EIT CLIMATE-KIC STRATEGIC AGENDA 2016-2022

29th March 2018

Note: following original submission in 2016, this Strategy Agenda was updated in Q1 2018 to reflect: (i) work on a revised 5-year strategy completed by EIT Climate-KIC and its Partners in Q4 2016; and (ii) elaboration of an impact-focused theory of change in Q2-Q3 2017.

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1. SUMMARY

Preventing catastrophic climate change and achieving the 'well below 2°C' Paris Agreement target requires a speed of decarbonisation at least six times faster than anything the global community has achieved so far. Time is running out. Continuing to work through gradual, incremental changes will not be enough. We need innovation, and at this stage we need innovation to stimulate a fundamental transformation of economic, social and financial systems that will trigger exponential change in decarbonisaton rates. Having a better than 66 per cent chance of meeting the Paris Agreement target requires the carbon intensity of the global economy to fall by more than 6 per cent every year[1]. Reducing greenhouse gas emissions by 20 to 40 per cent – which has been the ambition level so far in the EU – can be relatively easily achieved within the present production system and infrastructure. A combination of efficiency measures, technology substitution and behaviour change will probably get us there.

Reducing emissions by 95 per cent by 2050 however, levels more aligned to achieving Paris Agreement targets, demands a totally different approach; a fundamental transformation of economic, social and financial systems. Rather than an economic model based on growth-consumption-obsolescence-disposal that continually exploits the planet's resources, we need a circular economy where waste is feedstock, recycling rates are 100% and fossil carbon stays underground. In social systems, rather than large, centralised, polluting energy systems, we need to switch to local clean energy production and consumption. For mobility, the shift must be to walking, cycling, full electrification and clean mobility-as-a-service that may need us to change the way we live and work. With financial systems, obsession for short-term returns must be replaced with patient capital designed to value fully the social and environmental benefits of investment; accompanied by a rapid transition away from banking on the 'stranded assets' of the dying fossil economy.

[1] https://www.pwc.co.uk/assets/pdf/low-carbon-economy-index-2014.pdf

Strategic innovation is at the heart of prompting such transformation. By strategic innovation we refer to a portfolio of deliberate innovation experiments across whole systems – designed to generate alternative business and industrial models and create options for choice and momentum. Such a portfolio needs to nurture supply-side innovation, that helps introduce avalanches of new ideas and perspectives, and connect those ideas to demand-side, challenge-led innovation: working back from identifying existing assumptions, habits and value generation models that need to change. Between 2016-2022, EIT Climate-KIC's aim is to become a climate innovation movement that can instigate and catalyse such transformational climate action and breakthrough innovation at the systems level. Our common ambition is to create ***a prosperous, inclusive, climate-resilient society with a circular, zero-carbon economy***[2], where EIT Climate-KIC's long-term impact is to catalyse deep decarbonisation and strengthen climate resilience through innovation. We are using a theory of change to guide and direct our efforts and to help us compose a portfolio of relevant and timely experiments.

Our Theory of Change

During 2017 we have been working across our community to explore how EIT Climate-KIC can speed up system-wide impact, to co-create a plan of this vision, and to develop a Theory of Change that:

- **Provides a common narrative** that clearly states 'why we are doing what we are doing', and shows how our interventions will lead to the zero-carbon and resilience outcomes we want to see;
- **Focuses our output** by allowing us to understand exactly where within our established Themes we think innovation will stimulate transformational climate action; and
- **Develops a stronger framework for evaluating success in terms of change** so that we can compare our actual performance to what was hypothesised and adjust as required.

This work has led us to establish a set of climate innovation impact goals[1] (see Table 1) that are: (i) integrated with our thematic approach; (ii) consistent with the three 2015 international agreements[2]; (iii) aligned with science-based climate targets; (iv) directly relevant to areas of action required in Europe's Paris Agreement commitments and its 2030 Climate and Energy Framework; and (v) located within domains in which significant innovation is required. In our view, any approach to innovation that tries to tackle problems only on a sectoral or geographical basis will fail to produce the scale and depth of improvement required. Progress towards the impacts in Table 1 will be shaped by intermediary driving forces, notably: (a) individual behaviour (demand, changed expectations and moral switches); (b) organisational governance (key stakeholders and decision-makers); (c) policy (regulatory frameworks); (d) finance (supply of funding and effective carbon accounting); (e) technology; (f) skills; (g) market structures (alternative models and values); and (h) information flows. Transformational change across

[2] This ambition is designed to deliberately echo the Sustainable Development Goals, with *prosperous* highlighting that there is no contradiction between what we need to do for climate change and creating jobs. *Inclusive* implies giving citizens agency to appropriate this agenda for themselves and being empowered to move it forward. It also makes clear that any change which leads to exclusion of many citizens will not be sustainable. *Resilience* points out that even a 1.5°C temperate rise will create significant climate change adaptation challenges. *Circular* states that we want a world where the only inputs are the re-use of existing materials or renewables and outputs are biodegradable. *Zero-carbon* points with clarity to the radical change that needs to take place in the economy if we are to each our goals and protect the climate – a vital public good.

[1] The impact goals have been chosen based on expert judgement and contributions from our community through our theory of change process. During 2018 we will investigate these goals in more detail to ensure they are based on the latest scientific analysis and assessment, and develop baselines against which progress can be measured. We will review these goals periodically to ensure they remain fit for purpose.

[2] The Sustainable Development Goals, the Paris Agreement, and the Sendai Framework for Disaster Risk Reduction.

systems can only be achieved at the scale and speed needed to tackle climate change by innovation acting on all these driving forces.

To hone our efforts, our climate innovation impact goals will help organise, focus and calibrate our work. These cannot be set in stone – rather, we will continually draw in new knowledge that means our impact goals will be refocused and adjusted as we learn and observe changes around us. As an interim assessment of our progress, our 2022 outcomes (see section 2.1) align with this 2016-2022 Strategic Agenda period and offer a shorter-term focus for our efforts. Table 1 presents our current thinking on our impact goals, aligned with our ambitions for systems transformation and our desire to think exponentially about the changes we can help trigger. More detail of the change pathways we see for each impact goal is included in Annex A.2.

Table 1: EIT Climate-KIC's climate innovation impact goals

Theme	Climate Innovation Impact Goals
Urban Transitions	• **Goal 1: Promote retrofit and decentralised energy**: Drive a significant increase in urban retrofit rates and enable district-scale clean energy production, paving the way for deep cuts in emissions. • **Goal 2: Create green, resilient cities:** Harness the force of nature in infrastructure design to build livable climate-resilient cities. • **Goal 3: Accelerate clean urban mobility:** Trigger the switch to clean urban mobility to achieve considerable cuts in urban transport emissions.
Sustainable Land Use	• **Goal 4: Make agriculture climate-smart**: Instigate a substantial increase in the application of climate-smart agriculture solutions. • **Goal 5**: **Reform food systems**: Transform climate-damaging food value chains and enhance the climate resilience of food supply. • **Goal 6**: **Nurture forests in integrated landscapes:** Grow carbon sequestration in forests and linked value chains, while avoiding deforestation.
Sustainable Production Systems	• **Goal 7: Recast materials production**: Catalyse a switch to a circular economy and transform production for fossil-energy intensive materials. • **Goal 8**: **Reduce industry emissions**: Partner with key industry stakeholders in cutting scope 3 emissions to reach science-based targets. • **Goal 9**: **Reboot regional economies**: Transition carbon-intensive regions to become zero-carbon innovation hotspots.
Decision Metrics and Finance	• **Goal 10: Mainstream climate in financial markets**: Advance metrics, standards and instruments that enable transparent, true-cost and benefit accounting for a well below 2°C pathway • **Goal 11: Democratise climate risk information:** Enhance access to risk information through capacity building and a major expansion of the climate services market • **Goal 12: Foster bankable green assets in cities**: Develop capacity in preparing projects and investment vehicles to boost the availability of sustainable investment assets in cities.

Education	• **Goal 13:** By 2030, we aim to pioneer capacity-building programmes that significantly increase the skills and competencies of those participating in EIT Climate-KIC innovation initiatives. • **Goal 14:** By 2030, we aim to develop the climate innovation and entrepreneurship skills of over 250,000 people, with over half of those going on to make a positive contribution to tackling climate change. • **Goal 15:** By 2030, we aim to further expand our Alumni Association to over 25,000 highly active, networked change agents.

In progressing our climate innovation impact goals we know that EIT Climate-KIC itself must build on progress to date, becoming an even more powerful and sustainable force for change. Accordingly, we have set ourselves the target, by 2022, of being:

- A global leader in climate and sustainable innovation, recognised for our strategic innovation approach to triggering transformational climate action and for achieving impact;
- A trusted partner for all innovation actors, supply-side, demand-side and enablers;
- A centre and network of excellence with the very best people to inspire and support climate leaders and innovators;
- The compelling choice for funders looking to support innovation for transformational climate action; and
- An experienced voice in the policy debate on the incentives needed for breakthrough innovation.

Being successful in our aim and ambition will require EIT Climate-KIC, as a community, to:

- Be resolute in driving whole systems transformation through innovation, necessitating a long-term view and a need to engage progressively in policy and social innovation, moving beyond our 2010-2015 base in technology innovation;
- Be deliberately experimental and exploratory in instigating and catalysing strategic innovation, where we expect success and failure, and rapidly learn from and share our experiences;
- Be a risk-taking, reflective and trusting community of change agents that can rapidly adapt on the basis of new challenges and opportunities;
- Bridge silos and disciplines in a way that creates new and energetic knowledge triangles, constantly evolving to create novel experiments;
- Work with organisations and leaders who self-define as climate change problem-owners and, of those, whose primary, dominant focus is on transformational climate action;
- Be fit for purpose in terms of our organisational design and culture, people, financial resources, operations, and govenance, where these help us to be agile, effective and efficient;
- Be globally connected, well-networked test beds of strategic innovation for transformation;
- Stimulate a supply of new ideas and new talent – from start-ups and education programming, for example – that helps create the momentum and human capital to drive change, and helps create jobs, markets and prosperity opportunities; and
- Attract and aggregate funding – from public and private sources – to achieve scaling and generate greater speed and impact.

A. Our way of working

We channel our strategic innovation around five Themes as a way to focus our work and our community, to concentrate our learning and knowledge sharing, to maximise our ability to achieve impact, and to create expertise and a track record that attracts multiple funders. Our five Themes are guided and informed by our theory of change and the monitoring, evaluation and learning activities associated with it. Our Themes are:

- **Urban Transitions**: develop integrated, system-wide solutions for zero carbon, resilient cities and city districts.
- **Sustainable Land Use**: produce innovative, scalable solutions to generate value for actors using land resources, while reducing emissions and increasing carbon sequestration and societal resilience.
- **Sustainable Production Systems**: accelerate the transition to a circular economy, decoupling growth from resource use and greenhouse gas emissions.
- **Decision Metrics and Finance**: create innovative, transformative tools and systems to measure impacts, unlock investment and change behaviour.
- **Education:** build the entrepreneurship and innovation skills of current and future climate leaders, and strengthen capacities for achieving the goals of the other four Themes.

