



## DECISION 23/2024

### OF THE GOVERNING BOARD OF

### THE EUROPEAN INSTITUTE OF INNOVATION AND TECHNOLOGY (EIT)

## ON THE ASSESSMENT AND ADOPTION OF THE 2023 ANNUAL ACTIVITY REPORT OF THE AUTHORISING OFFICER OF THE EUROPEAN INSTITUTE OF INNOVATION AND TECHNOLOGY

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

Having regard to Regulation (EU) 2021/819 of the European Parliament and of the Council of 20 May 2021 on the European Institute of Innovation and Technology (recast),<sup>1</sup> (hereinafter referred to as the 'EIT Regulation'), and in particular, Article 19 (2) thereof, point (1) (b) of section 2 and point (6) (d) of section 5 of the Statutes of the EIT provided in Annex I to the EIT Regulation (hereinafter the 'Statutes of the EIT');

Having regard to Commission Delegated Regulation (EU) No 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council<sup>2</sup> (hereinafter referred to as the 'Framework Financial Regulation'), and in particular Article 48 thereof;

Having regard to Decision 21/2019 of the Governing Board of the EIT of 25 September 2019 on the Financial Regulation of the EIT<sup>3</sup> (hereinafter referred to as the 'EIT Financial Regulation'), and in particular Article 1 thereof;

Having regard to Decision 18/2023 of the Governing Board of the EIT of 12 May 2022 on the Charter of the Audit Committee and on the Members and Chairperson for the EIT Audit Committee<sup>4</sup>;

Having regard to the draft consolidated annual activity report prepared by the Authorising Officer in respect of the year 2023;

#### WHEREAS

- The Authorising Officer shall report to the Governing Board on the performance of his or her duties in a form of a consolidated annual activity report pursuant to Article 48(1) of the Framework Financial Regulation;
- The consolidated annual activity report shall be submitted to the Governing Board for assessment in accordance with Article 48(1) of the Framework Financial Regulation;
- The Governing Board shall adopt the consolidated annual activity report of the EIT based on the draft prepared by the Director pursuant to Section 2 and point (6) (d) of section 5 of the Statutes of the EIT;
- No later than 1 July each year the consolidated annual activity report together with its assessment shall be sent by the Governing Board to the Court of Auditors, to the Commission, to the European Parliament and the Council in line with Article 48(2) of the Framework Financial Regulation;

<sup>1</sup> OJ L189 of 28.05.2021, p. 61.

<sup>2</sup> OJ L122 of 10.5.2019, p. 1.

<sup>3</sup> Ares(2019)6810859-04/11/2019

<sup>4</sup> Ref. Ares(2023)3472176 - 17/05/2023

- In line with the Charter of the Audit Committee, the Audit Committee shall advise the Governing Board regarding the assessment of the annual activity report of the Authorising Officer;
- The EIT Audit Committee expressed its positive opinion on the draft annual activity report prepared by the Director and supports the adoption of the Governing Board's assessment of the consolidated annual activity report 2023 as well as the adoption of the consolidated annual activity report 2023.

HAS DECIDED AS FOLLOWS:

### Article 1

#### *Assessment of the Consolidated Annual Activity Report 2023*

The EIT Governing Board:

1. Welcomes the results presented in the 2023 Consolidated Annual Activity Report of the Authorising Officer (the 'CAAR') and appreciates the presentation of all the underlying building blocks that underpin the declaration of assurance. Expresses its satisfaction and appreciation of the results achieved by the EIT and the high level of commitment and the increasing quality and efficiency of work of the EIT.
2. Expresses its satisfaction with eight unicorns that have been created with the support by different EIT Communities, including Northvolt which raised to USD 6.5 billion and became the first EIT supported unicorn.
3. Acknowledges that the first three EIT Knowledge and Innovation Communities are on track towards becoming financially sustainable after 15 years, with one of them, EIT innoEnergy 'attracting EUR 140 million in investments in 2023.
4. Welcomes the fact that under the new Strategic Innovation Agenda, the EIT Community continues to increase in size and the impact of its activities and has collectively now enabled over 2 450 innovative products and services to be put on the market, trained several thousands of entrepreneurs and supported over 9 900 start and scale-ups that attracted close to EUR 9.5 billion in investments.
5. Welcomes that the EIT following the transition to a multiannual funding approach and further integration with Horizon Europe, the fully fledged new multiannual and simplified operational model for implementation as of the 2023-25 cycle was introduced. The Board expresses its satisfaction that in 2023 an additional allocation of EUR 105 million was decided. The EIT budget available for grants for the initial multiannual funding allocation decision at the end of 2023 was EUR 995 million.
6. Welcomes that the Start Up Grant Agreement (SUGA) with the EIT Culture & Creativity KIC was signed in February 2023 and during 2023 the KIC made significant progress related to several milestones of the start-up phase (e.g. establishment of the KIC Legal Entity, set-up of several Co-location Centres, recruitment of key staff). However, the Board regrets that the consortium has not managed to achieve all the planned milestones and the decision on endorsing the finalisation of the start-up phase was concluded by the EIT Governing Board in March 2024, while it is necessary to further build operational capacity to implement the funds allocated.
7. Welcomes that the positive outcome of the independent external evaluation of the Higher Education Institutions Initiative's pilot phase (2021-2024) and that as a result the programme continuation was endorsed by the EIT Governing Board until 2027 with a set of strategic recommendations, signifying the EIT commitment to further empowering the Initiative to become engine of European innovation.
8. Welcomes the fact that the EIT sustained its administrative operations effectiveness and efficiency as its administrative budget for 2023 constituted 2.47% of the overall EIT budget managed in the 2023 financial year.
9. Welcomes the fact that the New European Innovation Agenda (NEIA) adopted on 5 July 2022 by the European Commission to position Europe at the forefront of the new wave of deep tech innovation and start-ups and outlined the EIT Community as one of its key contributors and actors of the European

Innovation Ecosystem. Expresses its satisfaction with the EIT contributed in 2023 to several actions including the Women2Invest programme, the EIT Deep-Tech Talent Initiative, the Next Generation Innovation Talents Scheme and the Regional Innovation Valleys action.

10. Welcomes the EIT Community's continuous support to the people of Ukraine. Expresses its satisfaction that the EIT, as an EU body, fully stands behind the EU position condemning the invasion by Russia and that the EIT Community launched several bespoke Ukraine support activities aimed at nurturing Ukrainian talent by making easier for them to access the opportunities offered by the EIT Community.
11. Welcomes the successful implementation of key synergies via structured cooperations, for example, under the Memoranda of Understanding with the European Innovation Council (EIC), the European Union Intellectual Property Office (EUIPO), the European Patent Office (EPO), the COST initiative, the European Investment Fund (EIF) and the European Union Agency for Law Enforcement Training (CEPOL).
12. Welcomes that the European Battery Alliance (EBA) Academy with a grant of EUR 10 million under the Recovery Assistance for Cohesion and the Territories of Europe (REACT-EU) launched to train, reskill and upskill approximately 800 000 workers (100 000 workers directly and 700 000 workers indirectly) by 2025 is progressing and that building on the success of the EBA Academy the EIT is extending this approach with the implementation of the European Solar Academy to support the upskilling and reskilling, by education and training providers in EU Member States.
13. Welcomes that in 2023 the EIT further advanced implementation of its EIT Regional Innovation Scheme agenda and the initiation of the roll-out of a new network of EIT Community RIS Hubs, which will cover all EIT RIS eligible countries and territories by the end of 2025, with already six EIT Community RIS Hubs in place in 2023, covering Cyprus, Latvia, Malta, and Montenegro, North Macedonia, and Ukraine.
14. Welcomes that the EIT started preparations to taking over the EUAN Troika chairmanship (the network comprising of 51 EU agencies and bodies) in March 2024 and welcomes that the EIT will be chairing the network in 2024 and 2025 in collaboration with the other EU Agency based in Hungary, the European Union Agency for Law Enforcement Training (CEPOL).
15. Acknowledges that the EIT work on bridging the gender gap was recognised by the EUAN as the EIT won the prize of the EUAN 2023 Diversity & Inclusion Awards, with a special recognition for the EIT Women Leadership Award.
16. Notices that in 2023, the EIT has conducted a final review and an independent study of 'first-wave KICs' – EIT Climate-KIC, EIT Digital and EIT InnoEnergy, for which 2024 marks the end of the 15-year support period outlined in their Partnership Agreements. It is satisfied that the EIT KICs were assessed positively against all monitoring and evaluation criteria for European Partnerships.
17. Encourages the EIT to take further measures to more broadly disseminate the results achieved, more broadly incorporate information about the EIT achievements and present the EIT Community success stories in its communication and external stakeholders activities as well as mobilise EIT KICs to contribute more strongly to these agendas.
18. Notes that the 2023 budget implementation rate of the EIT was 100% (99.82%) and the payment appropriations amounted to 94%, including grants.
19. Is satisfied that as regards the EIT's core operations, the detected error rate during ex-post verification of 2021 grants was 1.73% and the residual error rate is 1.69%, which is well below the materiality level of 2%<sup>5</sup>.
20. Expresses satisfaction that ECA concluded that revenue as well as payments underlying the accounts for the year ended 31 December 2022 are legal and regular in all material aspects.
21. Notes with satisfaction that the European Parliament granted discharge to the EIT in respect of the financial year 2022, which confirms the positive evaluation of the EIT's management and control systems.
22. Appreciates the fact that throughout 2023, the EIT Director kept the Governing Board fully informed of the EIT's activities and progress by way of regular Governing Board meetings, facilitated by a structured agenda and regular activity reports, as well as actively engaged the Board members in additional activities to support the EIT, inter alia as Rapporteurs for KICs and in Advisory Groups of the EIT Governing Board.
23. Expresses satisfaction that the number of closed IAC audit recommendations has increased from 144 to 189, with no critical 17 audit recommendations remaining open. It is satisfied with the pace of addressing open recommendations but calls on the EIT management to complete the implementation of the remaining

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<sup>5</sup> The error rate calculation for 2022 has not been concluded by 18 June 2024, when the 2023 CAAR was adopted by the EIT Governing Board.

open audit recommendations within the set deadlines, keeping in mind that the remaining ones are not critical but still could further increase the EIT's operational effectiveness and efficiency.

24. Expresses its satisfaction that the EIT further advanced its simplification agenda aimed at reducing and simplifying the administrative procedures and outsourcing basic administrative tasks, allowing the organisation to focus on implementing impactful activities.
25. Notices that the 2023 EIT Internal Control System was mostly assessed as effective and efficient by its Internal Control Coordinator and confirms that the EIT Governing Board's analysis and assessment of the Consolidated Annual Activity Report 2023 is positive and that the Consolidated Annual Activity Report 2023 provides it with the necessary assurance for a positive assessment of the results achieved in 2023.

## **Article 2**

### ***Adoption of the Consolidated Annual Activity Report***

Based on the assessment of the Governing Board, as set out in Article 1 of this decision, the Consolidated Annual Activity Report 2023 prepared by the EIT Director is adopted as set out in Annex 1 to this decision.

## **Article 3**

### ***Publication***

The Consolidated Annual Activity Report 2023 shall be sent by the Chairperson of the EIT Governing Board, on behalf of the Governing Board, to the European Court of Auditors, to the Commission, to the European Parliament and the Council and shall be published on the website of the European Institute of Innovation and Technology.

## **Article 4**

### ***Entry into force***

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

Done in Eindhoven on 18 June 2024

*(e-signed)*

Nektarios TAVERNARAKIS  
Chair of the EIT Governing Board

*Annex 1: Consolidated Annual Activity Report 2023*



# CONSOLIDATED ANNUAL ACTIVITY REPORT 2023

June 2024 | Budapest



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# Introduction

This consolidated annual activity report provides an overview of the activities and achievements of the European Institute of Innovation and Technology (EIT) in 2023.

The EIT's Annual Activity Report 2023 is a report of the EIT Director. It is a key component of the strategic planning and programming cycle and the basis on which the EIT Director takes responsibility for the management of resources and the achievement of objectives. It also allows the EIT Director to decide on the necessary measures to address any potential management and control weaknesses identified. It is in compliance with Article 47 of the EIT Financial Regulation.

The Annual Activity Report 2023 comprises four main parts and annexes as follows.

**Part I: Achievements of the financial year 2023.** Mirroring the structure of the Annual Work Programme of the EIT for the year 2023, Part I provides information on the achievement of objectives set in the annual work programme. This section also includes references to progress against Key Performance Indicators (KPIs) and targets.

**Part II: Management.** This section provides information on the functioning of the EIT Governing Board. It also includes major internal and external developments which had an impact on the EIT during the reporting year as well as information on budgetary and financial management, Human Resources management, assessment by the EIT management, and assessment of audit results during 2023, along with the follow-up of recommendations and action plans resulting from the audits. It also includes components on the follow-up of observations from the Discharge authority.

**Part III: External evaluations.** This section presents a summary of the action plans to follow up on the conclusions of the evaluations referred to in paragraph 3 of Article 29 and the report on its progress in accordance with art 29(4) FFR. In 2023, this part of the report was not applicable for EIT.

**Part IV: Assessment of the effectiveness of the internal control systems.** The report details the most important risks associated with the EIT's operation as well as compliance with and effectiveness of the Internal Control Standards.

**Part V: Management assurance.** The report concludes with a declaration of assurance in which the EIT Director, in his role as Authorising Officer, takes responsibility for the legality and regularity of all financial transactions.

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

The EIT Annual Activity Report is a public document and is available on the EIT website. It follows the template provided by the European Commission.



# The EIT in brief

The European Institute of Innovation and Technology (EIT) was set up to drive innovation across Europe. The EIT's mission is to contribute to the **competitiveness** of Europe, its **sustainable economic growth** and **job creation**, as well as to create favourable environments for **creative thought** and **enable ground-breaking innovation to thrive in Europe**. It does this by promoting and strengthening synergies and cooperation among businesses, education institutions, and research organisations, the so-called 'knowledge triangle'.

The EIT promotes innovation in Europe by bringing together organisations from these dimensions to cooperate in long-term partnerships through its **Knowledge and Innovation Communities (KICs)**. The partners of the KICs are **excellent innovators** that work together to tackle some of **Europe's greatest societal challenges**.

To date, the EIT has established nine KICs; one more may be launched by 2026:



*\*Launch of EIT Water still to be reconfirmed by the European Commission*

The EIT is now an integral part of **Horizon Europe**, the EU Framework Programme for Research and Innovation 2021-2027. The EIT's new **Strategy for 2021-2027** marks a **budget of nearly EUR 3 billion** and a mandate to:

- ✓ Focus on the societal impact of our Innovation Communities by addressing the needs of innovators and through the creation of sustainable innovation ecosystems.
- ✓ Improve the EIT Community's openness, inclusiveness, and cooperation.
- ✓ Work harder to close Europe's innovation divide through the EIT Regional Innovation Scheme.
- ✓ Strengthening the innovation capacity of Higher Education even beyond the EIT Community.
- ✓ Enlarge our network with the creation of two new Innovation Communities: the first for the Cultural and Creative Sectors and Industries in 2022, the second for the Water, Marine and Maritime Sectors in 2026.

Individually, each Knowledge and Innovation Community focuses on addressing societal challenges on which the Sustainable Development Goals ('SDGs') are based: climate change, renewable energy, digital transition, urban mobility, raw materials, smart manufacturing, food, and health.

- ➔ **EIT Climate-KIC** is taking urgent action to combat climate change and provides support to cities, regions, and major businesses as they strive for net zero emissions. The KIC will strengthen sustainable innovation and entrepreneurial ecosystems across Europe.
- ➔ **EIT InnoEnergy** strives towards achieving its strategic goal of reducing greenhouse gas emissions, increasing the security of the energy system (operability of assets and autonomy in supply), and

decreasing the cost of energy(€/kWh) across the value chain, aligned with the 2030 EU climate objectives. The KIC is contributing to EU30 goals, by designing, developing, and deploying commercially viable innovations that tackle the energy, societal and economical challenges. The results will be 10 world leading companies with sales of 100M€/year; 50 CXO positions covered by EIT InnoEnergy alumni and a top transatlantic player supporting over 100 start-up landings per year.

- ➔ **EIT Digital** contributes towards a ‘strong digital Europe that is inclusive, fair and sustainable,’ promoting companies that not only have a strong commercial grounding but a positive societal impact also. EIT Digital is strategically concentrating its ‘deep tech’ investments in such selected focus areas as Digital Tech, Digital Cities, Digital Industry, Digital Wellbeing, Digital Finance.
- ➔ **EIT Raw Materials** focuses on securing raw materials supply from within Europe by strengthening and shortening raw materials supply chains in Europe from mines and secondary sources and enabling sustainable new extraction and processing of raw materials. It contributes to the design for a circular economy by developing new designs and methodologies for material flow analysis and life-cycle assessment, as well as improving resource efficiency. EIT Raw Materials aims to design materials solutions by accelerating and upscaling the design and production of advanced and engineered materials. The KIC will counter the trend of advanced materials development moving from Europe to other regions.
- ➔ **EIT Health** contributes greatly to addressing the health-related needs of citizens and the creation of stronger healthcare systems in Europe. The KIC works towards health continuum care pathways, bringing care home, creating an enabling environment for healthcare transformation, from the workplace to the health place, harnessing the power of real-world data, fostering healthy lives by introducing behavioral change.
- ➔ **EIT Food** places an emphasis on improving health outcomes through developing a digitally enabled circular, sustainable food system that contributes directly to engage consumers in an integrated food system, making personalised nutrition and more sustainable food choices a reality. With consumers at its core, EIT Food empowers a trusted multi-stakeholder community that includes market-leading and start-up businesses, technology innovators, best-in-class research institutions and educators, and advanced farmers and consumers.
- ➔ **EIT Urban Mobility** works to deploy and scale new sustainable solutions in cities driven by its mission to promote livable urban spaces engaging with citizens in co-creation activities. EIT Urban Mobility plans to create livable urban spaces by encouraging the development of more efficient and integrated transport systems across various modes. It will address the mobility sector, which is in transformation, driven by the demand for safer, cleaner, and more efficient solutions in combination with new enabling technologies and a changed vision regarding the role of the car.
- ➔ **EIT Manufacturing** promotes sustainable European Manufacturing, facilitating responsible consumption and production: reducing waste, raw materials, and energy consumption for an increasingly circular and carbon-neutral economy. The EIT KIC brings manufacturing actors of Europe together in an innovation ecosystem that adds unique value to European products, processes, services – and inspire the creation of globally competitive and sustainable manufacturing.
- ➔ In 2022 **EIT Culture and Creativity** was designated, an innovation community for Europe’s Cultural and Creative Sectors and Industries. The new KIC plans to empower and connect creatives and innovators across Europe, unlock latent value from a multitude of small cultural and creative stakeholders, strengthen artistic driven innovation, reinforce the appreciation and anchoring of European values, and identities and harness the unique position of the Cultural and Creative Sectors and Industries to facilitate Europe’s Green, Digital and Social transitions. Its key focus areas are fashion and textiles; architecture and cultural heritage; audiovisual and games.

➔ new EIT KIC on the Water, Marine and Maritime Sectors is planned to be setup in 2026<sup>1</sup>.

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<sup>1</sup> Following reconfirmation of the KIC launch from the European Commission

# Executive Summary – 2023

## Highlights

### 1. INCREASING THE IMPACT OF KICS AND KNOWLEDGE TRIANGLE INTEGRATION

Since the EIT was set up in 2008, its activities have continued to deliver **impact and ground-breaking innovations and it has created the largest innovation community in Europe**. The EIT model has been tried, tested and proven. By the end of 2023, the EIT Community has grown to over **2 400 partners** and **50 hubs**, which collectively have by now put over **2 450** innovative products and services on the market, trained **several thousand** entrepreneurs and supported over **9 900** start-ups and scale-ups that **attracted EUR 9.5 billion in investments**.

Furthermore, at least eight unicorns have been created with the support of different KICs:



**LILIUM AVIATION (DE)**  
electric vertical jet  
Supported by EIT Climate-KIC



**CLIMEWORKS (CH)**  
carbon dioxide (CO<sub>2</sub>) collectors  
Supported by EIT Climate-KIC



**NORTHVOLT (SE)**  
the world's greenest battery  
Supported by EIT InnoEnergy



**YNSECT (FR)**  
global leader in alternative protein production  
Supported by EIT Climate-KIC



**H2 GREEN STEEL (SE)**  
large-scale steel producer based on a  
fossil-free process  
Supported by EIT InnoEnergy



**SWORD HEALTH (PT)**  
virtual care for patients  
Supported by EIT Health



**OWKIN (FR)**  
better patient drugs by machine learning  
Supported by EIT Health



**VERKOR (FR)**  
low-carbon batteries  
Supported by EIT InnoEnergy

### DEVELOPING THE COLLABORATION FRAMEWORK WITH THE FIRST WAVE OF KICS

In 2023, the EIT conducted a final review and an independent study of the 'first-wave KICs' – EIT Climate-KIC, EIT Digital and EIT InnoEnergy. 2024 marks the end of their 15-year support period outlined in their Partnership Agreements. The KICs were assessed against the monitoring and evaluation criteria for European Partnerships and all three EIT Communities were assessed positively on all criteria. The results of the review were shared and discussed with the MSRSG. In July 2023, the EIT Governing Board adopted its decision on the duration, content, and structure of the memoranda of cooperation and on mandating and authorising the EIT Director to prepare and negotiate memoranda of cooperation with three KICs.

### EIT INNOENERGY RAISED OVER EUR 140M IN PRIVATE PLACEMENT ROUND

EIT InnoEnergy itself reached 'unicorn' status in 2023 following a major investment round with investors like Engie, Société Générale, Siemens Financial Services, and others. EIT InnoEnergy's portfolio includes over 200 companies and more than 1 200 partners in the renewable energy sector. It is both the leader of the European Battery Alliance and Secretariat of the European Solar PV Industry Alliance.

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## START-UP OF EIT CULTURE & CREATIVITY

EIT Culture & Creativity was designated by the EIT Governing Board in June 2022. The winning consortium, led by Fraunhofer e.V., prepared their start-up plan to ensure the KIC is ready to operate starting from 2024. The Start Up Grant Agreement (SUGA) was signed in February 2023. During 2023, the KIC made significant progress related to several milestones of the start-up phase (e.g. establishment of the KIC Legal Entity, set-up of several Co-location

Centres, recruitment of key staff). The decision on endorsing the successful finalisation of the start-up phase was concluded by the EIT GB in March 2022.



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## MULTIANNUAL FUNDING

Following **the transition to a multiannual funding** approach and further integration with Horizon Europe, the fully fledged new multiannual and simplified operational model for implementation as of the 2023-25 cycle was introduced. It included an invitation to submit proposals for **KIC Business Plans 2023-2025**, for 2023-2025 joint EIT Community activities, and for the Higher Education Institution

(HEI) Initiative 2023-2025 (Call HORIZON-EIT-2022-KIC). Following the initial call published on 28 April 2022, the EIT Governing Board decided to allocate EUR 890 million to the KICs by the end of 2022. In 2023 an additional allocation of EUR 105 million was decided. The EIT budget available for grants for the initial multiannual funding allocation decision at the end of 2023 was EUR 995 million.

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## SYNERGIES

A close collaboration aimed at identifying and implementing synergies between the EIT and the EC DGs continued (particularly with DG EAC, DG GROW, DG RTD, DG EMPL, and DG JRC). In terms of synergies with other European stakeholders, in 2023 a Memorandum of Understanding (MoU) was signed between the EIT and European Investment Fund (EIF) aimed at broadening their cooperation.

The EIT continued its collaboration with the European Union Intellectual Property Office (EUIPO), European Patent Office (EPO), the European Cooperation in Science and Technology (COST), the European Union Agency for Law Enforcement Training (CEPOL), and the European Innovation Council (EIC).

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## EIT – EIC COLLABORATION

**EIT – EIC collaboration** further developed in 2023. The joint working group of the EIT and EIC Boards **and** the members of the two independent Boards **worked together on improving future** structural cooperation. **That same year**, the EIT joined forces with the **EIC in the Women Leadership Programme**, empowering women to advance in their careers by leading the transition of their research to market, creating their own spin-off or spinouts, or taking over leading positions in existing companies. 2023 was the first year when the EIT partnered with



the EIC in the organisation of the **joint European Prize for Women Innovators**, with the EIT Women Leadership Award becoming one of the three prize

categories. The joint European Prize for Women Innovators ceremony took place in Q1 2024. The EIT collaborated with the EIC to develop a **joint Internship Scheme** aimed at funding about 600 innovation internships for researchers and students

over a two-year period in companies supported by the EIC and EIT. The **Fastrack mechanism** to EIC Accelerator was used successfully in 2023 by several KICs to submit supported start-ups and scale-ups.

## 2. SUPPORTING THE INNOVATION AND ENTREPRENEURSHIP CAPACITY OF HIGHER EDUCATION

### THE EIT HEI INITIATIVE

Building on the positive outcome of the independent external evaluation of the Initiative's pilot phase (2021-2024), the EIT Governing Board has endorsed in November 2023 the programme's continuation until 2027. It provided a set of strategic recommendations, **signifying our commitment to further empowering HEIs so they can become engines of European innovation.** From 2021-2023, the HEI pilot resulted in a **network of 458**

organisations receiving EIT funding as full partners (including **322** higher education institutes and **136** industry partners). **509** partnerships were created, **40 000** students and staff were trained or mentored, and **1 000** start-ups and scale-ups were supported. The EIT began reshaping its model in 2024, with the 4th Call for Proposals expected to be launched in autumn 2024.

### THE EUROPEAN BATTERY ALLIANCE AND EUROPEAN SOLAR ACADEMIES



On February 2022, the European Battery Alliance (EBA) Academy was launched with a grant of EUR 10 million under the Recovery Assistance for Cohesion and the Territories of Europe (REACT-EU). The EBA Academy, which is implemented by EIT

InnoEnergy, will train, reskill and upskill approximately 100 000 workers directly and 700 000 workers indirectly by 2025. Following the success of the EBA Academy, the EIT is extending this approach with the implementation of the European Solar Academy to support the upskilling and reskilling of a workforce in the field of solar photovoltaic technologies, with a strong focus on employees in EU SMEs. This will be delivered through education and training providers in EU Member States. Seed funding for the Academy is made available under the Single Market Programme. The signature of the Contribution Agreement with DG GROW took place in December 2023.

### THE NEW EUROPEAN INNOVATION AGENDA

The European Commission adopted the **New European Innovation Agenda (NEIA)** on 5 July 2022 to position Europe at the forefront of the new wave of deep tech innovation and start-ups. The new European Innovation Agenda sets out 25 dedicated actions under five flagship areas. The EIT is contributing to several actions. The **Women2Invest programme**, launched in 2022, seeks to help women

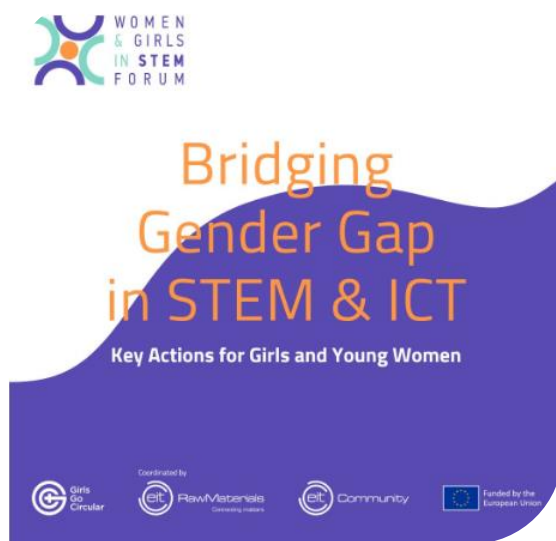
with backgrounds in science, technology, engineering, arts and mathematics (STEAM) to start careers in venture investment. Two groups of 131 beneficiaries from 25 European nationalities have already followed eight-week internships in VC funds under the programme. Additional groups will be selected in 2024-2025. The **EIT deep-tech talent initiative (DTTI)**, an ambitious scheme aiming to



offer training opportunities to 1 million deep-tech talents by 2025, was launched in October 2022. The initiative has so far involved 106 education and training providers, enterprises, financial partners, and institutional partners that have committed to train more than 700 000 people. The recruitment of stakeholders to join the pledges continues and events and calls for proposals will be launched starting in 2024. The **Next Generation Innovation Talents Scheme**, developed in 2023 is an internship

scheme of EIT and EIC. It is aimed at funding about 600 innovation internships for researchers and students over a two-year period in companies supported by the EIC and EIT, covering all Member States. The EIT is also contributing to the Regional Innovation Valleys (RIVs) action, which aims to stimulate and exploit the full innovation potential of EU regions, including in deep-tech innovation, in view of addressing EU's burning societal challenges and bridging the innovation divide.

## GIRLS GO CIRCULAR EDUCATION PROGRAMME TO EXPAND ACROSS EUROPE



The Girls Go Circular programme is focused on eliminating gender bias in STEM across Europe and increasing the participation of woman in STEM fields. Since its establishment in 2020, **over 38 000**

**young girls (14-19 years old)** have already benefitted from mentorship in digital and entrepreneurial skills in over 24 countries. Commissioner Gabriel announced the expansion of the EIT Girls Go Circular programme at the 2022 Women and Girls in STEM Forum (WGSF). The expansion commenced in 2023 in order to make the programme accessible in all 27 EU Member States. In 2023 alone, the programme expanded to nine Member State countries (Austria, Belgium, Estonia, France, Germany, Ireland, the Netherlands, Luxembourg, and Malta). It now includes several Horizon Europe Associated Countries such as Ukraine. The aim of the programme is to skill at least 40 000 young girls in secondary education in 2024. In addition, the Girls Go Circular programme has started to bridge links with the newly launched EIT Deep Tech Talent Initiative by building three new modules focused on deep tech and innovation.

## 3. EIT CROSS-CUTTING ACTIVITIES – REGIONAL OUTREACH

### EIT REGIONAL INNOVATION SCHEME

In 2023, the EIT further advanced implementation of its **EIT Regional Innovation Scheme agenda**. The most significant development in 2023 was the initiation of the roll-out of a new network of EIT Community RIS Hubs to more effectively and efficiently amplify the EIT's impact. They will cover all EIT RIS eligible countries and territories by the end of 2025. Six EIT Community RIS Hubs were in place by the end of 2023, covering North Macedonia, Latvia, Ukraine, Malta, Cyprus, and Montenegro. The EIT Community RIS Hubs provide

local innovators with a centralised source of information on all services and opportunities provided by the entire EIT Community, both locally and continentally. They serve as a gateway to all EIT KICs, attracting and engaging an increasing number of participants into EIT Community activities. The Hubs additionally spearhead the EIT Community's engagement with local authorities, including providing policy support and expertise as required. The EIT Community RIS Hubs consolidate and scale-

up ongoing activities and may also implement joint EIT Community activities tailored to local needs.

