



Council of the
European Union

071603/EU XXVI.GP
Eingelangt am 12/07/19

Brussels, 12 July 2019
(OR. en)

11227/19

Interinstitutional File:
2019/0152(COD)

RECH 405
COMPET 581
EDUC 350
CODEC 1298
IA 175

PROPOSAL

From:	Secretary-General of the European Commission, signed by Mr Jordi AYET PUIGARNAU, Director
date of receipt:	11 July 2019
To:	Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union
No. Cion doc.:	COM(2019) 330 final
Subject:	Proposal for a DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the Strategic Innovation Agenda of the European Institute of Innovation and Technology (EIT) 2021-2027: Boosting the Innovation Talent and Capacity of Europe

Delegations will find attached document COM(2019) 330 final.

Encl.: COM(2019) 330 final



Brussels, 11.7.2019
COM(2019) 330 final

2019/0152 (COD)

Proposal for a

DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

**on the Strategic Innovation Agenda of the European Institute of
Innovation and Technology (EIT) 2021-2027:
Boosting the Innovation Talent and Capacity of Europe**

(Text with EEA relevance)

{SEC(2019) 275 final} - {SWD(2019) 330 final} - {SWD(2019) 331 final}

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

- **Reasons for and objectives of the proposal**

The European Institute of Innovation and Technology (EIT) was established in 2008 by Regulation (EC) No 294/2008¹. Its purpose is to address major societal challenges by improving the innovation capacity and performance of the EU through the integration of the knowledge triangle of education, research and innovation. The EIT achieves these goals primarily through its Knowledge and Innovation Communities (KICs).

For the period 2021-2027, Horizon Europe will be the Union programme funding the EIT. The EIT is an integral part of the Commission proposal establishing Horizon Europe² and one of the three components of its "Innovative Europe" pillar. The Horizon Europe proposal sets out the budget for the EIT for the next MFF as well as its rationale, added value, areas of intervention and broad lines of activity. However, the Horizon Europe proposal itself does not provide the legal basis for continuing the EIT operations as from 2021. The legal base of the EIT remains the EIT Regulation that sets out its mission, its key tasks and the framework for its functioning.

Furthermore, Article 17 of the EIT Regulation requires that every seven years the Commission submits to the European Parliament and the Council a proposal for a Strategic Innovation Agenda (SIA) that lays down the priority fields and the long-term strategy and financial needs for the EIT. The SIA therefore needs to be in line with the applicable Framework Programme for Research and Innovation³. For the period 2021-2027, the SIA should thus ensure alignment with the objectives of Horizon Europe as well as the strategic multiannual planning, monitoring and other requirements of that programme, and foster synergies with other relevant programmes.

The present proposal for a new Strategic Innovation Agenda (SIA) of the EIT for 2021-2027 is therefore submitted alongside the proposal for a recast of the EIT Regulation.

The SIA of the EIT for 2021-2027 lays down the priority fields, the strategy and financial needs for the EIT for that period and sets how the EIT will contribute to the attainment of the objectives of Horizon Europe. It also outlines the planned higher education, research and innovation activities and the respective budget breakdown. It sets the time schedule for the selection and designation of new KICs for the next programming period.

- **Consistency with existing policy provisions in the policy area**

The EIT is integrated within Horizon Europe as part of its Pillar III ("Innovative Europe"). However, the synergies and complementarities with the other components of the programme

¹ 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 (OJ L 97, 9.4.2008, p. 1). Amended by Regulation (EU) No 1292/2013 of the European Parliament and of the Council of 11 December 2013 (OJ L 347, 11.12.2013, p. 174).

² Proposal for a Regulation of the European Parliament and of the Council establishing Horizon Europe – the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination. COM(2018) 435 final.

³ The current SIA covers the period 2014-2020.

will be ensured. The EIT through its KICs will also contribute to addressing the global challenges under Pillar II (“Global Challenges and European Industrial Competitiveness”) and Pillar I (“Excellent Science”).

The multiannual Strategic Planning process under Horizon Europe will ensure that all activities under Horizon Europe, including the EIT KICs, which are institutionalised European partnerships, are coordinated in an effective manner. In this context, the Horizon Europe proposal emphasises that “proposals for future EIT KICs in compliance with the EIT Regulation will be indicated in the SIA and will take into account the outcome of the Strategic Planning process and the priorities of the Global Challenges and European Industrial Competitiveness pillar”.

Cooperation between the EIT and the European Innovation Council (EIC) will also be established with a view to avoid duplications and ensure synergies and greater impact of their actions. The EIC will identify, develop and deploy breakthrough innovations, and support the rapid scale-up of innovative firms carrying out market-creating innovations at the European and international levels. For its part, the EIT will contribute to the development of Europe’s innovation capacity through the knowledge triangle integration and support to innovation ecosystems.

- **Consistency with other Union policies**

The SIA will foster synergies not only with the Union framework programme supporting research and innovation but also with other relevant Union programmes of the respective MFF. In particular, it will ensure appropriate synergies and complementarities between the EIT activities and other Union initiatives, policies and instruments. Cooperation will be pursued with regard to programmes and instruments such as Erasmus, Digital Europe, the European Structural and Investment Funds, the InvestEU Programme or Creative Europe. Furthermore, synergies and complementarities of EIT and KIC activities with national programmes and initiatives will be ensured through the enhanced role of the Member States’ Representatives Group.

2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY

- **Legal basis**

The EU has a shared competence in industry policy based on Article 173 TFEU (Title XVII). According to Article 173(1), the Union and the Member States shall ensure that conditions necessary for the competitiveness of the Union's industry exist. For that purpose, in accordance with a system of open and competitive markets, their action shall be aimed also at fostering better exploitation of the industrial potential of policies of innovation, research and technological development. Article 173(3) foresees that the European Parliament and the Council, acting in accordance with the ordinary legislative procedure referred to in Article 294, may decide on specific measures in support of action taken in the Member States to achieve the mentioned objective, excluding any harmonisation of the laws and regulations of the Member States. This provision is the legal basis of the current EIT Regulation and of the SIA 2014-2020.

The proposed reinforcement of the activities of the EIT, including in the area of education and the regional dimension, is innovation-driven and aims to fulfil the objective set out in Article 173 TFEU.

