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PART 17/21

## **COMMISSION STAFF WORKING DOCUMENT**

### **EVALUATION**

#### **Interim Evaluation of the Horizon Europe Framework Programme for Research and Innovation (2021 - 2024)**

*Accompanying the document*

**Communication from the Commission to the European Parliament and the Council**

**Horizon Europe: Research and Innovation at the heart of competitiveness**

{COM(2025) 189 final}

# Annex 25: Evaluation of EIT InnoEnergy

Annex to the Commission's interim evaluation of Horizon Europe

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## 1. Effectiveness

The EIT InnoEnergy Knowledge and Innovation Community ('KIC' or 'EIT InnoEnergy') was established in 2009 in accordance with Article 9 of the EIT Regulation, Regulation (EU) 2021/819<sup>1</sup>, with its first activities and calls launched in 2010. As part of the first wave of KICs, it is currently in the phasing-out stage. The KIC's main goal is to connect people and resources across the world in order to accelerate the green energy transition in Europe. In line with the European Green Deal, EIT InnoEnergy concentrates its activities on the following key areas: energy storage, energy efficiency, energy for transport and mobility, energy for the circular economy, smart electric grids and renewable energy. Its main focus is on reducing energy costs, increasing energy security and reducing greenhouse gas emissions. To achieve its objective, for the 2010- 2024 period, EIT InnoEnergy received EUR 760 million in grants from the EIT.

Over the past 15 years, EIT InnoEnergy has become the largest sustainable energy innovator in the world. Its network comprises over 1 200 partners.

### Objectives and achievements

EIT InnoEnergy's 2021-2027 Strategic Agenda<sup>2</sup> has set the following objectives: (1) becoming the preferred trusted knowledge ecosystem, the 'go-to' for impact-minded innovators in the EU and the US; (2) becoming financially independent; (3) expanding geographically to the US; (4) having 100+ supported venture landings in the EU and the US building strategic alliances; (5) securing long-term strategic sustainability by enabling three strategic European value chains (batteries, hydrogen, and solar photovoltaics); (6) establishing 10 products/companies as world leaders; (7) securing a culture of systemic innovation based on individuals (game changers); and (8) maintaining a network of local operational EIT InnoEnergy Hubs<sup>3</sup>.

The KIC is helping achieve the objectives of the previous Horizon 2020 programme and the current Horizon Europe programmes as well as contributing to EU policies, by identifying promising innovators, supporting start-ups financially and providing entrepreneurship support services.

All of these strategic objectives are implemented and the results are delivered by integrating the knowledge triangle, which brings together education, science and business. In the EIT Impact Framework, the EIT has defined several key performance indicators (KPIs) for the KIC's activities in innovation, business creation and education. Table 1 shows EIT InnoEnergy's achievements in terms of KPIs for 2014-2023.

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<sup>1</sup> [Regulation \(EU\) 2021/819 of the EIT \(2021\)](#) replaced the original Regulation, Regulation (EC) 294/2008.

<sup>2</sup> [EIT InnoEnergy 2021-2027 Strategic Agenda](#).

<sup>3</sup> The EIT Regional Innovation Scheme (EIT RIS) is designed for EU Member States and Horizon 2020 Associated Countries in Europe who are modest and moderate innovators, and where Innovation Communities have few or no partners. Strategically, the scheme is an additional offer to these countries to help them engage with the EIT Innovation Communities.

**Table 1: EIT InnoEnergy 2014-2023 KPIs; targets (T) and achieved results (A)**

	2014		2015		2016		2017		2018		2019		2020		2021-2022		2023		Total	
	T	A	T	A	T	A	T	A	T	A	T	A	T	A	T	A	T	A	T	A
Innovations launched on the market	15	12	8	16	25	22	12	20	26	28	21	22	19	21	116	149	60	68	302	358
Designed/Tested innovations*	98	58	54	91	62	93									71	90	40	93	325	425
KIC Supported Start-ups/Scale-ups							68	80	75	100	76	127	92	92	154	187	90	106	555	692
Start-ups created of/for innovation							1	0	2	2	0	0	2	2	6	3	3	3	71	76
Start-ups created of EIT labelled MSc/PhD programmes	15	21	19	23	23	22	2	4	2	3	4	7	16	9	13	14	6	6	43	43
Investment attracted by KIC supported start-ups/scale-ups (EUR mil)							10	32	20	20	118	1416	105	662	1000	1206	800	2388	2053	5724
Graduates from EIT labelled MSc/PhD programmes	149	121	145	132	168	155	190	201	229	230	252	275	225	205	155	425	275	188	1788	1932
Participants in (non-degree) education and training*															51410	101410	50000		101410	101410

\* Reported from 2021 (the KPI on designed/tested innovations reports on IPR applications from 2021).

Source: EIT administrative and monitoring data (reported by KIC and verified by EIT); data for some years/KPIs not reported/collected due to changes in the KPI system / impact framework

Overall, EIT InnoEnergy's performance highlights its positive impact on the energy and innovation sectors. The KIC is on track to achieve the objectives and expected results as outlined in its Strategic Agenda. Any deviation from the agenda has been justified, approved by the EIT and has ultimately led to the KIC's impact being maximised.<sup>4</sup> By creating a sustainable operational framework among the three actors of the knowledge triangle (education, research and business), EIT InnoEnergy has become the leading engine for innovation and entrepreneurship in sustainable energy. EIT InnoEnergy was ranked second among the world's most active investors in energy in 2023 by PitchBook on 1 March 2024. This recognition adds to the listings that acknowledges EIT InnoEnergy's leading position as investor since 2021.<sup>5</sup>

As regards its effectiveness in terms of technology and innovation, EIT InnoEnergy helps reduce time-to market, scale up, de-risk the business case, and replicate new technologies and innovations to decarbonise Europe. EIT InnoEnergy's approximately 200 portfolio companies have filed over 290 patents (by mid-2024 the portfolio stood at 159 companies after 32 exited). The partnership has a clear focus on technological innovation and hardware solutions. EIT InnoEnergy activities are centred around specific thematic areas that are highly relevant for the energy transition: i) energy efficiency; ii) renewable energies; iii) sustainable buildings and cities; iv) smart electric grids; v) energy storage; vi) energy for the circular economy; and vii) energy for transport and mobility. To transform a technology into a marketable product, EIT InnoEnergy assesses its potential and patentability, identifies and tracks possible competitors, and ensures the intellectual property is protected. EIT InnoEnergy supports prototype improvement, product development and pilots, and provides access to expertise and R&D infrastructure. For 2021-2022, EIT InnoEnergy reported 90 patent applications, exceeding the target of 71 for this period. However, these patent filings are concentrated in a small number of countries: of the 13 patenting partner countries in EIT InnoEnergy, the top five account for 76% of the patents. The achievements in launching innovations onto the market for 2021-2023 also reveal a remarkable growth trend, as shown in Table 1.

