitiveness of EU Member States, particularly those with low DESI scores, and involve organisations from underserved regions in its activities. The organisation's Venture Programme has successfully translated deep tech digital research into practical applications, while its educational initiatives have equipped both students and professionals with valuable digital skills. EIT Digital's dedication to gender equality in digital education and its support for European regulatory standards, notably in AI ethics and data protection, reflect its commitment to societal values. Additionally, EIT Digital has expanded its influence in Digital Innovation Hubs, fostering collaboration and innovation within the digital ecosystem, making significant strides towards achieving its societal KPIs. However, there is no tangible impact for several of these indicators, such as access to high speed networks and support to European regulation.

3.6 – 8 – Very Good: The survey and KIC-relevant data shows that the impact of EIT Digital funding on start-up revenue growth varies widely, with some start-ups experiencing significant growth while others saw minimal or no change. Job creation outcomes varied, with a substantial portion of entities not creating new jobs, but a significant number creating at least two new positions through their engagement with EIT Digital. Job sustainability was more challenging for start-ups, with many unable to sustain existing positions over time, influenced by factors like job temporariness and industry nature. EIT Digital's engagement had a positive impact on filling skill gaps and shortages, particularly in technical, entrepreneurship, and innovation skills within the sector. Analysis of career growth among

Criterion	Summary Assessment	Scoring (points)	Weight
	Global Score (after weighting was applied): 81 /100		
	Global Threshold: 60 / 100		
	programme graduates revealed diverse trends, including stable roles, entry-level positions, self-employment, and fluctuations in senior staff positions, influenced by industry dynamics and individual choices. In conclusion, EIT Digital's impact is multifaceted, with varying outcomes across different aspects. The data underscores the importance of tailoring support and strategies to the unique needs of start-ups and entities within the sector to maximise positive effects on revenue, employment, skills, and career development. **3.7 – 8 – Very Good**: The data underscores the positive employment outcomes for KIC Label graduates, the diversity of career paths pursued by students and graduates from EIT-labelled programmes, and the mixed results in terms of revenue generation for supported start-ups. Further analysis and exploration of the underlying factors influencing these trends could provide valuable insights for both educational institutions and aspiring entrepreneurs.		
KICs efforts to coordinate their activities with other relevant research and innovation initiatives	EIT Digital demonstrates commitment to synergy through strategic collaborations, aligning with European Initiatives and engaging with Commission Directorates-General (DGs). The KIC's activities integrate education, research, and business for tech acceptance and market growth. Cross-KIC efforts, leadership roles, and partnerships with entities like the European Investment Fund (EIF) showcase EIT Digital's collaborative strength. Operating at both EU and national levels, EIT Digital aims to amplify its impact on digital transformation and societal challenges. Its success lies in intensified collaborations and contributions to digital innovation. Thus, this criterion has been assessed as **Excellent**. Assessment **4.1 – 9 – Excellent:** EIT Digital's commitment to achieving synergies and complementarities outlined in its original proposal and Strategic Agenda is evident through its strategic collaborations and partnerships. The KIC has demonstrated a proactive approach to aligning with European Initiatives and engaging with various DGs of the European Commission. By strategically leveraging the Carrier/Catalyst model, EIT Digital integrates education, research, and business aspects to drive technology acceptance and market expansion. The collaboration with innovation ecosystems, cross-KIC initiatives, and active participation in projects across domains showcase EIT Digital's capacity to foster collective objectives and amplify its impact. The KIC's involvement in cross-KIC activities and leadership roles in strategic initiatives exemplify its collaborative strengths and contributions to advancing European innovation and sustainable development. **4.2 – 9 – Excellent:** EIT Digital's approach to fostering synergies with other relevant education, research, and innovation initiatives is characterised by its proactive engagement, strategic	9/10 (Threshold: 6)	0.5

Criterion	Summary Assessment	Scoring (points)	Weight
	Global Score (after weighting was applied): 81 /100		
	Global Threshold: 60 / 100		
	collaborations, and comprehensive partnership strategy. The KIC has achieved substantial results by forging agreements and partnerships with a wide range of entities, including the EIF, European Central Bank (ECB), and various national ministries and agencies. EIT Digital's collaboration efforts extend to both EU and national levels, encompassing initiatives such as Horizon Europe, the European Innovation Council (EIC), and Digital Europe Programme. Through its systematic and strategic approach to collaboration, EIT Digital demonstrates a clear commitment to amplifying its impact on 'Europe's digital transformation. As the KIC intensifies its collaborations and pursues synergies outlined in its strategic agenda, its contributions to addressing societal challenges and advancing digital innovation will be a key measure of success.		
KIC's capacity to ensure openness to new members	EIT Digital's growth and diversity across thematic areas, driven by collaboration and complementary assets, contribute to Europe's digital transformation. Strategic focuses like Digital Tech, Industry, Cities, Wellbeing, and Finance show dedication to addressing digital challenges. Collaborations with other KICs enhance impact. The start-up survey indicates value and sustainable partnerships, positioning EIT Digital for continued contributions. The KIC's openness, governance principles, and holistic knowledge triangle representation further strengthen its impactful digital ecosystem. Thus, this criterion has been assessed as **Excellent**. Assessment **5.1 – 9 – Excellent:** EIT Digital has demonstrated steady growth and geographic diversity, fostering a balanced composition that spans critical thematic areas. By effectively mobilising complementary assets and engaging in collaborative efforts, EIT Digital has made significant contributions to Europe's digital transformation. Collaborative initiatives with other KICs have further enhanced its impact and reach. The survey conducted among start-ups and scale-ups supported by EIT Digital reveals that most respondents intend to maintain their partnership beyond 2024, reflecting the sustainable ecosystem EIT Digital has cultivated. As a result, EIT Digital is well-positioned to continue its significant contribution to building a resilient Digital Europe in the years ahead. **5.2 – 9 – Excellent:** In summary, EIT Digital has effectively embraced openness through its transparent and accessible open calls for new partnerships. By attracting numerous new partners, including those from industry, the KIC has demonstrated its ability to foster collaboration and engagement across the European innovation ecosystem. This approach aligns with the principles of the EIT Regulation, contributing to a diverse and dynamic partnership that enhances the KIC's impact and relevance.	9/10 (Threshold: 6)	0.5

Criterion	Summary Assessment	Scoring (points)	Weight
	Global Score (after weighting was applied): 81 /100 **Global Threshold: 60 / 100**		
	5.3 – 8 – Very Good: EIT Digital has effectively embraced the principles of good governance through its commitment to transparency and openness to new partners. By ensuring that calls for projects are fully open to non-KIC partners and maintaining a transparent assessment process, the KIC has demonstrated its dedication to stakeholder participation. While entry and exit rules are in place, their publication on the KIC's website remains an area for improvement. Nevertheless, the KIC's provision of access to important documents, engagement in events to target new members, and active communication with partners exemplify its adherence to Good Governance Principles. This approach enhances collaboration, fosters trust, and aligns with the KIC's goal of maintaining a transparent and inclusive ecosystem. **5.4 – 9 – Excellent:** EIT Digital has successfully achieved a balanced representation of all key knowledge triangle players within its partnership. The integration of education, research, and innovation is a cornerstone of the KIC's approach, fostering a dynamic ecosystem that aligns with the evolving demands of the digital landscape.		
KIC's achievements in attracting new members from across the Union	EIT Digital has established itself as a leader in the European digital landscape, expanding its partnership to over 440 partners across 26 countries. Through Nodes, CLCs, and Satellites, it has fostered collaboration and inclusivity. While its reach is significant, there is potential to engage more in Eastern European nations. Partner selection facilitated by experts led to growth, but representation from higher education and research needs attention for balance. Engagement with RIS countries has grown, but disparities remain and comprehensive representation of knowledge triangle players is a challenge. The partnership's growth, adaptability, and collaborations demonstrate impact, yet branding and dissemination can be further enhanced. Geographical presence aligns with objectives, but efforts in weaker regions continue. RIS Venture Programme and Master Schools show commitment to innovation ecosystems, with room to strengthen ties with local universities. Thus, this criterion has been assessed as **Very Good.** Assessment **6.1 – 9 – Excellent:** EIT Digital has successfully cultivated a robust and sustainable innovation ecosystem, positioning itself as a leader in the European digital landscape. The KIC's remarkable growth from its initial 30 partners to over 440 partners across 26 European countries showcases its expansive reach and influence. Through the establishment of Nodes, CLCs, Satellites, and additional Hubs, EIT Digital has strategically connected partners and stakeholders, fostering collaboration and engagement in innovation and education activities. The KIC's commitment to inclusivity is evident in its partnerships with organisations from 16 RIS countries, contributing to a diverse and dynamic ecosystem. As EIT	8/10 (Threshold: 6)	1

Digital continues to execute its growth strategy, with a focus on industry, SMEs, and RIS countries, it is poised to further strengthen its position as a leading force in driving digital innovation and transformation across Europe.

6.2 – 8 – Very Good: The EIT Digital partnership's coverage across 25 EU Member States signifies a substantial reach within the European digital landscape, with notable representation in Western European countries. However, a discrepancy exists in the representation of Eastern European nations, highlighting potential opportunities for further engagement in these regions. EIT Digital's approach to partner selection, facilitated by external experts, has contributed to the expansion of its partnership, particularly in the business domain. While the partnership has exhibited growth and a balanced representation in terms of the knowledge triangle, the participation of higher education and research partners remains relatively stagnant. To enhance overall equilibrium, a focused effort is needed to bolster representation from these sectors and ensure a comprehensive representation across all dimensions of the knowledge triangle.

6.3 – 8 – Very Good: EIT Digital's engagement with RIS countries and regions has shown notable progress, with an expansion from three RIS countries to 16, encompassing 184 partners. While Spain, Italy, and Hungary have exhibited higher levels of participation, a need to enhance engagement in underrepresented RIS regions is evident. The KIC's proactive approach in collaborating with local authorities to establish RIS Hubs demonstrates its commitment to addressing disparities and promoting community building around digital technologies. While the KIC integrates RIS partners into its regular evaluation process, achieving a balanced representation of all knowledge triangle players remains a challenge. The representation of higher education and research partners in RIS countries, particularly in EIT Digital's Master Schools, requires focused attention to ensure comprehensive participation.

6.4 – 9 – Excellent: EIT Digital has demonstrated a proactive approach in expanding its partnership, encompassing a diverse array of stakeholders and fostering collaboration and innovation across Europe. The partnership's growth is evident in both the "Partners" and "Affiliated entities with a legal link" categories, with a consistent upward trend over the years. Despite challenges posed by external factors such as the COVID-19 pandemic, the KIC has adapted by introducing new membership categories to facilitate engagement, particularly from EIT RIS countries. Noteworthy collaborations with leading industries, innovative SMEs, research institutions, and academic entities showcase the breadth and depth of EIT Digital's partnerships. Communication and dissemination efforts have been instrumental in positioning EIT Digital as an active member of the EIT Community, promoting innovation,

Criterion	Summary Assessment	Scoring (points)	Weight
	Global Score (after weighting was applied): 81 /100 **Global Threshold: 60 / 100**		
	entrepreneurship, and education. While the KIC's efforts are commendable, further enhancement of branding and dissemination strategies could lead to even more substantial impact and recognition. **6.5 – 7 – Very Good:** EIT Digital's geographical presence through its CLCs and EIT RIS Hubs reflects a strong alignment with the KIC's strategic objectives and societal challenges. The KIC's network of nine Nodes, physical CLCs, and Satellites covers various countries within Europe, fostering collaboration and innovation. While its presence in certain regions, particularly RIS areas like Eastern Europe, is relatively weaker, the KIC has made efforts to expand its footprint by exploring potential RIS Hubs in countries with emerging expertise in areas such as cybersecurity. Although the KIC's current RIS Hubs fall short of the desired target, ongoing endeavours and strategic planning demonstrate its commitment to achieving a more balanced geographical representation in line with the EIT's objectives. **6.6 – 8 – Very Good:** EIT Digital's commitment to fostering innovation ecosystems in RIS countries is evident through its proactive efforts to increase activities in these regions. The introduction of the RIS Venture Programme and its subsequent expansion, resulting in the creation of several new ventures, showcases the KIC's dedication to supporting entrepreneurship in RIS-eligible areas. The expansion of its Master School network through Summer Schools further demonstrates EIT Digital's strides in strengthening ties with local ecosystems and attracting students from RIS countries. While progress has been made, there remains room to enhance collaboration with local universities for greater engagement in education initiatives.		
KIC's compliance with good governance principles	EIT Digital's governance model aligns effectively with EIT's Good Governance Principles, shown by diverse composition, transparent partner selection, and stable leadership. Independent members on the Supervisory Board and a dedicated Management Team emphasise commitment to governance. Though past Human Resources concerns existed, overall adherence to Good Governance Principles is commendable. EIT Digital has made progress by implementing EIT Governing Board recommendations, addressing governance reforms, synergies, education, and transparency. Challenges like RIS strategy and financial sustainability persist, but the KIC's proactive approach positions it for success in digital innovation. Thus, this criterion has been assessed as **Very Good.** Assessment **7.1 – 8 – Very Good:** EIT Digital's governance model is well-aligned with the EIT's Good Governance Principles, as evidenced by the assessment findings. The KIC demonstrates diverse composition and has established a relatively transparent decision-making process for selecting partners. The presence of independent members on the Supervisory Board, along with a stable Management Team responsible	8/10 (Threshold: 6)	1

Criterion	Summary Assessment	Scoring (points)	Weight
	Global Score (after weighting was applied): 81 /100 **Global Threshold: 60 / 100**		
	for implementing strategic agendas underscores the KIC's commitment to effective governance. Recent appointments, including the Chief Executive Officer, reflect the KIC's dedication to maintaining strong leadership. Overall, EIT Digital's efforts to uphold the GGP have been commendable, with no significant weaknesses identified. **7.2 – 8 – Very Good:** EIT Digital has demonstrated a commitment to implementing strategic recommendations from the EIT Governing Board, resulting in steady progress over the years. The KIC has effectively addressed several key areas, including governance reforms, synergies, education programme participation, and transparency in calls. While challenges remain, such as strengthening the RIS strategy and achieving financial sustainability targets, EIT Digital proactive approach and achievements highlight its dedication to continuous improvement. The organisation's efforts position it well for continued success and impact in the evolving digital innovation landscape.		
KIC's efforts and results in designing and implementing gender-sensitive measures and activities	EIT Digital demonstrates a commitment to gender equality through policies and initiatives, resulting in improved gender balance in staff, leadership, and decision-making roles. Efforts like the Roberta Initiative[20] and gender diversity weeks address gender gaps in science, technology, engineering, and mathematics (STEM) fields. However, improvement is needed among partner organisations for a more inclusive ecosystem. While progress is seen in women's participation in Information, Communications and Technology and education programmes, inconsistent monitoring and reporting affect the assessment of gender-sensitive activities. The KIC's commitment varies, suggesting there is room for enhanced prioritisation and a more comprehensive approach to further gender equality efforts. Thus, this criterion has been assessed as **Very Good.** <u>Assessment</u> **8.1 – 8 – Very Good**: EIT Digital commitment to gender equality is evident through its adoption and implementation of gender mainstreaming policies and initiatives. The KIC's efforts have resulted in increased gender balance in staff, leadership roles, and decision-making bodies. Collaborative activities, such as the Roberta initiative and gender diversity weeks, highlight its dedication to addressing the gender gap in STEM fields. While progress has been made, further improvement is needed, particularly among partner organisations, to achieve a more balanced and inclusive ecosystem.	8/10 (Threshold: 6)	0.5

[20] The Roberta Initiative addresses the lack of women in STEM and encourages them to consider a career in the related sectors.

Criterion	Summary Assessment	Scoring (points)	Weight
	Global Score (after weighting was applied): 81 /100		
	Global Threshold: 60 / 100		
	8.2 – 8 – Very Good: EIT Digital has made some visible commitment to gender equality that is evident through its adoption and implementation of gender mainstreaming policies and initiatives, though regular monitoring and reporting of the EIT Digital Gender Equality policy and Action Plan is required to properly evaluate its efforts. The KIC has increased gender balance among staff, leadership roles, and decision-making bodies. The are no concrete tools and measures implemented to increase the participation of women in the KIC's activities but collaborative activities, such as the Roberta initiative and gender diversity weeks, have shown dedication to addressing the gender gap in STEM fields. While progress has been made, there remains an opportunity for further improvement, particularly among partner organisations, to achieve a more balanced and inclusive ecosystem.		
KIC's capacity to develop sustainable innovation ecosystems and the achieved level of financial sustainability	EIT Digital has established a thriving innovation ecosystem, supported by the Open Innovation Factory, strategic partnerships, and an extensive education portfolio. Its Financial Sustainability Strategy focuses on diversified revenue sources, and progress is reported transparently. Challenges exist in achieving long-term financial sustainability, but the KIC engages with EU programmes and demonstrates credibility for grants. While revenues are generated from various activities, diversification remains a concern. EIT Digital Intellectual Property (IP) policy promotes open innovation, collaboration, and equitable access to IP. Efforts are ongoing to increase financial assets like Return of Investment (RoI) and equity for stability. Thus, this criterion has been assessed as **Very Good.** Assessment **9.1 – 9 – Excellent:** EIT Digital has successfully established a sustainable innovation ecosystem that effectively addresses societal challenges and skill gaps. The Open Innovation Factory has been a significant contributor to this ecosystem, fostering the creation of numerous ventures and products. The KIC's strategic partnerships and collaborations, such as with the European Innovation Council, further highlight its commitment to innovation and sustainability. EIT Digital comprehensive education portfolio also plays a crucial role in bridging skill gaps in the digital sector, catering to both students and professionals seeking to enhance their knowledge. **9.2 – 8 – Very Good:** EIT Digital plays a vital role in nurturing innovation ecosystems in the context of European digital transformation. These ecosystems, characterised by interdependent networks of researchers, educators, and companies focused on research and innovation, are central to EIT Digital's mission. The organisation takes a comprehensive approach, supporting ventures at all stages of the innovation funnel, from inception to scale-up, and has formed a strategic partnership with Plug and Play Tech Center to promote digital education, skills, and job creation. While EIT Digital's efforts are	8/10 (Threshold: 6)	2

recognised by its partners, there is a need for continued awareness-building regarding innovation ecosystems among stakeholders.

9.3 – 8 – Very Good: EIT Digital has made substantial progress in implementing an effective Financial Sustainability Strategy, emphasising diversified revenue sources to support its knowledge triangle activities independently of EIT contributions. The KIC has demonstrated diligence in reporting progress on its Financial Sustainability Strategy and has diversified its revenue streams, including EIT funding, partner contributions, and third-party contributions. While facing challenges, particularly in the return on investment and equity category, EIT Digital has successfully engaged with various EU programmes and positioned itself as a credible applicant for European grants. Despite the ongoing journey towards financial sustainability, EIT Digital is strategically poised to continue its growth and impact on the digital innovation landscape.

9.4 – 7 – Very Good: EIT Digital has generated substantial revenues from its various activities, with membership fees, education, alternative funding sources, and services and consulting being the primary sources of income. However, challenges persist in achieving long-term FS, as identified by previous EIT assessments. The KIC has taken steps to address this issue through strategies like backflow schemes, but further efforts are required to ensure effective long-term evolution. Regarding IP management, EIT Digital has a well-defined IP policy in place, encompassing both core and value-added activities. This policy aims to promote open innovation, facilitate collaboration, and streamline the commercialisation process by addressing potential IP challenges. It emphasises fairness, transparency, and equitable access to IP, fostering a collaborative and conducive environment for innovation and partnership within the organisation.

9.5 – 7 – Very Good: EIT Digital generates substantial revenues, but diversification remains a challenge, with most income coming from membership fees and education. While it has increased its FS coefficient over time, this is partly due to the decrease in EIT grants, and further efforts are needed to achieve a more diversified and sustainable revenue mix.

9.6 – 6 –Good: EIT Digital aims to achieve co-funding rates of 40% for 2021 and 50% for 2022, which are generally in line with its targets, although as a first wave KIC, it should aim for lower rates of EIT co-funding. However, the KIC achieved higher co-funding rates than expected. In addition, the KIC should start developing its exit strategy.

3. Methodology overview

3.1 Our approach

The document presents the results of an evaluation of EIT Digital carried out by White Research and Deloitte. Three KICs, specifically EIT Inno Energy, EIT Digital, and EIT Climate-KIC were appraised using a unified assessment approach. This report encompasses the comprehensive assessment process and outcomes pertaining to EIT Digital.

The methodology used in this assessment is in line with the requirements set out in the Request for Service No. 01 implementing document. According to the document referenced above, the assessment has been carried out through a comprehensive analysis of all areas of activities and aspects relevant for a KIC, the evaluation criteria were specified and explained in detail in the executive summary.

Scores were allocated by considering the fulfilment of specific indicators within each criterion category, alongside the quantity and importance of deficiencies and limitations. The evaluation process encompassed desk research, completed by interviews with key informants, in order to gauge the effectiveness of each KIC. To enhance, cross-reference, and provide additional insight into the data acquired through desk research, qualitative and semi-structured interviews were conducted with individuals from the management of the KIC.

During the analysis of each of the above chapters, the following key elements are presented, notably:

- Main activities, results, including EU added value, and KPIs achieved
- Strengths and weaknesses: what have worked well and what did not work
- Recommendations for improvement: what should be improved in the next years.

In addition to the chapters above, the final assessment is carried out along the following aspects:

- KIC Governance and KIC Partnership,
- KIC Funding, Financial Sustainability,
- KTI, Innovation Ecosystem and CLCs,
- Education & Alumni,
- Innovation,
- Entrepreneurship & Business Creation,
- EIT Regional Innovation Scheme (EIT RIS),
- Synergies, Complementarities & Cross-KIC Collaboration,
- Communications, Dissemination & Outreach,
- Achieved economic and societal impact against impact targets in the KIC Strategic Agendas, EIT Impact Framework impact KPIs or market benchmarks.

The aim of using this method was to cover all the data findings from the aforementioned data collection and, if necessary, to add additional findings to reach solid conclusions from the evaluation. This enabled us to identify all recommendations of particular relevance.

The report is prepared following the order of the assessment criteria and corresponding indicators. Furthermore, we have incorporated the above-mentioned aspects to the structure by choosing an indicator which relates to all listed thematic areas and have expanded upon the thematic areas as part of this chapter. In later sections we will refer to the paragraphs mentioned in the earlier chapter. The complete list of assessment criteria and indicators are presented in the table below:

Assessment criteria	Indicators	Thematic Area
Relevance to the Union's global challenges (Weighting: 1.5)	1.1 The results of the KIC's activities have been relevant to the objectives of the Union, including boosting economic growth, strengthening the innovation capacity of the Member States, fostering innovation and entrepreneurship.	• Education & Alumni • Innovation • Entrepreneurship & Business Creation • EIT RIS • Communications, Dissemination & Outreach
	1.2 The results of the KIC's activities have contributed significantly to addressing the societal challenge it was designated for.	• Education & Alumni • Innovation • Entrepreneurship & Business Creation • EIT RIS • Communications, Dissemination & Outreach
KIC's Union added value and relevance with regard to the objectives of the EIT (Weighting: 1.5)	2.1 The KIC has created a significant European added value with respect to building a sustainable innovation ecosystem through knowledge triangle integration, and as a result has developed concrete solutions to societal challenge it addresses as foreseen in the original proposal.	• Education & Alumni • Innovation • Entrepreneurship & Business Creation • EIT RIS • Knowledge Triangle Integration, CLCs • Achieved economic and societal impact against impact targets in the KIC Strategic Agendas, EIT Impact Framework impact KPIs or market benchmarks
	2.2 All KIC's activities have been fully aligned with and relevant to the EIT objectives as defined in EIT legislative framework.	• KIC Funding, FS • KTI, Innovation Ecosystem and CLCs • Education & Alumni • Innovation • Entrepreneurship & Business Creation • EIT RIS • Synergies, Complementarities & Cross-KIC collaboration • Communications, Dissemination & Outreach • Achieved economic and societal impact against impact targets in the KIC Strategic Agendas, EIT

Assessment criteria	Indicators	Thematic Area
		Impact Framework impact KPIs or market benchmarks
	2.3 KIC RIS activities have been fully aligned with the EIT RIS Implementation Guidance note 2018-2020 and RIS Implementation Framework (2021-2027).	• KTI, Innovation Ecosystem and CLCs • Education & Alumni • Innovation • Entrepreneurship & Business Creation • EIT RIS • Communications, Dissemination & Outreach • Synergies, Complementarities & Cross-KIC collaboration
Achievement of KIC's objectives (Weighting: 1.5)	3.1 A KIC has achieved/likely to achieve its 7-year Strategic Agenda (2021-2027) objectives and expected results in line with its initial strategic objectives. Any deviation from the Strategic Agenda (2021-2027) has been justified, approved by the EIT and has led to maximising impact.	• KIC Governance and KIC Partnership • KIC Funding, FS • KTI, Innovation Ecosystem and CLCs • Education & Alumni • Innovation • Entrepreneurship & Business Creation • EIT RIS • Synergies, Complementarities & Cross-KIC collaboration • Communications, Dissemination & Outreach • Achieved economic and societal impact against impact targets in the KIC Strategic Agendas, EIT Impact Framework impact KPIs or market benchmarks
	3.2 The KIC has achieved its objectives and respective targets as stated in its original proposal and Strategic Agenda in relation to the societal challenge.	• KIC Governance and KIC Partnership • KIC Funding, FS: this chapter should be mainly based on the results of the independent in-depth study • KTI, Innovation Ecosystem and CLCs • Education & Alumni • Innovation • Entrepreneurship & Business Creation • EIT RIS • Synergies, Complementarities & Cross-KIC collaboration

Assessment criteria	Indicators	Thematic Area
		• Communications, Dissemination & Outreach • Achieved economic and societal impact against impact targets in the KIC Strategic Agendas, EIT Impact Framework impact KPIs or market benchmarks
	3.3 KPI targets including impact KPIs for up to 2024 defined in the KIC original proposal, Strategic Agenda (2021-2027) achieved/likely to be achieved.	• KIC Governance and KIC Partnership • KTI, Innovation Ecosystem and CLCs • Education & Alumni • Innovation • Entrepreneurship & Business Creation • EIT RIS • Synergies, Complementarities & Cross-KIC collaboration • Communications, Dissemination & Outreach, • Achieved economic and societal impact against impact targets in the KIC Strategic Agendas, EIT Impact Framework impact KPIs or market benchmarks
	3.4 The KICs have delivered EIT RIS activities and achieved results within the scope of their EIT RIS Strategies. Any deviations are duly justified and having led to maximised results.	• KTI, Innovation Ecosystem and CLCs, • Education & Alumni, • Innovation, • Entrepreneurship & Business Creation, • EIT RIS, • Synergies, Complementarities & Cross-KIC Collaboration, • Communications, Dissemination & Outreach, • Achieved economic and societal impact against impact targets in the KIC Strategic Agendas, EIT Impact Framework impact KPIs or market benchmarks.
	3.5 KIC has made evidenced progress against the following KPIs (incl. impact KPIs as per definitions provided in the EIT Impact Framework - Societal impact KPIs EIT Digital).	• Education & Alumni, • Innovation, • Entrepreneurship & Business Creation, • EIT RIS, • Communications, Dissemination & Outreach,

Assessment criteria	Indicators	Thematic Area
		• Achieved economic and societal impact against impact targets in the KIC Strategic Agendas, EIT Impact Framework impact KPIs or market benchmarks.
	3.6 KIC has made evidenced progress against the following KPIs (incl. impact KPIs as per definitions provided in the EIT Impact Framework - Economic Impact KPIs).	• KIC Funding, FS, • Education & Alumni, • Innovation, • Entrepreneurship & Business Creation, • Achieved economic and societal impact against impact targets in the KIC Strategic Agendas, EIT Impact Framework impact KPIs or market benchmarks.
	3.7 KIC has made evidenced progress against the following KPIs (incl. impact KPIs as per definitions provided in the EIT Impact Framework - Medium-term KPIs).	• KIC Funding, FS, • Education & Alumni, • Innovation, • Entrepreneurship & Business Creation • Achieved economic and societal impact against impact targets in the KIC Strategic Agendas, EIT Impact Framework impact KPIs or market benchmarks.
KICs efforts to coordinate their activities with other relevant research and innovation initiatives	4.1 The KIC has achieved the concrete synergies and complementarities described in the original proposal and Strategic Agenda.	• Synergies, Complementarities & Cross-KIC collaboration • Communications, Dissemination & Outreach
	4.2 Number of synergies with other relevant education, research and innovation initiatives in the same area of the societal challenge at national, EU and global level.	• Synergies, Complementarities & Cross-KIC collaboration
KIC's capacity to ensure openness to new members (Weighting: 0.5)	5.1 Partnership size, growth, composition and performance have been adequate for achieving the long-term objectives of the KIC Strategic Agenda (2021-2027).	• KIC Governance and KIC Partnership • KTI, Innovation Ecosystem and CLCs
	5.2 KIC's Calls for activities have been fully open to new members.	• KIC Governance and KIC Partnership
	5.3 KIC has fully addressed the EIT Good Governance Principles (GGP) – based on relevant GGP assessments related to openness to new members.	• KIC Governance and KIC Partnership

Assessment criteria	Indicators	Thematic Area
	5.4 Balanced representation of all key knowledge triangle players in the partnership.	• KIC Governance and KIC Partnership • KTI, Innovation Ecosystem and CLCs
KIC's achievements in attracting new members from across the Union (Weighting: 1)	6.1 KIC has grown to an effective sustainable innovation eco-system with partners within and outside the EU, including RIS eligible countries and regions.	• KIC Governance and KIC Partnership • KTI, Innovation Ecosystem and CLCs • EIT RIS
	6.2 Number of the EU Member States covered by the KIC partnership and representation of all the knowledge triangle players.	• KIC Governance and KIC Partnership • KTI, Innovation Ecosystem and CLCs
	6.3 Number of the RIS eligible countries and regions covered by the KIC partnership and representation of all the KT players in its activities.	• KIC Governance and KIC Partnership • EIT RIS
	6.4 Balanced geographical presence of CLCs and EIT RIS Hubs in line with the strategic objectives and societal challenges.	• KIC Governance and KIC Partnership • KTI, Innovation Ecosystem and CLCs • EIT RIS
	6.5 Trend of new active partners over the period of the review.	• KIC Governance and KIC Partnership, • KTI, Innovation Ecosystem and CLCs, • EIT RIS, • Communications, Dissemination & Outreach
	6.6 Share of indicated innovation ecosystems that covers RIS eligible countries.	• KIC Funding, FS, • Innovation, • Entrepreneurship & Business Creation, • EIT RIS
KIC's compliance with good governance principles (Weighting: 1)	7.1 KIC fully addresses the EIT Good Governance Principles (GGP) – based on the relevant GGP assessment.	• KIC Governance and KIC Partnership, • KTI, Innovation Ecosystem and CLCs
	7.2 GB Strategic recommendations have been effectively addressed and fully implemented by the KIC.	• KIC Governance and KIC Partnership
KIC's efforts and results in designing and implementing	8.1 KICs have designed and implemented gender sensitive measures and activities.	• KIC Governance and KIC Partnership

Assessment criteria	Indicators	Thematic Area
gender-sensitive measures and activities (Weighting: 0.5)	8.2 Positive expert's assessment of the outputs and results delivered by these activities.	• KIC Governance and KIC Partnership
KIC's capacity to develop sustainable innovation ecosystems and the achieved level of financial sustainability (Weighting: 2)	9.1 The KIC has created a sustainable innovation ecosystem effectively addressing the societal challenges and skill gaps it was established for.	• KTI, Innovation Ecosystem and CLCs
	9.2 KIC has made evidenced progress against the following indicator (as per definition provided in the EIT Impact Framework): Visible innovation ecosystems not previously in existence.	• KIC Funding, FS
	9.3 Effective FS Strategy, including FS mechanisms in place including diversified revenue sources and aligned with the original proposal and subsequent BPs/reports.	• KIC Funding, FS • Entrepreneurship & Business Creation
	9.4 An adequate level of revenues from its activities is demonstrated and a plan for the management and exploitation of IP and financial assets supporting the KIC's business model is in place.	• KIC Funding, FS
	9.5 Financial Sustainability: revenues of KIC LE, FS coefficient.	• KIC Funding, FS
	9.6 Co-funding rates.	• KIC Funding, FS

3.2 Methodological tools

Thanks to the applied methodology, the assessment is based on robust and reliable results and incorporates multiple data sources. During the assessment, three main methodological tools have been applied:

Desk research

The goal of the desk research was to collect both qualitative and quantitative data on the KIC's activities, impact and results. The key documents for the desk research were:

- Key EIT documents (e.g., old EIT Regulation (2008), EIT Regulation Amendment (2013), new EIT Regulation (2021), EIT Financial Regulation, EIT SIA 2014-2020 and EIT SIA 2021-2027, Triennial Work Programmes, Single Programming Documents)
- Calls for KIC Proposals documentation; KIC Proposals
- Framework Partnership Agreements, new Partnership Agreements and KICs' Strategic Agendas (originals and any later updates)
- KICs BPs and Reports for relevant years and experts' assessments
- KIC Assessments: Business Creation, Education, KTI, and subsequent RIS evaluations
- EIT consolidated reports on the KIC Monitoring/GB Rapporteur visits and reports
- Specific EIT guidance to KICs (e.g. governance, code of conduct, etc.)
- EIT Principles on KICs' FS (old and new)
- EIT Guidance on the EIT RIS 2018-2020 and EIT RIS Implementation Framework 2021-2027
- EIT Good Governance Principles and respective assessments
- EIT and KICs websites (deliverables included in websites as well as those submitted with KIC reports)
- KICs' action plans for tackling specific issues (i.e. EIT and EU co-branding; communications strategy; Project Partners, gender balance etc.)
- Annual Grant KIC Performance Assessment Reports
- Multi-annual Dashboard
- Annual Grant KIC Performance Assessment Reports
- EIT GB Strategic Recommendations issued during the assessed period
- EIT GB Rapporteur Reports
- Communications Activities Assessments
- Publicly available relevant EU documents
- In-depth study of the 1st wave of KICs

Additional documents and databases have been collected from / provided by EIT and the KIC and assessed during the desk research. This assessment has included outstanding recommendations from the most recent relevant reports produced through annual EIT monitoring, such as the Good Governance Principles assessments and Multi-Annual Dashboards.

