EIT CLIMATE-KIC STRATEGIC AGENDA
2021-2027

The EIT – Making Innovation Happen
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Contents

1 EXECUTIVE SUMMARY ........................................................................................................... 3
2 STRATEGIC ANALYSIS OF THE SOCIETAL CHALLENGE ........................................... 5
3 VISION, MISSION AND STRATEGIC OBJECTIVES ...................................................... 7
   3.1 Climate-KIC’s vision ........................................................................................................... 7
   3.2 Climate-KIC’s mission ..................................................................................................... 8
   3.3 Strategic Objectives ....................................................................................................... 10
4 IMPACT AND RESULTS ........................................................................................................ 12
   4.1 Impact .............................................................................................................................. 12
   4.2 Results ............................................................................................................................ 14
5 GOVERNANCE AND OPERATION MODEL ....................................................................... 17
   5.1 Partnership ..................................................................................................................... 17
   5.2 Governance .................................................................................................................... 19
   5.3 Budget ............................................................................................................................. 21
   5.4 Financial Sustainability ................................................................................................. 23
   5.5 Cross-cutting aspects .................................................................................................... 27
       Openness and Transparency ......................................................................................... 27
       Synergies and Collaborations ....................................................................................... 27
       Cross-KIC cooperation and Simplification/Shared Services ....................................... 29
       Communication ............................................................................................................. 29
       Dissemination of Results ............................................................................................. 30
       Stakeholder Engagement ............................................................................................... 32
       Global Outreach ........................................................................................................... 33
6 RISKS ................................................................................................................................... 33
ANNEX 1 KIC IMPACT ............................................................................................................ 38
1 EXECUTIVE SUMMARY

Thousands of cities, national and local authorities across Europe, as well as the European Parliament, have declared a climate emergency. The 2018 Intergovernmental Panel on Climate Change (IPCC) Special Report has clearly called for transformation of societies to stay within the 1.5°C climate warming target, and the European Green Deal endorses a systemic response to the massive challenge we face. The overwhelming message is that Europe wants to meet this challenge head-on, and many places have set targets to achieve net-zero emissions by 2030. This intent to lead is reinforced by the commitment to place climate action and innovation at the heart of Horizon Europe, the EIT Strategic Innovation Agenda and as a key pillar of Next Generation EU; the effort to create jobs and sustainable economic growth as Europe battles COVID-19. Harnessing ten years of climate research, innovation and entrepreneurship impact and experience (see Box 1), and a network of Europe's best and brightest climate innovators, EIT Climate-KIC offers Europe a crucial asset in achieving the 'rapid, far-reaching, and unprecedented changes' we now need.

Box 1: At a Glance - EIT Climate-KIC's impacts since 2010

EIT Climate-KIC has:
- Launched 469 innovative products and services on the market, avoiding an estimated 13 Million Tonnes (MT) of CO2e2 per year.
- Developed the world's most extensive climate tech accelerator, supporting over 1800 climate-positive businesses, who have raised more than €1.5bn in follow-on investment and created over 10,000 jobs.
- Strengthened the climate leadership potential of more than 44,000 participants of our education programmes, where 46% are women (cf. 32% STEM average in Europe).
- Built the world's biggest green start-up ideas competition, now across 56 countries (Climate Launchpad) and the led Climathon, an annual city climate hackathon event running simultaneously in over 100 cities per year across 6 continents.

In December 2018, EIT Climate-KIC adopted a bold vision, arguing that 'business as usual' innovation is not delivering climate action fast enough. EIT Climate-KIC proposed a fresh approach to innovation that intends to increase the chances of meeting our climate targets while enabling a just transformation¹. We propose to:

- combine innovations into deliberately designed portfolios that allow us to bring new solutions to the climate challenge and learn how they can reinforce each other to trigger faster, large-scale changes, rather than supporting innovations one-by-one;
- nurture innovation in the way we govern, make policies, engage citizens, finance actions, develop skills and try new business models, rather than innovation in technology alone;
- actively work to match supply with the type of demand and ambition that is aligned with the magnitude of the challenge, for example working with cities who have set targets of net-zero emissions by 2030, rather than concentrating only on the supply of new ideas to tackle climate change;
- broaden inclusion to innovation actors in community groups, public administrations and those working outside mainstream channels, including drawing in all talent across the Union; enhancing the participation of women and other marginalised innovators and entrepreneurs as a component, rather than treating innovation as just the preserve of elite universities, start-ups, and teams in major corporations; and
- actively seek to catalyse change by co-ordinating and orchestrating the process of bringing the best innovators and entrepreneurs together to help transform places and value chains, rather than act as a passive granter.