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## SUPPORT FOR THE INNOVATION ECOSYSTEM IN UKRAINE

The unprovoked aggression of Russia's attack on **Ukraine** in February 2022 fundamentally changed European Union priorities and strategies in many areas. The EIT, as an EU body, fully stands behind the EU position condemning the invasion and expressing its utmost support to the people of Ukraine. Building on the support initiatives launched in the immediate aftermath of the Russian invasion, the EIT Community launched several bespoke Ukraine support activities in 2023 aimed at nurturing Ukrainian talent by making it easier for them to access the opportunities offered by the EIT Community. The EIT Community Strategic Regional Innovations Cluster spearheaded the EIT Community's support towards Ukraine, including a dedicated Ukraine work package. The work package led to the opening of an EIT Community RIS Hub in Kyiv, a launch of the Jumpstarter ReBuild Ukraine Cohort (which helped to attract over 120 applications from Ukrainian start-ups to the 2024

EIT Jumpstarter edition), the Red Kalyna programme (which recognises and gives visibility to highly promising Ukrainian female entrepreneurs), and the Founders2Founders initiative (which offered training to 52 Ukrainian start-ups and SMEs). Beyond the help given through the EIT Community Strategic Regional Innovations Cluster, around 50 EIT activities were widened or specifically launched to support Ukrainian innovators, including the EIT HEI Initiative (which supported 41 Ukrainian participants) and Girls Go Circular (which trained 900 Ukrainian female students 2023).



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## EIT ALUMNI COMMUNITY

In 2023, **EIT Alumni** became a more engaging and impact-oriented community. It continued to strengthen knowledge sharing processes between KICs alumni communities. This included providing opportunities and encouraging more cross-sectoral alumni collaboration via EIT Community Initiatives, such as EIT Alumni local events, development of a

shared database, launch of a joint EIT Alumni Newsletter (Alumni Bites), launch of the first EIT Alumni Node in Barcelona or the annual event of EIT Alumni CONNECT 2023. The Community grew in 2023 by welcoming two more KIC Alumni communities from EIT Urban Mobility and EIT Manufacturing.

## WOMEN ENTREPRENEURSHIP AND LEADERSHIP

Over the course of 2023, the EIT Community continued several successful women entrepreneurship and leadership projects. 2023 was also a year of successful expansion of the EIT Community women entrepreneurship and leadership initiative **SUPERNOVAS**, which works to increase women's presence in the European entrepreneurship and investment ecosystem through education, networking, and community-building. The EIT target of women CEOs/Owners

making up 25% of the leadership of EIT KIC-supported start-ups and scale-ups has been achieved at the EIT Community level. The EIT's results in bridging the gender gap in European entrepreneurship and innovation were recognised by the European Union Agencies Network. The EIT won the top prize of **the EUAN 2023 Diversity & Inclusion Awards**, with a special recognition for the EIT Women Leadership Award.



## 4. GOVERNANCE – EU AGENCIES NETWORK

The EIT kick-started preparations to take over the EUAN Troika chairmanship in March 2024. In 2023, the EIT joined the Troika (the EUAN Executive Group) for a three-year mandate. The EIT will be chairing the network in collaboration with the other EU Agency based in Hungary, the European Union Agency for Law Enforcement Training (CEPOL). The EU Agencies Network (EUAN) is comprised of 51 EU agencies and EU bodies.

### IMPACT STORIES

#### NORTHVOLT



Northvolt's raise in equity in June 2021 was a key milestone in Europe's industrial ramp up to achieve the European Green Deal objectives. Responding to the need to increase annual battery production to meet growing demand for electrification, new capital from existing shareholders (which includes EIT InnoEnergy) and new shareholders (such as Sweden's AP 1-4 pension funds and Canada's OMERS) brought Northvolt's total financing, in both equity and debt, to USD 6.5 billion. Northvolt became the first EIT supported unicorn (a company reaching USD 1 billion in valuation).



northvolt

” *Joining forces to power a greener and more sustainable future is key. This is why partnering with the EIT Community, including the European Battery Alliance, has been important to Northvolt. The EIT Community helps entrepreneurs and innovators connect, access funds, resources, and mentorships while opening doors across Europe.*

*Peter Carlsson, CEO of Northvolt*

#### VERKOR

EIT InnoEnergy supported the launch of Verkor in 2020 to ramp up low-carbon battery manufacturing in Europe. The French start-up responds to growing electric battery demand in an economy increasingly built around electric vehicles and stationary storage. Following a series C fundraising round, the company was not only able to launch construction of their first gigafactory in Dunkirk, France, in 2023, but had also become EIT InnoEnergy's fifth portfolio company to reach 'unicorn' status.



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## List of acronyms

BP	KIC Business Plan
CA	Contract Agent
CAAR	Consolidated Annual Activity Report
CCSI	Cultural and Creative Sectors and Industries
CEPOL	European Union Agency for Law Enforcement Training
CFS	Certificate on Financial Statements
CLC	KIC Co-Location Centre
DEAP	Digital Education Action Plan
EBA	European Battery Alliance
EC	European Commission
ECA	European Court of Auditors
EFTA	European Free Trade Association
EIC	European Innovation Council
EIT	European Institute of Innovation and Technology
EIT RIS	EIT Regional Innovation Scheme
ERC	European Research Council
ESIF	European Structural and Investment Funds
EU	European Union
EUAN	European Union Agency Network
EXCO	EIT Executive Committee
FS	Financial Sustainability
GA	Grant Agreement
GB	EIT Governing Board
HE	Horizon Europe
HEI	Higher Education Institutions
HR	Human Resources
IAC	Internal Audit Capability
ICC	Internal Control Coordinator
ICT	Information and Communications Technology
JRC	European Commission's Joint Research Centre
KAVA	KIC Added Value Activities
KIC LE	KIC Legal Entity
KIC(s)	Knowledge and Innovation Community(ies)
KPIs	Key Performance Indicators
LE	Legal Entity
MGA	Model Grant Agreement
MOOCs	Massive Open Online Courses
PA	Partnership Agreement
PIO	Partner In and Out tool
SA	KIC Strategic Agenda
SIA	EIT Strategic Innovation Agenda
SME	Small and Medium-sized Enterprise
SNE	Seconded National Expert
SPD	Single Programming Document
SUGA	Start-Up Grant Agreement
TA	Temporary Agent
TFS	Task Force Simplification (EIT-KICs operational task force)
WP	Work Programme

# PART I – ACHIEVEMENTS OF 2023

## 1.1 Operational activities: KIC impact

Ensure an effective and compliant grant management implementing the HE, EIT Regulation, and SIA provisions (Call, BP assessment, Grant Allocation, Reporting, Payments, and Audits)

As regards the GA 2021-22 cycle, the final reports were submitted and assessed in 2023. The Duna grant management tool was used to support the Grant Reporting Process for the last time before its phase-out in 2023. In total sixteen 2023-2024/2025 Grant Agreements were signed with eight KICs covering main KIC Business Plans, the EIT Community activities (cross-KIC activities) and Higher Education Institutions Initiative (HEI) activities.

For the 2023-2025 grant cycle management, the EIT joined the European Commission’s grant management system (eGrants). The newly designated EIT Culture&Creativity KIC was awarded in 2023 the Start-up Grant Agreement (SUGA) and the endorsement of the start-up phase was concluded in Q1 2024.

Smooth cooperation with and support of KICs by the EIT was ensured via four Forum, four Task Force Simplification (TFS) and relevant working group meetings (i.e. Report and Payment Working Group, CFS Audit Working Group), as well as through several workshops, reporting guidelines and Q&As Guide on Grant Management 2023-2025, with the main objective to set-up procedures to effectively implement the new EIT-KIC operational model.

Actions	Indicator [KPI]	Target	Achievements/results
#1 Finalisation of 2023-2025 grant allocation and KICs BP, Cross-KIC and HEI proposals 2023-2025 assessment	<p>2023-25 Grant Agreements signed (2023-24 for first wave KICs)</p> <p>2023-2025 Grant Agreements and amendment for Cross-KIC activities and shared services (including Thematic Innovation cross-KIC projects)</p> <p>2023-2025 Grant Agreement for the HEI action</p>	All GAs signed by Q1 2023	<p>Grant allocation process was implemented in line with the GB decision on funding allocation.</p> <p>Approved EIT BP, cross-KIC and HEI proposals evaluation reports, award decisions and signed GAs in Q1-Q2 2023 (delays compared to target date occurred due to the need of addressing the specific GB conditions before signing GAs and the first use of e-Grants).</p> <p>All CLCs of all KICs acceded to GA.</p>

	<p>Timely accession of beneficiaries/ affiliated entities (KIC CLCs) to GA</p> <p>Initial pre-financing payments</p> <p>Allocation of second instalment for 2023-2025 grants</p>	<p>Initial pre-financing payments made within 30 days following the signature of the grant agreements</p> <p>Grant allocation process in line with funding allocation criteria</p>	<p>Payments were made within the deadline.</p> <p>Allocation of the second instalment for 2023-2025 grants was concluded timely.</p>
#2 Start-up grant implementation of EIT Culture & Creativity	<p>Start-up plan implemented</p> <p>The 2024-2025 BP launched in Q2</p>	<p>Start-up plan milestones are reached, including Strategic Agenda and proposal for the 2024-25 KIC Business Plans submitted</p> <p>Timely launch of the call for the 2024-2025 KIC BP</p> <p>Final designation of EIT</p> <p>Culture &amp; Creativity and EIT-KIC Partnership Agreement signed</p>	<p>The Start-up Grant Agreement 2022-2023 (SUGA) was signed by the parties in February 2023. SUGA Amendment nr 1 signed in October 2023.</p> <p>Call package for 2024-2025 was published on the Funding and Tenders Portal in April 2023.</p> <p>Proposal for the 2024-2025 KIC Business Plan was submitted in September 2023.</p> <p>EIT CC Partnership Agreement, including Strategic Agenda update was not signed in 2023, as the endorsement of the start-up phase was concluded in March 2024.</p>
#3 Ex-post audits 2021	<p>Timeliness and quality of the EIT review of the draft ex-post audit reports</p> <p>Timely launch of ex post audit on 2022 grant implementation</p>	<p>Final ex-post audit reports delivered by the audit company in Q1 2023</p> <p>External audit company contracted; kick off meeting held; audits started</p>	<p>Final ex-post audit reports were delivered in Q2 2023.</p> <p>2021 error rate was determined by the ECA – 1.73%.</p> <p>Timely signature of contracts with audit companies in Q4/23</p>
#4 Ex-ante verification of final reports covering	<p>Efficient and timely issuing of final payments based on reports</p>	<p>All final reports are delivered (incl. HE-compliant CFS reports in</p>	<p>Approved final reports for 8 KICs.</p>

2021-2022 grants implementation		alignment with the Grant Assurance Strategy)  Approved final reports for 8 KICs	Final payments for the 2021-22 GAs with eight KICs executed in 2023.
#5 Continuation of implementation of EBA Academy under React-EU programme	Additional EIT results achieved through the effective implementation of Contribution Agreement concluded with DG Employment	Timely and adequate reporting to DG Employment on the implementation of the Contribution Agreement.  Reports submitted by the KIC are analysed and approved by the EIT	EIT Reports in line with the Contribution Agreement were provided.  Monitoring reports from the implementation were provided
#6 The European Solar Academy Contribution Agreement	Timely signature of the Solar Academy Contribution Agreement	To sign the agreement by the end of December 2023	The European Solar Academy Contribution Agreement between DG GROW and the EIT signed on 1 <sup>st</sup> December 2023.  The EU Solar Academy invitation to submit proposal was published in December 2023.
#7 Effective use of 2021-2022 DUNA Grant management IT tools and successful use of the eGrants modules to sign GAs and make payments	2021-2022 Grant management IT system effectively running and phased out	BP, GR and PIO modules up and running in 100% of time  Efficient IT support to the KICs and the EIT, all queries are timely addressed.  Relevant modules of the eGrants suite are functioning (GAP)	Duna grant modules (BP, GR, PIO) were adjusted and functioning properly during final grant reporting 2021-22  eGrants were up and running with appropriate access rights, to support the grant management cycle steps.

<p>#8 Common data model and related IT system for data collection in place</p>	<p>EIT has full access to relevant EC tools and KIC activity data, including project level, from the agreed data model for supervision, monitoring and reporting.</p>	<p>CORDA adaptations to receive proposal, project, project result data are implemented so that EIT receives monitoring data and comprehensive business intelligence (CORDA) Deadline: Q2 2023</p> <p>KIC IT tools (including common KIC IT tool) to provide all relevant information based on the data model supporting grant management (eGrants),</p> <p>Integration of relevant 2021-22 data from DUNA into CORDA</p>	<p>Data model testing and implementation by each KIC via the adapted KIC IT tools was ongoing</p> <p>KIC data transmission was partially implemented to CORDA Data Warehouse (DW) by the KICs.</p> <p>F&amp;T portal displaying KIC data under agreed EIT header, and SAP BO reports accessible to selected staff for period 2014-22 and 2023 was partially implemented.</p> <p>Relevant 2021-22 data from DUNA were successfully integrated into CORDA.</p>
<p>#9 Effective simplification, capacity building and service and helpdesk provision to KICs (TFS, WG, FAQs)</p>	<p>Smooth cooperation and KIC support by the EIT to support their operations and reductions in complexity on all sides</p>	<p>Based on a survey, agreement with KICs on priority simplifications and substantial progress in implementation</p> <p>4 TFS meetings per year in support of the EIT KIC Forum</p> <p>Forum/TFS actions implemented by timeline set</p> <p>Queries received from KICs are answered in a timely manner and receive positive feedback from Forum and TFS</p> <p>Updated FAQ document continuously available to KICs</p>	<p>TFS meeting action points and presentations were prepared for each meeting.</p> <p>TFS action points were implemented as agreed, including simplification measures.</p> <p>EIT Register of TFS actions was continuously maintained and monitoring of agreed actions was conducted.</p> <p>Survey results by TFS on the way of working were discussed and improvement opportunities were identified.</p> <p>Updated Q&amp;A document on 2023-2025 Grant management was developed.</p> <p>2023 Reporting Guidelines were provided to KICs.</p>

*Effective monitoring and evaluation strategy and plan to maximise EIT KIC impact, ensuring that EIT KICs become financially sustainable.*

In 2023, the monitoring and evaluation system, complemented with a supervision framework, enabled the EIT Governing Board to monitor and steer the EIT and KIC activities in line with the EIT Regulation, allowing EIT KICs to meet and exceed the EIT KPI targets in the SIA and their Strategic Agenda.

The EIT Monitoring and Evaluation Strategy (2022-2027), adopted by the EIT GB in March 2022, provides a strategic direction and framework for the EIT for its monitoring and evaluations of the KICs, including their progress towards financial sustainability, cost-efficiency and openness to new members for the period 2022-2027. It serves as a reference for monitoring and evaluation activity plans to be implemented by the EIT with regard to the KICs and EIT-led initiatives in the period 2022 – 2027.

In 2023, the EIT monitoring continued based on an efficient operational model which shifts the EIT's control strategy towards the KICs internal processes. The following areas were monitored in line with the monitoring plan adopted for 2023: KICs processes regarding the selection of KAVAs; KICs portfolio management with go/no go decisions for underperforming KAVAs; KICs progress in addressing topics of strategic importance and recommendations issued by the EIT Governing Board; progress towards Financial Sustainability; KICs' adherence to the Good Governance Principles (including updated methodology aligned with revised good governance principles and self-reporting by KICs - monitoring to be continued in 2023); KICs' procurement policy review; KICs' HR policies follow-up; implementation of innovation principles; monitoring of the pilot Higher Education Institutions (HEI) Capacity Building Initiative ; the EIT Label Programmes; EIT Regional Innovation Scheme; Global Outreach; KICs' control strategies. The monitoring concluded with a formal report in 2023. Based on the lessons learned from the implementation of the 2023 Monitoring Plan, a rolling multiannual Monitoring plan was developed covering 2024-2027.

In accordance with the legislative package, the EIT conducted in 2022-2023 a three-year review of the 4<sup>th</sup> wave of KICs (EIT Urban Mobility and EIT Manufacturing) and a final review of 1<sup>st</sup> wave of KICs (EIT Climate-KIC, EIT Digital and EIT InnoEnergy). The KICs were assessed against the monitoring and evaluation criteria for European Partnerships set out in the HE Regulation and Article 11 of the EIT Regulation. The KICs were assessed positively on all criteria. The results of the review were shared and discussed with the Member State Representatives Group. The respective reports were published on the EIT website and communicated to the European Commission, the Council and the European Parliament. The results were also presented to the EIT Governing Board during the meeting held between 21 and 23 November 2023.

In 2023, the EIT continued with implementation of the Supervision framework. Following the EIT GB Hearings with KICs in November 2022, the awarded grants for several KICs were subject to the fulfilment of specific conditions stipulated by the Governing Board. The linked recommendations were in 2023 followed-up and assessed by the EIT and during the EIT GB Rapporteur visits to all KICs, leading to improvements in high-level topics of importance like KIC governance, KIC activities towards financial sustainability, C-level recruitment processes of KICs. In addition to the GB Rapporteur visits to all KICs, the EIT facilitated several participations of EIT GB members to Supervisory Board meetings of the KICs, thereby strengthening the supervision and effective steering of KICs.

As part of the supervision activities, the EIT effectively assessed KIC requests for revisions of EIT KIC Strategic Agendas. The EIT developed a methodology and criteria for Strategic Agenda (SA) revision assessment and related processes started for three KICs that requested official revisions of their SAs. The EIT communicated requirements and red lines to these KICs and will follow-up with the assessment in 2024.

In 2023, the EIT-KIC Hearings were performed resulting in additional Grant Allocations to 8 KICs, to Cross-KIC activities and shared services, to the finalisation of the HEI pilot and a decision on the progress and follow-up of the Start-up phase of the EIT Culture & Creativity. The EIT provided business intelligence input to support the

decision-making process of the Hearings. Specifically, a new format of the annual Dashboard, including more visualization elements was piloted and the analysis of the KICs’ financial sustainability and asset portfolio was improved.

In line with the Supervision framework, the EIT facilitated sharing of best practices during a Financial Sustainability workshop with all EIT KICs, paving the way towards an updated approach towards financial sustainability. Furthermore, the EIT established a pool of external experts to provide support on financial sustainability related tasks.

Actions	Indicator [KPI]	Target	Achievements/results
#1 Effective KIC supervision	Supervision framework implemented, providing key intelligence and recommendations to the EIT GB to enhance the KICs impact and results (including adequate progress towards financial sustainability)	<p>Timely, complete and appropriate intelligence provided to EIT GB and management in order to implement the Supervision Framework</p> <p>EIT GB rapporteur reports completed</p> <p>Improved Dashboard and KIC challenges briefings</p> <p>Supervision Framework of KICs applied; timely delivery of high-quality reports on performed intervention measures</p>	<p>Updated Dashboard</p> <p>KIC challenges analysis was concluded.</p> <p>GB rapporteur reports were provided.</p> <p>Reports/ briefings to management and EIT GB (including the EIT-KICs hearings supporting documents) and effective actions were developed and provided.</p> <p>Financial Sustainability Workshop implemented in October 2023.</p>
#2 Monitoring plan development and coordination: strategic portfolio monitoring of KICs	Effective multiannual Monitoring plan 2023-2027 aligned with the new EIT Monitoring and Evaluation Strategy adopted, and implemented providing key intelligence	<p>A rolling Monitoring Plan 2023-2027 approved with up to 10 priority monitoring actions focussed on priority areas such as KIC project selection, financial sustainability, governance, innovation principles, KIC funds based on EIT GB supervision priorities, strategic recommendations and conditions.</p> <p>100% of planned monitoring activities implemented and all reports submitted, monitoring reports provided to EIT GB, incl. rapporteurs</p>	<p>Monitoring plan 2024-2027 was adopted.</p> <p>The implementation of the 2023 monitoring plan has been almost entirely implemented, except for one activity.</p> <p>Annual report regarding the implementation of 2022 monitoring activities was prepared.</p> <p>KIC progress in achieving their FS was monitored and findings were included in the briefing documents for the EIT GB-KIC Hearings.</p>



		Monitoring reports for FS progress and on KIC funds completed based on principles	The methodology for KIC Funds monitoring was updated (this activity will be launched in early 2024).  A recommendation repository was kept updated throughout the year.
#3 3-year review of 4th wave KICs	EIT conducts KIC 3-year interim reviews in line with EIT and HE legislation with the support of external experts	Three-year interim reviews of EIT Urban Mobility and EIT Manufacturing conducted by Q4 2023 in accordance with the adopted review methodology	Reports were concluded and presented to the EIT GB and the MSRSG in Q4 2023.
#4 7-year comprehensive assessment of 3rd wave KIC launched	EIT conducts the 7-year assessment of EIT Food in accordance with the adopted methodology	Assessment launched in Q1 2023	Consultant was contracted and review was launched in Q1, draft assessment report was available in Q4 2023.
#5 Final review of 1st wave KICs launched	EIT conducts final reviews of the 1st wave of KICs to assess their results after 15 years	Final reviews conducted in 2023	Final review reports were concluded and the outcomes of the study was presented at the GB meeting in November 2023.
#6 In-depth independent study of 1st wave of KICs	EIT conducts an independent study on the KIC's financial sustainability	The independent study completed	Report on the study was concluded in May 2023 and presented at the GB meeting in June 2023.
#7 Midterm review preparations - Horizon 2020 ex post evaluation	The EIT's achievements in Horizon 2020 are fairly reflected in the Commission's ex post evaluation as input to the mid-term review	Quality input provided as per the EC timescale for the study and related activities	Data/analysis/and further input was provided to four HE studies and reports (Innovative Europe, Resilient Europe, Green Transition and Digital Europe) featuring the EIT and the KICs. Reports and case studies should be published in Q2 2024.

## 1.2 Operational activities: EIT impact

*Deliver impactful education objectives.*

In 2023, the EIT achieved progress in implementing **the new model of the EIT Label**. In line with the actions and tasks laid down in the EIT Label Revision Action Plan, the EIT carried out the following main actions:

- Implementing the new enhanced and improved model of the EIT Label Framework in degree education (and converting old existing Label programmes into the new model).
- Expanding the EIT Label to the non-degree education programmes (professional, executive education, etc.) and the new EIT Fellowship emphasising the individual learner-centric approach.
- Launching the first model of shared services (EIT Campus) to further support the EIT Label model and EIT education towards internal and external stakeholders.

In 2023 the EIT continued the implementation of the **cross-KIC cooperation** on thematic and horizontal topics in various projects. The main achievements of the Girls Go Circular programme was the development of three new deep tech modules, and training of 11 962 girls. The programme was further extended to 9 new MS countries, including Austria, Belgium, Estonia, France, Germany, Ireland, the Netherlands, Luxembourg, and Malta. Additionally, Ukraine has also been included in the programme.

In 2023, the third edition of the Women and Girls in STEM Forum took place. It gathered over 1,375 policy makers, researchers, industry leaders, secondary school students, and teachers who discussed gender equality in STEM and ICT disciplines. A Student Challenge was organised in the run-up to the Forum, in which 90 teams of Girls Go Circular female students developed a Green Robot prototype. The finalists from 19 European countries won a trip to Brussels to attend the Forum and meet inspirational mentors founders of their own tech company.

The **HEI Capacity Building Initiative** was launched in 2021, with the first three years designated as the pilot phase by the EIT Strategic Innovation Agenda. It demonstrated remarkable performance and successfully expanded its scope, incorporating strategic emphasis on deep-tech sectors in its 3rd Call for Proposals and deepening synergies with the New European Innovation Agenda. The Initiative’s impact in numbers during the pilot phase (2021-2023):

- 3 Calls for Proposal launched;
- 65 HEI consortia established with project funding up to EUR 88.8 million of a network of 458 organisations who received EIT funding as full partners: 322 higher education institutes (including 26 from Ukraine) and 136 industry partners (including 9 from Ukraine);
- 509 partnerships created;
- 40 000 students and staff trained or mentored;
- 1 000 start-ups and scale-ups supported.

Building on the positive outcome of the independent external evaluation of the pilot phase, the EIT Governing Board in November 2023 approved continuation of the programme until 2027, with a set of strategic recommendations, signifying our commitment to further empowering HEIs so they can become engines of European innovation.

Actions	Indicator	Target	Achievements/ results
#1 Implement EIT label revision	Timely and effective implementation of the EIT Label Revision Action plan to increase impact and sustainability of EIT education programmes.	EIT Label Revision Action Plan fully implemented  Launch of EIT Campus	Regular reports on the implementation of the EIT Label action plan were provided on quarterly basis.  EIT Label revision action plan was implemented, with one pending action – EIT

			<p>Label Communication Strategy.</p> <p>EIT Campus was launched on 10 January 2023 and is fully operational. By December 2023 it was offering 222 courses from 169 partners.</p>
<p>#2 Monitoring of the implementation of the HEI Initiative: Innovation Capacity Building for Higher Education</p>	<p>HEI pilot initiative is effectively and efficiently implemented, and continuation is effectively decided upon</p>	<p>Initiative pilot phase (2021-2023) evaluation developed by Q4 2023</p> <p>Effective HEI governance and monitoring in place</p>	<p>Pilot phase evaluation was concluded with positive results.</p> <p>EIT GB Decision 38/2023 on the continuation and scaling up of the initiative beyond 2023 was adopted in November 2023.</p> <p>Effective HEI governance mechanism was in place (including weekly Governance meetings).</p>
<p>#3 Complete annual evaluation of new EIT Label applications and implement continuous monitoring.</p>	<p>EIT label programmes are assessed in a timely and quality manner</p>	<p>Application round open and ready for programmes to be submitted for the EIT Label</p>	<p>EIT Decisions awarding label as a result of 2023 round of assessment was prepared in Q4 2023 adopted in January 2024.</p>
<p>#4 Develop relevant synergies with other programmes to strengthen the impact of the EIT Education agenda</p>	<p>Established synergies and joint activities implemented creating EU value added</p>	<p>The Internship Scheme developed and implemented</p> <p>Feasibility of establishing synergies with other relevant programmes (MSCA, Eureka, etc.) is explored</p>	<p>EIT contribution to the Internship Scheme was in progress as part of the Education Cluster cross-KIC</p> <p>Several KICs successfully implemented synergies with other relevant programmes (Pact for Skills, Erasmus+)</p>

*Increasing the regional impact of EIT Community*

The objective of the EIT RIS is to contribute towards boosting the ability to innovate of countries and their regions in Europe that belong to the groups of so-called ‘modest / emerging and moderate’ innovators (according to the European Innovation Scoreboard<sup>2</sup>), as well as, the EU Outermost Regions.

In 2023, the EIT RIS remained well integrated in the KICs’ multi-annual strategies and continued to significantly contribute to efforts to involve more partners, and support more projects, coming from the EIT RIS eligible countries. The EIT closely monitored the implementation of the enhanced RIS strategy by the KICs as well as the EIT RIS Implementation Framework (2022-2027), with support from an EIT RIS Expert Group which was established in 2022. Results, lessons learned, and good practices are shared with relevant European Commission services, the European Parliament and with Member States through existing fora. The EIT carried out targeted EIT RIS communication activities such as the publication of the 2022 EIT RIS Activity Report, EIT-KIC events held in EIT RIS eligible countries and territories, EIT RIS information sessions jointly with other EU bodies, programmes, instruments and initiatives. In 2023, the common principles and minimum standards for EIT RIS Hubs, started being implemented, with the aim of increasing the impact of the Scheme, which lead to the establishment of six EIT Community RIS Hubs in North Macedonia, Latvia, Malta, Cyprus, Montenegro and Ukraine. Furthermore, synergies with other funding instruments were sought after, notably ESIF and IPA III, and alignment and complementarity with the Smart Specialisation Strategies, as well as explore synergies and complementarities with relevant EU and non-EU bodies, programmes, instruments and initiatives, including, where deemed of added value, conclude Memoranda of Understanding.

Actions	Indicator	Target	Achievements/ results
#1 Implement the RIS Implementation Framework	Application of the new RIS implementation framework improving the results and coordination of EIT RIS actions	<p>EIT has put in place an effective supervision and coordination mechanism and principles for EIT RIS hubs, including the increase of consolidated EIT Community Hubs</p> <p>EIT RIS Expert Group provides guidance and advice</p>	<p>Full implementation of the EIT RIS Hubs minimum standards and guiding principles.</p> <p>Six EIT Community RIS Hubs were established.</p> <p>EIT RIS Expert Group reports, recommendations and other deliverables supporting the monitoring of the implementation of the EIT RIS delivered.</p>
#2 Increased capacity building and EIT participation in MS eligible under RIS via MoU mechanism	Increased awareness, synergies and participation by target countries stakeholders in EIT Community activities	<p>At least 4 Action plans under MoUs implemented</p> <p>Satisfaction of the target countries’ national authorities with the support offered by the EIT under the MoUs</p>	<p>The MoUs were not further implemented.</p> <p>Only limited engagement with national authorities with existing MoUs (LV, BG, HU).</p>

<sup>2</sup> [http://ec.europa.eu/growth/industry/innovation/facts-figures/scoreboards\\_en](http://ec.europa.eu/growth/industry/innovation/facts-figures/scoreboards_en)

#3 EIT supports utilisation of EU Recovery Funds programmes, ESIF and IPA III	EIT / KICs explore options to mobilise ESIF, EU Recovery Fund and IPA funding to achieve additional results and impact	Commitments from EC services and national authorities to mobilise such funds contributing to EIT / KIC led activities via Contribution Agreements or similar to achieve additional results	Funding was secured under the IPAIII to establish an EIT Community Hub in Albania.
#4 EIT supports Ukrainian innovation ecosystem	EIT community effectively supports the Ukrainian & Moldovan innovation ecosystem in its recovery	Planning and implementation of the Ukraine and Moldova Support Scheme	<p>Implementation of the Ukraine Support Scheme in 2023 as planned.</p> <p>The Moldova Scheme was designed in 2023 and to be implemented from 2024.</p> <p>Report on the EIT Community activities in Ukraine and Moldova in 2023 was prepared.</p>

### *Effectively disseminate results produced by EIT Community*

The EIT has a key role in facilitating the dissemination of results and good practices. To this end, during 2023 the EIT further developed its role as an institute able to identify, codify and share good practices from its activities in a structured and coherent way. In this context, the EIT provided guidance and assistance on dissemination related aspects and encouraged EIT KICs to accelerate the dissemination of EIT Community results through the established European Commission dissemination tool, the Horizon Results Platform. Exchanges with KICs on these topics were facilitated in the framework of regular EIT Community working group meetings throughout 2023. Furthermore, in order to incentivize EIT KICs to ramp up their dissemination efforts, KICs' multi-annual Business Plans for 2023-25 were amended in the current multi-annual grant amendment cycle. Based on this, EIT KICs are required to deliver an annual report on their dissemination activities, including the number of results published on the Horizon Results Platform and the uptake of services offered by the European Commission. As of 2024, a minimum target of 10 results should be disseminated per year through the Horizon Results Platform. The EIT and its KICs also disseminate their results through the EIT Knowledge Centre, an online repository with a collection of policy reports and documents presenting good practices and learnings produced by the EIT Community. By now, approximately 160 documents have been uploaded.