Throughout the overview of the documents, we have opted for a tree structure to log each document into a database and do a first rough screening of relevance, indicating the following in the database:

- The level of documentation (EIT general, cross-KICs, KIC-specific – including the respective KIC, etc.)
- The assessment criteria and indicators to which it is (potentially) relevant, based on the assessment criteria from the methodological note
- The level in the Horizon Europe impact pathway to which the data is (potentially) relevant, based on the EIT Impact Framework

After the collection of the documents, we have continued with their analysis.

Document Analysis

We have systematically reviewed each document using the database developed as part of the desk research. During this review we have added further data to each relevant indicator (i.e. if the in-depth review of document X proves to be relevant to assessment criteria/indicators not identified during the fast screening, carried out in the previous activity, this will be updated in the database).

Whilst going through each document, we extracted relevant information on the KIC performances, linking it simultaneously to the areas to be covered by the report. We have subsequently created a matrix to link the data for each year which ensures that data gaps can be easily identified. Once all the data has been grouped using this approach, we have analysed the data using the following methods:

- **Synthesis of text** – In instances where the documents already contained elements of analysis of the performance, this text has been synthesised and reported directly as findings, with full sourcing.
- **Qualitative content analysis** – In instances where data has been presented in direct qualitative manners, the analysis has consisted of finding overall trends and tendencies, patterns and links in these documents based on which overarching summaries and findings have been drawn.
- **Quantitative analysis** – In documents containing quantitative data, the data has been combined with further quantitative data analysis, or in some cases (e.g. KPIs) data was considered as standalone and indicative.

Surveys

We have developed and with the help of EIT Digital distributed three unique sets of questionnaires for the following target groups:

- Survey of students and graduates from EIT labelled programmes and non-labelled programmes
- Survey of start-ups and scale-ups supported by the KICs
- Survey of partners

Surveys typically provide more statistically significant data and in that way lead to more objective results. The questionnaire aimed to build upon the collected information as to complete and enrich understanding from the initial desk research. We have sent the surveys before dissemination to the respective EIT officers for feedback and validation of the questions. All questionnaires have been open for responses for three consecutive weeks, during which we have prepared reminders in order to boost the response rates. All surveys reached good response rates.

Semi-structured interviews

To gain further information, a semi-structured interview has been carried out both in a written and oral form with EIT Digital representative, i.e. the KIC's interim Chief Executive Officer (CEO) at the time, to complement the data collected during the desk research. The interview questions were always sent to the KIC before the interview providing them the possibility to send us written answers and prepare the data or information. As we have received written answers, the oral part of the first interview had only included follow-up and clarification questions. This interview provided in-depth qualitative data that allowed for data verification and triangulation.

Multi criteria analysis

In line with the EC's Better Regulation Guidelines and its toolbox[21], carrying out a Multi-Criteria Analysis have been utilised to assess overall possible alternatives and preferences and evaluate them under different criteria at the same time.

The Multi-Criteria Analysis as a methodological tool have been suitable to conduct a comparison of different options (including a baseline scenario) vis-à-vis a predefined set of criteria. This tool builds on the data collected carried out in the context of the project – including the desk research, the targeted surveys and interviews - to assess various options. Then, based on this assessment, each option receives a score per criterion corresponding to the extent to which each option would be more or less efficient and effective than the established baseline. These scores are then used to develop the comparison of options amongst themselves, in order to reach and conclude on a ranking of preferred options for this study.

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[21] Commission, Better Regulation Guidelines, 03 November 2021, SWD(2021) 305 final (http://ec.europa.eu/smart-regulation/guidelines/toc_guide_en.htm).

Our Multi-Criteria Analysis consisted of three successive steps:

- Assessment of the options with regards to the assessment criteria (including the allocation of base scores)
- Outranking matrix
- Permutation matrix

Theory-based impact evaluation

Theory-based impact evaluation has been utilised to assess cause and effect between interventions and outcomes in a more detailed manner, zooming in on the various elements within an intervention and taking into account potential impactful external factors as well. Theory based evaluation is an approach to evaluation and not a specific method or technique. It is a way of structuring and undertaking analysis in an evaluation. Theory-based approaches to evaluation attempt to understand an intervention's contribution to observed results through a mechanistic or process interpretation of causation, rather than determining causation through comparison to a counterfactual, as discussed in the section above.

Counterfactual impact evaluation – Propensity Score Matching

Counterfactual impact evaluation enabled us to estimate more reliably the impact of EIT Digital by comparing the outcomes of interest of those who have participated in their programme(s) or benefited from their support – the treated group – with those who are similar to the treatment group in all of their characteristics, only difference being that they have not participated in the programme(s) – the control or comparison group.

Propensity Score Matching is a quasi-experimental method. Based on the collected data, it has calculated a propensity score for each individual that indicates their probability to be subject to the intervention. The individuals from the treatment group then have been matched to the individuals from the control group based on other characteristics (e.g. gender, age, education level, etc.). Finally, the average treatment effect of a scheme were calculated as the mean difference in the outcomes between the two groups.

Survival analysis (Kaplan-Meier estimate)

Only one indicator have been identified under the Societal and Economic Impact KPIs where we were able to exploit the survival analysis:

- Number and revenue of start-ups and scale-ups supported by KICs trading 3 years after KIC support ceased

The Kaplan-Meier estimate have been used to estimate the survival function (S(t)) from lifetime data.

Network analysis

Two indicators have been identified under KIC's achievements in attracting new members from across the Union, where we were able to apply network analysis:

- KIC has grown to an effective sustainable innovation eco-system with partners within and outside the EU, including RIS countries and regions
- Share of indicated innovation ecosystems that covers RIS eligible countries

Our network analysis focused on the patterns of relationships between the nodes, in this case organisations, and links between them (which organisations are connected and the strength of these connections). It has been based on an assumption that through time organisations develop formal and informal connections with other organisations, which then play an important role in determining the information flows and success of interaction in specific areas.

Triangulation, conclusions and recommendations

Through this task we managed to address all the data findings from the aforementioned collection and, if necessary, complete it with any additional findings from further consultations with EIT Digital representatives

and further requested documents, databases, to reach solid conclusions. By comparing and aggregating all information gathered, we were able to formulate all relevant recommendations.

3.3 Challenges faced in the assessment

The final review of EIT Digital was a long and intensive work requiring close cooperation with the KIC and EIT. During this process, several challenges were encountered that influenced the overall assessment of the KIC's performance. In this section, we comprehensively analyse the challenges that arose and their implications for the evaluation process. These challenges encompassed a range of factors, from shifting expectations to internal operational dynamics. Understanding these challenges is pivotal for gaining insights into the complexities of the evaluation process and charting a path for future improvements.

Changing environment:

One of the foremost challenges faced during the evaluation process was the evolving nature of expectations set by EIT. Over the assessed 7-year period, these expectations underwent multiple modifications, reflecting changes in the EIT's strategic priorities. This inherent dynamism necessitated a continuous re-evaluation of EIT Digital's strategies and operational focus to ensure alignment with the priorities of the EIT.

Data collection challenges:

To streamline the evaluation process, a strategy was employed to minimise contact with EIT Digital, as requested by the EIT during the start of the project. We were introduced to the KIC's contact point who we could approach for additional data. Balancing minimal intrusion with the need for comprehensive data collection proved somewhat challenging and demonstrated the intricacies of maintaining efficient communication, while respecting operational autonomy. As much pertinent data as possible has been collected, in line with the requirements, timeline and resources available for this assessment. Though the KIC may have more data, it has also had the opportunity to comment on the report from the perspective of wrong, incomplete or missing data. Therefore, though not exhaustive, the data collection is considered complete given the abovementioned constraints.

The challenges encountered during the evaluation process of EIT Digital provide valuable insights into the complexities inherent in assessing an organisation's performance over an extended period. Understanding these challenges is crucial for refining evaluation methodologies and strategies for future assessments.

4. Relevance to the EU global challenges

4.1 Relevance to the objectives of the Union

Indicator: The results of the KIC's activities have been relevant to the objectives of the Union, including boosting economic growth, strengthening the innovation capacity of the Member States, fostering innovation and entrepreneurship.

This criterion primarily assesses the relevance of the KIC's activities and results to the specific Union goals of:

- **Boosting economic growth** by supporting the creation of new products, businesses or services, which in turn lead to job creation and increased industrial competitiveness throughout Europe
- **Strengthening innovation capacity** of the Member States through activities that foster synergies and cooperation among higher education institutes, research and innovation organisations, and industry corporations
- Contribution to addressing the **KIC's societal challenge**

Boosting Economic Growth

EIT Digital has made substantial progress in working towards the objectives of the Union, and more specifically towards driving digital innovation and transformation in Europe and fostering European Digital Sovereignty. Regarding the above, the KIC has already overachieved compared to the annual targets for several KPIs regarding supported start-ups and scale-ups in general and from RIS countries. More specifically, EIT Digital has supported a total of 595 start-ups/scale-ups (for the period 2017-2022; counting 12 more start-ups/spin-offs created during 2016), while the total target for the respective years was 603 (18 was the target for 2016). In addition, EIT Digital has considerably overachieved its targets for EIT RIS – the KIC supported start-ups and scale-ups, by totalling 168 for 2021-2022, while the target was 66. Additionally, EIT Digital has reached 16 RIS countries where it supported start-ups and scale-ups for 2021-2022. The KIC performs rather well in supporting a wide network of start-ups and scale-ups. It also attracts a considerable amount of investment, achieving the targets it had set in its BPs and Strategic Agenda. The investment attracted by KIC supported start-ups/scale-ups was EUR 661.63 million during the period–2017 - 2022, while the target was EUR 213.10 million. Therefore, EIT Digital has already surpassed its 2022 targets for start-ups and scale-ups supported, as well as the target for investment attracted by KIC supported start-ups/scale-ups.

In the evaluated period, the KIC has performed very well regarding the quantitative indicators relevant to boosting economic growth. EIT Digital's results are relevant to the Union's objectives, as the results delivered by the KIC may be considered significant. EIT Digital has managed to create an impressive portfolio of innovative start-ups, by reaching 151 start-ups created for innovation by 2022, while the summative target for 2017 – 2022 was 166.

Strengthening the innovation capacity of the Member States, fostering innovation and entrepreneurship

EIT Digital resolute commitment to building a resilient Digital Europe resonates through its multifaceted initiatives, all geared towards fortifying innovation capacity and nurturing entrepreneurship. At its core, EIT Digital envisions a Europe that thrives as a global digital leader, in alignment with the European Commission's core priorities, while championing European Digital Sovereignty. Central to EIT Digital mission is the cultivation of world-class players strategically aligned with 'Europe's interests. The organisation's pursuit of digital sovereignty for Europe is facilitated through the creation and scaling of ventures, coupled with the enrichment of talents with digital and entrepreneurial skills. A pivotal milestone achieved was the acceleration of venture creation activities, underscoring the organisation's commitment to its Business Plan 2021-2022, which centres around a comprehensive stand-up, start-up, scale-up innovation funnel.

The Innovation Factory, the heart of this funnel, emerges as a dynamic force that crafts ventures from the open innovation endeavours of EIT Digital partnership. Augmented by the RIS Venture programme and entrepreneurship activities within education programmes, this robust ecosystem propels innovation at the nexus of academia and industry. As of the conclusion of 2021, EIT Digital had accumulated 250+ equity positions, encompassing ventures that emerged from the Innovation Factory between 2018 and 2021, alongside those originating from the RIS Venture Programme.

EIT Digital unwavering focus on core areas essential for digital sovereignty for Europe is evident in its strategic pursuits. Anchored in digital technology, wellbeing, cities, industry, and finance, these endeavours span domains where digital transformation is pivotal. Collaboration with other EIT KICs further amplifies the impact, creating a synergistic approach that addresses complex challenges. In 2021, EIT Digital engagement with various EU programmes strengthened, amplifying its role in advancing digital transformation. Collaborations with H2020, EIC, Digital Europe Programme, DG Connect, EIF, and ECB underscored the organisation's proactive stance in shaping the digital future of Europe.

EIT Digital impact manifests prominently through its innovation portfolio, ventures, and entrepreneurial activities. The organisation's rigorous selection process yielded a compelling portfolio of innovation activities, fostering both new ventures and product launches across key sectors. EIT Digital Accelerator, a cornerstone in scaling ventures, showcased impressive results in access to market and access to finance, substantiating its pivotal role in propelling start-ups into the global arena. Furthermore, the EIT Digital Challenge, attracting record participation (409 submissions from scale-ups from 33 countries all over Europe in 2021), reaffirms its stature as a premier contest for European deep tech scale-ups. The growing number of Centaurs (20 identified so far), companies exceeding EUR 100 million valuation, exemplifies EIT Digital success in nurturing a new generation of substantial European tech enterprises.

Education remains pivotal to EIT Digital vision, seen through its efforts in improving blended contents and modules for Master School education. Strong partnerships with industry players and initiatives to integrate education with business underscore the organisation's commitment to producing future leaders adept in both technical and entrepreneurial dimensions. The EIT Digital Doctoral School extends its influence through market-oriented industrial doctorates, moulding talents poised to shape innovation and ICT leadership. This can be confirmed by the number of graduates from EIT labelled MSc/PhD programmes from 2016 until 2022 that were 2 043, overachieving the summative target of 1 775 for the same period. Additionally, only in 2021, the online material for Professional School Massive Open Online Courses (MOOCs) reached more than 24 000 unique learners, with overall 4 151 course completions.

EIT Digital has launched numerous calls for proposals since its creation and reportedly exceeded its targets for the marketed innovations, by reaching about 440 marketed innovations by 2022, and achieving the target of 437. The 17 reported designed/tested innovations were considerably below the target of 26 designed/tested innovations for 2021-2022. Nonetheless, EIT Digital's unwavering pursuit of strengthening innovation capacity and fostering entrepreneurship resonates through its multifaceted endeavours. Improvements are needed towards actions for achieving the targets of designed or tested innovations.

Conclusion: EIT Digital's efforts are highly relevant to the objectives of the Union, effectively contributing to boosting economic growth, enhancing the innovation capacity of Member States, and fostering I&E. The organisation has surpassed its targets in supporting start-ups and scale-ups, attracting significant investments, and creating a robust portfolio of innovative ventures. EIT Digital's commitment to strengthening digital sovereignty for Europe is evident through its multifaceted initiatives, including its Innovation Factory, RIS Venture programme, and strategic engagements with EU programmes. The organisation's impact on innovation, venture growth, and talent development is evident, as seen in its impressive innovation portfolio, successful accelerator programme, and growing number of substantial European tech enterprises. Despite these achievements, there's room for improvement in achieving targets related to designed and tested innovations. Overall, EIT Digital's dedication to enhancing innovation capacity and fostering entrepreneurship positions is a significant driver of Europe's digital transformation and sustainable development.

Score: Very Good – 8

4.2 Societal challenges

Indicator: The results of the KIC's activities have contributed significantly to addressing the societal challenge it was designated for.

EIT Digital is actively addressing societal challenges by leveraging its expertise in digital technology, innovation, and entrepreneurship. The KIC has been focusing on various initiatives and programmes that directly contribute to tackling key societal issues, focusing on digital innovation, entrepreneurship, and education. Some of the key critical areas that EIT Digital is aligned with include:

- **Industry, Innovation, and Infrastructure (SDG 9):** EIT Digital's emphasis on digital technology I&E contributes to advancing industry, innovation, and infrastructure. By fostering the growth of digital ventures, enhancing technological capabilities, and promoting innovation, EIT Digital supports the development of sustainable industries and infrastructure.
- **Sustainable Cities and Communities (SDG 11):** EIT Digital's initiatives in Digital Cities and smart urban solutions align with SDG 11's goal of creating sustainable, inclusive, and resilient cities. By developing technologies and solutions that enhance urban living, mobility, and environmental sustainability, EIT Digital contributes to building better cities and communities.
- **Climate Action (SDG 13):** EIT Digital's commitment to sustainability and circular economy principles aligns with SDG 13's objective of addressing climate change. By fostering the development of digital solutions that promote energy efficiency, reduce emissions, and enhance resource management, EIT Digital supports climate action.
- **Partnerships for the Goals (SDG 17):** EIT Digital's collaborative approach involves partnerships with industry, academia, research institutions, and start-ups. This aligns with SDG 17's aim of revitalising global partnerships for sustainable development by leveraging resources, expertise, and networks to achieve common goals.
- **Quality Education (SDG 4):** EIT Digital's educational programmes, including its Master School and Professional School, equip individuals with the digital skills needed for the future workforce. By offering education that combines technical knowledge with entrepreneurial skills, EIT Digital contributes to quality education and lifelong learning.
- **Decent Work and Economic Growth (SDG 8):** EIT Digital's focus on entrepreneurship and innovation supports economic growth and the creation of decent work opportunities. By nurturing start-ups and scale-ups, EIT Digital helps generate employment and fosters a culture of innovation-driven economic growth.
- **Reduced Inequality (SDG 10):** EIT Digital's emphasis on digital inclusion and education contributes to reducing inequality by ensuring that individuals from diverse backgrounds have access to digital education, skills, and opportunities.
- **Good Health and Well-Being (SDG 3):** Through its initiatives, EIT Digital contributes in promoting technology-driven solutions for health and well-being. EIT Digital's emphasis on digital technology and innovation can have a positive impact on health and well-being in various ways.

Overall, EIT Digital's initiatives in digital innovation, education, and entrepreneurship align with several critical areas of the 2030 Agenda for UN SDGs, contributing to Europe's efforts to achieve sustainable development in the digital era.

EIT Digital is actively addressing societal challenges by leveraging its expertise in digital technology, innovation, and entrepreneurship. It focuses on various initiatives and programmes that directly contribute to tackling key societal issues. Here are some ways, with examples, in which EIT Digital is addressing societal challenges:

1. **Open Innovation Activities:** EIT Digital collaborates with partners in open innovation activities to develop solutions for societal challenges. For instance, the Innovation Factory engages organisations from 25 European and Horizon 2020 associated countries to propose innovation activities. This demonstrates a broad collaborative effort to address challenges through innovation.
2. **Innovation Activities in Strategic Areas:** EIT Digital invests in specific strategic areas aligned with societal challenges. In 2020, it launched an action plan to engage with investors to support its ventures. This led to the creation of 40 new equity positions from venture creation activities in the Innovation Factory. These positions represent tangible outcomes in addressing challenges.

3. **Entrepreneurial Education:** EIT Digital's educational programmes prepare students to tackle societal challenges. The Summer Schools, which bring together participants to address challenges, run annually with over 450 participants, including paying participants. This widespread engagement demonstrates a commitment to fostering the skills needed to address real-world issues.

4. **Venture Creation and Support:** EIT Digital's Innovation Factory and Accelerator contribute to addressing challenges by supporting start-ups and scale-ups. For instance, the EIT Digital Accelerator has helped over 12 alumni companies become Centaurs, with valuations above EUR 100 million. This success highlights the concrete impact of supporting ventures that address societal challenges.

5. **Digital Well-Being and Healthcare:** EIT Digital invests in digital solutions for healthcare. It supports the creation of innovative healthcare technologies through initiatives like the Doctoral Training Centres, which foster collaboration between academia and industries to develop digital solutions for healthcare challenges.

6. **Smart Cities and Sustainability:** EIT Digital contributes to smart and sustainable cities through initiatives such as the DeepHack. This deep tech hackathon addresses specific challenges in a short time, bringing together creative minds to develop solutions. The expansion of DeepHack activities demonstrates tangible efforts to address urban challenges.

7. **Digital Inclusion and Education:** EIT Digital's commitment to adapting education to the digital reality is exemplified by the Blended Master's programme. This programme combines online and face-to-face learning, making education accessible and adaptable. The aim to reach 150 000 learners annually through MOOCs showcases efforts to promote inclusivity in digital education.

8. **Partnerships and Collaborations:** EIT Digital collaborates with other EIT KICs to amplify its impact. Cross-KIC initiatives involving EIT Health, EIT Food, and others highlight collaborative efforts to address challenges collectively.

9. **Deep Tech Innovation:** EIT Digital's focus on deep tech innovation contributes to addressing societal challenges. By nurturing ventures that leverage core digital technologies such as AI, cybersecurity, and next-generation networks, EIT Digital supports tangible advancements in critical areas.

Overall, EIT Digital's initiatives, collaborations, and tangible outcomes underscore its commitment to addressing societal challenges through a combination of innovation, education, entrepreneurship, and partnership. However, as presented in Chapter 6.5, the KIC is lacking tangible impact in several areas of societal challenges, which raises serious concerns in relation to the real impact its activities generate. More specifically, the KIC has not reported on data relating to access to high-speed networks and relevant support to European regulatory affairs. Although it seems that EIT Digital progresses rather well regarding the societal challenges it was designated for, it should pay particular attention to reporting its impact.

Table 5: Activities of the KIC

KPI	2017 Targeted	2017 Achieved	2018 Targeted	2018 Achieved	2019 Targeted	2019 Achieved	2020 Targeted	2020 Achieved	2021 – 2022 Targeted	2021 – 2022 Achieved	Total targeted	Total achieved/ reported*
KIC Supported Start-ups/Scale-ups	100	104	89	92	60	68	48	33	306	298	603	595
Investment attracted by KIC supported start-ups/scale-ups (in EUR millions)	7	5.85	35	236	40	113.4	30	48.47	101.1	257.9	213.10	661.63
Start-ups created of/for innovation	7	9	12	7	17	14	35	31	91	90	166	151

EIT Digital's activities are assessed annually by the EIT through BPs and grant report assessments, as well as additional monitoring, to assess alignment with the KIC's strategic objectives. The KIC's activities have by now been assessed as in line with these objectives and working towards solving the societal challenge it was created for.

Conclusion: EIT Digital's multifaceted approach to digital innovation, education, entrepreneurship, and partnership is making significant strides in addressing the societal challenges it was designated for. The

organisation's commitment to aligning its activities with critical areas of the 2030 Agenda for UN SDGs reflects a strong dedication to sustainable development in the digital era. EIT Digital's impact can be observed through its open innovation activities, strategic investments in societal challenge areas, and the nurturing of ventures that leverage core digital technologies. These actions demonstrate a proactive approach to finding innovative solutions to pressing issues. Moreover, EIT Digital's emphasis on entrepreneurial education, evidenced by the success of its Summer Schools and educational programmes, is equipping the next generation with the skills and mindset needed to tackle real-world challenges effectively. The organisation's support for start-ups and scale-ups, as exemplified by the achievements of companies in its Innovation Factory and Accelerator, highlights its role in fostering concrete solutions to societal challenges. Its involvement in digital healthcare solutions, smart cities, digital inclusion, and deep tech innovation showcases a broad spectrum of contributions to key societal issues and its collaborative efforts with other EIT Innovation Communities further amplify its impact, emphasising the collective commitment to addressing challenges. The report highlights concerns about the tangible impact and reporting of the KIC, particularly in the areas of access to high-speed networks and support for European regulatory affairs. This suggests that EIT Digital needs to improve its impact reporting while making progress in addressing societal challenges.

Score: Very Good – 7

4.3 Strengths, weaknesses and recommendations

Overall score of the assessment criterion: Very Good– 8

Strengths
EIT Digital has managed to cultivate strong performance in innovation areas by supporting a very good number of start-ups/scale-ups and attracting a very good number of investments.
EIT Digital has consistently managed to support a substantial number of innovations brought to market over the span of seven years.

Weaknesses	Recommendations
Low number of EIT RIS countries - KIC Supported Start-ups/Scale-ups.	To achieve boosting the economic growth, EIT Digital should focus its efforts and deliver by the end of 2024 a series of actions, such as tailoring support programmes for regional challenges, strengthening local innovation ecosystems through partnerships, increasing access to funding from local investors, providing targeted capacity-building programmes, and fostering mentorship and networking opportunities. Additionally, offering localised market insights, highlighting success stories, promoting collaborative projects, engaging local authorities, and maintaining a long-term commitment to the region can collectively help overcome this weakness and drive the growth of start-ups and scale-ups in EIT RIS countries.
Lack of tangible societal impact data regarding the KIC's relevant KPIs.	The KIC has not yet reported any data relating to a series of societal impact KPIs. More specifically, it lacks monitoring in regard to "Increased access to high-speed networks" and "Supporting European regulation and digital standards that address key European values such as ethics and AI, data protection, trusted social media platforms". EIT Digital should set specific methodologies and tools to capture this impact within two months and ensure all relevant data are reported by the end of its Partnership Agreement.

5. EU added value and relevance with regard to the objectives of the EIT

5.1 European added value

Indicator: The KIC has created significant European added value with respect to building a sustainable innovation ecosystem through knowledge triangle integration, and as a result has developed concrete solutions to the societal challenge it addresses as foreseen in the original proposal.

With high partnership involvement overall and good KTI throughout the KIC's portfolio, EIT Digital has done well in the creation of innovation ecosystems that did not previously exist. Specifically, there are examples of ways in which the ecosystem created has resulted in progress being made. As already mentioned above, EIT Digital supports innovative start-ups/scale-ups through blending innovation activities with business creation. EIT Digital has been performing relatively well over the past years in marketed innovations, as all validated values were close to the targets it had set. Furthermore, most of the KIC Added Value Activities (KAVAs) submitted in the past years have in their descriptions a variety of outputs to be achieved that align with the KIC's targets, and specifically in areas related to FS. EIT Digital surpassed its intended yearly benchmarks for "Start-ups/Scale-ups supported by the KIC", "Start-ups created for innovation", and met its two-year objective for "Investment attracted by KIC supported start-ups/scale-ups". This accomplishment significantly contributes to fortifying the European Digital Ecosystem and enhancing the digital competitiveness of EU Member States.

The innovations brought forward through these ecosystems all contribute in some way to addressing societal challenges. As described in relevant chapters below, the KIC is already addressing the societal challenge it was designated for, by introducing activities that blend innovation, research and education. Examples of such activities are the KIC's Entrepreneurial education, which includes the KIC's Master, Doctoral and Professional Schools. EIT Digital invests in T-shaped talents an believes that their technical knowledge is key to developing future entrepreneurs. Through its educational programmes, EIT Digital successfully blends education with I&E, by having adopted an agile approach. Through these programmes, students learn a variety of new technologies from an entrepreneurial perspective, while also building business model thinking.

In addition, as also described in relevant chapters below, EIT Digital is one of the KICs that combines innovation and business creation in its portfolio. Innovation activities are part of the business creation area and vice-versa, as the KIC drives digital innovation via an integrated funnel of ventures. For this reason, the KIC has initiated the Venture portfolio, where all activities co-exist and feed one another.

Figure 1: EIT Digital integrated innovation funnel centred around the venture portfolio

Through its agile approach, EIT Digital manages to have a strong KTI and has evolved into a sustainable innovation ecosystem.

Conclusions: EIT Digital has successfully established innovation ecosystems and demonstrated robust KTI, contributing to addressing societal challenges and enhancing digital competitiveness in EU Member States. The organisation excels in supporting start-ups, attracting investments, and blending innovation, research,

and education through programmes like Entrepreneurial education and its various schools. EIT Digital's agile approach fosters T-shaped talents who combine technical knowledge with entrepreneurial skills. The integration of innovation and business creation within its portfolio, particularly through the Venture portfolio, reinforces a sustainable innovation ecosystem. This approach positions EIT Digital as a significant player in the digital innovation landscape.

Score: Excellent – 9

5.2 Alignment with and relevance to the EIT objectives

Indicator: All KIC's activities have been fully aligned with and relevant to the EIT objectives as defined in EIT legislative framework.

The original objective outlined in the 2008 EIT Regulation was as follows[22]: "The EIT's objective is to contribute to sustainable European economic growth and competitiveness by reinforcing the innovation capacity of the Member States and the Community. It should do this by promoting and integrating higher education, research and innovation of the highest standards." Additionally, the EIT adopts the Horizon Europe overall objective of "contributing to building an economy based on knowledge and innovation across the whole Union by leveraging sufficient additional research, development and innovation funding" reinforced by three priorities "a) excellent science; b) industrial leadership; c) societal challenges"[23].

These general objectives are encompassed by the specific objectives of:

- integrating the knowledge triangle of research, innovation and education and thus to reinforce the Union's innovation capacity and address societal challenges[24]
- responding to the priority of "Societal challenges"[25]
- fostering "Leadership in enabling and industrial technologies"[26]

The Regulation outlines the basic rationale behind the EIT as integrating education and entrepreneurship with research and innovation and following the business logic and a result-oriented approach. As stated in the Regulation, "EIT should (further) foster entrepreneurship in its higher education, research and innovation activities. It should promote excellent entrepreneurial education and support the creation of start-ups and spin-offs"[27].

Regarding the above, the KIC has made serious efforts in aligning its activities with the EIT's objectives. Overall, most of the KIC's activities are aligned with the EIT's objectives, with several challenges regarding start-up creation.

EIT Digital seems to perform very well regarding innovation activities and specifically delivers very good results in the start-ups created for innovation. This success of EIT Digital shows the alignment of the KIC with the overall goal of the EIT to support the creation of start-ups. Moreover, EIT Digital has achieved very good progress regarding the innovation and business creation portfolio, as shown in relevant chapters below.

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[22]

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, Accessed on November 24, 2023. Available at: https://eit.europa.eu/sites/default/files/Regulation%20294%202008.pdf

[23] REGULATION (EU) No 1291/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 11 December 2013 establishing Horizon 2020 - the Framework Programmed for Research and Innovation (2014-2020) and repealing Decision No 1982/2006/EC, Accessed on January 13th, 2022. Available at: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32013R1291.

[24] COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS Horizon 2020 - The Framework programmed for Research and Innovation, Accessed on January 13th, 2022. Available at: https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0808:FIN:en:PDF.

[25] REGULATION (EU) No 1291/2013.

[26] Ibidem.

[27] REGULATION (EU) No 1291/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 11 December 2013 establishing Horizon 2020 - the Framework Program for Research and Innovation (2014-2020) and repealing Decision No 1982/2006/EC, Accessed on January 13th, 2022. Available at: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32013R1291.

EIT Digital is a driving force behind digital innovation, employing an integrated approach to nurturing ventures. Its focus is on creating and expanding ventures while also cultivating and enhancing the skills of individuals to equip them with the essential digital and entrepreneurial skills. In a move to further expedite its venture (business) creation endeavours, EIT Digital has chosen to intensify its efforts across the entire innovation funnel, spanning from standup to start-up and scale-up stages. All its initiatives revolve around the KIC's portfolio of ventures, each contributing to its goal.

The Innovation Factory generates ventures through open innovation endeavours undertaken by the EIT Digital partnership. This is complemented by the DeepHack, the RIS Venture programme, and various activities in Innovation and Entrepreneurship within the KIC's educational programmes, including its business-focused Summer Schools. The innovation funnel employs mechanisms to guide ventures through the distinct stages of their development, beginning with stand-up, advancing to start-up, and extending beyond into the scale-up phases. In the initial standup phase, ventures launch minimum viable products (MVPs) with pre-seed financial support from EIT Digital. As they progress to the start-up phase, these ventures enter the market and begin building initial momentum. To facilitate seed investment, EIT Digital has introduced the Venture Standup Events series, connecting start-ups from its portfolio with angel investors and early-stage investors within the EIT Digital ecosystem.

During the scale-up phase, ventures experience growth through rapid customer acquisition and two subsequent financing rounds. The EIT Digital Accelerator plays a pivotal role in propelling these ventures forward by aiding international customer acquisition and linking them with corporate investors. The Accelerator's services are offered on business terms, benefiting both scale-ups emerging from the EIT Digital venture portfolio and other European deeptech scale-ups sourced through the KIC's ongoing efforts, including its flagship scale-up competition, the EIT Digital Challenge.

In 2020, the Innovation Factory experienced an unprecedented level of interest in its initiatives from organisations spanning 25 European countries and H2020 associated nations. This instrument serves to gather a diverse array of proposals, engaging numerous new partners through the KIC's widely promoted annual open call. These proposals are subjected to thorough evaluation by independent experts, forming the basis for constructing the KIC's portfolio of upcoming innovation endeavours. EIT Digital specifically chooses activities that promise substantial economic or societal impact and make significant contributions to EIT Digital's sustainability.

The innovation activities pursued fall into two main categories:

- business creation, and
- product launch.

