

DECISION 04/2019
OF THE GOVERNING BOARD OF
THE EUROPEAN INSTITUTE OF INNOVATION AND TECHNOLOGY (EIT)

ON THE PRINCIPLES FOR THE DETERMINATION OF THE 2020 EIT FINANCIAL ALLOCATION

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 Technology¹, as amended by Regulation (EU) No 1292/2013 of the European Parliament and of the Council of 11 December 2013² (hereinafter "EIT Regulation"), and in particular Article 14(7) thereof and Section 2(b) of the Statutes annexed to the EIT Regulation;

Having regard to Regulation (EU) No 1291/2013³ of the European Parliament and of the Council of 11 December 2013 establishing Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020) and repealing Decision No 1982/2006/EC⁴, and in particular Article 8 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)⁵;

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 Technology⁶, as amended by Decision 6/2015 of the Governing Board of the EIT of 5 March 2015⁷ and by Decision 11/2016 of the Governing Board of the EIT of 20 April 2016⁸, in particular Article 90 thereof;

Having regard to the Decision of the EIT Governing Board of 16 December 2009 on the selection and designation of KIC InnoEnergy, Climate KIC and EIT ICT Labs⁹;

Having regard to the Decision of the EIT Governing Board of 9 December 2014 on the Designation of the Knowledge and Innovation Communities (KICs) in the 'Innovation for healthy living and active ageing' theme and the: 'Raw Materials sustainable exploration, extraction, processing, recycling and substitution' thematic area¹⁰;

¹ OJ L97 of 09.04.2008, p. 1.

² OJ L347 of 20.12.2013, p. 174.

³ OJ L 347, 20.12.2013, p. 104–173

⁴ OJ L 412, 30.12.2006, p. 1–43

⁵ OJ L 347, 20.12.2013, p. 892–923

⁶ 28/GB/2013 01364.EIT.2014.I.

⁷ 00101.EIT.2015.I.GB.34

⁸ 04141.EIT.2016.I.GB.41

⁹ Ref Ares(2010) 130286-11/03/2010

¹⁰ 02008.EIT.2014.I.EIT.GB

Having regard to Decision 29/2016 of the Governing Board of the EIT on the designation of the Knowledge and Innovation Communities (KICs) in the 'Food for Future' and 'Added Value Manufacturing' themes of 17 November 2016¹¹;

Having regard to Decision 6/2018 of the Governing Board of the EIT on the designation of the Knowledge and Innovation Community (KIC) in the 'innovation for healthy living and active ageing' theme and on the rejection of other applicants in the 2014 call for KICs' proposals of 2 March 2018;¹²

Having regard to Decision 36/2018 of the Governing Board of the EIT of 4 December 2018 on the designation of the Knowledge and Innovation Community in the 'Urban Mobility' thematic area¹³;

Having regard to Decision 37/2018 of the Governing Board of the EIT of 5 December 2018 on the designation of the Knowledge and Innovation Community in the 'Manufacturing' thematic area¹⁴;

Having regard to Decision 35/2015 of the Governing Board of the EIT on principles for financing, monitoring and evaluating KIC activities¹⁵;

WHEREAS

- (1) In accordance with the "EIT principles for financing, monitoring and evaluating KIC activities", the level of the EIT financial contribution to each KIC is decided as the sum of two differently established levels of EIT funding: support funding and competitive funding, where: support funding is equally distributed among the KICs of the same wave (2009, 2014, etc.); and competitive funding is determined as a result of the assessment of a KIC's past performance and future KIC Business Plan as regards its activities but also a KIC's multiannual progress in achieving its mission and its strategic outlook.
- (2) In accordance with the "EIT principles for financing, monitoring and evaluating KIC activities", the assessment is carried out by the EIT with the assistance of external independent experts and is based on each KIC's individual performance and a competitive review between KICs with a similar level of maturity.
- (3) In accordance with the "EIT principles for financing, monitoring and evaluating KIC activities", in order to ensure comparability between KICs, and allow for flexibility and adaptability, the exact proportions between the two types of funding, the specific criteria for the assessment of competitive funding, the weightings and other precise modalities are defined by the EIT and adopted by the EIT Governing Board on an annual basis.
- (4) The level of the 2020 EIT competitive funding for the first, second and third wave of KICs should be defined based on the assessment of KIC performance in 2018, KIC Business Plan proposed for 2020, strategy and multi-annual progress.