With the support of the EIT, we have been testing this vision as a form of advanced knowledge triangle integration as envisaged in the EIT Strategic Innovation Agenda (EIT SIA 2021-2027). The principles in the EIT Climate-KIC Strategic Agenda 2021-2027 were developed in line with Horizon Europe. We intend to enhance EIT Climate-KIC’s role in raising Europe’s innovation capability, and in doing so, better equip Europe to meet the societal challenges it faces now and, in the future.

Since adopting its new approach, EIT Climate-KIC has:

- Signed long-term collaboration commitments with 25 European countries, cities, and regions, each bringing our brand of systemic innovation to achieving their ambitious climate targets.
- Attracted over 150 new organisations to our innovation community, so we can now count 459 Partners with representation from every Member State.
- Seen the total follow-on investment for our start-ups far exceed €1bn since our inception.
- Expanded access to all our entrepreneurship and education programmes through digital technologies, aligning to the EU’s Digital Education Action Plan (DEAP) and drawing in participants from over 80 countries.

We carry this momentum into the new 2021-2027 Strategic Agenda. During this period, EIT Climate-KIC intends to become an invaluable asset for the EU and EU Member States in achieving the European Green Deal and the corresponding 2030 Climate Target Plan of September 2020 (reducing greenhouse gas emissions to at least 55% below 1990 levels by 2030) for advancing breakthrough climate solutions into application at scale. In doing so, we will amplify our impact across four major systems – cities, materials, land-use, and finance – where progress on cutting emissions and building resilience is arguably slowest. The targets we expect to reach by 2027 are highlighted in Box 2.

**Box 2: EIT Climate-KIC’s 2027 Targets**

By 2027, Climate-KIC will have reshaped the innovation model for addressing the climate emergency, enabling a new relationship between innovation demand and supply in a systems innovation approach directed to changing systems. Through changing systems, we will help create exponential improvements in decarbonisation and resilience, and:

- Contribute to the avoidance of **500 million tons** (CO2eq) of emissions.
- Strengthen the resilience of **10 million people** to the impacts of climate change.

As contributing outcomes, we will have:

- Helped leverage over **€100bn** to support the scale-up of innovations to tackle climate change.
- Generated **50,000** green jobs.
- Become the strategic partner of choice for over **50 cities, regions and countries across Europe**, orchestrating change through innovation (including in policy, business models, supply chains and citizen engagement).

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2 The knowledge triangle integration (KTI) concept has been in the core of the European Union’s (EU) action line towards becoming the most competitive and dynamic knowledge-based economy. KTI can be explained as the constant interaction between its three key actors and corners of the knowledge triangle - higher education, research and business, aiming to overcome the fragmentation in each field, thus overcoming the perceived failure of European countries to translate scientific advances into marketable innovations - a challenge known as the European paradox.

3 Many aspects of this approach are reflected in the European Green Deal (COM 2019 640 Final), where ‘delivery will require the design of a deeply transformative set of policies and will make consistent use of all policy levers. It also highlights the need for research and innovation to adopt a systemic approach, working across sectors and disciplines and stresses the importance of experimentation, involving local communities and initiatives that seek to combine societal pull and technology push. Additionally, such a notion is included in the draft of the EIT Strategic Innovation agenda.

4 All figures correct as of August 2020.

5 The notion of ‘leverage’ is well embedded in climate finance. Based on Brown et al. (2011), public climate finance interventions often demonstrate the extent to which other public and private money has been ‘leveraged’ or catalysed because of their investment: it is often argued that the higher the ratio, the more effective the use of limited public funds and the more attractive an investment. High leverage ratios can demonstrate that public finance was used to de-risk investment and overcome barriers to encourage greater flows of finance to climate-friendly areas: https://climatepolicyinitiative.org/wp-content/uploads/2011/11/Effectiveness-of-Climate-Finance-Methodology.pdf. The World Bank’s instrument the CIF’s uses leverage figures to report its impact, for example see: https://unfccc.int/news/climate-investment-funds-leverage-58-billion.
engagement) to achieve net-zero emissions and climate resilience aligned to the 2015 Paris Climate Change Agreement.

- Enhanced the innovation and entrepreneurial skills of over 200,000 people across Europe, equipping them to be leaders of climate action, including supporting 1260 EIT Label graduates through blended and digital learning and strengthening the capability of at least 82 Higher Education Institutions.