- **Subsidiarity and proportionality**

The proposal for a Strategic Innovation Agenda for 2021 - 2027 respects the principles of **subsidiarity** and **proportionality**. It does not go beyond what is required for achieving the Union's objectives and provides a clear EU added-value in terms of economies of scale, scope and speed of investments in research and innovation areas, compared to national and regional initiatives and solutions. Moreover, EU action would not interfere with purely domestic scenarios or require harmonisation of the laws and regulations of the Member States.

The EIT has a unique way of building EU-wide innovation ecosystems of education, research, business and other stakeholders.⁴ Cooperation activities supported by the EIT lead to an increased quality of action, innovation and internationalisation of KIC partners and organisations, the creation of cross-border, multidisciplinary networks, more cross-sectoral cooperation and geographical outreach.

The EIT is also the sole instrument within Horizon Europe with a distinct focus on education as a key driver of innovation, growth and competitiveness.

3. RESULTS OF EX-POST EVALUATIONS, STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS

External evaluation

The proposal builds on the external evaluation of the EIT carried out in 2017 which confirmed that the rationale behind the establishment of the EIT is valid and that its model of innovation-driven knowledge triangle integration remains relevant. The EIT model targets structural weaknesses of the innovation capacities in the EU (in key thematic areas) such as the limited entrepreneurial culture, the low level of cooperation between academia and industry and the insufficient development of human potential, and aims to contribute to closing the innovation gap between the EU and its key competitors.

Open Public Consultation

The proposal takes into account the results of the Open Public Consultation (OPC) that was run as a component of the European Commission's Impact assessment to support its proposals for revision of the Regulation establishing the European Institute of Innovation and Technology (EIT) (EC No 294/2008) and for a new Strategic Innovation Agenda of the EIT for 2021-2027. The purpose of the OPC was to gather information, opinions and views from a wide range of stakeholders on 1) the challenges and opportunities in the European research and innovation area, 2) the policy objectives of the EIT, and 3) the policy options to tackle the challenges.

Impact Assessment

This proposal is supported by an Impact Assessment covering both the proposals for revision of the EIT Regulation and for a SIA of the EIT for the period 2021 – 2027.

The Impact Assessment on the EIT built on the Impact Assessment carried out for Horizon Europe. The opinion of the Regulatory Scrutiny Board was “positive” recommending to

⁴ ICF (2017), Evaluation, p. 36.

further explain (i) the stakeholder views of the different options, (ii) the delivery mechanisms of the new funding model and (iii) the regional outreach.

The impact assessment identified the following policy options: a baseline option and two different options addressing the problems and technical issues highlighted in the impact assessment.

The baseline option 1 represents the continuation of EIT's activities as they are today with only the adjustments necessary to align it with the proposal for Horizon Europe. Option 2 builds on the baseline. In addition, it adopts a number of technical measures to enhance the functioning of the EIT and proposes a new action to foster entrepreneurial education across Europe. Option 3 differs from option 2 in that it would set up an EIT Hub in each Member State in order to increase the impact of the EIT activities all across Europe.

Option 2 was identified as the preferred option as it strikes the best balance in achieving the objectives of the initiative while considering the resources available and offering the highest economic and societal impacts. It will also entail significant improvements of the EIT in the next programming period.

- **Fundamental rights**

The Commission proposal respects the fundamental rights and observes the principles of the EU Charter of Fundamental Rights.

4. BUDGETARY IMPLICATIONS

The budgetary implications of the proposal as well as the human and administrative resources required are described in detail in the legislative financial statement.

5. OTHER ELEMENTS

- **Implementation plans and monitoring, evaluation and reporting arrangements**

Monitoring and evaluation are fundamental tools in measuring the impact of the EIT and will be further strengthened and continuously improved over the next programming period. Given the nature of the knowledge triangle integration model, it will be important to apply a monitoring framework that allows flexibility at all relevant levels and ensures coherence with the general objectives of Horizon Europe and impacts sought.

Monitoring

All inputs, outputs, results and impacts identified in the impact assessment accompanying this proposal will be monitored through indicators. Such indicators already exist for the majority of the categories. Whenever they do not exist, new indicators will be developed in order to enable the EIT to monitor the achievement of its objectives.

In parallel and in full compliance with existing monitoring tools, close alignment will be sought between the EIT monitoring provisions and those that are put in place for Horizon Europe. For example, the EIT will align its monitoring tools with the Impact Pathways of Horizon Europe that seek to address the need for scientific, economic and societal impacts indicators more comprehensively. It will be a responsibility of the EIT to regularly monitor

the operational performance of the KICs and to adapt its monitoring and reporting systems continuously. The results of such monitoring will feed into the business planning processes of the KICs and into the EIT decision-making on the allocation of the budget and preparation of the framework partnership agreements with the KICs as beneficiaries. The monitoring results should feed continuously into the policy-making process.

EIT will closely follow the deployment of the Innovation Radar methodology in Horizon Europe, and will explore how Innovation Radar could be leveraged by the KICs for enhancement of its monitoring activities.

Evaluation

The evaluation of the performance of the EIT will be carried out by the Commission in line with the requirements of the amended EIT Regulation and will feed into the overall Horizon Europe programme evaluation that will be carried out mid-term and ex-post. This will include an assessment of the synergies of the EIT with the other instruments of the programme.

With regard to the KICs, a specific indicator framework will be used to assess the performance of the KICs during the next programming period (detailed in the proposal for a new SIA). That framework draws from current and previous indicators, fills gaps and deficiencies identified in the existing performance measurement system. It is also aligned with the Horizon Europe indicator framework.

• **Detailed explanation of the specific provisions of the proposal**

The Strategic Innovation Agenda (SIA) of the EIT for 2021-2027 underlines the EIT's contribution to the objectives of Horizon Europe, the Union framework programme supporting research and innovation for that period. It identifies the key strengths of the EIT on which to build its future strategy and the specific challenges and issues that it will address. Furthermore, the SIA clarifies the role of the EIT in the Horizon Europe programme and sets out its complementarity to the various parts of Horizon Europe, notably also the European Innovation Council.

The SIA includes a number of improvements to the existing EIT model. They concern the alignment with the European partnerships under Horizon Europe and their governing rules, the improvement of the current funding model as recommended by the European Court of Auditors and the inclusion of the possibility for the EIT to conclude memoranda of cooperation with KICs to keep former KICs as active members of the EIT Community after the termination of their framework partnership agreement.