For each Theme we have three climate innovation impact goals (as described in table 1). To achieve these goals, our innovation efforts are organised into seven areas of intervention:

1. ***We turn places and networks into system-wide climate innovation hotspots***. We use our programmes to develop clusters and stakeholder partnerships, turning them into vibrant innovation ecosystems, while promoting practitioner exchanges and creating new knowledge materials.
2. ***We turn innovative ideas into robust propositions and climate-positive businesses*.** We have Europe's most mature and widespread network of start-up accelerators focused on supporting climate-positive businesses. Over 900 companies have been created or accelerated by EIT Climate-KIC to date, raising over €400m in follow-on investment[3].
3. ***We turn innovation demonstrators into game-changers at scale***. We have deep experience of matchmaking innovators from across the knowledge triangle to stimulate an impactful pipeline of scalable systems innovation projects. Since 2014 we have brokered and supported over 450 climate innovation projects and helped leverage over €1.8bn of climate-positive action on our five Themes[4].
4. ***We turn knowledge triangle actors into disruptive innovation communities***. We have a partnership of over 280 of Europe's leading climate innovation organisations, drawn from business, academia and the public sector[5]. Our Flagships provide platforms that enable Partners to work together with a common purpose.
5. ***We turn bright minds into climate innovation leaders***. Our education programme has now benefited over 8000 people, growing human capacity for climate innovation and entrepreneurship. Some 1,200

[3] Figures accurate in Q4 2017
[4] Figures accurate in Q4 2017
[5] Partner numbers accurate in March 2018.

individuals, representing over 50 nationalities, have now completed our Journey summer school, an award winning and OECD-endorsed climate entrepreneurship programme[6].

6. ***We turn knowledge into levers of change*.** We have global platforms that bring knowledge and innovation to meet climate challenges. A total of 59 cities across six continents hosted Climathon in 2016, generating 1,400 ideas and reaching nearly 17m people on social media. In 2017 EIT Climate-KIC supported the development and launch of Climetrics, the world's first climate impact rating of equity funds. Climetrics rates funds representing €2 trillion of investments, enabling investors to integrate climate impact into their investment decisions.
7. ***We are turning ourselves into a sustainable, high-impact agent of change.*** EIT Climate-KIC has many of the ingredients to increase our societal impact – an alumni network rich in innovative ideas and influence, a financial sustainability approach gaining pace, and a track record of success to build on.

In delivering action in each of these seven areas, EIT Climate-KIC Holding B.V., our legal entity, works hand in hand with over 300 organisations across Europe that are EIT Climate-KIC's Partners and community members, including our Linked Third Parties. These organisations are representative of cities and public bodies, larger businesses, SMEs and universities, and all share capacities, expertise and insights in the area of climate innovation (see graphic on EIT Climate-KIC Partners by category).

The majority of our theme-oriented work with Partners and climate innovation ecosystems occurs in locations and countries across Europe co-ordinated through EIT Climate-KIC's Geographies. These Geographies lend structure to the way we manage ourselves and represent a way of spanning Europe that allows EIT Climate-KIC to partner the best and brightest, wherever they may be. Importantly, delivering our programming through Geographies and engaging with Partners and demand-side players on a country and sub-national basis allows us to listen to and shape demand for climate innovation, and tailor our approach to different capacities and political systems across Europe.

Our six Geographies are as follows:

- BENELUX - Belgium, Luxembourg and the Netherlands
- Central and Eastern Europe (CEE) - Czech Republic, Hungary, Poland and Slovakia
- DACH – Austria, Germany and Switzerland.
- Mediterranean – France, Italy and Spain.
- Nordics – Denmark, Finland, Norway and Sweden.
- UK and Ireland – United Kingdom and the Republic of Ireland.

Our EIT Regional Innovation Scheme (RIS) programming extends this geographical coverage to a series of additional countries across Europe, without necessarily requiring a physical EIT Climate-KIC presence in every country.

[6] Figures accurate in Q4 2017

B. Financial resources

Table 2 shows a picture of our overall funding environment, where we project estimated EIT funding, KIC complementary activities, co-funding and non-EIT sources of funding to 2022. The figures are based on a model of relatively stable funding for first-wave KICs until 2020, at which point we are projecting a phased decline. Over the period 2018-2022 we are projecting a progressive increase in funding from non-EIT sources to the EIT Climate-KIC Group, both in real terms and in relative terms compared with EIT funding. More detail on our financial sustainability progress and plans is included in Section 4.

Table 2 – indicative EIT Climate-KIC budget 2016-2022

Sources of funding (in million EUR)	2016	2017	2018	2019 -2022	TOTAL
EIT funding	70	71	85	271	507
NON-EIT funding of which:	207	295.6	204	910	1,594
1) KCAs (including co-funding)	205	293	197	813	1,484
2) Other sources	1.8	2.6	7.0	97.2	110
TOTAL	277	366.6	289	1,181	2,101

Note: The amounts indicated in the budget table are forecasts and do not reflect a commitment to a particular level of financing by the EIT. The EIT funding forecast is made on the basis of a 15% annual decline from 2020 onwards.

This table has been changed to reflect 2016 and 2017 actuals and 2018 targets. The figures are representative of KCAs including co-funding in Area 1 and non-EIT revenue in Area 2 (aligned to the table in Section 4 when adjusted in the light of historical performance). 2018 figures are consistent with the EIT Climate-KIC BP2018 agreement.

2. STRATEGY

A. Thematic focus

EIT Climate-KIC's theory of change helps us to identify where innovation is most needed and where there are needs and opportunities to work cross-sectorally and across boundaries to change whole systems. This relies on and enhances a mature form of knowledge triangle integration (KTI) (see Section 2B). With such KTI at their core, our Themes are designed to offer EIT Climate-KIC and its community the following benefits:

- **Attracting new actors** with complementary experience and competency (due to fewer, stronger focus areas).
- **Greater community interaction** around fewer hubs, increasing the probability of collaboration and innovation opportunities.
- **End-to-end focus on delivering impact** through leveraging pan-European opportunities to scale.
- **Developing new revenue streams and funder relationships** based on our reputation for delivery and action.
- **Better collaboration with other KICs** by aligning scope and possible joint projects.

Each Theme also hosts at least one EIT Climate-KIC Flagship – specific high-value, targeted systems innovation platforms that combine education, entrepreneurship and innovation for impact.

Urban Transitions (UT)

By 2050, nearly 70 per cent of the world's population will live in cities. The 2015 Paris Agreement highlighted the crucial role that cities, their buildings and their surrounding areas will play in moving to a low-carbon, resilient society. Urban Transitions focuses on integrated, scalable and replicable systemic solutions that will catalyse the shift towards zero-carbon buildings and cities and climate resilient urban environments. Our powerful UT stakeholder partnership of cities, companies and academia focuses on end-users within cities and at the building, district and city scale. It is at these scales that decision-makers and investors locate solutions and are able to make more integrated decisions across sub-systems.

Urban Transitions confronts a range of complex challenges by working with cities as test beds to:

- Unlock the current blockages (e.g. how to pursue significant wholesale retrofitting).
- Pilot new ways to fast-track change (e.g. on urban mobility).
- Create initiatives that promote integrated development at neighbourhood and city levels.
- Roll out modular learning and knowledge sharing that allow our leading-edge innovations to be taken up by the built environment industry and municipalities across Europe.

Our climate innovation impact goals are to:

- **Goal 1: Promote retrofit and decentralised energy**: Drive a significant increase in urban retrofit rates and enable district-scale clean energy production, paving the way for deep cuts in emissions.

- **Goal 2: Create green, resilient cities:** Harness the force of nature in infrastructure design to build livable climate-resilient cities.
- **Goal 3: Accelerate clean urban mobility:** Trigger the switch to clean urban mobility to achieve considerable cuts in urban transport emissions.

By 2022, our Urban Transitions platform will be a global leader in scaling ambitious integrated urban innovation, sought out by cities and urban stakeholders to help them align plans, source solutions, build scale, link technologies, and develop new business models and value propositions in order to influence skills, finance, policy and behaviours as driving forces of change. Specific targets are:

- Our Building Technologies Accelerator Flagship is recognised as a leader in delivering deep retrofit models and energy cuts to urban stakeholders.
- EIT Climate-KIC has enabled 10 cities to transition to building and district scale energy production.
- Our Smart Sustainable Districts Flagship is fully self-sustaining financially.
- EIT Climate-KIC has helped to attract over €200m of climate-positive redevelopment investment in city districts.
- EIT Climate-KIC has enabled 10 cities to design habitable and resilient urban spaces, with a strong focus on nature-based solutions.
- EIT Climate-KIC tracks strong signs of a significant modal shift away from private car ownership towards electric car-sharing, electrified public transport, walking and cycling in 10 EIT Climate-KIC partner cities.

The progression of 2018 inputs, 2020 outputs, 2022 interim outcomes by impact goal is outlined for each of the Urban Transition goal areas in Annex A.2.

Sustainable Land Use (SLU)

Sustainable land management is key to tackling and adapting to climate change. Land is the platform for human activity. It is also a key source of, and sink for, greenhouse gases. This role was recognised at COP21 in Paris, where most national contributions included land use goals for the first time. To be meaningful, targets in the area of land use must show how measures taken will influence the carbon cycle relative to a quantified baseline in respect of emissions, sequestration and adaptation. EIT Climate-KIC is well placed to support land use imperatives, having already developed a portfolio of projects and start-ups in the areas of climate-smart agriculture, agri-food chains and forestry. SLU's ecosystem aims to increase the number of participating organisations generating tangible land use impacts.

Managing an innovation pipeline that combines projects, start-ups and training activities is the basis of our offering. We will progressively develop our capacity to address the biggest challenges – those that demand systemic and holistic solutions at city or country level. Assessing the climate relevance of land use solutions is central to our value proposition. While all solutions must be climate-positive, their profitability and contribution to green growth guides their deployment at scale.

SLU's climate innovation impact goals are to:

- **Goal 4: Make agriculture climate-smart**: Instigate a substantial increase in the application of climate-smart agriculture solutions.
- **Goal 5**: **Reform food systems**: Transform climate-damaging food value chains and enhance the climate resilience of food supply.
- **Goal 6**: **Nuture forests in integrated landscapes:** Grow carbon sequestration in forests and linked value chains, while avoiding deforestation.

By 2022, SLU will have focused on developing and scaling CSA solutions, catalysing sustainable and inclusive food value chains, sustainable forestry production and avoiding zero-sum games between land uses through integrated approaches. By influencing skills, information flows, market structures and finance drivers of change, the following outcomes will be achieved:

- Flagship CSA booster is the leading European innovation platform and community in CSA, bringing knowledge, expertise, solutions and education to multiple stakeholders in Europe and beyond.
- CSA solutions catalysed, identified, assessed and deployed.
- Enhanced access to financing and de-risking, risk-sharing/transfer mechanisms for CSA.
- Circular and bio-economy development enabled through reduced, recovered and reused food waste.
- Started radical transformation of two climate-damaging value chains.
- Food supply chain resilience enhanced by a combination of insurance and financial mechanisms implemented by farmers and supply chain actors in Europe and beyond.
- Unleashed wood and biomass market potential to enable: (i) carbon sequestration in forests; (ii) substitution in downstream value chains; and (iii) reduced forest risks
- Cities and local authorities equipped with metrics and solutions for sustainable and climate-friendly management of their surrounding territories.
- Unlocked funding for integrated landscape approaches.