¹¹ 05940.EIT.2016.I.GB42

¹² 01148.EIT.2018.I.E1

¹³ Ref. Ares(2018)6260797

¹⁴ Ref. Ares(2018)6261053

¹⁵ 02730. EIT.2015.I.GB38

- (5) As the fourth-wave KICs, EIT Manufacturing and EIT Urban Mobility, will be in their first year of operations after the start-up phase in 2020, they cannot be assessed based on their past performance. Therefore, the level of the 2020 EIT competitive funding for the fourth-wave KICs should be defined based on the assessment of KIC Business Plan for 2020, strategy and multi-annual progress as of the KICs' designation.
- (6) Funds for Cross-KIC and EIT Regional Innovation Scheme (RIS) activities will be earmarked by the EIT Governing Board in order to incentivise KICs to undertake such activities of strategic and political importance as identified in the Strategic Innovation Agenda of the EIT.
- (7) The EIT Director should define the specific criteria and modalities of the funding allocation process with regard to the assessment of KIC's performance, the competitive review between the KICs as well as the assessment of EIT RIS and Cross-KIC activities.

HAS DECIDED AS FOLLOWS:

Article 1
Distribution of the 2020 EIT budget to KICs

For 2020, the overall EIT budget available to the KICs will be distributed by means of three separate 'funds' as follows:

1. 30 MEUR will be earmarked for the EIT RIS activities. The 'EIT RIS fund' will be available to all KICs who propose EIT RIS eligible activities in their Business Plans 2020. The EIT Director will define the EIT RIS activities eligible for this fund. Unused funds will be re-allocated into the overall EIT budget available for KICs.
2. 20 MEUR will be earmarked for the Cross-KIC activities. The 'Cross-KIC fund' will be available to all KICs who propose eligible Cross-KIC activities in their Business Plans 2020. EIT Director will define the cross-KIC activities eligible for this fund. Unused funds will be re-allocated into the overall EIT budget available for KICs.
3. The remaining available EIT budget (the 'EIT KIC fund') will be distributed between the four waves of KICs in accordance with the percentage split determined by the Governing Board in this decision, while further principles for support and competitive funding shall apply within each wave.

Article 2
Distribution of the budget among the waves of KICs (wave split) for 2020

1. For 2020, the EIT budget available to grants to the relevant waves of KICs, i.e. after deducting the EIT grant requested by KICs for their EIT RIS activities and Cross-KIC activities, shall be split as follows:

KIC WAVE	2020
First wave	44%
Second wave	33%
Third wave	12%
Fourth wave	11%

2. The distribution of the budget among the waves of KICs is indicative and may be revised by the EIT Governing Board in particular based on the following:

- the annual EIT budget for 2020 approved by the Council and the European Parliament as compared to the indicative amounts set out in the EU Multiannual Financial Framework 2014-2020;
 - the amounts earmarked to the EIT RIS and Cross-KIC by the EIT Governing Board on annual basis;
 - the performance of the individual waves of KICs.
3. Any additional grants available as a result of the budgetary process may be subject to an further Governing Board decision.

Article 3

Distribution of support and competitive funding of the EIT KIC fund within individual waves of KICs for 2020

1. For 2020, the proportion between support and competitive funding of the EIT budget available for grants to the relevant waves of KICs shall be as follows:

	2020	
	Support	Competitive
First wave	30%	70%
Second wave	50%	50%
Third wave	70%	30%
Fourth wave	90%	10%

Article 4

Principles for allocating funding for the first wave of KICs for 2020

1. For 2020, the proportion between support and competitive funding of the EIT budget available for grants ('EIT KIC fund') to the first wave of KICs shall be as follows:
- a. EIT Support Funding = 30%, to be equally distributed among the KICs that meet the formal requirements
 - b. EIT Competitive funding = 70%, to be distributed among the KICs that meet the formal requirements according to the following formula:

$$\text{Competitive Funding per KIC} = \frac{\text{KIC overall score}}{\sum \text{KICs overall scores}} \times \text{Total Competitive Funding}$$

2. The assessment shall be based on each KIC's individual performance and a competitive review between them.
3. The maximum financial allocation for each KIC shall be determined as total of the support funding and competitive funding, plus the EIT grant approved for the EIT RIS activities and the Cross-KIC activities of the KIC concerned.