Actions	Indicator [KPI]	Target	Achievements/ results
#1 Effective system for EIT Community incl. KICs to disseminate results	Increased dissemination of results by EIT and KICs Community and uptake of the disseminated results	<p>EIT disseminates policy relevant results through its online Knowledge Centre</p> <p>EIT results available on DG RTD platforms to support dissemination of</p>	<p>Regular update of the on-line Knowledge Centre with 160 reports uploaded.</p> <p>7 EIT results published on the established EC dissemination tool, the Horizon Results</p>

		results both from and to KICs	Platform.
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### *Successfully sustain the first wave KICs and their transition post-15 years*

In line with the EIT legal framework, the term of the Partnership Agreements between the EIT and the first wave of EIT KICs, EIT Climate-KIC, EIT Digital and EIT InnoEnergy, will come to an end at the end of 2024. After the expiry of the Partnership Agreement the EIT and the KIC may conclude a memorandum of cooperation with the aim of maintaining active cooperation.

The rationale for the EIT’s continued collaboration with the KICs that successfully sustain themselves as having significant proven added value is to further contribute to the mission of the EIT and the KIC in the relevant fields, in particular by maintaining the KIC ecosystem and network, pursuing knowledge triangle integration activities and EIT-KIC joint initiatives including synergies and complementarities among the KICs as well as with other actors and initiatives at Member State, European Union and global level. By continuing to work together as part of the EIT Community, the EIT and KICs can continue to drive innovation, entrepreneurship, and economic growth in Europe.

The EIT Regulation provides that the duration, content and structure of the memorandum of cooperation shall be established by the Governing Board, taking into account an in-depth, independent study, which shall be conducted by the EIT before the end of 2023. Accordingly, the EIT contracted external experts to perform the in-depth study in the period Q3 2022 – Q2 2023. The study assessed the KICs’ efforts to achieve financial sustainability, the revenues generated and the KICs’ financial outlook. In addition, the assessment identified activities where continuation might be at risk due to a lack of resources. On this basis, in July 2023, the EIT Governing Board adopted its decision on the duration, content and structure of the memoranda of cooperation and on mandating and authorising the EIT Director to prepare and negotiate memoranda of cooperation with EIT Climate-KIC, EIT Digital and EIT InnoEnergy.

Furthermore, the EIT Regulation also foresees that the EIT shall, under the supervision of the Governing Board, conduct a final review of the impact and results achieved by the KICs before the expiry of the partnership agreement. The positive outcome of the final review is a pre-condition for the EIT to conclude a memorandum of cooperation with the KIC concerned. In line with the methodology of the final review of first wave KICs adopted by the EIT Governing Board in June 2022, the final reviews were performed in Q4 2022 – November 2023, with a positive outcome for all three KICs. As a result of the consultation process, the MSRSG adopted a positive opinion on the conclusion of the memorandum of cooperation with EIT Climate-KIC, EIT Digital and EIT InnoEnergy in March 2024. . The EIT Governing Board will examine the negotiated memoranda of cooperation and decide on the authorisation of the EIT Director to conclude them as per point (1) g) of Section 2 of the EIT Statutes provided in Annex I to the EIT Regulation, subject to the agreement of the European Commission.

Actions	Indicator	Target	Achievements/ results
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#1 Establish a strategic cooperation framework with KICs beyond year 15	Strategic cooperation framework in place with first wave KICs beyond 15 years of their lifecycles	Develop and negotiate with KICs the draft MoC in line with the completed studies and GB decision	Strategic cooperation framework prepared - draft MoC was agreed with the first wave KICs, agreed at the MSR level and consulted with the EC for its approval.
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### *Enhancing the impact of the EIT Ecosystem*

The **EIT Awards** Finals are instrumental to demonstrate the EIT Community’s achievements to stakeholders as well as citizens and to reach out to potential investors and business partners. Most of the preparatory work for the 2024 edition was carried out in 2023. The implementation of the EIT Awards included a bespoke promotional campaign, the preparation of nominees for the pitching sessions, the set-up of a high-level jury for each Award category, the organisation of the Award Ceremony and the implementation of a monetary prize for the winners and runners-up of the Changemaker, Innovation Team and Venture Award. 2023 was the first year when the EIT partnered with the EIC in the organisation of the joint European Prize for Women Innovators, with the EIT Women Leadership Award, becoming one of the three categories. The joint European Prize for Women Innovators ceremony took place in Q1 2024.

Actions	Indicator	Target	Achievements/ results
Preparation of the 2023 EIT Awards	Timely launch of the preparation for the 2023 EIT Awards competition based on lessons learnt	Launch and successful implementation of the EIT Awards in 2023  Lessons learnt completed and concept for 2024 EIT Awards competition finalised by Q4 2023	EIT Awards were announced at the EIT Summit in early 2024.  An open call was launched for the EIT Leadership category of the joint women prize with the EIC.

The **EIT – KIC Innovation (Inno) Agenda Panel** is one of key instruments of the EIT Strategic Innovation Agenda 2021-2027 for fostering a structured dialogue between the EIT and the EIT KICs. The Panel serves as a forum for sharing of relevant information and knowledge. Representatives of other EU institutions (EUIPO, EPO) joined the meetings. The Panel also served as a forum for sharing of relevant information and knowledge to the EIT and the EIT KICs Dissemination & Exploitation teams as well as the Intellectual Property Working Group. The **EIT KICs Business Creation (BC) Panel** supports community cooperation on the BC agenda and access to finance EIT Community cluster supervision. The Panel agenda covers a wide spectrum of topics from entrepreneurship, business creation, access to finance and financial sustainability, to EIT KIC activities related to investors and investments, synergies with the EIF, EIC and EIB, and the monitoring of KIC Funds Initiatives. The Panel framed an updated start-up database to track supported ventures across the EIT Community that would lead to build up the future Dealroom platform in Q1 2024. An EIT Good Practices BC Report and EIT Good Practices Financial Sustainability Report was prepared as well as an EIT KICs BC Catalogue and Factsheet for 2024.

Through the work of the EIT-KICs Innovation and Business Creation panels, the EIT also promoted and facilitated synergies with other EC DGs and other EU programmes and bodies (notably but not exclusively Horizon Europe missions, DG RTD, DG EAC, DG GROW, EASME, the European Structural and Investment Funds, DG Joint Research

Centre, Erasmus, Digital Europe Programme, InvestEU, Creative Europe, COSME, EUIPO, COST, and the Copernicus Programme).

The empowerment of **women entrepreneurs** is an EIT Community objective. Each of the EIT's Knowledge and Innovation Communities are committed to increasing the number of women in the entrepreneurship and innovation ecosystems through dedicated projects and measures. In 2023, the EIT reached its GEP target of 25% women CEOs/Owners of the EIT KICs-supported start-ups and scale-ups. To complement and expand these efforts, the EIT expended its dedicated women entrepreneurship EIT Community project “Supernovas”, launched in 2022. Supernovas proposes a transversal approach to enhancing the presence of women in key roles of the entrepreneurship and innovation ecosystem in Europe, not only as nascent entrepreneurs but also in other key decision-making roles shaping future entrepreneurship and innovation. The project focuses on supporting women-led startups to become scaleups and to improve their access to funding, while at the same time fueling women talent to the next generation of VCs and angel investment community. Additionally, in 2023, the EIT joined forces with the **EIC in the Women Leadership Programme**, empowering women to advance in their careers by leading the transition of their research to market, creating their own spin-off or spinouts, or taking over leading positions in existing companies. Since the beginning of the programme across the three cohorts, starting from 2022, where EIT has been involved, there have been 21 participants from EIT out of total number of 171 participants.

In 2023, **EIT Alumni** became a more engaging and impact-oriented community. The community continued to strengthen knowledge sharing processes between KICs alumni communities. This included providing opportunities and encouraging more cross-sectoral alumni collaboration via EIT Community Initiatives, such as EIT Alumni local events, development of shared database, launch of a joint EIT Alumni Newsletter (Alumni Bites), launch of the first EIT Alumni Node in Barcelona or the annual event of EIT Alumni CONNECT 2023. This flagship event of the community focused on spreading knowledge about deep tech in different fields through key opinion speakers and EIT Alumni members who shared their entrepreneurial experiences in the field. The Community has grown by welcoming two more KIC Alumni communities from EIT Urban Mobility and EIT Manufacturing.

**EIT Community (cross-KIC) cooperation** further progressed in 2023. The EIT Community activities focus on priority areas where cooperation between KICs can multiply EIT impact and results, allow for thematic or administrative cooperation, and respond to EU policy priorities. The EIT Community activities on a cluster level contribute to the EIT core KPIs or provide efficiency gains through the joint KIC activities. Six EIT Community clusters (Strategic Access to Finance, Strategic Outreach, Shared Services, Strategic Synergies, Strategic Education, and Strategic Regional Innovations) were running their activities successfully. Additionally, the Call for 2024 Amendment was launched in in Q2 2023 and resulted in a Funding Allocation decision by the EIT GB in November 2023.

The objective of the **EIT Global Outreach agenda** in 2023 was to continue strengthening the standing of the EIT as the global innovation community through a series of activities for KIC partners and KICs supported startups / scaleups, in Israel, Silicon Valley and other key global innovation locations. Under the supervision of the EIT Governing Board and in close coordination with the European Commission (EAC, EEAS) the EIT provided guidance, and also monitored its Knowledge and Innovation Communities individual Global activities.

Actions	Indicator	Target	Achievements/ results
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<p>#1 Strategic cross-KIC activities</p>	<p>Additional results in strategic and thematic priority areas for the EIT and EU through cross-KIC cooperation</p>	<p>Supervision and monitoring of cross-KIC cooperation clusters</p> <p>EIT together with KICs to develop a concept for an effective Shared Service Centre (SSC) function</p>	<p>Bi-monthly monitoring reports prepared.</p> <p>Bi-monthly meetings of the EIT Community activities clusters coordinators minuted.</p> <p>Call for Shared Services Centre issued, however no proposal received from KICs.</p>
<p>#2 Additional ecosystem impact from the innovation agenda</p>	<p>EIT community results on innovation beyond individual projects facilitated by EIT</p>	<p>Minimum 4 Innovation Panel meetings with relevant agenda</p> <p>Identifying potential, set up and follow up of synergies with key organisations of Pillar I and Pillar II of HE Programme including ERC, HE Missions, the Digital Europe Programme, European Innovation Partnership for Agricultural Productivity and Sustainability (EIP-AGRI), the European Urban Initiative (EUI) and Start-up Villages</p>	<p>2023 Report from established synergies and achieved results of collaboration through the work of the EIT KICs Innovation panel delivered.</p> <p>The 2023 objectives and expect results of the EIT KICs Innovation panel were achieved. 8 Innovation Panel meetings took place.</p> <p>The following synergies were implemented: KICs applied successfully to EIE calls for Innovation Valleys / Start-up Villages. EIT Digital successfully applied to several Digital Europe Programme calls.</p>
<p>#3 Horizon Europe pillar III synergies, EIC-EIT complementarity and synergies with EU programmes</p>	<p>Facilitation of an increased level of complementarity and synergy actions between the EIT and EIC/EIE and other EU programmes in line with MoUs and other cooperation tools, supporting joint initiatives and avoidance of duplications</p>	<p>Collaboration as per EIT-EIC Memorandum of Cooperation and agreed joint operational work plan</p> <p>EIT-EIC Board level working group and pillar III Director's meetings supported</p>	<p>Quarterly Pillar III Directors meetings took place and presentations were prepared.</p> <p>EIT-EIC Board level working group supported including the EIC-EIT Joint WG meeting Q2.</p> <p>Several synergies established including Women entrepreneurship award and joint communication activities.</p> <p>Synergies and joint initiatives with other relevant EU programmes including EIF (signed MoU)</p>

<p>#4 Implementation of the MoU with EUIPO &amp; Develop concrete synergies with EPO</p>	<p>IP capacities of KICs enhanced through successful implementation of the EIT – EUIPO and EIT -EPO cooperation</p>	<p>Timely implementation of the AWP with EUIPO and EPO.</p> <p>Beneficiaries from minimum 3 EIT programmes or KICs activities benefiting from the collaboration (including Jumpstarter, HEI, Girls Go Circular)</p> <p>Minimum 300 persons from KICs and KICs projects trained by EUIPO and EPO</p>	<p>Annual Work Plans for 2024 for both EUIPO and EPO were prepared in 2023 and approved in February 2024</p> <p>Reports for the 2023 collaborations with EUIPO and EPO were adopted early 2024, all 2023 targets were substantially exceeded (including 9 trainings and 37 joint activities reaching 2600 participants by EUIPO).</p>
<p>#5 EIT community business creation agenda</p>	<p>EIT effectively supports business creation and women entrepreneurship and leadership (WEL) within the EIT community</p>	<p>Business creation panel work programme implemented, incl. start ups database and investors network</p> <p>Creation of a women investor's community</p>	<p>2023 Report from established synergies and achieved results of collaboration through the work of the EIT KICs Business Creation panel delivered by end of 2023. The 2023 objectives and expect results of the panel were achieved.</p> <p>Database of EIT KICs supported startups / scaleups</p> <p>Women investors community operating via EIT Community Strategic Synergies / SUPERNOVAS activity was established. All activities (Raising VC Starts, Business Angels Academy, Women2invest, RocketUp, EIT-EIC WLP, Investment Forums and Data Room) were delivered as planned.</p>
<p>#6 Implementation Deep Tech Talent Initiative (DTTI)</p>	<p>Timely and impactful implementation of the DTTI on track for the ambition to train 1 million talents by 2025</p>	<p>Effective implementation of the Initiative and pledges made</p> <p>Effective Joint Task Force between EIT and EIT Manufacturing designs and implements the initiative</p>	<p>114 pledge members and 768k pledged talents by the end of 2023 confirmed.</p> <p>Platform was operational with 84 deep tech courses within its catalogue.</p> <p>First event was held in Stockholm and One Year On</p>

		Annual conference held	Press event was organised on 11 October in Spain with pledger Zeleros.
#7 Develop the EIT Alumni community	EIT Alumni community multiplies EIT impact and visibility.	<p>The EIT Alumni Annual Work Programme</p> <p>2023 contributes to EIT's objectives</p> <p>EIT Alumni Annual Work Programme 2024 approved</p> <p>Strategic guidance to EIT Alumni Board via EIT representative</p> <p>EIT Alumni Board operates effectively and efficiently</p>	<p>EIT Alumni Activity Report 2022 was delivered in June 2023.</p> <p>EIT Alumni Impact Report 2022 was delivered in December 2023.</p> <p>Activities for EIT Alumni for 2024 were assessed in 2023 in the EIT Alumni Community Initiative's amended business plan, which was approved in Q1 2024.</p> <p>EIT representative effectively participated in the Board meetings as Observer. Minutes of EIT Alumni quarterly Board meetings were adopted.</p> <p>Regular reports of the EIT Alumni Community activity were provided at monthly coordination meetings in 2023</p>
#8 EIT Global Outreach	Effective EIT Global Outreach in alignment with EU priorities	Portfolio of EIT KIC global outreach activities is fully aligned with EIT Global Outreach Strategic Framework, including EIT community hubs and cooperation with World Technology Games	<p>Bi-monthly Progress Reports for continuous monitoring the EIT GO Community activity were provided</p> <p>Annual Report on the Global Outreach Programme was prepared for 2023</p> <p>The World Technology Games synergy was explored but not established following the internal assessment.</p>

### 1.3 EIT Governance and Corporate Communications

#### *Effective EIT Governance and Management*

In 2023, the EIT ensured well-functioning the EIT's governance structures (including EIT Governing Board and its advisory groups) and internal processes. The EIT's management team and the Director's Office oversaw the

implementation of the Work Programme in 2023 and the budget implementation, as adopted by the EIT Governing Board and in compliance with the regulatory framework. The EIT ensured adequate coordination of its operational activities, strategic policies and stakeholder engagement, and development of the overall EIT’s strategic objectives as set in its Strategic Innovation Agenda 2021-2027.

The EIT further advanced its simplification agenda aimed at reducing and streamlining the administrative procedures and outsourcing basic administrative tasks, allowing the organisation to focus on implementing impactful activities. This included for example further integration with the EC IT operational framework, completed transition towards multiannual funding of KICs or further simplification of internal operational procedures.

2023 was also the second full year of activities of the MSRSG Secretariat focussing on preparing the opinion on the conclusion of Memoranda of Cooperation with EIT Climate-KIC, EIT Digital and EIT InnoEnergy, providing regularly country level and general data and information materials, as well as raising awareness about the EIT Community and available opportunities to national stakeholders. In 2023, three meetings were organised, the first annual meeting in April, the second annual meeting in September and a technical briefing in December. During the second annual meeting in September, the Representative of Belgium was elected Co-chairperson.

Actions	Indicator	Target	Achievements/ results
<p>#1 Effective and efficient conduct of EIT GB meetings, EIT management and EIT decision-making</p>	<p>Effective EIT Governing Board (GB) and Executive Committee meetings, Audit Committee meetings and management meetings</p> <p>Timely approval of GB Decisions by written procedure</p> <p>Effective EIT management</p>	<p>Effective and timely preparation and implementation of at least 4 regular GB meetings, 4 regular Executive Committee (ExCo) Meetings, 2 Audit Committee meetings</p> <p>GB Decisions adopted in line with the strategic, operational and administrative needs and deadlines.</p> <p>Effective mobilisation of GB Members in working groups</p> <p>Effective EIT management meetings and internal communications</p>	<p>Five GB, four ordinary ExCo and one extraordinary, two AC meetings implemented as planned. Additionally, GB members participated in seven GB Advisory Groups, provided reporting officers reports, acted as GB Rapporteurs for nine KICs, and joined one ad-hock Task Force.</p> <p>Meetings agendas, minutes were prepared and published.</p> <p>GB decisions were adopted in line with the strategic, operational and administrative needs and deadlines.</p> <p>GB meeting summary minutes published on the EIT website.</p> <p>Quarterly activity reports for the GB were prepared before each GB meeting.</p> <p>Weekly management meetings were organised and minuted.</p>

			<p>Four internal quarterly reviews were implemented.</p> <p>Four General Staff meetings took place.</p>
#2 Effectively use EIT KIC Forum to resolve critical operational issues for the EIT KIC results and impact	The Forum tackles effective strategic issues faced by the EIT community	<p>Correct action points identified in Forum meetings and implemented in a timely manner.</p> <p>Positive feedback from Forum meetings/ CEOs</p>	<p>Four Forum meetings took place.</p> <p>Forum presentations were prepared and action points were drafted and followed-up</p>
#3 Member State Representative Group (MSRG) contributes to EIT decision making	Effective MSRG adding positively to EIT governance, visibility and synergies with national programmes	<p>Two annual meetings</p> <p>Opinions delivered to the GB in line with the EIT Regulation</p> <p>75% positive feedback received via dedicated survey to MSRG</p> <p>Number of synergies with national programmes identified and developed</p>	<p>Two meetings and one technical briefing meeting on the MOC opinion took place. Launch of the MSRG opinion process</p> <p>Summary record of meetings was published on EIT website</p> <p>Two written procedures were concluded</p> <p>The 2024 survey indicated that over 90% of the respondents indicated for 2023 a satisfaction of the MSRG secretariat operations</p> <p>No synergies with national programmes were identified at the MSRG level to be followed.</p>
#4 Cooperation with EU Agency Network and synergies, including outsourcing	Effective participation in EUAN, positively supporting the EUAN strategy implementation and benefit from shared services.	<p>Effective and efficient participation in EUAN Troika and preparation for chairing EUAN in 2024</p> <p>Three cooperation agreements with other EU agencies in the interest of the EIT, focussed on shared services and reduced administrative resource needs at EIT.</p> <p>Regular coordination mechanism in operation</p>	<p>Four cooperation agreements./ MoUs in place focused on shared services and reduced administrative resource use (CEPOL, FRA, EUIPO, ERCEA)</p> <p>Effective and efficient participation in EUAN Troika monthly meetings</p> <p>Internal preparation for chairing the EUAN in 2024, including resource allocation and start of procurement processes for organising EUAN meetings in Budapest, preparation of the</p>

			EUAN Annual Work Programme for 2024 – 2025
#5 Implement MoU with EU Services (DG EAC)	Effective cooperation with Commission services, in particular partner DG (DG EAC)	<p>Submission of information/documents as per the MoU</p> <p>Regular coordination mechanism in operation</p> <p>Replies to requests provided within one week (or as per agreed with DG EAC)</p> <p>Weekly coordination calls minutes</p>	<p>Budgetary and financial reports, documents and requested information submitted to EAC timely.</p> <p>Regular coordination mechanisms through regular coordination calls on different collaboration areas was set-up and followed up.</p> <p>Action points from weekly calls were followed up.</p>
#6 Implementation and Coordination of the EIT Internal Control Framework	<p>Efficient and Effective coordination of ICF</p> <p>EIT achieves a high level of implementation of Internal Control Framework</p> <p>EIT risks are identified and addressed.</p>	<p>All Agency operational; financial and administrative SOPs are updated.</p> <p>90% of the baseline Internal Control indicators set for 2023 are met.</p> <p>Critical risks are identified in the Annual Work Programme and action plans to address them are in place, review as part of the Annual Activity Report</p> <p>Maximum 3 re-current exceptions/internal control weaknesses reported in 2023</p>	<p>Updated SOPs published on the EIT Cloud.</p> <p>92% of the baseline Control Indicators set at the start of 2023 are met.</p> <p>Register of exceptions and non-compliance maintained/ updated.</p> <p>EIT Risk register updated in 2023, critical risks identified and reflected in the SPDs.</p> <p>CAAR 2022 was timely prepared and adopted by the EIT Governing Board.</p> <p>The recurrent exceptions, that is those repeating in 2 consecutive years, are two, as also reflected in the ICC 2023 report, hence this indicator is met.</p> <p>ICC 2023 Report was prepared timely.</p>
#7 Audits Follow-up/coordination with ECA/IAS	Improved EIT internal controls through implementation of	At least 90% of all audit action plans are implemented.	<p>90.4 % of the due audit recommendations were implemented.</p> <p>9.6% of the due audit recommendations were in delay,</p>

	audit recommendations	Timely implementation of the audit open recommendations.  Timely input on audit requests.	most of those are close to finalization. Detailed analysis is reflected in ICC Report on implementation of the EIT open audit recommendations 2023.  Timely input on audit requests was delivered.
#8 Anti-fraud coordination	Efficient and effective implementation of the EIT's AF Strategy 2021 - 2023	100% of the EIT's action plan for implementation of the 2022 activities is implemented by Q1 2023  90% of the EIT's action plan for implementation of the 2023 activities is implemented	Report on the implementation of the EIT's AFS was prepared and submitted to the management and EIT Governing Board in Q4 2023. The implementation status was 95%.
#9 EIT to implement EIT Gender Policy	EIT effectively implements EIT Gender Policy	KICs implement gender action plans in line with their GE policies.	The EIT progressed with the implementation of the Gender Equality Policy (2022-2027) and Action Plan (2022-2024) (GEP).as planned.  The 2023 GEP Implementation Report, outlining the EIT activities and results in this area, was adopted and published on the EIT website in December 2023.

## Communications

The EIT continued its efforts to significantly strengthen the visibility of the EIT Community towards new audiences and existing stakeholders within the European innovation landscape through an efficient mix of communication and engagement channels and tools. In 2023 the EIT continued to enhance its external communication actions. At the heart of communications, a more focused and simplified approach was followed. The launch of the new EIT website brought this approach together with a new user-centric sitemap and simplified content.

The EIT continued to strengthen its relations with media. A significant shift in strategy was applied, focusing more on sectoral Tier 1 journalist. A new media database was created to apply this strategy. The new approach culminated in a press trip to Valencia where 25 tech journalists were invited to visit an EIT-supported start-up and hear more about the EIT's support to innovators. The trip resulted in 68 articles published across 15 countries. Social media content focused on diversifying content across the EIT's channels and centring it around the EIT's three main pillars of activities: entrepreneurial education, innovation-driven research and business creation. The new content approach lead to a significant increase of followers and on LinkedIn in particular with an 84% annual growth.

In 2023, Members of the EIT Governing Board, the EIT Director and staff also represented the Institute in 172 third-party events and meetings both online and across Europe. These offered unique opportunities to present EIT activities and how to engage with the EIT Community across Europe to various audiences across the Member States. To further engage with stakeholders and target audiences, the concept development and preparations for the 2024 edition of its flagship event series, INNOVEIT, also started. The updated concept focused on providing ample opportunities to discover how the EIT Community support an entrepreneur or learner’s innovation journey across cross-cutting themes: deep tech, a women entrepreneurship, sustainability, and more across four events: EIT Summit 2024 in Brussels on 20 February 2024 as well as the INNOVEIT participation at important European tech conferences in HelloTomorrow, the GreenTech Festival and Slush.

In 2023, the Network of EIT National Contact Points (NCP) further developed with 104 NCPs from 65 EU Member States, Horizon Associated countries, and Third countries. They receive regular updates on EIT Community events, opportunities, and achievements via the EIT NCP Secretariat’s periodic e-mail alerts. The First Annual Meeting between the EIT NCP Network and the EIT Community took place in April 2023, where the EIT gave an overview on the 2022 results and 2023 priorities and highlighted the roadmap for 2023 collaboration. The 2nd Annual EIT National Contact Points (NCPs) meeting took place on 28 September. Overall, the collaboration between the EIT Community and the EIT NCPs was fruitful and EIT NCPs were satisfied with the material provided by the EIT NCP Secretariat. EIT Community awareness days were organised in different countries (Italy, Poland, Norway, Switzerland and Honduras). In line with the 2023 survey, areas for improvement are in-person engagement and more frequent updates on opportunities and statistics as well as training opportunities.

Actions	Indicator	Target	Achievements/ results
#1 EIT communication and stakeholder engagement strategy & annual plans	Develop EIT communication & stakeholder engagement strategy  Develop implementation plan for communication and stakeholder engagement	Adoption of communication & stakeholder engagement Plan 2023 in Q1	Communication and stakeholder engagement plan 2023 approved and implemented
#2 Implementation of the communication and stakeholder engagement plan	Boosting visibility of EIT activities via timely, proactive, creative and targeted communication to target audiences, including priority stakeholders	Integrated Communication FWC under implementation facilitating communication actions & event organisation  Engaging communication materials for key stakeholders produced and distributed across relevant channels and the EIT stakeholder database  12 monthly newsletters published and	Six contracts concluded to facilitate communications and events  Compelling content created including EIT Country Factsheets, EIT RIS Activity Report, Reports on Education, Financial Sustainability and Business Creation  Six newsletters were issued in 2023 due to technical



	<p>Boost EIT’s digital presence by increasing engagement, impressions and followers on EIT social media channels and enhancing the user experience on the EIT website</p> <p>Increase in EIT Community mentions in media outlets and articles</p> <p>Timely response to all citizen and stakeholder enquiries</p> <p>Increased stakeholder engagement through organisation of and participation to high-impact events and</p>	<p>disseminated to stakeholders</p> <p>10 editions of monthly update for Commissioner Gabriel prepared, shared with EIT GB and KICs</p> <p>EIT factsheets on KICs, per MS/HE country, key topics (DTTI, Education, EIC synergy)</p> <p>Social Media: Increase engagement with followers leading to % increase LinkedIn (15%), Twitter (5%), Facebook (2%) and Instagram (20%) in 2023 compared to followers on 31/12/2022</p> <p>Website: 5% increase in visitors to the EIT website in 2023 compared to 2022 unique visitor statistics</p> <p>5% increase in EIT Community press (print, broadcast and online) coverage in 2023 compared to 2020-2021 results</p> <p>Timely response to all press queries</p> <p>EIT responds to all citizen enquiries in line with adopted SOP</p> <p>EIT GB members, EIT management and staff, represent the organisation in 30 external high-impact events by Q4 2023</p>	<p>issues after the website relaunch</p> <p>6 Monthly updates were created, after which it was decided to merge the monthly updates with the bi-monthly GB report</p> <p>Country factsheets created and overview presentations were updated.</p> <p>Compelling content on EIT social media channels resulting in the followers increase per channel:</p> <ul style="list-style-type: none"> <li>● Facebook: 2,51%</li> <li>● Instagram: 6,49%</li> <li>● LinkedIn: 84,54%</li> <li>● Twitter: 6,46%</li> </ul> <p>7,281 articles were published about the EIT Community in 2023. Compared to 3322 in 2022. This is a 119.17% increase.</p> <p>8 press releases were issued by the EIT.</p> <p>Citizens queries responded timely together with EDCC</p> <p>The EIT was represented in 146 external events.</p> <p>Supporting material for EIT representatives provided</p>
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	<p>meetings with external stakeholders</p> <p>Increased coordination with the European Commission in the area of communication &amp; stakeholder engagement</p> <p>At least 2 communication and stakeholder engagement campaigns</p>	<p>Organisation of EC services meeting</p> <p>10 Monthly EIT Event Overviews shared with the EC</p> <p>Maintenance and development of the EIT Ecosystem map</p> <p>Implementation of at least 2 communication and stakeholder engagement campaigns</p>	<p>EC services meeting was organised on-line in December 2023.</p> <p>Shared on a monthly basis.</p> <p>Ecosystem Map was successfully integrated in the new EIT website and updated</p> <p>A campaign was launched to strengthen RIS visibility, including the publication of the RIS activity reports and press releases around the EIT Community RIS Hubs.</p> <p>The campaign for the EIT Awards 2024, the joint Prize for Women Innovators with the EIC as well as for INNOVEIT 2024 and the EIT Summit 2024 were also conceptualised, prepared and launched in 2023 (finalised in 2024).</p>
#3 EIT Liaison Office reinforces stakeholder engagement in Brussels	<p>Effective engagement with and awareness raising to stakeholders in Brussels</p> <p>Strengthened coordination and alignment of EIT Community presence towards priority stakeholders</p>	<p>Bilateral meetings and exchanges of the Liaison Officer with R&amp;I stakeholders</p> <p>Liaison Office premises available uninterrupted</p> <p>4 EU Affairs Group Quarterly meetings organised by Q4</p>	<p>EIT stakeholders in Brussels were informed and updated on key developments and priorities.</p> <p>Two quarterly meetings of the EU Affairs group were held during 2023.</p>
#4 EIT National Contact Point network maintained	<p>Effective and efficient support to the EIT NCP network via the NCP Secretariat</p> <p>Improved performance of the EIT NCP network via capacity building,</p>	<p>75% positive feedback received via dedicated survey to NCPs</p> <p>Launch and manage Call for a Transnational Network of EIT NCPs</p>	<p>Two meetings were organised.</p> <p>Onboarding of new EIT NCPs and revamp of information of</p>

	communication and collaboration		<p>collaboration space we implemented.</p> <p>Survey results available; 68,42% of the respondents voiced their satisfaction of the support by the EIT NCP Secretariat Call for a Transnational Network of EIT NCPs was not launched.</p>
#5 EIT website redevelopment & enhancement	New enhanced website with increased attractiveness	<p>Successful website development by Q2</p> <p>Content migration successfully completed</p> <p>Functional Acceptance Testing &amp; User Acceptance Testing successfully completed</p> <p>CMS training &amp; documentation completed</p> <p>Website enhanced and attractive as confirmed by feedback and increased user numbers.</p>	<p>EIT website development, including functional acceptance testing &amp; user acceptance testing and the content migration were completed in June 2023.</p> <p>CMS training was provided, and the documentation were completed in Q2-Q3</p> <p>Based on the System Usability Scale (SUS) and the results of usability testing, the website achieved a score of 77.3. This indicates that it has exceeded the threshold for a "Good" rating in perceived usability.</p>

### *Effective administrative services*

In 2023, the EIT implemented to a large extent its procurement plan, IT Master Plan, and recruitment plan. The implementation of the IT Master plan helped the office to further automate part of its administrative processes. Several examples to be mentioned on this regard as the procurement tool PPMT, Q-Sign (electronic signature), and the introduction of various modules of SYSPER.

