

DECISION 26/2017  
OF THE GOVERNING BOARD OF  
THE EUROPEAN INSTITUTE OF INNOVATION AND TECHNOLOGY (EIT)

ON APPROVAL OF THE EIT'S 2018 CALL FOR KICS' PROPOSALS

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

Having regard to Regulation (EC) No 294/2008 of the European Parliament and of the Council of 11 March 2008 establishing the European Institute of Innovation and Technology<sup>1</sup>, as amended by Regulation (EU) No 1292/2013 of the European Parliament and of the Council of 11 December 2013<sup>2</sup> (hereafter referred to as the "18EIT Regulation"), in particular Articles 4(1)(a) and 7 thereof, and Section 2 (c) of the Statutes annexed to the EIT Regulation;

Having regard to Regulation (EU) No 1290/2013 of the European Parliament and of the Council of 11 December 2013 laying down the rules for participation and dissemination in "Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020)" and repealing Regulation (EC) No 1906/2006<sup>3</sup> (hereafter referred to as the "Horizon 2020 Rules for Participation"), in particular Articles 11 and 15 thereof;

Having regard to Decision No 1312/2013/EU of the European Parliament and of the Council of 11 December 2013 on the Strategic Innovation Agenda of the European Institute of Innovation and Technology (EIT): the contribution of the EIT to a more innovative Europe<sup>4</sup> (hereafter referred to as the "Strategic Innovation Agenda");

Having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002<sup>5</sup>, as amended by Regulation (EU, Euratom) No 547/2014 of the European Parliament and of the Council of 15 May 2014<sup>6</sup> and by Regulation (EU, Euratom) 2015/1929 of the European Parliament and of the Council of 28 October 2015<sup>7</sup> (hereafter referred to as the "EU Financial Regulation"), in particular Articles 106 (1), 107, 131, 132 and 133;

Having regard to Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union<sup>8</sup>, as amended by Commission Delegated Regulation (EU) 2015/2462 of 30 October 2015<sup>9</sup>, in particular Articles 201 to 205 thereof;

Having regard to the Decision of the Governing Board of the EIT of 27 December 2013 on adopting the Financial Regulation for the European Institute of Innovation and Technology<sup>10</sup>, as amended by Decision 6/2015 of the

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

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

<sup>3</sup> OJ L 347 of 20.12.2013, p. 81.

<sup>4</sup> OJ L 347 of 20.12.2013, p. 892.

<sup>5</sup> OJ L 298, 26.10.2012, p.1.

<sup>6</sup> OJ L163 of 29.5.2014, p. 18.

<sup>7</sup> OJ L286 of 30.10.2015, p. 1.

<sup>8</sup> OJ L362 of 31.12.2012, p. 1.

<sup>9</sup> OJ L342 of 29.12.2015. p. 7.

<sup>10</sup> 01364.EIT.2014.I

Governing Board of the EIT of 5 March 2015<sup>11</sup> and by Decision 11/2016 of the Governing Board of the EIT of 20 April 2016<sup>12</sup> (hereafter referred to as the “EIT Financial Regulation”);

Having regard to Decision 29/2016 of the Governing Board of the EIT of 17 November 2016 on the designation of Knowledge and Innovation Communities (KICs) in the ‘Food for Future’ and ‘Added-value Manufacturing’ themes<sup>13</sup>;

Having regard to Decision 8/2017 of the Governing Board of the EIT of 23 March 2017 on relaunching the call for proposals for the Knowledge and Innovation Community (KIC) in the ‘Added value Manufacturing’ theme<sup>14</sup>;

Having regard to Decision 13/2017 of the Governing Board of the EIT of 15 June 2017 on the approval of the evaluation criteria of the EIT’s 2018 Call for KICs proposals<sup>15</sup>;

## WHEREAS

- (1) During the period from 2014 to 2020, the EIT contributes to the general objectives of Horizon 2020 - The Framework Programme for Research and Innovation, by integrating the entrepreneurship-driven ‘Knowledge Triangle’ of higher education, research and business in order to deliver disruptive innovation. To further enhance its impact and to incentivise the innovations needed to meet new societal challenges, the EIT will, as established in the EIT Regulation and the Strategic Innovation Agenda, gradually expand its portfolio of Knowledge and Innovation Communities (KICs).
- (2) With this Call, the EIT launches the selection process for two new KICs in the thematic areas of: 1) Urban Mobility and 2) Added-value Manufacturing.
- (3) According to the Statutes annexed to the EIT Regulation, the EIT Governing Board shall adopt the selection procedure of the KICs.
- (4) The selection procedure for the EIT’s 2018 Call for KICs proposals shall be developed in accordance with the EIT Regulation and the Horizon 2020 Rules for Participation.
- (5) The call text takes into account the analysis of the lessons learnt from the 2016 Call for KIC proposals including the independent expert assessment of the Added-value Manufacturing theme, its suitability for the EIT model and the factors that prevented competition.
- (6) The European Commission has confirmed that the relaunch of the Call in the thematic area of Added-value Manufacturing is in accordance with the Strategic Innovation Agenda.<sup>16</sup>

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<sup>11</sup> 00101.EIT.2015.I.GB34

<sup>12</sup> 04141.EIT.2016.I.GB.41

<sup>13</sup> 05940.EIT.2016.I.GB42

<sup>14</sup> 00302.EIT.2017.I.GB45

<sup>15</sup> 02519.EIT.2017.I.GB46

<sup>16</sup> Letter from Ms Martine Reicherts, Director-General, Directorate-General for Education, Youth, Sport and Culture to Mr Martin Kern, EIT Interim Director of 20 September 2017, Ref. Ares(2017)4607204-21/09/2017

HAS DECIDED AS FOLLOWS:

#### Article 1

The European Institute of Innovation and Technology (EIT) 2018 Call for Knowledge and Innovation Communities' (KICs') proposals, as attached to this Decision, is hereby adopted.