According to the external evaluation report<sup>6</sup>, EIT InnoEnergy has been extremely successful in terms of business creation. From 2013 onwards, the KIC's performance against its Business Plan targets improved, although some delays and problems were encountered. In 2015, it was

<sup>4</sup> Deloitte and White Research, Final review EIT InnoEnergy (2023), p.9

<sup>5</sup> [Global ranking: EIT InnoEnergy second most active investor in energy in 2023 | EIT](#)

<sup>6</sup> European Commission: Directorate-General for Research and Innovation, Paier, M. and Gasser, M., Partnership evaluation report – EIT InnoEnergy partnership – Horizon Europe and the Green Transition – Interim evaluation support study, Publications Office of the European Union, 2024, <https://data.europa.eu/doi/10.2777/5626827>, p. 27.

reported that ‘the business creation area is in the current state a success within the KIC’<sup>7</sup>. EIT InnoEnergy seeks to invest in companies that aim for a positive impact with scalable business models and/or disruptive technologies to: i) reduce costs in the energy value chain; ii) reduce CO<sub>2</sub> emissions; iii) ensure the energy system is operable; iv) create sustainable growth; v) create jobs; and vi) improve competitiveness<sup>8</sup>. From 2010-2020, EIT InnoEnergy supported more than 480 companies, and by the end of 2023 this figure reached almost 700 companies. As of 2020 the KIC has claimed to have one of the largest sustainable energy investment portfolios worldwide, with more than 250 investee companies<sup>9</sup>. Since its inception in 2010, EIT InnoEnergy has screened more than 7 000 start-ups. Furthermore, more than 350 products have been launched on the market. EIT InnoEnergy has invested in 200 portfolio companies which are expected to generate EUR 72.8 billion in revenue and save 1.1 gigatons of CO<sub>2</sub> annually by 2030. 90% of the start-ups supported already work with global brand names including ABB, BMW, EDF, Engie, Volkswagen, Galp, Schneider Electric and Naturgy. In terms of geographical distribution, the investments attracted are concentrated in a small number of countries: Sweden, Norway, Germany, France, the Netherlands and Spain.

According to the external evaluation study<sup>10</sup>, interviewees described the investment of EIT InnoEnergy and other support measures (such as access to its network) as highly valuable. Significantly, support was made available at a very early stage of the start-up process. In the growth phase, investment from third parties is an indicator for the business success of green start-ups. EIT InnoEnergy was able to help its partners attract substantial amounts of private investment (a total of EUR 4.5 billion in 2021-2023). Four of the supported start-ups have become unicorns.

Risk investments imply the possibility of failure, especially in key energy sectors with tough global competition. This means that some of the companies that EIT InnoEnergy has supported had to suspend production or even file for bankruptcy, as occurred in November 2024 with the unicorn, Northvolt (allowing it to access USD 145 million in cash, in addition to USD 100 million in private financing)<sup>11</sup>.

The external evaluation report reveals<sup>12</sup> that through its education activities EIT InnoEnergy is able to develop talent that will be urgently needed in the future sustainable energy sector. The latest available EIT InnoEnergy annual review from 2021 highlights that since 2019, the KIC has successfully connected more than 120 students with placements each year. The number of graduates from EIT-labelled programmes has continuously increased since 2014, as presented in Table 1, reaching over 400 students in 2021-2022, which is almost three times its target. The EIT InnoEnergy Master School has attracted students from almost 100 countries and produced more than 1 900 graduates<sup>13</sup>.

EIT InnoEnergy has experienced impressive growth in revenue over the years, with a substantial increase from 2017 to 2018, primarily driven by returns on investment and equity.

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<sup>7</sup> Partnership evaluation report – EIT InnoEnergy (2024), p. 27.

<sup>8</sup> Partnership evaluation report – EIT InnoEnergy (2024), p. 28.

<sup>9</sup> [InnoEnergy Impact Report 2020](#).

<sup>10</sup> Partnership evaluation report – EIT InnoEnergy (2024), p. 28.

<sup>11</sup> While subsidiaries in Germany and North America, are financed separately and will continue operating as usual outside of the restructuring process. See: <https://sifted.eu/articles/peter-carlsson-leaves-bankrupt-northvolt-news>

<sup>12</sup> Partnership evaluation report – EIT InnoEnergy (2024), p. 29.

<sup>13</sup> The EIT InnoEnergy PhD School & Innovation Doctorate Programme is no longer accepting new candidates. Instead, professional learning courses are provided. According to the external evaluation support study, interviewees indicated concerns about the PhD school having a lower rate of success compared with the Master’s programmes. Partnership evaluation report – EIT InnoEnergy (2024), p. 30.

EIT InnoEnergy's RIS strategy is effective in supporting innovation and entrepreneurship in moderate or modest innovator regions, aiming to bridge innovation gaps. It encompasses elements such as training, support for start-ups, promotion of collaboration, and access to resources, leading to successes in renewable energy and related fields. EIT InnoEnergy also participates in initiatives such as the EIT Jumpstarter, contributing to entrepreneurship and the evolution of intellectual property in RIS regions.

### **Long-term scientific, societal, economic and technological impacts** <sup>14</sup>

From education and business incubation to innovation and start-up support, EIT InnoEnergy has achieved significant success in driving growth, knowledge transfer, and technological advancements <sup>15</sup>.

The following societal impact goals have been identified in the EIT Impact Framework 2022-2027 for the KIC's activities:

- 1) reduced CO<sub>2</sub> emissions;
- 2) decreased energy costs;
- 3) increased availability of innovative energy;
- 4) stable workforce in the InnoEnergy field;
- 5) gender balance promoted in the InnoEnergy field;
- 6) increased access to innovative energy;
- 7) resources leveraged for InnoEnergy sector's growth <sup>16</sup>.

In the EIT InnoEnergy Impact Report for 2022 the following values for the impact indicators were presented:

- i. 1.1 Gtn of CO<sub>2</sub> saved by 2030, accounting for a quarter of the CO<sub>2</sub> emissions in the EU;
- ii. EUR 9.1 billion of savings in energy costs;
- iii. 616 TWh generated from clean energy.

Despite the indicators only being introduced in 2021, EIT InnoEnergy has made significant progress towards meeting these goals. Significantly, it has reduced greenhouse gas emissions by supporting sustainable energy initiatives and generating 831 terawatt-hours of clean energy expected by 2030. This considerable volume of clean energy not only helps curb CO<sub>2</sub> emissions, but also bolsters the shift towards sustainable energy solutions on a global scale. When it comes to CO<sub>2</sub> emissions, EIT InnoEnergy forecasts a potential contribution of 2.1 Gtn of CO<sub>2</sub> saved by 2030, by aggregating the KIC's portfolio-submitted inputs <sup>17</sup>.

Moreover, EIT InnoEnergy helps reduce energy costs, with reductions of EUR 1 800 million targeted for 2025, to be achieved by means of backing innovative start-ups and leading industrial alliances in key sectors. It is estimated that by 2023, EIT InnoEnergy helped save up to EUR 12.8 million by substituting InnoEnergy assets for existing technologies <sup>18</sup>.

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<sup>14</sup> An impact study is planned for 2025, which will measure EIT InnoEnergy's contribution against the 2024 targets set in the KIC's Strategic Agenda.

<sup>15</sup> Deloitte and White Research, [Final review of the 1<sup>st</sup> wave KICs: EIT InnoEnergy – Final Report](#), November 2023, p.97.

<sup>16</sup> [EIT Impact Framework 2022-2027](#), PP. 17-18.