The progression of 2018 inputs, 2020 outputs, 2022 interim outcomes by impact goal is outlined for each of the SLU goal areas in Annex A.2.

Sustainable Production Systems (SPS)

Resource productivity is still underexploited as a source of wealth, competitiveness and innovation. According to recent studies, Europe loses 95 per cent of material and energy value, while on average using materials only once. In 2012, the average European used 16 tons of materials, and only 40 per cent of that was recycled or reused. In terms of value, material recycling and waste-based energy recovery captured only 5 per cent of the original raw-material value. The adoption of the EU Commission Circular Economy Package provides a clear indication of the transition of the European economy towards closed-loop systems. The prevailing one-way 'extract, produce, consume, and dispose' model is not only wasteful – it also has a significant climate impact that means a closed-loop system revolution is needed to meet the climate challenge. In a circular economy, economic growth would be decoupled from resource use. Recent research on the built environment, food and automotive sectors shows that a closed-loop economy could reduce emissions by as much as 48 per cent by 2030

and 83 per cent by 2050 compared with 2012 levels[7]. To advance a transition to sustainable production systems, the SPS Theme supports innovation to achieve the following decarbonisation and climate resilience impact goals:

- **Goal 7: Recast materials production**: Catalyse a switch to a circular economy and transform production for fossil-energy intensive materials.
- **Goal 8**: **Reduce industry emissions**: Partner with key industry stakeholders in cutting scope 3 emissions to reach science-based targets.
- **Goal 9**: **Reboot regional economies**: Transition carbon-intensive regions to become zero-carbon innovation hotspots.

By 2022, SPS will have focused on decarbonising materials and industrial production, working on finance, skills, policy and technology as driving forces. It will concentrate on closed material loops for cities and regions, innovation roadmaps for high emitting industrial stakeholders, and industrial area transition risk. It will have acheived or contributed to the following outcomes:

- Evidence of an accelerated transition to a closed-loop society.
- Creation of a global innovation programme where organisations commit to collaborating on upstream and downstream solutions in key material flow systems around cities and regions and on dematerialising demand.
- Five city districts engaging with EIT Climate-KIC having closed loops for selected product typologies.
- Five banks having launched financial instruments supporting circular economy.
- Companies having adopted changed practices resulting in emissions reductions across value-chain.
- Five industry stakeholders having launched first solutions to decarbonise their businesses.
- Regions transitioning away from fossil-fuel based jobs/growth economy, through five concrete innovations having been shared and scaled between transition regions.

The progression of 2018 inputs, 2020 outputs, 2022 interim outcomes by impact goal is outlined for each of the SPS goal areas in Annex A.2.

Decision Metrics and Finance (DMF)

The Paris Agreement created broad consensus for metrics and finance to play a key role in enabling climate action at scale and monitoring whether societies are on track. The challenge is not a lack of finance, but a lack of bankable green assets. DMF aims to develop innovations to redirect and mobilise capital towards low-carbon and climate-resilient solutions, with the goal of become Europe's main public-private innovation community for scaling up climate finance. In the long term, we aim to contribute to achieving a number of key impacts. By 2050, all financial investment portfolios as well as corporate and public investment plans should be aligned with 'well below 2°C' imperatives across all public and private sectors. DMF focuses on supporting projects that help scale up innovation and drive systemic, transformative change. It works through five main levers for change that our projects should apply alone or in combination: (i) metrics, standards, and ratings; (ii) open platform business models for

[7] McKinsey (2016): The circular economy: Moving from theory to practice. http://www.mckinsey.com/business-functions/sustainability-and-resource-productivity/our-insights/the-circular-economy-moving-from-theory-to-practice

data and service provision; (iii) novel financial instruments; (iv) dealflow generation and investor matchmaking; and (v) executive education and capacity building. By continuously working through these instruments DMF will develop deep expertise in how to drive systemic change that will be in demand by our Partners and future partners, laying the basis for thought leadership and self-sustainability. This expertise will be used to inform other Themes and to help Partners scale innovation in their areas of operation. The DMF Theme is uniquely present across all KICs – it can add value here as well.

The DMF Theme will continue to work with its existing world-leading partners from the private sector, NGOs and think-tanks, as well as leading academic institutions to create synergies, resulting in a leading innovation ecosystem in Europe and a pipeline of new innovations. An enhanced focus on the above priority areas will enable truly systemic change to be achieved, spanning financial markets and the real economy as well as the spectrum from physical to transition risks. Increased focus will also be put on working more closely with the financial services sector, through official EIT Climate-KIC or other partnerships. To achieve the above goals, we will work with advisory boards, using matchmaking events (our own or co-sponsored with industry), reports, and a stronger focus on communications to create visible thought leadership and to support advocacy.

DMF's climate innovation impacts goals are to:

- **Goal 10: Mainstream climate in financial markets**: Advance metrics, standards and instruments that enable transparent, true-cost and benefit accounting for a well below 2°C pathway
- **Goal 11: Democratise climate risk information:** Enhance access to risk information through capacity building and a major expansion of the climate services market
- **Goal 12: Foster bankable green assets in cities:** Develop capacity in preparing projects and investment vehicles to boost the availability of sustainable investment assets in cities.

By 2022, DMF will have focused on redirecting finance flows, anticipating physical climate risk and creating bankable green assets. Working through policy, information flows and skills drivers of change, the Theme will have achieved the following outcomes:

- Systematically supported projects and partners in setting ambitious standards for mandatory reporting and investment.
- Investment processes of top 30 per cent of asset owners, managers, corporates include 2°C compatible targets in investment process.
- Half of metrics used can be traced back in some form to EIT Climate-KIC partners and/or projects.
- Insurance, investors, and society have access to tools integrating climate risks into decision-making.
- 30 per cent of solution providers rely on OASIS Hub and/or OASIS LMF (DMF supported project within its Climate Risk Information Flagship).
- Supported 50 demonstrators and trained over 2,000 people.
- Most EU public funders request open model access and interoperability.
- Through the LoCaL Flagship, 200 cities involved in training activities, 50 investors engaged in flagship activities, 20 projects graduating from the City Finance Lab financed, €50m project finance mobilised by the lab.

- Helped create circular business model laboratory.

The progression of 2018 inputs, 2020 outputs, 2022 interim outcomes by impact goal is outlined for each of the DMF goal areas in Annex A.2.

Education

Achieving the goals of the Paris Agreement and our climate innovation impact goals will require a substantial cadre of climate leaders and actors with the skills and mindset for the transformative action needed. Such innovation must also be embedded in society for the benefit of all. EIT Climate-KIC's education activities aim to catalyse the human capital transformation required to achieve these ambitions. We have four key objectives:

1. Build the skills, mindset and leadership to match the systems thinking needed for delivering transformational innovation, through Graduate School, professional and executive programmes.
2. Develop new teaching and learning methods, and expand and diversify our online portfolio to address the urgency and magnitude of climate change.
3. Work across the other EIT Climate-KIC Themes, combining educational tools with thematic focus to develop much needed capacity building and to accelerate innovation in climate change.
4. Build a community of networked climate change agents, bringing together knowledge and key players to accelerate both innovation and the development of informed policy-making to amplify impact.

To address these objectives, we will continue our successful programmes and further develop our repertoire of experiential and online educational tools, offering options for senior executives, professionals, and students at universities and schools in Europe and beyond. Those graduating from EIT Climate-KIC Education become our global diaspora of innovators with whom we continue to work, while our online programmes extend our reach and scale of impact by tens of thousands. Within EIT Climate-KIC, Education will accelerate innovation across our Themes by inspiring and enhancing human capital and actively providing participants of EIT Climate-KIC's programmes with tools and incentives, training, coaching, mentoring and relevant learning programmes that will help them drive their idea to impact. We will create a further platform for them to link with each other, in a yearly 'Davos for climate change innovation' style event, using our current Climate Innovation Summit as a foundation.

Education's impact goals, to be achieved by 2030, are to:

- **Goal 13:** pioneer capacity-building programmes that significantly increase the skills and competencies of those participating in EIT Climate-KIC innovation initiatives.
- **Goal 14:** develop the climate innovation and entrepreneurship skills of over 250,000 people, with over half of those going on to make a positive contribution to tackling climate change.
- **Goal 15:** further expand our Alumni Association to over 25,000 highly active, networked change agents.

By 2022, Education will be influencing skills, information flows and behaviours as drivers of change, focused on the following outcomes:

- 25 per cent of those active in innovation projects across EIT Climate-KIC have participated in EIT Climate-KIC capacity building programmes.

- Portfolio of thematically aligned education programmes driving innovation capacity and climate impact across Europe and beyond.
- Portfolio of successful education assets developed with UT, SLU, SPS and DMF Themes
- EIT Climate-KIC Certified Professional qualification is a formal component of European CPD programmes across all KICs.
- Alumni Association grown to ~10,000 members.
- A network of >3 million has benefited from EIT Climate-KIC online education.
- Annual 'Davos for climate innovation' meeting attracting over 500 participants.

The progression of 2018 inputs, 2020 outputs, 2022 interim outcomes by impact goal is outlined for each of the Education goal areas in Annex A.2.

B. The knowledge triangle for societal impact

EIT Climate-KIC has had considerable success in previous years with the early stages of KTI in the form of collaboration on single or complex projects and in growing the depth and frequency of interactions among KT partners across the various stages of the EIT Climate-KIC Innovation Framework (see Annex A for description). EIT Climate-KIC flagship projects are particularly effective in this regard. Our partnership is reasonably well-balanced across KTI actors – although we are actively recruiting more industry players – and we integrate them across our KAVA Areas with visible benefits to the diversity of perspectives and to the identification of opportunities for application and for investment.

To achieve the impact urgently needed to address climate change, however, climate innovation needs an exponential shift towards fully constituted innovation ecosystems, working effectively from ideation and strategy formation to interdisciplinary learning from experimentation and innovation options – including options to disrupt core business models in industry – and through to feedback loops that direct learning into iterative cycles of implementation and transformation.

EIT Climate-KIC's activity structure, as described in this document's summary, is designed to better promote an intensification of innovation capacity through KTI by: (a) creating more opportunities for KTI actors to jointly consider strategic innovation priorities and to develop projects together; (b) exchanging learning and experiences; (c) growing climate innovation ecosystems together; (d) applying a combination of education, entrepreneurship and industry innovation to climate change challenges in multiple areas; (e) integrating education more deliberately across the portfolio; and (f) fostering cross-border collaboration and an amplification of cognitive and social proximity within and across regions and across Europe.

C. Our geographical footprint

Our Geographies cover clusters of countries across Europe – it is here we find, nurture and curate a supply of ideas, technologies and potential applications. It is where and how we experiment in the field so that practical applications demonstrate possibilities and enable adoption, and it is where and how we work directly on behavioural change and social innovation as an essential driver of transformation. Through our Geographies, our community of Partners, start-ups and individuals connect and collaborate on open systems innovation and offer a basis for intensifying KTI. This is where our impact priorities are

enriched and refined, turned into concrete activities and measurable actions, and then deployed at scale. The core responsibility of our EIT Climate-KIC Team members in each Geography is to build the strongest partner ecosystems at national and sub-national levels and to grow impact in line with EIT Climate-KIC strategy.

