



OPINION 01/2024

OF THE MEMBER STATE REPRESENTATIVES GROUP

**ON THE CONCLUSION OF A MEMORANDUM OF COOPERATION WITH EIT CLIMATE-KIC,
EIT DIGITAL AND EIT INNOENERGY****THE MEMBER STATE REPRESENTATIVES GROUP,**

Having regard to Regulation (EU) No 2021/819 of the European Parliament and of the Council of 20 May 2021 on the European Institute of Innovation and Technology (recast)¹ (hereinafter ‘EIT Regulation’), in particular, Article 5 (3) b), Article 6 (p) and Article 11 (7) thereof, and Section 3 (6) of the Statutes of the EIT annexed to the EIT Regulation;

Having regard to Regulation (EU) No 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 1291/2013² (hereinafter ‘Horizon Europe Regulation’), in particular, Article 10 and Annex III thereof;

Having regard to Decision 10/2022 of the EIT Governing Board of 16 March 2022 repealing and replacing Decision 2/2022 of the EIT Governing Board of 31 January 2022 on the cooperation with the Member State Representatives Group³ and in particular, Article 5 thereof⁴;

Having regard to Decision 18/2021 of the EIT Governing Board of 7 May 2021 on the Rules of Procedure of the EIT Governing Board and Executive Committee⁵, in particular, Article 9 (2), (3) and (4) thereof;

Having regard to Decision 01/2022 of the Member States Representatives Group on the Rules of Procedure of the Member State Representative Group⁶, and in particular, Article 6.3 thereof;

I. THE REQUEST FOR AN OPINION**BACKGROUND**

1. In line with the EIT Regulation, the relationship between the EIT and each KIC shall be based on a partnership agreement, a grant agreement, or a memorandum of cooperation. The partnership agreement may be concluded for an initial period of seven years that may be extended for an additional period of up to seven years.
2. The EIT Governing Board designated the first-wave KICs, EIT Climate-KIC, EIT Digital and EIT InnoEnergy as a Knowledge and Innovation Community on 16 December 2009 and the Framework Partnership Agreements were signed with them subsequently.

¹ OJ L 189/61 of 28.5.2021

² OJ L 170/58 of 12.5.2021

³ Ares(2022)777844

⁴ Ares(2022)2127544

⁵ Ares(2021)3139636

⁶ Ares(2022)2213139



3. By means of Decision 17/2018 of the EIT Governing Board⁷, the Framework Partnership Agreements of the first-wave KICs were confirmed beyond 7 years for an additional 7 years.
4. Following the entry into force of the Horizon Europe Regulation, the EIT and the respective KICs signed Partnership Agreements for the period between 1 January 2021 and 31 December 2024.
5. In line with the Horizon Europe Regulation, Institutionalised European Partnerships shall have a clear life-cycle approach, be limited in time and include conditions for phasing out the Programme funding.
6. As stated in the EIT Regulation, after the expiry of the Partnership Agreement, subject to the positive outcome of a final review, the EIT and the KIC may conclude a memorandum of cooperation with the aim of maintaining active cooperation.
7. As foreseen in the EIT Strategic Innovation Agenda, the EIT conducted an in-depth independent study, including an assessment of the KICs' efforts to achieve financial sustainability, the revenues generated and KIC's financial outlook as well as the activities, the continuation of which might be at risk due to a lack of resources.
8. The Governing Board of the EIT decided in July 2023 on the duration, structure and content of the memoranda of cooperation and authorised the EIT Director to initiate negotiations with the KICs concerned⁸.
9. A final review was conducted in line with Article 11(7) of the EIT Regulation with a positive outcome for all three KICs concerned.
10. According to point 6 of Section 3 of Annex I of the EIT Regulation, as referred to in the Rules of procedure of the EIT Governing Board and in the decision of the EIT Governing Board on the cooperation with the Member States Representatives Group (MSRG), the EIT Governing Board shall seek the opinion of the MSRSG before adopting decisions on the conclusion of a memorandum of cooperation with a KIC. The MSRSG opinion shall not be binding toward the Governing Board. It shall be issued without undue delay and in any event not later than two months after it has been requested.
11. The opinion of the MSRSG concerning the conclusion of a memorandum of cooperation with EIT Climate-KIC, with EIT Digital and with EIT InnoEnergy was requested by the EIT on 11 January 2024. In advance to the request for opinion, a dedicated briefing session was held for the MSRSG on 7 December 2023 based on the final reviews of the KICs concerned and the advance draft memorandum of cooperation.
12. In order to enable the MSRSG to give an informed opinion, the following background information and documents were shared: background summary, draft memorandum of cooperation (updated version as compared to the advance draft shared on 1 December 2023), besides the final reviews of EIT Climate-KIC, EIT Digital and InnoEnergy.
13. Members of the MSRSG were invited to submit their positions on the conclusion of a memorandum of cooperation with EIT Climate-KIC, EIT Digital and EIT InnoEnergy including their overall positions and any related comments or observations by 24 January 2024, prior to the MSRSG meeting on 1 February 2024.
14. Members of the MSRSG further expressed their views on the conclusion of a memorandum of cooperation with the KICs concerned at the meeting of 1 February 2024.
15. Following the MSRSG meeting, based on a draft MSRSG opinion, a two-stage written procedure was conducted for adopting the final MSRSG opinion.