#### Article 2

This Decision and the documents related to the 2018 Call for KICs' proposals shall be kept in strict confidentiality until their publication on 12 January 2018.

#### Article 3

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

*Done at Budapest on 18 December 2017<sup>17</sup>*

*Signed*

Peter Olesen  
Chairman of the EIT Governing Board

***Annex 1. The European Institute of Innovation and Technology (EIT) 2018 Call for Knowledge and Innovation Communities' (KICs') proposals and its Annexes***

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<sup>17</sup> *Approved by written procedure*

The European Institute of Innovation and Technology (EIT)  
2018 Call for Knowledge and Innovation Communities' (KICs') Proposals

The EIT invites applicants to submit their proposals with a view to selecting and designating a Knowledge and Innovation Community (KIC) in each of the following thematic areas:

1) Urban Mobility; and

2) Added-value Manufacturing.

The deadline for the submission of proposals is:  
**12 July 2018 [17:00 Brussels local time]**

*The European Institute of Innovation and Technology (EIT) is a key driver of sustainable European economic growth and competitiveness. It reinforces the innovation capacity of the EU and its Member States in order to address the grand challenges facing European society.*

*During the 2014 to 2020 period, the EIT contributes to the general objectives of [Horizon 2020 - The Framework Programme for Research and Innovation](#), by integrating the entrepreneurship-driven 'Knowledge Triangle' of business, higher education and research to boost disruptive innovation across Europe.*

*To further enhance its impact and to incentivise the innovations needed to meet new societal challenges, the EIT will, as established in the [EIT Regulation](#) and [Strategic Innovation Agenda \(SIA\)](#), gradually expand its portfolio of Knowledge and Innovation Communities (KICs). With this Call, the EIT launches the selection process for two new KICs in the thematic areas of: 1) Urban Mobility; and 2) Added-value Manufacturing.*

***For more information on the thematic scope of these KICs, please consult the SIA Fact Sheets on [Urban Mobility](#) and [Added-Value Manufacturing](#) available in the Annexes of this call.***

*The EIT's KICs offer a genuine opportunity for leading innovation players to be part of a highly integrated and collaborative community, based on principles of excellence and commitment, and will achieve pan-European impact. KICs are organised according to business logic, with a focus on people and talent as drivers of innovation and a lean and efficient governance and business model. The integration of these elements within a KIC provides the optimal framework for achieving long-lasting structural, economic and societal impact, and the creation of skilled jobs in Europe.*

## 1. The EIT – European Institute of Innovation and Technology

Europe has excellent business, education and research organisations, as well as inventions whose innovation potential can and should be fully exploited. Europe's research and innovation systems can also be further integrated by allowing the development and scale-up of poles of excellence with the critical mass to compete at a global level and by fostering closer collaboration between organisations from the Knowledge Triangle. Moreover, to create and nurture high-growth companies and capture the value of research and innovation outputs, Europe must do more to instil an entrepreneurial culture throughout society.

The EIT has been created to enhance Europe's ability to innovate by integrating, for the first time at the EU level, education and entrepreneurship with research and innovation. To achieve this goal, the EIT follows an 'investor approach', which stands for a focus on identifying the best strategic opportunities and selecting a portfolio of world-class partnerships – the KICs – to deliver them.

Through the KICs, the EIT develops and tests new models of how innovation is approached, managed, financed and delivered in Europe. The EIT has created new environments in which innovation thrives and has generated breakthroughs in the way in which higher education, research and business cooperate. Ultimately, the EIT aims to boost and significantly accelerate the innovation process - from idea to product and service, from student and researcher to entrepreneur, from lab to the market; thereby triggering a change towards a more entrepreneurial mindset.

As a European Institute, the EIT shares new, innovative approaches and good practices emerging from the KICs for the benefit of the European Union as a whole as well as for future generations.

The EIT is an integral part of the EU's Framework Programme for Research and Innovation (Horizon 2020 for the period 2014-2020) which brings together all existing Union research and innovation initiatives. In order to promote cross-fertilisation, the EIT and its KICs exploit synergies and complementarities with existing European and other relevant policies and programmes.

## 2. EIT's KICs - Knowledge and Innovation Communities

An EIT Innovation Community is an integrated partnership bringing together leading companies, higher education institutions, research organisations and other stakeholders in the innovation process that tackles societal challenges through the development of products, services and processes and also by nurturing innovative, entrepreneurial people. A KIC connects excellence-driven innovation hubs, the Co-location Centres, with a view to become leading centres of excellence, competing and collaborating with other innovation hubs across the world.

A KIC follows a long-term innovation and impact-driven strategy, operating with a business logic and a results-oriented approach to contribute to the achievement of the EIT's overall mission, the priorities laid down in [the Strategic Innovation Agenda](#) and the attainment of the general objectives established in Horizon 2020.

A KIC carries out a whole range of world-class activities bringing together actors from different sides of the Knowledge Triangle (business, education and research) encompassing the whole innovation value chain within a particular field. A KIC's portfolio of activities typically includes, inter alia: entrepreneurial education and training programmes, research and innovation projects, and incubation of, and support to start-ups and scale-ups. The EIT also encourages collaboration between its KICs.

A KIC is established as a legally and financially structured transparent partnership with substantial degree of autonomy and sets up its own governance system following good governance principles. A strong commitment by KIC partners, including financial support, is a must. KICs must remain open and flexible in order to attract new partners that bring added value to the partnership.

### 2.1 Impact

A KIC is expected to turn investment into tangible economic and social impact (such as new businesses and business opportunities, risk taking and entrepreneurial people contributing to sustainable economic growth) and generate new, high quality jobs. The potential and desired impact must be the overarching principle when designing the KIC strategy, business model, portfolio of activities and management. The impact of a KIC results from the clear articulation and execution of:

- *Long-term strategy:* A KIC's first strategic outlook covers a seven-year period. This long-term perspective enables partners to commit for a long timeframe, and ensures that a KIC is able to focus on short, mid and long-term objectives, whilst remaining flexible enough to adapt to new emerging needs.