Until 2014 we operated via a set of six nationally-embeded Co-Location Centres and six Regional Implementation and Innovation Communities. This structure was not optimal for three main reasons: (i) climate innovation ecosystems involve actors from a vast range of sectors; (ii) innovators are scattered across all regions; and (iii) most climate issues in Europe do not stop at national borders. Without increasing human resources or adding another layer of complexity and redundancy we transitioned to a Geographies model that articulates the relevant transnational, national and local dimensions – it retains presence at country or sub-country levels in order to provide access to innovation hotspots for partners and to promote dialogue with stakeholders, including national authorities. It also addresses climate challenges at a Geography scale – broad enough to lever synergies and gather cross-sectoral innovation communities with sufficient size and diversity, and specific enough to design business models and sets of transformational solutions that are fully context-relevant.

Our six Geographies are BENELUX, Central and Eastern Europe (CEE), DACH, Mediterranean, Nordics, and UK and Ireland (see also this document's Summary).

Our RIS programme extends our geographic coverage to additional countries across Europe. EIT Climate-KIC programming – Climathon and Climate LaunchPad, for example – also happens in additional countries, highlighting our growing international reach.

To deliver our goals we strive first for impact across Europe. We source the best expertise, wherever we can find it, and focus it where it is most needed. This is one of our core USPs. Our geographic footprint underpins where and how we work, implicitly harnessing learning from our Regional Innovation Scheme (RIS). Between 2016-2022, how we develop our locations (countries or sub-national regions) and how they relate to each other through our Geographies embraces and addresses several factors:

- Maximising our impact versus the cost of our Geographic footprint, assessing whether we need to establish physical offices or convene a transient or virtual presence and whether EIT Climate-KIC staff, Partners or third parties should deliver activities.
- Balancing incentives for our Geographies in order to develop and execute tailored and strategic plans that maximise transformative climate action across specific countries or country groupings without compromising EIT Climate-KIC's pan-European USP.
- Establishing a resilient and flexible model that can cope with funding changes over time.
- Reviewing and actively managing the implications of the Brexit negotiations for EIT Climate-KIC.

Where aligned with our strategy, Themes and impact goals, we may pursue opportunities to connect our Geographies to other global hotspots of climate innovation. In doing so we would build on our experience of helping to establish EIT Climate-KIC Australia, as well as start-ups, Partners and EIT Climate-KIC programmes (e.g. Climathon, Climate LaunchPad) already operating in countries beyond Europe.

D. Synergies and complementarities with other EU initiatives

Climate change is a major global issue with vast challenges intervening across all sectors of the economy and society. Collaboration is inherent in, and fundamental to, our strategy. EIT Climate-KIC has impressive pan-European capability, know-how and reputation in managing climate innovation. We believe that EIT Climate-KIC is a natural vehicle for the EU to increase its efforts to tackle climate change through innovation, to mainstream climate action and to transform Europe into the most innovative low-carbon economy and climate-resilient society. To achieve the impact goals outlined in Table 1 means collaborating with a large variety of actors in the climate and sustainability area and working closely across disciplines, sectors and KICs. Collaboration with the other KICs and the EIT is an important element in scaling our impact – it also offers an efficient platform for knowledge sharing and adoption of best practice, such as the simplification agenda within the EIT-KIC business system or exchanges of lessons learned on structural matters across the KICs (both first and second phase).

Developing strong, integrated relationships with the key DGs is crucial to the dissemination of our results and scaling our impact. Climate innovation is vital in addressing EU sustainable development goals and is a strong component of the European energy strategy. We continue to work from our Brussels hub in a structured liaison with DG EAC, DG CLIMA, DG RTD, DG GROW, DG DEVCO and DG REGIO, involving EIT. In parallel, we will work on specific impact-oriented activities in alliance with ESA, EEA, EIB, JRC, EASME and ERRIN among others.

Regions across Europe play a leading role in the delivery of the EU's climate and energy agenda. The European Structural and Investment Funds (ESIF) for 2014-2020 delivered at regional level is the largest coordinated investment programme in Europe to support low-carbon innovation, while the European Fund for Strategic Investments (EFSI) will mobilise private and strategic investments in the real economy creating growth and jobs. EIT Climate-KIC's strategy is designed to engage with this agenda and by mainstreaming climate innovation to accelerate the transition to a low-carbon economy in Europe. Working together with the EIT, our Regional Innovation Scheme (RIS) enhances outreach activities and impacts across the whole of Europe. RIS is a coherent and structured programme, building excellent partnerships and thematic alignment for enhanced innovation capacity. The EIT Climate-KIC RIS regions act as test beds for scaling up KIC activities, not least because they face some of Europe's most complex and critical decarbonisation challenges. These areas can be at the forefront of integrating the knowledge triangle for results-driven innovation and adding value to the exchange of talent and ideas. This provides the EIT and the KICs with valuable knowledge about how activities might be replicated, lessons learned, and emerging good practices disseminated.

E. Our community model

Our community is our foremost resource. It is the essential human capital that brings the full spectrum of knowledge and competencies into play within our work. We understand proactive and dynamic community management to be a key part of how EIT Climate-KIC can promote an intensification of innovation capacity through enhanced KTI and thus influence behavioural change, raise awareness in respect of the urgency of climate change, and stimulate transformative, breakthrough innovation. Accordingly, we have a clear strategy for our community with the goal of bringing to life the principle of liaison and self-organisation within our community of KT Partners, students, alumni, advisors, key

stakeholders and EIT Climate-KIC Team such that the community takes on the qualities of a living, self-directing network of actual and potential encounters.

The fundamentals of our community model are:

- It is an ecosystem that encompasses research, business (including not-for-profit), government and education.
- It incorporates both supply-side and demand-side actors to ensure we can deliver innovation.
- It attracts and retains the organisations that are essential to delivering transformative climate mitigation and adaptation action within our thematic focus areas.
- To maintain an engaged and dynamic community we actively manage the mix, making it easy for new entrants to come to the fore and the less active to disengage.
- We recognise the virtues of competition, but are also aware that excessive competition within our community may be a disincentive to those confronting the biggest challenges;
- We acknowledge the importance of SMEs, micro-SMEs and start-ups as engines of cutting-edge point innovation, and the public sector and large corporates as critical players for demonstrating and scaling strategic innovation.

We support our community's work on transformational climate action in the context of our Themes and our impact goals. On occasion, we will identify additional collaborators for the innovation challenges that fall outside of the competencies of existing EIT Climate-KIC Partners. We focus on attracting community members and collaborators who see themselves as 'challenge owners' in respect of climate change and climate change solutions, and who are keen to work on transformational innovation as their dominant interest, especially where their competencies help speed up change. We also seek deeper relationships with a small number of strategic alliance partners, where the relationship can be mission-driven, can support future financial sustainability, and can bring complementary domains together.

Our priorities to 2022 are to:

1. Develop strong ecosystems across the knowledge triangle in our core thematic priority areas.
2. Become the trusted partner for the best demand-side and supply-side organisations and funders.
3. Improve EIT Climate-KIC's community management and support.
4. Create 3-4 strategic alliances that help grow our impact and support our long-term sustainable business model.
5. Maximise the potential of our Education alumni network and utilise more of the human capital created to support our own innovation pipeline.

3. GOVERNANCE AND OPERATIONS

A. Governance

Since 2014, EIT Climate-KIC has undertaken extensive work to ensure its governance structure:

- Reflects the diversity in the composition of the community, in particular the balance within the knowledge triangle;
- Separates ownership/membership from operational management;
- Ensures an open and high-quality decision making process; and
- Separates the supervisory function from operations using a system of checks and balances, and has a size allowing it to function in an effective and efficient way.

EIT Climate-KIC works continuously towards best practice governance arrangements in line with a changing activities profile. Any governance changes in the future will be to improve independence, transparency, efficiency and impact – for example, to support financial sustainability. Our structure is as follows:

Our Association, comprising EIT Climate-KIC's Core Partners (also known as Members of Association), is active in supporting and directing the overall EIT Climate-KIC philosophy and strategy. The Association is the EIT Climate-KIC shareholder. Via its **Governing Board** of 13 directors, who reflect our geographic spread and sectoral diversity and include an independent Chair, the Association ensures that the partnership grows in accordance with the skills and competencies required to meet the strategic objectives set.

The Supervisory Board (SB) was set up in 2016. At its inception, the SB comprised five members, two of whom were totally independent (i.e. not materially connected with an organisation that is a Member of Association or otherwise has a material commercial arrangement with EIT Climate-KIC), including the Chair. As of 2017, we now have four out of the five SB members as independent members, incuding the Chair. The SB acts in the interest of all stakeholders and supervises the Executive Board.

The Executive Board comprises four statutory directors – the CEO, CFO, CSO and the COO. The Executive Board of EIT Climate-KIC has overall legal responsibility for managing EIT Climate-KIC Holding B.V. This responsibility is delegated downstream in line with an agreed and documented delegation of authorities matrix. Members of the Executive Board are independent of partners. For management expediency and to aid robust and transparent decision-making, the Executive Board is supported by other members from the Executive Team, which meets fortnightly to consider programming, policy and operational decisions.

The Executive Team, is responsible for operational delivery of the business plan, guiding strategic choices and is broadly representative of our Geographies and Themes plus certain other corporate functions. Members of the Executive Team are independent of Partners.

Innovation Programme Boards have continued to play an important role in ensuring the transparency of the decision-making process across our Innovation Framework (see Annex A). The boards use reports of independent experts in the decision-making process, and individuals independent of Partners and EIT

Climate-KIC Holding B.V. are included in our Programme Board as standing members. The composition of our Flagship Boards represents a mix of EIT Climate-KIC employees and independent experts in addition to the Partners involved.

All decision-making associated with onboarding of members into the community and participation in the EIT grant (including KAVA allocation) and related grant management is undertaken by staff employed by the EIT Climate-KIC B.V. or subsidiaries. This affords a clear separation of community members participating in the EIT grant from those with key responsibility for making decisions in relation to allocating and managing such grant. EIT Climate-KIC employees are required to follow various policies and procedures that encourage open, high-quality and robust decision-making, including the conflicts of interest policy, anti-fraud, corruption and bribery policy, delegation of authorties policy, procurement policy and others. In addition, certain best practice requirements are also passed through to community members via the internal agreements. For example, we are starting to manage aspects of diversity more systematically – including, but not limited to, gender. Key steps we will take towards this goal include the nomination of a diversity focal point and the introduction of a measurement mechanism allowing us to systematically assess and report on aspects of gender and diversity.

B. Operations

By 2022 EIT Climate-KIC will have demonstrated how a knowledge and innovation community can deliver significant societal value – value that other structures are unable to deliver. We will be a professionally run, high-impact, financially efficient partnership or community. We will have in place the teams, systems and processes that empower others to deliver much more than they could on their own.