The implementation of the recruitment plan, retention policy and positive work environment allowed the office to keep more than 90% of its post occupied throughout the year, and generally enabled succession and business continuity.

In regard to budget implementation and finance, financial transactions and reporting were successfully processed, with a payments' implementation ratio of 98%. The EIT has decreased the late payments below the 5% percent threshold, and the remaining late payments were mostly due to external factors, e.g., mission claims processed by PMO in Brussels. Budget implementation was good, slightly below the 95% target (around 94%), despite the complexities introduced by the transitioning to a new grants' mechanism.

The office continued to keep in its focus on other critical areas, such as security (both physical and cybersecurity), staff wellbeing and staff development.

- Staff wellbeing - EIT management continuously worked with the Staff Committee, in order to advance further on the agenda of the work-life balance. Elements that need to be mentioned in this regard include but are not limited – introduction of the Commission decision on hybrid mode of work, which allows for up to 60% telework and up to 10 days working away from the place of employment; agreeing on a list of social measures introduced in 2023; adopting a long-term plan for improvement and re-design of the office.
- Staff development – EIT has adopted and implemented its annual Training Plan which offered different learning and training activities, for all staff as well as for target audience, and in compliance with the office and individual staff needs.

Actions	Indicator	Target	Achievements/ results
#1 Procurement plan implementation	Procurement procedures completed in a timely manner and EIT contract portfolio managed according to sound financial management.	<p>Min 85% procurement procedures completed in line with the adopted procurement plan by end of Q4 2023 (subject to the initiation of the operational units) including 100% of the prioritised procurement procedures</p> <p>2023 Procurement Plan is updated on a quarterly basis.</p> <p>97% of procurement procedures without complaints/court cases</p> <p>Publication of contracts awarded in the previous year on the EIT website by end of Q2 2023</p> <p>Procurement procedures up-to-date and high level of staff awareness</p>	<p>2023 Procurement Plan was updated on a quarterly basis.</p> <p>95% of the procurement procedures were concluded according to the updated procurement plan, including 100% of the prioritised procurement procedures.</p> <p>There were no complaints/ court cases regarding procurement procedures concluded in 2023.</p> <p>Contracts awarded in 2022 were published on the EIT website by end of Q2 2023.</p> <p>Procurement procedures were kept updated and revision of SOPs started, what resulted from the PPMT launch.</p>
#2 Expert management and support to all units	Effective support across the EIT through the recruitment and deployment of independent experts	Approx. 60 experts contracted in due time and in line with policy/ SOP	95 experts were contracted in the reported period. The EIT registered timely contracting, deployment. There were registered 14

in the EIT (EMI, Compass)	managed smoothly and in a timely manner	Effective support to the relevant projects confirmed by EIT staff	late payments to experts, which constitute 1.41% of the total 5.14% of the late payments registered at the EIT in 2023.
#3 Budget, Finance, Accounting function	High level of absorption of EIT funds and legality and regularity of commitments and payments ensured.	<p>&gt; 95% of non-grant commitment and &gt; 90% payment appropriations absorbed by Q4.</p> <p>Effective budget reviews and amendments</p> <p>Up-to-date delegations and regular staff trainings</p> <p>Registration of minimum 95% of invoices and cost claims within 5 calendar days and registration of minimum 95% of commitment request within 2 working days</p> <p>Share of late payments is not more 2%</p> <p>Timely performance of accounting correspondent tasks</p> <p>Contribute to the validation of local system</p>	<p>Quarterly budget implementation vs forecast reports per unit including reports on late payments were drafted. In 2023, on its overall budget, the EIT registered 95% as commitment implementation rate and 90% as payment implementation rate. As regards the non-grant related commitment implementation it reached 94%.</p> <p>Budget amendments, transfer decisions were approved and recorded following regular budget monitoring.</p> <p>Delegations were updated, regularly.</p> <p>Regular budget and finance trainings took place.</p> <p>94% of all the invoices and were registered within the targeted time limit (including cost claims). 95% of all commitments were registered within the set deadline.</p> <p>Salary payments were processed regularly</p>

		<p>performed by DGBUDG by the deadline set</p> <p>Audit of accounts for 2022</p> <p>Ensure that inventory checks carried out before the end of the year and with &gt;98% accuracy, updated ABAC assets and effective functioning of Asset Retirement Committee to remove written off items</p>	<p>EIT accounts were completed and published on the EIT website.</p> <p>The overall share of late payments is 5.14% (51 payments of the overall 993 payments made in 2023). Out of the 5.14%, 1.81% constitutes the late payments out of the remit of the EIT, since it is linked to payment of the missions, 18 payments). Another 14 payments were linked to experts payments, that constitutes 1.41%. The remaining 19 late payments of the total 51 late payments (i.e. 1.92%) were linked to late processing of actors in the workflow.</p> <p>Quarterly accounting control report took place.</p> <p>In 2023, the EIT closed the 2022 inventory process. In 2023, the Asset Retirement Committee minutes and decision on write off were registered in ARES.</p>
<p>#4 Document management</p>	<p>Effective implementation of EIT Decision on Document management and Policy on archiving</p>	<p>Effective DMO in place</p> <p>Train all newly recruited staff in ARES and relevant document management procedures</p> <p>Ensure proper maintenance of documentation, including annual opening and closure of files in ARES and regular meetings of DM focal points in the unit to review issues and policies.</p>	<p>ARES and physical archives was kept up to date.</p> <p>Access to document requests were addressed timely and in compliance with the applicable legal framework.</p> <p>Annual training on access to document to the EIT staff was provided.</p> <p>DM focal point network minutes prepared.</p>

		Timely response to access to documents requests	
#5 Data Protection	EIT is fully compliant with Data Protection rules in its operations.	<p>Involvement of DPO in operations which involve the processing of personal data</p> <p>Data Protection Action Plan is fully implemented, privacy statements and data protection records included in the EIT inventory are prepared by the data controller with the support of the DPO.</p> <p>Missing EIT Decisions adopted (e.g. on restriction of personal data, on data breach)</p> <p>Awareness of EIT staff members of the key data protection requirements</p>	<p>Data Protection Action Plan was implemented according to the regularly updated plan</p> <p>Privacy statements and data protection records included in the EIT inventory were prepared by the data controller with the support of the DPO and were published in the records register on the EIT website.</p> <p>Data protection training for newcomers were provided on regular basis and to all EIT staff on annual basis.</p> <p>Decision of the Governing Board on restriction of personal data has been adopted. There is no Decision yet on the data breach policy.</p>
#6 Legal support	High level of compliance with the requirements of the EIT and HE legal framework	<p>Timely handling of all legal requests by EIT management, complaints and proceedings</p> <p>100% legal review of EIT GB and EIT decisions and formal complaints</p> <p>High level of awareness of EIT staff members of the EIT and HE legal framework.</p>	<p>Legal review of GB and EIT decisions was provided, legal support was provided and complaints were followed.</p> <p>Updated legal coordination table was maintained.</p> <p>Provision of legal information and training to EIT staff members was ensured.</p>
#7 Building management	<p>EIT premises in Budapest and EIT Liaison Office in Brussels run effectively</p> <p>Timely update of the EIT offices in line with the concept paper on the</p>	<p>Effective overall maintenance of office space at EIT and provision of office supplies</p> <p>Efficient health and safety measures</p>	<p>Effective office maintenance was ensured</p> <p>No physical security incident was reported in 2023</p>

	creative and sustainable office	<p>Up to date security and fire safety rules implemented (e.g., first aid training and annual fire inspection drill)</p> <p>Effective EIT security policy in place</p> <p>Conduct a feasibility study and deliver design proposal concept in line with the concept approved by management</p> <p>Works for the implementation of the selected design for the EIT premises are completed by Q4 2023</p>	<p>EIT fire and security policies are in place and implemented</p> <p>Awareness training to all staff was held in May 2023.</p> <p>The interior design contract was signed in December 2023.</p>
#8 Ensure compliance with Staff Regulations	Effective and efficient adoption of provisions under the Staff Regulations	Adopt implementing rules of the Staff Regulation within the deadlines.	Overview table on implementing rules was kept up to date and standard implementing rules table was sent to DG HR.
#9 Ensure completion of appraisal and reclassification exercises	Effective and efficient completion of appraisal and reclassification exercises	Timely completion of appraisal (by Q2) and reclassification (by Q4)	Appraisal exercise was (Q2) and reclassification exercise (Q4) were finalised as planned.
#10 Recruitments/reserve lists/use of resources	EIT is fully staffed in line with its Establishment Plan	Timely and compliant completion of staff selection procedures Publication of the vacancy notice within 6 weeks of a vacant post and completion of reserve lists within 4 months from the deadline for applications	<p>Posts were filled according to the recruitment and monitoring plan.</p> <p>The average time to complete reserve lists was 4.78 months.</p> <p>An occupancy rate of over 90% was achieved in 2023.</p>



<p>#11 Effective training plan developing key competencies</p>	<p>Identification of in-house training courses according to the learning and development plan</p>	<p>90% of in-house training sessions provided according to plan</p>	<p>A total of 83% of in-house training sessions were completed according to the timeline indicated in the 2023 training plan.</p> <p>All general mandatory trainings were completed. Three optional trainings were postponed to Q1/Q2 in 2024.</p>
<p>#12 Maintain relations with Staff Committee</p>	<p>Involve staff committee efficiently and effectively in related policies (decisions, social policies)</p> <p>Social activities that break silos and make the working at the EIT more impactful, less formal, and enjoyable for all EIT Staff</p>	<p>Timely dialogue and consultation with SC in relevant staff-related policies</p> <p>Effective dialogue with staff committee on priority topics raised.</p> <p>Effective EIT social committee and policies</p> <p>Timely planning and implementation of activities of the Social Committee</p>	<p>EIT Staff Committee was established in 2023.</p> <p>Several meetings were held in the areas of schooling policy (e.g. ceilings), and EIT public holiday decision 2024.</p> <p>Since the appointment of Staff Committee in June 2023, two meetings were held with the EIT Director.</p> <p>Several open sessions with staff were held and inputs were provided to staff survey preparation.</p>
<p>#13 Social policies implemented incentives</p>	<p>Increased attractiveness and improved work environment for EIT staff</p>	<p>Timely adoption of the ceiling decision on schooling and transport costs.</p> <p>Social policies updated and implemented (e.g., Schooling Policy, sports clubs, team building and reimbursement of public transportation)</p>	<p>A taskforce was established to address certain topics raised by staff (13 areas identified in total) represented by staff committee, Directorate and HR.</p> <p>The EIT schooling decision was updated in a timely manner.</p>

<p>#14 Efficiency gains through more effective e-services (SYSPER, Recruitment, Staff requests)</p>	<p>All HR services are available efficiently and effectively for staff via e-services and related IT tools</p>	<p>Number of additional SYSPER modules to implemented.</p> <p>Implementation of e-ticketing service for HR</p> <p>All HR processes are fully integrated in SYSPER, ARES and EIT Intranet, workflows and online forms adjusted</p>	<p>Appraisal and reclassification modules in Sysper were successfully implemented in 2023.</p>
<p>#15 Payroll and processing of individual rights and working conditions</p>	<p>Timely implementation of the payroll</p>	<p>Zero delays in the payroll process-Less than 2% error rate</p> <p>Timely processing of individual rights and working conditions</p>	<p>Timely implementation of the payroll.</p> <p>Timely implementation of individual rights and working conditions.</p>
<p>#16 Provide adequate IT systems and tools</p>	<p>Adequate IT and infrastructure tools available to staff made available and backup solutions in place.</p>	<p>Make general and individualised IT systems permanently available to all staff as required.</p> <p>Services availability &gt; 99%</p> <p>Planned maintenance &lt; 3,65 days (1% services unavailability)</p> <p>Quarterly satisfaction Reports</p>	<p>99% availability, reflecting the maintenance unavailability of 1%, of IT systems to all staff and external users was ensured.</p> <p>ICT systems were fully operational and business continuity was fully ensured.</p> <p>Reports on IT incidents and requests were reported to the Steering Committee (no major incidents occurred).</p> <p>Reports from two Staff satisfaction surveys with IT Services reported at 4.1 and 4.3 (in the scale of 1 to 5).</p> <p>Business Continuity Plan was in place, Backup Plan and Disaster Recovery plan was tested.</p> <p>Maintenance procedures were in place.</p>

<p>#17 Ensure high level of IT security</p>	<p>Effective implementation of General Information Security Policy preventing data breach, loss or systems malfunction</p> <p>LAM and LISO functions fully operational</p> <p>Introduction of the CISO function</p>	<p>100% of IT security threats eliminated or mitigated and threats reported to management.</p> <p>SoP on account management and access rights compliance.</p> <p>IT Security projects implemented.</p> <p>Local and remote backups every 4 hours</p> <p>Number of IT security incidents during 2022 reported to CERT_EU &amp;EDPS &lt; 4.</p> <p>Internal controls revised and approved.</p> <p>Access to ABAC and other IT systems used at EIT have been checked 1 time during the year and verified</p>	<p>No IT security threats materialised</p> <p>IT section risk register contribution was provided to the EIT ICC.</p> <p>Local and remote backups every 4 hours performed and tested</p> <p>SoP on account management and access rights compliance was revised in Q1 2023 and now is in place.</p> <p>Four reports of ITSC were registered.</p> <p>Mitigation measures implemented according to the recommendations of the audit reports.</p> <p>In 2023 there were 17 LISO reports on cybersecurity incidents, infrastructure specifications, threat alerts, policies implementation.</p> <p>CISO assignment and function definition was formalised in Q1 2023.</p> <p>2023 Report on periodic validation of user access rights granted was prepared only on ABAC.</p>
<p>#18 Implementation of the EIT IT Framework</p>	<p>Timely implementation of the EIT IT Strategy and the 2023 IT Master Plan</p>	<p>Endorsed and implemented IT Master Plan (95% projects implemented as planned)</p> <p>IT SC functions effectively</p> <p>Effective EIT IT governance</p>	<p>Quarterly updated EIT 2023 IT Master Plan was implemented fully and new IT tools and projects were efficiently and effectively released. All IT projects were documented in accordance with PM2.</p> <p>Effective EIT IT governance was ensured, four quarterly</p>

		<p>IT tools needs assessment reported to management.</p> <p>IT projects and tools efficiently and effectively released.</p> <p>ICT facilities and services used in an appropriate, secure and responsible manner.</p> <p>All new IT projects have an approved IT project request, Business Case document, Business Owner and a Project Charter in line with PM2.</p> <p>2 trainings completed (incl. Cybersecurity)</p>	<p>ITSC meetings were minuted and registered.</p> <p>Quarterly reports on IT master plan was provided to the ITSC.</p> <p>IT tools needs assessment was included in the It staff survey and was conducted on the bi-annual basis.</p> <p>ICT facilities and services used in an appropriate, secure and responsible manner – no material losses reported.</p> <p>AI and cybersecurity trainings was merged and delivered in September 2023. The additional self-paced training on cybersecurity from the EU Learn repository was provided to EIT staff. The training was accompanied with the simulating phishing exercise.</p>
#19 Sustainability	<p>Sustainability: EIT monitors its contribution to EU climate targets and becomes carbon neutral through offsetting of its footprint.</p>	<p>Methodology of contribution of EIT as EU Agency in place and annual reports for SPD and AAR</p> <p>Effective mechanism implemented to offset remaining emissions.</p>	<p>Corporate carbon footprint calculation for 2022,2023 emissions was prepared , the planning (SPD 2024-2026 and SPD 2025 – 2027) and reporting (CAAR 2022) contributions were provided. Annual action plan created to reduce the emission of the agency, first for 2023June-2024 June.</p> <p>Offsetting analysis completed and pilot action proposed for implementation, but no offsetting yet in place.</p>

# PART II – MANAGEMENT

## 2.1 EIT Governing Board and EIT Management

Based on the recast EIT Regulation, as from 2021, the EIT Governing Board (EIT GB) consists of **15 members that are appointed by the European Commission**, aiming to ensure gender and geographical balance, as well as a balance between those with experience in business, higher education, and research. The members of the Board act in the interests of the EIT, safeguarding its goals, mission, identity, autonomy and coherence, in an independent and transparent way. The EIT GB is assisted by an Executive Committee composed of five EIT GB members, including the Chair of the EIT GB and a Commission Representative.

In 2023, the EIT conducted **two exercises of annual conflict of interest verification** of EIT GB members, the annual exercise and the verification related to KIC Business Plans and the Higher Education Initiative. In cases where an actual or potential conflict of interest was identified, appropriate measures were implemented depending on the associated risk level of the identified conflict.

In 2023, the **EIT GB held five ordinary meetings**, including the hearings of the eight KICs in the context of the allocation of EIT financial contribution to KICs for 2023-2025. At the GB June meeting, the EIT GB **had an online discussion with the Chairs of the Supervisory Boards of the KICs** to discuss strategic issues. The Executive Committee met regularly via videoconference meetings to prepare for the EIT GB meetings. It also held one extraordinary meeting in December 2023, which was dedicated to the Governing Board work on the EIT positioning and its preparation in the context of the on-going preparation works of the next EU Programme for Research and Innovation.

In September 2023, the EIT Governing Board decided to extend Martin Kern as **EIT Director** for additional four years.

As a mandate of four members of the GB will expire in June 2024, the EIT Governing Board launched **a selection procedure for up to four new members** on 24 July 2023. Following the resignation of one GB member from the EIT Governing Board, submitted in August 2023, the call text was amended to select up to five new members of the EIT GB. The Call was extensively promoted across all of the EIT' social media channels, which generated 5223 views on Twitter, over 93 reposts and 295 likes on LinkedIn and more than 3K reach on Facebook. In addition, the EIT informed a wide range of stakeholders across Europe about the Call through newsletters and direct messaging. The EIT also advertised the Call in the Economist, POLITICO, EuroBrussels, as well as in Science|Business. These advertisements generated nearly 52 000 views and 876 clicks. As a result of the Call, the EIT received 307 eligible applications, further increasing the number of applicants from the 2021. Following the selection procedure, the Board approved the list of shortlisted candidates for the position at the EIT GB meeting in March 2024. During the selection procedure, and in accordance with the EIT Regulation, special attention was paid to the gender and geographical balance of the Board as a whole. Also, a balance among those with experience in business, higher education, and research was considered.

The EIT GB members took an **active role in the grant allocation process** for the KICs for the period of 2023-2025. Specifically, seven EIT GB members acted as Rapporteurs and Associated Rapporteurs for the four waves of KICs. The Rapporteurs participated in online meetings with the EIT KICs' management and governance teams and followed up on the strategic recommendations put forward by the EIT GB in 2022 contributing strongly to the grant allocation decision.

Besides actively attending the EIT GB meetings, the members took on additional roles in **promoting the EIT amongst key stakeholders** in bilateral meetings and with speaking engagements at high-level conferences and events, including various conferences under the Presidencies of the Council of the EU. In 2023, the **EIT GB adopted 43 formal decisions**, which can be consulted on the EIT's website.<sup>3</sup>

### GB Advisory Groups

In order to gain strategic advice on several key initiatives and matters of the EIT, advisory groups have been created, where identified GB member experts in the specific topic provide advice to the EIT on how to advance in these areas. Currently the EIT GB members participate in the following GB Advisory Groups and : EIT Audit Committee, EIT-EIC Joint Working Group, Global Outreach Advisory Group, the EIT GB Appeals Committee, the GB Advisory Group for Selecting New Members of the EIT GB, the Conflict of Interest Advisory Committee, Education Advisory Group of the EIT, the EIT GB's Visibility Advisory Group.

## 2.2 Major Developments

### I. Impact

Since the EIT was set up in 2008, its activities have continued to deliver **impact and ground-breaking innovations and it has created the largest innovation community in Europe**. The EIT model has been tried, tested and proven. By the end of 2023, the EIT Community has grown to over 2 400 partners and **50 hubs**, which collectively have by now put over **2 450** innovative products and services on the market, trained several thousand entrepreneurs and supported over **9 900** start-ups and scale-ups that **attracted EUR 9.5 billion in investments**. Furthermore, eight unicorns have been created with the support by different KICs. One of them is Northvolt raised to USD 6.5 billion and became the first EIT supported Unicorn. One of the KICs, EIT InnoEnergy, reached 'unicorn' status in 2023 following a major investment round with investors like Engie, Société Générale, Siemens Financial Services, and others. EIT InnoEnergy's portfolio includes over 200 companies and more than 1 200 partners in the renewable energy sector. It is both the leader of the European Battery Alliance and Secretariat of the European Solar PV Industry Alliance.

In 2023, the EIT has conducted a final review and an **independent study of 'first-wave KICs'** – EIT Climate-KIC, EIT Digital and EIT InnoEnergy. For these KICs, 2024 marks the end of the 15-year support period outlined in their Partnership Agreements. The KICs were assessed against the monitoring and evaluation criteria for European Partnerships and were assessed positively on all criteria. In July 2023, the EIT Governing Board adopted its decision on the duration, content, and structure of the memoranda of cooperation and on mandating and authorising the EIT Director to prepare and negotiate memoranda of cooperation with three KICs.

**The EIT Culture & Creativity KIC** was designated by the EIT Governing Board in June 2022. The winning consortium, led by Fraunhofer e.V., prepared their Start-up plan to ensure the KIC is ready to operate starting from 2024. The Start Up Grant Agreement (SUGA) was signed in February 2023. During 2023, the KIC made significant progress related to several milestones of the start-up phase (e.g. establishment of the KIC Legal Entity, set-up of several Co-location Centres, recruitment of key staff) but has not managed to achieve all planned milestones on time in 2023 (including finalisation of its Strategic Innovation Agenda).

Following **the transition to a multiannual funding** approach and further integration with Horizon Europe, the fully fledged new multiannual and simplified operational model for implementation as of the 2023-25 cycle was introduced with an invitation to submit proposals for **KIC Business Plans 2023-2025**, for 2023-2025 cross-KIC activities, for the Higher Education Institutions (HEI) initiative 2023-2025 (Call HORIZON-EIT-2022-KIC). Following

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<sup>3</sup> [https://eit.europa.eu/library?f%5B0%5D=document\\_type%3A80](https://eit.europa.eu/library?f%5B0%5D=document_type%3A80)

the initial call published on 28 April 2022, the EIT Governing Board decided to allocate EUR 890 million to the KICs by the end of 2022. In 2023 an additional allocation of EUR 105 million was decided. The EIT budget available for grants for the initial multiannual funding allocation decision at the end of 2023 was EUR 995 million.

A **close collaboration** aimed at identifying and implementing synergies between the EIT and the EC DGs continued. In particular with DG EAC, DG GROW, DG RTD, DG EMPL, DG JRC. In terms of synergies with other European stakeholders, in 2023 a Memorandum of Understanding (MoU) was signed between the EIT and European Investment Fund aimed at broadening the successful cooperation. The EIT continued its excellent collaboration with the European Union Intellectual Property Office (EUIPO), European Patent Office (EPO), the European Cooperation in Science and Technology (COST), European Union Agency for Law Enforcement Training (CEPOL) and European Innovation Council (EIC).

In particular **EIT – EIC collaboration** further developed in 2023. In 2023, the EIT joined forces with the **EIC in the Women Leadership Programme**. 2023 was the first year when the EIT partnered with the EIC in the organisation of the **joint European Prize for Women Innovators**.

## II. Education

The European Commission adopted the **New European Innovation Agenda (NEIA)** on 5 July 2022 to position Europe at the forefront of the new wave of deep tech innovation and start-ups. The new European Innovation Agenda sets out 25 dedicated actions under five flagship areas. The EIT is contributing to several actions including the Women2Invest programme, the EIT deep-tech talent initiative (DTTI), the Next Generation Innovation Talents Scheme. The EIT is also contributing to the Regional Innovation Valleys (RIVs) action.

On February 2022, **the European Battery Alliance (EBA) Academy** with a grant of EUR 10 million under the Recovery Assistance for Cohesion and the Territories of Europe (REACT-EU) was launched to train, reskill and upskill approximately 100 000 workers directly and 700 000 workers indirectly by 2025 to meet the demands of the skills shortages in the rapidly growing European battery value chain. Following the success of the EBA Academy the EIT is extending this approach with the implementation of the **European Solar Academy**.

Building on the positive outcome of the independent external evaluation of the Initiative's pilot phase (2021-2024), the EIT Governing Board has endorsed in November 2023 the programme continuation until 2027 with a set of strategic recommendations, **signifying our commitment to further empowering HEIs so they can become engines of European innovation**. So far in years 2021-2023, as a result of the HEI pilot, **network of 458** organisations received EIT funding as full partners (including **322** higher education institutes and **136** industry partners, **509** partnerships were created, **40 000** students and staff were trained or mentored and **1 000** start-ups and scale-ups were supported. Re-shaping its model began early 2024, with the 4<sup>th</sup> Call for Proposals expected to be launched in Autumn 2024.

The Girls Go Circular programme is focused on eliminating gender bias in STEAM across Europe and increasing the participation of woman in these fields. Since its establishment in 2020, **over 38 000 young girls (14-19 years old)** have already benefitted from mentorship in digital and entrepreneurial skills in over 24 countries. Commissioner Gabriel announced the expansion of the programme in 2022 The expansion commenced in 2023 in order to make the programme accessible in all 27 EU Member States. The aim of the programme is to skill at least 40 000 young girls in secondary education in 2024.

In the course of 2023, the EIT Communities continued several successful **women entrepreneurship and leadership** projects, including the EIT Health Women Entrepreneurship Bootcamp, Strada – Empowering Women in Manufacturing, WE Lead Food. 2023 was also a year of successful expansion of the EIT Community women entrepreneurship and leadership initiative SUPERNOVAS, aiming at increasing women's presence in the European

entrepreneurship and investment ecosystem. The EIT target of 25% women CEOs/ Owners among EIT KICs-supported start-ups and scale-ups has been achieved at the EIT Community level.

### III. Regional Outreach

In 2023 the EIT further advanced implementation of its **EIT Regional Innovation Scheme agenda**. The most significant development in 2023 was the initiation of the roll-out of a new network of EIT Community RIS Hubs, which will cover all EIT RIS eligible countries and territories by the end of 2025. Six EIT Community RIS Hubs were in place by end 2023, covering North Macedonia, Latvia, Ukraine, Malta, Cyprus and Montenegro.

The unprovoked aggression of Russia's attack on **Ukraine** in February 2022 fundamentally changed European Union priorities and strategies in many areas. The EIT, as an EU body, fully stands behind the EU position condemning the invasion and expressing its utmost support to the people of Ukraine. Building on the support initiatives launched in the immediate aftermath of the Russian invasion in 2023 the EIT Community launched several bespoke Ukraine support activities aimed at nurturing Ukrainian talent by making it easier for them to access the opportunities offered by the EIT Community. The EIT Cross-KIC Strategic Regional Innovations Cluster spearheaded the EIT Community's support towards Ukraine, including a dedicated Ukraine Work package, which, inter alia, resulted in launching in December 2023 the EIT Community RIS Hub, physically located in Kyiv; a launch of the Jumpstarter ReBuild Ukraine Cohort, which helped to attract over 120 applications from Ukrainian start-ups to the 2024 EIT Jumpstarter edition; Red Kalyna programme recognising and giving visibility to highly promising Ukrainian female entrepreneurs, or the Founders2Founders initiative which offered training to 52 Ukrainian start-ups and SMEs. Beyond on the EIT Cross-KIC Strategic Regional Innovations Cluster, around 50 EIT activities were widened or specifically launched to support Ukrainian innovators including EIT HEI (41 supported Ukrainian participants), or Girls Go Circular (900 Ukrainian female students trained in 2023).

In 2023, the **Network of EIT National Contact Points (NCP)** further developed with 104 NCPs from 65 EU Member States, Horizon Associated countries, and Third countries.

### IV. Governance

The EIT sustained its administrative operations effectiveness and efficiency as its administrative budget for 2023 constituted 2.47% of the overall EIT budget managed in the financial year 2023.

The EIT kick-started preparations to taking over the **EUAN Troika** chairmanship in March 2024. In 2023, the EIT joined the Troika (the EUAN Executive Group) for a three-year mandate. The EIT will be chairing the network in collaboration with the other EU Agency based in Hungary, European Union Agency for Law Enforcement Training (CEPOL). The EU Agencies Network (EUAN) comprises of 51 EU agencies and EU bodies.

The EIT's work and results on bridging the gender gap was recognised by the EUAN - the EIT won the top prize of **the EUAN 2023 Diversity & Inclusion Awards**, with a special recognition for the EIT Women Leadership Award.

In September 2023, the EIT Governing Board decided to extend Martin Kern as **EIT Director** for additional four years.

As a mandate of four members of the GB will expire in June 2024, the EIT Governing Board launched **a selection procedure for up to four new members** on 24 July 2023. Following the resignation of Ms Maria Gabriella Colucci from the EIT Governing Board, submitted in August 2023, the call text was amended to select up to five new members of the EIT GB. As a result of the Call, the EIT received 307 eligible applications. Following the selection



procedure, the Board approved the list of shortlisted candidates for the position at the EIT GB meeting in March 2024. The shortlist of 15 candidates for the appointment of five new members of the Board was provided to the European Commission in April 2023.

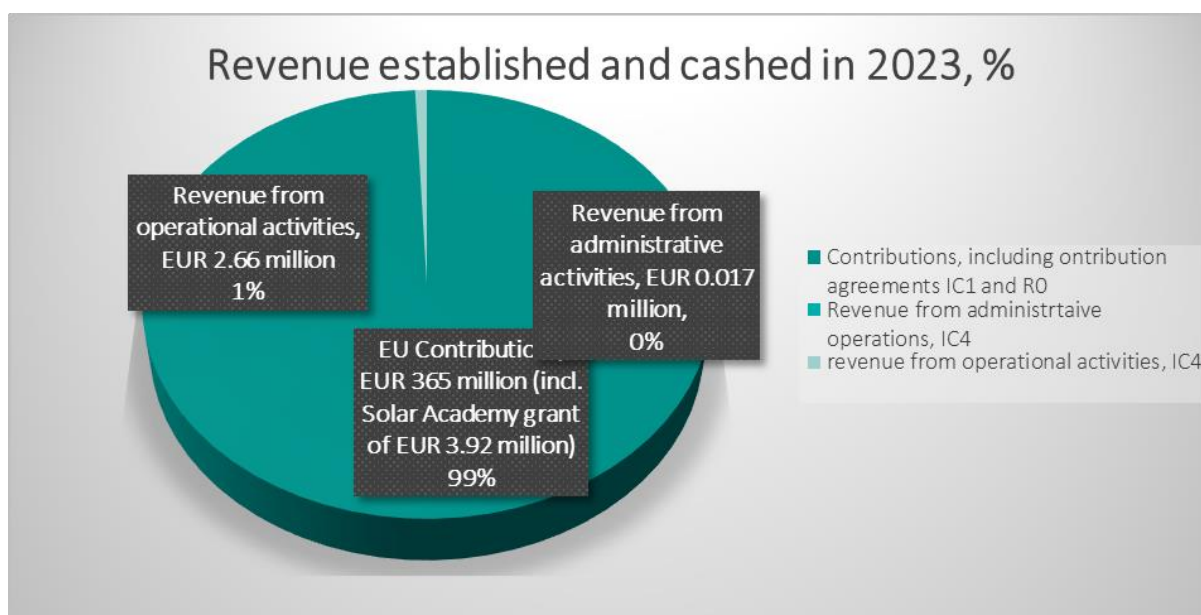
## 2.3 Budgetary and Financial Management

### Planning

The EIT's medium-term priorities were set out in its rolling Single Programming Document 2023–2025, which incorporates the annual work programme and financing decision for 2023. The Single Programming Document is adopted by the EIT Governing Board on the basis of proposals by the EIT Director following the opinion of the European Commission.