The SIA provides specific clarifications on principles established in the EIT Regulation. It provides an overview of the financial and human resources needed for the implementation of the EIT objectives. Clear monitoring and evaluation provisions are defined taking into account the Horizon Europe framework and the EIT's specificities.

In addition, the SIA introduces clear objectives for a new support and coordination action to be launched. This new action will support the development of entrepreneurial and innovation capacity of European Higher Education Institutions (HEIs) beyond KICs in order to enable them to be better integrated in local innovation ecosystems. The EIT Label will be part of the reinforced education focus of the EIT.

The EIT will put a strong emphasis on cross-cutting actions such as communication, identification, codification and dissemination of good practices, and international cooperation.

Another key area of action for the EIT will be the expansion and strengthening of its regional outreach through the Regional Innovation Scheme (RIS). RIS will offer in particular opportunities to Member States with low innovation performance and enhance their access to the EIT KICs.

The SIA identifies Cultural and Creative Industries as a priority field for a new KIC with a call to be launched in 2021. A second call for a new KIC is foreseen in 2024 if Annex I is amended to add new priority fields. Other priority fields could be added in the SIA and, subsequently, further calls for new KICs could be launched in case additional budget to that of the EIT would become available.

Proposal for a

DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

**on the Strategic Innovation Agenda of the European Institute of
Innovation and Technology (EIT) 2021-2027:
Boosting the Innovation Talent and Capacity of Europe**

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 173(3) thereof,

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 Technology⁵, and in particular Article 17 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee,

Acting in accordance with the ordinary legislative procedure,

Whereas:

- (1) Regulation (EC) No 294/2008 provides for the adoption of a Strategic Innovation Agenda (‘SIA’).
- (2) The SIA should define the priority fields and the long-term strategy for the European Institute of Innovation and Technology (‘EIT’) and include an assessment of its socio-economic impact and its capacity to generate best innovation added value. The SIA should take into account the results of the monitoring and evaluation of the EIT.
- (3) The SIA should include an analysis of potential and appropriate synergies and complementarities between EIT activities and other Union initiatives, instruments and programmes.

⁵ OJ L 97, 9.4.2008, p. 1.

HAVE ADOPTED THIS DECISION:

Article 1

The Strategic Innovation Agenda of the European Institute of Innovation and Technology for the period from 2021 to 2027 as set out in the Annex is hereby adopted.

Article 2

The SIA shall be implemented in accordance with Regulation (EU) No on the European Institute of Innovation and Technology⁶.

Article 3

This Decision shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

Done at Brussels,

For the European Parliament
The President

For the Council
The President

⁶ Reference to the adopted recast EIT Regulation.

LEGISLATIVE FINANCIAL STATEMENT

1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

1.1. Title of the proposal/initiative

1.2. Policy area(s) concerned (Programme cluster)

1.3. The proposal/initiative relates to:

1.4. Grounds for the proposal/initiative

1.4.1. Requirement(s) to be met in the short or long term including a detailed timeline for roll-out of the implementation of the initiative

1.4.2. Added value of Union involvement (it may result from different factors, e.g. coordination gains, legal certainty, greater effectiveness or complementarities). For the purposes of this point 'added value of Union involvement' is the value resulting from Union intervention which is additional to the value that would have been otherwise created by Member States alone

1.4.3. Lessons learned from similar experiences in the past

1.4.4. Compatibility and possible synergy with other appropriate instruments

1.5. Duration and financial impact

1.6. Management mode(s) planned

1.7. Management mode(s) planned

2. MANAGEMENT MEASURES

2.1. Monitoring and reporting rules

2.2. Management and control system(s)

2.2.1. Justification of the management mode(s), the funding implementation mechanism(s), the payment modalities and the control strategy proposed

2.2.2. Information concerning the risks identified and the internal control system(s) set up to mitigate them

2.2.3. Estimation and justification of the cost-effectiveness of the controls (ratio of "control costs ÷ value of the related funds managed"), and assessment of the expected levels of risk of error (at payment & at closure)

2.3. Measures to prevent fraud and irregularities

3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

3.1. Heading of the multiannual financial framework and new expenditure budget line(s) proposed

3.2. Estimated impact on expenditure

3.2.1. Summary of estimated impact on expenditure

3.2.2. Summary of estimated impact on appropriations of an administrative nature

3.2.3. Third-party contributions

3.3. Estimated impact on revenue

LEGISLATIVE FINANCIAL STATEMENT

1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

1.1. Title of the proposal/initiative

Amendment of the Regulation of the European Parliament and the Council establishing the European Institute of Innovation and Technology (EIT), and
Decision of the European Parliament and of the Council on establishing a Strategic Innovation Agenda of the European Institute of Innovation and Technology (EIT) 2021-2027

1.2. Policy area(s) concerned (Programme cluster)

Horizon Europe – the Framework Programme for Research and Innovation (2021-2027)

1.3. The proposal/initiative relates to:

a new action

a new action following a pilot project/preparatory action⁷

the extension of an existing action

a merger or redirection of one or more actions towards another/a new action

1.4. Grounds for the proposal/initiative

1.4.1. Requirement(s) to be met in the short or long term including a detailed timeline for roll-out of the implementation of the initiative

The European Institute of Innovation and Technology (EIT) is an integral part of the Commission's proposal for Horizon Europe (2021 – 2027) under the Open Innovation Pillar but has a separate legal base (the EIT Regulation).

The Horizon Europe proposal⁸ confirmed the importance and contribution of the EIT and its KICs in delivering the EU's strategic priorities in the area of innovation. It proposes the EIT budget for 2021-2027⁹, its scope, added-value and main areas of activity, while pointing to a revised role of the EIT in order to reinforce its contribution to Horizon Europe's objectives.

The initiative aims to make the EIT Regulation compatible with Horizon Europe and improve the functioning of the EIT taking into account the lessons learnt from the past years. It also aims to propose a new Strategic Innovation Agenda (SIA), which

⁷ As referred to in Article 58(2)(a) or (b) of the Financial Regulation.

⁸ COM (2018) 435 final.

⁹ Article 9(2)(c)(2).

sets out the strategy and priorities of the EIT for the period 2021-2027 and defines its objectives, key actions, expected results and resources needed.