Our operational priorities for the period to 2022 are:

1. Establish a strong culture that supports creativity, enterprise and delivery;
2. Implement processes and systems that support this culture and that maximise the potential for EIT Climate-KIC to achieve its aim, ambition and impact goals;
3. Make community management and knowledge exchange a core offering that empowers staff and partners to deliver;
4. Develop world-class communications that directly contribute to EIT Climate-KIC's mission;
5. Increase reserves and working capital to a sustainable level; and
6. Ensure best practice governance

By 2022 EIT Climate-KIC will field a nimble, flexible, world-class team in a working environment sought out by climate practitioners and managers. Our staff will have competitive employment contracts, training and development opportunities, and a platform on which to grow as climate ambassadors.

Our Innovation Framework

The EIT Climate-KIC Innovation Framework encompasses our entire innovation implementation approach, particularly as we advance the supply of new ideas, test new business models and experiment across systems. For our community members the framework describes how and where to get involved to achieve their objectives. For our funders, the framework presents a valuable guide to how we

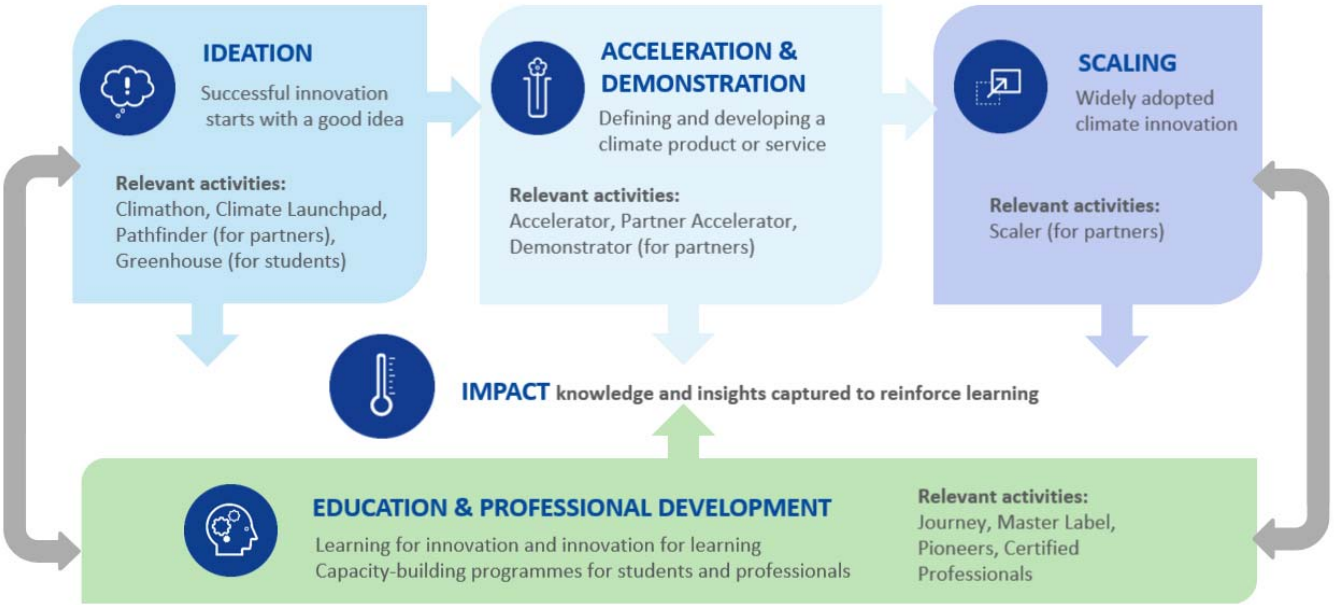
organise and allocate funding as our innovation pipeline matures. For EIT Climate-KIC is helps structure our operational landscape.

Our Innovation Framework is structured around three dimensions of innovation progress:

1. Invention: Developing the new knowledge, technology, and behavioural, financial or policy approaches to underpin innovation. This dimension is what is most commonly understood to be the focus of innovation.
2. Outcomes: Developing the path to outcomes describing how the innovation will work, self-sustain, drive change and lead to impact. This dimension typically progresses through systems and business modelling, and climate and socio-economic impact assessment.
3. Operations: People, funding, operational infrastructure and resources that are all needed to bring innovation to fruition.

Based on six years' experience, we understand that innovation endeavours rarely follow the same path and are often characterised by non-linearity, particularly when dealing with systems change. Moreover, different dimensions of innovation assume more or less currency or importance over time. The EIT Climate-KIC Innovation Framework is designed to allow testing, retesting and experimentation in this context, and the opportunity for innovation to be much more cyclical than it is linear. The framework also allows our community members to pursue innovation endeavours in the way they see fit, making clear how they can use EIT Climate-KIC's support while ensuring the risks are well managed for all. Figure 1 shows the framework structure.

Figure 1. Representation of EIT Climate-KIC's Innovation Framework



Five core programmes focus on the integration of research with business and governmental stakeholders within the knowledge triangle:

- **Thematic priorities**, where we shape the path our community pursues for maximim climate mitigation and adaptation impact.
- **Ideator**, where we bring together innovation actors to identify and refine ideas to create innovation opportunities.
- **Accelerator**, where we assure our community and investors of a viable outcome.
- **Demonstrator**, where we demonstrate that innovations can work in practice.
- **Scaler**, where we support the exploitation of innovations at scale for maximum impact.

Enabling these core programmes while completing the knowledge triangle are three foundation programmes that build the capacity of individuals and systems for innovation and change.

1. **Building the capacity for systems innovation** – connecting organisations across silos, cross-fertilising knowledge and learning, building trust and galvanising the knowledge triangle.
2. **Graduate education** – equipping future leaders and innovators to meet the challenges of climate change innovation.
3. **Professional, executive and online Education** – equipping current leaders and innovators to meet the challenges of climate change innovation.

The EIT Climate-KIC Innovation Framework guides how we run and structure our calls for innovation projects. During the period 2016-2022 we will seek to increase the pipeline of systems innovation projects designed to promote deliberate transformation through experimentation.

4. FINANCIAL SUSTAINABILITY

It is now generally recognised that for innovation to be effective in solving climate change it will need to address market failure and to produce structural and systemic change in current business models, industry assumptions and value generation paradigms. Generation of value and financial return will have to take different forms to the growth-consumption-obsolescence paradigm we are used to, and depart from the timeframes we currently expect for return on innovation. We know little yet about the ways in which circular economies will make money, for example.

On the global and European stage, and across the financial and public sector, there is intensive discussion on new models to finance climate change and climate innovation (e.g. de-risking strategies, first-loss mechanisms, new financial incentive mechanisms for impact investments). In practice, however, even those funds directed at climate change mitigation or adaptation very often build on existing business models, financial systems and incentivisation. The climate innovation we need often represents high-risk, high-cost, long-term investment that comes with little clarity and extreme non-

linearity in terms of future revenue expectations. Investors in the space, institutional and private, tend currently to wait to find established technologies, or invest in less effective, incremental solutions and business models. On the other hand, the resolve established in Paris at COP21, the growing urgency for transformative action, and the imminent review of the national implementation plans for the Paris goals, are leading to increased declarations of commitment to invest in climate mitigation and adaptation through grants, foundations, investment funds and development financing.

EIT Climate-KIC is actively combing European and global markets for funding possibilities. We are building relationships with strategic alliance partners with whom we can attract funding jointly. Our financial sustainability strategy recognises the need for:

- Speed – we need a significant improvement in our funding outlook very quickly;
- Impact – clarity of purpose and action in terms of climate impact so that we have a compelling offer for funders; and
- Coherence with our purpose – our ability to create revenue and bring in funding income needs to secure the sustainable success of climate innovation as a priority.

Wherever we can, we are working on leveraging existing assets and capabilities to generate revenue and increased visibility, which, in turn, builds confidence for potential funders. We are also directing a significant component of our innovation activities at overcoming obstacles to climate innovation financing in the current set-up of financial and capital markets.

Our theory of change helps us focus on where innovation is most needed, where it will play a key role in catalysing systemic and structural change, and where Europe has a competitive advantage. Our financial sustainability model is designed to reinforce our ability to achieve our impact goals and to leverage our unique value proposition and assets to attract revenue. The model has four revenue strands:

- Use our theory of change, with clear impact goals, to propose compelling offers to major grant bodies and foundations whose goals align with Paris Agreement outcomes;
- Position EIT Climate-KIC and our programme assets to offer products and services to those looking to source, provide, fund or learn about climate innovation and entrepreneurship;
- Be a partnership that organisations want to join, where partnership benefits are focused on the pro-climate transformations we can achieve together; and
- Nurture Europe-wide and globally recognised programmes and events that major public and private organisations want to sponsor.

In addition, we will explore opportunities to attract risk capital and patient capital to the portfolio of innovations we support, with a mechanism for financial benefit to EIT Climate-KIC. We will also undertake the necessary assessments and practical steps needed to introduce conditional ROI models to EIT Climate-KIC granting in 2018. We will develop these models to ensure they offer a way for EIT Climate-KIC to secure societal impact coherent with our purpose. We do not believe, however, that ROI models will be effective in delivering significant financial revenue for several years.

A. Targets

In the EIT Climate-KIC EIT business plan 2017 we presented a financial sustainability strategy based on 'pursuing funding that maximises the impact of what we do, both now and into the future'. The plan committed us to create sustainable business models for winning money from: (i) EU and national grants; (ii) service contracts procured by the public sector; (iii) foundations and multinationals; (iv) other fee-for-services arrangements; and (v) Partner fees. It also set a target for EIT Climate-KIC to earn non-EIT revenues from all five of these activities. At EIT Climate-KIC's BP2017 hearing in December 2016 we reiterated our commitment to fulfilling the principles of KIC financial sustainability, stating that in 2025 we will: (i) continue to have long-term impact against EIT core objectives; (ii) have self-sufficient core activities; (iii) have a balance of excellent knowledge triangle partners; and (iv) actively and positively contribute to the brand of the EIT and the KICs.

In March 2017, EIT Climate-KIC submitted its Financial Sustainability Strategy and Road Map 2017-2021 to the EIT. The document sets out guiding principles, including the development of 'a rich and flexible portfolio of financial sustainability options to support a mix of climate innovation projects and assets'. The road map elaborated on a portfolio approach to developing revenue streams, with an emphasis on learning through experimentation, and a spread of positions building on success and existing assets wherever possible.

For the period 2017-2019, EIT Climate-KIC Holding B.V. will progressively increase the volume of non-EIT revenue earned by EIT Climate-KIC – both in real terms and as a percentage of the grant we receive from the EIT – using 2017 as a baseline. We are aiming for non-EIT revenue earned to grow at a rate of 5 per cent each year from 2018 to 2020 when considered as a percentage of total revenue. This assumes relative stability in the total annual grant attracted by EIT Climate-KIC from the EIT in line with the projections included in Table 2. In the period from 2020 onwards we are modelling non-EIT funding to grow more rapidly, both in real and relative terms.