### Implementation of revenue

The EIT 2023 budget with an initial total amount of EUR 384,365,952 was adopted by EIT's Governing Board on 14 December 2022. EUR 2,781,387.59 was included in the budget for revenue from administrative and operational activities established and cashed in 2022 but carried over to 2023. Additionally, EUR 3,015,575.00 were carried over from 2022 to 2023 resulting from the contribution agreement concluded between the EIT and DG Employment, cashed in 2022.



Three budget amendments were approved for EIT's 2023 budget, hereby decreasing the EIT budget to EUR 367,607,241.07. The core budget modification was due to a combination of:

- Reduction of the payment appropriations under Title 3 Operational Expenditure, amounting to EUR 24,600,000.00 (releasing the third country contributions), due to the reported underconsumption by the EIT KICs of the awarded grants 2021-2022.
- An increase of the EFTA contribution rate with EUR 1,474,595, following the increase of the % allocated by EFTA countries to 3.54%.
- Following the conclusion of the contribution agreement, in Q4/2023, between the EIT and DG GROW, amounting for a total value of EUR 4,000,000.00, an increase in the operational budget was recorded.

EIT having cashed in 2023 an initial amount EUR 3,920,000.00 from DG GROW covering the action under the Solar Academy activities.

- An increase for revenue from administrative operations was recorded amounting for EUR 17,012.46.
- An increase of EUR 2,429,681.61 of revenue from operational activities was registered in same year 2023.
- The recovery from the Guarantee Fund was done because of the release of the final payment related to KICs grants 2021-2022, as well as following ex-post audits performed. The recovered amounts were related to three of the EIT KICs, as follows:
  - o EIT Food - EUR 1,507,660.35
  - o EIT Raw Materials - EUR 382,435.62
  - o EIT Manufacturing - EUR 479,350.84
- The total collected revenue from administrative operations (inscribed as C4-credits in 2023) was EUR, comprised respectively of: EUR 1,618.21 and EUR 15,394.25 in connection to recovery of schooling costs from EIT staff member.

### Implementation of expense

In 2023, the commitments made on all 3 titles of the EIT’s budget show a very good rate of implementation due to careful planning and regular review of the annual work programme.

The EIT administrative budget for 2023 constituted 2.47% of the overall EIT budget managed in the financial year 2023.

**Table: Budget 2023 implementation (C1 fund source).**

Title heading	Fund Source	CD/CND	Commitment appropriations	Commitments made	Impl. Rate	Payment appropriations	Payments made	Impl. Rate
Title1 Staff expense	C1	CND	8,317,894.00	8,203,711.03	99%	8,317,894.00	7,321,140.31	88%
Title 2 Administrative expense	C1	CND	1,417,930.00	1,388,526.19	98%	1,417,930.00	1,060,824.79	75%
Title 3 Operational expense	C1	CD	418,209,754.00	417,579,477.84	100%	351,504,723.00	330,691,982.79	94%
		<b>Sum:</b>	<b>427,945,578.00</b>	<b>427,171,715.06</b>	<b>100%</b>	<b>361,240,547.00</b>	<b>339,073,947.89</b>	<b>94%</b>

**Table: Budget 2022 implementation (C1 fund source).**

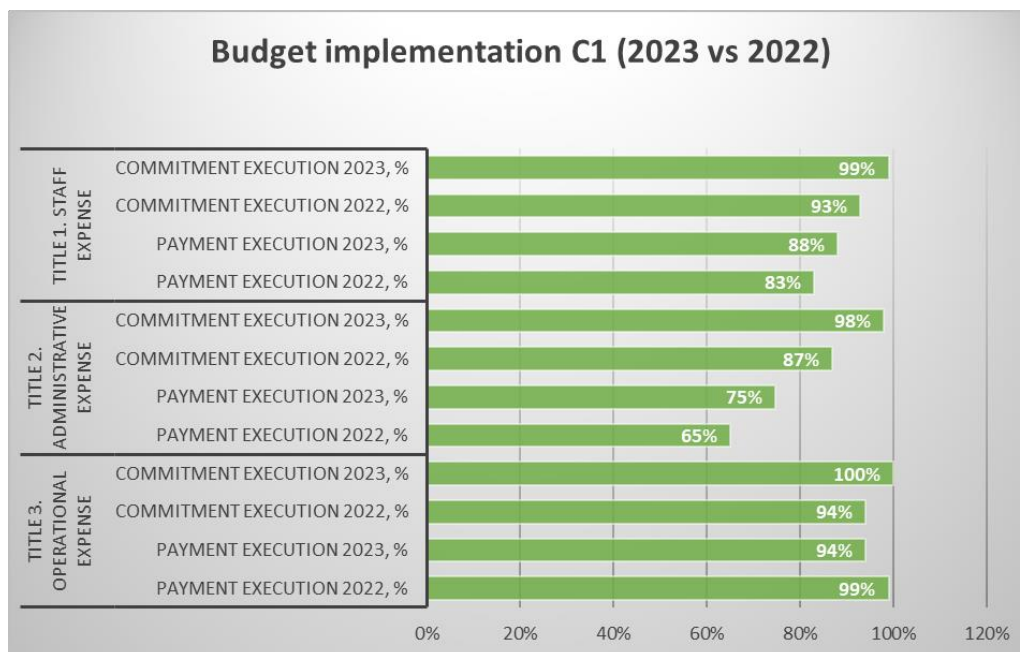
Title heading	Fund Source	CD/CND	Commitment appropriations	Commitments made	Impl. Rate	Payment appropriations	Payments made	Impl. Rate
Title1 Staff expense	C1	CND	7,410,250.00	6,912,902.39	93%	7,410,250.00	6,148,539.01	83%
Title 2 Administrative expense	C1	CND	1,024,330.00	895,045.45	87%	1,024,330.00	668,181.13	65%
Title 3 Operational expense	C1	CD	385,367,068.23	362,465,219.38	94%	427,749,652.45	422,465,026.15	99%
		<b>Sum:</b>	<b>393,801,648.23</b>	<b>370,273,167.22</b>	<b>94%</b>	<b>436,184,232.45</b>	<b>429,281,746.29</b>	<b>98%</b>

The commitment execution rate increased by 6%, reaching the level of 100%, however the payment execution has decreased by 4% in comparison to 2022 from 98% to 94%. This is due to the postponement of the conclusion of the HEI grant agreement amendment, which is expected to be finalised and paid in Q1/2024.

The administrative payments made on Title 1 Staff expense and Title 2 Administrative have registered and increase by 5% and 10% respectively, due to close monitoring of the in force contracts, and raising awareness amongst the operational initiating agents on importance of timely issuance of the invoices linked to services already provided. The relatively lower implementation rate for the payment appropriations on titles 1 and 2 is

due to the fact that the contractual periods with some companies continue the following year, therefore the payments at times cannot be fully implemented in the same financial year when the contracts were concluded.

The overall 2023 budget implementation versus the 2022 budget implementation is presented in the comparison chart below:



The appropriations stemming from assigned revenue collected during the financial year on all titles were not committed in 2023. The full amount of the non-committed and non-paid assigned revenue was carried over to 2023.

Table: Budget 2023 implementation (C4 fund source).

Title heading	Fund Source	CD/CND	Commitment appropriations	Commitments made	Impl. Rate	Payment appropriations	Payments made	Impl. Rate
Title1 Staff expense	C4	CND	17,012.46	0.00	0%	17,012.46	0.00	0%
Title 3 Operational expense	C4	CD	2,429,681.61	0.00	0%	2,429,681.61	0.00	0%
		<b>Sum:</b>	<b>2,446,694.07</b>	<b>0.00</b>	<b>100%</b>	<b>2,446,694.07</b>	<b>0.00</b>	<b>0%</b>

### Amendments and transfers

The EIT Director adopted three dedicated transfers of appropriations within the ceiling of 10% as follows.

Transfer No	Date of adoption	Main subject Description	Impact on commitment appropriations (EUR)	Impact on payment appropriations (EUR)
1 <sup>4</sup>	27 July 2023	The appropriations on budget line 2101 " Building and maintenance", 2201 " Communication equipment, services", 3111 "Strategic supervision, guidance", 3115 " Regional impact of	Title 2: 71,000.00  Title 3: N/A	Title 2: 71,000.00  Title 3: 385,000.00

<sup>4</sup> Ares(2023)5203684

		KICs <sup>5</sup> are not sufficient to cover the 2023 payments.		
2 <sup>5</sup>	15 September 2023	The budget estimates on budget line 1110 "Remuneration and allowances CAs", 1120 "Schooling", 1121 "Kindergarten", 1122 "Recruitment", 1200 "Agency staff" were too low in comparison of the business needs. The logistics expenses required an adjustment (cost of electricity and cost of transport as to cover the needs until the end of the year). The commitment appropriations on budget line 3204 "EIT Awards" were increased due to an unforeseen budgetary needs for an expert panel for the evaluation of the applications of the 2024 EIT Women Leadership Award.	Title 1: 354,000.00  Title 2: 42,000.00 12,200.00  Title 3: 32,850.00	Title 1: 354,000.00 25,000.00  Title 2: 42,000.00 12,200.00  Title 3: N/A
3 <sup>6</sup>	20 October 2023	The appropriation on budget line 1123 "Mission", 1200 "Agency staff", 1203 "Administrative Assistance", 2200 "IT software and hardware", 2302 "Transport costs", 2308 "Meeting expense", 2309 "Other administrative expense", 3202 "EIT label", 3206 "Monitoring and evaluation" were not sufficient to cover the business needs.	Title 1: 509,100.00  Title 2: 118,000.00  Title 3: N/A	Title 1: 509,100.00 Title 1: 118,000.00  Title 3: 71,000.00

## Final Budget

The 2023 final budget following the amendments and transfers has practically remained unchanged compared to the initial budget for commitments (0.004%). As regards the payments appropriations it decreased by 6% as regards the payments appropriations.

Table: EIT budget 2023

Column1	Column2	Column3	Column4	Column5	Column6	Column7	Column8	Column9
Title	Initial budget (EUR)	Amendments/Transfers (EUR)		Final budget (EUR)		Final budget (EUR)	% Variation	% Variation
	Commitment Appropriation	Payment Appropriation	Commitment Appropriation	Payment Appropriation	Commitment Appropriation	Payment Appropriation	Commitment Appropriation	Payment Appropriation
<b>Fund source C1</b>								
Title 1	8,079,294.00	8,079,294.00	238,600.00	238,600.00	8,317,894.00	8,317,894.00	3%	3%
Title 2	1,523,430.00	1,523,430.00	(105,500.00)	(105,500.00)	1,417,930.00	1,417,930.00	-7%	-7%
Title 3	416,696,385.00	374,763,228.00	1,513,369.00	(23,258,505.00)	418,209,754.00	351,504,723.00	0%	-6%
<b>Total C1</b>	<b>426,299,109.00</b>	<b>384,365,952.00</b>	<b>1,646,469.00</b>	<b>(23,125,405.00)</b>	<b>427,945,578.00</b>	<b>361,240,547.00</b>	<b>0%</b>	<b>-6%</b>
<b>Fund source R0</b>								
Title 3, R0 / EBA / DG EMPL	-	-	3,920,000.00	3,920,000.00	3,920,000.00	3,920,000.00		
<b>Total Contributions: C1, R0</b>	<b>426,299,109.00</b>	<b>384,365,952.00</b>	<b>5,566,469.00</b>	<b>(19,205,405.00)</b>	<b>431,865,578.00</b>	<b>365,160,547.00</b>	<b>1%</b>	<b>-5%</b>
<b>Fund Source C4</b>								
Assigned revenue*			2,446,694.07	2,446,694.07	2,446,694.07	2,446,694.07		
<b>Total C1, R0, C4</b>	<b>426,299,109.00</b>	<b>384,365,952.00</b>	<b>2,446,694.07</b>	<b>2,446,694.07</b>	<b>434,312,272.07</b>	<b>367,607,241.07</b>	<b>2%</b>	<b>-4%</b>
<b>Fund source C5</b>								
Carry over of unused appropriations from internal assigned revenues and (R0 and C5)			2,803,637.59	5,796,962.59	2,803,637.59	5,796,962.59		
<b>Total: C1, R0, C4, C5</b>	<b>426,299,109.00</b>	<b>384,365,952.00</b>	<b>2,803,637.59</b>	<b>5,796,962.59</b>	<b>437,115,909.66</b>	<b>373,404,203.66</b>		
<b>Fund Source C2 cancelled</b>								
Non-automatic carry over, by decision				3,069,757.71	-	3,069,757.71		
<b>Total: C1, R0, C4, C5, C2</b>			<b>-</b>	<b>3,069,757.71</b>	<b>437,115,909.66</b>	<b>376,473,961.37</b>		
<b>Fund Source C3</b>								
Non-automatic carry over, by decision			22,428,445.72		22,428,445.72	-		
<b>Total: C1, R0, C4, C5, C2, C3</b>			<b>22,428,445.72</b>	<b>-</b>	<b>459,544,355.38</b>	<b>376,473,961.37</b>		
<i>Note: The non-automatic carry over on decision for payment appropriation from 2022 to 2023, amounting for EUR 3,069,757.71 was not used, and therefore was lost on 31 December 2023. The non-automatic carry over on decision for commitment appropriation from 2022 to 2023, amounting for EUR 22,428,445.72 was fully used by 31 March 2023, as initially planned.</i>								

<sup>5</sup> Ares(2023)6259854

<sup>6</sup> Ares(2023)7157389

Title 1 “Staff expense” has increased with 3% due to the increase of the country correction coefficient for Hungary from 69.60% to 75.6% and with a further increase to 86.7% in December 2023, while Title 2 “Administrative expense” has decreased by 7%, due to postponement of the redesign of the EIT premises from 2023 to 2024.

While for the Title 3 “Operational Expense” for the commitments there has been an insignificant change, the decrease by 6% of the payment appropriations is mainly linked to the first multi-annual grant agreements concluded by EIT and its KICs (2021-2022 grant agreements). The balance payments that took place in 2023, resulted in an underconsumption in comparison to the initially forecasted figures. The EIT KICs reported lower costs.

The additional appropriations stemming from carryovers and assigned revenue increased the 2023 budget by 3% in commitments and by 3% in payments overall, linked mainly to the EUR 3,920,000.00 received from the European Commission, DG GROW, for support to the European Solar Academy as well as to the recoveries made from the KICs following ex-post audit verifications.

The key performance indicators (KPIs) applicable to the implementation of the budget are listed in the table below:

	KPI	Target	20223 result	2022 result	2021 result
1	Commitment implementation rate (C1)	95%	100%	94%	98%
2	Payment implementation rate (C1)	90%	94%	98%	99%
3	Commitment implementation rate for all non-grant related expense (C1)	95%	94%	93%	97%
4	Late payment rate	5%	5% <sup>[1]</sup>	5% <sup>[2]</sup>	7%
5	Execution rate of carried over amounts from 2022				
	Title 1 Staff expenditure	85%	75%	84%	89%
	Title 2 Administrative expense	85%	43%	75%	83%
6	Maximum rate of carryover to year N+1 of total commitments within title				
	Title 1	10%	10%	11%	8%
	Title 2	20%	24%	25%	26%
	Title 3	30%	30%	17%	33%
	<i>Average</i>		<i>30%</i>	<i>18%</i>	<i>33%</i>

The above performance indicators, which are used for internal monitoring and control, are important measurements of EIT’s budget management. It must be noted that KPIs 1 and 2 are critical, since a failure to meet the targets for the implementation of appropriations can impact the amount of EU contribution paid to EIT’s budget in the subsequent year.

The ceilings under KPI 6 are those applied by the European Court of Auditors for their audit work and are used for guidance only.

<sup>[1]</sup> For the calculation of the late payments rate, the late payments related to reimbursement of missions were excluded, since they are not under the remit of the EIT but fall under the responsibility of the PMO (out of the EIT’s control).

<sup>[2]</sup> For the calculation of the late payments rate, the late payments related to reimbursement of missions were excluded, since they are not under the remit of the EIT but fall under the responsibility of the PMO (out of the EIT’s control).

## Carry-over/re-entry from previous financial year(s)

### A) Automatic carry-overs of appropriations corresponding to obligations duly contracted in 2022 (C8)

Pursuant to Article 12(6) of the FFR, non-differentiated appropriations, corresponding to obligations duly contracted at the close of the financial year, are carried over automatically to the following year.

Table: Automatic carry-overs of appropriations (C8 fund source).

Official Budget Item	Description	Comm.Credits	Comm. consumed	% committed	Pay.Credits	Pay. Consumed	% paid
Title 1	C8	764,363.38	647,100.77	84.66%	764,363.38	576,130.86	75.37%
Title 2	C8	226,864.32	210,984.62	93.00%	226,864.32	98,034.03	43.21%
Total title 1 and title 2		991,227.70	858,085.39	86.57%	991,227.70	674,164.89	68.01%
title 3	C8	60,001,042.92	17,758,724.51	29.60%	0.00	0.00	0.00%
Total title 3		60,001,042.92	17,758,724.51	29.60%	-	-	0.00%

68.01% of the non-differentiated appropriations (Title 1 and Title 2 as for the administrative appropriations) which were carried over from 2022 to 2023 were paid.

**On Title 1** the execution was set at 75.37%. The lowest implementation rate (81.65%) concerns training expense. Various trainings organized by the European Commission in 2022 and early 2023 were not invoiced to the EIT in 2023, which resulted in a low implementation rate.

Only EUR 98,034.03 of the EUR 226,864.32 of the carried-over appropriations **on Title 2** were paid in 2023. The implementation was below 80% on building rental and maintenance expenses, as well as on IT, postage, and expenditure of the EIT Governing Board. It is difficult to estimate building-related costs, such as utilities due to their nature. In order to avoid further under implementation on the respective funds, the EIT introduced additional monitoring starting in January 2024.

**On Title 3** "Operational expenditure", EUR 60 million was carried over from 2022 to 2023. The KICs only absorbed the carry over grant amount of EUR 17,758,724.51, which also explains the relatively high under implementation rate of 29.60% on the Title 3. The EIT's Operations department, was further advised to improve the estimations of the carry forward amounts for budgetary commitments for the 2023-2025 and 2023-2024 grant agreements, as to avoid a similar situation at the time of grant balance payment in 2025 and consequently in 2026.

### B) Appropriations from assigned revenue automatically carried over from 2022 to 2023 (C5)

Appropriations of EUR 2,781,387.59 from assigned revenue cashed in 2022 but carried over to 2023 were committed and paid at a volume of 100%.

## RAL situation at the end of the financial year

### A) Automatic carry over of appropriations corresponding to obligations duly contracted in 2023.

The amount of the outstanding commitments as of 31 December 2023 was of EUR 128,192,750.59, which represents an increase in comparison with the financial year 2022 (+100%). The increase mainly relates to the initial stage of the implementation of the 2023-2024 and 2023-2025 KICs grant agreements in 2023. The amount of RAL for these transactions constitutes 123,841,966.15 EUR, which represents 96,61% of the total EIT RAL on C8 fund source.

Budget line Position	RAL	% Carry over
Title 1	790,383.91	9.63%
Title 2	327,701.40	23.60%
Title 3	127,074,665.28	30.43%
Total	128,192,750.59	30.01%

The high amount of RAL for Title 1 Staff expenditure comes mainly from the extension of the interim agents' contracts to the next financial year as well as contacting the services for organisation of the EUAN meetings in Budapest in relation to



EIT taking the chairmanship of the network in March 2024, and in anticipation of the Hungarian presidency of the EU Council (July-December 2024). On average, in 2023, the EIT carried forward 10% of commitments made under Title 1 budget lines, 24% under Title 2 budget lines and 30% under Title 3 budget lines.

On Title 3 Operational Expenditure, under budget item 3116 Other Grants, on top of the indicated above budget, the EIT also carried over the remaining commitment appropriations under the R0 fund source, following the conclusion of the action of the European Battery Alliance, amounting for EUR 1,067,619.25.

**On Title 1** the RAL rate of 10% is within the set ECA's ceiling. Largest part of the RAL amounting for EUR 356,819.05 (45%) for Title 1 Staff expenditure takes the interim staff long-term contracts, most of which were extended to the following year.

**On Title 2** the RAL rate of 24% still slightly exceeds the ECA's ceiling but is 1% lower than in 2022. Due to the nature of these expenditures and due to the contracts' duration, the amount of RAL is considered "normal". The outstanding amount of ICT expenditure comes mainly from the delayed delivery of IT and communication equipment. The outstanding amount on Building-related expense relates to utility cost for the Budapest -and Brussels offices, that are always invoiced in the following year. As for communication expense, the outstanding amount contains the December invoices for landline, mobile and internet services which are invoiced in January next year. The highest share of the outstanding amount corresponds to the annual internet service contract and the contract for secured line for accessing European Commission services.

The highest amount of RAL for **operational expenditure** (EUR 123,8 million, 97.5%) corresponds to KIC grants. In 2023 EIT concluded new multi-annual grants agreements, for 2 years for first wave KICs (Digital, Climate-KIC and

InnoEnergy) and 3 years grants for the rest of the EIT KICs. Due to the nature of the grants, and the fact that the payments are foreseen for a period of 2 to 3 year, the RAL has recorded a significant increase (+100%). Same applies for the EBA grant, which amounts for 2,993,325 EUR, however coming from R0 fund sources. The RAL amount under the budget line 3115 "Regional Impact of Knowledge and Innovation Communities" is due to contractual obligations with experts which were

Local Key	Description	Comm.Credits	Comm.Cons.
EITB-B2024-1120-C8-EIT	Schooling	75,547.24	75,547.24
EITB-B2024-1121-C8-EIT	Kindergarten	43,895.33	43,895.33
EITB-B2024-1122-C8-EIT	Recruitment	15,085.00	15,085.00
EITB-B2024-1123-C8-EIT	Mission	21,095.35	21,095.35
EITB-B2024-1124-C8-EIT	Medical expense	3,502.92	3,502.92
EITB-B2024-1125-C8-EIT	Training	9,591.09	9,591.09
EITB-B2024-1126-C8-EIT	Social activities	10,451.71	10,451.71
EITB-B2024-1127-C8-EIT	Representation	1,798.88	1,798.88
EITB-B2024-1200-C8-EIT	Agency staff	356,819.05	356,819.05
EITB-B2024-1201-C8-EIT	Secoded National Experts	44,902.32	44,902.32
EITB-B2024-1202-C8-EIT	Trainees	60,502.85	60,502.85
EITB-B2024-1203-C8-EIT	Administrative assistance	147,192.17	147,192.17
EITB-B2024-2100-C8-EIT	Building rental, acuisition	20,897.24	20,897.24
EITB-B2024-2101-C8-EIT	Building maintenance and security	117,213.93	117,213.93
EITB-B2024-2109-C8-EIT	Other buidling expense	15,556.37	15,556.37
EITB-B2024-2111-C8-EIT	Technical equipment rental, acuisition and associated cost	512.23	512.23
EITB-B2024-2200-C8-EIT	IT software and hardware exp	54,914.99	54,914.99
EITB-B2024-2201-C8-EIT	Communication equipment and services	35,017.03	35,017.03
EITB-B2024-2300-C8-EIT	Office Supplies	1,698.60	1,698.60
EITB-B2024-2301-C8-EIT	Postage and delivery	153.38	153.38
EITB-B2024-2302-C8-EIT	Transport cost	1,996.79	1,996.79
EITB-B2024-2306-C8-EIT	Expenditure related to GB	62,576.35	62,576.35
EITB-B2024-2308-C8-EIT	Meeting expenses	2,154.53	2,154.53
EITB-B2024-2309-C8-EIT	Other administrative expendit	15,009.96	15,009.96
EITB-B2024-3110-C8-EIT	Grants to Knowledge and Inno	123,841,966.15	123,841,966.15
EITB-B2024-3111-C8-EIT	Grants to Knowledge and Inno	417,856.00	417,856.00
EITB-B2024-3112-C8-EIT	Strategic supervision and guid	31,500.00	31,500.00
EITB-B2024-3115-C8-EIT	EIT Label	118,540.00	118,540.00
EITB-B2024-3202-C8-EIT	Brand management, commun	2,334,623.63	2,334,623.63
EITB-B2024-3203-C8-EIT	EIT Alumni	6,912.50	6,912.50
EITB-B2024-3204-C8-EIT	EIT Awards	32,850.00	32,850.00
EITB-B2024-3205-C8-EIT	International cooperation	9,000.00	9,000.00
EITB-B2024-3206-C8-EIT	Monitoring and evaluation of ir	266,567.00	266,567.00
EITB-B2024-3300-C8-EIT	Supporting the innovation cap	14,850.00	14,850.00
<b>Total:</b>		<b>128,192,750.59</b>	<b>128,192,750.59</b>

not all invoiced in 2023.

The outstanding amounts under the budget line 3111 “Strategic supervision and guidance” concerns mainly the contractual cost for audit and controls, taking place or to be conducted. It also relates to the cost of the experts recruited for the assessment of the KICs business plans amendment for 2024-2025.

Most of the RALs under the remaining budget lines relate to contracted experts and service providers, for which the contractual duration is longer and continues in the financial year 2024.

### b) Appropriations from assigned revenue automatically carried over from 2023 to 2024.

Pursuant to Article 12(4) of the FFR, unused appropriations from internal assigned revenue shall be carried over for one year only. At the end of 2023, an amount of EUR 2,446,690.07 for appropriations from internal assigned revenue related to recoveries mentioned in Section 3.1. (Recoveries of KICs-related expense or administrative expense) had not been consumed in 2023, therefore, the unused amount was automatically carried over to 2024. In same context the EIT carried over the R0 revenue in connection to the actions on European Battery Alliance and Solar Academy, amounting for 3,942,500.00 EUR on commitment appropriations and amounting for EUR 5,009,869.25 on payment appropriations.

**Table: Automatic Carryover on Commitment and payment appropriations from 2022 to 2023.**

Title heading	Fund Source	CD/CND	Commitment appropriations	Commitments made	Impl. Rate	Payment appropriations	Payments made	Impl. Rate2
Title1 Staff expense	C4	CND	17,012.46	-	-	17,012.46	-	0.00%
Title 3 Operational expense	C4	CD	2,429,681.61	-	-	2,429,681.61	-	0.00%
Title 3 Operational expense	R0	CD	3,942,500.00	-	-	6,935,575.00	1,925,705.75	27.77%
		Sum:	6,389,194.07	0.00	0%	9,382,269.07	1,925,705.75	20.52%

### c) Unused appropriations carried over from 2023 to 2024 on decision.

Appropriations, which have not been used by the end of the financial year for which they were entered, shall be cancelled. However, commitment and payment appropriations can be carried over, upon decision of the EIT Governing Board and under certain conditions.

The EIT Governing Board adopted in its Decision No 1/2024 of 29 January 2024<sup>7</sup>,

1. the carry-over of commitment appropriations of EUR 400,000.00 in respect of amounts needed to cover the prize allocation for the EIT awards (committed in February 2024). The EIT initiated the work as regards the organisation of the EIT Awards 2024, already in early 2023, with publication of the list of nominees in November 2023, and finalised the awarding process in February 2024 and
2. the carry-over of payment appropriation of EUR 20,575,093.98 which shall cover the existing commitments made for the multi-annual grant agreements of the Knowledge and Innovation Communities for the period 2023-2025, where the payment appropriations provided for in the relevant budget lines for the following financial year are insufficient, consuming firstly the fresh payment appropriations authorised for 2024.

## Reporting

Budget execution was reported to EIT Management on a quarterly basis with deviations from budget execution targets by budget chapters, thereby identifying mitigating actions if and when needed. In addition, the implementation of the EIT Annual

<sup>7</sup> Ares(2024)704349



Work Programme was continuously monitored. These allowed for corrective actions to be taken where needed to optimise the utilisation of available human and financial resources.

## 2.4 Delegation and sub-delegation

The mechanism of delegation is set up through an Internal Note and EIT Decision 68/2022 of 08 October 2022, signed by the EIT Director which identifies the responsibilities per budget lines and the need to put in place financial circuits in compliance with the organisational structure and control systems and procedures suited to the performance of his duties in order to implement the EIT activities.

The EIT Director acts as Authorising Officer. In line with the EIT Financial Regulation, the Authorising Officer has delegated his power of implementation of revenue and expenditure to Heads of Operations up to the amount of EUR 140 000 and to the Head of Units up to the amount of EUR 60 000<sup>8</sup>. Subdivision of a single operation with a view to evading application of any upper limits is prohibited. The only exception is applicable for the transactions related to salaries, as the Head of Administration Unit has unlimited rights on salary budget lines. In the absence of the Head of Administration Unit, the EIT Director acts on transactions related to salaries. Delegations are granted without time limits. The function of Authorising Officer by sub-delegation is not applicable. Co-delegation is applied on a limited number of budget lines.

Deputation for AOD is regulated via requests by the AOD for periods longer than three working days. The request shall indicate material transactions expected during the period for deputation. On a quarterly basis, each AOD reports to the AO on the implementation of appropriations he/she is responsible for.

## 2.5 Human Resources (HR) Management

### Recruitment

A total of 5 external selection procedures were launched in accordance with the EIT recruitment guidelines in 2023. A further 4 selection procedures, consulting the EPSO database, were conducted. A total of 7 selection procedures were completed over the course of 2023. It took an overall average of 4.78 months to complete these selection procedures, from the deadline of the vacancy notice to the establishment of the reserve list. The EIT continues to strive to create efficiencies in the areas of recruitment, e.g., carrying out interviews online and outsourcing the organisation of tests to an external service provider.

One traineeship call was successfully launched in 2023 to attract young and motivated talent to the EIT. Over the course of 2023, a total of 20 young professionals participated in traineeship opportunities at the EIT (either starting or completing their traineeships in 2023).

In 2023, the EIT proceeded to procure interim services<sup>9</sup> to cover long-term absences, projects and peak workload, where identified, following the adoption of a new interim framework contract in July 2023. A total of 13 interim service contracts were successfully concluded or extended in 2023.

### Learning & development

At the end of every year, the HR section proposes to the EIT management a training map programme that enables Heads of Units to identify the needs and requests of staff members working within their units, and to identify areas of weaknesses or poor performance and best solutions to addressing performance problems.

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<sup>8</sup> Ares(2023)45230 of 10 January 2023

<sup>9</sup> EIT has concluded a framework contract for interim services in 2023.

By adopting a training map programme before the end of the year, Heads of Units are able to use it as a tool to improve the general performance of the Unit as well as to plan the general objectives of the Unit directly linked to the content of the training.

The aforementioned training map is mainly targeted at in-house learning activities. It allows for the development of trainings that are tailor-made to the needs of the Agency and specifically the needs of EIT staff members.