<sup>17</sup> Last updated figure is from EIT InnoEnergy Impact Report 2022, p.41.

<sup>18</sup> Last updated figure is from EIT InnoEnergy Impact Report 2022.



The KIC has also increased the availability of innovative energy solutions by supporting over 500 start-ups and building a trusted and interconnected innovation ecosystem of over 1 200 partners. Thanks to EIT InnoEnergy's deployed assets, 503 000 households in developing countries had access to energy in 2021-2022, which is equivalent to 2 014 460 people, as reported by the KIC and confirmed by the external evaluation report <sup>19</sup>. The targets for 2025 and 2027, set at 180 000 and 324 000, respectively, have already been significantly surpassed.

In addition, EIT InnoEnergy is leading the way in three key industrial strategic supply chains, namely battery storage, green hydrogen and solar photovoltaics. By cooperating with critical stakeholders that span government, industry and academia, EIT InnoEnergy is forging new markets for sustainable energy. EIT InnoEnergy has advanced substantially in mobilising resources to propel growth within the energy sector, through its network, resource mobilisation and the promotion of collaboration within the energy sector, as concluded by the external study <sup>20</sup>.

With a track record of over 1 900 graduates from their Master's programme, EIT InnoEnergy is preparing the next generation by providing it with the knowledge and expertise required to foster sustainable economic growth and contribute to the energy transition, therefore ensuring a stable workforce in the InnoEnergy field.<sup>21</sup>

Furthermore, the KIC received positive feedback on its gender-related measures, even if there is still room for improvement <sup>22</sup>. The EIT InnoEnergy has been monitoring relevant updates since 2022. According to the EIT InnoEnergy Impact Report 2022, the KIC had 1 914 women entrepreneurs by 2022 <sup>23</sup>.

EIT InnoEnergy promotes social and environmental sustainability, fosters competitiveness in European value chains, and facilitates knowledge exchange between academia, industry, and research institutions. As the main conclusions of the external evaluation report highlight <sup>24</sup>, EIT InnoEnergy's strategic, operational and financial sustainability practices underscore its mission-driven focus and impact-driven investment strategy. Overall, the KIC's efforts are aligned with its goal of advancing the energy transition and creating a more sustainable world.

EIT InnoEnergy has also identified several economic long-term impact goals. These are defined in the EIT Impact Framework 2022-2027 as follows:

- contribution to the revenue growth of organisations trading or employing innovations developed with the KIC support;
- the number and revenue of start-ups and scale-ups supported by KICs trading three years after KIC support ceases;
- new jobs created in start-ups and scale-ups;
- the impact on employment growth as a result of companies being engaged with KICs;
- the number and type of jobs in existing businesses sustained through innovations;
- the number and type of skill gaps and/or skill shortages filled by KIC sector;
- new visible innovation ecosystems;

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<sup>19</sup> Deloitte and White Research, Final review EIT InnoEnergy (2023), p.50.

<sup>20</sup> Deloitte and White Research, Final review EIT InnoEnergy (2023), p.52.

<sup>21</sup> Deloitte and White Research, Final review EIT InnoEnergy (2023), pp. 50-51.

<sup>22</sup> Deloitte and White Research, Final review EIT InnoEnergy (2023), pp. 51-52.

<sup>23</sup> [EIT InnoEnergy Impact Report 2022](#)

<sup>24</sup> Deloitte and White Research, Final review EIT InnoEnergy (2023), p.9.



- the share of indicated innovation ecosystems that covers RIS countries <sup>25</sup>.

EIT InnoEnergy has also performed very well in economic-impact KPIs <sup>26</sup>. By 2022, the KIC had created 39 112 direct and indirect jobs <sup>27</sup>, surpassing the target of 30 000 set for 2025 in the KIC's 2021-2027 Strategic Agenda. EIT InnoEnergy has driven sustainable energy innovation to such an extent that it now aims for a market value of EUR 390 billion by 2025 <sup>28</sup>.

Employment outcomes for EIT-labelled education programme graduates have been noted <sup>29</sup>. For example, 50 000 learners were trained by the end of 2023 for the battery value chain with EIT label non-degree programmes and over 32 000 professionals have been reskilled. Over 4 million jobs have been created as part of the battery industry value chain <sup>30</sup>.

The revenue generated by supported start-ups shows mixed results <sup>31</sup>. Based on a survey conducted for the external evaluation <sup>32</sup>, six respondents reported no revenue growth directly linked to the KIC's support, four respondents reported minimal revenue growth of less than 5%, and 19 respondents reported revenue growth of between 5% and more than 50%. While some saw substantial revenue growth, others experienced minimal to no growth. Factors such as how effectively the funding is utilised, market conditions, and the start-up's own strategy and execution likely contribute to these differences in outcomes. Moreover, the survey responses show that 10 start-ups did not sustain any jobs as a result of their involvement with the KIC. However, 19 entities were able to sustain jobs, with eight respondents reporting that they sustained 10 or more jobs. In addition, the data from the survey also indicates that 19 respondents believe that the involvement with EIT InnoEnergy has helped fill skill gaps and/or shortages, while three respondents disagreed, and seven were unsure. Among the skill gaps and shortages that were addressed as a result of engagement with EIT InnoEnergy, entrepreneurship skills and competencies appear to be the most prominent.

When it comes to the education long-term impact on career growth of participants in EIT-labelled programmes, there appears to be a general trend of graduates not moving from internships to more stable and advanced roles, with a reasonable number of individuals maintaining their positions within entry-level, intermediate and executive levels. The stability in senior staff is a good sign. However, individual circumstances and external factors can greatly influence these trends, and further insights could be gained by considering factors such as industry, location and economic conditions <sup>33</sup>.

According to the EIT InnoEnergy Impact Report from 2022, 94% of students are employed within 6 months of graduation <sup>34</sup> and according to the EIT Impact Report for 2023, it takes 2.5 months on average to start a job after graduation. In addition, 83% of graduates are employed in Europe and eight EIT InnoEnergy alumni have been listed in the Forbes 30 under 30 list.

In conclusion, according to the external evaluation <sup>34</sup>, EIT InnoEnergy's impact is multifaceted, with varying outcomes across different aspects. The data underscores the importance of tailoring support and strategies to the unique needs of start-ups and actors in the knowledge

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<sup>25</sup> EIT Impact Framework 2022-2027, pp. 7-11.

<sup>26</sup> Deloitte and White Research, Final review EIT InnoEnergy (2023), p. 10.

<sup>27</sup> EIT InnoEnergy Impact Report 2022.

<sup>28</sup> Deloitte and White Research, Final review EIT InnoEnergy (2023), p. 10.

<sup>29</sup> Deloitte and White Research, Final review EIT InnoEnergy (2023), p. 10.

<sup>30</sup> EIT InnoEnergy Impact Report 2022, p.26.

<sup>31</sup> Deloitte and White Research, Final review EIT InnoEnergy (2023), p. 10.

<sup>32</sup> Deloitte and White Research, Final review EIT InnoEnergy (2023), p. 53.

<sup>33</sup> Deloitte and White Research, Final review EIT InnoEnergy (2023), p. 60.

<sup>34</sup> Deloitte and White Research, Final review EIT InnoEnergy (2023), p. 61.

triangle within the sector, e.g. start-ups, industry, universities, etc. to maximise positive effects on revenue, employment, skills, and career development.