The KIC has already built and scaled up a large number of businesses by educating new students by providing them all the necessary skills related to digital I&E. EIT Digital has been assessed by the EIT as bringing forward the necessary areas that are key to the European digital sovereignty; Digital Tech, Digital Wellbeing, Digital Cities, Digital Industry, and Digital Finance. Further to this, it is evident that EIT Digital has by far surpassed all other KICs in several KPIs regarding innovation and business creation, as it constantly overperforms in relevant areas of marketed innovations and created start-ups for innovation, as mentioned above.

The KIC's education pillar is also one of the most successful. Its education portfolio performs very well, specifically when it comes to the KIC's FS. Currently, the education portfolio of the KIC brings the most revenue, after membership fees, which is a great success for a KIC.

The KIC has established education programmes at all levels of the higher education pillars (Master's and PhD programmes), while also maintaining Professional and Summer school and a wide variety of online courses. EIT Digital has already established a strong foundation for implementing I&E education. The development of effective teaching methods and high-calibre educational materials is already an integral part of EIT Digital's assets. The KIC's focus is on extending the utilisation of these resources to other Higher Education Institutions (HEIs) across Europe. As a component of the HEI Capacity Building initiative, EIT Digital is actively contributing by creating a repository and a website where HEIs can access materials to

facilitate the implementation and alignment of I&E education. This involves sharing the expertise of the EIT Digital I&E community with other HEIs in Europe. Furthermore, EIT Digital aims to play a role in nurturing the growth of the European HEI ecosystem by strategically utilising the HEI initiative and the Digital Europe Programme to facilitate the development of high-quality programs bearing the EIT Label signature. However, EIT Digital should pay attention to several operational modalities regarding its participation in the HEI Initiative. The EIT has assessed the KIC as being somewhat cumbersome in terms of dealing with project partners regarding the HEI Initiative, and thus negatively impacting the project.

Regarding integration into the European Research and Business (ERB) landscape, EIT Digital is committed to enhancing student involvement in innovation endeavours through its internship programme. Additionally, the KIC's industry partners already engage in its educational activities by interacting with students and incorporating their real-world business cases into the KIC's educational programmes. This distinctive approach sets EIT Digital apart, as it offers a level of integration between innovation and education activities that is not found in any other EU instrument. EIT Digital possesses the capability for seamless integration of innovation and education efforts.

The primary objective of the EIT Digital Entrepreneurial Academy is to meet the growing demand in the European market for engineers with entrepreneurial skills. These individuals are expected to tackle societal challenges and enhance innovation rates across Europe. Over the past decade, EIT Digital has evolved into a prominent provider of top-tier European digital entrepreneurial education. This is achieved through collaborative efforts with universities, research institutes, and industry partners, resulting in the delivery of Digital Innovation and Entrepreneurship Education Programmes.

The Innovation and Entrepreneurship education approach adopted by EIT Digital stands out due to its distinctive model. It is underpinned by a community of practice that harnesses the collective resources available within the KIC's network of universities. In 2021, EIT Digital continued to enhance the reputation of EIT-labelled education, with the aim of fulfilling its mission and establishing EIT as a recognised innovator in the European higher education landscape.

EIT Digital remains dedicated to nurturing business creation through its education programmes. Over the years, the Entrepreneurial Academy has progressively enhanced its integration strategy, fostering collaboration between education, research, and business domains. This coordinated approach between Education and Innovation activities is exemplified by the growing number of business cases and internships provided to Master School students by innovation activities, industry partners, and start-ups/scale-ups within the EIT Digital ecosystem. This trend is also evident in the rising count of students and graduates from EIT-labelled MSc and PhD programmes who opt to join start-ups. In 2021-2022, a total of 26 students or graduates from the EIT Digital Master School and Doctoral School joined start-ups, with a targeted KPI of 40 for the 2021-2022 period.

The KIC boasts a meticulously organised Alumni organisation that operates with remarkable efficiency and makes substantial contributions to the endeavours of the EIT Alumni Board. Notably, this KIC stands out as the pioneer among those backed by EIT in successfully forming an autonomous Alumni Association. Its membership framework is thoughtfully designed and could serve as a model for other KICs to emulate. Also, the KIC organises annual events and the alumni have local hotspots around the world where they organise local meetups.

The EIT Digital Master School presents a distinctive opportunity for individuals to pursue two-year programmes that include studies at two prestigious universities situated in separate European countries. This format also allows for the creation of a personalised curriculum that aligns with individual skills and interests. Through the KIC's offerings, students can attain double degrees, each of which integrates technical expertise with hands-on proficiency in innovation and entrepreneurship. EIT Digital's Master School offers seven programmes:

- Autonomous systems
- Cloud and network infrastructures
- Cybersecurity

- Data science
- Embedded systems
- Fintech
- Human computer interaction and design.

The EIT Digital's Industrial Doctoral School is dedicated to enhancing collaboration with industries by facilitating the recruitment of new industrial partners that require advanced digital competencies. These partners will sponsor PhD candidates who work on pertinent deep tech digital subjects. The Doctoral Training Centres (DTCs), linked to the KIC's CLCs and Satellites, will play a crucial role in augmenting the number of industrial and university partners.

A prominent initiative under the doctoral school involves developing a specialised I&E programme for doctoral students. This programme comprises a "package" of five one-week seminars, immersing students in business-oriented education with a focus on leadership and business management. After a successful pilot implementation in 2020, where five online seminars were conducted with an average of 15 participants each, the "doctoral I&E package" will be extended to external paying participants. This serves as an additional revenue stream to ensure the sustainability of the Doctoral School. However, according to interviews with the KIC's management, the Doctoral School faces difficulties in remaining financially sustainable. The KIC's management is currently seeking new investments that will boost the Doctoral School, however, if such actions do not yield the desired result, the School will stop once the KIC no longer receives grants from the EIT.

Despite its very good performance on the financial aspect of this portfolio, concerns have been raised by the EIT on several occasions in relation to the graduates and start-ups created by students, as those targets remain very low. It is important that the KIC continues to pay attention to a rather well-established education portfolio, by enhancing its efforts in achieving high numbers of graduates that will later enter the market. More details regarding the KIC's performance against relevant KPI targets can be found in Chapter 6.3.

Conclusion: EIT Digital aligns well with the objectives of the EIT, as it integrates the knowledge triangle of research, innovation, and education, with a strong focus on digital innovation and entrepreneurship. It has demonstrated notable success in creating start-ups and ventures, which contributes to reinforcing the Union's innovation capacity and addressing societal challenges, particularly in digital technology. The organisation offers a range of educational programmes at various levels, further promoting the integration of education and innovation. However, concerns have been raised about the number of graduates and start-ups created by students, highlighting the need for continued efforts in these areas. Overall, EIT Digital's performance aligns with the EIT's objectives.

Score: Very Good – 7

5.3 Alignment with the EIT RIS Guidance

Indicator: 5.3. KIC RIS activities have been fully aligned with the EIT RIS Guidance note 2018-2020 and the EIT RIS Implementation Framework (2022-2027)

EIT RIS Guidance Note 2018-2020[28]

The EIT RIS Guidance Note 2018-2020 aimed to update the EIT RIS strategy, offering flexibility to the KICs. It outlined two main action lines, as presented in Table 6: one emphasising local engagement and the other promoting knowledge transfer and networking. These actions were designed for sustainability and alignment with national authorities' interests. RIS Hubs were introduced to facilitate KICs' interactions with local stakeholders and knowledge transfer, with eligibility criteria including thematic alignment, the capacity to work with relevant authorities, commitment to EIT RIS, and connections to enhance synergies.

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[28] Note: The EIT RIS Guidance Note 2018-2020 remained into force for the year 2021, as it was considered a transitional year.

Table 6: Description of Action Lines of EIT RIS Guidance Note 2018-2020

Action Line	Descriptions of Activities and Example Outputs
Action line I: Engage local players in KIC activities	Descriptions of Activities: • Education: establishment of RIS scholarship programmes, campaigns and events, facilitation of industry involvement in educational programmes, internships for graduates focused in EIT RIS eligible countries and regions • Entrepreneurship: foster participation of start-ups and scale-ups in acceleration programmes, establishment of partnerships with local businesses, matchmaking and networking events, support of start-ups creation • Innovation and Research: augment the involvement of researchers originating from EIT RIS eligible countries and regions in KTI innovation projects, pilot testing of the outcomes of KIC innovation projects, foster involvement of local start-ups in technology and know-how transfer Example Outputs: • EIT RIS scholarships, internships, networking and matchmaking for start-ups, students and researchers in innovation projects, etc.
Action line II: Mobilise, interlink and internationalise national / regional networks	Description of Activities: • The KIC should work towards raising awareness and best practices from the KTI model, along with knowledge triangle stakeholders at national level. Such process might include the linking of activities in the sectors of research, education and business with the aim of enabling innovation. As a next step of the process, the KIC should facilitate the development and implementation of joint I&E strategies to connect knowledge triangle partners, while also facilitating the development of innovation-related ecosystems practicing KTI. Example Outputs: • Identification and initiation of joint projects and pilots based on KTI approach among local knowledge triangle actors

Overall, EIT Digital was well aligned with the EIT RIS Guidance Note for 2018-2020, which was replaced by the RIS Implementation Framework 2022-2027. As such, only relevant information as of 2020 is presented below. EIT Digital performed well on the activities included in Action Line 1 and 2, by introducing the RIS Venture programme in 2018, and by running summer schools in RIS countries (e.g. Estonia, Latvia, etc.). In addition, the KIC has managed to financially support numerous students from RIS countries to participate in such summer schools and its Master's Programme. Moreover, by 2020 the KIC has enrolled more than 90 students coming from RIS countries in its Master's school.

RIS Implementation Framework 2022-2027

The RIS Implementation Framework for the period 2022-2027[29] aims to align with the RIS Strategy and prioritise the geographic expansion of the KICs' networks, making EIT RIS a mandatory part of KICs' multiannual strategies. The primary goal is to create tailored approaches for different EIT RIS countries, addressing their specific needs and improving overall performance. KICs are tasked with objectives such as enhancing local innovation capacities through capacity-building activities, fostering collaboration among local knowledge transfer actors, supporting the integration of new partners into KICs, linking local innovation ecosystems to pan-European ones, serving as bridges to relevant smart specialisation strategies, and attracting additional private and public funding, notably from European Structural and Investment Funds (ESIF). KICs are evaluated based on various KPIs across areas like organisational participation, university engagement, support for start-ups and SMEs, and the impact of projects in EIT RIS countries. Additionally, specific RIS-related indicators, including ESIF funding attraction, establishment of CLCs and RIS Hubs, new and established KIC Partners from RIS countries, and coverage of innovation and business ecosystems in RIS regions, are included in the EIT impact framework. The Framework sets a minimum target of 15% of

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[29] EIT RIS Implementation Framework 2022-2027, Accessed on September 18, 2023. Available at: https://eit.europa.eu/library/eit-ris-implementation-framework-2022-2027

the KICs' aggregated core KPIs for impact in EIT RIS countries and regions. EIT Digital's RIS strategy outlined in the KIC's 2021-2027 Strategic Agenda is very well aligned with the RIS Implementation Framework for 2022-2027. The KIC aims to continue building innovation ecosystems in EIT RIS eligible countries and regions through the creation of additional RIS Hubs and targeted RIS activities. Additionally, the updated KPI monitoring system for EIT Digital includes a significant number of RIS-specific KPIs, which cover nearly all those required by the RIS Implementation Framework. The KPIs currently not included in the KIC's specific monitoring system that may be difficult to assess without regular data collection include: the number of organisations from EIT RIS eligible countries, regions that have attracted funding from ESIF and the amount of funding attracted, and the share indicated of innovation and business ecosystems that cover EIT RIS eligible countries and regions.

EIT Digital administers its Venture Programme, which provides an eight-week pre-acceleration initiative executed by regional partners within the RIS region. During the pitch days held in 2021, a total of 27 start-ups that emerged from the programme were evaluated. Among these, 23 start-ups were selected to be awarded a cash prize amounting to EUR 10 000 each. To foster broader participation, the KIC introduced a novel membership category known as 'External Partners'. This classification was specifically designed to facilitate the inclusion of organisations from EIT RIS countries into the KIC's partnership network. Nevertheless, the appropriateness of this approach necessitates reconsideration, particularly considering the goal to streamline the EIT RIS integration process and enhance the seamless incorporation of new partners into the organisation. In 2021, EIT Digital embarked on a journey to align itself with the EIT Jumpstarter programme, with the intent of becoming an integral component of this initiative as from 2023.

Regarding the KIC's planned RIS activities under the RIS scheme, the general action plan of the KIC is built up in line with the EIT RIS Guidance note 2018-2020 and takes into account the aspects specified in the RIS Implementation Framework (2022-2027). The KIC's RIS portfolio initiated 31 new ventures in RIS countries during Venture Programme 2022 edition only. Of them, seven are in Greece, five in Poland and in Romania, and three in Estonia. In 2022, EIT Digital maintained its operation within the framework of the "virtual node" concept, which encompasses all RIS countries. Through this approach, EIT Digital extended its activities across these RIS countries, encompassing the three primary pillars: Ecosystem, Innovation, and Education. Moreover, through the EIT Digital Innovation Factory only four start-ups were created in RIS countries. In addition, the EIT Digital Venture Programme assists teams consisting of a minimum of two individuals who possess an innovative business concept, proof of concept (PoC), or prototype in the domains of Digital Industry, Digital Tech, Digital Wellbeing, Digital Finance, or Digital Cities. The primary goal is to support these teams in refining their MVP and initiating their entrepreneurial journey. An essential requirement is that the team members are residents of any of the 19 RIS countries in Europe. Just in 2022, a total of 31 new ventures were created in RIS countries by the Venture Programme. Furthermore, the EIT Digital Accelerator has already supported numerous scale-ups from RIS countries, especially from Greece, Poland, Portugal, Slovakia and Bulgaria.

It is imperative for the KIC to continue improving its RIS Strategy. This involves various measures such as the creation of additional RIS Hubs, which is already underway, and the engagement of more partners within EIT RIS countries. This concerted effort should be aimed at fostering a more robust and expansive ecosystem within the RIS regions. To expedite the implementation of EIT RIS activities, the KIC should prioritise several key actions. This includes accelerating the function of new Hubs to establish a tangible presence in EIT RIS countries, strengthening collaborations with other KICs, and intensifying the participation of organisations originating from EIT RIS countries in the KIC's operational and innovative endeavours.

Conclusion: EIT Digital has demonstrated strong alignment with EIT RIS guidelines, excelling in Action Line 1 and 2 initiatives, such as the RIS Venture programme and summer schools in RIS countries. Its 2021-2027 strategic agenda remains well-attuned to the RIS Implementation Framework, emphasising the expansion of innovation ecosystems and incorporating RIS-specific KPIs. The introduction of the Venture Programme and 'External Partners' category reflects its commitment to inclusivity, though refinement may be necessary. The KIC's action plan for RIS activities promises to initiate ventures across RIS countries and expand its reach through the "virtual node" concept. To emphasise its impact, EIT Digital must prioritise actions like ensuring the good function of new Hubs and deepening collaborations within EIT RIS countries.

Score: Very Good – 8

5.4 Strengths, weaknesses and recommendations

Overall score of the assessment criterion: Very Good – 8

Strengths
Alignment with the objectives of EIT and the EU resulting in European added-value also addressing the societal challenges the KIC was established for.
Strong performance with regards to reaching targets set out by EIT.

Weaknesses	Recommendations
Sustainability of the innovation ecosystem the KIC creates.	The KIC should strategically continue to allocate resources and efforts to further improve its outcomes within the EIT RIS framework in the coming years, until the end of its Partnership Agreement. More specifically, the KIC should ensure that new Hubs are fully operational within two months to ensure deeper and more effective cooperation with RIS regions. It should continue to improve in this area through the addition of more Hubs, which is already underway, and focus on providing them relevant guidance to reach a good level of operationalisation within the first months of operations.

6. Achievement of KICs own objectives

6.1 7-year Strategic Agenda objectives and expected results

Indicator: A KIC has achieved/likely to achieve its 7-year Strategic Agenda (2021-2027) objectives and expected results in line with its initial strategic objectives. Any deviation from the Strategic Agenda (2021-2027) has been justified, approved by the EIT and has led to maximising impact.

EIT Digital's mission is to contribute to the development of a strong Digital Europe by creating prominent players in strategically important areas for the continent. This objective aligns with the top priorities of the European Commission and the Horizon Europe Strategic Planning. EIT Digital pursues this mission through two main avenues: building and scaling ventures and nurturing and enhancing talents with the essential digital and entrepreneurial skills.

The European digital landscape often exhibits fragmentation, which can impede the region's competitiveness in the global digital realm. EIT Digital's approach aims to address this fragmentation by fostering collaboration and connectivity across various national innovation ecosystems. Instead of relying solely on isolated national efforts, EIT Digital seeks to create a unified pan-European digital ecosystem that facilitates the sharing of expertise, resources, and innovation across borders.

By developing strong ventures and equipping talents with the necessary skills, EIT Digital aims to contribute to the digital sovereignty for Europe – the ability of Europe to have control over its digital destiny, technologies, and data. This strategic approach not only aligns with Europe's priorities but also positions EIT Digital as a crucial player in the advancement of a competitive and innovative digital Europe.

To reach these ambitious goals, the KIC faces several challenges, such as value network fragmentation and strong stakeholder engagement. EIT Digital presents most of the mechanisms to deal with those challenges in its Strategic Agenda and BPs. Its BPs include the first important steps to tackle these challenges by creating an ecosystem for change, an open and trusted environment for all digital stakeholders.

The KIC's Strategic Objectives (SOs) also stem from the need to tackle the abovementioned challenges. EIT Digital has identified five Strategic Objectives in its Strategic Agenda, and these are presented below:

- SO1 – Fostering a stronger European Digital ecosystem that can leverage the diversity and complementarities of the different players to build world class Digital companies.
- SO2 – Increasing EU Member States digital competitiveness by taking dedicated actions in RIS countries, which present lower level of innovation, while continuing the effort to foster Digital innovation across the EU.
- SO3 – Speed up the adoption and commercialisation of EU deep tech digital R&D results in strategic areas.
- SO4 – Creation of higher education system and professional upskilling efforts delivering entrepreneurial digital skills and overcoming female gender underrepresentation in the European digital sector with continuous and focused approaches.
- SO5 – European digital technology development to achieve a greater spread of European values in the digital world.

In related activities, EIT Digital has achieved significant success in various areas, surpassing many of its targets. These achievements include high numbers of eligible applicants, new graduates, incubated business ideas, and knowledge transfers. The organisation has also created numerous start-ups and launched new/improved products/services/processes. In education, EIT Digital exceeded its targets for graduates from EIT-labelled programmes, highlighting its appeal in nurturing talent. In terms of innovation and start-ups, EIT Digital exceeded goals for "Marketed Innovations" and "Supported Start-ups/Scale-ups", indicating its ability to attract investment and support emerging ventures. It fell short in the "Start-ups created of/for innovation" category but performed well in "EIT RIS Start-ups created of/for innovation".

Within the EIT RIS context, EIT Digital had mixed outcomes, meeting targets for "EIT RIS Success Stories" and "EIT RIS Participants with (non-degree) education and training" but falling short in other categories.

Financially, EIT Digital demonstrated strong revenues, slightly below the "FS revenues" target, but with an effective "FS coefficient" and a 60.3% "Co-funding rate".

Conclusion: EIT Digital has displayed success in various KPIs, especially in talent attraction, start-up support, and innovation promotion. While it did not meet all targets, its overall performance reflects its commitment to fostering education, innovation, and entrepreneurship in its initiatives. Based on the KIC's performance and alignment with its SOs so far, it is evident that it will achieve the desirable results until its exit from the EIT grant.

Score: Very Good – 8

6.2 KIC's achieved objectives

Indicator: The KIC has achieved its objectives and respective targets as stated in its original proposal and Strategic Agenda in relation to the societal challenge.

The KIC's Strategic Objectives also stem from the need to tackle the challenges mentioned in the chapter above. EIT Digital has identified five Strategic Objectives in its Strategic Agenda, and these are presented below, accompanied by relevant data regarding the KIC's progress:

- **SO1 – Fostering a stronger European Digital ecosystem that can leverage the diversity and complementarities of the different players to build world class Digital companies.**
  The KIC has established various activities that contribute to its first strategic objective:
  i.   EIT Digital Master School: EIT Digital offered a Master's programme that allowed students to study at multiple universities across Europe, gaining exposure to different cultures and approaches to digital technology. This programme aimed to produce graduates with a strong entrepreneurial mindset.
  ii.   EIT Digital Accelerator: The EIT Digital Accelerator supported European tech start-ups in scaling their businesses. It provided access to a wide network of experts, mentors, and investors, helping start-ups secure funding and expand internationally. Companies like Quuppa, Appear TV, and GuardSquare were among the success stories of this accelerator.
  iii. EIT Digital Challenge: EIT Digital organised an annual competition for deep tech start-ups and scaleups in Europe. Winners received financial support, mentoring, and access to EIT Digital's network of partners. Past winners included companies like Saal Digital, WEGO, and Klippa.
  iv.   Innovation Activities: EIT Digital funded various innovation activities and research projects in fields such as cybersecurity, Internet of Things (IoT), digital finance, and more. These projects often involved collaboration between academic institutions and industry partners.
  v.   EIT Digital Co-Location Centres: EIT Digital established co-location centres in several European cities, including Berlin, Stockholm, Helsinki, Paris, and others. These centres served as hubs for start-ups, scaleups, research institutions, and corporations to collaborate and innovate.
  vi.   Digital Cities Initiative: EIT Digital was involved in projects related to creating smart and digital cities. For example, they worked on developing solutions for urban mobility, energy efficiency, and citizen engagement in smart city development.
  vii. European Network: EIT Digital's extensive network of partners, including universities, research organisations, start-ups, and corporates, facilitated cross-border collaboration and knowledge exchange in the digital domain.
- **SO2 – Increasing EU Member States digital competitiveness by taking dedicated actions in RIS countries, which present lower level of innovation, while continuing the effort to foster Digital innovation across the EU.**
  The KIC has established various activities that contribute to its second strategic objective:
  i.   RIS: EIT Digital's RIS programme is designed to support digital innovation in regions with lower innovation capacity. They work with local partners and stakeholders to identify key challenges and opportunities in these regions and provide funding and expertise to support innovation projects. For instance, they may fund projects focused on smart cities, healthcare, or digital manufacturing in RIS regions.
  ii.   Digital Cities: EIT Digital has been involved in initiatives to create smarter and more connected cities. They work with cities across Europe, including in RIS countries, to develop

digital solutions for urban challenges. These solutions can include smart transportation systems, energy-efficient buildings, and citizen engagement platforms.

iii. Educational Programmes: EIT Digital offers educational programmes in digital technology and innovation in collaboration with universities in various countries, including RIS countries. These programmes provide students with the skills and knowledge needed to drive digital I&E.

iv. Start-up Accelerator: EIT Digital's Accelerator programme supports digital start-ups across Europe, including those from RIS regions. Start-ups selected for the programme receive funding, mentoring, and access to EIT Digital's extensive network of partners and investors.

v. Innovation Hubs: EIT Digital has established Innovation Hubs in different European regions, including RIS areas. These hubs serve as local centres for innovation and collaboration, bringing together academia, industry, and start-ups to work on digital projects and initiatives.

vi. Collaborative Research Projects: EIT Digital often collaborates with research institutions and companies on research and development projects aimed at solving specific digital challenges. Some of these projects may focus on topics such as cybersecurity, artificial intelligence, or digital health, with the goal of boosting innovation in RIS countries.

- **SO3 – Speed up the adoption and commercialisation of EU deep tech digital R&D results in strategic areas.**
  The KIC has established various activities that contribute to its third strategic objective:

  i. Start-up Accelerators: EIT Digital has run start-up accelerator programmes focused on deep tech digital innovations. These programmes often provide funding, mentorship, and resources to early-stage companies working on cutting-edge technologies.

  ii. Market Access Initiatives: EIT Digital has established market access initiatives. In terms of services and consulting in the entrepreneurship domain, the EIT Digital Accelerator functions as a service provider for scale-ups and SMEs, offering Access to Market and Access to Finance. Companies benefiting from these services compensate EIT Digital through the following mechanisms: an annual service fee of EUR 48 000 for access to the core Accelerator services, a variable success fee (up to 10% of the deal value) is added to the base fee for each commercial deal facilitated via the Access to Market service, and a success fee of 2% is applied to each investment deal facilitated through the Access to Finance service.

- **SO4 – Creation of higher education system and professional upskilling efforts delivering entrepreneurial digital skills and overcoming female gender underrepresentation in the European digital sector with continuous and focused approaches.**
  The KIC has established various activities that contribute to its fourth strategic objective:

  i. Master's and Ph.D. Programmes: EIT Digital offers a range of Master's and Ph.D. programmes in digital technology and entrepreneurship in collaboration with top universities across Europe. These programmes combine technical knowledge with entrepreneurial training. For example, the "Digital Innovation and Entrepreneurship" Master's programme focuses on developing students' innovation and entrepreneurial skills alongside technical expertise.

  ii. Innovation and Entrepreneurship Summer Schools: EIT Digital hosts I&E Summer Schools, where students and professionals can gain hands-on experience in developing digital innovations and start-up concepts. These schools provide participants with valuable insights into the entrepreneurial process.

  iii. Access to EIT Digital Accelerator: EIT Digital operates an accelerator programme to support start-ups in the digital field. This programme provides mentorship, funding, and access to a European network of partners and customers. It is open to both male and female entrepreneurs, contributing to a more diverse start-up ecosystem.

  iv. EIT Digital Women in Tech Initiative: EIT Digital has launched the "Women in Tech" initiative to encourage more women to pursue careers in technology and entrepreneurship. This initiative includes scholarships for female students, mentorship programmes, and events that highlight the achievements of women in the digital sector.

  v. EIT Digital Challenge: The EIT Digital Challenge is an annual competition for European deep tech start-ups. It provides finalists with visibility, international exposure, and access to potential customers and investors. Encouraging female-led start-ups to participate and succeed is one of the goals of this competition.

    vi.   Collaboration with Industry: EIT Digital collaborates with industry partners to develop real-world projects and challenges for students and professionals. These collaborations help bridge the gap between academia and industry, ensuring that participants gain practical skills and insights.

    vii.   Digital Cities Initiative: EIT Digital's Digital Cities initiative focuses on solving urban challenges through digital innovation. This programme encourages collaboration between cities, universities, and businesses, fostering a multidisciplinary approach to addressing societal issues.

- **SO5 – European digital technology development to achieve a greater spread of European values in the digital world and achieve European digital sovereignty.**

  The KIC has established various activities that contribute to its fifth objective:

      i.   Exploration of Policy Challenges: EIT Digital has initiated a research project aimed at tackling the policy obstacles associated with European digital autonomy. This investigation centres on issues concerning the control of digital infrastructure, regulatory frameworks, and safeguarding data.

      ii.   Partnership with the Digital Enlightenment Forum: EIT Digital has joined forces with the Digital Enlightenment Forum to carry out this research endeavour. The forum has facilitated cross-disciplinary discussions among stakeholders and conducted an extensive review of relevant literature to contribute to the research.

      iii.   Release of the Report on EUROPEAN DIGITAL INFRASTRUCTURE AND DATA SOVEREIGNTY.

Conclusion: EIT Digital has successfully pursued its strategic objectives to strengthen the European digital ecosystem and enhance digital competitiveness. Initiatives under SO1, such as the EIT Digital Master School and Accelerator, have nurtured diversity and supported successful start-ups. Under SO2, EIT Digital has bridged innovation gaps through programmes like the RIS and Digital Cities projects. SO3 showcases EIT Digital's role in accelerating deep tech adoption and commercialisation through various platforms and collaborations. Additionally, EIT Digital has prioritised education and diversity (SO4) and addressed policy challenges to achieve digital sovereignty for Europe (SO5). Together, these efforts have significantly advanced Europe's digital landscape.

Score: Excellent – 9

6.3 KPI targets

Indicator: KPI targets including impact KPIs for up to 2024 defined in the KIC original proposal, Strategic Agenda (2021-2027) achieved/likely to be achieved.

The KIC has established, in alignment with the EIT recommendations, its targets for its multiannual strategy. This evaluation covers a wide set of years (2016-2022), thus the achievements of the KIC can be assessed to a large extent. These are presented in Table 7 below, where all EIT KPIs and KIC specific KPIs are laid down. Based on the values in Table 7, the KIC has been assessed on whether the KPI targets are likely to be achieved. The narrative also includes comments from past recommendations and GB reports towards the right direction for the future of EIT Digital.

Table 7: EIT KPIs

KPI	2017 Targeted	2017 Achieved	2018 Targeted	2018 Achieved	2019 Targeted	2019 Achieved	2020 Targeted	2020 Achieved	2021 – 2022 Targeted	2021 – 2022 Reported	Total targeted	Total achieved/ reported*
Designed/Tested Innovations	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	26	17	26	17
EIT RIS Designed/Tested Innovations	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	26	9	26	9
EIT RIS Countries – Designed/Tested Innovations	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	26	3	26	3
Marketed Innovations	77	96	77	74	79	65	76	73	128	132	437	440
EIT RIS Marketed Innovations	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	26	90	26	90
EIT RIS Countries – Marketed Innovations	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	26	14	26	14
Supported Start-ups/Scale-ups	48	33	60	68	89	92	100	104	306	298	603	595
EIT RIS Start-ups/scale-ups Supported	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	66	168	66	168
EIT RIS Countries - KIC supported start-ups/scale-ups	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	40	16	40	16
Start-ups created of/for innovation	11	9	12	7	17	14	35	31	91	90	166	151
EIT RIS Start-ups created of/for innovation	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	35	76	35	76
EIT RIS Countries - start-ups created of/for innovation	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	16	13	16	13
Start-ups created of EIT labelled MSc/PhD programmes	15	2	8	5	18	0	12	7	35	2	88	18
EIT RIS start-ups created of EIT labelled MSc/PhD programmes	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	7	2	7	2
EIT RIS Countries - Start-ups created of EIT labelled MSc/PhD programmes	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	9	2	9	2
Investment attracted by KIC supported start-ups/scale-ups (in EUR millions)	7	5.85	35	236	40	113.4	30	48.47	101.1	257.9	213.10	661.63
Investment attracted by KIC supported EIT RIS start-ups/scale-ups (in EUR millions)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	16	49.48	16	49.48

KPI	2017 Targeted	2017 Achieved	2018 Targeted	2018 Achieved	2019 Targeted	2019 Achieved	2020 Targeted	2020 Achieved	2021 – 2022 Targeted	2021 – 2022 Reported	Total targeted	Total achieved/ reported*
EIT RIS Country - Investment attracted by KIC supported start-ups/scale-ups	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	15	9	15	9
Graduates from EIT labelled MSc/PhD programmes	400	232	450	257	300	288	400	257	n/a	821	1 550	1 855
EIT RIS Graduates from EIT labelled MSc/PhD programmes	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	225	358	225	358
Students enrolled in EIT labelled MSc/PhD programmes	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	561	n/a	561
Participants in (non-degree) education and training	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	3 232	5 817	3 232	5 817
EIT RIS Participants with (non-degree) education and training	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	3 092	n/a	3 092
EIT labelled MSc/PhD students and graduates who joined start-ups	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	40	41	40	41
EIT RIS EIT labelled MSc/PhD students and graduates who joined start-ups	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	21	n/a	21
FS revenues (in EUR millions)	3.35	2.45	3.49	5.13	7.75	4	5.50	6.8	18.25	18.25	38.34	36.64
FS coefficient	4.58%	3.80%	4.39%	7.30%	9.93%	5.71%	6.98%	10.05%	27.77%	58.90%	-	-
Co-funding rate	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	60.63%	n/a	60.63%	n/a

EIT Digital's performance against its KPI targets in 2022 presents a mixed picture. In terms of innovation, while it fell short of its intended target for "Designed/Tested Innovations" and "EIT RIS Designed/Tested Innovations", achieving only 65.4% and 34.6% of its respective targets, it demonstrated commendable success in marketing its innovations. The organisation surpassed its "Marketed Innovations" target by 100.7%, showcasing its effectiveness in reaching a wider audience with its innovative products and ideas.

Moreover, EIT Digital showcased exceptional performance in fostering the creation of start-ups driven by innovation. It greatly exceeded its goal for "Start-ups created of/for innovation", achieving an impressive 217.1% of the target. Additionally, within EIT RIS countries, EIT Digital significantly outperformed its targets for creating start-ups, achieving 81.3% of the target for "EIT RIS Countries – Start-ups created of/for innovation". However, there is room for improvement in other areas, such as "EIT RIS Countries – Marketed Innovations", where it achieved 53.8% of the target. In summary, EIT Digital's performance highlights its strong ability to market innovations and foster start-ups, though there are areas where it can focus on enhancing its outcomes, particularly in the design and testing phases of innovation.

EIT Digital's performance assessment reveals a significant achievement in its support for start-ups and scale-ups during the period from 2017 to 2022. The organisation not only surpassed its target for "Supported Start-ups/Scale-ups" but also exceeded expectations by achieving 109.5% of the intended goal. This success highlights EIT Digital's effective efforts in nurturing the growth and development of emerging ventures within its ecosystem.