In 2023, most trainings were offered online. Examples of the general trainings which were offered to staff included: Ethics & Integrity, Anti-fraud, Access to Documents, , Data Protection, , IT Security Awareness, Artificial Intelligence and Cybersecurity training, as well as trainings on procurement (e.g. PPMT). In addition, regular awareness sessions were held in 2023, addressing topics in the fields of effective innovation investments and financial sustainability.

### Staffing situation

Out of the 72 posts allocated according to the 2023 establishment plan, 66 posts were filled as of 31 December 2023<sup>10</sup>. Out of the 6 posts that were vacant on 31 December 2023, 1 was TA (AD) position, one was a TA (AST), and 4 were CA positions. While recruitments are ongoing, the vacant positions are typically filled by interim staff.

## 2.6 Strategy for efficiency gains

The EIT has been striving to achieve efficiency gains for many years now in order to address its structural under-staffing, which has been confirmed by the European Court of Auditors. The EIT introduced several dedicated IT systems to improve the efficiency of budget planning and to introduce paperless finance workflows. In 2017-2019, the EIT introduced the Commission IT tools such as ARES for document management, SYSPER for HR management, and outsourced its Accounting Officer function to the European Commission. In last years, new IT tools supporting EIT administrative operations were launched with the ultimate objective of increasing the operational efficiency and effectiveness of the organisation. These include the procurement tool PPMT, Q-Sign (electronic signature), and the introduction of various modules of SYSPER.

The EIT has successfully continued to maintain a highly competent and high performing staff. This is due to consistent improvements of its recruitment practices, but also substantial efforts regarding staff management and staff retention through the recent reorganisation, an improved work environment, efficient and effective ways of working, and the introduction of impactful social policies.

The EIT uses several of the Commission's framework contracts for ordering services to achieve efficiency gains in its procurement activities. In addition, the EIT has a Memorandum of Understanding with CEPOL, also located in Budapest, covering several joint activities like. In 2023, CEPOL helped the EIT prepare for taking up and co-chairing the European Union Agency Network Troika.

In 2023 the EIT signed a Service Level Agreement (SLA) with the European Union Agency for Fundamental Rights, appointing the FRA Accounting Officer as the Accounting Officer of the EIT as of 01 October 2023.

Several new operational activities including development of the KICs' joint IT platform and preparations for EIT InnovEIT 2024 were further outsourced to the KICs.

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<sup>10</sup> This includes offer letters accepted by 31/12/2023.

Furthermore, in 2023, the EIT implemented the following actions with a view to achieving further efficiency gains and successfully implementing its work programme in the new programming period 2021 -2027:

- Focused recruitments and retraining to address capacity gaps (e.g., investment, entrepreneurship, education, competence), including strengthened management capacity, mobility, and diversity
- Further outsourcing of some activities via experts, consultants, shared services, and cross-KIC
- Sharing services with other agencies or outsourcing some services (e.g., IT security, EUAN Chair, etc.).
- Wider and targeted use of interim and intra-muros staff and trainees.

Despite all efforts the staffing situation was not sustainable in the long run. To be able to effectively carry out the new tasks resulting from the reinforced the EIT Strategic Agenda 2021-2027 and enhanced the EIT’s mandate, the significant growth of new tasks over the past years, including tasks from the New European Innovation Agenda, which was adopted in July 2022, the EIT requested the approval of 10 additional establishment plan posts from 2024 onwards. For 2023, no additional posts were granted to the EIT, but following the ad-hoc meeting that took place on 27 March 2024 between DG EAC, DG BUDG and the EIT regarding the EIT’s staffing situation, the European Commission communicated that the 4 additional posts financed from third country contributions were granted. This would not fully address the resource gap, but substantially support the EIT’s annual plan implementation and enhance the EIT’s impact.

## 2.7 Assessment of audit results and ex-post evaluations during 2022

### 2.7.1 Internal Audit Service (IAS)

In April 2023 IAS completed its Strategic Internal Audit Plan (SIAP) for the European Institute of Innovation and Technology (EIT) for the period 2024-26. The SIAP is based on the results of EIT’s risk assessment which consisted of remote audit work, including meetings and interviews with the EIT staff carried out in December 2022, a desk review of the information available and documents provided by the EIT. Follow up requests for additional information and further interviews were carried out in February 2023. The SIAP outlined three areas of potential high risk and high impact on the EIT office and programme, respectively:

Identified areas	Year of planned review by IAS
Audit on the EIT process for selection of new Knowledge and Innovation Communities (KICs)	2024
Audit on Physical and IT security	2025
Audit on EIT monitoring arrangements for the implementation of the business plans by the KICs	2026

The IAS audit on management of experts in the European Institute of Innovation and Technology (EIT), carried out in 2022 was concluded in April 2023. The objective of the audit was to assess if the internal control system set-up for the expert management process (selection, contracting and payment) in the EIT:

- is adequately designed and effectively implemented to ensure that the experts selected adhere to the criteria (in terms of experience, skills, knowledge, and independence) defined for the fulfilment of their tasks.
- ensures compliance with the applicable rules.

The scope of the audit covered the assessment of the applicable rules, procedures and guidelines and controls in place to: identify the experts' profiles sought (drafting requirements, accessing relevant databases, etc.); select the experts in the EIT; monitor the selection of experts by the KICs; identify and manage possible (perceived) conflict of interests; ensure the rotation of experts; design and administratively process contracts including the experts' remunerations, and reimbursement of travel and subsistence costs, monitor and supervise the work of experts, ensure consistency in the way contracts are managed and weaknesses addressed.

The EIT reviewed IAS report, which included 5 observations, within the allocated timeframe, and proposed an Action Plan consisting of 19 actions, corresponding to the IAS observations and respective underlying risks. The Action plan was formally accepted by IAS in July 2023, and is currently being implemented by the EIT.

The Internal Audit Service communicated on its contribution to the 2023 Consolidated Annual Activity Report process of the European Institute of Innovation and Technology (EIT). According to the communication from 28 February 2024, there was one significantly delayed and open recommendation. The recommendation was a follow up of the Human Resources Management audit from 2021. The recommendation categorised as important concerned the appraisal and reclassification exercise. The implementation of the recommendation has been delayed by 22 months as of 31/01/2024. The following risks were indicated: risk of the appraisal and reclassification exercises being carried out with large delays and becoming ineffective and lose relevance; risk of incorrectly justified management decisions being erroneous and challenged in review procedures or before the court; risk of staff dissatisfaction and demotivation due to fast reclassification of some staff members; risk of the Joint Reclassification Committee not fulfilling its role which makes the review procedure ineffective; risk of the reclassification exercise as a whole as well as the review mechanism (safeguard) in particular losing its credibility for the staff and resulting in demotivation. EIT is currently working on meeting the requirements of this open observation, it is planned to be closed within 2024.

## 2.7.2 Internal Audit Capability (IAC)

By means of the Governing Board Decision 12/2022 on the improved EIT audit environment and transition of the Internal Audit Capability (IAC) 2022, the IAC function at the EIT was abolished with date of effect 1 April 2022, after which, the IAC function was transformed into an additional capacity to monitor KICs.

Currently the internal auditing function is performed by the Commission's internal auditor (Internal Audit Service), whose tasks include assessing the suitability and effectiveness of internal management systems and the performance of units in implementing programmes and actions by reference to the risks associated with them and assessing the efficiency and effectiveness of the internal control and audit systems applicable to each operation for implementation of the budget of the EIT. Furthermore, the role of the Internal Control Coordinator has been consistently strengthened, and its tasks include coordinating internal control activities and reporting at the EIT, including implementation of the audit recommendations; coordinating audits (inputs) and liaising with external auditing bodies; coordinating the risk management function for the office, and contributing to the financial and operational management in the area of responsibility, including procurements, implementation of contracts, payments and reporting.

The transition of the current setup included a handover of the pending IAC recommendations, based on the IAC audits performed by July 2022. The EIT committed to close all pending IAC recommendations. As at end of 2023, EIT had managed to close 189 out of 206 recommendations overall. A large part of the remaining recommendations are pending final actions, and progress has taken place on all recommendations, as a result of which no pending recommendations are classified as "critical" and only one is classified as "very important". It is expected that all pending 17 recommendations will be closed in the course of 2024 (see table below).

Rating	Rec. accepted	Closed in previous years	Closed now	Closed in total	Current rating of open issues
Critical	12	8	0	8	0
Very imp.	64	28	1	29	1
Important	63	43	5	48	5
Desirable	67	65	17	82	11
Merged or obsolete			22	22	
Total	206	144	45	189	17

## 2.7.3 European Court of Auditors (ECA)

### Financial (discharge) audit on year 2021

The European Court of Auditors published its annual audit report on the EIT on 27 October 2022, **issuing an unqualified (clean) opinion stating that** *“the EIT’s accounts present fairly, in all material respects, the EIT’s financial position as of 31 December 2021 and the results of its operations, its cash flows, and the changes in net assets for the year then ended, in accordance with its Financial Regulation and with accounting rules adopted by the Commission’s accounting officer. These are based on internationally accepted accounting standards for the public sector”*. In the opinion of the ECA *“the revenue underlying the accounts for the year ended 31 December 2021 is legal and regular in all material respects”* and *“the payments underlying the accounts for the year ended 31 December 2021 are legal and regular in all material respects”*<sup>11</sup>.

Based on the audit report, the CONT Committee of the European Parliament voted, on 05 April 2023, **in favour of granting discharge to the Director of the EIT in respect of the implementation of the EIT budget in 2021.**

### Financial audit on Year 2022

The European Court of Auditors published its annual audit report on the EIT in October 2023, **issuing an unqualified (clean) opinion stating that** *“the EIT’s accounts for the year ended 31 December 2022 present fairly, in all material respects, the EIT’s financial position as at 31 December 2022, the results of its operations, its cash flows, and the changes in net assets for the year then ended, in accordance with its Financial Regulation and with accounting rules adopted by the Commission’s accounting officer. These are based on internationally accepted accounting standards for the public sector.”*. In the opinion of the ECA *“the revenue underlying the accounts for the year ended 31 December 2022 is legal and regular in all material respects”* and *“the payments underlying the accounts for the year ended 31 December 2022 are legal and regular in all material respects”*<sup>[1]</sup>.

Based on the audit report, the EIT expects that the CONT Committee of the European Parliament will vote in favour of granting discharge to the Director of the EIT in respect of the implementation of the EIT budget in 2022.

<sup>11</sup> Annual report on EU agencies for the financial year 2021 (europa.eu)

## Pending ECA observations and EIT's response

### ECA Audit on Year 2022

No	ECA's Observation	EIT's Response
1	The legality and regularity of the EIT's grants, which constitute 98 % of EIT's budget, was verified ex-post by an independent external auditor. For the 2021 grants, the EIT established an error rate of 1.73 %. However, unlike in previous years this error rate was not disclosed in the EIT's 2022 annual activity report due to the late conclusion of the annual exercise for its calculation.	EIT takes note of this observation and will ensure to disclose its best estimate for error rate in the annual activity report.
2	For a software renewal order, the EIT did not carry out an ex-ante verification to confirm whether the contractor had charged the correct price and uplift fee, as set out in the applicable framework contract. This is contrary to the provisions of Article 30 of the EIT Financial Regulation on ex ante controls and creates a risk that the EIT will pay incorrect amounts for the services obtained	EIT takes note that from a risk-management perspective EIT could apply additional measures and as prescribed by ECA, in order for EIT to assess any price-related risk, it will require a breakdown from the contractor when requesting an offer, which would clearly indicate the price and the markup.
3	Twice in 2022, the EIT paid interest on late payments in relation to grants. In one case, for a payment of €39.5 million, delayed by three days, the interest amounted to €11 368 and in the other, for a payment of €3.2 million, delayed by 67 days, the interest amounted to €20 702. In both cases, the EIT did not adequately monitor the regulatory deadlines, which demonstrates a weakness in the EIT's payment workflow.	While the EIT accepts the observation, it is important to note that a combination of payment-specific circumstances, aggravated by the lack of integrated grant management, the circumstances led to a delay of 67 days in releasing the amount of €3.2 million from the Horizon 2020 Guarantee Fund. As of 2023, the EIT has reviewed its grant management processes, trained relevant staff and is using the Commission's grant management IT system (eGrants), thereby significantly reducing the likelihood of the occurrence of a similar error in the future
4	For three audited administrative payments (amounting to €337,116), the EIT authorised the budgetary commitments only after the related legal commitments were signed. This goes against Article 73 (2) of the Framework Financial Regulation. We had a similar observation in our 2021 report.	The EIT has taken note of the ECA recommendation and will take additional measures to ensure full compliance with Article 73(2) of the Framework Financial Regulations, i.e. dedicated staff information sessions, update of the procedures in place and strengthening of related internal controls

## Follow-up of previous year's observations

No.	Year	ECA's observation	EIT's response
1	2016/19	The increase in the EIT's budget and the growing number of Knowledge and Innovation Communities to oversee have not been accompanied by a respective increase in the number of posts.	This is not within the EIT's control. The EIT's mandate, budget (€3 billion) and tasks have grown further under Horizon Europe, while requests by the EIT for additional staff resources have been declined by the EU budgetary authorities. The EIT requested 10 posts for 2024 to increase its current staffing level, which is fixed at 72 posts in the establishment plan.
2	2021	Please see Observation 4 in the previous table	

<sup>[1]</sup> Annual report on EU agencies for the financial year 2022 (europa.eu)

## 2.8 Follow up of recommendations and action plans for audits and evaluations and recommendations issued following investigations by OLAF.

Two recommendations were issued by OLAF in 2022, following two different investigations. One out of two recommendations were implemented in the course of 2022. As regards the remaining recommendation and as outlined in the OLAF report, the EIT initiated, in January 2023, the process of recovering the identified amount from the beneficiary. However, the beneficiary contested the amount due, even after a recovery order was issued DG BUGD has been consulted to explore potential solutions and offsetting options for the outstanding claim. As the claim remains unresolved, the EIT is considering including the beneficiary in the Early Detection and Exclusion System (EDES).

## 2.9 Follow up of observations from the Discharge authority.

In response to the European Parliament decision on discharge in respect of the implementation of the budget of the EIT for the financial year 2021, the EIT informed the Discharge Authority of follow-up actions taken and progress made in respect of observations made by the European Parliament. The following actions have been taken in order to address the observations of the European Parliament (observations are presented here-below per status of implementation):

Ref	Observation of the Discharge Authority	Response and measures taken by the Agency

4	<p>Notes that the Institute uses a system of key performance indicators associated with the Institute's KICs; notes that, as in the previous years, the KICs did not fully use the grant amounts awarded by the Institute;</p>	<p>The EIT continues efforts to steer the KICs towards measurable and more impact driven activities by using the EIT Framework Impact. The EIT Governing Board approved the EIT KPIs in 2021. The decision was revised based on the lessons learnt in 2022 (Decision 8/2022). The latter decision complements the GB Decision on the EIT Monitoring and Evaluation Strategy (07/2022). The Framework integrates pathways (short to medium-term results) towards the impacts which are expected to be created by the EIT and KICs as per the EIT's Strategic Innovation Agenda. The EIT performance and its progress in achieving the strategic objectives is reported in the EIT Consolidated Annual Activity Reports and Single Programming Documents.</p> <p>The EIT expects that the absorption capacity of the KICs will significantly increase since the EIT introduced in 2022 three-year grant agreements (for years 2023-2025), which provide KICs with more flexibility to use the grant amounts awarded as this has become possible for the EIT under Horizon Europe.</p>
8	<p>Regrets the lack of gender balance within the Institute's senior and middle management positions, namely five out of six (83 %) men; notes the gender representation within the Institute's management board, with 9 out of 15 (60 %) being men, and within the Institute's overall staff, with 35 out of 63 (56 %) being women; notes the Institute's commitment to implement its gender action plan, with a series of activities organised in 2021, such as the cross-KIC programme dedicated to women's entrepreneurship and leadership and the dedicated project 'Girls Go Circular' to increase the participation of women in areas of science, technology, engineering, and mathematics; calls on the Institute to take concrete measures to improve gender balance at all levels of hierarchy as soon as possible and report back to the discharge authority</p>	<p>The EIT acknowledges the high importance of gender balance at all levels of decision making and strengthens efforts to increase the participation of women in managerial positions.</p> <p>In response to the call of the Discharge Authority, the EIT increased its gender mainstreaming efforts. In December 2022, the EIT adopted the Gender Equality Policy and Action Plan with two overarching objectives:</p> <ul style="list-style-type: none"> <li>– Strengthening the role of the EIT in the innovation community, in promoting gender equality, women's entrepreneurship and leadership;</li> <li>– Achieving gender equality at the EIT, including gender balance at all levels among EIT Staff;</li> </ul> <p>To further confirm its commitments in this area, in June 2023, the EIT has adopted the EUAN Charter of Diversity and Inclusion. As of 1 November 2023, there are 3 women (37.5%) and 5 men (62.5%) in the management of EIT.</p> <p>Besides the highly popular Girls Go Circular programme of the EIT at school level, which is now available in all EU Member States and also in Ukrainian, the EIT has launched further programmes. To promote women entrepreneurship and leadership among its Knowledge and Innovation Communities, in May 2022, the EIT Community launched a dedicated programme called Supernovas. It intends to complement and expand the efforts of KICs involved in supporting women entrepreneurship and leadership by proposing a transversal approach to enhance the presence of women in key roles of the entrepreneurship and innovation ecosystem in Europe, not only as nascent entrepreneurs, but also in other key decision-making roles shaping entrepreneurship and innovation for the future. The programme envisages to empower woman-led start-ups, enable women to join the early-stage funding industry and inspire role models across the sector.</p>



11	<p>Notes the Institute’s considerable increase of workload in 2021 as well as new tasks linked to the Institute’s extended mandate under Horizon Europe; notes, however, that the increased mandate and tasks were not accompanied by any new staff resources, leading to a critical understaffing situation putting at risk the implementation of the Institute’s multiannual work programme as well as the assurance on the managed funds; notes that, as a consequence, the Institute’s administrative costs are very low, at 2 % of its total budget compared to an average 4,6 % under Horizon 2020; notes in this context the risk of non-implementation of all core elements of the Institute’s annual work programme; notes that the insufficiency of the Institute’s staff and the risks thereby entailed were addressed by Institute’s governing board which, at the end of 2021, endorsed the reorganisation of the management of the available resources, with a revision of the Institute’s structure and organigram to take place in 2022; highlights the fact that the Institute, after being declined a first request for additional posts for 2021 and 2022, reintroduced a request for 10 additional posts in 2022; acknowledges the need for the alignment of the Institute’s resources with the new mandate expectations; recalls that not meeting the staff requirements increases the risk of errors and irregularities and thereby also causing potential damage to the sound financial management of the Union budget;</p>	<p>The critical risks due to structural understaffing of the EIT remain valid and have increased due to the increased budget, mandate and activities, which the EIT has to deliver under Horizon Europe. In the light of an increase of its budget and of the number of KICs, the EIT may not be able to maintain its supervision and monitoring of KICs at the necessary level in the future and runs the risk of increasing error rates and non-detected irregularities. It also creates non-sustainable risks to EIT’s staff health and well-being given the increasing workload. The EIT Director therefore continue urgently calls upon the EU institutions to effectively address the structural understaffing of the EIT compared to its budget and mandate, which was confirmed by independent auditors, including the European Court of Auditors and the Commission’s Internal Audit Service.</p> <p>The EIT will continue to attempt to mitigate these risks through actions within its control such prioritisation, efficiency gains and further outsourcing of tasks to interim staff and experts, where this is feasible. However, as these actions are not sufficient to address the structural understaffing situation, some of the EIT’s operational activities will have to be decreased and postponed in 2024 even if it creates negative operational and reputational impact for the EIT.</p> <p>In the light of the above, the EIT reiterates its request included in the draft Single Programming Document 2024-2026, which was adopted by the EIT Governing Board in early 2023 to receive the additional 10 staff positions, which would allow it to deliver on its 2024 work programme with a view to deliver the fully impact through Europe’s largest Innovation Ecosystem.</p>
12	<p>Recalls the importance of developing long term human resources policy on work-life balance, lifelong guidance and the offering of specific training possibilities for career development, achieving gender balance at all staff levels, teleworking, the right to disconnect, the enhancement of geographical balance to ensure an appropriate representation from all Member States, and the recruitment and integration of people with disabilities, as well as ensuring that they are treated equally and that their opportunities are widely promoted.</p>	<p>Human resources policy: Staff wellbeing/ work-life balance - EIT management continuously works with the Staff Committee, in order to advance further on the agenda for post-COVID improvement of the work-life balance. Notable elements in this regard include but are not limited – introduction of the Commission decision on hybrid mode of work, further list of social measures to be introduced in 2023 that would improve staff’s wellbeing; adopting a long-term plan for improvement and re-design of the office. EIT has an established schooling policy for staff members, which covers the enrolment of their children in international kindergartens, elementary and secondary schools as well as school transport costs. In addition, the EIT covers public transport costs of EIT staff members to encourage commuting without cars. Currently the EIT has established a taskforce to implement 15 additional social measures and ways of working proposed by the Staff Committee, several of which promote a healthier lifestyle (e.g. provision of healthy food, subsidise EIT sports activities), mental wellbeing (make available a psychologist) as well as physical well-being (annual health check up at the city of the seat of the Agency).</p>

		<p>EIT has adopted and implemented its annual Training Plan which offered different learning and training activities, for all staff as well as for target audience, and in compliance with the office and individual staff needs. Recent trainings completed include cybersecurity, use of AI tools and innovation management, to develop staff skills and competences in priority areas.</p> <p>Regarding the achievement of gender balance please refer to the EIT reply for point no 8 above.</p> <p>In addition, following the 2022 assessment, the focus of the EIT's Internal Control Framework as proposed by the ICC is Principle 04. The EIT demonstrates a commitment to attract, develop, and retain competent individuals in alignment with objectives. EIT completed a reorganisation in mid 2022 to deliver on the SIA 2021-2027 . Therefore, additional effort is needed to attract, develop, and retain competent individuals. There is a clear need for intensifying continuous training and coaching during the transition period. The EIT has in 2023 progressed towards further staff diversity by elevating the % of women in management positions at the EIT and increase the geographical diversity of both the management team and overall staff. In terms of the integration of persons with disabilities, EIT will as first step encourage applicants via its future vacancy notices, while more actions will be designed in the future.</p>
14	<p>Notes from the Court's report that, for two audited payments, the Institute had authorised the related budgetary commitments only after the contract was signed; notes the Court's observation that this was in breach of Article 73(2) of the Commission Delegated Regulation (EU) 2019/7151; notes from the Institute's reply that, from 2023, the Commission's standard Horizon Europe IT tool will be used to manage grants, where appropriate internal controls preventing similar errors are embedded in the system; further notes the Institute's commitment to updating its standard operating procedure for financial circuits in order to reflect the necessary changes; calls on the Institute to report on the progress in this matter to the discharge authority.</p>	<p>The EIT has introduced several mitigating steps to ensure that all EIT budgetary commitments are authorised in alignment with the Article 73(2) of the Commission Delegated Regulation (EU) 2019/7151, such as:</p> <ul style="list-style-type: none"> <li>– Raising awareness on the financial rules and regulation to the EIT staff members through regular dedicated training sessions;</li> <li>– Use of the Commission IT tools for grants and experts, thus reducing human error;</li> <li>– Increasing the internal control measures on budgetary commitments monitoring by: a dedicated 1 FTE to budget management;</li> <li>– Quarterly budgetary reviews with implementing units, with a dedicated review on budgetary commitments;</li> <li>– EIT updated the financial standard operation procedure on budgetary commitments;</li> <li>– Work is ongoing on updating the SOP on experts 'management, in alignment with IAS recommendations.</li> </ul>
17	<p>Welcomes the fact that the Institute remains one of nine agencies that have introduced their own internal rules governing the activities of the members of their boards, which go beyond the minimum legal requirements on potential revolving doors situations; notes, in particular, that, under the Institute's code of good conduct, members of the boards are prevented from taking any position, paid or unpaid, in any businesses, research centres or universities participating in the Institute's KICs or receiving Institute grants,</p>	<p>The EIT acknowledges this request and will ensure that the discharge authority is kept informed on the implementation of the rules governing the activities of the members of their boards.</p>

	<p>for two years after leaving their post; further notes that the Institute drafted a policy on access to confidential information for staff leaving and a guidance of postemployment restrictions and prohibitions; calls on the Institute to keep the discharge authority updated about the implementation of the policy;</p>	
18	<p>Insists on the need to put in place more systematic rules on transparency, incompatibilities, conflicts of interest, illegal lobbying and revolving doors; calls on the Institute to strengthen its internal control mechanisms, including the setting up of an internal anticorruption mechanism;</p>	<p>The EIT acknowledges the need to strengthen its internal mechanisms in the referred fields. Therefore, by the end of 2023: the EIT will issue a new policy by the end of 2023 for assessing post-employment restrictions and prohibitions for staff. This new policy will also put in place procedures to suspend immediately access to confidential information for staff known to be moving to another job. The new policy will be mainly targeted to senior staff of the EIT. It will spell out those positions that are forbidden from taking up after their term of office as well as the criteria for when it will forbid such moves in the future with a limitation of two years. Furthermore, the EIT will also adopt a corruption policy/decision beginning of 2024 which will set up the basis to develop internal anticorruption mechanisms to be implemented.</p>
19	<p>Notes that according to the Institute's internal audit capability's (IAC) report, out of 87 recommendations in the scope of the follow-up audit, 29 open recommendations have been closed, 25 open recommendations have been downgraded, and no open recommendations have been upgraded; notes that, as a consequence, no critical issues remained open by 31 December 2021;</p>	<p>In 2022, the EIT has taken a series of steps to take stock and further follow-up open audit recommendations. Based on the review of their implementation status, out of the 58 recommendations in the scope of this follow-up audit, 19 have been closed (leaving 39 recommendations open). As a result, the total number of closed recommendations has reached 144. In addition, there are no critical recommendations open. The next progress report will be finalized by mid-October 2023</p>
21	<p>Notes the Institute's revised anti-fraud strategy for 2021-2023; notes that, out of 14 antifraud objectives set for the year 2021, nine were fully achieved, four were partially achieved and one was postponed;</p>	<p>The revised antifraud strategy for 2021-2023 has three objectives; each objective includes different actions.</p> <ul style="list-style-type: none"> <li>- Objective n.1: largely complete; pending actions: anti-fraud session is taking place in December 2023; the latest report of the year to the EIT Governing Board on antifraud is taking place in November 2023; KICs Antifraud Strategies – some KICs have not published yet their antifraud strategies on their webpages; bilateral meetings with the KICs are ongoing.</li> <li>- Objective n.2: All actions are completed except: KIC procurement Policy to be finalised by end 2023.</li> <li>- Objective n.3: The majority of the actions are completed</li> </ul>

22	Notes that an audit on human resources management was performed and completed by the internal audit service (IAS) of the Commission in 2021; observes that three important recommendations have been issued on that occasion; notes with regard to the follow-up to previous IAS' audits, that for the Institute in 2021 there were no open critical or very important IAS recommendations, while some important ones were delayed and are still open;	The Internal Audit Service communicated on its contribution to the 2022 Consolidated Annual Activity Report process of the European Institute of Innovation and Technology (EIT). According to the communication from 31 January 2023, there was one significantly delayed and open recommendation as a follow up of the Human Resources Management audit from 2021. The recommendation categorised as important concerned the appraisal and reclassification exercise. The implementation of the recommendation has been delayed by 15 months. The recommendation is partially implemented by the EIT, which aims to close this recommendation by the end of 2023.
24	Recalls the importance of strengthening the management and control systems to ensure the proper functioning of the Agency; strongly insists on the requirement of an effective management and control systems to avoid potential cases of conflicts of interest, missing ex ante and ex post controls, inadequate management of budgetary and legal commitments, and failures to report issues in the register of exceptions	<ul style="list-style-type: none"> <li>• As an outcome of the 2022 EIT Internal Control Self-Assessment it was identified that there is an overall effective and efficient internal control system at the EIT, falling under Category 1:14 internal control principles are efficient and are functioning well, with at times minor improvements needed.</li> <li>• Two internal control principles remain partially efficient, meaning that they are present and functioning but need some continued improvements: <ul style="list-style-type: none"> <li>○ Principle 04. The EIT demonstrates a commitment to attract, develop, and retain competent individuals in alignment with objectives.</li> <li>○ Principle 10. The EIT selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels.</li> </ul> </li> <li>• One internal control principle function with deficiencies and continued improvements are needed - regards Principle 12. The EIT deploys control activities through corporate policies that establish expectations and through procedures that put policies into action.</li> </ul> <p>Remaining key risks and mitigation measures are identified in line with the EIT's risk management policy and risk register and reported upon twice a year in the SPD and AAR.</p> <p>By means of the Governing Board Decision, the Internal Audit Capability (IAC) function at the EIT was abolished with date of effect 1 April 2022, after which, the IAC function was transformed into an additional capacity to monitor KICs. Currently the internal auditing function is performed by the Commission's internal auditor (Internal Audit Service), which tasks include assessing the suitability and effectiveness of internal management systems and the performance of units in implementing programmes and actions by reference to the risks associated with them and assessing the efficiency and effectiveness of the internal control and audit systems applicable to</p>
27	Recalls the importance of increasing the digitalisation of the Institute in terms of internal operation and management but also in order to speed up the digitalisation of	The EIT has continuously pursued the move towards e-services and expanded the use of digital tools, often relying on Commission IT systems both for its operations and administration.