## 2. Additionality

Table 2 provides the basic financial figures for EIT InnoEnergy since it started operating in 2010. EIT InnoEnergy was able to achieve a direct leverage factor<sup>35</sup> of 0.38 in 2010-2023 (if one only takes co-funding from partners related to the EIT grant into consideration) and 0.62 (if one adds revenues created through KIC activities (EUR 454 million vs the EIT grant of EUR 738 million).

**Table 2: EIT InnoEnergy financial figures (in EUR million)**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
EIT grant	6,2	21,7	32,3	40,5	52,6	67,3	71,6	75,9	80,8	89,7	88,4	38,6	47,6	25,2	<b>738,3</b>
Co-funding	0,0	5,8	10,3	8,1	6,4	9,5	11,5	8,1	7,5	17,8	25,4	50,2	79,6	42,6	<b>282,7</b>
Revenues							4,3	4,9	11,0	18,7	23,8	34,8	33,0	41,1	<b>171,7</b>
Activities not funded by EIT	20,4	54,4	73,4	186,6	311,5	254,2	227,8	385,9	134,6	61,3	135,8	3,9	11,9	91,7	<b>1953,4</b>
Co-investment, i.e. investments attracted by start-ups								32,0	20,1	1416,3	662,4	690,2	516,3	2387,5	<b>5724,7</b>

Source: EIT financial data reported by KICs and validated by the EIT (also available in Corda). EIT Grant 2023 figures are derived from three-year business plans.

In terms of leverage effects for the EIT KICs, the specificity of the EIT model requires the monitoring of additional leverage not only through co-funding and the revenues of EIT KICs that are directly reinvested back into the KICs activities, but also through the activities not funded by the EIT<sup>36</sup> as well as the co-investments attracted by the companies supported through the EIT.

When the activities funded by direct contributions by partners and affiliated entities (activities not funded by the EIT) are considered, EIT InnoEnergy achieved a leverage factor of 3.26 in 2010-2023. When the co-investments (i.e. investments attracted by start-ups of EUR 5.7 billion) are also included, the leverage factor raises to 11 over the period of EIT InnoEnergy's lifecycle to date. This means that for every euro of EIT funding spent, EIT InnoEnergy's activities have helped to attract EUR 11 in external investment.

The partnership provides significant added value in various ways, helping to achieve the European Green Deal objectives. EIT InnoEnergy provides: i) market intelligence; ii) access to key players and commercially viable technologies; iii) advice on technical and business matters; iv) insights on new regulations; v) access to training and skills development; and above all, vi) business support for start-ups, giving them access to finance for growth and own equity investments, which also makes it an important venture capital firm. EIT InnoEnergy reports that its portfolio of investments comprises 200 companies and that it is ranked among the most active investors in the energy and transportation sectors in Europe.

Additionality can also be attributed to the investments (both public and private) attracted by EIT InnoEnergy's beneficiaries and partners. Over the last four years, a small set of very large investments stand out. At the same time, there is a broad spread of investments across countries, which underlines the impact of EIT InnoEnergy's services and investments in terms of value creation. Likewise, large sums of co-funding provided to partners for the KIC's activities could

<sup>35</sup> Ratio of direct leverage to the EU contribution. This is calculated as: direct leverage factor = (1/(funding rate))-1.

<sup>36</sup> Non-EIT financed activities (NEFAs) are fully implemented without an EIT grant but must contribute to the KIC's Strategic Agenda and must be based on the EIT Knowledge Triangle Integration concept. They replaced the former KIC complementary activities (KCAs) applied in 2014-2020 under Horizon 2020.

be achieved, mainly in innovation-intensive countries like France, Germany, Sweden and the Netherlands. But in other countries, like Latvia, high leverage factors in terms of attracted co-funding have been documented.

In addition, EIT InnoEnergy creates significant added value through its established structures and networks, e.g. the European Battery Alliance. For firms involved in its activities, the European Battery Alliance provides valuable opportunities for networking and has a knowledge centre that provides a broad perspective of the whole battery value chain across the EU. Such a perspective allows firms and other stakeholders to make investment decisions in a better-informed manner.

Significantly, EIT InnoEnergy is also active in the US, which enables projects to be set up abroad. This is of value for start-ups and innovators who appreciate the access to finance as well as to a global network and other forms of support <sup>37</sup>.

### 3. Transparency and openness

According to the external evaluation report <sup>38</sup>, EIT InnoEnergy adheres to the EIT's Good Governance Principles, ensuring operational transparency and openness to new members, through open calls, transparent processes and making relevant documents available to ensure stakeholder awareness and participation. The KIC's openness to new members is indicated by the strong increase in the number of associate and project partners over time as well as the high number of members within industrial alliances <sup>39</sup>. However, project evaluations could be improved by considering further rules on data protection, ethics, and diversity <sup>40</sup>. While EIT InnoEnergy encourages new partners to join the partnership, it now prioritises well-established, promising projects, adopting a profit-oriented and risk-averse approach.

EIT InnoEnergy's impact on the European energy landscape is driven by its extensive ecosystem. Its network covers 23 EU Member States and includes key stakeholders across the energy value chain, with a diverse range of organisations at European and national levels, including EU institutions, governmental bodies, industries, universities and SMEs, which represent half of the partnership. The KIC has succeeded in integrating the knowledge triangle of education, research and business. However, there has been a shift towards greater representation from industry partners, leading to an imbalance. Recognising this imbalance as a challenge, EIT InnoEnergy plans to address it in the future <sup>41</sup>.

EIT InnoEnergy has over 1 200 associate and project partners, including several partners from RIS countries. These partners include shareholders and project partners that are aligned with the KIC strategic objectives in the energy sector, focusing on innovation, sustainability and the UN Sustainable Development Goals (SDGs). The European Battery Alliance, led by EIT InnoEnergy, brings together more than 800 industrial and innovation actors. EIT InnoEnergy has been effective in integrating RIS countries into its strategy, allocating significant resources

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<sup>37</sup> Partnership evaluation report – EIT InnoEnergy (2024) pp. 31-32.

<sup>38</sup> Deloitte and White Research, Final review EIT InnoEnergy (2023), p. 99.

<sup>39</sup> Partnership evaluation report - EIT InnoEnergy (2024), p. 38.

<sup>40</sup> Deloitte and White Research, Final review EIT InnoEnergy (2023), p. 98.

<sup>41</sup> Deloitte and White Research, Final review EIT InnoEnergy (2023), p. 99. NB. the cap table in Q3 of 2023 (after six new partners were added) shows that universities and RTOs (Research and Technology Organisations) still own 40% of InnoEnergy, as noted in the EIT Governing Board Rapporteur visit report of 2023. In October 2024, the KIC reported that it is exploring: i) geographic expansion of academic partnerships; ii) continuity of a strategy and business model where education plays a central role; and iii) ways to capitalise on its Skills Institute (the host of its two accompanying academies: Battery and Solar PV).

to these regions. However, there are concerns about the financial sustainability of the RIS hubs after the KIC Partnership Agreement ends <sup>42</sup>. The network, with its strong emphasis on SMEs, has had a positive impact on the KIC's targets. As of October 2024, the number of SMEs that take part in implementing the EIT grant agreement for 2023-2024 reached over 36% of all active partners with EUR 8.3 million going to SMEs, which represents 16% of the total EIT grant <sup>43</sup>.