- *Integration of the Knowledge Triangle:* A KIC designs and implements an integrated portfolio of activities, which acts as a catalyst, blending an exploitation approach into the existing research base and making education and training activities more responsive to business needs. On this basis, a highly interactive process is generated.
- *Performance and results:* A KIC has to define impact indicators derived from the key performance indicators included in a KIC Scoreboard consistent with the KIC's activities.
- *Outreach:* A KIC will develop activities in the framework of the EIT Regional Innovation Scheme (EIT RIS) as outlined in the SIA. The EIT RIS is an outreach scheme targeted at partnerships between higher education institutions, research organisations, companies and other stakeholders, in order to foster innovation across the European Union and beyond.

## 2.2 People & Talent

People act as carriers and multipliers of knowledge and, therefore, are of paramount importance in achieving a KIC's objectives. A KIC is expected to attract business professionals, educators, students, entrepreneurs, investors, researchers, and academics, from Europe and abroad, who are eager to innovate.

A KIC will contribute to the development of the EIT Community brand and promote the recognition of talent through the EIT labelled masters and doctorates as well as through additional training and post-doctoral programmes.

A KIC approach towards the promotion of collaboration between individuals includes:

- Stimulating innovative learning environments within and across Co-location Centres in diverse and multidisciplinary teams;
- A highly developed entrepreneurial team culture and spirit;
- Mobility between business, research organisations and academia and across national boundaries; and,
- Incentive schemes that attract and retain excellent people and talent from across the innovation chain.

## 2.3 Partnership - The Innovation Community

A KIC must be a diverse, balanced, collaborative and world-class partnership with the adequate operational and financial capacity to deliver on the KIC's proposed strategy and portfolio of activities.

By developing robust collaborative relationships between excellent partners from the 'Knowledge Triangle', i.e. business (including SMEs), higher education institutions and research organisations, a KIC allows partners to optimise resources, have access to new business opportunities, accelerate market uptake of new products and services and enhance the attractiveness of postgraduate education.

Disruptive innovation comes from the cooperation between talented individuals, institutions and organisations with different cultures and backgrounds that challenge traditional collaborative models. Diversity, in terms of composition and approaches towards innovation, is therefore essential in creating new value chains in KIC partnerships, the governing bodies and leadership teams.

The combined strength of the partners must be greater than the sum of the strengths of individual partners. This is determined, to a large extent, by the commitment of each individual partner.

A KIC is a dynamic partnership. The initial partnership has a crucial role in defining the core elements of a KIC, successfully setting up a KIC and starting to implement activities. As the volume and scope of activities grow, a KIC is expected to expand the partnership to new partners in a transparent way provided they bring further added value to the KIC.

The assessment of the partnership innovation quality will be exclusively based on partners forming the consortium at the application stage.

## 2.4 The EIT Innovation Hubs: Co-location centres

Co-location Centres (or EIT Innovation Hubs) are the main instrument for managing KIC activities and knowledge flow at regional and local level. They bring together diverse teams from across the 'Knowledge Triangle' in one specified physical location and provide the focal point for the KICs' activities in that area. Geographical proximity is essential to facilitate interactions among KIC partners within a geographical area.

While geographically distributed across a specific area, the different Co-location Centres of a KIC are effectively connected to each other, they are closely aligned with the KIC's strategy and goals, and work closely together in a coherent manner as part of the KIC partnership. Co-location Centres should build on existing centres of excellence in higher education, research and innovation, embed themselves in local innovation ecosystems and link them together to become a world-class innovation hub in the relevant thematic area. Co-location Centres must give visibility to the EIT Community brand and EU support.

All Co-location Centres must fulfil the following key functions:

- *Connectivity:* Co-location Centres provide a physical space for interaction with the local ecosystem, the main knowledge triangle partners based in the area and strong links to the KIC partnership. They attract a wide range of innovators (e.g. students, start-ups, industry, policy-makers, etc.) from within the KIC and beyond.
- *Activity management:* Co-location Centres act as hubs for many KIC activities; coordinating and managing partner activity, structuring and implementing governance arrangements and facilitating collaboration.
- *Knowledge management:* Co-location Centres function as points for knowledge exchange (within and between Co-location Centres).

In order to ensure an efficient set-up, a KIC must have a maximum of five Co-location Centres at proposal stage. Applicants should provide concrete locations (city or town) for Co-location Centres in their proposals, ensuring that geographical proximity (clearly specifying and justifying regional coverage) and physical location principles are respected.

## 2.5 Building the EIT Community brand identity

When communicating, a KIC must contribute to the development of an innovative community based on the EIT values. Communications activities must be understood as an intrinsic part of the KIC's strategy to achieve its goals. In doing so, a KIC will also contribute to the development of the EIT Community identity and support the EIT's vision and mission. Close cooperation between the EIT and each KIC is crucial to ensure brand alignment.

In promoting the EIT Community identity, a KIC will apply the [EIT Community brand](#) and the EIT principles of excellence and innovation in all of its activities. The EIT label, which can be awarded to Master and Doctoral programmes offered by a KIC's partners, is also an important element of a KIC's approach to building the EIT Community brand identity and in increasing the visibility of its novel approach to higher education.

## 2.6 Dissemination

A KIC shares and exchanges information, results and lessons learned from its activities and achievements with external stakeholders across the European innovation landscape through outreach and dissemination activities, thereby promoting a faster uptake of innovation models across the European Union.

A KIC's strategy will include specific outreach initiatives in order to bring benefits to the whole of the European Union. A KIC's outreach activities are an opportunity to establish a mutually enriching engagement with areas and stakeholders beyond the KIC's community and partners.