Furthermore, EIT Digital's performance in attracting investment for the start-ups and scale-ups it supported is truly noteworthy. Over the same five-year span, the organisation managed to secure an impressive EUR 403 730 000 in investment, exceeding the target of EUR 213 100 000 by an outstanding margin of 189.6%. This remarkable accomplishment underscores EIT Digital's ability to create an environment conducive to attracting substantial funding, contributing to the sustained growth and innovation of the start-up and scale-up landscape within its domain.

EIT Digital's performance of its EIT RIS activities, during 2021-2022 showcases a mix of achievements and areas with room for growth. The organisation fell short of its goals in several categories, including "EIT RIS Designed/Tested Innovations", "EIT RIS Start-ups/scale-ups Supported", "EIT RIS Countries - KIC supported start-ups/scale-ups", "EIT RIS start-ups created of/for innovation", "EIT RIS Countries - start-ups created of/for innovation", "EIT RIS start-ups created of EIT labelled MSc/PhD programmes", "EIT RIS Countries - Start-ups created of EIT labelled MSc/PhD programmes", and "EIT RIS Graduates from EIT labelled MSc/PhD programmes". These results indicate areas where EIT Digital could focus efforts to enhance its performance and achieve its targets within the EIT RIS framework.

However, EIT Digital managed to exceed its targets in some important categories. Notably, the organisation succeeded in surpassing its goals for "EIT RIS – Marketed Innovations", "EIT RIS Country - Investment attracted by KIC supported EIT RIS start-ups/scale-ups", and "EIT RIS Countries - Success Stories". These achievements underscore EIT Digital's ability to effectively market innovations, attract investment, and highlight success stories within the EIT RIS context. However, EIT Digital has not yet managed to achieve some very important targets in relation to start-up creation, which – if continued – will jeopardise its FS.

Conclusion: EIT Digital's performance shows success across a broad spectrum of KPIs, particularly in attracting talent, supporting start-ups, and promoting innovation. While there were instances where targets were not met, i.e. start-up creation of/for innovation, the organisation's overall performance indicates its commitment and ability to foster education, innovation, and entrepreneurship in its various initiatives.

Score: Very Good – 8

6.4 EIT RIS activities and results

Indicator: The KICs have delivered EIT RIS activities and achieved results within the scope of their EIT RIS Strategies. Any deviations are duly justified, having led to maximised results.

EIT Digital has adopted an inclusive approach towards partners from EIT RIS countries, integrating them as an essential part of its community and connecting their ecosystems with EIT Digital's broader initiatives.

To enhance engagement in RIS countries, EIT Digital has undertaken several initiatives:

- **Summer Schools and Professional Courses:** EIT Digital organises educational events like summer schools and professional courses in RIS countries, fostering skills development and knowledge sharing. This approach helps build a strong digital education ecosystem.
- **RIS-oriented Venture Programme:** EIT Digital tailors its venture programme to suit the circumstances in RIS countries. This initiative supports start-ups with lower investment requirements and aligns with the specific needs of these regions.
- **Public Media Engagement:** EIT Digital has intensified efforts to engage with public media in RIS countries, resulting in high-profile media coverage. This approach helps raise awareness and visibility of digital innovations in these countries.
- **Reports and DeepHack events:** EIT Digital publishes reports on RIS start-ups and digital innovation ecosystems. Additionally, events like RIS DeepHack and initiatives to target countries with low DESI index contribute to expanding the digital landscape in RIS regions.
- **EIT RIS Hubs and Satellites:** EIT Digital has established EIT RIS Hubs in Braga (PT) and Tallinn (EE), along with planned satellite offices in Greece, Romania and Slovenia. These hubs act as focal points for collaboration and innovation.

While EIT Digital's efforts in RIS countries are commendable, there is recognition of the need for even stronger efforts from the KIC to align with the increased importance given to RIS by the EIT in line with the EU's strategic priorities. The KIC's participation in EIT Jumpstarter and the consistent engagement of partners from RIS countries in various activities demonstrate the commitment to nurturing a thriving digital ecosystem across Europe.

EIT Digital's performance within the EIT RIS in the period of 2021-2022 reflects a dynamic mix of achievements and areas of focus. The organisation excelled in promoting innovation and start-ups, surpassing expectations in several categories. Notably, EIT Digital reported 76 start-ups for innovation, far exceeding the target of 35, and attracted EUR 49.5 million in investment for KIC-supported start-ups/scale-ups, significantly surpassing the target of EUR 16 million. Additionally, EIT Digital achieved impressive results in marketing innovations, supporting start-ups/scale-ups, and involving participants in non-degree education and training, outperforming the respective targets. The organisation's ability to exceed expectations in these aspects underscores its commitment to nurturing entrepreneurship and innovation within the EIT RIS context.

However, the performance assessment also highlights certain areas that require further attention. In the EIT RIS context, EIT Digital experienced mixed outcomes. It met the target for "EIT RIS Success Stories" and surpassed the goal for "EIT RIS Participants with (non-degree) education and training". However, it fell short in other categories like "EIT RIS Designed/Tested Innovations", "EIT RIS Start-ups/scale-ups Supported", and "EIT RIS Graduates from EIT labelled MSc/PhD programmes".

While EIT Digital achieved notable milestones in categories like designed/tested innovations and graduates from EIT-labelled programmes, there is room for growth in these domains. The organisation achieved only 9 out of the targeted 26 designed/tested innovations and 358 graduates against the goal of 225. Likewise, there is potential to improve start-up creation from EIT-labelled MSc/PhD programmes, as EIT Digital achieved 1 out of the targeted 7. Overall, EIT Digital's performance in the EIT RIS underscores its ability to drive I&E, with room for continued refinement and growth in specific areas to further bolster its impact in the coming years.

Conclusion: EIT Digital has adopted an inclusive approach to engage partners from EIT RIS countries, fostering skills development, innovation, and knowledge sharing through initiatives like summer schools, RIS-oriented Venture Programmes, and public media engagement. The organisation has made commendable progress by establishing EIT RIS Hubs, exceeding targets in start-up creation and attracting substantial investments. However, challenges remain in achieving the targets relating to innovation activities and graduates, and there is room for growth in these areas.

Score: Very Good – 8

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6.5 KIC's progress on societal KPIs

Indicator: KIC has made evidenced progress against the following KPIs (incl. impact KPIs as per definitions provided in the EIT Impact Framework – Societal impact KPIs EIT Digital)

Increased access to high-speed networks

EIT Digital has been actively advancing its mission to improve access to high-speed networks through several key initiatives.

- **Broadening the Ecosystem in RIS countries:** EIT Digital has placed a strong emphasis on expanding its presence in RIS countries. This involves establishing satellite offices and RIS hubs in locations such as Tallinn, Athens, and Ljubljana, with the objective of enhancing high-speed network accessibility in these regions.
- **Building Partnerships and Collaborations:** EIT Digital has converted local collaborations into enduring partnerships, thereby contributing to the growth of the ecosystem. By teaming up with local organisations and receiving support from funding authorities, EIT Digital harnesses its resources to further improve access to high-speed networks.
- **Nurturing Scaleups and Entrepreneurs:** EIT Digital offers assistance to scaleups and entrepreneurs in RIS countries through its Accelerator and Venture Programmes. By connecting them with the EIT Digital Accelerator and providing training and resources, EIT Digital assists these start-ups in expanding internationally and gaining access to high-speed networks.

In summary, EIT Digital's endeavours to expand its ecosystem, foster partnerships, and empower start-ups and entrepreneurs are all part of its commitment to enhancing high-speed network accessibility in RIS countries.

Despite these commendable initiatives, it is important to note that as of today, there is no available impact data to conclusively support the progress made by the KIC in addressing the societal challenge of increased access to high-speed networks. Gathering and analysing impact data will be essential in evaluating the effectiveness of these initiatives in achieving their intended goals.

Strengthened economic impact of EU digital firms through increased share of exports of their digital services to non-EU markets

EIT Digital's primary objective is to bolster the economic influence of European digital companies within global markets beyond the EU. It has set a specific target of achieving a 20% rise in non-EU market exports of digital services by firms associated with EIT Digital by the year 2024. This endeavour is anticipated to foster the expansion and prosperity of European digital enterprises on the international stage, thereby boosting their competitiveness and economic significance.

To attain this objective, EIT Digital places its focus on advocating for European regulations and digital standards that uphold fundamental European principles, including ethical AI, data protection, and reliable social media platforms. By deploying a robust capacity for thought leadership and policy support, EIT Digital aspires to influence the decisions of governments, the European Commission, and other governmental bodies, urging them to adopt EIT Digital's initiatives, policy recommendations, and publications. The ultimate goal is to have six of EIT Digital's thought leadership publications cited in key EU policy documents, with a broader aim of increasing this number over the long term.

Additionally, EIT Digital aims to enhance the development of digital talent in Europe by revamping European ICT Masters and Doctoral programmes, with a stronger emphasis on addressing societal needs and promoting entrepreneurship. This includes adopting models such as the EIT Digital Master School, Industrial Doctoral School, and the EIT quality label for European Technical universities. By nurturing and cultivating digital entrepreneurial skills, EIT Digital intends to empower individuals with the requisite digital expertise and knowledge to drive the growth and global expansion of European digital firms.

In conclusion, EIT Digital is actively engaged in efforts to amplify the economic impact of EU digital enterprises by augmenting the export of their digital services to non-EU markets. Through its initiatives in thought leadership, policy support, and talent development, EIT Digital seeks to enhance the competitive

edge and global outreach of European digital companies, thereby contributing to the advancement of the digital economy.

As of 2023, EIT Digital has reported that 40% of the services of firms involved with the KIC were exported to non-EU countries, while the respective target in its SA for 2024 was at 20%. Already in 2023, the KIC managed to double this percentage, thus reporting very positive progress against this societal KPI, as shown in the table below.

Table 8: Strengthened economic impact of EU digital firms through increased share of exports of their digital services to non-EU markets KPI

Societal KPI	Target until 2024	Reported 2023
Strengthened economic impact of EU digital firms through increased share of exports of their digital services to non-EU markets	20%	40%

Increased competitiveness of EU Member States with a special focus on countries with a DESI (Digital Economy and Society Index)<50

EIT Digital has achieved significant strides in enhancing the competitiveness of EU Member States, with a specific focus on countries scoring below 50 on the DESI. Its Venture Programme, carried out in five regional editions, has been instrumental in helping entrepreneurial teams with innovative digital business ideas bring their MVPs to fruition and launch their ventures. The programme has garnered applications from 20 different countries, including those within RIS in Eastern and Southern Europe.

In the year 2021 only, the Venture Programme received 230 applications and selected 37 entrepreneurial teams hailing from 12 countries. These teams actively engaged in the pre-acceleration phase, developed their MVPs, and successfully established their ventures. A total of 23 newly-formed ventures earned cash prizes of EUR 10 000 each for meeting the criteria set in the initial phase. This programme also plays a role in bolstering the financial sustainability of EIT Digital through equity stakes in these newly established businesses.

Furthermore, EIT Digital has placed a significant emphasis on broadening its network in RIS countries. In 2021, the number of partners from RIS countries reached 150, and concerted efforts were made to establish new satellite offices and RIS Hubs in nations such as Romania, Bulgaria, Poland, Slovakia, Latvia, and Czechia. The primary goal is to nurture local entrepreneurship and provide opportunities for scaleups in these countries to expand internationally.

In the realm of education, EIT Digital has heightened its focus on RIS countries by conducting targeted recruitment marketing campaigns and forming partnerships with higher education institutions and organisations in these regions. Both the Master School and Professional School have organised recruitment events and marketing initiatives specifically tailored to RIS countries, resulting in an increased enrolment of students and professionals in their programmes. In its 2021-2027 SA, EIT Digital targeted +100% participation of Member States with DESI<50 in its activities, especially through RIS programme. Based on recently available data provided by the KIC, this target has been met, reiterating the KIC's societal impact on increasing the competitiveness of the above Member States.

Table 9: Increased competitiveness of EU Member States with a special focus on countries with a DESI<50 KPI

Societal KPI	Target until 2024	Reported 2023
Increased competitiveness of EU Member States with a special focus on countries	+100% participation	+100% participation

In conclusion, EIT Digital's efforts to enhance the competitiveness of EU Member States, especially those with a DESI score below 50, are evident through the successful execution of the Venture Programme, the

expansion of their network in RIS countries, and their endeavours to attract students and professionals from these regions to their educational programmes.

Increased centrality of organisations from the Widening Countries or countries with DESI below 50 in EIT Digital activities

EIT Digital has made significant efforts in enhancing the involvement of organisations from Widening Countries and those with a DESI score below 50 in its operations. In particular, this is achieved through the expansion of its presence in RIS countries. As mentioned above, by December 2021, EIT Digital had formed partnerships with 150 organisations from RIS countries, and it actively pursued the establishment of new locations in Athens and Ljubljana. Moreover, there are plans to establish additional Satellites and RIS Hubs in 2022 and beyond, with a focus on countries such as Romania, Bulgaria, Poland, Slovakia, Latvia, and Czechia. These RIS Hubs and Satellites receive strong support from local partners and funding authorities, thereby contributing significantly to the financial sustainability of EIT Digital.

In its 2021-2027 SA, EIT Digital described that its goal was for the countries with DESI below 50 to be 50% more central in EIT Digital activities than in 2021. Based on recently available data provided by the KIC, this percent has been achieved, and the goal is for those countries to be 100% central until the end of the KIC's Partnership Agreement.

Table 10: Increased centrality of organisations from the Widening Countries or countries with DESI below 50 in EIT Digital activities KPIs

Societal KPI	Target until 2024	Reported 2023
Increased centrality of organisations from the Widening Countries or countries with DESI<50 in EIT Digital activities	**50%**	**50%**

Deep tech digital R&D results brought to the market in areas strategic for Europe

EIT Digital has achieved noteworthy advancements in bringing the outcomes of deep tech digital research and development to the market, particularly in areas crucial for Europe. The EIT Digital Venture Programme has played a pivotal role in assisting entrepreneurs with innovative business concepts, guiding them through the process of finalising their MVPs, and facilitating the launch of their ventures. In the year 2021 alone, the programme garnered 230 applications, resulting in the establishment of 23 new ventures in RIS countries, thereby increasing the total number of ventures created to 92.

Furthermore, EIT Digital has provided valuable support to scaleups in RIS countries by connecting them to the EIT Digital Accelerator, enabling them to expand their operations internationally. Additionally, the programme has extended its support to local entrepreneurial talents through the RIS Venture Programme, aiding them in shaping their ideas into deep tech ventures. Remarkably, three companies that graduated in 2021 successfully secured their initial investment rounds from external investors.

In summary, EIT Digital has made remarkable strides in promoting the translation of deep tech digital research and development outcomes into practical applications within strategic domains for Europe. This achievement has been driven by the Venture Programme and the support extended to both scaleups and emerging entrepreneurial talents in RIS countries.

Increased digital talent development in Europe

The KIC has demonstrated tangible progress against its societal impact KPIs. The increased digital talent development in Europe serves as an example, showcasing the impact EIT Digital currently has in training and offering digital talents to the EU market.

A significant portion of students replying to the survey launched for the purpose of this final review concluded that they are employed in a sector/job that is related to the EIT Digital study programmes. This itself is a very positive sign, as it highlights the quality of the KIC's educational programmes and how well those are aligned with the current trends and needs of the sector.

In addition, most of the students specified that they have acquired/strengthened skills relevant to entrepreneurship and innovation. This showcases that EIT Digital performs very well in training new digital talents, by offering them the necessary skills for their future career.

What is, though, more important and proves that the KIC has succeeded in equipping the EU's digital talents, is the perception that students would not be better off today, had they not chosen to pursue EIT Digital's related programmes.

Figure 2: Answer relating to sector of employment
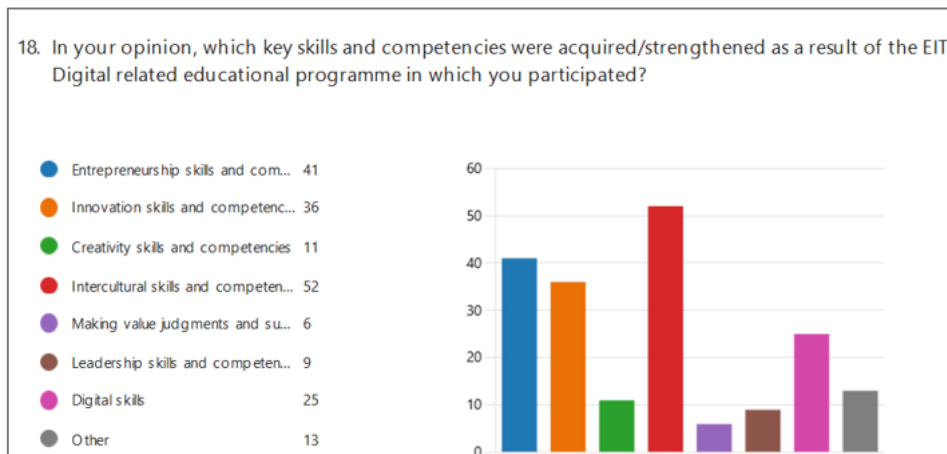
Figure 3: Answer relating to relevant skills and competences

Figure 4: Answer relating to graduates satisfaction

Increased digital upskilling of European professionals

EIT Digital's progress in increasing digital upskilling is evident through the activities presented below:

- **Collaborations with Talent Garden Innovation School:** In 2021, EIT Digital explored partnerships with Talent Garden Innovation School to craft an 'Advanced Business Experience'

learning pathway tailored for senior professionals. This included the development of concise courses in cybersecurity and digital product management.

- **Customisation and Curation for Corporate Learning:** EIT Digital's Professional School initiated engagement with companies and institutions to offer tailor-made training programmes. This entailed the customisation and curation of content to align with the specific learning requirements of these organisations.
- **Successful Online Courses:** EIT Digital's Professional School achieved success with its online courses, particularly the 'Cybersecurity with Fraunhofer' programme, which ran four times during the year and trained a total of 127 participants in cybersecurity and data privacy.
- **Coursera Platform:** EIT Digital's self-paced professional courses on the Coursera platform demonstrated consistent growth. In 2021, these courses attracted 24 456 unique learners, with 4 151 individuals successfully completing the courses.
- **Marketing Campaigns and Recruitment:** EIT Digital placed a strategic focus on expanding its presence in RIS countries. It organised dedicated marketing campaigns and recruitment events to entice more students and professionals from these nations to participate in EIT Digital's programmes and courses.
- **EIT Digital Venture Programme:** The EIT Digital Venture Programme provided invaluable support to start-ups and entrepreneurs within the digital industry. The programme encompassed regional editions that spanned RIS countries, offering training, mentorship, and financial assistance to assist teams in developing their business concepts and launching their ventures.

EIT Digital had set some very ambitious targets in its SA, regarding both professional and online learners, and the number of new credentials developed by the KIC supported universities. What is evident from the table below is that the KIC has not yet managed to successfully progress against these KPIs, as it reported numbers that highlight a lack of impact in these areas.

Table 11: Increased digital upskilling of European professionals KPI

Societal KPI	Target until 2024	Reported 2023
Increased digital upskilling of European professionals	Online learners: 1 million	Online learners: 472 000
	# of new micro-credentials issued to learners: 50 000	# of new micro-credentials issued to learners: 25 500

In summary, EIT Digital has made substantial progress in enhancing the digital skillset of European professionals through collaborative ventures, customised training initiatives, successful online courses, and comprehensive support for start-ups and entrepreneurs. However, its impact is not yet evident and is an issue the KIC should focus on until the end of its Partnership Agreement.

Increased gender equality in digital education in Europe

EIT Digital has made significant progress in advancing gender equality within digital education in Europe. Notably, in 2021, 50% of recruited PhD students were female, signifying a substantial increase compared to previous years. This accomplishment underscores a firm dedication to fostering gender diversity within the Industrial Doctoral Programme.

Furthermore, EIT Digital has been actively engaged in endeavours to boost the participation of female students within the Industrial Doctoral School. The overarching objective is to create opportunities for female students to excel in digital education and make meaningful contributions to the ongoing digital transformation of European industries. Nevertheless, the KIC has reported 30% participation of female students in EIT Digital programmes; a number which falls short in regard to the goal the KIC had set, as can be seen in the table below.

Societal KPI	Target until 2024	Reported 2023
% of female students in EIT Digital	40%	30%

In summary, EIT Digital's commitment to enhancing gender equality in digital education is palpable through the recruitment of a higher number of female PhD students and the deliberate emphasis on supporting and involving female students in the activities of the Doctoral School. However, the KIC should enhance its efforts in delivering better results in this area and foster a more gender inclusive environment in its programmes.

Supporting European regulation and digital standards that address key European values such as ethics of AI, data protection, trusted social media platforms

EIT Digital has actively embraced the promotion of ethics within the field of AI. It has meticulously crafted comprehensive syllabi and defined clear learning objectives for each course, all while considering the pedagogical philosophy that underpins its educational programmes. Furthermore, it has synchronised its first-year curriculum with the entry and exit points at various universities, thereby creating a cohesive educational offering. EIT Digital has taken substantial measures to ensure the protection of data. It initiated recruitment activities, diligently followed up with interested students, meticulously reviewed applications, and conducted evaluations to select the most suitable candidates. These meticulous processes were executed during the first quarter of 2021, illustrating the KIC's unwavering commitment to safeguarding the data of its applicants.

In addition, the KIC envisaged that at least six of its thought leadership reports be referenced in key EU policy documents by 2024. EIT Digital has successfully produced seven until 2023, which marks a positive step towards reaching its desired impact, but there is no track record on any of these being cited in an official key EU policy document.

Increased influence of EIT Digital on Digital Innovation Hubs

EIT Digital has achieved notable progress in expanding its impact on Digital Innovation Hubs. A prime example is the Budapest Node, which has taken the lead in a consortium to submit a proposal for a cybersecurity-fintech project within the European Digital Innovation Hubs Network. This initiative underscores their strong commitment to enhancing the digital innovation ecosystem. Furthermore, EIT Digital has successfully conducted Calls for Accelerator, one Pilot programme, and one 'Booster call' that engaged all participating KICs, further cementing its influence within the realm of digital innovation. These endeavours highlight EIT Digital's dedication to promoting collaboration and driving innovation within Digital Innovation Hubs.

Conclusion: EIT Digital has demonstrated a relatively strong commitment to societal KPIs through its efforts to enhance the competitiveness of EU Member States, particularly those with low DESI scores, and involve organisations from underserved regions in its activities. The organisation's Venture Programme has successfully translated deep tech digital research into practical applications, while its educational initiatives have equipped both students and professionals with valuable digital skills. EIT Digital's dedication to gender equality in digital education and its support for European regulatory standards, notably in AI ethics and data protection, reflect its commitment to societal values. Additionally, EIT Digital has expanded its influence in Digital Innovation Hubs, fostering collaboration and innovation within the digital ecosystem, making significant strides towards achieving its societal KPIs. However, there is no tangible impact for several of these indicators, such as access to high-speed networks and support to European regulation.

Score: Very Good – 8

6.6 KIC's progress on economic impact KPIs

Indicator: KIC has made evidenced progress against the following KPIs (incl. impact KPIs as per definitions provided in the EIT Impact Framework – Economic impact KPIs EIT Digital)

Contribution to revenue growth of organisations trading or employing innovations developed with the KIC support

Based on the answers provided to our survey, we can assess the impact of EIT Digital's funding on start-up revenue growth as follows:

- None – 9 answers: This group of start-ups did not experience any noticeable revenue growth attributed to EIT Digital funding. This could be due to various factors such as the start-ups not effectively utilising the funding, market conditions, or other external factors.
- Less than 5% - 5 answers: Similar to the previous group, these start-ups saw minimal revenue growth of less than 5% due to EIT Digital funding. This suggests that while there might have been some positive impact, it wasn't significant in terms of revenue generation.
- 5-10% - 2 answers: Start-ups falling in this category experienced modest revenue growth in the range of 5-10% as a result of EIT Digital funding. This indicates a moderate positive impact on their revenue generation efforts.
- 10%-20% - 2 answers: A slightly lower number of start-ups achieved revenue growth between 10% and 20% thanks to EIT Digital funding. This suggests a more substantial positive effect, indicating that the funding played a significant role in their revenue growth.
- 20%-50% - 7 answers: A bigger number of start-ups reported a substantial revenue growth of 20% to 50% due to EIT Digital funding. This indicates that for these start-ups, the funding had a considerable impact on their revenue generation and business expansion.
- More than 50% - 6 answers: This group of start-ups experienced remarkable success, with more than half of their revenue growth attributed to EIT Digital funding. This indicates a very strong positive correlation between the funding and revenue generation for these start-ups.
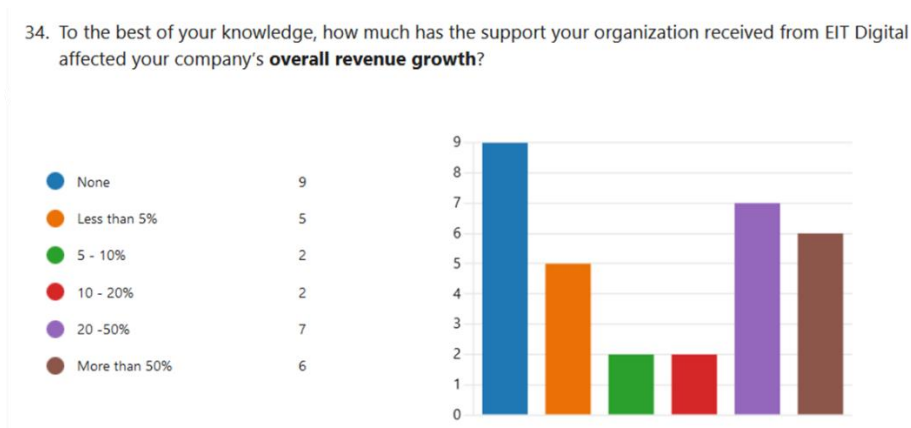
Figure 5: Answers to the survey question for start-ups revenue growth

The data suggests that the impact of EIT Digital's funding support and revenue generation varies among start-ups. While some saw substantial revenue growth, others experienced minimal to no growth. Factors such as how effectively the funding is utilised, market conditions, and the start-ups' own strategy and execution likely contribute to these differences in outcomes. To maximise the impact of EIT Digital funding, it may be beneficial for start-ups to focus on optimising their utilisation of the resources and support provided by EIT Digital and aligning their strategies with market opportunities.

Counterfactual impact evaluation and survival analysis were performed for specific economic impact KPIs for EIT Digital. For the start-ups supported by KIC, the evaluators concluded that the growth difference between their indicator values and the controls' was not significant for their revenues and profitability, at least in this short run, but it could be observed that the net sales of the supported start-ups are a little bit higher that of the control group.
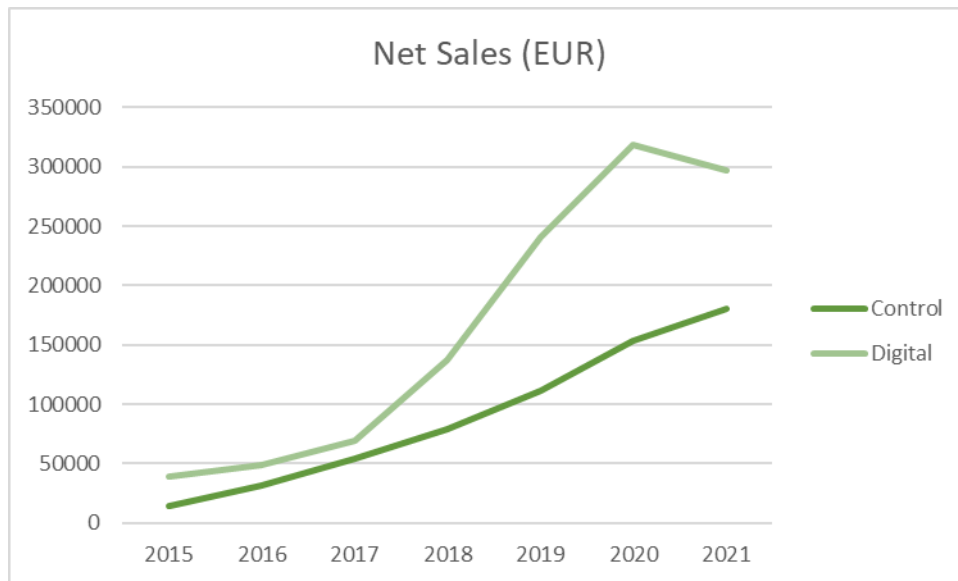
Figure 6: Net sales, start-ups supported by EIT Digital

Table 12: Net sales

Variable[30]	Coefficient[31]	P>|z|[32]
Net sales (2016)	1.75 e-07	0.792

Table 13: Growth of net sales

Variable	Treated	Controls	Difference	T-stat[33]
Growth of net sales (2017-2021)	233 317	143 075	90 241	0.39

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[30] These are the variables that represent the outcomes or effects of the intervention.

[31] This coefficient represents the effect of the treatment or program on the outcome variable of interest. It quantifies the magnitude and direction of the impact. Different statistical methods, such as regression analysis or propensity score matching, are often used to estimate this coefficient.

[32] P-values serve as a critical metric in statistical analysis, assessing whether a particular coefficient significantly deviates from a value of zero. This signifies the extent to which an explanatory variable exerts a statistically discernible impact on the dependent variable. For instance, if the p-value associated with the coefficient for a variable like "EIT financial assistance" significantly differs from zero, it suggests a notable influence on metrics like revenue, employment, or profit. In statistical practice, significance levels of 10%, 5%, and 1% are frequently employed as benchmarks. If the calculated p-value falls below a chosen significance level (e.g., α = 0.05), it signifies a statistically meaningful relationship between the predictor variable and the response variable within the model. Lower p-values correspond to more substantial effects on the dependent variable. Conversely, when the p-value exceeds the customary significance thresholds (e.g., 0.1, 0.05, or 0.10), it is indicative of a non-significant effect. In other words, the relationship lacks statistical robustness and is not considered a noteworthy contributor to the model's outcome.

[33] The t-statistic, a crucial statistical measure, operates inversely to the p-value in hypothesis testing. The magnitude of the t-value reflects the strength of the relationship being analysed. The larger the t-value, the more significant the relationship is considered to be. Importantly, the t-statistic corresponds to a specific p-value, a measure of statistical significance, which quantifies the probability of observing such a t-value by random chance alone.

For instance, a commonly used threshold in hypothesis testing is a p-value of 0.05. In this context, a t-statistic of 1.96 corresponds to a 5% significance level. This implies that if the calculated t-statistic exceeds 1.96, the observed relationship is deemed statistically significant at the 5% significance level, meaning that the likelihood of obtaining such results due to random variation is less than 5%.

Number and revenue of start-ups and scale-ups supported by KICs trading 3 years after KIC support ceased

Survival analysis:

The evaluators conducted a binary (logit) regression on the survival of the start-ups and their relation to different variables[34], especially being supported by the KIC. The results of the regression were the following:

Pseudo[35] R2 = 0.0860

Table 14: Regression analysis, start-ups supported by EIT Digital

Variable	Coefficient	P>|z|
KIC support	-2.26***	0.000
Sector – Agriculture, Forestry, And Fishing	n.a.	n.a.
Sector – Mining, Construction	n.a.	n.a.
Sector – Manufacturing 1	n.a.	n.a.
Sector – Manufacturing 2	n.a.	n.a.
Sector – Transportation, Communications, Electric, Gas, And Sanitary Services	n.a.	n.a.
Sector – Wholesale & Retail Trade	-0.53	0.600
Sector – Finance, Insurance, and Real Estate	n.a.	n.a.
Sector – Services	-1.11**	0.046
Age of the enterprise (years)	0.11	0.333
Total assets (2016)	6.75-e06	0.467
Net sales (2016)	1.72-e06	0.497
Profit before taxes (2016)	-4.9-e06	0.537
Number of employees (2016)	0.08	0.651
Constant	3.92***	0.000

*** 1% significance level
** 5% significance level
* 10% significance level

The evaluators found that the KIC supported start-ups tend to have a lower survival rate than the controls. Also, services have higher mortality rates.

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[34] The dependent variable was the survival of the start-ups (1 if the enterprise still operated in 2021 and 0 if not). The explanatory variables were the enterprise characteristics (industry, age, size, etc.) and if the enterprise received KIC support (1 if yes 0 if not).
The coefficient of the KIC support was significant and negative, so the supported enterprises had higher chances to cease operations: lower probability of survival.
The pseudo R2 is a measure for model fit, it is a standardized measure between 0 and 1. While the purpose of the analysis was not forecasting, the current value is not very high, but acceptable.
[35] Pseudo-R-squared values are used when the outcome variable is nominal or ordinal such that the coefficient of determination R2 cannot be applied as a measure for goodness-of-fit. The model estimates from a logistic regression are maximum likelihood estimates arrived at through an iterative process. These are "pseudo" R-squareds ranging from 0 to 1 with higher values indicating better model fit.

Table 15: Survival rate, start-ups supported by EIT Digital

	Active	Out of Business	SUM
Digital #	36	5	41
Digital %	88%	12%	100%
Control #	956	19	975
Control %	98%	2%	100%

The survival of the EIT-Digital start-ups were lower than the control enterprises. From the identified 41 start-ups, 36 is still active, which represents an 88% survival rate, which is close to what the KIC's reported 85%, compared to the controls' 98%.

Despite the above findings, the revenues (or private capital) collected by KIC's supported start-ups has reached EUR 1.3 billion, as reported by EIT Digital. This number is exceeding the KIC's initial target of EUR 500 million until 2023, thus showcasing a positive trend over the last years.