The overall mission of the EIT for the period 2021-2027 is to contribute to sustainable European economic growth and competitiveness by reinforcing the innovation capacity of the Member States and the Union. It shall do this by promoting and integrating education, research and innovation of the highest standards.

The EIT will continue to operate primarily through its Knowledge Innovation Communities (KICs), which are large-scale European partnerships addressing specific societal challenges. It will continue to strengthen innovation ecosystems around them by fostering the integration of the three sides of the Knowledge Triangle. Each KIC will keep its organisational structure, based on “Co-Location Centres”, which are the geographical centres bringing together the actors of the Knowledge Triangle and allowing for geographical proximity and closer collaboration.

The EIT will implement activities aiming at:

- (1) Strengthening sustainable innovation ecosystems across Europe;
- (2) Fostering the development of entrepreneurial and innovation skills in a lifelong learning perspective and support the entrepreneurial transformation of EU HEIs;
- (3) Bringing new solutions to global challenges to the market.

In delivering on its activities, the EIT will develop synergies and bring added value within Horizon Europe. The implementation will take place via support to KICs and through EIT-coordinated activities.

Support to KICs:

The EIT will consolidate the eight existing KICs, fostering their growth and impact, and accompany their transition to financial sustainability. In particular, this will concern the first wave of three KICs launched in 2009 (EIT Climate, EIT Digital and EIT InnoEnergy) whose framework partnership agreements will terminate after 2024.

The EIT will also launch two new KICs in specific thematic areas in order to tackle future emerging global societal challenges and needs (calls foreseen in 2021 and 2024).

The EIT will provide support to KICs that are running portfolios of knowledge triangle activities through:

- 1- *Education and training activities* with strong entrepreneurship components to train the next generation of talents, including the design and implementation of EIT-labelled programmes, in particular at master and doctoral level (EIT Label);

2- *Activities supporting innovation* to develop products and services that address a specific business opportunity;

3- *Business creation and support activities*, such as accelerator schemes to help entrepreneurs translate their ideas into successful ventures and speed up the growth process.

EIT-coordinated activities:

The EIT will aim at supporting higher education institutions (HEIs) to integrate better in innovation value chains and ecosystems. The EIT will implement, through its KICs, a support action bringing together in projects HEIs and other key innovation players such as businesses to work on strategic capacity development areas. The partners will share common goals and work together towards mutually beneficial results and outcomes. The action will ensure an inclusive approach to attract HEIs beyond the KICs' partners; an inter-disciplinary and inter-sectoral approach; and a link with the European Commission Smart Specialization Strategy, relevant thematic platforms and the EIT RIS.

Through the Regional Innovation Scheme and the new EIT-coordinated activities, the EIT will increase its regional innovation outreach and related impact.

- 1.4.2. *Added value of Union involvement (it may result from different factors, e.g. coordination gains, legal certainty, greater effectiveness or complementarities). For the purposes of this point 'added value of Union involvement' is the value resulting from Union intervention which is additional to the value that would have been otherwise created by Member States alone*

Reasons for action at European level (ex-ante)

The nature and scale of the innovation challenges require mobilising players and resources at European scale, by fostering cross-border collaboration. There is a need to break down silos between disciplines and along value chains and nurture the establishment of a favourable environment for an effective exchange of knowledge and expertise, and for the development and attraction of entrepreneurial talents.

The Horizon Europe impact assessment identified specific structural weaknesses in the EU's innovation capacity that need to be addressed at EU level and that would be the focus of the EIT's contributions. In particular, European Higher Education Institutions need to stimulate entrepreneurship, overcome disciplinary borders and institutionalise strong EU wide non-disciplinary academia-industry collaborations. Access to entrepreneurial talent, together with access to professional services, capital and markets on the EU level, and bringing key innovation actors together around a common goal are key ingredients for nurturing an innovation ecosystem. There is a need to coordinate efforts across the EU in order to create a critical mass of interconnected EU-wide entrepreneurial clusters and ecosystems. This level of magnitude and scale of intervention goes beyond what Member States can do alone and require an intervention at EU level.

Expected generated Union added value (ex-post)

The EIT is expected to meet its objectives for the period 2021 – 2027 as outlined in the Horizon Europe proposal. The specific benefit of EU investment in the EIT will result in:

- the creation of new environments conducive to collaboration and innovation;
- stronger innovation capabilities of academia and the research sector;
- new generation of entrepreneurial people;
- the creation and the development of innovative ventures;
- wider regional outreach of EIT's innovation activities.

1.4.3. *Lessons learned from similar experiences in the past*

The EIT was set up in 2008 to address major societal challenges by improving the innovation capacity and performance of the EU. In 2017, the mid-term evaluation of the EIT concluded that the EIT remains strongly relevant and has a clear EU added-value. There is no other instrument that builds EU-wide innovation networks of education, research, business and other stakeholders.

The EIT has created Europe's an innovation ecosystem with more than 1200 partners from business, research and education, organised in 8 Knowledge and Innovation Communities (KICs) spanning over 40 co-location centres. More than 50% of partners from the business sector (industry, SMEs and start-ups) demonstrate that the instrument is close to the market. The EIT Community brings results: over 600 new products and services launched in the market, more than 1250 start-ups and innovative ventures supported, more than 890 MEUR of external investment; and more than 6.000 created jobs. The first cohorts of some 1.700 graduates from EIT labelled master courses are now entering the labour market.

The EIT's design as an independent body allows it to be flexible, autonomous, business driven and agile in decision-making. The time to grant is 4 months as compared to an average of 6 months in Horizon 2020. The rules for competitive funding, financial sustainability and simplification foster innovation in KICs. 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.

For 2021-2027, main improvements to the EIT will aim in particular at:

- Further simplification of procedures for the efficient management of KICs (e.g. with the introduction of a new co-funding mechanism, multi-annuality of grants, etc.).
- Supporting better integration of HEIs in innovation value chains and ecosystems
- Addressing more global challenges by launching 2 new KICs
- Reinforcing openness and transparency of the KICs and their alignment with the proposed approach for European Partnerships under Horizon Europe
- Increasing EIT's impact at regional and local levels and in particular in countries with lower innovation performance
- Increasing the visibility of the EIT's action in MS and beyond

- Increasing the synergies and complementarities with other Horizon Europe and other EU and MS instruments

1.4.4. *Compatibility and possible synergy with other appropriate instruments*

Building on its broad scope of action and distinctive role, the EIT is well placed to create synergies and provide complementarities with other EU programmes or instruments, including by reinforcing its support to KICs in their planning and implementing activities. The non-exhaustive list below offers concrete examples where the EIT will contribute to synergies in the mid to long term within and beyond Horizon Europe.