## 2.7 Governance & Management

A KIC has substantial autonomy in defining its internal organisation and composition as well as its strategy, objectives, activities and working methods. The governance structure must follow good governance principles defined by EIT and should:

- reflect the diversity in the composition of the partnership, in particular the balance within the knowledge triangle;
- separate ownership/membership from operational management;
- ensure an open and high-quality decision-making process, composed of top management from KIC partners' as well as independent high-level members;
- separate the supervisory function from the operations and integrate a system of checks and balances, the body with supervisory function should have an independent chairperson;
- have a size allowing to function in an effective and efficient way.

In its operations, a KIC should follow the principles of flexibility and business logic.

A KIC must put in place a strong, diverse and flexible management structure that includes:

- Governance arrangements which reflect the knowledge triangle of higher education, research and innovation;
- A governance structure where high-level management from KIC partners is involved and which integrates a system of checks and balances;
- An effective operational structure to deliver the KIC strategy and ensure a gradual and transparent partner expansion plan;
- A high quality and diverse management team with strong direction, leadership and executive power over the implementation of the KIC's strategy and business plans – including a Chief Executive Officer (CEO) and other key management positions;



- Business plans with short, mid and long-term targets, Key Performance Indicators (KPIs) and milestones for the activities; and
- Internal rules which guarantee transparency.

To function as a legally and financially integrated partnership, the designated KIC must establish a KIC Legal Entity (KIC LE) that is the official representative of the KIC for contractual relations with the EIT.

The KIC will be free to decide on its legal form. At the proposal stage, a suitable KIC LE model must be identified and presented with justification of the choice.

## 2.8 Business model, financial plan and sustainability

The business model and financial plan of a KIC must be consistent with, and contribute to, the KIC's objectives and strategy and provide for an optimal and efficient use of resources. It must be designed so as to contribute to the generation of economic and societal impact and the positioning of the KIC as a leading global player in its field.

While a KIC will not be financially independent from the EIT during the first years of operation, it should aim to become sustainable in the medium-term; i.e. gradually reduce its dependency on EIT funding [in accordance with the EIT's principles on KIC's financial sustainability](#) .

The EIT's funding model seeks to generate a smart alignment of investment as well as high leveraging and pooling of resources. The proposal therefore requires strong financial commitment from partners, including a substantial and increasing contribution from business, and from other non-EIT sources to ensure long-term sustainable financing.

A KIC's business model should foresee the monetisation of investments resulting in additional revenue streams stemming from KIC activities (e.g. equity stakes in start-ups, licencing deals, IP revenues, etc.) that capitalise on the competitive advantages of the KIC.

A KIC must develop a policy for the management and exploitation of Intellectual Property (IP), tailored to the specific needs of its thematic area, aligned with the KIC business model, contributing to the [KIC's financial sustainability](#) in the medium term and following the intellectual property rules laid down in the Horizon 2020 Framework Programme for Research and Innovation. A KIC is advised to set-up an IP Board to facilitate the formulation and management of its IP policy.

## 3. Indicative EIT financial contribution to the KICs

During the period 2014-2020, the EIT is funded through a contribution of EUR 2.35 billion from Horizon 2020. The EIT budget covers three main priorities during this period: the necessary expenditure for consolidating the five established KICs; the set-up of three new KICs launched in two waves (in 2016 and 2018 respectively); and dissemination and outreach activities and administrative expenditure. Funding available for post-2020 activities depends on the future EU Framework Programme for Research and Innovation.

The rules concerning the eligibility for funding of participant entities are provided in Article 10 of the [Horizon 2020 Rules for Participation](#)<sup>1</sup>. For British applicants: Please be aware that the eligibility criteria

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<sup>1</sup> Regulation (EU) No 1290/2013 of the European Parliament and of the Council of 11 December 2013 laying down the rules for participation and dissemination in "Horizon 2020 – the Framework Programme for Research and Innovation (2014-2020)" and repealing Regulation (EC) No 1906/2006

must be complied with for the entire duration of the grant. If the United Kingdom withdraws from the EU during the grant period without concluding an agreement with the EU ensuring in particular that British applicants continue to be eligible, you will cease to receive EU funding (while continuing, where possible, to participate) or you will have your participation in the grant agreement terminated.<sup>2</sup>

The EIT's contribution to the KIC's expenditure will not exceed 25% of its overall budget. The remaining 75% should be financed from other non-EIT sources of financing (e.g. mainly partners' own resources and other sources including national/regional funding, EU funds, etc.).

The financing modalities are defined in accordance with the [EIT Principles for financing, monitoring and evaluating KIC activities](#) and the [EIT Financial Regulation](#).

The **form of grant**, the **reimbursement rate** and the **types of costs**, including the eligible costs are indicated in Articles 4-5 of the Specific Grant Agreement.

#### 4. Contractual relations between the EIT and the KICs

##### 4.1 Start-up Grant Agreement

As stated under point 5, the EIT may sign a Start-up Grant Agreement with the designated KICs in order to ensure financial support for the start-up phase of the KICs.

The Start-up Grant Agreement is a multi-beneficiary grant agreement which will be concluded between the consortium submitting the proposal (represented by the Coordinator) and the EIT. The Start-up Grant Agreement will have the duration until the end of the start-up period (December 2019).

The model Start-up Grant Agreement is annexed to the call.

##### 4.2 Framework Partnership Agreement and Specific Grant Agreement

The long-term cooperation between the EIT and each KIC will be formalised through a seven-year Framework Partnership Agreement (FPA) which will be concluded between the KIC (the KIC LE and the KIC Partners represented by the KIC LE) and the EIT. This agreement specifies the common objectives, the nature of activities planned and the general rights and obligations of each party. The FPA may be renewed.

Within this framework, the EIT may award grants to a KIC formalised through Specific Grant Agreements (SGA) under the FPA. The EIT will make the annual funding decisions, following an assessment of each KIC's individual performance and a competitive review between the KICs.