Table 3: Non-EIT income and revenue forecasts and business model targets

	2017	2018	2019	2022
Non-EIT revenue targets	€2.6m ▪ (41.9% increase on previous year)	€7m ▪ (166.2% increase on previous year)	€12.75m ▪ (82.1% increase on previous year)	€37.6m
Business model targets	▪ Establish a small core financial sustainability function, developing expertise in all revenue types. ▪ Developed business models for all four revenue streams. ▪ Evidence of Non-EIT revenues earned for all four revenue streams.	▪ Grow a delivery unit for non-EIT revenue with core transferable skills. ▪ Growth of non-EIT revenues earned for all four revenue streams cf. 2017. ▪ A small number of large-scale opportunities will be won (see Annex)	▪ 2-3 major contracts with large funders come into operations, and a greater number of large contracts will be won. ▪ All core activities have substantial non-EIT revenues from multiple sources.	▪ EIT Climate-KIC established on the European and global market as one of the major climate innovation business partners for all major private and public agencies working in the climate field. ▪ EIT Climate-KIC continues to attract and retain the best partners. ▪ 50% of non-EIT revenues are 'repeat business'.

We will ensure that our total funds under management, revenue and funding leveraged to our community are aligned with our theory of change to facilitate EIT Climate-KIC's delivery of the outcomes defined in our core mission, strengthening our value proposition for funders and unique contribution to driving positive climate actions. By 2020 we will have a global client base and strong evidence of the way we are supporting decarbonisation and climate resilience. This will demonstrate we are progressing towards EIT Climate-KIC's 2022 strategic aims of being: (i) the global leader in climate and sustainable innovation, recognised for delivering impact; and (ii) the compelling choice for funders looking to support climate innovation.

B. Challenges

Our implementation experience to date has involved and identified a range of challenges, some solved, some yet to be solved. These include:

- **Cash flow:** We expect most of our funding to be from the public sector where funding is commonly in arrears. We welcome moves at EIT to maximise pre-finance, but we may need to discount opportunities that threaten EIT Climate-KIC's cash flow. There is a further challenge in accessing some funding sources when the reimbursement rate is low, where we cannot afford to take funding on these terms.

- **Skills:** Working across multiple potential revenue streams requires a diverse range of skills – sales, bid writing, product development and relationship management, for example. We will seek to gain these skills through recruitment, working with third parties and internal training.
- **Culture change**: The EIT Climate-KIC Group has been primarily viewed by its Partners and collaborators as a grant-giving organisation, rather than an organisation that itself needs to attract income and generate revenue.
- **Transition impact**: Tackling climate change at speed and scale will require alternative industrial models, and this represents a threat to current vested interests and economic systems. Finding new partners who genuinely align with our outlook is challenging, as is working on long-term goals and acheivements in a world focused on short-term returns.

5. IMPACT AND RESULTS

A. Impact

EIT Climate-KIC has been a strong performer since launch, and we have delivered our original performance projections. Analysis in 2014 indicated that we achieved 82 per cent of our original targets and a further 10 per cent partially. Table 4 summarises our general performance between launch and 2015, and the learning that is informing our strategy for impact moving forward.

Table 4: Reflections on performance for the first five years of EIT Climate-KIC (2010-2015)

	What did we do well?	**What did we learn?**
Community	Increased strength and collaboration of partnership. Dynamic >1,500 alumni network. Established network of experts to build on.	Room to align partnership with mission. Relationship 'offer and ask' needs better definition. Strengthen communications with Partners.
Innovation pipeline	Programmes continue to gain traction and recognition. Start-up pipeline attracted follow-on investment. Growing integration of knowledge triangle.	Closer integration of Innovation and entrepreneurship could enhance ability to deliver greater impact. Education should be more aligned with Themes.
Thematic focus	Strengthened climate innovation link to markets. Platform community engagement underpinned Theme strategy.	Focus on specific and well-defined Themes builds expertise and profile. Focus enables targeting of external stakeholders' engagement to increase impact.
Governance	New governance structure that separates ownership and management. Maintained a collective ownership involving many Partners.	Both EIT and EIT Climate-KIC identified conflicts of interest. Differentiating strategic from operational decision-making will significantly increase effectiveness.
Self-sustainability	Learning from earlier pilots and experience. Long term plan in place following the strategy refresh.	Largest immediate opportunity is diversification to other public funding instruments. Additional income could be obtained from sponsorship and services.

Our specific achievements are as follows:

Education achievements

- **Graduate School**: The attractiveness of the Label programme has continued to be high with a well-balanced demographic and gender mix. By the end of 2016, over 1,200 people, representing 50 nationalities, had participated in our **Journey summer school**, an award-winning, OECD-endorsed climate entrepreneurship programme. To date, the Journey has helped launch 240 climate-positive businesses.
- **Climathon:** Our global 24-hour hackathon for city climate challenges continues to strengthen. In May 2016 it helped EIT Climate-KIC win a Guardian Sustainable Business Award for Communicating Sustainability, and in October 2016 it ran in 59 cities across six continents. It generated 1,400 ideas for climate solutions, received over 230 pieces of known media coverage and reached 16.8 million people through social media.
- **Pioneers into Practice**: Our professional mobility climate leadership programme supports sharing of experience between regions in 15 European countires.
- **Industry engagement**: EIT Climate-KIC's industry-specific short courses are contributing to revenue generation and helping higher education institutional Partners provide essential insights into climate change. Our professional competency-based certification for innovators and entrepreneurs, endorsed by the European Commission, is attracting interest in DG EAC.

Entrepreneurship achievements

- **EIT Climate-KIC's atart-up accelerator:** EIT Climate-KIC has Europe's most mature and widespread network of start-up accelerators focused on supporting climate-positive businesses. Since 2012, over 900 companies have been created, accelerated and de-risked by EIT Climate-KIC, collectively raising some €350m in external finance. Thirteen EIT Climate-KIC-supported entrepreneurs were selected by Forbes in Europe's 30 under 30 in 2016, a powerful endorsement of our approach to nurturing talent.
- **Climate LaunchPad** is now the world's biggest competition for green business ideas, running in over 30 countries, with a waiting list of others. It helps to screen and boost some 1,000 ideas annually.
- **European entrepreneurial culture**: Our LaunchPad and accelerator programmes encouraged local role models and an entrepreneurial culture combining innovation and entrepreneurship**.**

Innovation achievements

- **Flagships**: Our flagship programmes, where constellations of partners come together to form disruptive communities, are achieving success. In 2016, our Smart Sustainable Districts Flagship helped cut carbon emissions by 15 per cent in energy systems at the Olympic Park in London. The Building Technologies Accelerator launched five start-ups and a range of new products including 2ndSKIN, a deep retrofit approach, which has achieved its first commercial transaction and saves 68kg CO_2 per m^2/yr. EnCO2re, which enables CO_2 reuse, released its CO2 Utilisation Today report generating over 2,000 downloads in two weeks. Climate Risk Information, our Flagship supporting resilience decisions, launched a disruptive global market place for climate risk data – OASIS Hub. Already endorsed by major global insurers, it is attracting resources from the German government and H2020.
- **Idea flow:** Since 2014, EIT Climate-KIC has supported over 450 innovation projects, and helped collectively to leverage €1.8bn of climate-positive action.

B. KPIs

As Table 5 highlights, EIT Climate-KIC has often greatly exceeded EIT and EIT Climate-KIC key performance indicator (KPI) targets. With changes to the EIT and EIT Climate-KIC's KPIs in 2017, comparisons with the 2014-2016 period are not appropriate, but performance in 2017 is expected to show the benefits of EIT Climate-KIC's strategy refresh. This progression is something we expect to continue in 2018 and beyond, underscored by the 2018-2020 KPI targets in Table 5.

Table 5: EIT and EIT Climate-KIC KPIs, past achievement and future targets (see footnotes[8])

Key: Strong green >25% exceeded target, light green exceeding target, N/A not available, light red missed target by <25%, darker red missed target by >25% . Targets are based on being able to produce the EIT evidence requirements within the grant year (some KPIs are likely to be claimed in future year(s)).

Code	CKIC Actuals	2014	2015	2016	Code	Targets[9]	2017	2018	2020
EIT01	Edu. Attractiveness (# of Label PhD/MA applicants)	652	603	1099	EIT01	# Label Graduates	121	**66**	100
EIT02	# New graduates	46	579	414	EIT02	# Start-ups by Label students	2	**6**	8
EIT03	# business ideas	216	316	364	EIT03	# Products launched	68	**95**	125
EIT04	# start-ups/spin-offs	49	76	36	EIT04	# Start-ups from innovation	4	**3**	15
EIT05	Knowledge transfers	162	127	143	EIT05	# Start-ups supported	195	**219**	125
EIT06	New/improv products	63	71	88	EIT06	Investment to start-ups (€m)	110	**64**	140
CKIC01	# ideas supported	298	1021	221	EIT07	Success stories accepted	72	**170**	80
CKIC02	Capital attracted (€m)	48	128	198	EIT08	# External particip. in RIS	33	**103**	115
CKIC04	Policies developed	3	6	16	EIT09	Budget consumption	>95%	**97%**	99%
CKIC07	Change agents trained (k)	0.79	1.9	14.27	EIT10	Error rate	<1%	**1%**	1%
					EIT11	FS co-efficient (%)	4.5%	**7.6%**	25.8%

[8] * KPI selection based on consistency over subsequent years whereby other KPIs were changed or removed.

[9] Targets are based on being able to produce the EIT evidence requirements within the grant year (some KPIs are likely to be claimed in future year(s)).

	Targets	2017	2018	2020					
CKIC03	#Cities engaged	N/A	**164**	170	CKIC01	Investment attract. (€m) innovation activities	119	**65**	180
CKIC08[10] CKIC04	#KTI learning events	*18*	**41**	50	CKIC02	# Innovation opportunities	35	**66**	75
CKIC08	# social media followers (k)	N/A	**146**	192	CKIC03	# Business models valid.	27	**N/A**	N/A
					CKIC04	# Innovations demonstrations	14	**N/A**	N/A
					CKIC05	# Education participants	4,590	**9,815**	25,000
					CKIC06	# Climate impact assess.	65	**73**	75
					CKIC07	# Individual paid training	40	**250**	250

C. Approach to developing and monitoring EIT Climate-KIC's performance

EIT Climate-KIC will develop a more comprehensive approach to monitoring, evaluating and learning from our successes and failures linked to our theory of change. This will allow EIT Climate-KIC, as a community, to promote accountability and institutionalise adaptive learning to professionalise our approach towards fostering climate innovation. We have come to view this as key to positioning us as a compelling choice for funders and to attracting organisations who will help us achieve our mission. A key design principle of our monitoring, evaluation and learning (MEL) framework is 'user-centricity', ensuring that all organisations involved in our MEL efforts understand them and contribute meaningfully to them. A core component of MEL is business intelligence collection, storage, analysis, reporting and visualisation. Building on knowledge management work conducted in 2017, we are developing a more complete approach (processes and IT systems) to work beyond KPIs to track the way we are turning inputs into outputs and outcomes. This synthesis of existing knowledge will feed into the continuous refinement of EIT Climate-KIC's theory of change.

An important feature of this approach will be our climate accounting programme – here, we engage with partners to offer a robust approach to measuring the decarbonisation and resilience potential of our investments and activities. We will develop climate accounting so as to be able to compare the projected impact of alternative investments ex-ante and measure our success ex-post. We will apply the climate accounting programme systematically, allowing us to take portfolio level views of our impact and evolve it progressively to improve the method. Furthermore, we will develop ways to present, package and use results to support other areas of our work, including in financial sustainability.