Horizon Europe: Strong synergies between the EIT and the entire Horizon Europe Programme are expected. In particular, synergies with the EIC will be key for the impact of the Open Innovation Pillar as well as the support to ecosystems.

In the [Global Challenges and Industrial Competitiveness] Pillar, through its KICs, the EIT can collaborate with European Partnerships, contribute to missions, support demand-side measures and provide exploitation services to boost technology transfer and accelerate the commercialisation of results achieved by the thematic clusters or other European partnerships.

Erasmus: Erasmus and EIT will establish synergies between their respective communities. Cooperation will be geared towards ensuring access for Erasmus learners participating in KIC partner education and training institutions to KICs' summer schools or other relevant training activities (for instance, on entrepreneurship and innovation management) and establishing contacts with the KICs' alumni network.

Synergies will be ensured, where possible, with the European Universities initiative that could help mainstream EIT's educational and training activities to reach a systemic impact.

Digital Europe Programme (DEP): KICs' co-location centres will collaborate with the European Digital Innovation Hubs to support the digital transformation of the industry and public sector organisations.

Cohesion Policy Funds (in particular ERDF and ESIF+): EIT KICs, through their co-location centres, will promote regional and cross-regional cooperation between the knowledge triangle actors (education, research, business) and managing authorities, in synergy with the work of the European Commission on interregional cooperation and investments in related smart specialisation priorities.

InvestEU: EIT KICs will seek the collaboration of the InvestEU Advisory Hub to provide technical support and assistance to KICs'-backed ventures for the preparation, development, and implementation of projects.

Creative Europe: The Programme will be specifically relevant for the activities of a future KIC on CCI. Strong synergies and complementarities will be developed with the programme in areas such as creative skills, jobs and business models.

1.5. Duration and financial impact

limited duration

in effect from [01/01]2021 to [31/12]2027

Financial impact from 2021 to 2027 for commitment appropriations and from 2021 to 2029 for payment appropriations.

unlimited duration

Implementation with a start-up period from YYYY to YYYY,
followed by full-scale operation.

1.6. Management mode(s) planned¹⁰

Direct management by the Commission

by its departments, including by its staff in the Union delegations;

by the executive agencies

Shared management with the Member States

Indirect management by entrusting budget implementation tasks to:

third countries or the bodies they have designated;

international organisations and their agencies (to be specified);

the EIB and the European Investment Fund;

bodies referred to in Articles 70 and 71 of the Financial Regulation;

public law bodies;

bodies governed by private law with a public service mission to the extent that they provide adequate financial guarantees;

bodies governed by the private law of a Member State that are entrusted with the implementation of a public-private partnership and that provide adequate financial guarantees;

persons entrusted with the implementation of specific actions in the CFSP pursuant to Title V of the TEU, and identified in the relevant basic act.

If more than one management mode is indicated, please provide details in the 'Comments' section.

¹⁰ Details of management modes and references to the Financial Regulation may be found on the BudgWeb site:
<https://myintracomm.ec.europa.eu/budgweb/EN/man/budgmanag/Pages/budgmanag.aspx>

2. MANAGEMENT MEASURES

2.1. Monitoring and reporting rules

Specify frequency and conditions.

The EIT will apply an evaluation and monitoring framework that allows flexibility at all relevant levels and ensures coherence with the general objectives of Horizon Europe and the impacts sought. In particular, feedback loops between the Commission, EIT and KICs will be ensured in order to address the objectives in a consistent, coherent and efficient manner.

MONITORING

The EIT monitoring will be set up in line with the following layers:

1. The monitoring of the implementation of its operational budget, mainly through KICs, will be a primary task of the EIT. The Commission will take part in the co-design of all relevant impact and monitoring tools developed or applied by the EIT in order to ensure compatibility and consistency with the overall Horizon Europe monitoring system, including the key impact pathways, the criteria framework for European Partnerships and the Strategic Planning Process.

It will be a responsibility of the EIT to regularly monitor the operational performance and results of the KICs and to adapt continuously its monitoring systems. The results of such monitoring will feed into KICs' business planning processes and the EIT decision-making on the allocation of the budget, the preparation of the framework partnership agreements and specific grant agreements with the KICs as beneficiaries.

2. The monitoring of the EIT's own activities (outputs, results and impacts of the activities) will combine quantitative and qualitative indicators in a medium-term perspective. Following the granting of the full financial autonomy to the EIT in January 2018, a Memorandum of Understanding (MoU) has been signed between the EIT and the Commission (DG EAC). This MoU defines the modalities of cooperation between them and the detailed arrangements concerning the provision of the financial contribution from the general budget of the European Union to the EIT.

This monitoring of EIT's activities will track the degree of achievement of the SIA and Single Programming Document through the analysis of its indicators. It will also measure for instance the EIT's performance in providing support to the KICs, manage projects linked to the EIT coordinated activities, the intensity and coverage of awareness raising and outreach event (the number of workshop and best practice events), dissemination and international activities and the impact of the EIT in the wider European policy innovation, research and education agendas.

3.

The periodic evaluations of the EIT activities, including those managed through KICs, will be carried out by the Commission in 2023 and 2026 in line with the EIT Regulation and Horizon Europe Regulation. Those evaluations will assess the effectiveness, efficiency, relevance, coherence and EU added value of the EIT

activities. They will be based on independent external evaluations and will feed into the mid-term and ex-post evaluations of the overall Horizon Europe programme with a view to ensure synergies between the EIT and other parts of the programme. Moreover, the Commission may at any time carry out further evaluations on themes or topics of strategic relevance. The synergies of EIT planned activities with other EU programmes should be assured via the assessment by the Commission of the EIT Single Programming Document.

REPORTING

The EIT is a Union body receiving a subsidy from the European Union budget. From a financial management and control perspective, the EIT will be treated like other bodies set up under the Treaty. This means that the Inter-institutional Agreement¹¹ between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management applies to the EIT.