⁷ 03144.EIT.2018.I.GB.WP

⁸ GB Decision 29/2023 on memoranda of cooperation and on mandating the EIT Director, Ares(2023)4919314



- OBSERVATIONS AND RECOMMENDATIONS

1. MSRG appreciates the comprehensive evaluation methodology and the in-depth analysis of KICs' activities and notes the overall positive outcome of the final review of respectively EIT Climate-KIC, EIT Digital and EIT InnoEnergy, a precondition for the signature of a memorandum of cooperation in line with the EIT legal framework.
2. MSRG supports the continued cooperation between the EIT and the first-wave KICs following the expiry of the Partnership Agreement, maintaining the three KICs as part of the EIT Community and the EU research and innovation ecosystem.
3. MSRG considers the draft memorandum of cooperation as a good basis for the continued cooperation, providing for a complete framework and aligned with the objectives of the EIT.
4. MSRG notes that the substantive aspects of the overall KIC activities are set out in the KIC Strategic Agendas annexed to the memoranda. MSRG considers that the specificities of each KIC shall be duly reflected and the activities under the memorandum of cooperation shall be defined and documented for each of the KIC.
5. MSRG further notes that the details of the EIT funded activities under Articles 10.1 and 10.2 of the memorandum of cooperation will be further defined in separate calls and implemented by means of grant agreements in line with the Horizon Europe framework. In this regard, MSRG stresses the importance of financial sustainability of the KICs, noting the differences between the three KICs in this field, as a result of the final review. MSRG underlines that EIT funding after the expiry of the Partnership Agreement shall be limited, with due focus on activities that are at risk without continued support (such as education, training, RIS activities, dissemination of best practices) and ensuring comprehensive European added value beyond the KIC partners. MSRG stresses the importance of a competitive allocation mechanism for the EIT grants under Horizon Europe and underlines that the EIT funding to the KICs under Partnership Agreement, and the launch of the new KIC as foreseen in the EIT Strategic Innovation Agenda shall not be affected.
6. MSRG underlines the need to maintain the pan-European KIC ecosystem. A KIC must continue to have a considerable number of core partners in order to make a significant contribution as a European strategic network. Accordingly, the number of core partners in each KIC in the years 2025-2027 should not fall significantly below the average number of core partners over the entire term of the respective KIC until 2024. The presence of partners in several Member States should be ensured through the operation of at least 3 CLCs.
7. MSRG considers that the first wave KICs shall communicate and take part in the dissemination of lessons learned and best practices.
8. MSRG stresses the importance of fostering synergies, coherence and complementarity between the first-wave KICs and the European Innovation Council.
9. MSRG highlights the role of Horizon Europe associated countries, and the importance of their involvement in the activities of the KICs under the memorandum of cooperation.
10. MSRG supports the independent evaluation of the activities under the memorandum of cooperation over 2025-2027.
11. MSRG notes that providing long-term EIT funding to KICs after the expiry of the respective Partnership Agreements may be financially unsustainable in the long run. Therefore, further options to maintain KICs as



part of the EIT Community and the EU research and innovation ecosystem in a financially sustainable way after expiry of their Partnership Agreements should be actively developed by the EIT.

12. MSRG invites the EIT to provide timely information to the MSRG on the envisaged EIT-funded activities of the KICs, and to regularly inform the MSRG on the implementation of the memorandum of cooperation.

II. CONCLUSIONS

Based on the outcome of the final reviews of EIT Climate-KIC, EIT Digital and EIT InnoEnergy and the final draft memorandum of cooperation submitted to the MSRG by the EIT, with the above observations and recommendations:

- (1) MSRG adopts a positive opinion on the conclusion of a memorandum of cooperation in line with the draft memorandum of cooperation submitted to the MSRG, with respectively EIT Climate KIC, EIT Digital and EIT InnoEnergy.
- (2) MSRG considers that the Director of the EIT shall be authorised to conclude the memorandum of cooperation with respectively EIT Climate-KIC, EIT Digital and EIT InnoEnergy.
- (3) MSRG invites the EIT to provide timely information to the MSRG on the envisaged EIT-funded activities of the KICs, and to regularly inform the MSRG on the implementation of the memoranda of cooperation.
- (4) The present opinion shall be communicated without delay by the EIT Director to the Governing Board of the EIT after its adoption.

Done at Budapest,

For the MSRG

Peter Spyns

Representative of Belgium
Co-Chairpersons of the Member State Representative Group

Martin Kern

EIT Director