When it comes to transparent consultation processes, EIT InnoEnergy conducts outreach activities to create links with other European countries not currently in the partnership, especially widening countries <sup>44</sup>. End users and the private sector, particularly SMEs, are targeted with public consultations, open dialogues, city panels, webinars, etc. Regular open brokerage events are organised for stakeholders and potential beneficiaries. Activities such as matchmaking events, the annual business booster event, the Battery 2030+ conference, and other events organised by industrial alliances are announced on the website and are highly valued by stakeholders.

In terms of transparency, the partnership has a well-established online presence, providing an overview of its vision, objectives, governance and main activities <sup>45</sup>. Transparency could be improved by providing clearer data on the partnership's shareholder structure and updated performance metrics.

## 4. Efficiency

Table 3 sets out EIT InnoEnergy's operational budget and administrative expenditures (or running costs). The running costs include the management, governance, coordination, organisation and overhead expenditures paid from the EIT grant. This does not include the contribution from EIT InnoEnergy partners.

**Table 3: EIT InnoEnergy's operational and administrative expenditures**

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Operational Expenditures	49 836 574 €	66 960 109 €	72 984 993 €	73 238 810 €	79 499 385 €	97 414 780 €	108 195 737 €	88 271 287 €	115 556 540 €
Running Costs	12 205 152 €	10 848 599 €	11 156 683 €	11 490 685 €	10 988 960 €	11 471 589 €	10 821 283 €	891 273 €	11 642 514 €
<b>Total budget</b>	<b>62 041 726 €</b>	<b>77 808 708 €</b>	<b>84 141 676 €</b>	<b>84 729 495 €</b>	<b>90 488 345 €</b>	<b>108 886 369 €</b>	<b>119 017 020 €</b>	<b>89 162 560 €</b>	<b>127 199 054 €</b>

Source: EIT financial data reported by KICs and validated by the EIT.

Table 3 indicates that the running costs covering EIT InnoEnergy's headquarters and co-location centres (CLCs) for 2014-2022 ranged between 9.1% and 19.6%, with an average of 10.8%. When considering only the period of Horizon Europe (2021-2022), these costs constituted 5% of the overall operational costs.

The EIT KICs are pan-European networks with many offices on the ground across Europe. These offices are an operational activity carried out by the KICs at a corresponding administrative cost. The EIT, in order to keep these administrative costs at an acceptable level, has, in its guidelines to KICs, set maximum thresholds for the EIT-funded share of the KIC's administrative costs, depending on the KIC's maturity. The values range from 18% and 15% in the first and second years of a KIC, respectively, to a constant of 12% from the third year until the end of the partnership lifecycle. If the EIT KICs were, as beneficiaries of EIT grants, to follow the rules of EU public entities, the expenses related to CLCs would be treated as

<sup>42</sup> Deloitte and White Research, Final review EIT InnoEnergy (2023), p. 99.

<sup>43</sup> During the implementation of the 2023-2025 EIT grant agreement, the grant committed to SMEs and the number of SMEs, and their participation can still increase in the upcoming months and next year because EIT InnoEnergy still has calls to open and new projects to sign.

<sup>44</sup> Widening countries are less performing in terms of research and innovation with respect to the EU-27 average.

<sup>45</sup> Partnership evaluation report – EIT InnoEnergy (2024) p. 34.

operational expenditure related to ground operations rather than as administrative expenditure. In such circumstances and considering that one of the core operational aspects of the EIT model is to support location-based innovation locally and in regions, it would be more appropriate to take only the administrative expenses of the EIT KICs' headquarters into account.

One lesson learned from the evaluation of EIT InnoEnergy is that it is very important that the partnership has very stable management and leadership. According to interviewees, EIT InnoEnergy is perceived as an EIT success story and, supervised by EIT Headquarters, it now serves as a role model for other KICs. During the partnership's dynamic transformation process, whereby it fostered its business orientation, the management and leadership helped keep EIT InnoEnergy's business strategy consistently directed towards financial sustainability. However, the partnership still lacks a gender balance in managerial positions.

EIT InnoEnergy, the most business-oriented of the EIT KICs, has achieved a high level of financial sustainability, implying a high level of cost-effectiveness. In terms of project implementation, EIT InnoEnergy shows considerable flexibility. The partnership adapted its activities quickly to internal developments, such as its organisational transformation reducing its dependence on public funds and external developments, such as the REPowerEU plan, and a shift in policy priorities. Despite the changing needs of the market and a changing political landscape, interviewees stressed their satisfaction with the efficient administration of the partnership. While interviewees described EIT InnoEnergy's regional innovation hubs and education activities as successful in terms of the social value created, some expressed concerns about some of these activities possibly being discontinued due to a lack of direct financial returns and EU funding <sup>46</sup>.

## 5. Coherence and synergies

The main conclusion from the external evaluation report <sup>47</sup> is that EIT InnoEnergy has consistently played a vital role in contributing to and shaping the European energy landscape. It has aligned itself with key initiatives such as the clean energy package, the European Green Deal and Horizon Europe, actively participated in energy policy development and promoted sustainability and innovation.

The KIC is proactively building numerous synergies and complementarities with various EU programmes and global initiatives. In particular, it has successfully engaged with prominent EU institutions, including the European Investment Bank (EIB), the European Investment Fund (EIF) and the European Innovation Council (EIC) <sup>48</sup>.

The alignment of EIT InnoEnergy with EU policies is evident. It has been involved in the evolving landscape of energy policies and initiatives within the EU. The launch of the European Green Deal, the COVID-19 pandemic, and the subsequent Recovery Plan for Europe in 2020 have all shaped the dynamics in the EU energy sector. The European Green Deal, aiming to make Europe the first climate-neutral continent, resonates well with EIT InnoEnergy's objectives. EIT InnoEnergy aligns itself with the ambition of the European Green Deal by contributing directly to activities in seven out of eight priority areas, including reducing greenhouse gas emissions, promoting clean and secure energy, and boosting industrial growth. Also, the Recovery Plan for Europe, which links economic recovery with the green and digital

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<sup>46</sup> Partnership evaluation report – EIT InnoEnergy (2024), p. 37.

<sup>47</sup> Deloitte and White Research, Final review EIT InnoEnergy (2023), p. 67.

<sup>48</sup> Deloitte and White Research, Final review EIT InnoEnergy (2023), p. 67.



transitions and makes the European Green Deal its cornerstone, is closely aligned with the EIT InnoEnergy's objectives <sup>49</sup>.

Moreover, the KIC pursues strong collaborations with relevant actors in the European Commission, joint technology initiatives, energy intensive industries and the European Energy Research Alliance. The type of EIT InnoEnergy's activities and their focus can be clearly distinguished from activities carried out under other parts of the Framework Programme. The KIC was identified as the preferred 'market uptake' promoter in the communication package of the Strategic Energy Technology Plan in September 2015 <sup>50</sup>.