. As regards the reporting on the implementation of the monitoring system:

- The *Single Programming Document (SPD)* of the EIT, adopted yearly, contains a multiannual work programme (n+3) and an annual work programme (n+1). These work programmes shall set out the overall strategic programming for the years n+1 to n+3, including the objectives, expected results and performance indicators to monitor the achievement of the objectives and the results. In addition, the SPD will contain among others an estimate of its revenue and expenditure; a resources programming document; information on its building policy; strategy for achieving efficiency gains and synergies; strategy for the organisational management and internal control systems including their anti-fraud strategy as last updated and an indication of measures to prevent recurrence of cases of conflict of interest, irregularities and fraud.
- The *Annual Activity Report (AAR)* for the previous year (n-1) will include the results of the monitoring process for n-1 and describe how and to what extent objectives have been achieved. The AAR should take account of the Cost and Performance Reports of the KIC for the previous year (n-1) of their operations.

The KICs reporting conditions have been established under the Framework Partnerships Agreement and the Grant Agreements (performance and cost reporting). In order to increase the efficiency and cost-effectiveness and based on the experience gained by the EIT during the implementation of the grant agreements by the KICs, a number of simplification measures will be implemented in the grant management process, which will have as major goals to reduce the administrative workload for KICs and to increase the quality of data gathered.

¹¹ COM (2018) 323 final, of 2.5.2018

2.2. Management and control system(s)

2.2.1. *Justification of the management mode(s), the funding implementation mechanism(s), the payment modalities and the control strategy proposed*

As a body fully integrated into the Horizon Europe programme, the funding implementation mechanisms, payment modalities, and control strategy proposed are aligned to those of Horizon Europe to ensure the beneficiaries and stakeholders experience a consistent approach as regards eligibility rules and sound financial management.

The EIT's performance in 2014-2020, with an error rate found to be consistently below 2%, is one of the best in the research family, and due to its bespoke design, combines low error rates with a control approach which by careful use of outsourcing keeps control costs low while retaining effectiveness and efficiency.

2.2.2. *Information concerning the risks identified and the internal control system(s) set up to mitigate them*

Taking into account the clear need to manage the European budget in an efficient and effective manner, and to ensure sound financial management, the EIT has in place an internal control system to give reasonable assurance that the error over the course of the multiannual expenditure period, is within, and indeed lower than, the limits proposed under Horizon Europe. The EIT internal control framework will also build on: the Commission Internal Control Standards, EIT's own procedures, ex-ante checks of 100% of KICs' declared expenditures financed by the EIT, audit certificates, ex-ante certification of cost declaration methodologies, ex-post audits on a sample of claims, projects results and external evaluation.

The EIT has in place the organisational structure and the internal management and control systems and procedures suited to the performance of the EIT duties. This has been done in compliance with the standards adopted by the Governing Board on the basis of equivalent standards laid down by the Commission, and having due regard to the risks associated with the management environment and the nature of the action financed.

The Risk Management Exercise is done on a yearly basis in order to mitigate any risks linked with the implementation of all EIT activities. In this context, the EIT should take into account, when establishing the internal control framework, the risks of the activities implemented, the specific characteristics of the population and recurrence of beneficiaries, the frequency of the grants awarded and the size of transactions as well as avoiding any overlap of funding.

A number of simplification measures put in place from 2014 have resulted in reducing the error rates. The detected error rate resulting from the ex-post verification of the EIT grants is well below the materiality level of 2 %.

The control system set up by the EIT provides reasonable assurance of achieving adequate management of the risks relating to the effectiveness and efficiency of the operations, assuring the legality and regularity of the underlying transactions and achieving a balance between trust and control. As part of the control system

implemented by the EIT, the audit strategy is based on the financial audit of a representative sample of expenditure across the whole EIT budget, notably through the annual grants awarded to KICs in a yearly basis. This representative sample may be complemented by a selection based on an assessment of the risks related to expenditure during the ex-ante checks of 100% of claims and the experience obtained will be used in the assessment of the control framework of risk assessment for grants implementation. Audits of expenditure will continue to be carried out in a coherent manner in accordance with the principles of economy, efficiency and effectiveness.

As regards the internal control Framework of the EIT, the EIT has developed an overall strategy, including a supervisory structure, on the implementation of internal control processes that support the entire expenditure life cycle. Its senior management ensures that this overall strategy is formally accepted by the Governing Board and implemented. Major elements of this strategy are a planning and reporting exercise following the Commission standards and linked with the Risk-Management approach. Moreover, the EIT has also developed a number of Standard Operating Procedures (SOP). The SOP are detailed, written instructions to achieve uniformity of the performance of a specific process; the instructions usually cover more than one task or area within the EIT, Unit, Section or teams.

Audit certificates on the financial statements are provided by the KICs and the different partners, whereby independent auditors contracted by the EIT certify the legality and conformity of the amounts declared in the financial reports.

2.2.3. Estimation and justification of the cost-effectiveness of the controls (ratio of "control costs ÷ value of the related funds managed"), and assessment of the expected levels of risk of error (at payment & at closure)

Based on the most recent estimation the cost of controls of EIT are below 3% of the funds managed, coupled with a risk of error of 1%. Corrective actions are routinely applied via certificates on financial statements and ex post audits. The combination of a small size and an effective and efficient outsourcing approach enables the costs of controls to remain low and the level of assurance sufficient, as demonstrated by the recent declarations of assurance by the European Court of Auditors.

2.3. Measures to prevent fraud and irregularities

Specify existing or envisaged prevention and protection measures, e.g. from the Anti-Fraud Strategy.

The EIT shall take appropriate measures ensuring that the financial interest of the Union are protected.

The EIT is determined to fight against fraud at all stages of the grant management process and other activities that are implemented. All decisions adopted and contracts concluded by the EIT provide explicitly that the European Antifraud Office (OLAF) and the Court of Auditors may carry out on-the-spot inspections of the documents of all contractors and sub-contractors which have received Union funds, including at the premises of the final beneficiaries.

The EIT has since 2015 had an Anti-Fraud Strategy in line with that of the Commission and is continuously improving its measures to prevent and detect fraud.

3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

3.1. Heading of the multiannual financial framework and new expenditure budget line(s) proposed

	Budget line	Type of expenditure	Contribution			
	01.010101 Expenditure related to officials and temporary staff implementing research and innovation programmes – Horizon Europe	01.010102 External personnel implementing research and innovation programmes – Horizon Europe 01.010103 Other management expenditure for research and innovation programmes – Horizon Europe	Non-diff. ¹²	from EFTA countries ¹³	from candidate countries ¹⁴	from third countries
Heading I. Single market, Innovation and Digital						
01.02.03.XX European Institute of Innovation and Technology (EIT)	Diff.					