D. Communication, dissemination and outreach

EIT Climate-KIC plays a central role within the EIT family in the development and enhancement of the EIT Community brand. The shared EIT community brand reflects EIT Climate-KIC's ongoing support from the EIT and financing of the implementation of our strategy. It leverages the EIT Community brand in order to build our communal reputation across Europe. EIT Climate-KIC views collaboration with the EIT and

[10] From 2018 CKIC08 becomes CKIC04

our fellow KICs as essential to tackling dimensions of societal challenges that we have in common, scaling our impact and providing a platform for knowledge sharing and adoption of best practice within the community. EIT Climate-KIC's efforts to crowd in funding to climate change help to reinforce the visibility of the EIT's commitment to place such societal challenges at the forefront of its own strategy. To enhance the EIT Community brand, EIT Climate-KIC's communications protocols provide guidance to students, start-ups and innovation projects in highlighting the support of EIT Climate-KIC and the EIT through their external communications – including their digital communications and press releases. Frequent publicity of the brand by our community leads to increased visibility of the EU and EIT in their support and financing of KIC activities, and their role in driving climate innovation in Europe.

EIT Climate-KIC showcases EIT and EU support and financing in all communications regarding our students, start-ups and innovation project achievements, helping to position it as the principal climate innovator across Europe. EIT Climate-KIC is utilising the EIT Success Stories KPI to search the organisation regularly for stories which best showcase the role of knowledge triangle integration in making innovation happen. Examples of the types of stories we generate for proactive public relations describing EIT Climate-KIC and EIT support include commissioning of new projects, breakthroughs in climate innovation, project achievements creating positive impact, and opinion and thought leadership pieces from our community regarding topical discussions. These pieces are pitched to the media, publicised through our website or content news channel, the Daily Planet, and/or included in print materials. Key audiences we target include science, business and environment journalists, potential private sector partners, European politicians and policy-makers, entrepreneurs eligible for EIT Climate-KIC funding, and public sector bodies willing to test and implement innovations. Effective media are vital in disseminating EIT and EIT Climate-KIC successes and creating new opportunities.

Building on the current success of the EIT Awards, EIT Climate-KIC helps strengthen the brand by entering only our most successful or promising students, start-ups and innovation projects to showcase the achievements of the community on a European stage. By nominating our top performing projects, EIT Climate-KIC is helping the EIT Community to elevate the Awards' significance and reputation, as well as portraying the success of the EIT KIC concept.

The foundation of the EIT Climate-KIC education programme is the EIT label which encourages highly integrated challenge-based education in the context of the knowledge triangle with European mobility. EIT Climate-KIC has focused the label on a smaller number of Masters programmes and actively promotes these on Partner websites and through various marketing materials. We have used multiple channels to communicate the proposition to Partners and students in order to attract the best, and have publicised the many accolades our portfolio has achieved.

We will achieve impact by:

- Developing young graduate talent across the spectrum to become future entrepreneurs.
- Delivering personal development to strengthen and support the label community.
- Delivering network efficacy and community development among label graduates through alumni.
- Driving impact with coaching and facilitation.
- Disseminating widely (and capitalising on) the knowledge that the community generates.

The EIT Climate-KIC Alumni Association (CKAA) is a vital and eminent part of the EIT Alumni Association. The EIT formulated the idea of a single overarching association to integrate the different alumni associations and foundations across the KICs. The main focus is on facilitating a space where the independent alumni associations and foundations can collaborate with each other in strengthening the EIT brand.

ANNEX A

1. Glossary of terms

The following terms are all used in this document to describe different facets of EIT Climate-KIC.

- **EIT Climate-KIC**: used alone, refers to the entire knowledge and innovation community of organisations acting to tackle climate change through innovation.
- **EIT Climate-KIC Association**: Association EIT Climate-KIC, 100% shareholder of EIT Climate-KIC, comprising 32 Core Partners.
- **EIT Climate-KIC B.V.** or **EIT Climate-KIC Holding B.V.**: The parent legal entity of the EIT Climate-KIC Group and the party to the FPA and SGA. **The EIT Climate-KIC Group** consists of the bV and its subsidiaries in different countries, which employ members of the EIT Climate-KIC Team.
- **EIT Climate-KIC Community**: When using the capitalised version of Community, we are referring to the group of organisations who have entered into the EIT Climate-KIC Community Agreement. When we refer to community, non-capitalised, this can invite a wider interpretation and not necessarily refer directly to the EIT Climate-KIC Community.
- A **EIT Climate-KIC Partner** (or sometimes just Partner) has agreed the Community Agreement and been onboarded by EIT and so is eligible to participate in the EIT grant. When we refer to partners – non-capitalised, this can invite a wider interpretation and not necessarily refer directly to EIT Climate-KIC Partners.
- **EIT Climate-KIC Team**: This refers to the people employed through the EIT Climate-KIC Group and not those employed through EIT Climate-KIC Partners.

2. EIT Climate-KIC's Impact Pathways for Impact Goals

The following set of Tables highlights the impact pathway for each of EIT Climate-KIC's Climate Innovation Impact Goals, as organised by Theme. For each impact goal area, we describe 2018 input activities, 2020 outputs and 2022 intended interim outcomes.

Urban Transitions

UT activities in 2018 in the context of thematic long-term outcomes

Impact goals	Activities in **2018**	Outputs by **2020**	Outcomes by **2022**
Goal 1: Promote retrofit and decentralised energy: Drive a significant increase in urban retrofit rates and enable district-scale clean energy production, paving the way for deep cuts in emissions.	• Identify stakeholders delivering pioneering retrofit solutions, and market-leading off-site manufacturers who can provide retrofit solutions at scale • Collaborate with others in this space (e.g. EIT InnoEnergy) to enable district scale energy production. • Expand the SSD programme network of partner districts through peer-to-peer learning opportunities and calls for district scale innovation projects. • Connect UT network solution providers to markets by, for example, supporting Demand Led Innovation Brokerage Haringey Council Scaler (led by Knight Frank LLP) • Commercialise existing Building Market Briefs and expand in new markets. • Demonstrate integrated deep retrofit solutions (BTA) and integrated district scale energy systems. For example, BEST Energy CheckUp later-stage project (a partnership between Cornelissen Consulting Services B, TNO, Aster and ENEA) will implement energy savings on both individual and regional levels using energy networks. • Collaborate with LoCaL on innovative financial instruments.	• Engaged with 20 European districts through SSD. • 2 decentralised energy pilots tested in districts. • Influenced 1 standard or policy aimed at energy performance of the built environment. • Supported up to 10 later-stage projects. • Helped educate > 100 decision-makers. • Published and disseminated 2 finance/delivery best practices.	• BTA recognised as a leader in delivering deep retrofit delivery models and energy cuts to urban stakeholders. • Enabled 10 cities to transition to building and district scale energy production. • SSD is economically self-sustaining. • Attracted €200m of redevelopment investment in districts.
Goal 2: Create green, resilient cities: Harness the force of nature in infrastructure design to build livable climate-resilient cities.	• European roll out of the Blue Green Solutions goal driven matrix (developed by Imperial College London), launched in 2017) at city level across Europe. • Support later-stage innovation projects that enable cities to design habitable and resilient urban spaces. • Focus effort to develop urban agriculture innovation, including with the partners of the Climate Smart Agriculture booster Flagship. • Use EIT Climate-KIC's Adaptation Working group to stimulate a high-quality innovation project pipeline. • Accelerate the financing of urban resilience.	• 5 cities actively applying integrated nature-based infrastructure approaches. • Embedded nature-based infrastructure into 1 city plan. • Up to 5 later stage innovation projects.	• Enabled 10 cities to design habitable and resilient urban spaces (with a strong focus on nature-based solutions).
Goal 3: Accelerate clean urban mobility: Trigger the switch to clean urban mobility to achieve considerable cuts in urban transport emissions.	• Use dissemination workshops and seminars to bring together urban stakeholders and develop policy dialogue in the European mobility field. • Support innovation projects on initiatives, products and services facilitating a modal shift. For example, Mun-E-P 2 and InclusivEV (a later-stage project led by CENEX) – the latter demonstrates the case for electric vehicle shared mobility hubs in high-density, low-income neighbourhoods in 3 EU cities. • Address barriers (e.g. behavioural change) to a modal shift towards integrated transport solutions around car-sharing, public transport, cycling, and walking.	• 3 regions or cities having taken modal shift actions in partnership with EIT Climate-KIC. • Up to 5 later-stage projects. • Delivered capacity building programmes based on best practice lessons of mobility related actions.	• Strong signs of a significant modal shift away from private car ownership, towards car-sharing, public transport, walking and cycling in 10 EIT Climate-KIC partnered cities

Sustainable Land Use

SLU 2018 activities in the context of thematic long-term outcomes

Impact goals	Activities in **2018**	Outputs by **2020**	Outcomes by **2022**
Goal 4: Make agriculture climate-smart: Instigate a substantial increase in the application of climate-smart agriculture solutions.	• Further develop an active open innovation platform including an on-line database of CSA solutions, educational and training content for students and professionals, based on first MOOC. • Develop and raise funds for three regional hubs in France, Italy and the Netherlands. Launch a Nordic hub. • Develop projects on agriculture technology, such as precision and digital agriculture, soil resilience, land and water use, and urban agriculture. • Develop agriculture finance and insurance mechanisms to de-risk CSA investments. • Mature technical assistance services – e.g. offering expert consultancy in impact and solutions assessment, value chain analysis (VCA), policy analysis and business modelling.	• CSA open innovation platform fully developed - with 100 leading subject experts and 500 active users. • 20 CSA solutions implemented or scaled via projects, with 20 case studies. • 50 demand side actors (corporates, farmer co-ops) actively engaged via projects. • 4 regional CSA hubs established and active (France, Italy, Netherlands and Nordics). • 50,000 people reached and educated via CSA MOOC and webinars.	• CSA booster is the leading European innovation platform and community in CSA, disseminating knowledge, expertise, solutions and education to multiple stakeholders in Europe and beyond • CSA solutions catalysed, identified, assessed and scaled • Enhanced access in and access to CSA relevant data and risk analysis, public-private financing, and risk-sharing/transfer insurance mechanisms.
Goal 5: **Reform food systems**: Transform climate-damaging food value chains and enhance the climate resilience of food supply.	• Develop a food systems transformation business knowledge hub (FReSH Scaler). • Develop a set of metrics, tools and business models for assessing urban food systems with an extended network of cities. • Test an innovative circular economy model for the community recovery of organic waste (including food waste). • Nurture a portfolio of foodtech start-ups focusing on digitalisation and alternative protein. • Scale financial and insurance products to reduce the exposure of agricultural supply chains to weather-driven disruptions (WINnERS) through fundraising with international organisations.	• 20 innovative solutions scaled through large corporates and contribute to the food transition. • Solutions reducing food waste through circular economy tested and implemented with 5 cities/companies. • Food sustainability metrics are implemented with 10 cities to help them improve their food sourcing. • Food-supply-chain resilience tools implemented in 5 countries.	• Circular and bio-economy development enabled through reduced, recovered and reused food waste. • Started radical transformation of two climate-damaging value chains • Food-supply-chain resilience enhanced by a combination of insurance and financial mechanisms implemented by farmers and supply chain actors in Europe and beyond.
Goal 6: **Nurture forests in integrated landscapes:** Grow carbon sequestration in	• Support new projects aiming at facilitating the connection between the supply and the demand side for bio-based products and wood construction material. • Develop the foundations of a Flagship for forests and start preparing a call for it based on work done on the White Paper in 2017.	• 6 projects implemented or under implementation bringing solutions to the market of construction and other bio-based products. • Forestry flagship established and attracts an ecosystem of	• Unleashed wood and biomass market potential to enable (i) carbon sequestration in forests; (ii) substitution in downstream value chains; and (iii) reduced forest risks.

forests and linked value chains, while avoiding deforestation.	• Develop the Landscape Finance Lab to provide support to the design and funding of landscape conservation programmes. Select initial programmes to be supported (with DMF theme).	stakeholders of wood-based value-chains. • Landscape Finance Lab developed in partnership with WWF and has mobilised €50m for integrated landscape projects.	• Cities and local authorities equipped with metrics and solutions for sustainable and climate-friendly management of their surrounding territories. • Unlocked funding for integrated landscape approaches.