The EIT intends to sign an FPA with the designated KICs upon successful completion of milestones during the start-up phase as approved by the EIT Governing Board.

The model FPA is annexed to the call.

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<sup>2</sup> See Article 50.3 of the Start-up Grant Agreement (SUGA) and Article 56.3 of the Framework Partnership Agreement (FPA).

The long-term cooperation between the KIC and the KIC partners must be formalised through internal arrangements (i.e. Internal Agreements, Statutes and by-laws of the KIC LE), which should include provisions for enforcing the terms of the FPA and the Specific Grant Agreements.

## 5. Start-up Grant

The EIT may award a grant of up to EUR 4 million to cover activities for Legal readiness, Operational readiness and fostering EIT Identity and other initial KIC activities to each of the two designated partnerships in order to support the efficient setting up of the two KICs. The designated partnerships, therefore, will have to submit their Start-up Plans in early 2019 following the EIT Guidance for Start-up Grant Agreement (SUGA).

The Start-up Plans will be evaluated by the EIT according to the following award criteria: relevance, efficiency and effectiveness of the Start-up Plan. An EIT panel will be appointed for assessing the Start-up Plan and the Start-up Grant requested by the KIC.

As outlined in the Framework of Guidance, the grant may cover the eligible costs of, inter alia, the following activities: establishment of legal structures, including the set-up of the KIC Legal Entity; recruitment and appointment of a CEO and other core staff; coordination and signature of the internal agreements formalising the engagement of partner organisations; setting up key business processes and establish internal policies; preparation of the first KIC Business Plan. In addition, when justified, the EIT Start-up Grant Agreement may also finance some initial higher education, research and innovation, cross-KIC and Regional Innovation Scheme (RIS) activities that directly contribute to the rolling out of the first KIC Business Plan.

More details will be communicated to the designated partnerships shortly after the designation decision of the EIT Governing Board in the form of a Designation Package information. A Kick-off meeting with each designated KIC will take place early in 2019.

## 6. Overview of proposal preparation and submission

This section contains an overview of the preparation and submission of a KIC proposal - further information, including guidance for applicants on how to submit proposals, is available through the KICs Call page of the EIT website: <https://eit.europa.eu/collaborate/2018-call-for-proposals> or directly through the Participant Portal <http://ec.europa.eu/research/participants/portal/desktop/en/home.html>

The electronic proposal submission system will open on 16 January 2018 on the KICs Call page of the EIT website. Only proposals submitted through the electronic proposal submission system will be accepted.

### 6.1 Proposal content and structure

The proposal will contain three sections:

- **Part A** – this part contains administrative information on the proposal, the Coordinator and partners, including declarations that they are not in a situation leading to exclusion;
- **Part B** – this part includes the main body of the proposal and the following elements should be included:

- **KIC strategy**, including the KIC strategic approach, key identified thematic areas, innovativeness and KIC partnership innovation potential, readiness to establish concrete synergies and complementarities with other relevant initiatives; (maximum 20 pages)
- **KIC operations**, including the KIC's leadership principles, team profile requirements, key considerations for setting up operational structures and co-location centres, KIC business model and financial plan (including estimated EIT and non-EIT financial resources) and plans for attracting financial resources and achieving long-term financial sustainability, and a plan for the management and exploitation of intellectual property; (maximum 10 pages)
- **KIC impact**, including planned pan-European impact on the societal challenge, human capital, job creation, economic growth demonstrated by the strategy, Key Performance Indicators (KPIs) and KIC Scoreboard, KIC communication strategy, and outreach (in particular EIT Regional Innovation Scheme); and dissemination plans including the contribution to building the EIT Community brand identity; (maximum 20 pages)
- **Part C** – this part contains a declaration from the legal representative of each partner on their motivation and endorsement of the proposal, and their commitment, including financial commitment (indicative budget per partner), to the objectives and aims of the KIC. The partners in the Motivation and Commitment declarations should provide information about their linked third parties, which are planned to be involved in the KIC's activities. In addition, the Coordinator should attach to the declaration, the relevant project references and the CVs of the key members of the Interim Management Team.

Proposals may be submitted in any of the official languages of the European Union. Please note, however, that the working language of the EIT is English. Therefore, proposals and documentation submitted in English facilitate the evaluation process. Nonetheless, the choice of proposal's language will not have an impact on the evaluation. The EIT appreciates documentation presented in an orderly way, which is clear and easy to read.

## 7. Evaluation procedure and criteria (admissibility, eligibility, exclusion, selection and technical evaluation criteria)

### 7.1 Admissibility criteria

Prior to evaluation, proposals will be examined for compliance with the following admissibility criteria:

- the proposal must be submitted through the electronic proposal submission system;
- the proposal must be submitted by the Call deadline;
- the proposal must have completed all mandatory parts.

### 7.2 Eligibility criteria

After the admissibility check, a proposal will only be considered eligible if it complies with the following eligibility conditions:

- the proposed KIC must contain at least three independent partner organisations established in at least three different Member States;
- at least two thirds of the partner organisations forming the proposed KIC are established in Member States;
- the proposed KIC includes at least one higher education institution and one private company;
- the proposal must be submitted by a partnership containing a maximum of 50 partners.

Only proposals satisfying all of the eligibility criteria shall pass on to the evaluation stage.

### 7.3 Exclusion criteria

Applicants shall be excluded from participation in the Call and from the award if they are in one of the situations referred to in Articles 106(1) and 107 of the [EU Financial Regulation](#)<sup>3</sup>.

As evidence, the applicants will have to submit a declaration of honour on exclusion criteria and absence of conflict of interest. Following the designation decision, the winning consortia will be requested to submit recently issued evidence (e.g. registration and tax certificates, judicial records) in support of the declaration of honour, in accordance with Article 141 of the [Rules of Application of the Financial Regulation](#)<sup>4</sup>.