New jobs created in start-ups / scale-ups

Based on the answers to our start-up survey and KIC's relevant data, we can assess the job creation impact of the entity's engagement with EIT Digital as follows:

- 39% of all respondents indicated that they have not created any jobs as a result of their engagement with EIT Digital, which corresponds to a significant portion. This could be due to various reasons such as the nature of the projects, the maturity of the start-ups, or the types of industries involved.
- 26% answered that they have created at least two new jobs related to their engagement with EIT Digital. This indicates a positive impact on job creation, even though it might not be universal across all entities.

Figure 7: Answers to the survey question, how many jobs the entity created as a result of their engagement with the KIC

Overall, the responses show that while a significant portion of entities did not create jobs as a result of their engagement with EIT Digital, for the majority their engagement has contributed to job creation in some capacity. This demonstrates that EIT Digital's involvement has had a positive effect on employment opportunities for a significant portion of the entities engaged with it.

The EIT Digital Accelerator has a primary objective of aiding the expansion of European deep tech scale-ups, which in turn can result in the generation of jobs. Historically, companies that have undergone

acceleration have, on average, created an additional 20% of job opportunities. By extending its support to an additional 100 companies, the Accelerator anticipates bolstering their capacity to increase their market share within the EU and venture into non-EU markets, thereby paving the way for more job prospects.

Furthermore, the development of a more robust tech ecosystem and the attraction of greater tech talent can significantly contribute to job creation within the European tech landscape. A more appealing job market for tech professionals can draw in more individuals for training in this field, consequently enhancing the EU's competitiveness by providing the much-needed skills.

Additionally, the establishment of new ventures through collaborative efforts across Europe can serve as a catalyst for job generation and the sustainability of jobs in the digital sector. The Venture Programme sets out to create 50 new ventures, which have the potential to result in employment opportunities within the regions receiving support. Based on counterfactual impact evaluation and survival analysis, for the start-ups supported by KIC, the evaluators concluded that the growth difference between their indicator values and the controls' were significant for their number of employees (10% significance level). Based on the available data the evaluation can conclude that supported start-ups are creating significantly higher number of jobs than the control group. This is also reiterated by the KIC's available data on the number of direct/indirect jobs created by its portfolio; a number of 15 000 jobs were reported by the KIC against a target of 5 000 until 2024.
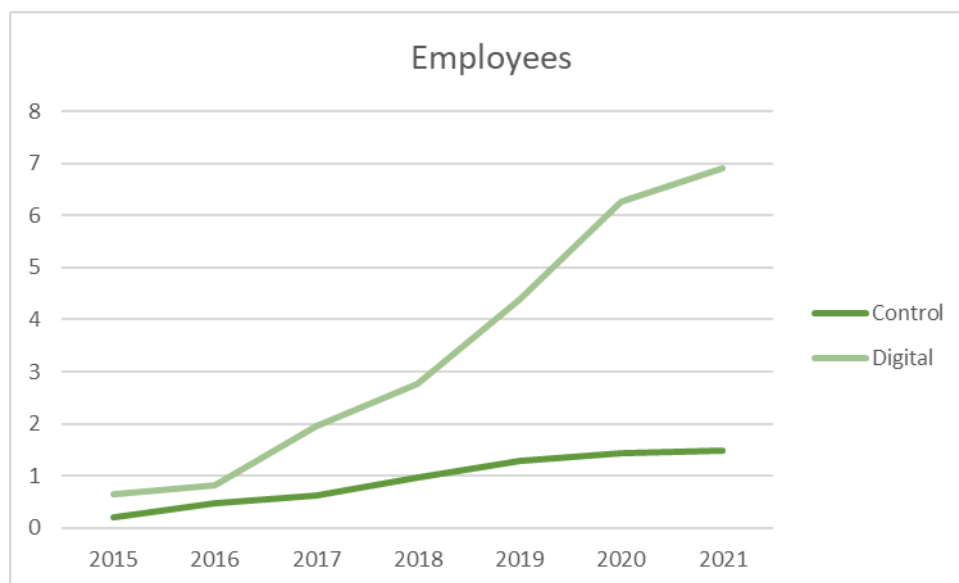
Figure 8: Employees, start-ups supported by EIT Digital

Table 16: Number of employees

Variable	Coefficient	P>|z|
Number of employees (2016)	0.003	0.948

Table 17: Growth of the number of employees

Variable	Treated	Controls	Difference	T-stat
Growth of the number of employees (2017-2021)	4.57	0.72	3.85*	1.69

Number and type of jobs in existing businesses sustained through innovations

The survey responses show that a significant portion of entities did not sustain any jobs as a result of their engagement with the KIC. However, there are instances where entities were able to sustain jobs, with a smaller percentage managing to sustain a higher number of jobs. This variability in job sustainability outcomes is mostly influenced by the fact that the responders are mainly start-ups that are more likely to create new jobs than to sustain existing ones. Furthermore there are other influencing aspects to this indicator such as the nature of the industry, market conditions and the specific support provided by EIT Digital.

- 15 responded none: This indicates that a significant number of entities did not sustain any jobs as a direct result of their engagement with EIT Digital. This might imply that either the job positions created initially were temporary or the entities were not able to maintain those positions over time.
- 6 responded that they have sustained 1 job: This percentage suggests that a portion of entities were able to sustain at least one job as a result of their engagement with EIT Digital. This indicates a positive impact on job sustainability, although it is not overwhelmingly high.
- 5 responded that they have sustained 2 jobs: A smaller portion of entities reported sustaining two jobs. This suggests that some entities were successful in maintaining a couple of job positions due to their collaboration with the KIC.
- 2 responded that they have sustained 3 jobs: An even smaller part of the entities reported sustaining three jobs. This indicates that a limited number of entities were able to maintain a slightly larger workforce over time.
- 3 responded that they have sustained 5 or more jobs: This percentage suggests that a few entities were quite successful in terms of job sustainability, managing to maintain five or more jobs due to their engagement with the KIC.
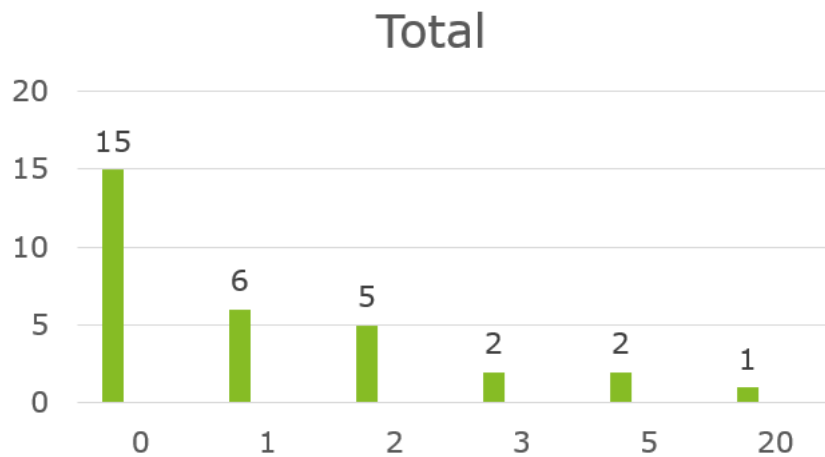
Figure 9: Answers to the survey question: how many jobs the entity has sustained through the engagement with the KIC

Number and type of skill gaps and/or skill shortages filled by KIC sector

The data collected during our start-up survey indicates that a significant portion of respondents (14) believe that their engagement with EIT Digital has helped fill skill gaps and/or skill shortages, while 5 respondents disagreed, and 9 were unsure.

20. Referring to the jobs that you have reported in the previous section, would you say that any of them helped fill skill gaps and/or skill shortages existing in the sector in which your organization operates?

●	Yes	14
●	No	5
●	I do not know	9
●	I do not wish to answer	3

Figure 10: Answer relating to skill gaps

Among the skill gaps and shortages that were addressed as a result of the engagement with EIT Digital, technical skills and competencies appear to be the most prominent, with 11 respondents indicating their positive impact. Entrepreneurship skills and competencies follow closely, with 9 respondents acknowledging their contribution. Innovation skills and competencies are also notable, as they were mentioned by 6 respondents.

21. If yes, please indicate which skill gaps or skill shortages were addressed as a result of your engagement with EIT Digital.
   N.b. skill groups, based on EIT's overarching learning outcomes include:

●	Entrepreneurship skills and comp...	9
●	Innovation skills and competencies	6
●	Creativity skills and competencies	0
●	Making value judgments and sus...	1
●	Leadership skills and competencies	1
●	Technical skills and competencies	11
●	Other	3
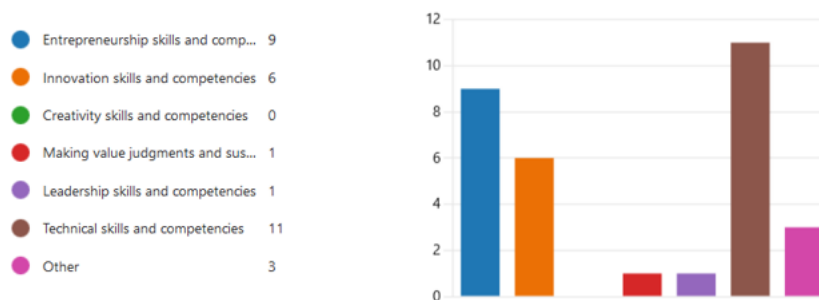
Figure 11: Answer relating to skill gaps

Overall, the data suggests that EIT Digital's engagement has been particularly effective in filling skill gaps related to entrepreneurship, innovation, and technical expertise, indicating a comprehensive approach to addressing various dimensions of skill shortages within the sector.

Career growth of participants in EIT labelled education

By analysing the collected data regarding graduates' highest and current job positions, the following observations can be made and some trends could be drawn.

Intern (Part-time): It seems that there is an increase in the number of graduates holding intern positions in their current jobs compared to their highest positions. This could indicate that some graduates were not able to secure more stable or advanced roles after completing their internships.

Entry-Level Staff: The number of graduates in entry-level staff positions remains relatively consistent between their highest and current job positions. This suggests that a substantial portion of graduates have maintained their positions or progressed slightly within their respective organisations.

Intermediate Staff (Mid-management): The number of graduates in intermediate staff positions also remains consistent, indicating that some individuals have continued to grow within the mid-management level.

Senior Staff (Manager, Senior Manager): It's interesting to note that there is a decrease in the number of graduates in senior staff positions in their current jobs compared to their highest positions. This could be due to various factors, such as changes in organisational structure or competition for higher-level roles.

Executive, Senior Executive Level: The number of graduates at the executive and senior executive level remains unstable between their highest and current positions, with a decrease. This suggests that a portion of graduates have maintained their executive roles, while some might have transitioned to different positions.

Self-Employed: The number of self-employed graduates remains consistent from the highest job position to the current job position. This might indicate that some graduates initially pursued entrepreneurial endeavours and continued this way.

The trends suggest that there is a general trend of graduates not moving from internships to more stable and advanced roles, with a reasonable number of individuals maintaining their positions within entry-level, intermediate, and executive levels. The decrease in senior staff might be influenced by a variety of factors such as industry trends, personal choices, and market conditions. It is important to note that individual circumstances and external factors can greatly influence these trends, and further insights could be gained by considering factors such as industry, location, and economic conditions.

Figure 12: Answers to the survey questions of graduates highest and current job positions

Additional information

To complement the above aspects, the impact on employment growth as a result of company being engaged with KICs as well as the number and revenue of start-ups and scale-ups supported by KICs trading 3 years after KIC support ceased, shall be analysed in detail. Based on the methodology agreed with EIT, Counterfactual impact evaluation and survival analysis are necessary for a precise assessment for these. The results of the impact assessment are included in this section.

Conclusion: The survey data shows that the impact of EIT Digital funding on start-up revenue growth varies widely, with some start-ups experiencing significant growth while others saw minimal or no change. Job creation outcomes varied, with a substantial portion of entities not creating new jobs, but a significant number creating at least two new positions through their engagement with EIT Digital. Job sustainability was more challenging for start-ups, with many unable to sustain existing positions over time, influenced by factors like job temporariness and industry nature. EIT Digital's engagement had a positive impact on filling skill gaps and shortages, particularly in technical, entrepreneurship, and innovation skills within the sector. Analysis of career growth among programme graduates revealed diverse trends, including stable roles, entry-level positions, self-employment, and fluctuations in senior staff positions, influenced by industry dynamics and individual choices. In conclusion, EIT Digital's impact is multifaceted, with varying outcomes

across different aspects. The data underscores the importance of tailoring support and strategies to the unique needs of start-ups and entities within the sector to maximise positive effects on revenue, employment, skills, and career development.

Score: Very Good – 8

6.7 KIC's progress on medium-term KPIs

Indicator: KIC has made evidenced progress against the following KPIs (incl. impact KPIs as per definitions provided in the EIT Impact Framework – Medium-term KPIs EIT Digital)

Number and percentage of KIC Label graduates employed

The fact that 169 of the graduates (85%) are currently employed suggests a relatively positive employment situation within the group, against the benchmark of 72% employment rate in ICT graduates[36]. A high percentage of employment can indicate that the graduates have been successful in finding job opportunities in their respective fields.

The 30 of the responding graduates (15%) who are not employed might have various reasons for their unemployment. This could include recent graduates who are actively seeking employment, individuals who are taking a deliberate break, those pursuing further education, or facing challenges in finding suitable job opportunities.

In general, 85% employment rate is relatively strong, given the 72% benchmark in the EU, and could indicate that the graduates have been successful in entering the job market. Additionally, the employment rate could be influenced by factors such as the overall job market conditions, the graduates' fields of study, and the geographical location.

9. Are you currently employed?

● Yes	169
● No	30

Figure 13: Answer relating to employment status

Number and percentage of students and graduates from EIT labelled MSc and PhD programmes who joined start-ups

In our survey, we have collected data on students and graduates from EIT labelled MSc and PhD programmes who joined or established start-ups.

Out of the respondents, 61 individuals have chosen to join existing start-ups. This indicates that a small subset of the graduates was interested in working for start-ups rather than pursuing traditional employment. Interestingly, less graduates have taken the entrepreneurial route and have established their own start-up companies. They also did not choose to venture into entrepreneurship immediately after graduation. While a small number have joined existing start-ups or established their own, the majority have pursued other

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[36] Eurostat, https://ec.europa.eu/eurostat/statistics-explained/index.php?title=ICT_education_-_a_statistical_overview&oldid=454538

career options. The choice to join or establish a start-up can be influenced by factors such as personal ambitions, risk tolerance, industry trends, available resources, and market opportunities.
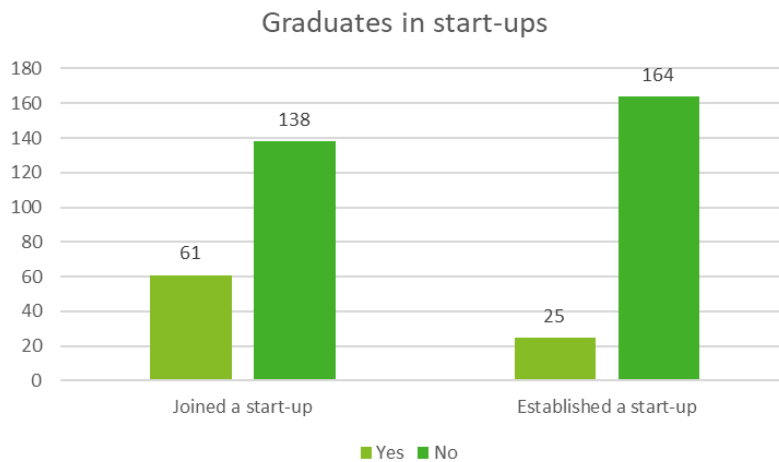
Figure 14: Survey results on whether KIC graduates joined or established a start-up

Revenue from the innovations launched on the market

The data collected through our start-ups survey indicates that the majority of the start-ups supported by the KIC were able to generate revenues from innovations developed through their engagements with the KIC. This also draws us to the conclusion that the majority of the supported start-ups have been able to not just create innovations but to subsequently launch them on the market, thus realising some profit. Almost 70% were able to generate revenues from innovations, however this is overshadowed by the fact that the vast majority of them have only been able to generate less than 0.5 million euros in revenue from innovations related to the engagement. There is one start-up with very high potential as they have indicated their generated revenue coming from innovations related to their engagement is more than 10 million euros.

Even though the two third of start-ups were able to generate revenues from innovations, it is concerning that there is a high proportion of start-ups that have not been able to realise any revenue from innovation. This could be caused by three different aspects such us the early stage of the start-up, the lack of innovation developed or the start-up has not been able to launch its innovation on the market yet.

Figure 15: Answer relating to revenues from innovation

Conclusions: The data underscores the positive employment outcomes for KIC Label graduates, the diversity of career paths pursued by students and graduates from EIT-labelled programmes, and the mixed

results in terms of revenue generation for supported start-ups. Further analysis and exploration of the underlying factors influencing these trends could provide valuable insights for both educational institutions and aspiring entrepreneurs.

Score: Very Good – 8

6.8 Strengths, weaknesses and recommendations

Overall score of the assessment criterion: Very Good – 8

Strengths
The KIC's activities are in line with its Strategic Agenda 2021-2027 and good progress is made throughout the years.
Innovation and business creation sectors perform very well, by building and scaling ventures and by breeding and up-skilling talents to equip them with both digital and entrepreneurial skills needed.
EIT Digital overachieved the planned annual targets for "Start-ups/Scale-ups supported by the KIC", "Start-ups created of/for innovation" as well as the two-year target for "Investment attracted by KIC supported start-ups/scale-ups", therefore contributing to stronger European Digital Ecosystem and increasing the EU member states digital competitiveness.
EIT Digital has by far most marketed innovations introduced on the market and start-ups created of/for innovation among all the KICs.
EIT Digital performs very well in attracting partners from RIS Countries, while its Venture programme contributes to the creation of several start-ups.
Substantial progress in Economic and Societal targets, especially in job creation and addressing skill gaps.
Evidenced contribution to economic growth and innovation.
Supported start-ups are creating significantly higher number of jobs than the control group.

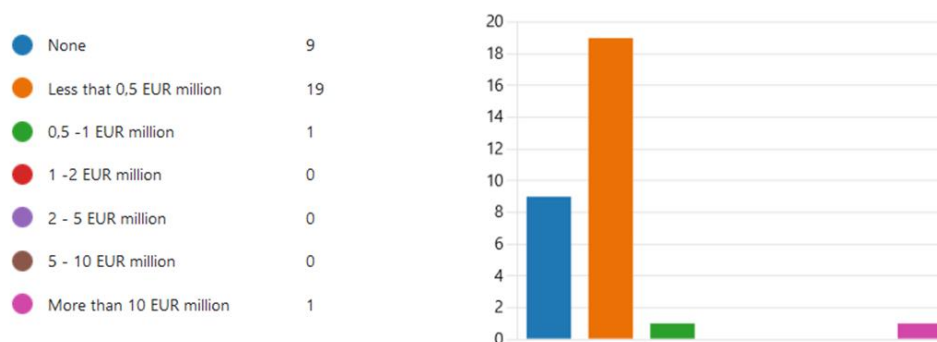| Weaknesses	Recommendations
Regarding higher education, there is still a margin for improvement as the KIC is way below the planned targets on number of graduates and 0 start-ups were created by students.	To address the shortcomings in higher education, particularly the failure to meet planned targets for the number of graduates and student-launched start-ups, EIT Digital should take specific actions. Within two months, it should set new, realistic targets, and in mid-2024, adjust its strategy to align with these targets. Additionally, the KIC should establish a progress measurement system by the start of the 2024 academic year, engage with key stakeholders throughout 2024, and begin regular reporting on progress. These measures are essential for optimising educational outcomes and fostering student entrepreneurship within the constraints of the Partnership Agreement.
KIC supported start-ups tend to have a lower survival rate than the controls.	The KIC should, until mid-2024, analyse the reasons that lead towards the lower survival rate of its supported start-ups and come up with a sustainable strategy to further enhance its support and leadership. This strategy should be available and be well-tuned with relevant market trends and needs, not only in the EU but across the globe, and should focus on the potential actions the KIC should take to enhance its support to start-ups.
Lack of tangible societal impact data regarding the KIC's relevant KPIs.	The KIC has not yet reported any data relating to a series of societal impact KPIs. More specifically, it lacks monitoring in regard to "Increased access to high-speed networks" and "Supporting European regulation and digital standards that address key European values such as ethics and AI, data protection, trusted social media platforms". EIT Digital should set specific methodologies and tools to capture this impact

Weaknesses	Recommendations
	within two months and ensure all relevant data are reported by the end of its Partnership Agreement.

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A body of the European Union

7. Efforts to coordinate KICs activities with other R&I initiatives

7.1 KIC synergies and complementarities

Indicator: The KIC has achieved the concrete synergies and complementarities described in the original proposal and Strategic Agenda

The desk research and interviews conducted for this assessment affirm EIT Digital's concerted efforts to align with European Initiatives. From its inception within the Strategic Agenda stage, the KIC has actively engaged in collaborations with various DGs of the European Commission, maintaining a continuous exchange. EIT Digital's SA is harmonised with its goal of accelerating the acceptance of promising technologies in the market and fostering the expansion of businesses. This pursuit involves using the Carrier/Catalyst model, strategically harnessing foundational technologies (Carriers) and executing specific activities (Catalysts) to ensure market entry and expansion. The strategy harmoniously integrates Education (talent acquisition), Research (technology access), and Business (coaching and finance), fostering a holistic approach. Collaborations with innovation ecosystems and partnerships, notably with the EIF, facilitate successful market entry and scaling efforts. EIT Digital's intricate network of ecosystems, encompassing Innovation Hubs, effectively aligns collective objectives through collaborative initiatives. A noteworthy instance of cross-programme cooperation is observed with DG Connect FIRE+, ETSI (European Telecommunications Standards Institute), and BDVA (Big Data Value Association), which significantly amplifies impact through the promotion of innovative solutions and the advancement of EU-based standards.

Over the years, EIT Digital has actively participated in cross-KIC activities, demonstrating its collaborative strengths. It played crucial roles in initiatives like the cross-KIC Strategic Regional Innovations led by EIT Health, the cross-KIC Strategic Education led by EIT Raw Materials, and the growing cross-KIC Access to Finance, which was significantly propelled by EIT Digital. It also took the lead in the EIC WP alongside EIT Health, showcasing its impactful position. Additionally, EIT Digital contributed significantly to cross-KIC Strategic Synergies led by EIT Food, particularly in the domains of Artificial Intelligence and the newly initiated New European Bauhaus WP, where EIT Digital spearheaded the Acceleration Task. The commitment to cross-KIC Innovation Thematic remained steadfast, with EIT Digital being at the helm of initiatives such as Combating Child Obesity and contributing to Resource Efficient Society and End-to-end digitised production test beds. EIT Digital has also participated in projects like BDVe, MIDIH, Select4Cities, Concordia, Quality, and AI4EU.

Conclusion: EIT Digital's commitment to achieving synergies and complementarities outlined in its original proposal and Strategic Agenda is evident through its strategic collaborations and partnerships. The organisation has demonstrated a proactive approach, aligning with European Initiatives and engaging with various DGs of the European Commission. By strategically leveraging the Carrier/Catalyst model, EIT Digital integrates education, research, and business aspects to drive technology acceptance and market expansion. The collaboration with innovation ecosystems, cross-KIC initiatives, and active participation in projects across domains showcase EIT Digital's capacity to foster collective objectives and amplify its impact. The organisation's involvement in cross-KIC activities and leadership roles in strategic initiatives exemplify its collaborative strengths and contributions to advancing European innovation and sustainable development.

Score: Excellent – 9

7.2 Synergies with other relevant initiatives

Indicator: Number of synergies with other relevant education, research and innovation initiatives in the same area of the societal challenge at national, EU and global level

EIT Digital proactively seeks synergies with European initiatives and projects to amplify its impact on Europe's digital transformation. By collaborating with diverse partners, leveraging funding opportunities, and reinforcing its digital innovation leadership, EIT Digital aims to broaden its ecosystem and enhance its contributions.

In 2021, EIT Digital achieved remarkable results in forging synergies, by initiating various agreements and partnerships. This includes launching the EIC pilot via a Coordination and support action agreement, collaborating with the EIF to support learners in the EIT Digital Academy, and securing agreements with the ECB, Fondazione CDP, German American Business Association, and Scottish Informatics and Computer

Science Alliance for various services and scholarships. The partnership with the SICSA was established to secure funding for international mobility of EIT Digital PhD students, demonstrating the organisation's commitment to comprehensive collaboration and generating impact. Engaging with the ECB, EIT Digital managed to provide brokerage and training services, and secured participation in various strategic projects such as the sustainable cities impact challenge with FedEx. Furthermore, EIT Digital's mapping and overview of other EU agencies and similar entities aimed at supporting start-ups or spin-offs, with a focus on fostering potential future collaborations for mutual benefits.

EIT Digital's collaboration strategy involves identifying partners, strategising, and creating synergistic outcomes. This includes various forms of cooperation, including project participation, MoUs (e.g., MoU with the EIF since 2013; MoU with the Hungarian Ministry for Innovation & Technology since 2019), and agreements with bodies at different levels.

EIT Digital's extensive range of synergies includes collaborations with EU and national initiatives, such as DG Connect, EIC, EIF, and collaborations at the national level with Finland, Hungary, Sweden, Italy, UK, and the Netherlands. The organisation engages in ongoing collaborations (e.g., EIF Skills and Education Guarantee Pilot, AI4EU) as well as upcoming partnerships (e.g., ECB, WHO Academy, EIC), while also exploring opportunities under Pillar II (Global Challenges and European Industrial Competitiveness) and Pillar III (Innovative Europe) of Horizon Europe and the Digital Europe programme. EIT Digital's involvement in multiple H2020 projects and continuous participation in public tenders further highlight its commitment to collaborative efforts.

The EIT Digital demonstrates ongoing commitment to aligning its KIC activities with pertinent research and innovation initiatives. Nevertheless, in contrast to other first wave KICs, it has yet to deliver quantifiable outcomes in terms of proposals, collaborations, synergies, contracts, and other measurable indicators, to facilitate future assessment and regular improvement.

Looking ahead, EIT Digital plans to intensify collaborations with initiatives like Horizon Europe Pillar II, Horizon Europe Missions, and the EIC. EIT's Digital planned synergies as described in its 2021-2027 Strategic Agenda are presented in Table 18. The organisation also aims to contribute to the Digital Europe Programme by developing educational programmes to address the digital skill gap. It envisions engaging with European Digital Innovation Hubs as both a local player and EU-level orchestrator and has already managed to develop 14 European Digital Innovation Hubs proposals.

Table 18: EIT Digital planned synergies from 2021

Actors	Planned Synergies
European Partnerships	The aim of this synergy is to deliver on global challenges and modernise industry and society. EIT KICs in Horizon Europe will be included in the institutionalised European Partnerships. EIT Digital will also seek synergies with the other types of European Partnerships: co-funded European Partnerships and Co-programmed European Partnerships
Missions	In 2020 EIT Digital engaged in discussions with the other KICs, the EIT and other relevant stakeholders in order to participate in most of the Horizon Europe missions. The initial focus will be on the Carbon-neutral and smart cities and on the Adaptation to climate change, including societal transformation missions.
EIC	Synergies are envisaged along four main lines: EIT Digital Accelerator (1) preferential entry for EIC recognized companies and (2) Access to Finance portfolio sharing with EIC for investments. (3) EIC grants and investments in the EIT Digital Innovation Factory's ventures and (4) channel EIC Pathfinder innovators to create ventures in the EIT Digital Innovation Factory.
EIF	As part of the sustainability of the Innovation Factory and to further develop and sustain our venture portfolio we will increasingly engage with private and public investors, including EIB and EIF. Preliminary meetings took place in 2020 (both bi-laterally and as part of the EIT Innovation Panel) in order to setup a structured collaboration in 2021 and beyond. EIF and EIT Digital will also jointly develop education activities to fill the skill gap at EU level (e.g. via the Education and Skills Guarantee Pilot started in 2021).
DG EAC/ DEAP	EIT Digital contributes to the EC DEAP by developing a professional course to teach primary and secondary school teachers about Cybersecurity
DG Connect/New Generation Internet	Participation in the new AI4EU project. EIT Digital's role is to contribute to the consortium's Education and Training activities and disseminate our own education.
DG Connect / cPPP ECSO	Participation in project CONCORDIA, aiming at establishing and operating a pilot for a Cybersecurity Competence Network, developing and implementing a common cybersecurity Research & Innovation Roadmap. EIT Digital's focus is in skill building
DG Connect / I4MS - FoF-PPP	Project QU4LITY leveraging synergies with our Digital Industry Focus Area
Digital Europe Programme	European Digital Innovation Hubs deployment and coordination, development of training on Advanced Digital Skills
ESIF	Connected Europe, smarter Europe and social Europe
NGEU	Recovery and Resilience Facility and the Strategic Investment Facility

Conclusion: EIT Digital's approach to fostering synergies with other relevant education, research, and innovation initiatives is characterised by its proactive engagement, strategic collaborations, and comprehensive partnership strategy. The organisation has achieved substantial results by forging agreements and partnerships with a wide range of entities, including the EIF, ECB, and various national ministries and agencies. EIT Digital's collaboration efforts extend to both EU and national levels, encompassing initiatives such as Horizon Europe, the EIC, and Digital Europe Programme. Through its systematic and strategic approach to collaboration, EIT Digital demonstrates a clear commitment to amplifying its impact on Europe's digital transformation. As the organisation intensifies its collaborations and

pursues synergies outlined in its strategic agenda, its contributions to addressing societal challenges and advancing digital innovation will be a key measure of success.

Score: Excellent – 9

7.3 Strengths, weaknesses and recommendations

Overall score of the assessment criterion: Excellent – 9

Strengths
EIT Digital maintains robust partnerships with all the other KICs, engaging extensively in various cross-KIC activities and extending collaborations beyond the EIT Community.
EIT Digital collaborates with all KICs across various strategic areas, engaging in 17 out of 19 cross-KIC Activities in BP2021 and leading the shared services cluster in 2022. It holds leadership positions in multiple activities, including strategic collaboration with the EIC.
EIT Digital engages in numerous synergies with EU and national initiatives, including collaborations with DG Connect, EIC, EIF, and national entities in Finland, Hungary, Sweden, Italy, UK, and the Netherlands.

Weaknesses	Recommendations
In comparison to other first wave KICs, EIT Digital has not yet managed to report its initiated and established synergies with relevant initiatives in a quantifiable manner. This quantification could allow for and contribute to a future quality assessment of the synergies.	EIT Digital should pay particular attention to reporting with sufficient details (e.g., total contract numbers, period of implementation, etc.) the synergies with relevant initiatives at EU and global levels, to facilitate future assessment and regular improvement. The KIC should establish an internal monitoring and reporting tool regarding its synergies evolution within two months. This will allow for a better overview of the KIC's successes and failures regarding synergies that were planned but not realised, and vice-versa.

8. Capacity to ensure openness to new members

8.1 Partnership characteristics and performance

Indicator: Partnership size, growth, composition and performance are adequate for achieving the long-term objectives of the KIC Strategic Agenda.

The KIC's partnership size and growth have been steady over the years, with a geographical and thematic balance within the partnership. Through diversity in partnerships and mobilisation of complementary assets, the partnership was able to contribute significantly to the long-term objectives of EIT Digital, focusing on the following five strategic areas:

- Digital Tech, addressing innovation in core digital technologies critical for Europe's progress, such as Artificial Intelligence (AI) and cybersecurity.
- Digital Industry, encompassing activities that support the digital transformation of the industry, e.g. Industry 4.0 and supply chain management.
- Digital Cities, focusing on digital technologies to facilitate urban mobility, e.g. smart cities and mobility.
- Digital Wellbeing, analysing sensor data to safeguard health, e.g. wellbeing at work and self-monitoring.
- Digital Finance, focusing on the disruption of financial transactions and institutions with technologies that allow transparency, security, efficiency and trust, such as retail banking and digital wealth management.

The EIT Digital partnership is divided into 'Partners' and 'Affiliated entities with a legal link' permitting applications from over 39 countries. Both categories grew steadily over the years, as depicted in Table 19 below, with a slight decrease in 2021, presumably due to COVID-19. To tackle this, the KIC introduced an additional membership category 'External partners', which allows organisations to participate in KIC's activities on an annual basis. The category was designed to engage more organisations from EIT RIS countries, but the appropriateness of this approach needs to be reconsidered, given the objective of streamlining the EIT RIS. From 2021 onwards, EIT Digital's aim was to increase the overall partnership by 15% each year, which has been succeeded so far.

Table 19: Partnership evolution

Year	2016	2017	2018	2019	2020	2021	2022
Partners	111	122	147	219	296	301	360
Affiliated entity	52	53	70	95	98	78	83
Total	164	176	217	304	394	380	443

Moreover, a survey conducted among start-ups and scale-ups supported by EIT Digital revealed that 26 respondents recognised the value added by the KIC's activities to their organisation, albeit 23 highlighted room for improvement. Survey results also indicated that 15 respondents are very likely to maintain their partnership with EIT Digital beyond 2024, 9 are somewhat likely and 2 are even certain, while only 2 are unlikely to continue being involved in the KIC's activities. Overall, it can be asserted that EIT Digital has been cultivating a sustainable ecosystem with a high probability to contributing to a resilient Digital Europe in future years.