In addition, EIT InnoEnergy contributes to the Clean Energy for all Europeans Package, actively participating in the practical implementation of this transformative energy revolution. The significance of these pursuits extends to the Mobility package, which addresses critical measures for promoting clean mobility. EIT InnoEnergy also aligned with the revision of the Renewable Energy Directive and the Energy Efficiency Directive, which involves upgrading emission reduction targets for 2030, from 40% to 55%.

EIT InnoEnergy supports the EU's industrial policy and focuses on industries of strategic importance for Europe. According to the external evaluation findings <sup>51</sup>, interviewees described EIT InnoEnergy as a pioneer in setting up industrial alliances. Positioned as a pivotal contributor to the Green Deal, the KIC plays a core role in advancing strategic value chains, particularly in batteries, photovoltaics and green hydrogen. Indeed, EIT InnoEnergy has been mandated to run the European Battery Alliance (EBA) and the European Solar Photovoltaic Industry Alliance and is a driving force behind the European Green Hydrogen Acceleration Centre (EGHAC) <sup>52</sup>. EIT InnoEnergy's role in the EBA is to provide background data and set out key questions, recommendations and actions. EIT InnoEnergy has also helped establish a European battery ecosystem by holding EBA workshops, a meeting place for key stakeholders along the entire value chain <sup>53</sup>. The EBA Academy offers training and development for workers, employers and communities <sup>54</sup>. Moreover, the EGHAC was set up by EIT InnoEnergy and Breakthrough Energy. It aims to build a EUR 100 billion-a-year green hydrogen economy by 2025. Its most urgent priority is to close the price gap between carbon-emitting technologies and green hydrogen. In addition, the European Solar Initiative aims to redevelop a strong photovoltaic (PV) manufacturing industry in Europe across the entire value chain, from raw materials to recycling. EIT InnoEnergy is joined by SolarPower Europe and the European Solar Manufacturing Council on the alliance's steering committee. The alliance aims to accelerate solar PV deployment in the EU by scaling up to 30 GW of annual solar PV manufacturing capacity in Europe by 2025, facilitating investment, derisking sector acceleration and helping achieve EU decarbonisation targets.

When it comes to synergies with other European partnerships and missions within Horizon Europe, the EIT KIC community is clearly very active, as highlighted in the 2024 Biennial

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<sup>49</sup> Deloitte and White Research, Final review EIT InnoEnergy (2023), p. 66.

<sup>50</sup> Deloitte and White Research, Final review EIT InnoEnergy (2023), p. 65.

<sup>51</sup> Partnership evaluation report – EIT InnoEnergy (2024), p. 25.

<sup>52</sup> Partnership evaluation report – EIT InnoEnergy (2024), p. 25.

<sup>53</sup> The EBA's goal is to build a strong pan-European battery industry to capture a new market worth EUR 250 billion a year in 2025. EBA is an independent meeting place: more than 700 members throughout the value chain have joined EBA. The members come from the industrial, academic, and financial worlds, from mining to recycling. Partnership evaluation report – EIT InnoEnergy (2024), p. 22.

<sup>54</sup> Partnership evaluation report – EIT InnoEnergy (2024), p. 24.

Monitoring Report 2024<sup>55</sup>. EIT InnoEnergy's main focus of cooperation has been on climate neutrality and intelligent cities, as well as batteries and solar initiatives. These initiatives, including the EBA Academy, are also aligned with EU-funded projects, such as the Blueprint Alliances ALBATTs (training development for battery production) under the Erasmus+ programme, and the DRIVES project (training development for car production) under the European Social Fund<sup>56</sup>.

The KIC's synergy-driven relationships – also within the EIT itself – underscore its commitment to producing positive societal and economic impacts in line with the broader objectives outlined in the EIT's Strategic Innovation Agenda. In collaboration with EIT Raw Materials, the KIC supports the Commission in implementing the EU raw materials strategy. This involves focusing on raw materials for batteries and other critical components, as well as coordinating efforts with relevant entities like the European Commission, the EIF, and the European Bank for Reconstruction and Development. Furthermore, the EIT KICs have established several EIT Community initiatives, thereby forging synergies with other KICs. EIT InnoEnergy is involved in various cross-KIC cluster activities including shared services, strategic education, strategic regional innovations and strategic synergies, including artificial intelligence, as well as access to finance. At the same time, there is room for improvement. In particular, EIT InnoEnergy's strategic approach to planned synergies is not explicitly detailed in its latest Strategic Agenda for 2021-2027. Also, the collaboration with EIT Climate-KIC and EIT Digital needs to be strengthened, following a thorough mapping of activities to support progress towards financial sustainability<sup>57</sup>.

Under Horizon Europe, EIT InnoEnergy has successfully created synergies between Pillar III (Innovative Europe) and Pillar II (Global Challenges and European Industrial Competitiveness), primarily in Cluster 5: Climate, Energy and Mobility where there is a close thematic connection.

## 6. EU added value

According to the external evaluation report<sup>58</sup>, EIT InnoEnergy has become a significant player and highly regarded participant in EU policies. As a pivotal collaborator, the KIC is assuming various roles: i) it has positioned itself as grant recipient; ii) it is a beacon of insightful thought leadership; iii) it acts as a catalyst for risk reduction in project pipelines; and it performs as a facilitator of deal flow.

In particular, the KIC has successfully created significant European added value through its activities for critical industrial value chains, such as the EBA, the EGHAC, and the EU Solar PV Industry Alliance. Through these initiatives, the KIC spearheads the creation and growth of new markets. For example, in the battery sector, when the EBA was initiated in 2017, Europe held a marginal position in production. By 2022, Europe's investment in batteries amounted to EUR 160 billion, resulting in substantial growth<sup>59</sup>. EIT InnoEnergy also plays a role in reskilling and upskilling the labour force. An example is the recently launched InnoEnergy Skills Institute, that builds on the EBA Academy and a European master's programme made up of seven thematic programmes that are set up in collaboration with partner universities. These

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<sup>55</sup> European Commission: Directorate-General for Research and Innovation, Performance of European partnerships – Biennial monitoring report 2024 on partnerships in Horizon Europe, Publications Office of the European Union, 2024, <https://data.europa.eu/doi/10.2777/991766>, p. 56.

<sup>56</sup> Deloitte and White Research, Final review EIT InnoEnergy (2023), p. 67.

<sup>57</sup> Deloitte and White Research, Final review EIT InnoEnergy (2023), p. 67.

<sup>58</sup> Deloitte and White Research, Final review EIT InnoEnergy (2023), p. 33.

<sup>59</sup> Deloitte and White Research, Final review EIT InnoEnergy (2023), p. 33.



educational programmes are run across Europe on a commercial basis and have gained substantial recognition. They are also widely considered a breeding ground for young entrepreneurs in the field <sup>60</sup>.

Furthermore, the KIC stands as a reputable and effective innovation ecosystem and powerhouse in Europe: EIT InnoEnergy has cultivated a network of over 1 400 partners and affiliated entities spanning academia, research, industry, investors (both equity and debt) and regulatory bodies. The substantial leverage of this trustworthy ecosystem empowers EIT InnoEnergy to increase start-up success rates, step up the expansion of scale-up businesses, and assist strategic stakeholders in reducing the risks associated with their innovation strategies. The intrinsic value of this pan-European ecosystem was appraised at over EUR 1 billion by Start-up Genome <sup>61</sup>.