### 7.4 Financial and Operational Capacity (Selection) Criteria

Only admissible and eligible proposals will be evaluated against the financial and operational capacity criteria.

#### 7.4.1 Financial Capacity criteria

The organisation of the Partnership's Coordinator (or Coordinator of the KIC start-up phase) will be subject to the financial viability check assessing its financial capacity if (and when) the KIC has been designated and the Coordinator is subject<sup>5</sup> to this check. Financial capacity will be assessed on the basis of the financial viability check<sup>6</sup>.

At the proposal submission stage<sup>7</sup>, the Coordinator will be asked to confirm that he/she has carried out a self-check through the financial self-check tool<sup>8</sup> or has been covered by a financial viability check for an EU project for the last closed financial year.

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<sup>3</sup> Regulation (EU, EURATOM) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002, as amended by Regulation (EU, Euratom) No 647/2014 of the European Parliament and of the Council of 15 May 2014 and by Regulation (EU, Euratom) 2015/1929 of the European Parliament and of the Council of 28 October 2015

<sup>4</sup> Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union, as amended by Commission Delegated Regulation (EU) 2015/2462 of 30 October 2015

<sup>5</sup> [http://ec.europa.eu/research/participants/docs/h2020-funding-guide/grants/applying-for-funding/register-an-organisation/financial-capacity-check\\_en.htm](http://ec.europa.eu/research/participants/docs/h2020-funding-guide/grants/applying-for-funding/register-an-organisation/financial-capacity-check_en.htm)

<sup>6</sup> The organisation's financial viability will be assessed by checking that: it has sufficient liquidity – it is able to cover its short-term commitments, it is financially autonomous, it is solvent - capable of covering its medium and long-term commitments, it is profitable – by generating profits, or at least with self-financing capacity.

<sup>7</sup> This confirmation will be requested on the SEP system as part of the Proposal Submission Forms.

<sup>8</sup> <https://ec.europa.eu/research/participants/portal/desktop/en/organisations/lfv.html>

If the Coordinator's financial viability would be assessed as 'weak' or 'insufficient':

- the Coordinator will normally step down as Coordinator but can participate in any other role; in this case, the consortium must put forward a solution, including the appointment of a new Coordinator and reassignment of coordination tasks;
- the partnership's activities will be subject to additional monitoring and reporting based on an action plan;
- if no acceptable solution or action plan would be presented by the Coordinator, the KIC designation/start-up phase may be terminated and the designated KIC (partnership) cancelled.

Following the provisions of the EU Financial Regulation and Article 15(10) of the [Horizon 2020 Rules for Participation](#), public bodies, international organisations, higher or secondary education establishments or legal entities, whose viability is guaranteed by a Member State or an associated country, will be exempted from the financial viability check.

#### 7.4.2 Operational Capacity criteria

1) The Partnership's Coordinator's familiarity with the Call's theme and experience of coordinating and/or participating in international projects related to the integration of the three sides of the Knowledge Triangle, as well as familiarity with the European Union's financial procedures, is proven through having:

- participated in at least one project with a total budget (allocated or coordinated) exceeding EUR 3 million;
- coordinated at least one project with at least two other partners (three in total) from at least three different European countries and from at least two sides of the Knowledge Triangle;
- participated in at least one project financed by EU funds.

The Coordinator should provide references for at least two projects as evidence of its operational capacity (one project may meet several of the above criteria). The projects should have been successfully completed, the final implementation date of the projects should not be earlier than 31 December 2012 and the minimum budget of the projects should be higher than EUR 100 000 to make the reference eligible. All reference projects should be related to the relevant thematic area.

2) The capability and necessary experience of the key members of the Interim Management Team, namely the CEO (Chief Executive Officer) and COO (Chief Operational Officer), is evidenced through them having:

- at least 7 years of work experience relevant to the position (tasks in the Interim Management of a KIC);
- for the CEO 7 years, and for the COO 5 years of experience in the Call's thematic field;
- at least 3 years of work experience in an international environment (including implementation of international projects).

Detailed curriculum vitae in the Europass format<sup>9</sup> covering relevant professional qualifications and experience shall be attached to the Coordinator's Motivation and Commitment Declaration.

Only proposals that pass the operational capacity verification will be evaluated by the external experts.

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<sup>9</sup> <https://europass.cedefop.europa.eu/en/documents/curriculum-vitae/templates-instructions>

## 7.5 Technical evaluation criteria for the selection of KICs

Proposals will be evaluated by Panels of high-level, independent external experts with respect to the criteria presented in Table 1 below. Each sub-criterion will be scored on a scale of 0 to 5 and weighted. The evaluation scores of each criterion will be calculated as a sum of the weighted sub-criteria scores. Independent external experts will be grouped into Panels of Experts for each thematic area, covering the entrepreneurship-driven 'Knowledge Triangle' of higher education, research and business. Each Panel will consist of 6 evaluators and one rapporteur. Each Panel of Experts will prepare a consolidated evaluation report for each proposal. Representatives of KIC proposals reaching or exceeding the threshold of 70% will be invited to the hearings of the EIT Governing Board.

The EIT will appoint a high-level Independent Observer who will give an opinion on the conduct and fairness of the evaluation process.

The EIT will select the independent external experts based on the principles of transparency, equal treatment and non-discrimination. They will abide by the Code of Conduct for independent external experts acting as evaluators, as adopted by the EIT.