While a combination of EIT Climate-KIC’s experience, track record, knowledge, network, programmes, reach and innovation model all give Europe valuable assets on which to build, achieving our 2027 targets and successfully contribute to the EIT SIA 2021–2027 will require us to go much further. We will focus on:

- Strengthening sustainable innovation and entrepreneurial ecosystems across Europe, particularly in those countries in the RIS programme and through the EIT Higher Education Initiative. By 2024, we intend to raise participation from partners in RIS countries to 20% of our overall community and ensure 20% of our place-based (e.g. cities, regions, country) showcases of 1.5 ºC-aligned transformations are in RIS countries.
- Attracting other sources of funding beyond EIT. This will include diversifying streams of revenue to build resilience but also focusing on attracting funders who share our ambition and who can help us direct at least €100m per year for climate innovation, education, and entrepreneurship activities.
- Enhancing the governance, entities, and capabilities at the core of our innovation community to act as an orchestrator and catalyst. In doing so, we will shape a new community value proposition, streamline the way money flows to climate action under new rules, and sharpen our offer as we learn more what it takes to transform places and value chains through innovation.
- Sharing knowledge and experience with other organisations looking to test and learn from systemic innovation models and gathering more insights into its relative impact potential.

The full list of our strategic objectives for the period 2021–2027 is included in Section 3. Achieving the targets set out above will also help progress towards the 2030 UN Sustainable Development Goals and create opportunities to share knowledge between Europe and other parts of the world and vice versa in pursuit of key international and bilateral agreements. By delivering on the above impact targets, EIT Climate-KIC directly contributes to achieving the UN Sustainable Development Goal (SDG) 13 on taking urgent action to combat climate change and its impacts. It does so primarily through integrating climate change measures into national policies, strategies, and planning as well as by strengthening resilience and adaptive capacity to climate-related hazards and national disasters. All public and private funding unlocked for innovation to climate change will directly contribute to achieving this target. In addition, by supporting cities, regions, and major businesses to transform to put a net-zero emissions, resilient future within reach, EIT Climate-KIC actions also contribute to achieving SDG 7 (affordable and clean energy), SDG 8 (creating jobs for youth) and SDG 12 (enhancing responsible consumption and production) for example. By helping 10 million people become more resilient to the impact of climate change (helping communities mitigate against the impacts of climate change through better understanding, preparation and management of climate risks, and developing solutions for transformative adaptation) by 2027 EIT Climate-KIC also contributes to the achievement of SDG 3 (good health and wellbeing) as well as SDG 11 (sustainable cities and communities) as well as supporting just transitions to net zero emissions.

2 STRATEGIC ANALYSIS OF THE SOCIETAL CHALLENGE

Towards the end of 2019, over 11,000 scientists published a blunt warning of a climate emergency in Bioscience. The signatories stated: “The climate crisis has arrived and is accelerating faster than most scientists expected... It is more severe than anticipated, threatening natural ecosystems and the fate of humanity... climate chain
reactions could cause significant disruptions to ecosystems, society, and economies, potentially making large areas of Earth uninhabitable. ... we need bold and drastic transformations.6

An effective response has potentially been made harder by the COVID19 crisis, which has deeply impacted global economies and societies, but equally presents an opportunity for transformation. The EU Recovery Plan for Europe, along with national recovery packages being shaped across the world, can drive further efforts and investments in the green transition and innovation. This is not a given, but it is crucial that today’s political decisions are strongly aligned with both a net-zero emissions target and strengthening resilience to climate change impacts.

The European Commission’s COVID19 Recovery Strategy emphasises the value of research and innovation in tackling the health crisis and its key role to play in driving a sustainable and inclusive recovery. Education, research, innovation, and business creation investment will be critical to create the enabling conditions to transform our economic and societal systems to become more resilient and better prepared for systemic risks. Nevertheless, continuing to work through gradual, incremental changes will not be enough. What is needed now is a fundamental transformation of economic, social, and financial systems that will trigger exponential change in decarbonisation rates and strengthen climate resilience – what the IPCC report calls, “rapid, far-reaching and unprecedented changes in all aspects of society”7. This requires us to rethink the fabric of innovation, and how knowledge triangle integration can be amplified to be a key part of the solution8.