Sustainable Production Systems

SPS 2018 activities in the context of thematic long-term outcomes

Impact goals	Activities in **2018**	Outputs by **2020**	Outcomes by **2022**
Goal 7: Recast materials production: Catalyse a switch to a circular economy and transform production for fossil-energy intensive materials.	• Launch Loop programme (including Flagship) externally during a key international event and get a critical mass of members, making communications, dissemination and education key pillars of the programme's strategy. • Endorse projects that extract the maximum value of waste streams through developing secondary materials marketplaces and recycling technologies. • Explore cross-KIC collaboration with EIT Raw Materials and EIT Digital on secondary feedstocks. • Support urban mining projects that leverage cities' landfills to repurpose materials such as metals and wood, and reduce municipal solid waste. • Invest in projects on digitalisation of assets, open data exchange platforms of waste streams. • Explore the potential to develop circular economy metrics for cities and companies (SMEs/corporates) linked to natural capital accounting. • Raise awareness of the role of innovative financial and policy instruments to create change and unlock capital flows to these technologies. • Scout for solutions that promote policies and engage EU policymakers in circular economy policy discussions.	• 10-20 earlier/later-stage projects under Loop's Flagship • Launch of first circular economy metrics standard linked with natural capital protocol. • Concept of the circular business model lab tested. • Reports on the impacts of blockchain technology and on policy innovation in circular economy. • Launch of Loop's education MOOC in EIT Climate-KIC platform. • Roll-out of challenge driven innovation lab on circular material loops in 2 locations.	• Accelerated transition to a closed-loop society. • Have created a global innovation programme where organisations commit to collaborate on upstream and downstream solutions in key material flow systems around cities and regions and on dematerialising demand. • 5 city districts engaging with EIT Climate-KIC having closed loops for selected product typologies. • 5 banks launched financial instruments supporting circular economy.
Goal 8: **Reduce industry emissions**: Partner with key industry stakeholders in cutting scope 3	• Develop Well Below 2°C Pathway programme on transformational carbon neutral roadmaps for corporates. • Map and accelerate climate mitigation efforts of high-emission scope 1, 2 and 3 GHG sectors based on science methodologies.	• Report on decarbonisation transition launched at international policy event. • 2 major industry stakeholders committed to	• Companies adopted changed practices resulting in emissions reduction across value chain.

emissions to reach science-based targets.	• Develop the framework of this programme and prepare a science-based target (SBT) decarbonisation roadmap for automotive manufacturer (starting in 2017). • Prepare for external launch of Well Below 2°C Pathway Programme in 2019 to bring on board leading companies in carbon-intensive industries.	long-term decarbonisation roadmaps. • At least 1 science-based GHG reduction methodology launched for high CO_2 industry.	• 2 industry stakeholders have launched first solutions to decarbonise their businesses.
Goal 9: **Reboot regional economies**: Transition carbon-intensive regions to become zero-carbon innovation hotspots.	• Develop Re-industrialise programme including Flagship. • Begin with a call for proposals (for flagship and standalone projects) placed and awarded in Q4 2017. • Establish Flagship governance in 2018, including an aligned multi-annual plan, clear roles and responsibilities (including for EIT Climate-KIC), and a concrete self-sustainability business model. • Start initial flagship projects, perhaps including benchmarking and deep dives into finance, skills, policy and technology.	• 2 regions having taken decarbonisation actions in partnership with EIT Climate-KIC. • 10-20 early/late- stage projects under Re-Industrialise programme Flagship	• Regions transitioning away from carbon-intensive jobs/economic growth. • 5 concrete innovations have been shared and scaled between transition regions.

Decision Metrics and Finance

DMF 2018 activities in the context of thematic long-term outcomes

Impact goals	Activities in **2018**	Outputs by **2020**	Outcomes by **2022**
Goal 10: Mainstream climate in financial markets: Advance metrics, standards and instruments that enable transparent, true-cost and benefit accounting for a well below 2°C pathway	• Continue to support the development of climate ratings projects, building on ClimatePax in 2017. • Initiate executive education program. • Develop late-stage innovation project portfolio to > 8. • Support main climate disclosure platform. • Convene partners and position EIT Climate-KIC and its DMF partner and project portfolio as key catalysts for innovation in the metrics and finance space.	• Supported the main climate disclosure platform to fully incorporate TCFD recommendations, ensuring their mainstreaming. • Helped >1 other solution provider or platform gain wide market traction. • Influenced at least 1 standard or policy to mainstream ambitious metrics. • Helped educate > 250 decision-makers.	• Systematically supported projects and partners to set ambitious standards for mandatory reporting and investment. • Investment processes of top 30% of asset owners, managers, corporates include 2° compatible targets in investment process. • Half of metrics used can be traced back in some form to CKIC partners and/or projects.
Goal 11: Democratise climate risk information: Enhance access to risk information through capacity building and a major expansion of the climate services market	• Support >3 demonstrators on climate risk in urban and rural settings. • Develop mechanisms to link physical climate risk with 'financial flows'. • Initiate capacity-building programme, training for users and model developers.	• >10 demonstrations of collaboratively developed and tested solutions. • >3 financial innovations tested. • Capacity building delivered to 500 participants.	• Insurance, investors, society have access and knowledge to apply tools integrating climate risks into decision-making • 30% of solution providers rely on OASIS Hub and/or OASIS LMF.

		• Assist scaling of OASIS Hub as a global market place for risk information, climate-impact modelling and decision support tools.	• >2 public funders request open model access and interoperability. • OASIS Hub self-sustaining, known as leading market place.	• 50 demonstrators. • 2000 participants in training. • Most EU public funders request open model access and interoperability.
Goal 12: Foster bankable green assets in cities: Develop capacity in preparing projects and investment vehicles to boost the availability of sustainable investment assets in cities.	With UT	• Develop project preparation facility. • Launch a capacity-building and training platform; • Create a city finance lab.	• 150 cities involved in training and capacity-building activities. • 15 investors engaged in Flagship. • 10 projects supported by finance lab.	• 200 cities involved in training activities. • 50 investors engaged in flagship activities. • 20 projects graduating from the city finance lab financed.
	With SLU	• Support finance lab for landscapes. • Support CSA booster on metrics and finance.	• Lab process ready, 20 projects in pipe. • >3 financial innovations and/or scope 3 certification services developed.	• €50m project finance mobilised by the lab. • >10 agri/food companies and investors actively investing aligned with Paris goals.
	With SPS	• Explore a circular business model lab. • Value chain transparency activities (e.g. blockchain). • Deliver science-based targets in decarb. roadmaps for energy intensive industry.	• Demonstrator on scope 3 science based target in SPS-relevant industry. • Demonstrator on value-chain transparency.	• Helped create circular business model lab • >10 energy-intensive companies and investors engaged and investing aligned with Paris goals.

Education

Education 2018 activities in the context of thematic long-term outcomes

2030 impact goals	Activities in **2018**	Outputs by **2020**	Outcomes by **2022**
Goal 12: Pioneer capacity-building programmes that significantly increase the skills and competencies of those participating in EIT Climate-KIC innovation initiatives.	• Provide training-the-trainer programmes and strengthen our network of trainers to ensure they can respond to needs in context of the UT, SLU, SOS and DMF Theme. • With UT, develop courses with SSD for city officials. • With SLU, support capacity building in the CSAb programme. • With SPS, build on circular economy courses. • With DMF, elaborate executive education programme on financial climate risk disclosure, identify strongest DMF-oriented Masters programmes across Europe and develop relevant input for graduate school programmes such as the Journey. Multiple educational offerings with LoCal Flagship. • Support universities in strengthening the development of skills for entrepreneurship and transformation innovation (bridging the research and innovation gap and enabling university-business cooperation).	• Delivered impactful Graduate School, executive and professional education courses, where independent assessments have evidenced their contribution to the 2030 impact goals of the other four Themes. • Several of these education products	• 25% of personnel working on innovation projects within EIT Climate-KIC's Themes have participated in capacity-building programmes. • Portfolio of thematically aligned education programmes driving innovation capacity and climate impact across Europe and beyond.

		delivered independently of EIT resources.	
Goal 14: Develop the climate innovation and entrepreneurship skills of over 250,000 people, with over half of those going on to make a positive contribution to tackling climate change.	• Launch the Certified Professional programme, which recognises the future-oriented job competences demanded by innovation and sustainability. • Create the next generation of trainers able to facilitate new learning processes, like action based and challenge based learning, to foster innovation, entrepreneurship and transition competencies across Europe. • Extend our education programming to the boardroom. • Build education programmes for schools (through cross-KIC collaboration, shown under KIC InnoEnergy BP2018) and review opportunities at undergraduate level based on our Masters experience. • Expand a modular database of knowledge products, learning materials and teaching case studies to support different target audiences, collated by the Transitions Hub, with focus on strengthening climate innovation ecosystems.	• Organised multiple learning journeys for climate leaders. • Helped develop the careers of a cadre of European entrepreneurs and innovators. • Several of these education products delivered independently of EIT resources.	• Portfolio of successful education assets developed with UT, SLU, SPS and DMF themes • EIT Climate-KIC Certified Professional qualification is a formal component of European CPD programmes across all KIC areas.
Goal 15: Further expand our EIT Climate-KIC Alumni Association to over 25,000 highly active, networked change agents. .	• Double the size of EIT Climate-KIC Alumni Association in 2018 to over 4,000. • Extend the reach and impact of EIT Climate-KIC via expansion of the online education programme. • Develop and deliver the Journey programme in new and improved formats, experimenting with tailored versions of the Journey and other Graduate School products. • Offer capacity-building programmes to EIT Climate-KIC's own ecosystem and staff (e.g. on systemic innovation, business design or leadership). • Develop the first 'Davos for climate innovation' meeting, building on the CIS model in 2017. • Extend portfolio and global outreach of online education.	• >100,000 recipients of education support from EIT Climate-KIC • Held two 'Davos for climate innovation' style meetings, building on the climate innovation summit.	• Alumni Association grown to ~10,000 members. • A network of >3 million have benefited from EIT Climate-KIC online education. • Annual 'Davos Climate Innovation' meeting attracting over 500 participants.