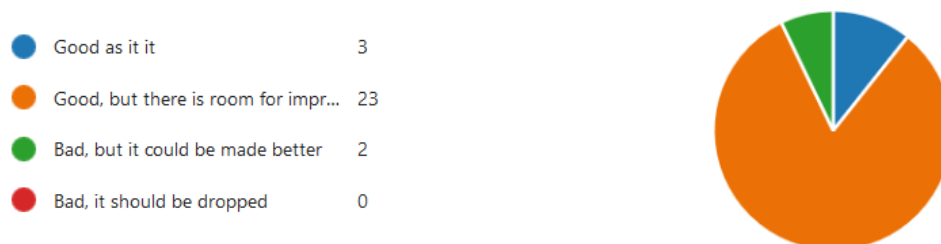| Legend	
Good as it it	3
Good, but there is room for impr...	23
Bad, but it could be made better	2
Bad, it should be dropped	0

Figure 16: Survey responses to the question 'Based on your overall involvement and experience with EIT Digital, to what extent do you see value in its activities?'

⬤ Unlikely	3	
⬤ Somewhat likely	9	
⬤ Very likely	15	
⬤ I am certain	2	
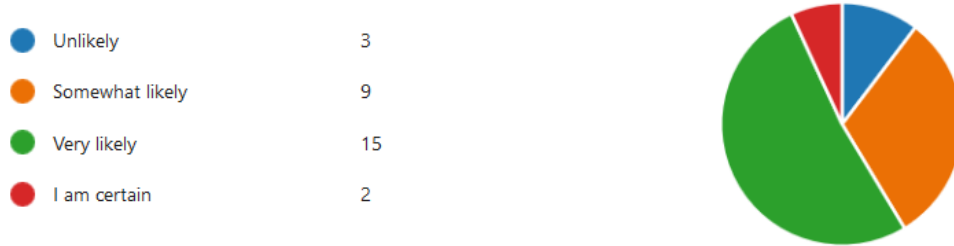
Figure 17: Survey responses to the question 'What is the likelihood that your organisation will participate and contribute to future activities of EIT Digital post-2024?'

To create a multi-criteria analysis of EIT Digital's partnership size, growth, composition, and performance, we used a 1 to 4 scale, where 1 is the worst and 4 is the best for each criterion.

Partnership Size:

EIT Digital has maintained steady partnership size and growth over the years. This stability suggests a well-established network of partners, contributing to its effectiveness. According to our assessment, the score of size 3 (Good).

Partnership Growth:

Explanation: The consistent growth of EIT Digital's partnerships reflects its ability to attract and retain partners. This demonstrates the organisation's relevance and appeal. According to our assessment, the score of growth 3 (Good).

Partnership Composition:

EIT Digital has achieved a balanced and diverse composition across geographic regions and thematic areas, including Digital Tech, Digital Industry, Digital Cities, Digital Wellbeing, and Digital Finance. This diversity enhances its capacity to address a wide range of digital challenges. According to our assessment, the score of composition 4 (Excellent).

Partnership Performance:

EIT Digital's performance is marked by its significant contributions to Europe's digital transformation, as evidenced by its strategic focus areas and collaborative efforts with other KICs. The positive feedback from start-ups and scale-ups supported by EIT Digital underscores its value-added impact, though there is room for improvement. The indication that most start-ups and scale-ups intend to maintain their partnership with EIT Digital beyond 2024 is a positive sign of the organisation's sustainable ecosystem and its potential to continue contributing to a resilient Digital Europe in the future. According to our assessment, the score of performance is 4 (Excellent).

Conclusion: EIT Digital has demonstrated steady growth and geographic diversity, fostering a balanced composition that spans critical thematic areas. By effectively mobilising complementary assets and engaging in collaborative efforts, EIT Digital has made significant contributions to Europe's digital transformation. Collaborative initiatives with other KICs have further enhanced its impact and reach. The survey conducted among start-ups and scale-ups supported by EIT Digital reveals that most respondents intend to maintain their partnership beyond 2024, reflecting the sustainable ecosystem EIT Digital has cultivated. As a result, EIT Digital is well-positioned to continue its significant contribution to building a resilient Digital Europe in the years ahead.

Score: Excellent – 9

8.2 Openness of Calls

Indicator: KIC Calls for activities have been fully open to new members.

As laid out in Article 7 part 2(b) of the EIT Regulation Framework, the KIC should ensure and promote its openness through clear and transparent accession and exit criteria, including through open calls, to potential new partner organisations across the Union that add value to the partnership.

Since 2018, the KIC has been publishing open calls with clear criteria to become a new partner on its website. Through an external partnership mechanism, the KIC allowed other organisations to become partners with a limited duration of a year, while strongly encouraging them to become members. The KIC attracted about 100 new partners in 2021, including 81 from the industry, and this positive trend continued in the following years. In 2021, for example, EIT Digital launched two calls 'EIT Digital 2021' and 'EIT Digital 2022' that were broadly advertised and attracted 156 submissions that were from new partners out of the 250. Moreover, the KIC implemented the Innovation Factory that attracts a large pool of proposals annually, with the involvement of a high number of new partners via broadly advertised open calls.

Conclusion: In summary, EIT Digital has effectively embraced openness through its transparent and accessible open calls for new partnerships. By attracting numerous new partners, including those from industry, the KIC has demonstrated its ability to foster collaboration and engagement across the European innovation ecosystem. This approach aligns with the principles of the EIT Regulation Framework, contributing to a diverse and dynamic partnership that enhances the organisation's impact and relevance.

Score: Excellent – 9

8.3 Good Governance Principles and openness

Indicator: KIC has fully addressed the EIT Good Governance Principles (GGP) – based on relevant GGP assessments related to openness to new members.

The Good Governance Principles (GGP) encompass specific requirements regarding operational transparency and openness to new partners of the KIC. To comply with these principles, the KIC needs to raise stakeholder awareness and actively encourage their participation, by issuing fully open calls for projects that include non-KIC partners. Additionally, the KIC has an obligation to make all relevant documents related to its strategies, decision-making processes, partnerships, and activities available to stakeholders.

Over the past years, the KIC's level of openness has been assessed as very good. As previously mentioned, calls have been open to non-KIC partners and the process of assessing candidates has been transparent. The KIC has ensured an open and high-quality decision-making process by having entry and exit rules in place, though these have yet to be published on the KIC's website.

The calls are published on the KIC's website and important documents such as the annual reports and Strategic Agenda, encompassing financial data, are accessible to non-KIC partners. The partners are also kept well-informed about the KIC's undertakings. Furthermore, the KIC has been using its events to target new members through new member recruitment and pre-marketing for the next Call for Proposals. For example, the online innovation day events attracted over 400 external attendees in total in the year 2021. In conclusion, the KIC seems to adhere to GPP to ensure openness to new members.

Conclusion: EIT Digital has effectively embraced the principles of Good Governance through its commitment to transparency and openness to new partners. By ensuring that calls for projects are fully open to non-KIC partners and maintaining a transparent assessment process, the KIC has demonstrated its dedication to stakeholder participation. While entry and exit rules are in place, their publication on the KIC's website remains an area for improvement. Nevertheless, the KIC's provision of access to important documents, engagement in events to target new members, and active communication with partners exemplify its adherence to Good Governance Principles. This approach enhances collaboration, fosters trust, and aligns with the KIC's goal of maintaining a transparent and inclusive ecosystem.

Score: Very Good – 8

8.4 Balanced representation

Indicator: Balanced representation of all key knowledge triangle players in the partnership.

The knowledge triangle encompasses the following three elements:

- **Education:** EIT Digital offers a range of educational programmes at different levels, including Master's and Doctoral programmes, as well as professional development courses. These programmes are designed to equip students with the skills and knowledge needed to thrive in the digital era. EIT Digital's educational activities are closely aligned with industry needs and trends, ensuring that graduates are well-prepared for the demands of the job market.
- **Research:** The KIC promotes research and innovation in digital technologies. It supports collaborative research projects that aim to address real-world challenges and create innovative solutions. These projects often involve partnerships between universities, research institutions, and industry players. By fostering research, EIT Digital contributes to the creation of new knowledge and technologies that can drive advancements in various fields.
- **Innovation:** EIT Digital facilitates the transformation of research and knowledge into practical applications and innovative products or services. This could involve bringing new technologies to market, supporting start-ups and entrepreneurs, and fostering an ecosystem where ideas can flourish. The KIC's innovation efforts aim to bridge the gap between academia and industry, helping to drive economic growth and competitiveness.

EIT Digital places a strong emphasis on involving the key players from these fields to foster a dynamic and thriving digital ecosystem. By bringing together students, researchers, and industry professionals, EIT Digital aims to create a dynamic ecosystem that facilitates the flow of knowledge, ideas, and innovation. Achieving a balanced representation of these players helps ensure that the digital technologies developed and applied are relevant, impactful, and aligned with the needs of society and industry.

Based on recent GGP Assessment, the EIT Digital partnership in terms of balance with the knowledge triangle is acknowledged as one of its strengths. Its education programmes integrate players of all three sides of the knowledge triangle, which are designed with input from industry stakeholders to ensure that graduates are equipped with skills and knowledge that are in demand in the job market. Moreover, EIT Digital provides funding and support for research projects that have the potential to drive innovation, as well as for start-ups to contribute to the creation of new businesses. Among the start-ups supported by the KIC that contributed to our survey, the majority believed that all pillars of the knowledge triangle are well-represented within EIT Digital. This is a significant improvement compared to 2020 and previous years, when it was identified as one of the KIC's weaknesses, especially in innovation and education activities.

Table 20: Representation of knowledge triangle players in the partnership

Partner Area*	2016	2017	2018	2019	2020	2021	2022
Industry	73	82	120	196	271	266	314
Research	22	24	31	31	35	26	28
University	42	44	43	48	55	58	66
Cities, Regions, Non-Governmental Organisations (NGOs)	13	15	14	19	23	19	24
Grand Total	**150**	**165**	**208**	**294**	**384**	**369**	**432**

*Partner categories such as "Others", and "KIC LE CLC" are not included in this table.

It is apparent from Figure 18 below that the knowledge triangle representation is shifting in favour of partnerships with SMEs and Industry. This trend can be attributed to the KIC's pronounced business-oriented approach. SMEs now dominate over half of the KIC's partnerships, a result of its strategic emphasis on attracting these entities. Over the KIC's lifespan, the proportion of all the knowledge triangle players has expanded, yet the distribution has remained remarkably consistent as depicted in Figure 18 below. By 2022, the partnership composition stood at 4.1% research, 13.4% university, and a significant 74.4% from the business sector.

MEMBERS PER TYPE

52.5 %
4.1 %
21.9 %
8.2 %
13.4 %

INDUSTRY   Other Industrial and/or profit Private organisation
UNIVERSITY University and other higher education organisations
RESEARCH   Public research organisation
            (including international research organisation as well as private
            research organisation controlled by a public authority)
SMEs
OTHERS   Non-profit, associations, state companies etc.

Figure 18: Types of members

Conclusion: EIT Digital has successfully achieved a balanced representation of all key knowledge triangle players within its partnership. The integration of education, research, and innovation is a cornerstone of the KIC's approach, fostering a dynamic ecosystem that aligns with the evolving demands of the digital landscape. Through a combination of educational programmes, collaborative research projects, and innovative initiatives, EIT Digital brings together students, researchers, and industry experts to drive meaningful advancements in digital technologies. This balanced approach is evident in the KIC's commitment to equipping graduates with relevant skills, supporting research initiatives, and fostering innovation through start-up support. The positive feedback from start-ups and the acknowledgment of improved representation within the knowledge triangle underscore EIT Digital's commitment to cultivating a holistic and impactful digital ecosystem.

Score: Excellent – 9

8.5 Strengths, weaknesses and recommendations

Overall score of the assessment criterion: Excellent – 9

Strengths
The KIC has maintained consistent growth and composition of its partnerships over the years. This growth is thematically balanced, contributing significantly to achieving its long-term objective.
Strong adherence to EIT's Good Governance Principles has been demonstrated, particularly in terms of operational transparency and openness to new partners. The KIC ensures that the calls for projects are open and promoted to non-KIC partners, with relevant documents being accessible.
EIT Digital effectively integrates the knowledge triangle's components—education, research, and innovation in its partnership. Educational programmes align with industry needs, research and initiatives and foster innovation, while efforts are made to bridge the gap between academia and industry.

Weaknesses	Recommendations
While no substantial weaknesses have been identified in relation to this criterion, the KIC could enhance its transparency by increasing the accessibility of its documents to the public.	The KIC should publish entry and exit criteria for becoming a partner on its website to prevent potential partners from being hindered. This should enter into force by early 2024 the latest.

9. KIC's achievements in attracting new members from across the Union

9.1 Innovation ecosystem and partners

Indicator: the KIC has grown to an effective sustainable innovation ecosystem with partners within and outside the EU, incl. RIS-eligible countries and regions

It is important to note that despite the fairly favourable response rates received from the KIC's partners, they remain insufficient for a comprehensive network analysis. A network's attributes are typically defined by the quantity of its nodes and connections, alongside the centrality metrics of its nodes. However, due to a lack of data necessary for mapping these nodes and connections, we proceeded with a qualitative examination of the network as outlined below.

In the interview with EIT Digital's CEO, the digital ecosystem was highlighted as the KIC's biggest success, which is supposedly the largest in Europe. EIT Digital currently counts 440+ partners across 26 European countries – a remarkable expansion from its initial 30 partners spanning five European countries. The KIC experienced substantial growth in diversity, geography, and partnership types, particularly after opening the partnership in 2018.

EIT Digital, under visionary leadership, has achieved remarkable success in building what is purported to be the largest digital ecosystem in Europe. This network analysis delves into the key elements that have contributed to this success, emphasising the significant growth and diversification of the ecosystem. EIT Digital's journey began with a modest consortium of 30 partners spanning five European countries. Over time, this network has burgeoned into a formidable force, now boasting over 440 partners hailing from 26 European countries. This astounding expansion underscores the KIC's ability to attract and engage a diverse range of stakeholders.

At present, EIT Digital managed to establish 21 locations in 12 EU countries represented by Nodes, CLCs, and Satellites, with Headquarters in Brussels and additional Hubs in San Francisco and London. Each Node has a physical CLC, located in Berlin (DE), Budapest (HU), Eindhoven (NL), London (GB), Helsinki (FI), Madrid (ES), Paris (FR), Stockholm (SE), and Trento (IT). The Nodes play an important role in connecting partners to the EIT Digital network and their engagement in Innovation and Education activities, as well as EIT Digital's communication and stakeholder engagement activities. Some Nodes have additional Satellites, currently situated in Amsterdam (NL), Antwerp (BE), Milan (IT), Braga (PT), Munich (DE), Rennes (FR), Sophia Antipolis (FR), and Edinburgh (GB), with the latest addition in Tallinn (EE) and ongoing plans to expand in the future.

The Nodes within this network play a pivotal role in connecting partners to the EIT Digital ecosystem. Located in key cities such as Berlin, Budapest, London, and Stockholm, these Nodes serve as hubs of innovation, education, and stakeholder engagement. Collaborating seamlessly with physical CLCs, they facilitate engagement in innovation and education activities, as well as communication initiatives. EIT Digital's reach extends far beyond the boundaries of the EU. It has actively cultivated partnerships in the United States, with an office in San Francisco, and in Israel. Furthermore, the KIC has established a presence in non-member EU states, including Bosnia and Herzegovina, Switzerland, the United Kingdom, Norway, Serbia, and Türkiye. This global expansion enhances EIT Digital's ability to address digital challenges on a broader scale.

A notable aspect of EIT Digital's network is its commitment to inclusivity. Partnerships with organisations from 16 RIS countries demonstrate the KIC's dedication to creating a diverse and dynamic ecosystem. This inclusivity extends its reach and enriches its collaborative efforts.

As per the 2016-2022 Strategic Agenda, EIT Digital planned to grow its ecosystem to 21 locations in 13 EU countries, with 180 partners from 17 RIS countries. By the end of 2022, the KIC managed to attract +180 partners from 16 RIS countries, thereby stabilising its ecosystem. As shown in Figure 19, below, the EIT Digital partnership has been growing steadily over the years, particularly in the share of industry partners which accounts for 70% of the KIC's ecosystem. The KIC expects to continue growing its ecosystem by 15% annually by strategically selecting more partners with a focus on industry, SMEs, and organisations from RIS countries.

EIT Digital's strategic planning has been instrumental in sustaining this ecosystem's growth. As per its 2016-2022 Strategic Agenda, the KIC aimed to establish 21 locations in 13 EU countries, with 180 partners from 17 RIS countries. Although it slightly fell short of the RIS target, with 180 partners from 16 RIS countries, the KIC has successfully stabilised its ecosystem. Notably, it anticipates continued growth by 15% annually, with a strategic focus on industry, SMEs, and organisations from RIS countries.
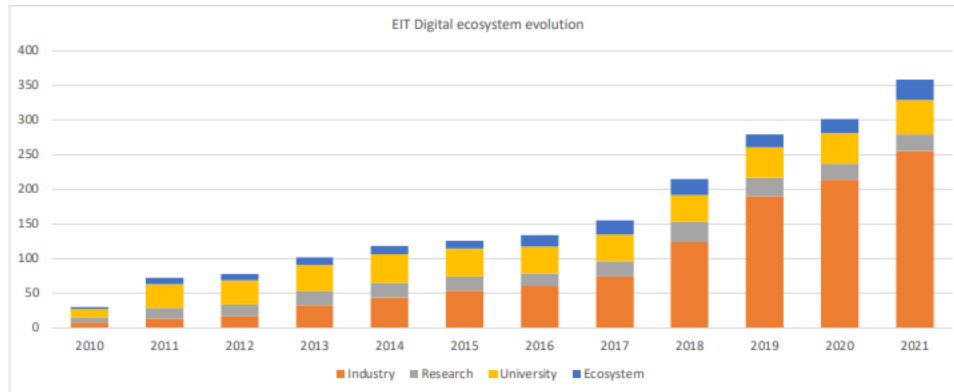
Figure 19: Partnership evolution

In our Theory of Change on the KIC has grown to an effective sustainable innovation eco-system with partners within and outside the EU, including RIS-eligible countries and regions, we follow a framework to assess barriers, inputs, outputs, and outcomes, shedding light on the evolution and impact of the organisation's efforts.

Barriers:

EIT Digital initially faced competition from existing innovation ecosystems. However, by strategically expanding its partnership network, the KIC managed to not only coexist but also thrive within a crowded landscape. This expansion has enabled EIT Digital to attract a diverse range of partners and provide a platform for collaboration that extends beyond EU borders.

As the ecosystem grew, aligning diverse partner objectives became essential. EIT Digital successfully navigated this challenge by fostering an inclusive culture that accommodates various strategic goals. This approach has allowed partners from within and outside the EU to find common ground and work collectively towards shared objectives.

EIT Digital's resource constraints were addressed through a targeted approach to partner acquisition. By strategically selecting partners based on their potential contribution to the ecosystem and alignment with EIT Digital's goals, the KIC effectively mobilised the necessary resources to sustain its growth and impact.

Inputs:

EIT Digital's decision to open its partnership to a broader range of organisations in 2018 was a pivotal input. This strategic move enabled the KIC to rapidly increase its partner base, both within and outside the EU, fostering cross-border collaboration.

The establishment of Nodes, CLCs, Satellites, and additional Hubs created a robust network that connected partners seamlessly. This physical presence facilitated engagement, knowledge exchange, and collaboration, transcending geographical boundaries.

EIT Digital's commitment to inclusivity extended beyond EU borders, with partners from RIS-eligible countries and regions actively participating. This inclusive approach has contributed to the ecosystem's diversity and vitality.

Outputs and Outcomes:

EIT Digital has cultivated a robust and sustainable innovation ecosystem that transcends EU borders, comprising over 440 partners across 26 European countries. This ecosystem spans a diverse range of organisations, including those from RIS-eligible countries and regions.

EIT Digital has solidified its position as a leader in the European digital landscape, facilitating cross-border collaboration and knowledge exchange among partners.

The KIC's ecosystem has become a driving force behind digital innovation and education activities across the digital sector, contributing to Europe's competitiveness in the global digital arena.

By welcoming partners from RIS-eligible countries and regions, EIT Digital has not only addressed societal challenges but has also harmonised skill gaps on a broader scale, fostering sustainable growth and economic development within and outside the EU.
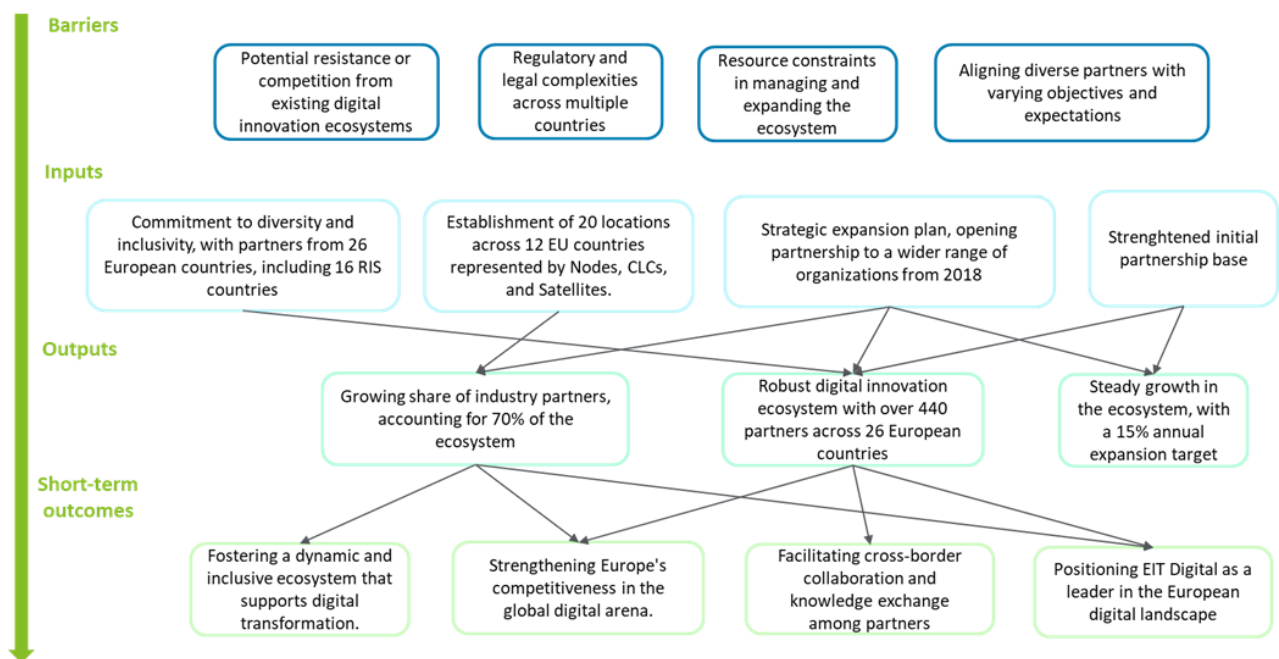
Figure 20: Theory of Change

Conclusion: EIT Digital has successfully cultivated a robust and sustainable innovation ecosystem, positioning itself as a leader in the European digital landscape. The KIC's remarkable growth from its initial 30 partners to over 440 partners across 26 European countries showcases its expansive reach and influence. Through the establishment of Nodes, CLCs, Satellites, and additional Hubs, EIT Digital has strategically connected partners and stakeholders, fostering collaboration and engagement in innovation and education activities. The KIC's commitment to inclusivity is evident in its partnerships with organisations from 16 RIS countries, contributing to a diverse and dynamic ecosystem. As EIT Digital continues to execute its growth strategy, with a focus on industry, SMEs, and RIS countries, it is poised to further strengthen its position as a leading force in driving digital innovation and transformation across Europe.

Score: Excellent – 9

9.2 EU Member States coverage

Indicator: Number of the EU Member States covered by the KIC partnership and representation of all the knowledge triangle players.

The EIT Digital partnership has been represented in 25 Member States over the course of the KIC's lifespan, not including Denmark and Malta. An analysis illustrated in Figure 21 below, indicates that the partnership primarily gravitates toward Western Europe, with quite a balance within the block (Austria, Belgium, France, Germany, Ireland, Luxembourg, and the Netherlands), whereas Eastern Europe (Bulgaria, Croatia, Czechia,

Poland, Hungary, Romania, Slovakia, and Slovenia) have been relatively underrepresented, but balanced in terms of partners additions from each country.

Table 21: Partner knowledge triangle distribution in 2022

Partner Area	Number of Partners
Business	314
Cities, Regions, NGOs	24
Higher Education	66
Others	12
Research	28
Grand Total	**444**

Partners across Europe

17%
11%
38%
34%

■ North ■ East ■ South ■ West

Figure 21: Overall partner distribution in Europe

EIT Digital has been identifying and selecting strong activity partners by contracting independent external experts from an expert pool that is rotated on an annual basis. The evaluation criteria cover impo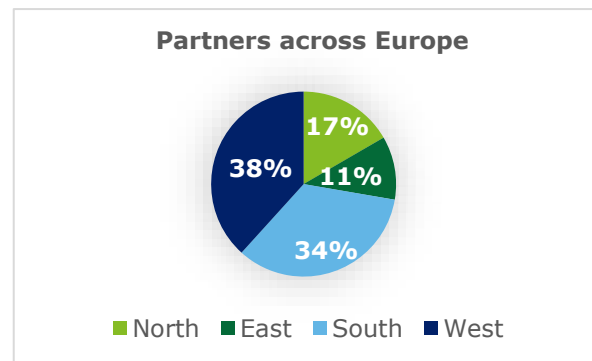rtant elements, including the EU dimension, strategic and portfolio fit, quality of the implementation, FS, and market potential. However, some criteria, such as excellence, have not been addressed sufficiently and the KTI criterion has mainly been focused on the business area. As a result, the KIC's partnership has been rising steadily over the years, particularly in terms of business partners, which has surged from 21% in 2010 to 70% in 2022. The participation of higher education and research partners has been rather stagnant throughout the KIC's existence, with 11 of the Member States achieving a balanced representation of all sides of the knowledge triangle. Overall, the coverage of EU Member States and knowledge triangle representation can be deemed satisfactory, but more efforts could be made to improve this in the research and education area.

Conclusion: The EIT Digital partnership's coverage across 25 EU Member States signifies a substantial reach within the European digital landscape, with notable representation in Western European countries. However, a discrepancy exists in the representation of Eastern European nations, highlighting potential opportunities for further engagement in these regions. EIT Digital's approach to partner selection, facilitated by external experts, has contributed to the expansion of its partnership, particularly in the business domain. While the partnership has exhibited growth and a balanced representation in terms of the knowledge triangle, the participation of higher education and research partners remains relatively stagnant. To enhance overall equilibrium, a focused effort is needed to bolster representation from these sectors and ensure a comprehensive representation across all dimensions of the knowledge triangle.

Score: Very Good – 8

9.3 Coverage of RIS countries

Indicator: Number of RIS countries and regions covered by the KIC partnership and representation of all the knowledge triangle players in its activities.

Since 2021, EIT Digital has been actively increasing efforts to attract SMEs and organisations from RIS countries. Over its lifespan, the KIC has grown from its initial 45 partners in 3 RIS countries to 184 RIS partners in 16 RIS countries, which are listed in Table 22. Among those countries, Spain, Italy, and Hungary have been overrepresented compared to the involvement of other RIS countries which remained limited. If Spain and Italy are excluded, as done by other RIS assessments in the past, the current number drops down significantly to 63. To address this disparity, the KIC has been proactively engaging with the local/ regional/ national authorities in the underrepresented regions, with progress made in efforts to expand to Ljubljana and Athens already underway. The KIC's approach to targeting countries for RIS Hubs is based on its current partners' critical mass and potential for community building around specific digital technologies. However, previous assessments by the EIT have advised the KIC to increase openness and transparency when establishing its RIS hubs. During the GB rapporteur visit for the 2023-2025 period, the KIC was praised for

its continuous efforts regarding the establishment of "non-EIT funded sustainable RIS Hubs". The new Hubs in Thessaloniki, Greece and Cluj-Napoca, Romania reiterate the KIC's strategy to expand in RIS areas, while new Hubs are in line for end of 2023 in Athens, Greece and Riga, Latvia in early 2024.

Table 22: Partners in RIS countries registered in 2022

RIS Country	Number of Partners	RIS Country	Number of Partners
Bulgaria	3	Lithuania	3
Czechia	2	Latvia	1
Croatia	1	Poland	3
Cyprus	3	Portugal	8
Estonia	6	Romania	6
Greece	7	Slovakia	2
Hungary	21	Slovenia	6
Italy	69	Spain	48

Table 23: RIS Partner knowledge triangle distribution

Partner Area	Number of Partners
Business	137
Cities, Regions, NGOs	8
Higher Education	23
Others	1
Research	15
Grand Total	184

It is worth noting that EIT Digital does not outline RIS-specific criteria when selecting partners for RIS activities, as they are considered an integral part of the KIC's community. To select partners from RIS regions, the KIC has been following the regular evaluation process, resulting in a representation of knowledge triangle players skewed towards the business sector. Only 3 RIS countries (Spain, Hungary, and Italy), have all three sides of the adequately represented. Given that businesses develop more rapidly, it is comprehensible that it might take longer to establish partnerships with universities and research institutions. Nonetheless, the KIC is expected to increase the participation of universities and Research and Technology Organisations in the other RIS regions. Notably, the participation of higher education and research partners in other RIS countries requires further improvement. Moreover, the engagement of RIS universities in EIT Digital's Master Schools remains insufficient.

Conclusion: EIT Digital's engagement with RIS countries and regions has shown notable progress, with an expansion from three RIS countries to 16, encompassing 184 partners. While Spain, Italy, and Hungary have exhibited higher levels of participation, a need to enhance engagement in underrepresented RIS regions is evident. The KIC's proactive approach in collaborating with local authorities to establish RIS Hubs demonstrates its commitment to addressing disparities and promoting community building around digital technologies. While the KIC integrates RIS partners into its regular evaluation process, achieving a balanced representation of all knowledge triangle players remains a challenge. The representation of higher education and research partners in RIS countries, particularly in EIT Digital's Master Schools, requires focused attention to ensure comprehensive participation.

Score: Very Good – 8

9.4 New active partners

The EIT Digital partnership encompasses a diverse range of stakeholders, including large enterprises, SMEs, universities, research centres, and local ecosystems such as incubators, accelerators, cities, and NGOs. As part of its ecosystem strategy outlined in the SA 2021-27, EIT Digital aims to foster a robust Pan-European ecosystem by expanding the partnership and connecting national and regional innovation ecosystems. The established ecosystem has already been facilitating collaboration, technology commercialisation, scale-up of digital ventures, talent attraction, and the development of digital knowledge and skills.

As already mentioned in section 8.1, there has generally been an increasing trend in attracting partners and affiliated entities. Remarkably, the partnership grew by 40% in 2019, whereafter it significantly decreased by 3.55% in 2021. But, since then, the KIC has managed to increase the partnership by 17%, as it attracted a diverse range of new partners, including leading industries such as, Edison SpA (Italy) and GE Healthcare (UK), RIS country partners like Krakow Technology Park (Poland) and Foundation (Greece), innovative SMEs such as Talent Garden (Italy) and Seacon (Hungary), and esteemed research and academic institutions such as Friedrich-Alexander-University Erlangen-Nuremberg (Germany) and the Institute of Entrepreneurship Development (Greece).

In addition, EIT Digital has been expanding the partnership by implementing various communication and dissemination activities, such as annual Innovation Days in each region, annual conferences, and the annual EIT awards. In 2021, the KIC organised a total of 160 events with an estimated 6 700 attendees, attended 37 external events, and reported 6 meetings with high-level EU stakeholders. Moreover, the KIC published 76 news items on its website, produced 406 traditional media articles, and gained a total of 68 820 followers on Social Media Channels. Through this communication and dissemination, the KIC has been positioning itself as an active member of the EIT Community and a key player in innovation, entrepreneurship, and education. However, the KIC's dissemination efforts have been limited to its main communication events and improvement is required in terms of branding.

Conclusion: In conclusion, EIT Digital has demonstrated a proactive approach in expanding its partnership to encompass a diverse array of stakeholders, fostering collaboration and innovation across Europe. The partnership's growth is evident in both the 'Partners' and 'Affiliated entities with a legal link' categories, with a consistent upward trend over the years. Despite challenges posed by external factors such as the COVID-19 pandemic, the KIC has adapted by introducing new membership categories to facilitate engagement, particularly from EIT RIS countries. Noteworthy collaborations with leading industries, innovative SMEs, research institutions, and academic entities showcase the breadth and depth of EIT Digital's partnership. Communication and dissemination efforts have been instrumental in positioning EIT Digital as an active member of the EIT Community, promoting innovation, entrepreneurship, and education. While the KIC's efforts are commendable, further enhancement of branding and dissemination strategies could lead to even more substantial impact and recognition.

Score: Excellent – 9

9.5 Balanced geographical presence of CLCs and EIT RIS Hubs

EIT Digital's geographical presence has been relatively strong and aligned with the KIC's strategic objectives and societal challenges, as per the SIA 2022-2023 report. The KIC currently operates nine Nodes, facilitated by physical CLCs and Satellites, with each Node covering its respective country and a set of non-Node countries within its geographical reach. Rather than creating new CLCs, the KIC has been focusing on establishing new Satellites across Europe.