¹² Diff. = Differentiated appropriations / Non-diff. = Non-differentiated appropriations.

¹³ EFTA: European Free Trade Association.

¹⁴ Candidate countries and, where applicable, potential candidates from the Western Balkans.

3.2. Estimated impact on expenditure

3.2.1. Summary of estimated impact on expenditure

EUR million (to three decimal places)

Heading of multiannual financial framework	I	Heading I. Single market, Innovation and Digital
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			2021	2022	2023	2024	2025	2026	2027	Post 2027	TOTAL
Title I EIT Budget (Staff expenditure) ¹⁵	Commitments = Payments	(1)	5.413	5.588	5.768	5.954	6.147	6.346	6.551		41.767
Title II EIT Budget (Infrastructure and operating expenditure)	Commitments = Payments	(2)	1.309	1.335	1.362	1.389	1.417	1.445	1.474		9.732
Title III EIT Budget (Operational expenditure). Operational appropriations (split according to the budget lines listed under 3.1)	Commitments	(3)	386.423	394.190	402.088	410.155	418.460	426.790	435.394		2 873.500
	Payments	(4)	270.496	391.860	399.719	407.735	415.969	424.291	432.813	130.618	2.873.500
01.02.03.XX European Institute of Innovation and Technology (EIT) – Operational Appropriations	Commitments	(5)=(1) + (2) + (3)	393.145	401.113	409.218	417.499	426.024	434.581	443.419		2 925.000

¹⁵ The cost of the EIT staff and Title II has been calculated applying the correction coefficient for HU (71.9), as indicated in the page 16, table 5 of <https://ec.europa.eu/eurostat/documents/6939681/7070380/Annualreport2018.pdf/97053a94-29eb-4e93-8883-e826426e3d55>

	Payments	(6)=(1) +(2)+(4))	277.218	398.783	406.849	415.079	423.533	432.082	440.838	130.618	2.925.000
01.010101 Expenditure related to officials and temporary staff implementing research and innovation programmes – Horizon Europe	Commitments = Payments	(7)	0.527	0.545	0.565	0.584	0.605	0.626	0.648		4.100
01.010102 External personnel implementing research and innovation programmes HE	Commitments = Payments	(8)	0.108	0.110	0.113	0.115	0.117	0.119	0.122		0.804
01.010103 Other management expenditure for research and innovation programmes HE	Commitments = Payments	(9)	9.445	9.629	9.816	10.006	10.202	10.398	10.600		70.096
Appropriations of an administrative nature financed from the envelope of the programme ¹⁶	Commitments = Payments	(10)=(7))+(8) +(9)	10.081	10.285	10.493	10.705	10.924	11.143	11.370		75.000
TOTAL appropriations under HEADING 1 of the multiannual financial framework for the EIT	Commitments	(11) =(5)+(10)	403.226	411.398	419.711	428.204	436.948	445.724	454.789		3 000.000
	Payments	(12)=(6))+(10)	287.299	409.068	417.342	425.784	434.456	443.225	452.208	130.618	3.000.000

Heading of multiannual financial framework	7	‘Administrative expenditure’
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This section should be filled in using the 'budget data of an administrative nature' to be firstly introduced in the Annex to the Legislative Financial Statement , which is uploaded to DECIDE for interservice consultation purposes.

¹⁶ Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former ‘BA’ lines), indirect research, direct research. This represents the maximum from the amount allocated to the EIT from the Programme, to be devoted to the Commission's administrative expenditure.

EUR million (to three decimal places)

European Commission		2021	2022	2023	2024	2025	2026	2027	<i>Post 2027</i>	TOTAL
TOTAL appropriations under HEADING 7 of the multiannual financial framework for the EIT										
	(Total commitments = Total payments)									

EUR million (to three decimal places)

		2021	2022	2023	2024	2025	2026	2027	<i>Post 2027</i>	TOTAL
TOTAL appropriations across HEADINGS of the multiannual financial framework for the EIT	Commitments	403.226	411.398	419.711	428.204	436.948	445.724	454.789		3 000.000
	Payments	287.299	409.068	417.342	425.784	434.456	443.225	452.208	130.618	3 000.000

3.2.2. Summary of estimated impact on appropriations of an administrative nature

The proposal/initiative does not require the use of appropriations of an administrative nature

The proposal/initiative requires the use of appropriations of an administrative nature, as explained below:

EUR million (to three decimal places)

Years	2021	2022	2023	2024	2025	2026	2027	TOTAL
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HEADING 7 of the multiannual financial framework								
Human resources								
Other administrative expenditure								
Subtotal HEADING 7 of the multiannual financial framework								

Outside HEADING 7 of the multiannual financial framework								
Human resources. Line 01.010101 Officials and Temporary staff implementing research and innovation programmes HE	0.527	0.545	0.565	0.584	0.605	0.626	0.648	4.100
Human resources. Line 01.010102 External personnel implementing research and innovation programmes HE	0.108	0.110	0.113	0.115	0.117	0.119	0.122	0.804
Line 01.010103 Other management expenditure for research and innovation programmes HE	9.445	9.629	9.816	10.006	10.202	10.398	10.600	70.096
Subtotal outside HEADING 7 of the multiannual financial framework	10.081	10.285	10.493	10.705	10.924	11.143	11.370	75.000

TOTAL	10.081	10.285	10.493	10.705	10.924	11.143	11.370	75.000
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The appropriations required for human resources and other expenditure of an administrative nature will be met by appropriations from the DG that are already assigned to management of the action and/or have been redeployed within the

DG, together if necessary with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints.

3.2.2.1 Estimated requirements of human resources¹⁷

The proposal/initiative does not require the use of human resources.