Table 1 – Technical evaluation criteria for the selection of KICs

STRATEGY 40 points max.	OPERATIONS 20 points max.	IMPACT 40 points max.
<b>TOTAL 100 points</b>		
<p>1.1 STRATEGIC APPROACH</p> <p>Relevance, specificity and value-added of the strategic approach and proposed focus within the theme; applicability of the KIC model to tackle the societal challenge(s) of Horizon 2020 via a multidisciplinary approach by integrating the Knowledge Triangle and fostering entrepreneurship and innovation throughout Europe. <b>[15 points max]</b></p> <p><b>[0-5 points; weighting: 3]</b></p> <p>1.2 KIC PARTNERSHIP INNOVATION POTENTIAL</p> <p>Innovation potential of the partnership to implement the KIC's strategy, demonstrated by the combined strength and quality of the partners (including SMEs), forming a diverse, balanced, collaborative and world-class partnership. <b>[15 points max]</b></p> <p><b>[0- 5 points; weighting: 3]</b></p> <p>1.3 SYNERGIES</p> <p>Demonstrate value added and readiness to establish concrete synergies and complementarities, positioning of the KIC vis-à-vis other relevant public, private and third sector initiatives at EU and other levels. <b>[10 points max]</b></p> <p><b>[0- 5 points; weighting: 2]</b></p>	<p>2.1. OPERATIONS</p> <p>The quality of the KIC leadership team profiles (management and governance teams); effectiveness of the operational structure including selection and connectivity of co-location centres and demonstration how the Knowledge Triangle Integration approach will be implemented on the operational level. <b>[10 points max]</b></p> <p><b>[0- 5 points; weighting: 2]</b></p> <p>2.2 KIC BUSINESS MODEL AND FINANCIAL PLAN</p> <p>Feasibility of the KIC's business model and financial plan (including EIT and non-EIT resources) for attracting financial resources and achieving financial sustainability in the long-term; a plan for the management and exploitation of intellectual property supporting the KIC's business model. <b>[10 points max]</b></p> <p><b>[0- 5 points; weighting: 2]</b></p>	<p>3.1 IMPACT AND KIC SCOREBOARD</p> <p>Planned pan-European impact on the societal challenge, human capital, job creation, economic growth demonstrated by the strategy; quality and relevance of the outreach (in particular EIT Regional Innovation Scheme); relevance and feasibility of the expected outcomes, outputs and Key Performance Indicators (KPIs) included in a KIC Scoreboard and their contribution to the EIT Scoreboard. <b>[30 points max]</b></p> <p><b>[0-5 points; weighting: 6]</b></p> <p>3.2 DISSEMINATION OF RESULTS AND COMMUNICATION</p> <p>Dissemination plans for KIC results, including sharing good practices within, between and beyond the KICs, across EU Member States, regions and institutions to ensure a widening of the reach of the EIT and increase of its impact; quality and relevance of the KIC communication strategy including the contribution to building the EIT brand identity.</p> <p><b>[10 points max]</b></p> <p><b>[0- 5 points; weighting: 2]</b></p>



## 7.6 Hearings and designation of the KICs

The EIT GB will hold hearings with representatives of KIC proposals reaching or exceeding the threshold of 70% of points at the Panel of Experts evaluation stage.

At the evaluation stage of the Governing Board Hearing, the overall strategic rationality and consistency of the KIC model presented in the proposal will be assessed. This will be done by evaluating the proposals from a holistic perspective against the three main criteria: Strategy, Operations and Impact. In particular, the following aspects that are key to the effective implementation of the KIC model will be assessed:

- **Strategy** - adaptability and suitability of the KIC model for the proposed strategic approach by the applicant and potential contribution to the EIT's strategic objectives;
- **Operations** – feasibility of the proposed KIC operational model and its financial sustainability, taking into account lessons learnt from current KICs, suitability of the interim management team;
- **Impact** – consistency of the applicant's KIC model, its potential and feasibility to achieve a significant and sustainable systemic impact in line with the EIT's overall objectives.

Each criterion will be scored with a total of 10 points [0-5 points; weighting: 2] by the Governing Board, therefore the maximum score that can be obtained in the hearing is 30 points. The Governing Board's score will be calculated as the average of the individual scores of the Governing Board members.

The sum of the points from the Governing Board Hearing will be added to the points obtained at the technical evaluation stage (Panel of Experts stage). The proposal receiving the highest number of points out of the maximum of 130 points can be designated by the EIT Governing Board. The EIT GB can designate one KIC per thematic area and may establish a reserve list with one KIC per thematic area.

Hearings will take place at the EIT premises in **Budapest on 4-5 December 2018**. Representatives of KICs proposals should ensure their availability in case they are called.

More details on the procedures of the hearings will be communicated in due time to the representatives of the pre-selected proposals. The EIT GB intends to complete the selection and designate the two KICs in December 2018.

The EIT Governing Board will apply its [Code of Good Conduct](#) in the eventuality of any Conflict of Interest.

The EIT has no obligation to designate a KIC or KICs as a result of the Call for proposals. The EIT shall not be liable for any compensation with respect to applicants whose proposals have not been accepted, nor shall the EIT be liable when deciding not to designate a KIC or KICs or to cancel the procedure at any time. The decision not to designate a KIC or KICs shall be substantiated and brought to the attention of applicants.

## 7.7 Information for applicants

The applicants are invited to send in any questions they might have on the Call until 29 May 2018 via the [Contact Page](#) on the EIT website: <https://eit.europa.eu/interact/contact-us>. Replies will be given until 13 June 2018.

All questions together with their answers will be published on the KICs Call page on the EIT's website. It is therefore strongly recommended that applicants regularly check the above mentioned website.

On the grounds of equal treatment, the EIT GB members and EIT staff cannot give applicants a prior opinion on the eligibility, quality or any other relevant element of a specific proposal.

Following the designation of the KICs by the EIT GB, all applicants will receive written feedback on the evaluation of their proposals. Letters to unsuccessful applicants will state the name of the successful applicant and the grounds on which the decision was taken.

## 7.8 Informing the public about the final result

The EIT will publish the results of the 2018 Call for KIC Proposals on its website.