Figure 22: CLCs

On the other hand, EIT Digital's presence in RIS regions like Eastern Europe has been weak. EIT Digital's RIS Hubs network has been one of the smallest among the EIT KICs but is now likely to achieve the targets set in the 2021-2027 Strategic Agenda; namely, to have 10 RIS Hubs by 2027. The KIC has recently opened new RIS Hubs in Athens and Ljubljana with one soon to be launched in Romania. The KIC has been exploring other RIS countries in Eastern Europe and the Western Balkans, such as Bulgaria, Slovakia, Serbia, North Macedonia, Latvia, and Czechia, with the aim of opening six new RIS hubs by the end of 2022. These countries are of interest due to their increasing communities centred around Cybersecurity, comprising leading universities, Research and Technology Organisations, corporates, and SMEs.

Currently, EIT Digital hosts three CLCs and nine RIS Hubs in RIS countries, meaning that the KIC has been making clear efforts to achieve the EIT's recommendation of having ten RIS Hubs by 2027. The KIC has been ensuring that financing through non-EIT means is guaranteed and that it is fully aligned with the EIT RIS Minimum Standards and Guiding Principles before considering the establishment of a new Satellite.

Conclusion: EIT Digital's geographical presence through its CLCs and EIT RIS Hubs reflects a strong alignment with the KIC's strategic objectives and societal challenges. The KIC's network of nine Nodes, physical CLCs, and Satellites covers various countries within Europe, fostering collaboration and innovation. While its presence in certain regions, particularly RIS areas like Eastern Europe, is relatively weaker, the KIC has made efforts to expand its footprint by exploring potential RIS Hubs in countries with emerging expertise in areas such as cybersecurity. The KIC's ongoing endeavours and strategic planning demonstrate its commitment to achieving a more balanced geographical representation in line with the EIT's objectives.

Score: Very Good – 7

9.6 Innovation ecosystems in RIS countries

Indicator: Share of indicated innovation ecosystems that covers RIS eligible countries.

EIT Digital's proactive approach to expanding its innovation activities in RIS countries is evident in this network analysis. The analysis highlights key initiatives undertaken by EIT Digital and their impact on entrepreneurship and education in RIS-eligible areas.

While the EIT has been pushing the KIC to step up its efforts and allocate more resources towards the effective implementation of the EIT RIS, EIT Digital has been actively increasing its innovation activities that cover RIS countries. Since 2018, the KIC has been running a RIS Venture Programme, which provides support to entrepreneurs from RIS countries in creating their DeepTech ventures. It is an eight-week pre-acceleration programme carried out by regional partners in RIS regions. In 2018-2020, the KIC successfully executed 11 editions of the programme which created more than 60 new ventures. Later, the programme expanded with five editions, covering the Western and Eastern Balkans, Baltics, Portugal, Malta & CEE, that led to 23 new ventures. The KIC supports 20 companies in RIS countries on average per year, resulting in successful projects in the innovation area, such as Algoa and Pay with a Smile, as well as numerous success stories in the entrepreneurship domain, like Real Time Care Technology.

Recognising the importance of education in fostering innovation ecosystems, the KIC has actively strengthened its ties with local ecosystems and expanded its Master School network through the organisation of Summer Schools in RIS regions. Over the past years, EIT Digital has successfully organised 12 Summer Schools in RIS countries, providing students with valuable learning experiences. Moreover, the KIC has planned an additional nine Summer Schools for 2023, reaffirming its commitment to education in RIS-eligible areas. However, it is important to note that local universities have not been sufficiently engaged in these initiatives. To address this, EIT Digital has initiated recruitment marketing campaigns and partnerships with

local higher education institutions and organisations, aiming to attract more students from RIS countries to its education programmes.

While EIT Digital has made significant progress in fostering innovation ecosystems in RIS countries, there remains untapped potential for collaboration with local universities. Strengthening these ties can lead to greater engagement in education initiatives, enriching the impact of EIT Digital's efforts in the RIS-eligible area.

Conclusion: EIT Digital's commitment to fostering innovation ecosystems in RIS countries is evident through its proactive efforts to increase activities in these regions. The introduction of the RIS Venture Programme and its subsequent expansion, resulting in the creation of numerous new ventures, showcases the KIC's dedication to supporting entrepreneurship in RIS-eligible areas. The expansion of its Master School network through Summer Schools further demonstrates EIT Digital's strides in strengthening ties with local ecosystems and attracting students from RIS countries. While progress has been made, there remains room to enhance collaboration with local universities for greater engagement in education initiatives.

Score: Very Good – 8

9.7 Strengths, weaknesses and recommendations

Overall score of the assessment criterion: Very Good – 8

Strengths
EIT Digital has established a sustainable digital ecosystem with a wide geographical reach within Europe and beyond.
The partnership has been continuously growing with an increasing balance in the knowledge triangle representation and geographical diversity.
The KIC has been very successful in attracting a significant number of industry partners.
EIT Digital implements effective communication and dissemination strategies to attract valuable partners which are strategically selected through clear and well-defined evaluation criteria.
The RIS Venture Programme has been successful in nurturing I&E in RIS countries, leading to the establishment of a noteworthy amount of new ventures.

Weaknesses	Recommendations
The expansion of the RIS hubs has been delayed and remains concentrated in RIS areas that have represented the majority of the KIC partnership throughout its lifespan.	The KIC should continue its efforts in attracting partners from other RIS regions while being more open and transparent in the process.
In comparison with industry, research institutions and universities have not been involved sufficiently in the partnership.	The KIC should pursue more partnerships with higher education institutions and organisations from RIS countries, by intensifying efforts to engage them in its Master school network. The KIC should enhance its efforts in attracting more partners stemming from the above sectors, and it should start doing so directly. By mid-2024 the KIC should report on the inclusion of more partnerships from education and research area.

10. Compliance with good governance principles

10.1 Good Governance Principles

Indicator: KIC fully addresses the EIT Good Governance Principles (GGP) – based on the relevant GGP assessment.

The good governance principles are defined by Article 6 of the Partnership Agreement as follows:

- The KIC governance and management structure must:
  - "ensure compliance with the provisions of Article 10 of the Horizon Europe Regulation and the criteria for the selection, implementation, monitoring, evaluation and phasing out laid down in Annex III of the Horizon Europe Regulation;
  - reflect diversity, in particular with regard to gender, geographical and professional background
  - reflect the diversity in the composition of the KIC, in particular the balance within the knowledge triangle
  - separate ownership and membership from operational management
  - separate the supervisory functions from the operations
  - have a size which allows the KIC to function in an effective and efficient way
  - separate the decisions on activities, on KIC funding schemes and distribution of funding from their implementation
  - ensure that at least half of the members — including the chairperson — of the body with supervisory functions are independent from the KIC partners
  - be composed of high-quality members who are selected in a transparent and competitive procedure
  - have an effective supervision or ownership over the entities with a CLC role.
- The KIC must have an effective operational structure to implement the KIC Strategic Agenda and the KIC BPs.
- The KIC must comply with the following:
  - As an institutionalised European partnership, the KIC should act in the EU public interest.
  - The KIC must adopt its Code of Conduct based on the model provided by the EIT which includes policies on conflict of interests, ethical values and integrity.
  - In order to reinforce the highest standards of integrity and to reduce the risk of fraud, the KIC must adopt an Anti-fraud Strategy followed up by an action plan. The Anti-fraud Strategy must be reviewed every two years.
  - The KIC Legal Entity (LE) and entities with a CLC role must have a Procurement Policy in place to ensure compliance with the substantive requirements of EU public procurement law, in particular with the main principles of transparency, equal treatment, non-discrimination and competition.
  - KIC must have Gender Mainstreaming Policy in place to ensure gender responsive portfolio of activities and balanced gender representation in decision making.
- The KIC LE must ensure that, within the scope of the KIC Strategic Agenda, KIC partners act in the best interest of the KIC, safeguarding its goals, mission and identity.
- The KIC must have an IP Board in place in order to advise on IP rights related issues.
- These principles must be transposed in the KIC internal arrangements (see Article 5.3)."

Based on the most recent monitor assessments, EIT Digital's adherence to the GGP practices can be summarised as follows:

The KIC demonstrates diversity in its composition, particularly in representing the knowledge triangle. Its Supervisory Board (SB) has an appropriate share of independent members and a separate operational Management Team employed directly by the KIC Legal Entities (LE). The GGP have also been transposed in the KIC's internal agreement to a great extent between the KIC's LE and partners, although the cooling period requirement needs to be further transposed. Moreover, the decision-making process for selecting high-quality members has been fair and transparent. Except for the Chief Financial Officer and the previous Chief Executive Officer who recently left, the KIC's Management Team has remained relatively stable over the last years and effectively implemented the Structural Agenda (SA) and BPs. Furthermore, the KIC maintained control over its CLCs and consistently provided relevant documentation to the EIT regarding any changes pertinent to the GGP. It has implemented a procurement policy to ensure alignment with the essential principles of transparency, equal treatment, non-discrimination, and competition. However, some remaining weaknesses have been identified such as the information on partner categories and entry criteria that are not fully made public through the KIC's website, as well as the approval of the BPs which needs to be moved from the Partner Assembly level to SB level.

Conclusion: EIT Digital's governance model is well-aligned with the EIT's Good Governance Principles (GGP), as evidenced by the assessment findings. The KIC demonstrates a diverse composition and has established a relatively transparent decision-making processes for selecting partners. The presence of independent members on the Supervisory Board, along with a quite stable Management Team responsible for implementing strategic agendas, underscores the KIC's commitment to effective governance. Recent appointments, including the CEO, reflect the KIC's dedication to maintaining strong leadership. Overall, EIT Digital's efforts to uphold the GGP have been commendable, with no significant weaknesses identified.

Score: Very Good – 8

10.2   Implementation of EIT GB Strategic Recommendations

Indicator: EIT GB Strategic recommendations have been effectively addressed and fully implemented by the KIC.

Over the years, EIT Digital has made consistent progress in addressing strategic recommendations from the EIT Governing Board, though some were repeatedly raised. For example, it took EIT Digital some time to make the necessary changes to address the recommendations on governance reforms. The KIC had to reduce its overall governance size, while the presence of independent members in the SB had to be increased, as well as diversity within the Management Team. Over time, the KIC has managed to put all the GGP in place. Other recommendations were tackled relatively early on, such as establishing the necessary synergies, expanding participation in education programmes, and ensuring openness and call transparency.

A challenging recommendation for EIT Digital relates to the RIS strategy, which needed to be strengthened and implemented to build a sustainable ecosystem in RIS regions. The KIC has achieved a steady increase in partners from RIS countries, but additional action had to be taken in terms of transparently establishing RIS Hubs across various locations. The KIC has successfully implemented the above, as it was highlighted in the recent GB rapporteur visit, where it scored "Excellent" regarding its RIS expansion. Another recommendation consistently pushed for the KIC's participation in cross-KIC collaborations, which has now successfully been pursued. The KIC proactively engages in cross-KIC activities with other first wave KICs, and even led Cross-KIC Thematic Innovation such as the Combating Child Obesity project. Moreover, a recommendation that remains significant is on the KIC's FS strategy and revenue targets. The aim is to ensure that innovation activities contribute to the long-term FS of the KIC. EIT Digital has been making substantial improvements in this area and even overperformed in several revenue aspects, though it is important to note that compared to other first wave KICs, FS remains relatively low.

Conclusion: EIT Digital has demonstrated a commitment to implementing strategic recommendations from the EIT Governing Board, resulting in steady progress over the years. The KIC has effectively addressed several key areas, including governance reforms, synergies, education programme participation, and transparency in calls. While challenges remain, such as strengthening the RIS strategy and achieving FS targets, EIT Digital's proactive approach and achievements highlight its dedication to continuous improvement. The organisation's efforts position it well for continued success and impact on the evolution of the digital innovation landscape.

Score: Very Good – 8

10.3   Strengths, weaknesses and recommendations

Overall score of the assessment criterion: Very Good – 8

Strengths
The KIC has a stable, well-designed, and properly organised governance structure that is fully compliant with the Good Governance Principles.
EIT Digital typically does well in implementing the recommendations put forth by the EIT by taking the necessary actions that are closely monitored and reported.

Weaknesses	Recommendations
The EIT's recommendation on long-term FS remains a point of concern for KIC.	The KIC can focus on expanding its services and commercialising existing KAVAs in the short term to support the progress toward long-term changes (backflows, assets).

11. Efforts and results in gender- sensitive measures and activities

11.1 Gender sensitive measures and activities

Indicator: KICs have designed and implemented gender sensitive measures and activities

Gender equality is a core value of the EU, and it has been emphasised as a policy priority, specifically in recent years. In response to this, the EIT developed a new Gender Equality and Action Plan, recently adopted in December 2022, in line with EU regulations and UN SDGs to strengthen the role of the EIT in the European innovation landscape in promoting gender equality, women's entrepreneurship and leadership across Europe. This policy applies to both EIT headquarters and the KIC level. The key objectives are for gender-responsive content, maintaining a balanced activity portfolio, and a gender-balanced representation in staff and activities.

EIT Digital recently developed a Gender Mainstreaming Policy to ensure more gender balance among its staff members. As a result, women amounted to 56% of EIT Digital's new hires and the share of women in leadership roles increased from 13% to over 30%. Women currently represent 4 out of the 10 SB members and 2 out of the 7 members of the KIC's Management Team, which is still slightly below target (35%), but not bad considering the general gender balance in the digital industries. When assessing gender balance among start-ups and scale-ups supported by the KIC, only 5 of the 31 respondents indicated having a woman as leader of their organisation. Even more noteworthy, 22 respondents indicated not being aware of gender mainstreaming aspects implemented by EIT Digital, while the other 7 respondents were au courant with the KIC's gender equality measures.

●	Woman	5
●	Man	25
●	Other	1
●	Prefer not to say	0
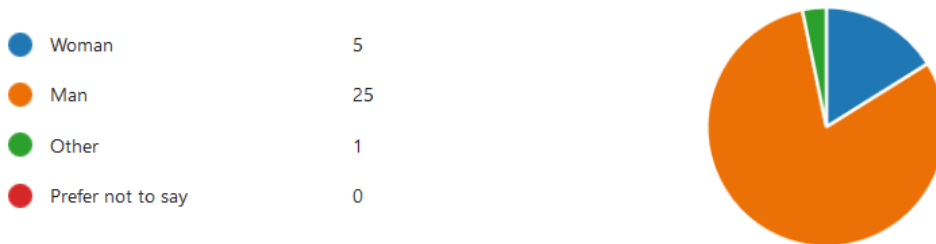
Figure 23: Answers of the partners survey indicating the gender of their organisation's leader

●	Yes	7
●	No	7
●	I do not know	15
●	Prefer not to say	1

Figure 24: Answers to the partner survey question: To the best of your knowledge, is there any written gender equality policy, plan or course or action taken by EIT Digital to achieve gender-equality?

In addition to the policies, the KIC has supported several initiatives, such as 'the Roberta initiative', that address the lack of women in STEM and encourage them to consider a career in the related sectors. Through its communications department, specific initiatives such as the 'European Female-Led Digital Deep tech Start-up & Scale-up Landscape' and 'EIT Digital Gender Diversity Week', have been launched to promote women in deep tech and disseminate profiles of female innovators. In line with this, the EIT Digital Challenge awards have been attracting a significant number of companies led by women each year, making up 30% of the applicants. While EIT Digital has been making progress toward achieving most targets defined in the KIC's Digital Gender Balance Action, there is still room for improvement among its partners.

Conclusion: EIT Digital has made some visible commitment to gender equality that is evident through its adoption and implementation of gender mainstreaming policies and initiatives, though regular monitoring and reporting of the EIT Digital Gender Equality policy and Action Plan is required to properly evaluate its efforts. The KIC has increased gender balance among staff, leadership roles, and decision-making bodies. The are no concrete tools and measures implemented to increase the participation of women in the KIC's activities but collaborative activities, such as the Roberta initiative and gender diversity weeks, have shown dedication to addressing the gender gap in STEM fields. While progress has been made, there remains an opportunity for further improvement, particularly among partner organisations, to achieve a more balanced and inclusive ecosystem.

Score: Very Good – 8

11.2   Positive expert's assessment gender sensitive activities
Indicator: Positive expert's assessment of the outputs and results delivered by these activities

EIT Digital's gender mainstreaming activities have not undergone specific assessments by subject matter experts. The feedback provided by the EIT on gender mainstreaming has been mixed, though the KIC has consistently been encouraged to intensify efforts in diversifying the organisation. Likewise, the results from the above-mentioned surveys for start-ups and scale-ups supported by the KIC were conflicting; half of the respondent's reported satisfaction with the KIC's gender-sensitive measures, whereas the other half expressed either disinterest or dissatisfaction.
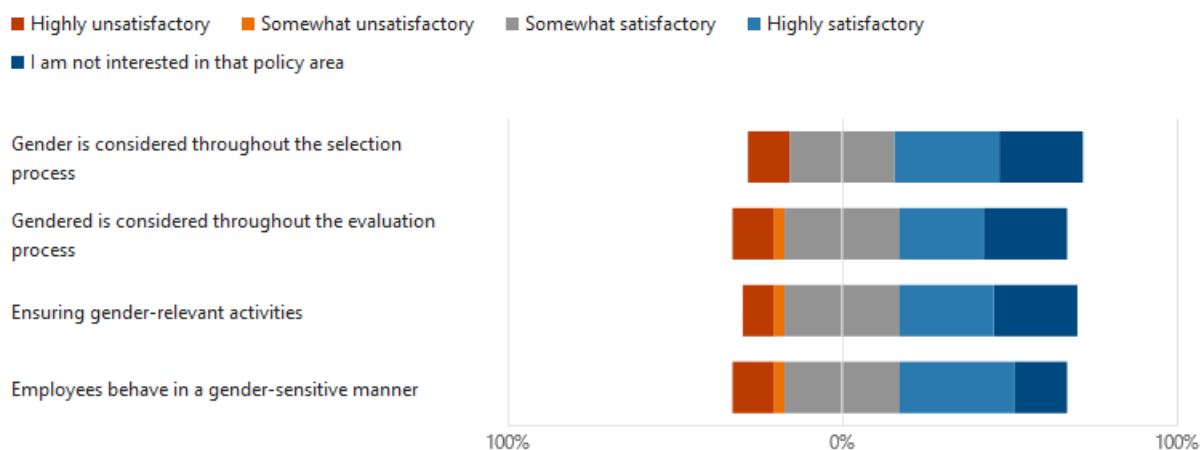
Figure 25: Answers of the partners survey on their opinion of gender-sensitive measures applied across the following EIT Digital policies/ activities

Given that the ICT sector is traditionally viewed as a masculine sector, there have been some visible outputs in terms of women joining the sector. Notably, the participation of women professionals and entrepreneurs in the ecosystem grew to almost 40% and female students graduating from EIT Digital's education programmes increased from less than 20% to 35%. What is more, the KIC has achieved good numbers in regard to gender balance in several categories and is working towards improving its efforts in this area. It is noteworthy that its Master School has 30% of women recruited, compared to a 27% in the EU[37]. However, there has been inconsistent monitoring and reporting in this regard, particularly in terms of scholarships awarded to women. Despite the EIT's support, gender-sensitive measures seem a low priority for EIT Digital

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[37] Share of women studying information and communication technologies (ICT) at university level in Europe in 2019, by level of education and country, Available at: https://www.statista.com/statistics/1251642/europe-share-of-female-ict-students-by-level/#:~:text=As%20of%202019%2C%2023.1%20percent,with%20around%2037.6%20percent%20women, Accessed in October 19, 2023.

due to insufficient efforts toward activities supporting the participation of women in the KIC's BPs and grant reports.

Conclusion: EIT Digital's gender-sensitive activities have yet to be assessed by subject matter experts, and feedback from various sources presents a mixed picture. While there has been progress in terms of increased participation of women in the ICT sector and EIT Digital's education programmes, there are inconsistencies in monitoring and reporting. The organisation's commitment to gender-sensitive measures appears to vary, with some aspects showing positive outcomes, but overall efforts could benefit from increased prioritisation and a more comprehensive approach.

Score: Very Good – 8

11.3   Strengths, weaknesses and recommendations

Overall score of the assessment criterion: Very Good – 8

Strengths
EIT Digital has made visible progress towards the 'Digital Gender Balance Action' and implements communication and dissemination activities to shed a light on women representation in the ICT sector.

Weaknesses	Recommendations
Gender-sensitive measures are insufficiently addressed at the KAVA level.	The KIC should set specific targets at the KAVA level and closely monitor ventures supported by EIT Digital to ensure that gender-mainstreaming policies and measures are implemented. It should do so by early 2024.

12. Sustainable innovation ecosystems and financial sustainability

12.1 Sustainable innovation ecosystem

Indicator: The KIC has created a sustainable innovation ecosystem effectively addressing the societal challenges and skill gaps it was established for.

One of the main goals of all KICs is to introduce long-term and impactful innovation ecosystems that address societal challenges and skill gaps. For EIT Digital, the establishment of powerful digital innovation ecosystems is one of the main societal challenges included in its portfolio. By the time of the introduction of the KIC's SA 2021-2027, EIT Digital had already well-established partnerships with industry organisations, and less with academia and Research and Technology Organisations.

What is more important, EIT Digital launched the Open Innovation Factory, which creates ventures from open innovation activities, combining innovation and business creation in a very good manner. Until 2022, the Open Innovation Factory already counts more than 100 businesses created, more than 400 products launched in the market and more than 440 partners stemming from business and research in the EU. The KIC organises Calls for Proposals under the concept of the Open Innovation Factory and selects the activities that have high economic and societal impact, while it also focuses on acquiring projects that contribute to its sustainability.

Moreover, as also described in the chapters on synergies above, the KIC has already established concrete synergies with high-valued innovation actors in the EU, such as the EIC. This collaboration helped the KIC to facilitate the EIT Digital Accelerator admission of DeepTech companies that have already received funding from the EIC.

EIT Digital is also addressing skill gaps in the sector by providing a variety of courses and programmes (Master's, Doctoral, Professional and Summer School) through its education portfolio, which do not only focus on students, but also provide the opportunity for professionals to expand their knowledge.

Based on impact assessment for the start-ups supported by KIC, the evaluators concluded that the growth difference between their indicator values and the controls' were significant for their investments (total assets – at 5% significance level).

Based on the available data, the evaluation can conclude that growth in assets is significantly higher in supported start-ups than in the control group. However, it raises serious concerns from financial sustainability point of view that supported start-ups seem to be heavily loss-making, while the control group's profit before taxes is increasing in time.
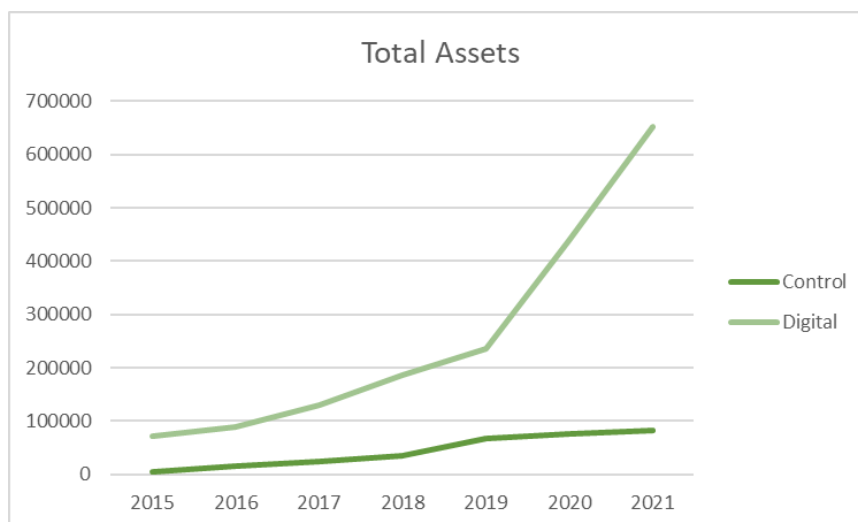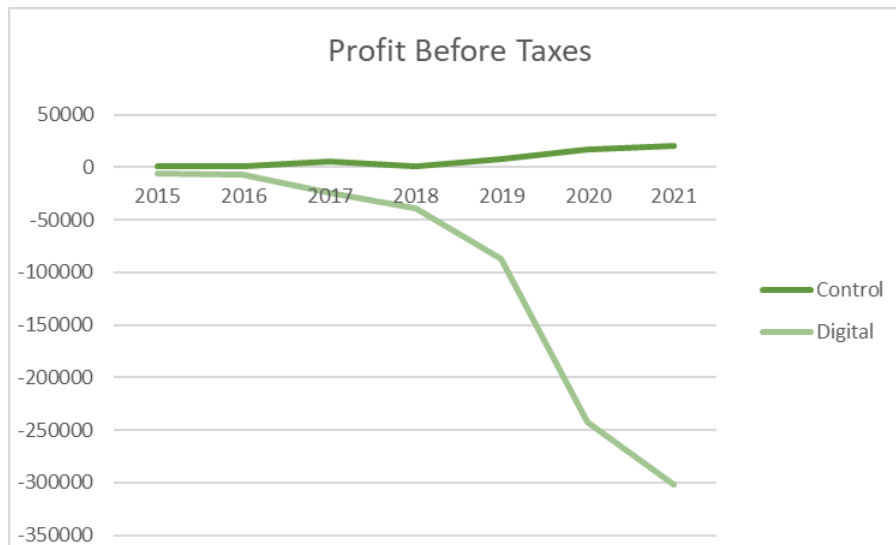

Figure 26: Total assets

Figure 27: Profit before taxes

Table 24: Total assets and profit before taxes

Variable	Coefficient	P>|z|
Total assets (2016)	3.26e-07	0.281
Profit before taxes (2016)	4.15 e-07	0.709

Table 25: Growth of total assets and profit before taxes

Variable	Treated	Controls	Difference	T-stat
Growth of total assets (2017-2021)	513 705	2 727	510 977**	1.97
Growth of profit before taxes (2017-2021)	-254 021	88 523	-342 544	-1.30

In our Theory of Change on EIT Digital has effectively created a sustainable innovation ecosystem that addresses societal challenges and skill gaps, fulfilling its core mission, we follow a similar framework to assess barriers, inputs, outputs, and outcomes, shedding light on the evolution and impact of the organisation's efforts.

Barriers:

EIT Digital initially faced competition within crowded innovation ecosystems but expanded its partnership network to thrive. It fostered an inclusive culture to align diverse partner objectives, enabling collective efforts to address societal challenges and skill gaps. Partner selection was strategic, mobilising resources for sustained growth and impact.

Inputs:

In 2018, EIT Digital broadened its network of partnerships, with the aim of encouraging international cooperation to address social issues and foster skill development. Nodes, CLCs, Satellites, and Hubs established a robust interconnected system, fostering active participation and the sharing of knowledge across international boundaries. The incorporation of partners from regions eligible for RIS bolstered diversity and the ability to effectively tackle challenges and skill deficiencies, both within the European Union and beyond.

Outputs and Outcomes:

EIT Digital has established a robust and enduring innovation ecosystem comprising more than 440 partners across 26 European countries. This network encompasses a wide array of organisations, including those from regions eligible for RIS support. EIT Digital stands as a frontrunner in Europe's digital arena,

championing cross-border collaboration and the exchange of knowledge to confront societal challenges and bridge skill gaps.

This ecosystem serves as a driving force behind digital innovation and education, bolstering Europe's competitiveness on a global scale while addressing critical issues. The inclusion of partners from RIS-eligible areas has not only helped address challenges but has also harmonised skills on a broader spectrum, facilitating growth and development within and beyond the EU.

Conclusion: EIT Digital has successfully established a sustainable innovation ecosystem that effectively addresses societal challenges and skill gaps. The Open Innovation Factory has been a significant contributor to this ecosystem, fostering the creation of numerous ventures and products. The KIC's strategic partnerships and collaborations, such as with the EIC, further highlight its commitment to innovation and sustainability. EIT Digital's comprehensive education portfolio also plays a crucial role in bridging skill gaps in the digital sector, catering to both students and professionals seeking to enhance their knowledge.

Score: Excellent – 9

12.2   Innovation ecosystems not previously in existence

Indicator: KIC has made evidenced progress against the following indicator (as per definition provided in the EIT Impact Framework): Visible innovation ecosystems not previously in existence

As per definition in the EIT Impact Framework an innovation ecosystem is a highly symbiotic (players are highly dependent on each other's inputs and outputs) network of researchers, educators/trainers and companies interacting in a specific area (location and theme) for the generation of new research, development and innovation. Innovation ecosystems are identifiable e.g., through the outputs (for example in a specific area of Research and Innovation) they produce and the relationships of members of the ecosystem. They are less mature and business-oriented compared with "business ecosystems". Innovation ecosystems are likely to be associated with CLCs, but could also emerge in other locations where KICs are active.

EIT Digital is a driving force behind digital innovation, employing an integrated approach to nurturing ventures. Its focus is on creating and expanding ventures while also cultivating and enhancing the skills of individuals to equip them with the essential digital and entrepreneurial skills. In a move to further expedite its venture (business) creation endeavours, EIT Digital has chosen to intensify its efforts across the entire innovation funnel, spanning from standup to start-up and scale-up stages. All its initiatives revolve around the KIC's portfolio of ventures, each contributing to its goal.

Plug and Play Tech Center and EIT Digital signed a Letter of Intent that outlines the common objectives of the two partners to support the European digital transformation by building new digital ecosystems and promoting digital education and skills, innovation infrastructure, and the creation of high-quality jobs. The collaboration between the two organisations focuses on developing synergies to support the digital transformation and serve the needs of the European digital community. The collaboration covers areas such as supporting digital innovation ecosystems and capabilities, community building, supporting inclusiveness and gender balance in digital, innovation for the European digital economy, and other areas identified by common agreement on a case-by-case basis. Plug and Play and EIT Digital support each other by sharing business opportunities, best practices, lessons learned, and results from projects and programmes. Their joint effort includes engaging with stakeholders and digital public service providers, to achieve their main objective.

In our survey we have designed a series of questions in relation to the innovation ecosystems developed by the EIT Digital. The partner survey has confirmed that for partners the aforementioned innovation ecosystems are the most important and these are the most well-known. It also needs to be mentioned that a small number of the responders have not been familiar with what an innovation ecosystem is, even though the definition was given in the question.

7. Please indicate, from your organisation's perspective, how impactful the innovation ecosystems have been which EIT Digital has created or significantly contributed to, in furthering your organization's overall agenda
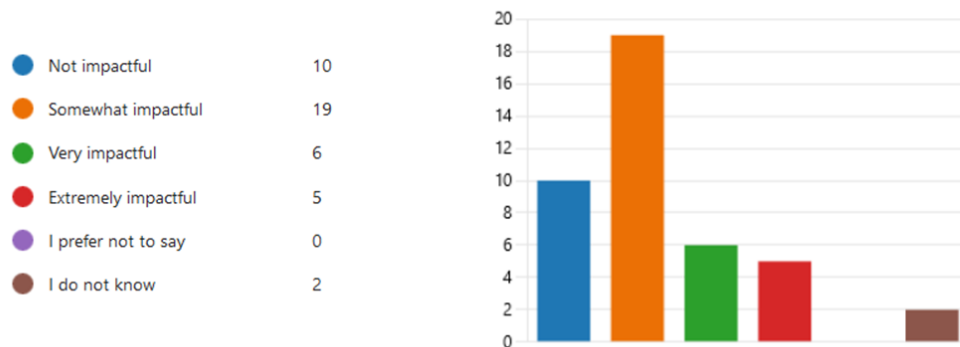

● Not impactful	10
● Somewhat impactful	19
● Very impactful	6
● Extremely impactful	5
● I prefer not to say	0
● I do not know	2

Figure 28: Answer relating to impactful innovation ecosystems

Conclusion: EIT Digital plays a vital role in nurturing innovation ecosystems in the context of European digital transformation. These ecosystems, characterised by interdependent networks of researchers, educators, and companies focused on research and innovation, are central to EIT Digital's mission. The organisation takes a comprehensive approach, supporting ventures at all stages of the innovation funnel, from inception to scale-up, and has formed a strategic partnership with Plug and Play Tech Centre to promote digital education, skills, and job creation. While EIT Digital's efforts are recognised by its partners, there is a need for continued awareness-building regarding innovation ecosystems among stakeholders.

Score: Very Good – 8

12.3   Effective Financial Sustainability Strategy

Indicator: Effective Financial Sustainability Strategy, including Financial Sustainability mechanisms in place including diversified revenue sources and aligned with the original proposal and subsequent Business Plans/reports

The EIT defines FS as the capacity of a KIC to finance its knowledge triangle activities independently of contributions from the EIT. The FS strategy elaborated by the KIC shall follow the criteria set out in Decision 4/2015 and Decision 13/2021 of the GB of the EIT. This includes annual reporting on the progress of the strategy, diversification of revenue sources, incorporating the strategy within all KAVAs, and developing a commercialisation strategy for each innovation activity.

Given the requirement of KICs to achieve this level of FS by the end of the fifteen-year funding period, they established a FS strategy. This strategy has mechanisms in place, including diversified revenue sources driven by the original proposal and subsequent business plans. All eligible EIT Digital annual BPs and Grant Reports have been assessed regarding progress towards FS by the EIT, with relevant recommendations being provided.