EIT InnoEnergy has created added value beyond what could be achieved through national or regional support: it provides a stamp of approval for large-scale investors and contributes to effective commercialisation within a pan-European context. Therefore, according to the external evaluation report <sup>62</sup>, the partnership enables the scaling up of investments, clearly going beyond the regional and national level, and enables knowledge circulation and transfer to increase. According to interviewees consulted for the external evaluation <sup>63</sup>, the established partnership structure and its systemic approach enable EIT InnoEnergy to be very quick in implementing its wide-ranging activities in the field of investments, education, business creation and acceleration, as well as innovative projects. On such a big scale, this European network is unique.

Moreover, EIT InnoEnergy focuses on supporting innovation and entrepreneurship in RIS countries through the EIT RIS, therefore expanding its successful innovation ecosystems to less innovative countries and regions. Since 2021, the KIC has continued its impactful work by launching several education activities and innovation projects across many RIS countries, furthering the EIT's objective, and contributing to Europe's innovation ecosystem <sup>64</sup>.

## 7. Relevance

According to the external evaluation findings <sup>65</sup>, EIT InnoEnergy has proven to be highly relevant for the objectives of Horizon Europe and EU priorities, in particular contributing to the European Commission Green Deal and the UN SDGs on energy, climate, sustainability and economic growth, therefore driving innovation and transformation in the area of sustainable energy across Europe.

As stated in Chapter 5, EIT InnoEnergy contributes to activities under several priority areas of the Green Deal. The EU 2030 Climate Target Plan is linked to the activities of EIT InnoEnergy and underlines the relevance of the KIC's objective on achieving the EU ambition to reduce greenhouse gas emissions to at least 55% below 1990 levels by 2030 and achieve climate neutrality by 2050. Moreover, EIT InnoEnergy's activities are strongly aligned with the measures under the REPowerEU plan, which respond to the urgency of ending the EU's dependence on Russian fossil fuels and tackling the climate crisis. They include energy savings, diversification of energy supplies and accelerated roll-out of renewable energy. EIT InnoEnergy follows a systemic approach embedded in a long-term strategy that addresses the societal

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<sup>60</sup> Partnership evaluation report – EIT InnoEnergy (2024), p. 31.

<sup>61</sup> Deloitte and White Research, Final review EIT InnoEnergy (2023), p. 33.

<sup>62</sup> Partnership evaluation report – EIT InnoEnergy (2024), p. 30.

<sup>63</sup> Partnership evaluation report – EIT InnoEnergy (2024), p. 30.

<sup>64</sup> Deloitte and White Research, Final review EIT InnoEnergy (2023), p. 97.

<sup>65</sup> Partnership evaluation report – EIT InnoEnergy (2024), p. 23.

challenges outlined in the high-level policy objectives of the Paris Agreement on Climate Change (2015) and the 2030 Agenda for Sustainable Development (2015), as described in EIT InnoEnergy's 2021-2027 Strategic Agenda <sup>66</sup>.

Another reason why EIT InnoEnergy is relevant is that it continues to tackle major structural weaknesses in the innovation capacities in the EU, such as the limited entrepreneurial culture, a low level of cooperation between industry and academia, and insufficient development of people's skills and human capital <sup>67</sup>.

The KIC has made significant progress in boosting economic growth, increasing innovation capacity, and promoting innovation and entrepreneurship. However, it recognises areas for improvement and is taking initiatives to strengthen its alumni network. The KIC remains committed to stepping up education, supporting start-ups, and enriching the innovation landscape while addressing challenges in order to create a sustainable future. Through its data-driven approach, it makes a positive impact overall across economic, social, and environmental dimensions, tackling societal challenges such as climate change and sustainable energy <sup>68</sup>.

As regards flexibility, EIT InnoEnergy has significantly transformed from being 100% based on public funds towards being a strategic investor in clean tech start-ups. It has updated its 2021-2027 Strategic Agenda accordingly <sup>69</sup>.

## 8. Directionality

According to the external evaluation <sup>70</sup>, EIT InnoEnergy contributes very strongly towards meeting EU objectives in priority areas. The partnership has reached its investment targets in line with both the European Commission Green Deal and the resilience objectives. By contrast, 30% of the partnership's planned investments are reported as relevant for the EU digitalisation objectives – a target that was fully reached in H2020, and already one third of the Horizon Europe target has been reached.

EIT InnoEnergy's partnership activities are clearly helping achieve that objectives set, therefore delivering results for the EU citizens. EIT InnoEnergy consistently implements the EIT strategy in order to play an integrative role in the knowledge triangle (education, research and business) and follow a dedicated business direction at the same time. EIT InnoEnergy considers the energy autonomy of the EU a core aspect of overall strategic autonomy and technological sovereignty. Securing the green transition is considered paramount for the EU's long-term competitiveness. In this vein, the partnership identifies and creates champions on a European scale, which enables ecosystems to be subsequently created. Furthermore, the geographical distribution of EIT InnoEnergy's partners span almost all EU Member States while the partnership's outreach extends to the US, Israel and Türkiye <sup>71</sup>.

## 9. International positioning

The activities of EIT InnoEnergy's partnership are mainly focused on Europe, since most stakeholders are European, and the partnership's overall objective and vision is to create jobs and boost innovation in Europe. While under Horizon 2020, the partnership did not envisage

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<sup>66</sup> Partnership evaluation report – EIT InnoEnergy (2024), p. 24.

<sup>67</sup> Partnership evaluation report – EIT InnoEnergy (2024), p. 23.

<sup>68</sup> Deloitte and White Research, Final review EIT InnoEnergy (2023), p. 97.

<sup>69</sup> Partnership evaluation report – EIT InnoEnergy (2024), p. 24.

<sup>70</sup> Partnership evaluation report – EIT InnoEnergy (2024), p. 32.

<sup>71</sup> Partnership evaluation report – EIT InnoEnergy (2024), p. 32.

any outreach activities overseas, under Horizon Europe it plans to invest 0.5% of its total budget on collaboration outside Europe. According to the external evaluation <sup>72</sup>, the perception of interviewees is that EIT InnoEnergy significantly supports European industry as regards dealing with worldwide competition. This is substantiated most prominently in its industry alliances, the EBA and the Solar PV Industry Alliance.

EIT InnoEnergy participates in the EIT Global Outreach Programme's <sup>73</sup> activities and the Strategic Regional Innovations (SRI) <sup>74</sup>. The Programme was established in 2018 and links the EIT's innovation ecosystem with innovation valleys worldwide, forging synergies with global innovation leaders and creating significant value for the European economy as well as local ecosystems. The Programme currently comprises established and successful EIT hubs in Silicon Valley (USA) <sup>75</sup>; Tel Aviv (Israel) <sup>76</sup> and London (UK) <sup>77</sup>. Under the SRI, activities are currently being developed in the Western Balkans, in Türkiye and in Ukraine. These will in the future expand to Moldova and potentially Georgia, in line with the EU's enlargement policy priorities.