The proposal/initiative requires the use of human resources, as explained below:

Estimate to be expressed in full time equivalent units

Years	2021	2022	2023	2024	2025	2026	2027
• Establishment plan posts (officials and temporary staff)							
Headquarters and Commission's Representation Offices	4	4	4	4	4	4	4
Delegations							
Research							
• External staff (in Full Time Equivalent unit: FTE) - AC, AL, END, INT and JED¹⁸							
Heading 7							
Financed from HEADING 7 of the multiannual financial framework	- at Headquarters						
	- in Delegations						
Financed from the envelope of the programme ¹⁹	- at Headquarters	2	2	2	2	2	2
	- in Delegations						
Research							
Other (specify)							
TOTAL	6	6	6	6	6	6	6

The human resources required will be met by staff from the DG who are already assigned to management of the action and/or have been redeployed within the DG, together if necessary with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints.

Description of tasks to be carried out:

Officials and temporary staff	<ul style="list-style-type: none"> - Preparation of the Commission opinion on the Single Programming Document (SPD); - Preparation of the position of the Commission observer at the EIT Governing Board meetings; - Preparation of the Commission decision on appointing the members of the EIT Governing Board; - General coordination with other services of the Commission and coordination and alignment with other EU initiatives, in particular Horizon Europe; - Preparation of the Commission position at the EIT Stakeholders Platform; - Preparation of the Commission position at the 'Member States' Representatives Group' - Organisation of the annual meetings between the EIT-KICs and Commission services; - Follow up of calls for new KICs; - Monitoring and evaluation of the EIT; - Assurance of compliance of the EIT labelled degrees with actions undertaken in the
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¹⁷ These figures are aligned with the overall Legislative financial statement of Horizon Europe which includes only the authorised staff in place in 2020 in Directorates General, but do not prejudice the possible specific needs of staff working on EIT for the period 2021-2027.

¹⁸ AC= Contract Staff; AL = Local Staff; END = Seconded National Expert; INT = agency staff; JPD= Junior Professionals in Delegations.

¹⁹ Sub-ceiling for external staff covered by operational appropriations (former 'BA' lines).

	<p>context of Higher Education Area;</p> <ul style="list-style-type: none"> - Tasks related to the preparation of the Commission processes of the strategic planning and programming cycle (AAR ...) and budget management; - Follow up of Audits from Internal Audit Capability (IAC) and Internal Audit Service (IAS) and of the European Court of Auditors (ECA).
External staff	<ul style="list-style-type: none"> - Contribution to the preparation of the Commission opinion on the SPD; - Contribution to the general coordination with other services of the Commission and coordination and alignment with other EU initiatives, in particular Horizon Europe; - Contribution of the Commission position at the EIT Stakeholders Platform; - Contribution of the Commission position at the 'Member States' Representatives Group' - Contribution to the organisation of the annual meetings between the EIT-KICs and Commission services; - Follow up of the calls for new KICs; - Contribution to the assurance of compliance of the EIT labelled degrees with actions undertaken in the context of Higher Education Area; - Contribution to the preparation of the Commission processes of the strategic planning and programming cycle (AAR ...) budget; - Contribution to the follow up of Audits (IAC, IAS and ECA).

3.2.2.2 Estimated requirements of human resources in the European Institute of Innovation & Technology (EIT)

Estimate to be expressed in full time equivalent units

EIT (in Budapest)	2021	2022	2023	2024	2025	2026	2027
Commission Officials							
Of which AD							
Of which AST							
Of which AST-SC							
Temporary Agents							
Of which AD	40	40	40	40	40	40	40
Of which AST	5	5	5	5	5	5	5
Of which AST-SC							
Contract Agents	23	23	23	23	23	23	23
SNEs	2	2	2	2	2	2	2
Total	70	70	70	70	70	70	70

Description of tasks to be carried out:

Officials and temporary staff	<ul style="list-style-type: none"> - EIT Budget, planning and reporting; - EIT Simplification Agenda; - Preparation of the new waves of designation and selection of KICs;
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	<ul style="list-style-type: none"> - Coordination and alignment with other EU initiatives, in particular HorizonEurope; - EIT Stakeholders Platform; - ‘Member States’ Representatives Group’ - Preparation of the EIT Governing Board and Executive Committee meetings; - Organisation of meetings and Hearings between the EIT and KICs; - Consolidation of existing KICs; - Monitoring and evaluation of the KICs and the EIT coordinated activities; - EIT’s impact via knowledge sharing, dissemination, outreach and international exposure; - Designing and managing the EIT coordinated activities; - Fostering cooperation and synergies between KICs; - Design and coordination of education activities undertaken by the KICs; - Implementation of the communication of the EIT; - Launching and follow up Calls for KICs; - Management of the Audits (Internal audit service, Internal audit capability and European Court of Auditors).
External staff	<ul style="list-style-type: none"> - Contribution to the preparation of the new waves of designation and selection of new KICs; - Contribution to the Entrepreneurial and Education agenda of the EIT; - Contribution to the EIT Stakeholders Platform; - Contribution to the ‘Member States’ Representatives Group’ - Contribution to the preparation of the EIT GBs and ExCo; - Contribution to the assurance of compliance of the EIT labelled degrees with actions undertaken in the context of Higher Education Area; - Contribution to the implementation of the communication of the EIT;- Contribution to the management of the EIT coordinated activities; - Contribution to monitoring and follow up the KICs and the EIT coordinated activities.

3.2.3. Third-party contributions

The proposal/initiative:

does not provide for co-financing by third parties

provides for the co-financing by third parties estimated below:

Appropriations in EUR million (to three decimal places)

Years	2021	2022	2023	2024	2025	2026	2027	TOTAL
Specify the co-financing body								
TOTAL appropriations co-financed ²⁰	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.

3.3. Estimated impact on revenue

The proposal/initiative has no financial impact on revenue.

The proposal/initiative has the following financial impact:

on own resources

on other revenue

please indicate, if the revenue is assigned to expenditure lines

EUR million (to three decimal places)

Budget revenue line:	Impact of the proposal/initiative						
	2021	2022	2023	2024	2025	2026	2027
Item 6013	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.

For assigned revenue, specify the budget expenditure line(s) affected.

01.02XX Appropriations accruing from contributions from third parties

Other remarks (e.g. method/formula used for calculating the impact on revenue or any other information).

²⁰ Bilateral Association Agreements are not fixed yet. Contributions from associated countries will come on top of the amounts presented in this Legislative Financial Statement.

Third countries may contribute to the Programme through association agreements. The conditions determining the level of financial contribution will be laid down in association agreements with each country and shall ensure an automatic correction of any significant imbalance compared to the amount that entities established in the associated country receive through participation in the programme, taking into account the costs in managing the programme.