	<p>procedures; stresses the need for the Institute to continue to be proactive in this regard in order to avoid a digital gap between the Union agencies; draws attention, however, to the need to take all the necessary security measures to avoid any risk to the online security of the information processed.</p>	<p>As member of the EUAN network, EIT will coordinate the IT sub-network (ICTAC) and will aim at promoting the adoption of EC tools (Sysper, Ares, MIPS, SUMA, HRT, etc) across EUAN in order to mitigate digital gaps between agencies. In addition, through ICTAC a common baseline/pillar has been promoted for the Digital Transformation of the Agencies, including the digitalization of communication, processes, data and paperless procedures. The safety of information is of the utmost importance being reflected on the ICTAC pillar for Information Security and Cybersecurity in close collaboration with ENISA and CERT-EU services to all agencies. Since 2022, the EIT has appointed a new qualified LISO who directly reports to EIT management to strengthen its IT security.</p>
28	<p>Encourages the Institute to work in close cooperation with ENISA (European Union Agency for Cybersecurity); suggests that regularly updated cybersecurity-related training programmes be offered to all staff members within the Institute; calls on the Institute to develop its cybersecurity policy swifter, to deliver it before 31 December 2023 and to report back to the discharge authority;</p>	<p>The EIT collaborates closely with ENISA and CERT-EU on cybersecurity-related matters. There are regular meetings with ENISA, as the EIT is one of the six EUIBAs selected for ENISA's pilot programme on cybersecurity regulation.</p> <p>The EIT provides regular cybersecurity training to all our staff. Additionally, phishing exercises, penetration testing, and introduce new safety measures such as U2F physical keys are performed periodically (phishing exercises at least once a year and pen-test twice a year).</p>
32	<p>Calls on the Institute to continue to develop its synergies (for instance with regard to human resources, building management, IT services and security), and to reinforce its cooperation, its exchange of good practices and its discussions regarding areas of mutual interest with other Union agencies with a view to improving efficiency</p>	<p>The EIT constantly develops synergies with other EU bodies. In particular 37 joint activities with EUIPO were implemented including 5 trainings with 2100+ participants. The EIT is collaborating with the European Union Agency for Law Enforcement Training (CEPOL) under the current Collaboration Agreement. In particular on the administrative side there is a close cooperation as both Agencies are based in Budapest, Hungary, which facilitates cooperation on site (e.g., for events, recruitment panels, IT back up). Together with CEPOL the EIT will chair Troika EUAN in 2024. The EIT has been progressing in implementing its Memorandum of Understanding with the European Innovation Council (EIC). For example, the joint collaboration has facilitated the KICs' start-ups to join the EIC' Acceleration Programme through a dedicated Fast Track mechanism with the aim of elevating the impact of both organisations. Another example of joint collaboration is a work on developing joint actions to promote the Woman Entrepreneurship agenda or joint communication activities. Starting from October the EIT will use the accounting services of FRA. Starting from the funding allocation of 2023-2025 the grant management is implemented by the e-Grant (SEP, Compass, Sigma, Corda, e-Corda) system of EC. The continues implementation of the IT Master plan helped the office to further automate part of its administrative processes. Several examples to be mentioned on this regard as the procurement tool PPMT, Q-Sign (electronic signature), and the introduction of various modules of SYSPER.</p> <p>Moreover, as of February 2023, the EIT joined the Troika that governs the EU Agency Network. In 2024 EIT will take over the chairmanship and coordination of 5 sub-networks (on legal, IT, greening, social activities and communication).</p>

## 2.10 Environment management

The EIT strives to **become a climate neutral agency** by operating as sustainably as possible to contribute to the European Union’s ambition (European Green Deal) of becoming climate neutral by 2050.

The EIT is taking a series of steps towards impactful environment management and will disseminate such measures in the EIT Community while tracking the societal impact of the EIT Knowledge and Innovation Communities (KIC). **The EIT is Europe's largest innovation ecosystem and a leading instrument under Horizon Europe to tackle climate change and related challenges.**

For example, EIT Climate-KIC is working to accelerate the transition to a zero-carbon economy. It identifies and supports innovation that helps society mitigate and adapt to climate change. Through innovation project scaling, it uses start-ups as vehicles for replacing dirtier technologies for cleaner ones

Other KICs focusing on sustainable energy, food, urban mobility, raw materials and manufacturing also address the climate crisis with large parts of their activities. Altogether the EIT contributed an estimated EUR **1.2 billion to reach climate related adaptation/mitigation targets during 2014-2022.**

The EIT annually assesses and **monitors the performance** of its Knowledge and Innovation Communities and the EIT Governing Board allocates funding based on the results and impact achieved. KICs are also subject to 3, 7, 10 and 15 year comprehensive reviews on their impact. Additionally, the EIT adopted the Simplified Impact Framework by the Decision 08/2022 of the Governing Board of the EIT, in which **KPIs track the societal impact of KIC activities**, such as:

- EIT grant invested in climate action, biodiversity, clean air, digital transformation, health, sustainable development.  
  
The indicator will be estimated based on the “RIO markers” methodology developed by OECD. The values (0%, 40%, 100%) will be reported at portfolio level.
- Impact of KICs on achieving Sustainable Development Goals

This indicator will assess the impact that KICs had through their activities on achieving the specific SDGs.

The **EIT** actively contributes to impactful environment management by taking environmentally conscious measures regarding its premises and staff. The main progress/result archived in 2023 are:

- The amount of GHG emissions originating from the EIT’s operation in the year 2023 was **250 tons of CO2 equivalent**. The corporate carbon footprint report of the EIT for 2023 used CLIM’FOOT, a tool developed from the Bilan Carbone® method. The emission intensity of 2.80 tons of CO2e per EIT staff member corresponds to an average figure in Europe for an office-based employee.
- Consumptions data were partially available for 2023. The EIT consumption of the EIT HQ premises proportionated from the consumption data of the entire building, which based on square meters calculated as 11%. The methodology of the calculation is described in the EIT Carbon Footprint report 2023. Consumption of the EIT House was not available for the year 2023, therefore at the yearly GHG emission calculation, assumptions were applied.

**Table Calculated consumption data of the EIT premises for 2023**

Consumptions / generated waste	EIT seat ( Budapest)
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Water consumption	543.4 m <sup>3</sup> /year
Energy consumption (electricity)	12,334.63 kWh/year
Energy consumption (*district heating)	320.21 GJ/year
Paper consumption	289.14 kg/year
Waste generation (municipal)**	21.41 m <sup>3</sup> / year
Waste generation (plastic)	43.45 kg/year
Waste generation (paper)	705.65 kg/year
Sewage water	543.4 m <sup>3</sup> / year

\*District heating: 90% natural gas, 10% heat reuse from incinerator

\*\* Municipal waster generated: based on 2022 data

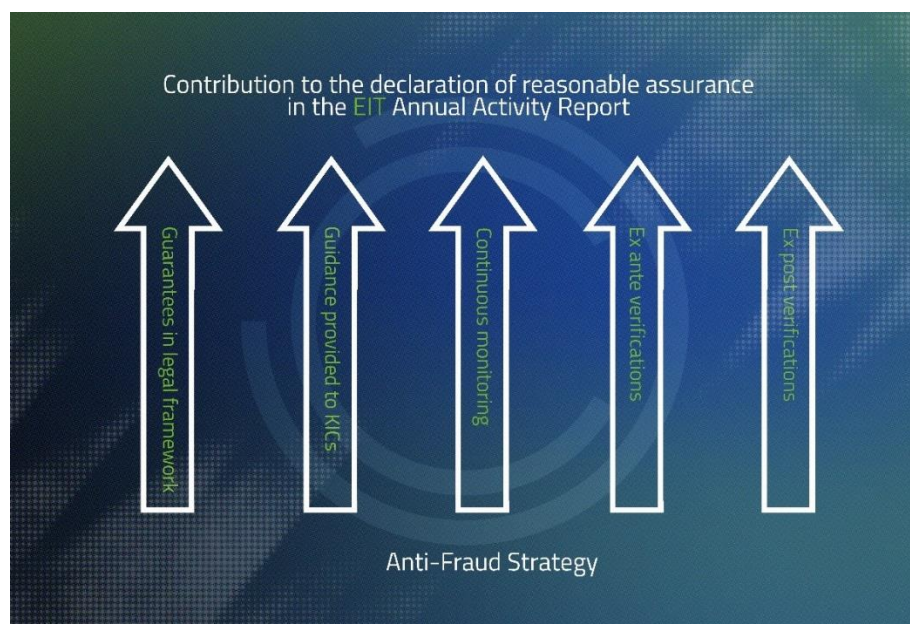
- EIT revised the Missions Policy introducing Sustainability Criteria.
- The plan to reduce travel by at least 40% compared to 2019 by 2025 was archived in 2023. Calculation shows, that there is a massive decrease if we compare the emissions in 2022 or in 2023 to the emission data of 2019 regarding the missions. In 2022 it was reduced to the 66% and in 2023 to the **61% of the carbon footprint of year 2019.**

CO <sub>2</sub> emission derived from staff missions	2019	2022	2023
(tCO <sub>2</sub> eq.)	76.7	50.95	46.60

- In 2023 the EIT made further progress as described above with a Sustainability Action Plan boosted by the **EIT Sustainability Committee** to accelerate reaching its goal of becoming a climate neutral agency and continuing actions in 2023:
  - EIT revised the Missions Policy introducing Sustainability Criteria
  - The EIT phased out the use plastic water bottles or paper cups, installing water filtering machines, thus reducing their use by 100%.
  - The EIT took further action to reduce paper use in the office through the introduction of electronic paperless systems (i.e., Sysper, ARES, Bluebell already in use).
  - The EIT aims to reduce the use of electricity by 30% through the utilisation of energy saving office equipment.
  - The EIT incentivises its staff members to also contribute to the reduction of CO<sub>2</sub> emissions, via targeted social policies, such as the use of public transport rather than cars (subsidising public transport tickets).
  - The building hosting the EIT's office has a **LEED SILVER** certificate issued by US Green Building Council.
  - Annual EITree event with tree planting team building activity.
  - Bike to Work - awareness raising campaign on public transport and electric bikes.
- Preparing the working program for 2024 of the **EUAN Greening Subnetwork** to strengthen inter-agency cooperation as a chair in 2024.

## 2.11 Assessment by Management

The EIT Grant Assurance Strategy relies on the following building blocks of assurance:



### Ex-ante measures applied to grant transactions

The EIT consistently carries out **ex-ante verification of both commitment and payment transactions**. To ensure full compliance, any changes in the legal framework and model grant agreements are taken over by the EIT and incorporated in the Partnership Agreements (PA) and Grant Agreements (GA) signed with KICs. In 2023, relevant guidelines were made available providing detailed instructions to KICs, for example, guidelines and templates for the 2023-24/25 KIC BPs, Cross-KIC activities and HEI GA amendments. To avoid compliance issues, any doubts as regards interpretation of the legal provisions are regularly discussed with KICs as part of the EIT-KIC Forum and Task Force Simplification meetings. Furthermore, the EIT falls under the scope of the HE Mutual Insurance Mechanism (MIM) which is an additional financial risk mitigating measure.

In 2023, **final payments** for the 2021-22 GAs with eight KICs were executed. The EIT performed the technical and financial assessment of all final reports to assess the adequacy of the implementation of BPs and to establish the final grant amount due. In line with its EIT's Grant Assurance Strategy, which was revised in 2023, in terms of cost eligibility, the EIT relies mostly on Certificates on the Financial Statements (CFSs) issued by independent auditors. In order to address deficiencies observed previously in the quality of the CFSs, since 2016 the CFS audit exercise has been centralised, i.e., audit companies performing the CFS audits have been contracted by the EIT directly or by EIT InnoEnergy under EIT Cross-KIC Shared Services, instead of letting the individual beneficiaries/ affiliated entities to contract the auditors. Considering that the corporate methodology applicable under HE was not yet developed by the Commission services, the EIT in agreement with the Commission and in cooperation with an audit company adapted the existing H2020 CFS methodology and the agreed upon procedures according to the HE rules. All exceptions and weaknesses identified by CFS auditors were followed up with KICs during the ex-ante assessment process, which led either to the acceptance of the costs reported following the receipt of further supporting evidence, or alternatively cost rejections made by the EIT. In addition, the EIT checked the respect of thresholds of EIT funded part of KIC management staff costs; any excess detected led to cost rejections.

Details of the expenditure claimed by the KICs and assessed by the EIT within the ex-ante verification of grants for 2022 are shown in the following table:



	EIT Climate-KIC	EIT Digital	EIT Inno Energy	EIT Health	EIT Raw Materials	EIT Food	EIT Urban Mobility	EIT Manufacturing	TOTAL
EIT-financed KAVA cost reported (MEUR)	32.4	48.5	115.3	71.9	86.0	70.0	54.3	58.7	536.9
EIT grant requested (MEUR)	23.4	31.3	47.6	56.8	57.9	57.2	47.4	44.5	366.1
EIT grant approved (MEUR)	22.3	29.7	42.7	57.3	56.5	57.2	47.4	44.3	357.4
EIT grant approved (% of grant requested)	95.2	95.0	89.8	100.8	97.5	100.0	100.0	99.6	97.6
KAVA cost covered by CFS (MEUR)	21.6	28.5	65.2	52.4	74.8	55.1	39.0	41.5	378.0
KAVA cost covered by CFS (%)	66.7	58.9	56.6	72.9	87.0	78.7	71.9	70.6	70.4
Cost rejection based on financial assessment (MEUR)	0.8	0.3	5.5	0.8	7.7	0.8	0.5	1.0	17.5
Ineligible costs (%)	2.5	0.6	4.8	1.1	8.9	1.1	1.0	1.7	3.3

The data in the table reflects year 2022 which was part of a two-year grant agreements 2021-22.

Taking into consideration the high coverage and the generally good quality of the CFSs, combined with the additional checks carried out by the EIT, **it can be concluded that the assurance provided by the EIT ex-ante assessment as regards the legality and regularity of grant expenditure is reasonable.**

### Ex-post verification of grants

To obtain reasonable assurance on the legality and regularity of expenditure reported by the KICs and with a view to detecting and correcting errors, the EIT developed and implemented an **ex-post audit strategy**. This complements ex-ante controls embedded in the KICs' grant management processes.

Ex-post audits of 2021 cost reports relating to EIT-KIC GAs were performed by external service providers in 2023 (two selected using a Framework Contract of the European Commission and one through a separate procurement process due to conflict of interest). Considering that the indicative audit programme under HE was not yet developed by the Commission services, the EIT in agreement with the Commission and in cooperation with an audit company adapted to the HE rules the existing H2020 ex-post methodology and the agreed upon procedures with EIT-specific elements added. The external auditors carry out the audits and report to the EIT on the results. For the 2021 costs incurred within the 2021-22 GAs, 30 beneficiaries/ affiliated entities (2 for EIT Climate-KIC, 4 for EIT Digital, 4 for EIT InnoEnergy, 5 for EIT RawMaterials, 5 for EIT Health, 4 for EIT Food, 3 for EIT Manufacturing and 3 for EIT Urban Mobility) were selected for ex-post audits. In order to ensure representativeness, the entities in the sample were selected by applying the monetary unit sampling method. As a second stage, for each entity, a sample of 6 cost items was selected for testing (except for one entity with 5 cost items and two entities with 4 cost items selected). The sampling was done in collaboration with the European Court of Auditors, which relies mostly on the results of ex-post audits when drawing its opinion on the legality and regularity of grant implementation by the EIT.

# PART III – EXTERNAL EVALUATIONS

In 2023, the first stage of Horizon programme evaluation, ie Horizon 2020, was completed. The EIT was part of the following studies:

- Green Transition: relevance, efficiency, effectiveness of H2020 activities in which EIT Climate-KIC, EIT Food and EIT InnoEnergy were featured.
- Resilient Europe: effectiveness and added value of EIT Health, impact of supported companies on the performance of the regions (with a dedicated case study on EIT Health).
- Digital and Industrial Transition: relevance, efficiency, effectiveness of H2020 activities, featuring EIT Digital and EIT Raw Materials.
- Innovative Europe: systematic assessment of Pillar III activities and collaboration between all its instruments encompassing EIT and all KICs.

The Horizon 2020 evaluation found that the EIT KICs were well-aligned with EU policies and stakeholders' needs. The evaluation highlighted the EIT's adaptability and effective internal communication during the COVID-19 crisis. Additionally, it was concluded that the EIT KICs effectively fostered innovation through robust ecosystems, supporting start-ups and attracting significant VC funds. Key performance indicators showed substantial progress in creating start-ups and launching new products, underscoring the KICs' effectiveness in driving technological leadership and business creation. However, the evaluation also outlined that the administrative burdens and complex consortium dynamics posed challenges. Following this 1st stage, the Horizon Europe mid-term evaluation continued with further studies involving the EIT, focusing on the period 2021-2023. The evaluation is ongoing..

# PART IV – ASSESSMENT OF THE EFFECTIVENESS OF THE INTERNAL CONTROL SYSTEMS

## 4.1 Effectiveness of internal control systems

### Compliance and effectiveness of the Internal Control Framework

The EIT uses the organisational structure and the internal control systems suited to achieving its policy and internal control objectives in accordance with the 17 internal control principles and takes into consideration the risks associated with the environment in which it operates.

In January 2020, the EIT Governing Board adopted Decision 01/2020 on the Internal Control Framework of the European Institute of Innovation and Technology, which was largely based on the European Commission's Internal Control Framework ('ICF') with limited adjustments to the EIT context. This Decision was amended by the current one, namely Decision 05/2024 of the EIT Governing Board on the adoption of the minimum standards and internal control framework of the European Institute of Innovation and Technology<sup>12</sup>, which reiterated the adopted ICF and introduced several new elements among which the role of the EIT Internal Control Coordinator.

On 7 November 2020, the EIT adopted decision 19/2020 on the annual assessment of the internal control system (ICS) at the EIT, defining the indicators to be used for assessing the implementation of the new ICF based on the indicative list provided by the Commission, thus setting up the targeted baselines for the 2020 to 2022 assessment exercises. This Decision was amended by EIT Decision 11/2024 adopted in April'2024<sup>13</sup>, which introduced an updated list of KPIs based on peer review with the Commission and EUAN-set standards and adapted to the EIT current needs.

The 2023 assessment exercise, whose results are reflected in this report, was performed in Q1/2024 and Q2/2024. It was based on the following main sources of information:

- Results of the risk assessment exercise(s);
- Evaluation of audit findings and follow-up of recommendations;
- Analysis of registered non-compliances and exception events that may reveal underlying deficiencies;
- Fraud prevention and detection measures.
- Assessment of the internal control indicators and the specific actions implemented by the EIT contributing to each principle;

### Risk Management

The EIT implements the risk assessment exercise as part of the annual programming cycle. For each of the risks identified, mitigating action(s), action owners, and deadlines for these actions are agreed on and recorded in the

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<sup>12</sup> Ref. Ares(2024)1867946

<sup>13</sup> Ref. Ares(2024)2970743

EIT's Risk Register 2022<sup>3</sup>. Significant and critical risks assessed above the acceptable risk level from an overall EIT perspective are indicated in the EIT Single Programming Document and followed up in the Consolidated Annual Activity Report (CAAR).

The following main risks were considered as having a high likelihood of occurrence and significant impact on the EIT's activities in 2023 (according to the risk register annual review):

- ***Non-implementation of core elements of EIT Annual Work Programme 2022 due to insufficient human resources – critical risk (1)***

The risk related to the operations area has been identified by the EIT since 2017, and it has remained at a critical level over the years as the EU institutions (as part of the EU budget negotiations) have not provided the EIT with the staff resources that would allow it to deliver on its mandate and objectives. In the meantime, the EIT has taken measures to mitigate the risk by prioritising certain tasks and managing of stakeholder's expectations, providing support to staff to improve the work environment, outsourcing some operational activities (such as IT and communications), and continuously requesting additional resources from the Budgetary Authority. Notwithstanding the EIT's repeated requests, the Commission's proposal to the European Parliament and the Council has not taken onboard in 2023 EIT's requests and within the reporting period it was considered that the total number of staff was "frozen" at 72 for the new programming period 2021-2027. Despite that the EIT requested additional posts to be able to deliver on its substantially increased mandate and budget of EUR 3 billion (e.g. the launching of two new KICs in 2021-2027 and a new Higher Education Initiative, among other tasks). The legislative financial statement did acknowledge that *'the EIT administrative costs are very low with less than 2% of the total budget compared to the average of 4.6% reported for Horizon 2020'*<sup>5</sup>. In addition, the European Commission adopted in July 2022 its New European Innovation Agenda, which seeks to position Europe at the forefront of the new wave of deep tech innovation and start-ups and marked the EIT as one of the key actors, contributing to the EU innovation flagship initiatives such as the EIT Deep Tech Talent Initiative, Innovation Internships, and the Women Entrepreneurship and Leadership schemes.

The EIT has been signalling consistently to the Budgetary Authorities that it is not able to take on new tasks under the current staffing without major risks for the EIT's operations, financial management, and staff health. As no additional staff resources have been granted despite the repeated requests and justifications provided, the EIT continues to be constrained in delivering on its full potential for delivering innovations that address the EU's major societal challenges.

These major risks are acknowledged by the European Court of Auditors and the Commission's Internal Audit Service, which also acts as Internal Auditor of the EIT. The IAS reported in an audit of the EIT's Human Resources the high likelihood of irregularities due to understaffing and the EIT staff's heavy workload which *"is believed to be leading to tensions, sickness and impossibility to implement the EIT's multi-annual work programme and provide assurance on the managed funds"*.

In the past several years EIT has invested its best efforts to address this issue internally, including through optimization and simplification of processes, structural reorganization etc. In addition, the EIT continued to request 10 posts to address minimum needs and continued its efforts to reinforce the operational teams' monitoring and supervision capacity<sup>14</sup>.

- ***KIC's do not progress towards the achievement of their strategic objectives, and as such delivering on EIT's strategic objectives is threatened – critical risk (2)***

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<sup>14</sup> In April 2024 a decision was communicated to EIT by the Commission on the increase of EIT staff with several posts, ref. Ares(2024)2731847

The risk relates to the planning processes and systems and is mitigated by regular coordination meetings organised with relevant EC counterparts and regular reports to the EIT Governing Board (at least twice a year the Board is informed of achievements towards the EIT's strategic objectives) as planned in the AWP of the EIT and as prescribed by the GB Supervision Framework. Moreover, EIT maintains a robust monitoring and reporting system, based on its Monitoring and Evaluation Strategy, regular ex-ante and ex-post KIC audits, KIC reviews, EIT's Anti-fraud Strategy and respective Action Plan etc. The potential impact of the risk is assessed as major.

- ***EIT IT and data security not ensured due to hardware or software failure (malware/virus/ransomware/phishing infection) – very high risk (3)***

The IT-related risk is of a continuous nature and relates to potential malfunction/failure of hardware, software or data breach, especially when taking into account the hybrid working setup. EIT recurrently addresses this risk including in 2023, by performing various tests, recurrent improvements of the perimeter security systems for automated attacks and dedicated staff trainings. The latter included trainings on cybersecurity, data protection etc. The multitude of measures contributed to the lack of any major IT security and/or data protection related incidents registered in 2023 at the EIT main office. This risk was downgraded in 2023 from “critical” to “very high” but is still reported as part of EIT’s “highest risks”.

- ***Due to inadequate operational planning and preparations, non-compliance with rules leading to audit findings and negative opinions by external auditors. (4)***

This is a risk identified in 2022 and retained in 2023, which is also linked to the insufficient staffing level of the EIT. Running day-to-day operations might limit time that could be allocated for proper operational planning and might cause non-compliance events, leading to negative audit findings and opinions by external auditors. The potential impact of the risk is considered to be high. The risk is mitigated through the development and optimization of internal processes, strategies, and methodologies, including the grant assurance/control strategy, BP assessment etc..

- ***Late availability of appropriations due to late adoption of the EU budget. (5)***

This risk relating to the planning processes and systems, has not yet materialised and recurrent monitoring has been ensured.

### **Conclusions**

Overall, the number of identified agency level risks decreased from eleven (11) in 2022 to five (5) in the reporting year. Out of these five reported risks, two (of which one critical) are related to limited resources. Insufficient human resources (acknowledged by the EIT's internal and external auditors) may cause significant delays in achieving core EIT mission - to boost the innovation talent and capacity of Europe.

EIT continues to maintain its Risk register and report the highest, cross-cutting risks together with the respective mitigating measures as part of its regular corporate reporting. In 2023 EIT presented to its Governing Board a concept for an update of its risk Management Policy, which was positively accepted. The new Policy which is currently in draft and is planned to be adopted by mid-2024 will upgrade the risk assessment model by interpreting “risks” not just as “threats” but also as “opportunities”, thus aligning its approach with the latest discussions in the Commission and in EUAN.

### **[Analysis of audit observations](#)**

Summary tables as at end of 2023 are provided here-below for reference:

Pending Recommendations of the EIT Internal Audit Capability (IAC) as at 30.11.2023<sup>15</sup>

Rating	Accepted	Closed in previous years	Closed in 2023	Closed in total	Current rating of open issues
Critical	12	8	0	8	0
Very imp.	64	28	1	29	1
Important	63	43	5	48	5
Desirable	67	65	17	82	11
Merged or obsolete			22	22	
Total	206	144	45	189	17

- Open Recommendations of the Internal Audit Service (IAS)

Audit title	Number of open rec/s	Priority	Status as at 31/12/2023
IAS audit on human resources management	1	Important	Very delayed
IAS audit on management of experts	5	4 Important 1 very Important	Ongoing

- Open Observations of the European Court of Auditors (ECA)

EIT has 4 open observations from previous ECA audits, 3 from the audit for financial year 2022 (one repetitive with audit 2021) and one from audit 2017 regarding insufficient staff versus allocated tasks. Except for the latter, EIT has reported positive progress to ECA, and is currently expecting ECA's update on these observations' status, with a potential possibility for closure of some or all of them.

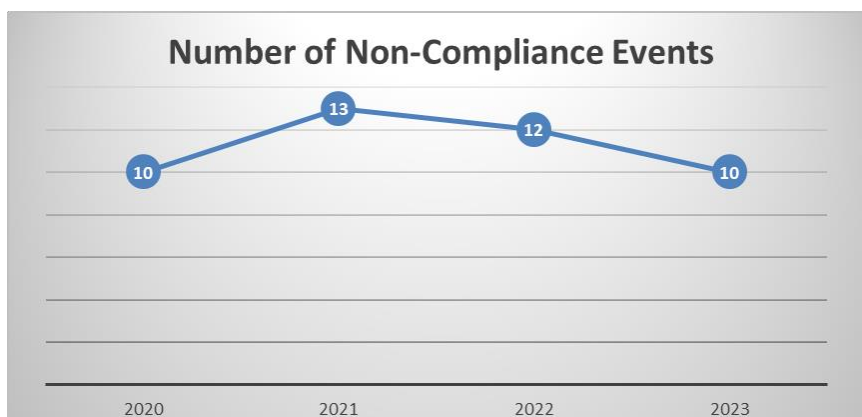
#### Exception reporting, analysis of internal control weaknesses or control failures recorded.

In 2023, the EIT followed its standard operating procedure on Exception and Non-Compliance reporting. All instances of overriding controls or deviations from established processes and procedures were documented in the EIT 2023 Non-compliance events and Exceptions' report.

There were 4 exceptions registered and 6 non-compliance events, which represents a decrease in the recorded number of reports in 2023 by two in comparison to 2021:

The number of non-compliance events in 2023 compared to the previous year decreased from 9 to 6.

<sup>15</sup> The newest Audit report will be issued as at 30/04/2024, where it is expected that at least 10 more IAC recommendations will be closed.



The total value of the reported non-compliances in 2023 amounted to EUR 267,295 while there was no direct financial impact of the exceptions. Therefore, the total financial impact in 2023 is much lower in comparison to 2022. In the previous reporting year, the total value of the reported non-compliances amounted to EUR 31 548 843.66 and the financial impact of the exceptions amounted to EUR 39 137.34. The substantial decrease is due several factors:

- Overall decrease of the number of non-compliance events, as evidenced here-above
- No directly quantifiable financial impact of the ERs, whose impact was mostly procedural/legal.
- Substantial decrease of financial impact per non-compliance report (NCR). In 2022 four out of nine NCR had a financial impact above 100 k, and for one of those related to 1-day delay of raising the commitment, the financial impact was approx. 30.6 mill. In 2023 there is only one NCR with financial impact exceeding 100k, for an amount of 162k.

All events were individually assessed, and corrective measures were proposed to prevent the repetition of the non-compliance or exception event.

The analysis of the NCRs indicates that the most frequent issues are related to expert management – altogether 3 out of the total 6 NCRs. The issues are at times related to deficiencies of EMI, the Commission system on expert management, which is being recurrently upgraded. However, deficiencies in EIT’s expert management process were noted by the dedicated IAS audit on experts performed in 2022. The adopted Action Plan following the IAS audit comprises 5 recommendations and 19 actions, which, once implemented would address also the deficiencies noted by the respective NCRs.

One of these non-compliance events concerns posteriori budgetary commitment after the legal commitment with a short delay, related to a package of expert contracts signed in EMI, amounting to 37,125.00 EUR. The Commission was informed about the problem with EMI which contributed to the non-compliance and separately – the relevant approving officers were informed so that they apply due diligence in similar cases in the future. Despite the small financial impact and the other circumstances beyond EIT’s control explained here-above, this non-compliance is classified as one of “high importance” as it represents a violation of FR. EIT has noted non-compliance events of similar nature for a 3rd year in a row and is taking recurrent measures to eliminate such cases entirely in the future. On the positive side, the fact that in the recent years EIT has detected quickly and registered these cases, as well as that the number and severity of impact of the non-compliance events overall has decreased indicates the ever-increasing efficiency of EIT’s internal controls, including ex-post control. It has to be noted though that efficient recurrent controls require an extra layer of consistent efforts and additional tasks, which consume more of the anyway scarce staff resources.

EIT management continued to closely monitor the reported internal control deficiencies and planned the necessary measures to address them. This is evidenced not only by the decreasing non-compliance events in terms of number and impact, but also by the ECA reports in the last several years which have issued few to zero observations, as well as by the implementation and respective decrease of the recommendations for other audit authorities.

### Fraud prevention and detection

On 7 May 2021, the EIT Governing Board adopted the revised EIT Anti-Fraud Strategy for 2021-2023. The strategic objectives of the revised Anti-Fraud Strategy were driven by the EIT's strategic priorities and values, listed in its SIA 2021-2027. The EIT set objectives to counter fraud at all levels within the EIT's fastest growing and largest innovation ecosystem in Europe, i.e., at the level of its Community, at the level of its KICs, the Governing Board, and at the level of the EIT staff and external contractors, thus reinforcing public trust in its activities.

The following objectives were set for the 2021-2023 period:

- **O1 - Maintain and enhance an anti-fraud culture** underpinned by a high level of awareness, integrity, impartiality, and transparency within the EIT community [ecosystem];
- **O2 - Enhance the EIT's controls** over the financing, monitoring and evaluation of KIC activities [KICs];
- **O3 - Strengthen measures and focus efforts on fraud risk mitigation** in identified areas of the EIT as an organisation, i.e. IT security, procurement, and conflicts of interest ('Col') [EIT].

As at end of 2023, over 95% of the actions planned under the AF Strategy were implemented, and while some of the actions are still ongoing, as evidenced by the implementation table here-below, they are at a very mature stage of implementation.

On 26.03.2024 the revised Anti-Fraud Strategy was adopted with a Decision of the EIT Governing Board<sup>16</sup>.

Like its predecessor, the new revised Antifraud strategy maintains the three main objectives (see above) while the action plan has been amended to reflect the latest changes: the revised legal framework and a new funding model. The aim is to have a targeted action plan addressing the increased risks in relation to the KICs due to the implementation of the new funding model while building on the work done under the 2021-2023 action plan.

## 4.2 Conclusions of the assessment of internal control systems

The 2023 EIT Internal Control Self-Assessment was carried out in line with all general standards, using the following classification for the adopted 17 principles, in terms of their level of implementation at the EIT:

- **Category 1** – the ICF principles are present and functioning well, only minor improvements needed;
- **Category 2** – the ICF principles are present and functioning, but some improvements are needed;
- **Category 3** – the ICF principles are partially present and functioning, major improvements are needed;

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<sup>16</sup> Ref. Ares(2024)2296059



- **Category 4** – the ICF principles are not present and are not functioning

As an outcome of the 2023 EIT Internal Control Self-Assessment it was identified that there is an overall effective and efficient internal control system at the EIT, falling under Category 1:

- Fifteen (15) internal control principles are efficient and are functioning well, with at times minor improvements needed, thus falling under Category 1.
- Two (2) internal control principles remain efficient, meaning that they are present and functioning but need some improvements that could be qualified as “moderate”, thus falling under Category 2.

Following a detailed assessment of each principle, the conclusion is that the overall internal control systems at the EIT are effective, falling under Category 1.