Article 5

Principles for allocating funding for the second wave of KICs for 2020

- 1. For 2020, the proportion between support and competitive funding of the total EIT budget available for grants to the second wave of KICs, shall be as follows:
 - a. EIT Support Funding = 50%, to be equally distributed among the KICs that meet the formal requirements
 - b. EIT Competitive funding = 50%, to be distributed among the KICs that meet the formal requirements according to the following formula:

$$\text{Competitive Funding per KIC} = \frac{\text{KIC overall score}}{\sum \text{KICs overall scores}} \times \text{Total Competitive Funding}$$

- 2. The assessment shall be based on each KIC’s individual performance and a competitive review between them.
- 3. The maximum financial allocation for each KIC shall be determined as total of the support funding and competitive funding, plus the EIT grant approved for the EIT RIS activities and the Cross-KIC activities of the KIC concerned.

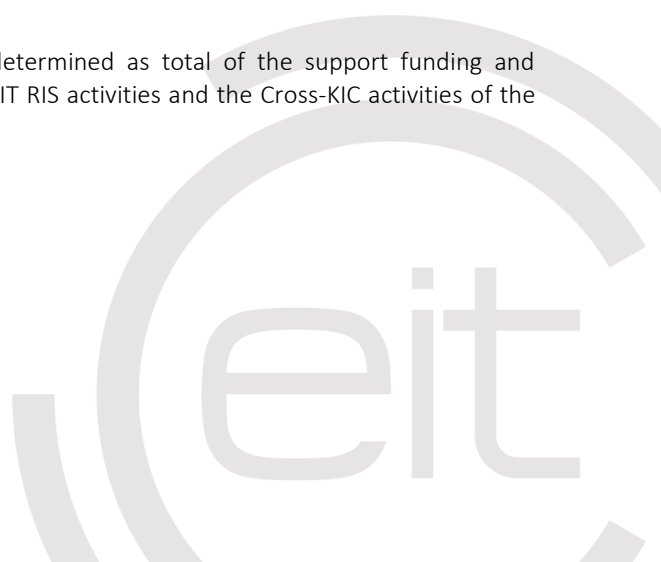
Article 6

Principles for allocating funding for the third wave of KICs 2020

- 1. For 2020, the proportion between support and competitive funding of the total EIT budget available for grants to the sole third-wave KIC shall be as follows:
 - a. EIT Support Funding = 70%, allocated to the KIC provided that it meets the formal requirements
 - b. EIT Competitive funding = 30%, to be distributed based on the relative merit of the KIC’s business plan and progress, provided that it meets the formal requirements according to the following formula:

$$\text{Competitive Funding} = \frac{\text{KIC overall score}}{\text{Maximum score}} \times \text{Total Competitive Funding}$$

- 2. The assessment shall be based on the KIC’s individual performance and a competitive review based on the relative merit.
- 3. The maximum financial allocation for the KIC shall be determined as total of the support funding and competitive funding, plus the EIT grant approved for the EIT RIS activities and the Cross-KIC activities of the KIC.



Article 7

Principles for allocating funding for the fourth wave of KICs 2020

4. For 2020, the proportion between support and competitive funding of the total EIT budget available for grants to the fourth wave of KICs shall be as follows:
 - a. EIT Support Funding = 90%, allocated to the KIC provided that it meets the formal requirements
 - b. EIT Competitive funding = 10%, to be distributed among the KICs that meet the formal requirements according to the following formula:

$$\text{Competitive Funding} = \frac{\text{KIC overall score}}{\sum \text{KICs overall scores}} \times \text{Total Competitive Funding}$$

5. The assessment shall be based on each KIC's individual performance and a competitive review between them.
6. The maximum financial allocation for each KIC shall be determined as total of the support funding and competitive funding, plus the EIT grant approved for the EIT RIS activities and the Cross-KIC activities of the KIC concerned.

Article 8

Definition of modalities for 2020

Based on the principles laid down in this Decision, the EIT Director shall define the modalities of the 2020 assessment process, in particular:

- a. scope of the necessary documents including the expected structure of the 2020 KIC Business Plan and estimated budget,
- b. specific criteria and corresponding weights for the evaluation,
- c. timeline of the process including the specific stages where further communication to the KICs or feedback is foreseen,
- d. formal requirements for receiving the EIT financial contribution,
- e. role and profiles of the independent external experts.

The EIT Director shall communicate the modalities to each KIC in due time.

Article 9
Entry into force

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

Done in Budapest, 29 March 2019¹⁶

Dirk Jan van den Berg
Chairman of the EIT Governing Board

¹⁶ Approved by the EIT Governing Board via written procedure on 29 March 2019.