In the past years, building and strengthening the FS of the KIC has been a priority for EIT Digital. As detailed in Table 26, the EIT funding of these activities currently makes up an average of 54% of the EIT Digital budget. The primary revenue sources of EIT Digital are:

- EIT funding
- Partner contributions, which include partnership fees and project co-funding
- Third party contributions, which include public funding from other national, regional, or international bodies, back-flow from start-ups and up-scaling projects, and revenues generated through services provided.

The revenue targets set by EIT Digital in its Strategic Agenda for each of these categories is outlined in Table 26 below.

Table 26: Overview of the financing of EIT Digital activities, 2021-2027 (in millions)*

KIC Financing (MEUR)	2021	2022	2023	2024	2025	2026	2027	TOTAL
EIT Grant Projections	34.94	35	30	25	10	10	10	154.94
KIC LE investments	1.50	1.50	4.50	5.50	8	8	8	37
Membership fees	2.50	3	3.50	4	5	5	5	28
Other partners contributions	21.10	22	22	22	10	10	10	117.10
Third party contribution	1.50	3	4.50	5.50	9	9	9	41.50
Total Funding	61.54	64.50	64.50	62	42	42	42	378.54
% of EIT grant of the total budget	57%	54%	47%	40%	24%	24%	24%	41%

* As presented in ETI Digital Strategic Agenda 2021-2027

Since 2016, EIT Digital has regularly reported its progress in revenue to the EIT. This revenue stream has grown steadily, increasing from EUR 1.2 million in 2016 to EUR 18 million in 2021-2022. As of 2019, EIT Digital has started to report its revenue in all five revenue categories, i.e. membership fees, alternative funding sources, services and consultancy fees, educational services, and ROI and equity.

Based on this assessment and as also stated in the in-depth study report for the first wave KICs carried by the EIT[38], despite the diversity of its revenue sources, EIT Digital faces challenges in reaching FS, especially in the RoI and equity category. This is due to the nature of the equity portfolio, which consists of deep tech investments that take an average of 5-7 years to generate returns. While the value of the portfolio has steadily increased and is estimated at EUR 25 million for KIC's share in its 250+ companies, the total value of the financial assets remains insufficient to ensure FS. Nevertheless, EIT Digital has effectively collaborated with various EU programmes, resulting in concrete multi-year engagements. These include partnerships with H2020, the Digital Europe programme, the EIF and ECB. The KIC has positioned itself as a credible applicant for European grants and tenders, demonstrating its project credentials and existing capabilities. This revenue stream is expected to make a significant contribution to the KIC LE, estimated at EUR 3-3.5 million annually.

Over the period 2010-2022, EIT Digital has made gradual but steady progress towards FS. Despite the current limited results, the KIC sees significant potential for FS revenue due to its expertise in the digital field, its thematic focus and the ecosystem developed so far.

Conclusion: EIT Digital has made substantial progress in implementing an effective FS Strategy, emphasising diversified revenue sources to support its knowledge triangle activities independently of EIT contributions. The KIC has demonstrated diligence in reporting progress on its FS strategy and has diversified its revenue streams, including EIT funding, partner contributions, and third-party contributions. While facing challenges, particularly in the return on investment and equity category, EIT Digital has successfully engaged with various EU programmes and positioned itself as a credible applicant for European grants. Despite the ongoing journey towards FS, EIT Digital is strategically poised to continue its growth and impact on the digital innovation landscape.

Score: Very Good – 8

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[38] The EIT has conducted an in-depth study of the first wave KICs (EIT Digital, EIT Climate-KIC and EIT InnoEnergy), which were launched in 2009 and are expected to terminate their partnership agreements after 2024. The study aimed to assess the achievements, impact and sustainability of the KICs, as well as to identify lessons learned and best practices for future KICs. The study was based on a mixed-methods approach, including document analysis, interviews, surveys, case studies and benchmarking.

12.4 Adequate revenues and leveraging of assets

Indicator: An adequate level of revenues from its activities is demonstrated and a plan for the management and exploitation of intellectual property and financial assets supporting the KIC's business model is in place.

The revenue of EIT Digital 2016-2022, as reported in the yearly EIT-assessed Grant Reports, is detailed in Table 27. The category 'Alternative Funding Sources' includes national and regional funding, EU-funding in the form of contracting services, private funding, IPR income, international donors and other sources.

Table 27: EIT Digital Revenue, 2016-2022

KIC Revenue (Thousand EUR)	2016	2017	2018	2019	2020	2021-2022 reported	Total
RoI & Equity	0	0	0	4 366	73 209	30 000	107 575
Education	821 174	388 785, 07	624 760,51	740 321	711 307,68	4 878 983	8 165 331,26
Services & Consulting	0	0	142 000	562 936	407 954,09	1 721 205	2 834 095,09
Membership Fees	210 000	1 910 000	2 227 500	2 472 500	2 725 000	5 998 668	15 543 668
Alternative Funding Sources	154 368	150 000	200 000	228 180	3 473 351,85	5 799 184,25	10 005 084,1
Total Revenue	1 185 542	2 448 785,07	3 194 260,51	4 008 303	7 390 822,62	18 428 040,25	36 655 753,45

As previously described, the biggest amount of revenues generated derives from membership fees, education, alternative funding sources and services and consulting. The new strategies that have been developed during 2020 and 2021 set out to achieve FS by the end of year 15 (2024); however, past EIT assessments have characterised the current plans as inadequate to address this issue. The 2021-2027 Strategic Agenda introduced backflow schemes, which will contribute to the goal of the long-term FS. However, shortcomings in the KIC's FS strategy can already be traced; a worrisome issue relating to the KIC's long-term sustainability. While the KIC is struggling with FS discrepancies, its IP policy is in place and bears the following characteristics, as presented in its SA 2016-2022. EIT Digital has established an IP Committee that deals with all IP-related aspects of the KIC and its activities.

Its IP Policy builds on the existing IP framework for Core Activities (Carriers) and introduces a separate set of guidelines for Value Added Activities (Catalysts) within EIT Digital. The main objective of this policy is to provide both EIT Digital partners and the KIC LE itself with clear and comprehensive guidance on various aspects of IPR. The policy covers issues related to information sharing, ownership, access rights and return on investment.

EIT Digital supports all forms of open innovation and expects all its partners to have the willingness and attitude to actively contribute to such an innovation ecosystem. Partners must adhere to the guidelines set out in the IP Policy, which are consistent with the basic principles of open innovation. Partners are encouraged to integrate IP management into the full range of their activities, from the development of initial ideas to their successful commercialisation. This includes considering appropriate IP protection measures at each relevant stage. This proactive approach also includes establishing appropriate contractual relationships for all those involved in each Catalyst activity. EIT Digital seeks to promote the widespread application of its IP policy and is committed to creating incentives for its implementation.

The purpose of the IP policies is twofold: first, to facilitate collaboration; and second, to streamline the process of commercialisation by addressing potential IP challenges. The guidelines aim to ensure fair and equitable access to both background IP (existing IP) and foreground IP (IP created during Catalyst's activities). This may include conditions such as royalty-free or compliance with FRAND (Fair, Reasonable, and Non-Discriminatory) terms, particularly in the context of the activities and the broader EIT Digital partnership. The policy also emphasises transparency in the handling of IP at the outset of any activity, to foster a safe and collaborative environment.

Conclusion: EIT Digital has generated substantial revenues from its various activities, with membership fees, education, alternative funding sources, and services and consulting being the primary sources of income. However, challenges persist in achieving long-term FS, as identified by previous EIT assessments. The KIC has taken steps to address this issue through strategies like backflow schemes, but further efforts are required to ensure effective long-term evolution. Regarding IP management, EIT Digital has a well-defined IP policy in place, encompassing both core and value-added activities. This policy aims to promote open innovation, facilitate collaboration, and streamline the commercialisation process by addressing potential IP challenges. It emphasises fairness, transparency, and equitable access to IP, fostering a collaborative and conducive environment for innovation and partnership within the organisation.

Score: Very Good – 7

12.5   Financial Sustainability

Indicator: Financial Sustainability: revenues of KIC LE, FS coefficient

EIT Digital generates high revenues, largely due to all the categories outlined below. However, assessments by the EIT conclude that the diversification of its portfolio has not yet reached the desired level for a first wave KIC. This can be understood by taking a close look in Table 27, where all KIC's revenues for the past years are collected. There have been nominal amounts generated in RoI & equity, an issue which has been discussed previously in all relevant chapters and still remains open. Past discussions showed that the KIC presented in its strategy diversified revenue sources as a target. However, as mentioned above, most revenues come from membership fees and education. Moving forward, revenues generated through services and other activities are expected to increase due to future opportunities, which have the potential to improve the FS of the KIC in the final years within the EIT family.

An additional measure for reaching FS goals used by the EIT is the FS coefficient. This indicator is calculated by dividing the total revenue generation of the KIC LE by the total EIT grant for year N. It captures the ability of a KIC LE and its CLCs to attract revenues and other financing sources. The FS coefficient for EIT Digital has increased over time, as shown in Table 28, but this is due to the EIT grant decreasing. EIT Digital has overachieved its target FS coefficient, as assessed by the KIC's annual grant reports and shown in those tables. The latest FS coefficient reported is in line with other KIC's, but it is still high overall, mainly due to the EIT's fund decrease.

Table 28: Annual FS coefficient

KPI	2018	2019	2020	2021-2022
FS Coefficient	4.54%	5.7%	10.9%	58.89%

Conclusion: EIT Digital generates substantial revenues, but diversification remains a challenge, with most income coming from membership fees and education. While it has increased its FS coefficient over time, this is partly due to the decrease in EIT grants, and further efforts are needed to achieve a more diversified and sustainable revenue mix.

Score: Very Good – 7

12.6 Co-funding rates

Indicator: Co-funding Rates

The co-funding rate is the percentage of EIT funding that makes up the entire KAVA budget. The EIT has established guidelines for the KICs regarding the maximum co-funding rate that can be achieved in each period of the grant cycle. The target co-funding rates are outlined in Table 29 below:

Table 29: EIT Target co-funding rates

Phase	Start-Up	Ramp-Up	Maturity	Exit from EIT Grant
Years	1 - 4	5 – 7	8 – 11	12 - 15
EIT Co-funding rate	Up to 100%	Up to 80%	Up to 70%	50% at year 12, decreasing by 10 percentage points per annum

The annual co-funding rates planned by EIT Digital are at 40% for 2021, and 50% for 2022. As presented in Table 30 below, EIT Digital has reported its co-funding rates and those are somehow in line with its targets. Being a first wave KIC, EIT Digital should target lower rates of EIT co-funding.

What is more important, though, is the revenue to be generated in the future, without the EIT's support and co-funding. According to the in-depth study carried by the EIT, EIT Digital currently holds a substantial equity portfolio valued at EUR 162.7 million, but there is a lack of clarity regarding its exit strategy and revenue generation from this portfolio. The organisation is accumulating value without a clear plan for generating revenue.

This situation poses a growing problem, and it's essential for EIT Digital to establish a clear exit strategy that outlines various methods for valuing the portfolio and converting it into a consistent revenue source. It would also be beneficial for EIT Digital to define and agree upon exit conditions with the start-ups and scale-ups in which it holds equity.

In light of the portfolio's growth, there is an increasing need for a dedicated action plan to manage the equity portfolio effectively. Hiring an equity portfolio management specialist and developing a robust revenue plan based on existing and future investments is a necessary step to address this issue.

Table 30: EIT Digital co-funding rates projections 2016-2022

	2016	2017	2019	2020	2021	2022
Co-funding rate target	-	-	-	-	40%	50%
Co-funding rate achieved	77.54%	78%	76.4%	80%	60.6%*	

*2021-2022 Reported

Conclusion: EIT Digital aims to achieve co-funding rates of 40% for 2021 and 50% for 2022, which are generally in line with its targets, although as a first wave KIC, it should aim for lower rates of EIT co-funding. However, the KIC achieved higher co-funding rates than expected. In addition, the KIC should start developing its exit strategy.

Score: Good – 6

12.7   Strengths, weaknesses and recommendations

Overall score of the assessment criterion: Very Good – 8

Strengths
The KIC is performing very well in terms of FS co-efficient and is on track to achieve relevant targets.
Revenues generated from membership fees, alternative funding sources, education and services were very good in the last years.
The KIC's education portfolio is a very strong asset for EIT Digital, as it has been generating more than 20% of its revenues in the past years.
Growth in assets is significantly higher in supported start-ups than in the control group.

Weaknesses	Recommendations
RoI and equity targets were not achieved.	To address the underperformance in RoI and equity targets, EIT Digital should implement a multifaceted strategy. This involves a critical review of past digital investments by the early 2024, identifying areas with significant revenue potential for future growth and realigning resources accordingly. In 2024, the institution should establish clear financial performance metrics and revenue targets for these promising areas while consistently monitoring progress. By mid-2024, a well-defined resource allocation strategy should ensure that budgetary decisions align with the institution's new focus. Additionally, EIT Digital should adhere to all relevant recommendations from the EIT to enhance digital investment governance and financial management. By the end of 2024, the organisation should present comprehensive revenue generation plans, emphasising how investments in promising areas will bolster overall financial stability. Beginning in early 2025, regular reporting mechanisms will promote transparency and accountability, ensuring that the organisation achieves its RoI and equity objectives and secures sustainable revenue growth in the future.
Lack of exit strategy.	EIT Digital should take concrete steps to ensure its financial sustainability and maximise the value of its investments. By the end of the first quarter in 2024, the organisation should appoint an equity portfolio management specialist dedicated to developing and implementing comprehensive exit strategies for its existing and future investments. Beginning in the second quarter of 2024, close collaboration with this specialist will lead to the creation of a well-rounded exit strategy, considering various scenarios, timelines, and contingencies. By the close of 2024, EIT Digital should finalise a robust revenue plan that harmonises with the exit strategy, outlining how the institution intends to monetise its investments effectively. These actions lay the foundation for a strategic approach to safeguard financial stability and ensure the organisation's investments are optimised to their fullest potential.
Diversification of the KIC's portfolio not at the desired level for a first wave KIC.	EIT Digital should also focus on other areas of revenues, besides membership fees and education. More specifically, the KIC should pay particular attention to revenue generated through RoI & equity, as it is one of the most important factors for the continuation of the KIC, after exiting the EIT Grant scheme. Without revenue streams from investments and equity, the KIC will face serious issues in the future, which will jeopardise its smooth operation. The KIC should revise its FS strategy by the first quarter of 2024, and include detailed forecast with new targets regarding diversified revenue sources.
Supported start-ups seem to be heavily loss-making, while the control group's profit before taxes is increasing in time.	The KIC should better monitor the evaluation of supported start-ups and come up with a plan to protect its financial sustainability over time, by the first quarter of 2024.

13.   Conclusions and recommendations

13.1   Relevance to the EU global challenges

EIT Digital is effectively contributing to the European Union's goals by boosting economic growth, enhancing innovation in Member States, and fostering I&E. It has exceeded its targets in supporting start-ups, attracting investments, and creating innovative ventures. EIT Digital is committed to strengthening Europe's digital sovereignty through various initiatives like the Innovation Factory, RIS Venture programme, and collaborations with EU programmes. Its impact is evident in its innovation portfolio, successful accelerator programme, and the growth of European tech companies. Overall, EIT Digital plays a significant role in Europe's digital transformation and sustainable development, aligning with UN Sustainable Development Goals by promoting innovation in various fields. Their multifaceted approach, including open innovation activities and partnerships, addresses real-world issues, emphasising digital inclusion, education, and deep tech innovation to tackle societal challenges.

To achieve boosting the economic growth, EIT Digital should focus its efforts on tailoring support programmes for regional challenges, strengthening local innovation ecosystems through partnerships, increasing access to funding from local investors, providing targeted capacity-building programmes, and fostering mentorship and networking opportunities. Additionally, offering localised market insights, highlighting success stories, promoting collaborative projects, engaging local authorities, and maintaining a long-term commitment to the region can collectively help overcome this weakness and drive the growth of start-ups and scale-ups in EIT RIS countries.

13.2   EU added value and relevance with regard to the objectives of the EIT

EIT Digital has successfully established innovation ecosystems and integrated KTI to enhance digital competitiveness and address societal challenges in EU Member States. It excels in supporting start-ups, blending innovation with education, and fostering individuals with both technical and entrepreneurial skills. Its focus on innovation and business creation, notably through the Venture portfolio, positions the KIC as a significant player in digital innovation. While aligned with EIT objectives and demonstrating success in creating start-ups, concerns about graduate and start-up numbers have arisen. EIT Digital also aligns with EIT RIS guidelines, emphasising inclusivity and expansion, but should prioritise establishing new hubs and deeper collaborations in EIT RIS countries for maximum impact.

The KIC should strategically allocate resources and efforts to further improve its outcomes within the EIT RIS framework in the coming years.

13.3   Achievement of KICs own objectives

EIT Digital has demonstrated success across a range of KPIs, particularly in talent attraction, start-up support, and innovation promotion, although not all targets were met. Its performance reflects a strong commitment to education, innovation, and entrepreneurship. The organisation is on track to achieve desirable results aligned with its strategic objectives, enhancing Europe's digital ecosystem and competitiveness. Initiatives like the EIT Digital Master School and Accelerator have nurtured diversity and supported successful start-ups. The KIC has also bridged innovation gaps through programmes like the RIS and Digital Cities projects. EIT Digital's role in accelerating deep tech adoption and commercialisation has been pivotal. It has prioritised education and diversity and addressed policy challenges for European digital sovereignty. EIT Digital's inclusive approach engages partners from EIT RIS countries, fostering skills development and innovation. While there are challenges in achieving certain goals, the organisation's dedication to societal KPIs, gender equality, and regulatory standards is evident. Its impact on start-up revenue growth, job creation, and skill development varies, emphasising the need for tailored support strategies. The data also highlights positive employment outcomes for KIC Label graduates and diverse career paths pursued by students and graduates from EIT-labelled programmes, alongside mixed results in revenue generation for supported start-ups. Further analysis could offer valuable insights for educational institutions and entrepreneurs.

The KIC is recommended to set realistic targets and align its strategy towards achieving them. By implementing the above, the KIC will be able to actually measure progress and impact in this area.

13.4 Efforts to coordinate KICs activities with other R&I initiatives

EIT Digital's commitment to achieving synergies and complementarities, as outlined in its original proposal and SA, is evident through its proactive approach to strategic collaborations and partnerships. It aligns with European Initiatives and engage with various DGs of the European Commission, strategically utilising the Carrier/Catalyst model to integrate education, research, and business elements to drive technology acceptance and market expansion. EIT Digital's involvement in innovation ecosystems, cross-KIC initiatives, and active participation in various projects across domains demonstrates their capacity to foster collective objectives and amplify impact. Their collaboration extends to both EU and national levels, including initiatives like Horizon Europe, the EIC, and Digital Europe Programme. With this systematic and strategic approach, EIT Digital is committed to enhancing its impact on Europe's digital transformation and addressing societal challenges as it intensifies collaborations and pursues outlined synergies in its SA.

EIT Digital should pay particular attention to reporting with sufficient details (e.g., total contract numbers, period of implementation, etc.) the synergies with relevant initiatives at EU and global levels, to facilitate future assessment and regular improvement.

13.5 Capacity to ensure openness to new members

EIT Digital has demonstrated steady growth and geographic diversity while fostering a balanced composition across critical thematic areas, contributing significantly to Europe's digital transformation. Its strategic focus on Digital Tech, Digital Industry, Digital Cities, Digital Wellbeing, and Digital Finance reflects a commitment to addressing key digital challenges. Collaborative efforts with other KICs have expanded its impact. Survey data from start-ups and scale-ups supported by EIT Digital highlights the organisation's value, with most intending to maintain partnerships beyond 2024. EIT Digital's openness in attracting new partners aligns with EIT Regulation Framework principles, enhancing its impact. While it maintains good governance practices, there is room for improvement in publishing entry and exit rules. Nevertheless, its transparency and active engagement with partners foster trust and inclusivity. EIT Digital's balanced representation of education, research, and innovation players in its partnership is evident in its holistic approach, equipping graduates with skills, supporting research, and fostering innovation. Positive feedback from start-ups underscores their commitment to cultivating an impactful digital ecosystem. EIT Digital is well-positioned to contribute to a resilient Digital Europe in the future.

The KIC should publish entry and exit criteria for becoming a partner on its website to prevent potential partners from being hindered.

13.6 KIC's achievements in attracting new members from across the Union

EIT Digital has cultivated a robust and diverse innovation ecosystem, expanding its partnership to over 440 organisations across 26 European countries. Through strategic connections like Nodes, CLCs, Satellites, and Hubs, it promotes collaboration in digital innovation and education. Its inclusive approach involves partners from 16 RIS countries, but there is a need to boost representation from higher education and research partners for knowledge triangle equilibrium. While the KIC has made progress in expanding engagement in RIS regions, particularly in Spain, Italy, and Hungary, there is room for growth in underrepresented areas. Overall, EIT Digital's proactive expansion, commitment to inclusivity, and focus on innovation ecosystems position it as a leading force in European digital transformation, with opportunities for further development.

The KIC should continue its efforts in attracting partners from other RIS regions while being more open and transparent in the process.

The KIC should pursue more partnerships with higher education institutions and organisations from RIS countries, by intensifying efforts to engage them in its Master school network.

13.7 Compliance with good governance principles

EIT Digital's governance model aligns well with the EIT's Good Governance Principles, as reflected in assessment findings. The KIC maintains a diverse composition and transparent partner selection processes. Independent members on the Supervisory Board and a stable Management Team responsible for implementing strategic agendas emphasise effective governance. Recent appointments, including the CEO, demonstrate a commitment to strong leadership. While there were previous concerns about HR policies, EIT

Digital's overall efforts to uphold Good Governance Principles are commendable, with no significant weaknesses identified. They have shown dedication to implementing strategic recommendations from the EIT Governing Board, making steady progress in various areas. Challenges remain, but EIT Digital's proactive approach positions it for continued success and impact in the digital innovation landscape.

The KIC can focus on expanding its services and commercialising existing KAVAs in the short term to support the progress toward long-term changes (backflows, assets).

13.8   Efforts and results in gender- sensitive measures and activities

EIT Digital has demonstrated a visible commitment to gender equality through the adoption and implementation of gender mainstreaming policies and initiatives. It has made progress in increasing gender balance among staff, leadership roles, and decision-making bodies, as well as through collaborative activities like the Roberta initiative and gender diversity weeks. However, concrete tools and measures to boost the participation of women in its activities are lacking. Continuous monitoring and reporting of its Gender Equality policy and Action Plan are needed for a comprehensive evaluation. While progress has been made, particularly in STEM fields and education programmes, there is room for further improvement, especially among partner organisations, to achieve a more balanced and inclusive ecosystem. Feedback from various sources presents a mixed picture of the KIC's gender-sensitive activities, indicating a need for increased prioritisation and a more comprehensive approach to gender equality efforts.

The KIC should set specific targets at the KAVA level and closely monitor ventures supported by EIT Digital to ensure that gender-mainstreaming policies and measures are implemented.

13.9   Innovation ecosystems and financial sustainability

EIT Digital has successfully established a sustainable innovation ecosystem addressing societal challenges and skill gaps, with the Open Innovation Factory and strategic partnerships emphasising innovation and sustainability. Its comprehensive education portfolio bridges digital skill gaps for students and professionals. EIT Digital nurtures innovation ecosystems and collaborates with Plug and Play Tech Centre to promote digital education and job creation. Challenges remain in achieving long-term financial sustainability, but diversification of revenue sources and engagement with EU programmes position the KIC for continued growth. It has a well-defined Intellectual Property policy to foster open innovation and collaboration. Co-funding rates align with targets, but the KIC needs to develop an exit strategy as a first wave KIC.

Although difficulties in digital investments in the past years are recognised, the KIC still underperforms in RoI and equity. Good amounts have been invested in the past years, which however do not generate enough revenue. Nevertheless, this strategy is promising in terms of revenue collection in the future; an issue the KIC should pay attention to. The KIC should follow all of the EIT's related recommendations and continue working on investing in several areas that will generate revenue.

The KIC should start developing its exit strategy. Hiring an equity portfolio management specialist and developing a robust revenue plan based on existing and future investments is a necessary step to address this issue.

EIT Digital should also focus on other areas of revenues, besides membership fees and education. More specifically, the KIC should pay particular attention to revenue generated through ROI & equity, as it is one of the most important factors for the continuation of the KIC, after exiting the EIT Grant scheme. Without revenue streams from investments and equity, the KIC will face serious issues in the future, which will jeopardise its smooth operation.

13.10   Final conclusion

After our comprehensive assessment, taking into account the weighted scores across various assessment criteria, EIT Digital receives a final score of **81/100** which translates to a **Very Good** rating. This score reflects the organisation's overall performance and effectiveness in multiple areas.

EIT Digital is actively working to support the European Union's goals by driving economic growth, fostering innovation, and promoting entrepreneurship. It has exceeded expectations in areas such as supporting start-ups and attracting investments. The organisation is committed to strengthening Europe's digital sovereignty

through various initiatives. Its impressive innovation portfolio and Accelerator programme have contributed to the growth of European tech companies. However, there is room for improvement in achieving targets related to innovative designs and testing.

EIT Digital's governance aligns with good principles, and it demonstrates commitment to gender equality. However, concrete tools and measures are needed to further promote gender diversity. While the organisation has successfully created a sustainable innovation ecosystem, it faces challenges in achieving long-term financial sustainability. Diversifying revenue sources, focusing on generating revenue through RoI and equity, and developing an exit strategy are essential steps for its future sustainability and growth.

To enhance economic growth, EIT Digital should focus on tailoring support programmes for regional challenges, strengthening local innovation ecosystems, and providing better access to funding and mentorship opportunities. Additionally, while EIT Digital aligns with EIT and EIT RIS guidelines, it should prioritise deeper collaborations and establish new hubs in underrepresented regions for maximum impact.

14.   ANNEXES

14.1   ANNEX I. Reference list

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, received from EIT on 02.11.2021.

REGULATION (EU) No 1292/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 11 December 2013 amending Regulation (EC) No 294/2008 establishing the European Institute of Innovation and Technology, received from EIT on 02.11.2021

DECISION No 1312/2013/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 11 December 2013on the Strategic Innovation Agenda of the European Institute of Innovation and Technology (EIT): the contribution of the EIT to a more innovative Europe, received from EIT on 02.11.2021

DECISION 13/2021 of the Governing Board of the European Institute of Innovation and Technology (EIT) on the principles of FS of knowledge and innovation communities (KICs), accessed on 01.11.2021:   https://eit.europa.eu/sites/default/files/2021-13_20210317-gb66-13_new_eit_fs_principles.pdf

DECISION 4/2015 of the Governing Board of the European Institute of Innovation and Technology (EIT) on principles on KIC's FS, https://eit.europa.eu/sites/default/files/EIT%20GB%20Decision%20on%20principles%20on%20KIC%20Financial%20Substainability.pdf, accessed on 01.11.2020.

DUNA Portal Grant Reporting and Business Planning modules (access granted by EIT)

EIT and KICs websites (deliverables included on websites, as well as those submitted alongside KIC reports)

Documents provided by EIT:

- Key EIT documents (e.g. EIT Regulation and EIT Regulation (recast), EIT Financial Regulation, EIT SIA 2014-2020, EIT SIA 2021-2027, Triennial Work Programmes, Single Programming Documents)
- Calls for KIC Proposals documentation; KIC Proposals
- Framework Partnership Agreements (repealed by 31 December 2020), new Partnership Agreements and KICs' Strategic Agendas (originals and any later updates)
- KICs BPs and Reports for relevant years and experts' assessments
- KIC Assessments: Business Creation, Education, KTI, Innovation
- RIS Evaluation 2020
- EIT consolidated reports on the KIC Monitoring/GB Rapporteur visits and reports
- Specific EIT guidance to KICs (e.g. governance, code of conduct, etc.)
- EIT Principles on KICs' FS (old and new)
- EIT Guidance on the EIT RIS 2018-2020 and EIT RIS Implementation Framework 2021-2027
- EIT Good Governance Principles and respective assessments
- ECA Reports and Recommendations
- EIT Impact Study (PwC)
- KICs' action plans for tackling specific issues (e.g., EIT and EU co-branding; Project Partners, etc.)
- Multi-annual Dashboard
- Annual Grant KIC Performance Assessment Reports
- EIT GB Strategic Recommendations issued during the assessed period, EIT GB Rapporteur Reports
- Communications Activities
- Report of an in-depth study of the 1st wave of KICs

14.2   ANNEX II. Interviews

Participant	Date
Federico Menna, EIT Digital	15 March 2023

Survey	# recipients	# of responses	% of responses
Partners	1112	42	3,77%
Start-ups/Scale-ups	288	31	10,7%
Students/Graduates	2123	201	9,46%

14.4   ANNEX IV. Results of the counterfactual impact evaluation and survival analysis

General description of the data

We received the data on company statements for the period 2014-2023 from Dun & Bradstreet. We had the data for 1308 companies either financially supported by one of the KICs or selected as control for the impact evaluation and the survival analysis.

Control	975
Digital	41
Grand Total	**1016**

The control group was selected based on the size (threshold: minimum and maximum revenues and employees), the industry and the geographical location (country level).

After the creation of the database and data cleaning and restructuring, we conducted a counterfactual impact evaluation based on the propensity score matching procedure.

The first step was to prepare the matching of the assisted and the control enterprises. This was based on the industry, the age of the start-up and 4 financial indicators in 2016: total assets, net sales, profit before tax and the number of employees. The outcome variables were the growth of the same indicators between 2017-2021. (Though we had the 2022 and 2023 data, those were very limited, since in some countries the reporting periods within the year differs.)

The results of the regression analysis:

First, we calculated the propensity scores of the enterprises, which also revealed how the different indicators influenced the probability of receiving funds from the KIC.

Pseudo R2 = 0.054

Variable	Coefficient	P>IzI
Sector – Agriculture, Forestry, And Fishing	n.a.	n.a.
Sector – Mining, Construction	1.09	0.12
Sector – Manufacturing 1	0.22	0.67
Sector – Manufacturing 2	1.43**	0.03
Sector – Transportation, Communications, Electric, Gas, And Sanitary Services	n.a.	n.a.
Sector – Wholesale & Retail Trade	-0.19	0.56
Sector – Finance, Insurance, and Real Estate	1.03	0.135
Sector – Services	-0.15	0.344
Age of the enterprise (years)	0.064**	0.017
Total assets (2016)	3.26e-07	0.281
Net sales (2016)	1.75 e-07	0.792
Profit before taxes (2016)	4.15 e-07	0.709
Number of employees (2016)	0.003	0.948
Constant	-2.12***	0.000

*** 1% significance level
** 5% significance level
* 10% significance level

The results shows that manufacturing was more relevant for the KIC to support. The age of the enterprise also had a positive correlation with the probability of being supported.

We calculated the growth differences of the assisted (treated) enterprises and the matched control enterprises and calculated if it is significant at the usual significance levels.

Variable	Treated	Controls	Difference	T-stat
Growth of total assets (2017-2021)	513 705	2 727	510 977**	1.97
Growth of net sales (2017-2021)	233 317	143 075	90 241	0.39
Growth of profit before taxes (2017-2021)	-254 021	88 523	-342 544	-1.30
Growth of the number of employees (2017-2021)	4.57	0.72	3.85*	1.69

*** 1% significance level
** 5% significance level
* 10% significance level

For the start-ups supported by KIC, we concluded that the growth difference between their indicator values and the controls' were significant for their investments (total assets – at 5% significance level), and the number of employees (10% significance level). We didn't find significant difference for their revenues and profitability, at least in this short run.

This is very much in line with the literature, see for example Nyikos et al (Nyikos Györgyi, Laposa Tamás, Béres Attila - Micro-economic effects of public funds on enterprises in Hungary REGIONAL STUDIES REGIONAL SCIENCE (2168-1376): 7 1 pp 346-361 (2020)). The assisted companies are usually able to increase their inputs (capital and labour) but not much or their sales and profitability. This exercise however should be done also at a later stage because the increase in the revenues and profitability may occur years after the additional investments.

Results of the survival analysis

We conducted a binary (logit) regression on the survival of the start-ups and their relation to different variables, especially being supported by the KIC. The results of the regression were the followings:

Pseudo R2 = 0.0860

Variable	Coefficient	P>IzI
KIC support	-2.26***	0.000
Sector – Agriculture, Forestry, And Fishing	n.a.	n.a.
Sector – Mining, Construction	n.a.	n.a.
Sector – Manufacturing 1	n.a.	n.a.
Sector – Manufacturing 2	n.a.	n.a.
Sector – Transportation, Communications, Electric, Gas, And Sanitary Services	n.a.	n.a.
Sector – Wholesale & Retail Trade	-0.53	0.600
Sector – Finance, Insurance, and Real Estate	n.a.	n.a.
Sector – Services	-1.11**	0.046
Age of the enterprise (years)	0.11	0.333
Total assets (2016)	6.75-e06	0.467
Net sales (2016)	1.72-e06	0.497
Profit before taxes (2016)	-4.9-e06	0.537
Number of employees (2016)	0.08	0.651
Constant	3.92***	0.000

*** 1% significance level
** 5% significance level
* 10% significance level

We found that the KIC supported start-ups tend to have a lower survival rate than the controls. Also services have higher mortality rates.