However, some improvements are needed, as regards Principles no.4 and no.12, classified for the purposes of this report under Category 2. Minor improvements are needed several other principles, including Principle 1 and Principle 17 classified under Category 1. The summary of those is presented here below:

**Principle 1. EIT demonstrates a commitment to integrity and ethical values.**

- While all KPIs under this Principle are well implemented, under one KPI, namely the staff perceptions about “transparency of decisions” there is a considerable deviation from the target. The recently completed Staff Engagement Survey, which is also used to gauge staffs’ perception on some of the KPIs of this IC assessment, indicates that in this case staff refers mostly to HR-related decisions. Relevant measures to improve internal communication on those decisions, and respectively – address staffs’ perceptions, are included in the recently adopted Management Action Plan<sup>17</sup>.

**Principle 4. The EIT demonstrates a commitment to attract, develop, and retain competent individuals in alignment with objectives.**

- PI % of women in management position at EIT (especially on the HoU/ HoD level) is slightly deviating from target (38% at target 40-60%), but consistent measures have been taken through the last 3 years thus improving this indicator, moreover a new female HoU is joining in Q2 of 2024 which will bring the KPI within the target, KPIs on turnover and geographical diversity of staff have worsened. EIT has invested a lot of effort in the last several years to impact this indicator and increase Geographical diversity of staff. These measures include: advertising new posts through more channels (EPSO, corporate website, KICs, social media etc.), consistently improving the package of social measures etc. The focus in the future should be placed not only on attracting international staff, but also - on their retention. This would need targeted effort of the EIT Management with the support of HR and Staff Committee.
- There is also a need to look at business continuity. The analysis of staffs responses indicates that while in principle staff consolidates around the opinion that the will is there and there is clarity around the obligations of staff in case of absence of their colleagues, the challenge in practice is the understaffing, which at times does not allow for all tasks to be re-distributed efficiently among attending staff in case of absences of the main task owner(s). The office

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<sup>17</sup> The Results of the Survey and the respective Management Action Plan were presented at all-staff meeting in March’2024 with the active involvement of the EIT Staff Committee.

already applies a good tracking system in regard to critical tasks through Q-ly reviews, regular meetings etc. Since understaffing is beyond EIT's capacity to resolve, this issue is expected to sustain. Therefore, it remains critical that proper planning and task tracking remains, taking into consideration peak periods, vacation seasons etc.

- The KPI on staff perception of efficiency of internal communication initiatives needs further improvement. There is already a long list of info sessions on diverse topics performed by different units, info bulletins issued in different thematic areas, there are regular all-staff meetings and department/unit meetings at which staff is informed about major developments etc. Concrete measures are incorporated in the adopted Management Action Plan, also mentioned under Principle 1, hereinabove.

**Principle 12. The EIT deploys control activities through corporate policies that establish what is expected and in procedures that put policies into action.**

- EIT continues to register 3rd year in a row a non-compliance event referring to a posteriori budgetary commitment (in 2023 it is related to experts' management). This non-compliance is registered also as observation by the European Court of Auditors (ECA). On a positive note, EIT has managed to decrease the no. of non-compliance events and to substantially alleviate their financial impact. Mitigating measures in regard to the above are already in place, they are effective and should be followed. The latter include but is not limited to info sessions for relevant staff, onboarding trainings for new staff, addressing with the Commission the systematic issues that contribute to this problem (e.g. Commission tool for experts, EMI), in-build additional controls etc.

**Principle 17. The EIT assesses and communicates internal control deficiencies in a timely manner to those parties responsible for taking corrective action, including senior management and the EIT Governing Board, as appropriate.**

- While in general this principle is found to be well-functioning, there is a moderate concern flagged by the IC staff survey, which indicates that 18.4 % of staff have observed deficiencies from the Internal controls, which have not been followed through appropriately. At the same time a relatively large percentage of staff (38.8%) reports that they are not aware how to report an exception to the rules, which is the formal way to follow up to deficiencies in- or deviations from the internal rules. This can be addressed through the dedicated trainings (all-staff an onboarding ones) on internal controls.

**Other principles** - There are some recommended measures for improvements under some of principles classified under Category 1 (pls refer to Table under p.4 "Assessment of the Internal Control System", hereinabove).

In 2023, the EIT continued to invest efforts in following-up to all open audit recommendations. Based on the review of their implementation status (pls refer to tables under p.3b "Analysis of audit observations" hereinabove), 45 open IAC observations were closed in 2023, thus bringing the number of closed IAC observations to altogether 189, and leaving 17 IAC observations still open, at different stage of implementation. As flagged in the audit observations report, it is expected that more IAC observations will be closed in Q2 of 2024. Of these remaining 17 open recommendations, there are none classified as "Critical", and only one classified as "Very important".

In regard to IAS pending observations, which are altogether 6, work continues under the 5 recommendations related to the audit on Expert management, where interim progress has already been

reported to IAS; the 6<sup>th</sup> observation is related to IAS's previous audit on HR Management, it is largely overdue, progress has been reported on some of the actions and the remaining actions are planned to be closed by mid-2024.

Overall, no major weaknesses are detected in any of the EIT's Internal Control system components which could jeopardise the achievement of operational, financial or control objectives and prevent the EIT Director from signing his declaration of assurance for 2023. The identified deficiencies are listed in the EIT's Internal Control Self-Assessment Report for the financial year 2023 in Annex 2 EIT Register of deficiencies & Corrective Action plan.

## 4.3 Statement of the manager in charge of risk management and internal control (ICC)

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

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

*In my capacity as Internal Control Coordinator in charge of risk management and internal control, I declare that in accordance with EIT's Internal Control Framework, I have reported my advice and recommendations on the overall state of internal control in the Agency to the EIT Director.*

*I hereby certify that the information provided in the present Consolidated Annual Activity Report and in its annexes is, to the best of my knowledge, accurate, reliable and complete.*

*Place Budapest,*

*Signed electronically in ARES,*

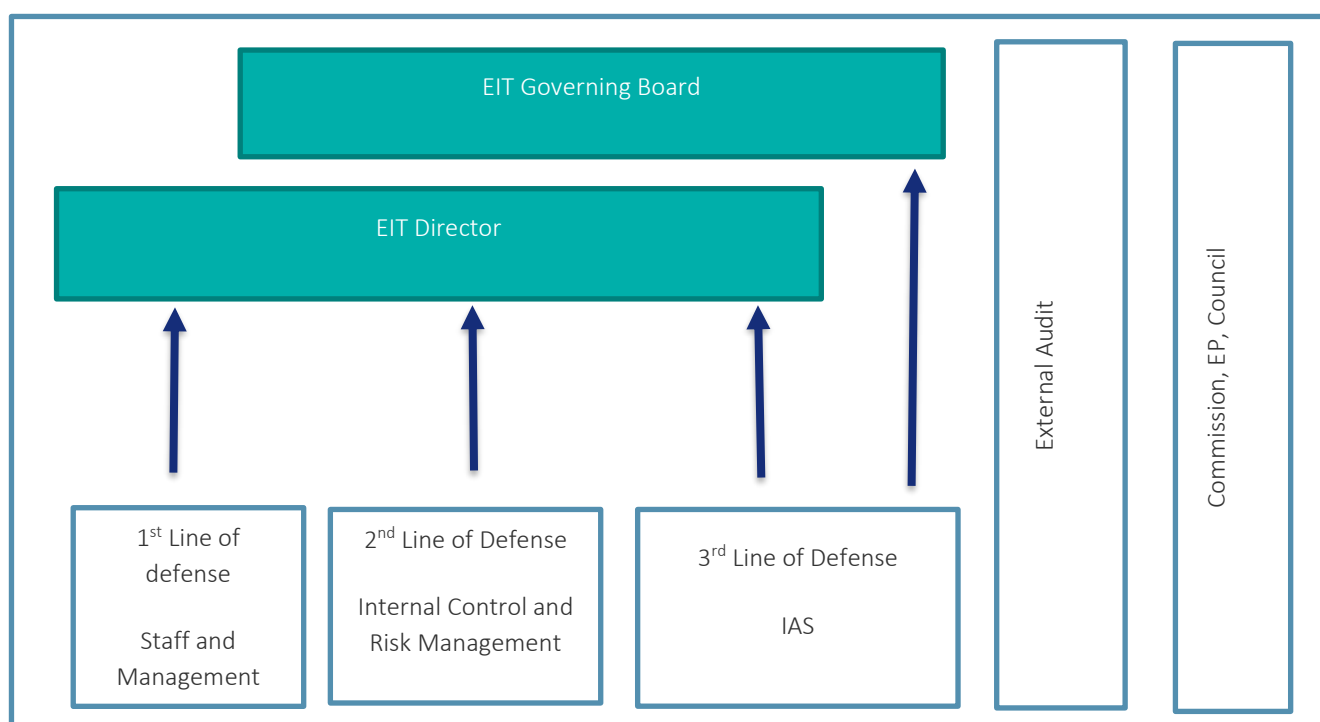
*Tzvetan ZAFIROV,*

*Internal Control Coordinator*

# PART V – MANAGEMENT ASSURANCE

## 5.1 Review of the elements supporting assurance

The EIT's corporate governance framework is ensured through the following three main lines of defence or building blocks of assurance:



The Agency applies since January 2020 the updated COSO internal control framework promoted by the Commission, adjusted to the EIT dimension, through the Internal Control components and principles.

The information reported in Parts II, III and IV derives from the results of the management supervision of activities and audit observations contained in the audit reports listed. These reports are based on a systematic analysis of the evidence available. This approach provided sufficient guarantees as to the completeness and reliability of the information reported and ensures complete coverage of the EIT budget.

In conclusion, the management has reasonable assurance that, overall, suitable controls are in place and working as intended; risks are being appropriately monitored and mitigated, and necessary improvements and reinforcements are being implemented. The Director of the EIT, in his capacity as Authorising Officer has signed the Declaration of Assurance. Nevertheless, the EIT Director wishes to repeatedly draw attention to the remaining critical risk concerning **the limitation of the EIT's staffing capacity that gives rise to critical risks in relation to the legality and regularity of future grant payments to KICs, EIT staff health and well-being and the EIT's reputation by diminishing its ability to achieve its strategic objectives set out in its Strategic Innovation Agenda for 2021-2027.**

## 5.2 Overall conclusion on assurance and reservations

The information reported in Parts II, III and IV does not result in any major issues meriting a reservation as regards 2023 expenditure in the EIT's accounts.

As regards the EIT's core operations, the detected error rate during ex-post verification of 2021 grants was 1.73% and the residual error rate is 1.69%, which is well below the materiality level of 2%<sup>18</sup>.

Nevertheless, as stipulated in this report and past EIT activity reports, the critical risks due to structural understaffing of the EIT remain valid. This also creates non-sustainable risks to EIT's staff health and well-being given the increasing workload. The EIT Director therefore continues to call upon the EU institutions to effectively address the structural understaffing of the EIT compared to its budget and mandate, which was confirmed by independent auditors, including the European Court of Auditors and the Commission's Internal Audit Service.

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<sup>18</sup> The error rate calculation for 2022 has not been concluded by 18 June 2024, when the 2023 CAAR was adopted by the EIT Governing Board.

# DECLARATION OF ASSURANCE

I, the undersigned,

Director of the European Institute of Innovation and Technology

In my capacity as authorising officer

Declare that the information contained in this report gives a true and fair view.

State that I have reasonable assurance that the resources assigned to the activities described in this report have been used for their intended purpose and in accordance with the principles of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions.

This reasonable assurance is based on my own judgement and on the information at my disposal, such as the results of the ex-ante assessment, ex-post controls, the work of the internal audit capability, the observations of the Internal Audit Service and the lessons learnt from the reports of the Court of Auditors for years prior to the year of this declaration.

Confirm that I am not aware of anything not reported here which could harm the interests of the institution.

18 June 2024

Martin Kern

# ANNEXES

## Annex I: EIT KPIs 2023 (Grant Agreements 2023-2025)<sup>19</sup>

EIT core KPI		EIT Digital	EIT Climate-KIC	EIT InnoEnergy	EIT Health	EIT Raw Materials	EIT Food	EIT Manufacturing	EIT Urban Mobility
EITHEO 1.1	Intellectual property rights	0	0	93	4	32	1	30	0
EITHEO 2.1	Marketed Innovations	43	0	68	17	26	39	22	39
EITHEO 2.4	Marketed Innovations with sales of 10,000 EUR	25	0	27	16	12	24	12	38
EITHEO 3.1	KIC Supported Start-ups/Scale-ups	114	185	106	450	184	240	332	435
EITHEO 4.1	Start-ups created of/for innovation	26	17	3	24	17	25	4	13
EITHEO 4.4	Start-ups created of/for innovation with a sales revenue of 10,000 EUR	6	9	0	10	5	0	3	2
EITHEO 5.1	Start-ups created of EIT labelled MSc/PhD programmes	2	0	6	10	9	9	9	14
EITHEO 6.1	Investment attracted by KIC supported start-ups/scale-ups	EUR 82,696,69 5.00	EUR 4,936,296. 37	EUR 1,834,754,7 37.74	EUR 286,483,6 40.00	EUR 162,983,0 63.00	EUR 209,154,5 03.65	EUR 44,632,00 0.00	EUR 57,343,38 1.29

<sup>19</sup> The table includes 2023 reported KPIs for all KICs. The quality check and assessment (of the core KPIs only) are ongoing and therefore final numbers might slightly differ.



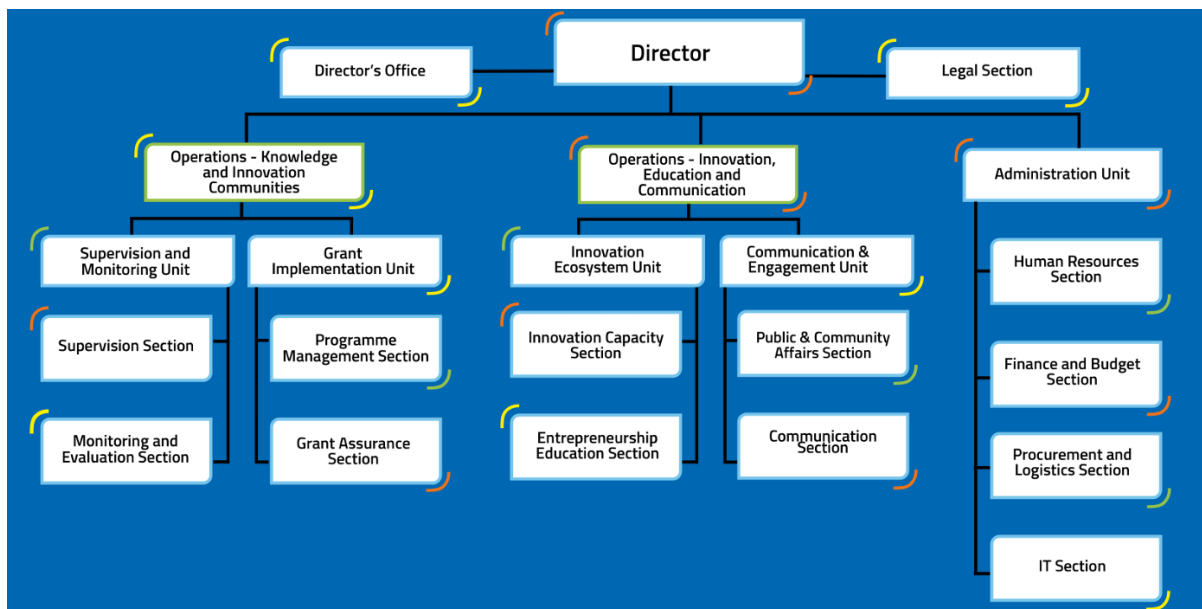
EIT core KPI		EIT Digital	EIT Climate-KIC	EIT InnoEnergy	EIT Health	EIT Raw Materials	EIT Food	EIT Manufacturing	EIT Urban Mobility
EITHEO 7.1	Graduates from EIT labelled programmes	270	10	188	182	175	1597	911	106
EITHEO 8.1	Participants in non-labelled education and training	3991	0	0	26848	47550	9508	16606	9426
EITHEO 9.1	Students enrolled in EIT-labelled programmes	191	0	430	419	282	5512	138	165
EITHE1 1.1	FS revenues (EUR)	11,236,915	9,860,500	28,519,504	6,690,277	11,543,025	4,801,381	6,727,398	6,868,525
EITHE1 1.2	FS coefficient	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
EITHE1 2.1	Co-funding rate	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

## Annex II: Statistics on financial management

### Budget outturn and cancellation of appropriations

<b>Budget outturn</b>	2021	2022	2023
<b>Revenue actually received (+)</b>	401,233,111	448,612,223	367,607,241
<b>Payments made (-)</b>	-399,203,214	-439,585,731	-343,781,041
<b>Carryover of appropriations (-)</b>	-5,188,571	-9,857,948	-29,241,958
<b>Cancellation of appropriations carried over (+)</b>	75,351	1,266,587	3,386,820
<b>Adjustment for carryover assigned revenue appropriations from previous year (+)</b>	3,386,105	3 319 891	5,796,963
<b>Exchange rate differences (+/-)</b>	-15,477	- 32 357	-119
<b>Adjustment for negative balance from previous year (-)</b>			
<b>TOTAL</b>	287,305	3,722,665	3,767,906

## Annex III: Organisational chart in 2023



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

Establishment Plan:

Category and grade	Establishment plan 2023		Actually filled as of 31 December 2023
	Officials (n/a)	Temporary staff (TA)	Temporary staff (TA)
AD 16		0	0
AD 15		0	0
AD 14		1	1
AD 13		0	0
AD 12		1	0
AD 11		2	2
AD 10		9	7
AD 9		10	11
AD 8		10	6
AD 7		6	7
AD 6		1	5
AD 5			
<b>Total AD</b>		<b>40</b>	<b>39</b>
AST 11		0	0
AST 10		0	0
AST 9		0	0
AST 8		0	0
AST 7		0	0
AST 6		0	0
AST 5		3	2
AST 4		1	2
AST 3		1	0
AST 2		0	0
AST 1		0	0
<b>Total AST</b>		<b>5</b>	<b>4</b>
AST/SC 6		0	0
AST/SC5		0	0
AST/SC4		0	0
AST/SC3		0	0
AST/SC2		0	0
AST/SC1		0	0
<b>Total ST/SC</b>		<b>0</b>	<b>0</b>
<b>TOTAL</b>		<b>45</b>	<b>43</b>

Category	Authorised 2023	Actually filled as of 31 December 2023
Contract staff (CA)		

FG IV	13 <sup>20</sup>	13
FG III	13	9
FG II		0
FG I		0
TOTAL	<b>26</b>	<b>22</b>
Seconded national Experts (SNE)	1	1
<b>TOTAL</b>	<b>72</b>	<b>66</b>

a) Information on the entry level for each type of post

Key functions	Type of Contract (TA, CA)	Function group, grade of recruitment	Indication whether the function is dedicated to administrative support or operations
<i>Director (level 1)</i>	TA	AD 14	<i>Management (both administration and operational)</i>
<i>Chief Operating Officer (level 2)</i>	TA	AD 11	<i>Management (both administration and operational)</i>
<i>Head of Unit</i>	TA	AD9	<i>Management (both administration and operational)</i>
<i>Senior Officer</i>	TA	AD8	<i>Operational</i>
<i>Officer (Programme)</i>	TA/CA	AD6/FGIV	<i>Operational</i>
<b>SUPPORT FUNCTIONS</b>			
<i>Head of Unit Services and Finance</i>	TA	AD9	<i>Administration</i>
<i>Head of Section Human Resources</i>	TA	AD6	<i>Administration</i>
<i>Head of Section Finance and Budget</i>	TA	AD8	<i>Administration</i>
<i>Communications Officer</i>	TA	AD6	<i>administration and operational</i>
<i>Head of Section IT</i>	TA	AD 8	<i>administration</i>
<i>Officer (Policy)</i>	TA	AD6	<i>administration and operational</i>
<b>SPECIAL FUNCTIONS</b>			
<i>Data Protection Officer (Legal officer appointed, not a separate function)</i>	TA	AD6	<i>Administration</i>
<i>Legal Officer</i>	TA	AD6	<i>Administration</i>
<i>Internal Auditor</i>	TA	AD7	<i>Administration</i>

<sup>20</sup> 2 FG IV are third-party funded and one SNE post was converted to an FG IV post.

b) Result of the job screening exercise (31/12/2023)

Job Type and Category	Year 2020	Year 2021	Year 2022	Year 2023
ADMINISTRATIVE SUPPORT AND COORDINATION	22.7%	18.75%	20%	20%
Administrative Support	11	9	9	9
Coordination	4	4	4	4
OPERATIONAL	66.7%	70.3%	70.7%	70.7%
Top-Level Operational Coordination	5	6	7	7
Programme Management & Implementation	19	19	18	17
Evaluation & Impact Assessment	10	10	11	13
General Operational	10	10	10	9
NEUTRAL	10.6%	10.93%	9.2%	9.2%
Finance	5	5	5	4
Control	2	2	1	2

## Annex V: Human and Financial resources by activity

Activity	TA	CA	SNE	Operational HR <sup>1</sup>	Operational exp., EUR <sup>2</sup>	Overheads, EUR <sup>3</sup>	Total cost (operational exp. and overheads), EUR
Consolidating, fostering growth and impact of the KICs	17	7		24	415,091,804.00	2,983,167.65	418,074,971.65
Creating new KICs	1	1		2	-	248,597.30	248,597.30
The EIT's next Strategic and Innovation Agenda (SIA) 2021-2027	3	2		5	404,178.00	621,493.26	1,025,671.26
Fostering and attracting talent	1	2		3	142,150.00	372,895.95	515,045.95
Enhancing stakeholder engagement	3	1	1	5	1,259,903.84	621,493.26	1,881,397.10
EIT KIC Relations	1			1	185,540.00	124,298.65	309,838.65
Simplification	1			1	-	124,298.65	124,298.65
Monitoring, impact analysis and evaluation	3	2		5	93,725.00	621,493.26	715,218.26
Strategy: Coordination and implementation	5	0		5	402,177.00	621,493.26	1,023,670.26
Administrative support and coordination	5	10		15	1,388,526.19	1,864,479.79	3,253,005.98
<b>TOTAL</b>	<b>40</b>	<b>25</b>	<b>1</b>	<b>66</b>	<b>418,968,004.03</b>	<b>8,203,711.03</b>	<b>427,171,715.06</b>

<sup>1</sup> The operational Human Resources consist of the total number of Temporary and Contract Agents directly involved in operations.

<sup>2</sup> The operational expenditure is the amount of contracts concluded for implementation of the projects of the AWP.

<sup>3</sup> The overheads are costs indirectly involved in the implementation of the projects of the AWP. These include fixed costs such as salaries, rent, software licences and other similar costs. In addition, overheads include variable costs such as office equipment and supplies, ICT equipment, telecommunication costs and other similar expenses. The total overheads are distributed to each area of activity in proportion to the operational staff employed in each area of activity.

## Annex VI: Contribution, grant and service level agreements

### Business Plan grants awarded

Knowledge and Innovation Community	Amount EUR	Subject of grant or contract
EIT Climate-KIC	20,194,083.00	Climate change mitigation and adaptation.
EIT Digital	30,571,598.00	Future information and communication societies.
EIT Food	179,237,059.00	Sustainable food supply chain from resources to consumers.
EIT Health	142,850,587.85	Improve the quality of life of Europe's citizens and sustainability of healthcare system.
EIT InnoEnergy	44,034,320.00	Sustainable energy.
EIT Manufacturing	107,320,755.00	Globally competitive and sustainable manufacturing.
EIT RawMaterials	136,112,353.00	Raw materials (sustainable exploration, extraction, processing, recycling and substitution).
EIT Urban Mobility	129,679,244.68	Smart, green and integrated transport.
<b>Total:</b>	<b>790,000,000.53</b>	

### Other grants awarded

Knowledge and Innovation Community	Amount EUR	Subject of grant or contract
EIT CCSI SUGA	5 995 362.13	Start-up grant agreement for creating the EIT Culture & Creativity.
Cross KIC (EIT Community) grant agreements	66,776,704.66	Shared services, Strategic education, strategic outreach, Strategic Synergies, Strategic Regional Innovations, Strategic Access to Finance, Thematic Innovation (Hydrogen Cities).
HEI initiative grant agreement	32,853,999.25	EIT HEI Initiative - Innovation Capacity Building for Higher Education, creating systemic impact by strengthening the innovation and entrepreneurial capacity of Higher Education Institutions (HEIs) at institutional level
<b>Total</b>	<b>105,626,066.04</b>	

*Note: These are the grants awarded by EIT in 2023 for the 2 years and 3 years grants (new multi-annual grants) and the SUGA.*



## Annex VII: Environment management

The EIT strives to **become a climate neutral agency** by operating as sustainably as possible to contribute to the European Union's ambition (European Green Deal) of becoming climate neutral by 2050. In 2023, the **"EUAN Charter on the reduction of greenhouse gas emissions and responsible environmental management"** was drafted by the Greening EUAN Sub-network to show the Network's commitment to contribute to reaching the target of climate neutrality by 2030.

The EIT is taking a series of steps towards impactful environment management and will disseminate such measures in the EIT Community while tracking the societal impact of the EIT Knowledge and Innovation Communities (KIC). **The EIT is Europe's largest innovation ecosystem and a leading instrument under Horizon Europe to tackle climate change and related challenges.** EIT KICs are contributing to achieve sustainable development goals (SDGs) as disclosed in the SAs.

As an example, EIT Climate-KIC is working to accelerate the transition to a zero-carbon economy. It identifies and supports innovation that helps society mitigate and adapt to climate change. Through innovation project scaling, it uses start-ups as vehicles for replacing dirtier technologies for cleaner ones. And through wider diffusion of its boosted KTI innovation model, by 2027 the EIT Climate-KIC aims to have:

1. Helped Europe avoid over 500 million tonnes (CO<sub>2</sub>eq) of emissions, and
2. Strengthened the resilience of 10 million people to the impacts of climate change.

Other KICs focusing on sustainable energy, food, urban mobility, raw materials and manufacturing also address the climate crisis with large parts of their activities. Altogether the EIT contributed an estimated EUR **1.2 B to reach climate related adaptation/mitigation targets during 2014-2022.**

The EIT annually assesses and **monitors the performance** of its Knowledge and Innovation Communities and the EIT Governing Board allocates funding based on the results and impact achieved. KICs are also subject to 3, 7, 10 and 15 year comprehensive reviews on their impact. Additionally, the EIT adopted the Simplified Impact Framework by the Decision 08/2022 of the Governing Board of the EIT, in which **KPIs track the societal impact of KIC activities**, such as:

- ❖ EIT grant invested in climate action, biodiversity, clean air, digital transformation, health, sustainable development.

The indicator will be estimated based on the "RIO markers" methodology developed by OECD. The values (0%, 40%, 100%) will be reported at portfolio level.

- ❖ Impact of KICs on achieving Sustainable Development Goals

This indicator will assess the impact that KICs had through their activities on achieving the specific SDGs.

The **EIT** actively contributes to impactful environment management by taking environmentally conscious measures regarding its premises and staff. The main progress/result archived in 2023 are:

- The amount of GHG emissions originating from the EIT's operation in the year 2023 was **250 tons of CO<sub>2</sub> equivalent**. The corporate carbon footprint report of the EIT for 2023 used CLIM'FOOT, a tool developed from the Bilan Carbone® method. The calculation used, is included all three types of emissions (Scope 1 - direct, Scope 2 - indirect, Scope 3 - other indirect sources). The Bilan Carbone® method was developed in 2004 by the French Environment and Energy Management Agency, ADEME, to quantify organisations' GHG emissions. Some calculations rely on assumptions; therefore, results are to be interpreted in this manner. The emission intensity of 2.80 tons of CO<sub>2</sub>e per EIT staff member corresponds to an average figure in Europe for an office-based employee.

- Consumptions data were partially available for 2023. The EIT consumption of the EIT HQ premises proportionated from the consumption data of the entire building, which based on square meters calculated as 11%. The methodology of the calculation is described in the EIT Carbon Footprint report 2023. Consumption of the EIT House was not available for the year 2023, therefore at the yearly GHG emission calculation, assumptions were applied.

xx. table: Calculated consumption data of the EIT HQ premises for 2023

Consumptions / generated waste	EIT HQ ( Budapest)
Water consumption	543.4 m <sup>3</sup> /year
Energy consumption (electricity)	12,334.63 kWh/year
Energy consumption (*district heating)	320.21 GJ/year
Paper consumption	289.14 kg/year
Waste generation (municipal)**	21.41 m <sup>3</sup> / year
Waste generation (plastic)	43.45 kg/year
Waste generation (paper)	705.65 kg/year
Sewage water	543.4 m <sup>3</sup> / year

\*District heating: 90% natural gas, 10% heat reuse from incinerator

\*\* Municipal waster generated: based on 2022 data

- EIT revised the Missions Policy introducing Sustainability Criteria.
- The plan to reduce travel by at least 40% compared to 2019 by 2025 is archived in 2023. Calculation shows, that there is a massive decrease if we compare the emissions in 2022 or in 2023 to the emission data of 2019 regarding the missions. In 2022 it was reduced to the 66% and in 2023 to the **61% of the carbon footprint of year 2019**.

CO <sub>2</sub> emission derived from staff missions	2019	2022	2023
(tCO <sub>2</sub> eq.)	76.7	50.95	46.60

- The second edition of the **EITree**, a social and sustainability event of the EIT happened in December 2023 where the EIT staff planted 15 trees (*Acer pseudoplatanus*, *Fraxinus ornus*) in an urban area and ensured their maintenance for 3 years. An average tree can neutralize 25 kg CO<sub>2</sub>e/year. In the case of an average 40-year lifespan, this amounts to approximately 1 ton.

- In 2023 the EIT made further progress as described above with a Sustainability Action Plan boosted by the **EIT Sustainability Committee** to accelerate reaching its goal of becoming a climate neutral agency and continuing actions in 2023:

- By 2025 it is planned to reduce travel by at least 40% compared to 2019. EIT revised the Missions Policy introducing Sustainability Criteria.
- The EIT has phased out the use plastic water bottles or paper cups, installing water filtering machines, thus reducing their use by 100%.
- The EIT took further action to reduce paper use in the office through the introduction of electronic paperless systems (i.e., Sysper, ARES, Bluebell already in use).
- The EIT aims to reduce the use of electricity by 30% through the utilisation of energy saving office equipment.

- The EIT incentivises its staff members to also contribute to the reduction of CO2 emissions, via targeted social policies, such as the use of public transport rather than cars (subsidising public transport tickets).
  - The building hosting the EIT's office has a **LEED SILVER** certificate issued by US Green Building Council.
  - Bike to Work- awareness raising campaign on public transport and electric bikes.
- 
- In 2023, the EIT was preparing the working program for 2024 of the **EUAN Greening Subnetwork** to strengthen inter-agency cooperation as a chair in 2024.

## Annex VIII: Final annual accounts 2023

Separate document - Ares(2024)4387067 and GB DECISION 19/2024 ON THE OPINION OF THE GOVERNING BOARD ON THE ANNUAL ACCOUNTS OF THE EUROPEAN INSTITUTE OF INNOVATION AND TECHNOLOGY FOR THE FINANCIAL YEAR 2023