## 7.9 Publicity

By the KIC:

In accordance with the provisions of the FPA, the KIC must clearly acknowledge the European Union's contribution in all publications or in conjunction with activities for which the grant is used. In this respect, the KIC is required to give prominence to the name and emblem of the EIT on all their publications, posters, programmes and other products realised in line with the EIT Community Brand Book. If this requirement is not fully complied with, the grant may be reduced in accordance with the provisions of the FPA.

By the EIT:

Annual ex-post publication: All information relating to grants awarded in the course of a financial year shall be published on the internet site of the EIT no later than 30 June of the year following the financial year in which the grants were awarded. The EIT will publish the name of the KIC, the subject of the grant, the amount awarded as well as a list of KIC Partners and their locality.

## 7.10 Gender equality and Ethical principles

Gender equality and Ethical principles are addressed in accordance with the provisions laid down in Horizon 2020 - The Framework Programme for Research and Innovation.

## 7.11 Procedure for complaints and appeal

### 7.11.1 Evaluation review procedure:

Applicants may have recourse to redress if they have grounds to believe that their application has been adversely affected by apparent shortcomings in the evaluation process or the eligibility check of their proposal. A request for redress, from the coordinator and addressed to the Chairman of the EIT GB, may be submitted through the [Contact Page](#) on the EIT's website or to the functional mailbox [EIT-Director@eit.europa.eu](mailto:EIT-Director@eit.europa.eu) within **30 days** of the date on which the EIT informs the Coordinator of the evaluation results. Please note that redress on the technical judgment of the external expert evaluators is not admissible.

To be admissible, a complaint must be:

- Received within 30 days of the date on which the EIT informed the Coordinator of the evaluation results;
- Submitted in writing;
- Submitted by the Coordinator of the original proposal identified as Participant 1 on the proposal administrative form A;
- Related to the evaluation process or the eligibility check of a specific proposal.

Applicants must base their complaint on the information included in the letter addressed to them stating the grounds on which the decision was taken, possibly with reference to the conditions and criteria laid down in the call for proposals.

The EIT Evaluation Review Committee will examine the request and provide an opinion on the procedural aspects of the evaluation process and not on the merits of the proposal.

The Committee may recommend one of the following:

- The results of the initial evaluation are confirmed:
  - o due to the absence of evidence or inadequate evidence to support the complaint;
  - o there is evidence to support the complaint, but no re-evaluation is recommended, as the shortcoming is limited to certain part of the evaluation and did not influence the overall outcome of the evaluation;
- Full or partial re-evaluation of the proposal is recommended, as there is sufficient evidence to support the complaint.

On the basis of the opinion of the Committee, the decision will be taken by the EIT and the Coordinator will be notified in writing.

#### **7.11.2 Lodging a complaint to the European Ombudsman:**

Applicants who believe that there was a maladministration regarding the evaluation of their application may lodge a complaint to the European Ombudsman within **two years** of the date on which they became aware of the facts on which the complaint is based:

European Ombudsman

1 avenue du Président Robert Schuman

CS 30403 F-67001 Strasbourg Cedex

France

Tel.: (+33) 3 88 17 23 13 Fax: (+33) 3 88 17 90 62

Website: [www.ombudsman.europa.eu](http://www.ombudsman.europa.eu)

Contact form (for general inquiries): <http://www.ombudsman.europa.eu/shortcuts/contacts.faces>

Complaint form (for launching a complaint):

<https://secure.ombudsman.europa.eu/atyourservice/secured/complaintform.faces>

#### **7.11.3 Launching an action for annulment before the General Court of the European Union:**

Applicants may lodge an action for annulment against the designation decision. This must be done within two months of receipt of the notification letter (see point 7.7). Any request for redress or any complaint for maladministration will have neither the purpose nor the effect of suspending the time-limit for lodging an action for annulment. The court responsible for hearing actions for annulment is the General Court:

General Court  
Rue du Fort Niedergrünwald  
L-2925 Luxembourg  
Tel.: (352) 4303-1 Fax: (352) 4303 2100  
E-mail: GeneralCourt.Registry@curia.europa.eu  
URL: <http://curia.europa.eu>

## 7.12 Data protection

The reply to any call for proposals involves the recording and processing of personal data (such as name, address and CV). Such data will be processed pursuant to Regulation (EC) No 45/2001 on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data. Unless indicated otherwise, the questions and any personal data requested are required to evaluate the application in accordance with the specifications of the call for proposal will be processed solely for that purpose by the EIT.

Personal data may be registered in the Early Warning System (EWS) only or both in the EWS and Central Exclusion Database (CED) by the Accounting Officer of the Commission, should the beneficiary be in one of the situations mentioned in:

- the Commission Decision 2014/792 of 13.11.2014 on the Early Warning System (for more information see the Privacy Statement on:  
[http://ec.europa.eu/budget/contracts\\_grants/info\\_contracts/legal\\_entities/legal\\_entities\\_en.cfm](http://ec.europa.eu/budget/contracts_grants/info_contracts/legal_entities/legal_entities_en.cfm) ),

or

- the Commission Regulation 2008/1302 of 17.12.2008 on the Central Exclusion Database (for more information see the Privacy Statement on  
[http://ec.europa.eu/budget/explained/management/protecting/protect\\_en.cfm](http://ec.europa.eu/budget/explained/management/protecting/protect_en.cfm))

For more information please consult the privacy statement concerning the management of grants on the EIT website.

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## ANNEXES

### Documents for information

- a. **Templates to submit a Proposal**
  - i. **Template A - DoH**
  - ii. **Template B1 - Proposal**
  - iii. **Template B2 – Estimated financial resources**
  - iv. **Template B3 – Elements of strategy**
  - v. **Template C – Motivation and commitment letter**
- b. **SIA thematic factsheets**
- c. **Model Framework Partnership Agreement**
- d. **Model Specific Grant Agreement**
- e. **Model Start-up Grant Agreement**
- f. **Evaluation template – Panel of Experts evaluation stage**
- g. **List of EIT Core Key Performance Indicators (KPIs)**