EIT InnoEnergy has a prominent internationalisation strategy, which involves participating in international industry alliances outside the EU, international education programmes and international matchmaking events. EIT InnoEnergy actively looks for connections and gains international visibility through its diverse range of international activities, and through its innovation hubs and offices, for example its US office in Massachusetts. The success stories of various start-ups and the possibility to work with global brand names increase the partnership's visibility and attractiveness for new stakeholders <sup>78</sup>. The KIC's success and the involvement of internationally recognised European industries as shareholders have also substantially helped increase international visibility <sup>79</sup>. Focus is given to countries that play a critical role in the strategic value chains linked to the three European industrial alliances in batteries, green hydrogen and solar PV <sup>80</sup>.

Furthermore, EIT InnoEnergy also supports start-ups that have a more international focus and that target international markets.

## 10. Phasing-out preparedness

The EIT Regulation <sup>81</sup> defines 'financial sustainability' as the EIT KICs' capacity to finance their knowledge triangle activities independently from the EIT contributions. It asks the EIT KICs to pursue this goal through by implementing an effective financial sustainability strategy that involves mobilising funds from other public and private sources before the end of the 15-year period of EIT funding. The emphasis is on encouraging KICs to secure a larger share of their funding from external sources in order to ensure their long-term viability and continue their activities effectively. The challenge is for the KICs to secure adequate co-funding from other sources.

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<sup>72</sup> Partnership evaluation report – EIT InnoEnergy (2024), p. 33.

<sup>73</sup> <https://go-eit.eu/>.

<sup>74</sup> <https://eit-ris.eu/>.

<sup>75</sup> <https://go-eit.eu/eit-silicon-valley-hub/>.

<sup>76</sup> <https://go-eit.eu/eit-israel-hub/>.

<sup>77</sup> <https://go-eit.eu/eit-uk-hub/>.

<sup>78</sup> Partnership evaluation report – EIT InnoEnergy (2024), p. 37.

<sup>79</sup> Partnership evaluation report – EIT InnoEnergy (2024), p. 36.

<sup>80</sup> Partnership evaluation report – EIT InnoEnergy (2024), p. 37.

<sup>81</sup> In particular, Article 2, (16) and Article 6 (i). [Regulation \(EU\) 2021/819 of the EIT \(2021\)](#).

Therefore, financial sustainability has been a priority for EIT InnoEnergy since it was established. According to the external evaluation report <sup>82</sup>, the EIT InnoEnergy partnership is well prepared financially for phasing out EIT funding as the KIC has achieved a high level of financial sustainability.

The EIT InnoEnergy partnership's activities consist of investment activities, educational activities (such as the EIT InnoEnergy Master School, career services and the InnoEnergy Skills Institute), ecosystem services (networking activities and facilitation of knowledge streams, e.g. through regional hubs), and industry alliances (focused particularly on batteries, hydrogen and solar PV).<sup>83</sup> EIT InnoEnergy underwent a transformation process from being based 100% on public funding to becoming a strategic investor, while providing supplementary services and additional activities.<sup>84</sup>

Overall, the partnership's portfolio of activities creates systemic value (the Master School and the EIT InnoEnergy Skills Institute, ecosystem services and industrial alliances). However, according to interviewees, some of the activities (such as ecosystem services, especially in eastern Europe) lack direct financial returns.<sup>85</sup> While interviewees described both EIT InnoEnergy's regional innovation hubs and education activities as successful in terms of the social value that is created, some expressed concerns about their possible discontinuation once EIT funding ends.<sup>86</sup>

Even if the partnership appears to be well prepared for the phasing-out of EIT funding, developing a clear strategy for continuing and financing some of the partnership's activities that are perceived as valuable for the ecosystem (but not as financially sustainable) is critical considering the strong business orientation of the partnership.<sup>87</sup> The EIT Consolidated Annual Activity Report for 2020 stated that EIT InnoEnergy risks becoming exclusively commercially focused without continuing its other activities that address knowledge triangle integration. For example, the PhD programme was not financially sustainable and was therefore discontinued.<sup>88</sup>

Overall, EIT InnoEnergy has successfully fulfilled the EIT's requirements for financial sustainability and is well-positioned to remain sustainable even after the end of the EIT's support.<sup>89</sup> As described in Chapter 1, EIT InnoEnergy has experienced impressive growth in revenue over the years. This growth reflects the KIC's ability to generate financial assets contributing to its financial sustainability.<sup>90</sup> The EIT has recognised and commended the KIC for its remarkable performance in this regard, characterising it as a continuously growing entity with a strong financial sustainability outlook.<sup>91</sup> The use of the financial sustainability coefficient, which measures the KIC's ability to attract revenues and other financing sources, indicates that EIT InnoEnergy has not only met but exceeded its target, underscoring its effective financial management.<sup>92</sup>

EIT InnoEnergy's intellectual property (IP) policy is well-structured and plays a crucial role in protecting and leveraging outcomes from innovations within its ecosystem, aligning with the

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<sup>82</sup> Partnership evaluation report – EIT InnoEnergy (2024), p. 35.

<sup>83</sup> Partnership evaluation report – EIT InnoEnergy (2024), p. 38.

<sup>84</sup> Partnership evaluation report – EIT InnoEnergy (2024), p. 38.

<sup>85</sup> Partnership evaluation report – EIT InnoEnergy (2024), p. 39.

<sup>86</sup> Partnership evaluation report – EIT InnoEnergy (2024), p. 39.

<sup>87</sup> Partnership evaluation report – EIT InnoEnergy (2024), p. 39.

<sup>88</sup> Partnership evaluation report – EIT InnoEnergy (2024), p. 39.

<sup>89</sup> Deloitte and White Research, Final review EIT InnoEnergy (2023), p. 17.

<sup>90</sup> Deloitte and White Research, Final review EIT InnoEnergy (2023), p. 17.

<sup>91</sup> Deloitte and White Research, Final review EIT InnoEnergy (2023), p. 17.

<sup>92</sup> Deloitte and White Research, Final review EIT InnoEnergy (2023), p. 17.

EIT's aim to boost the EU's competitiveness and innovation capacity. The KIC's IP policy is characterised by 14 principles that apply to all its activities, ensuring proper management and dissemination of IP rights.<sup>93</sup>

EIT InnoEnergy's planned co-funding rates have been reported and are perfectly aligned with the specified targets. This commitment to maintaining appropriate co-funding rates underscores the KIC's strategic financial management, aligning with its long-term sustainability goals as outlined by the EIT<sup>94</sup>.

Overall, EIT InnoEnergy's strong financial performance and robust IP policy position it well for future growth and sustainability.<sup>95</sup>

Looking ahead to 2025-2027, memoranda of cooperation (MoCs) were signed in 2024 by the EIT with first-wave KICs. Under the MoCs, KICs (including their partner organisations) agreed to continue to undertake knowledge triangle integration activities aligned with their Strategic Agendas and thus with the EIT Strategic Innovation Agenda, independent of contributions from the EIT. However, for those activities which could be discontinued because they typically do not bring in revenues for the KICs but rather involve costs (i.e. some education and training or RIS activities), the EIT may decide to allocate a smaller and clearly earmarked grant for 2025.

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<sup>93</sup> Deloitte and White Research, Final review EIT InnoEnergy (2023), p. 17.

<sup>94</sup> Deloitte and White Research, Final review EIT InnoEnergy (2023) p. 17

<sup>95</sup> Deloitte and White Research, Final review EIT InnoEnergy (2023), p. 95.