The strengths in our response to the climate emergency include the growing political attention, the mobilisation of larger flows of public and private capital, and the realisation that a green economy can be cleaner, healthier, and more profitable. In innovation, there is an opportunity to further develop and build on knowledge triangle integration as a foundation for addressing levers of change in whole systems and offer the potential for fast and large-scale change. This approach has been supported by the High Level Panel of the European Decarbonisation Pathways Initiative which released its Final Report in November 2018, specifically calling for a focus on: “system-level innovation, promoting sector-coupling so that the individual elements of decarbonisation fit together in a coherent whole” and recommended the establishment of large mission-oriented programmes of a cross-cutting nature for the deployment of system-level transdisciplinary innovation. With the “Missions” under Horizon Europe focusing heavily on climate action and the European Green Deal valuing innovation for transformation and

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6 Bioscience 2020, volume 70, issue 1 (January), https://academic.oup.com/bioscience/advance-article/doi/10.1093/biosci/biz088/5610806 (accessed June 2020). According to the 2018 IPCC Special Report to limit warming to 1.5°C we need to cut global emissions by 45 percent by 2030. The IPCC points out that nothing on this scale has been done to date, and exceptional innovation and commitment will be required. Even if we succeed in achieving that, climate-related risks to growth, livelihoods, health, food security, and water supply will rise from those we experience now. But if we fail to limit warming to 1.5°C, and even if it reaches only 2°C there are catastrophic impacts:

- The decline in marine fisheries with 2°C of warming will be double what we’ll experience at 1.5°C.
- Maize harvests will fall by over twice as much.
- Insect ranges, including those of pollinators, will decline threefold.
- Sea levels will rise by a further five cm, putting another 10 million people at risk.
- The number of people experiencing extreme heat with 2°C warming will be double that of a rise of 1.5°C.
- Pandemics such as the current COVID-19 crisis will continue to emerge with accelerated frequency and impact on already fragile social and economic systems.

7 Global institutions, funders and policy makers are increasingly aware of this challenge. The UN Sustainable Development Goals (SDGs), adopted in 2015, call for interconnected action across multiple fronts to promote prosperity while tackling climate change and environmental protection. A distinguishing feature of the SDGs is the integration of climate action into the economic, social and environmental dimensions of development. Interlinkages within and across the goals have been created to build on lessons from the past that sustained systemic change cannot be achieved through single-sector goals and approaches. The IPCC special report, already cited, argues that limiting global warming to 1.5°C will only be achieved through “rapid and far-reaching transitions in energy, land, urban and infrastructure [...] and industrial systems [...].”

8 The draft EIF SIA 2021-2027 calls for an advanced version of the knowledge triangle to be oriented towards tackling the Union’s biggest societal challenges with climate change specifically listed.
societal change there is ample reason for hope and momentum for Climate-KIC’s climate initiatives working at
global, EU, national and regional level\(^9\).

The **weaknesses** of our response include the fact that many governance systems are not suited for the scale of
the challenge, action is still held up by vested interests and short-term profit motives and global geopolitics is
stymying collective, ambitious action. Money is not flowing fast enough and not to the toughest and most
difficult challenges. The limitations of our progress so far can be ascribed to multiple intersecting factors, but
three structural elements stand out:

- Climate change is an incredibly complex problem;
- The status quo continues to accept and perpetuate root cause issues; and
- Climate change should be seen as an exogenous—not endogenous—problem.

In other words, in the global fight against climate change we have left all the hardest problems until last. At the
same time, when problems are hard, the case for innovation is strong, creating an opportunity for an advanced
version of knowledge triangle integration to be trained on these.

The **opportunities** are significant. Thousands of cities, regions and local authorities across Europe have declared
a climate emergency\(^10\) in response to large-scale protest and scientists saying (in 2020) we have 10 years to
save the planet\(^11\). In November 2019, the European Parliament also declared a climate emergency, with the
European Green Deal calling for a systemic response. Since then, COVID19 has both reinforced that a sense of
emergency could be the ‘new normal’ and demonstrated that an emergency response can create rapid change.
Equally, many major businesses are struggling in the face of massive short-term shocks and the longer-term
uncertainty of business models incompatible with tackling climate change. This is a landscape in which EIT
Climate-KIC, as Europe’s largest and most diverse community of innovators, entrepreneurs and educators
directed at climate action, can offer hope. Through a multi-disciplinary and systemic approach which integrates
the knowledge triangle, EIT Climate-KIC is well placed to unlock change through innovation. The demand is clear,
the urgency is palpable and innovation to unlock transformation is necessary and increasingly valued as offering
a rallying vision.

Equally, the **threats** are considerable. Europe faces untold and complex cascading risks, including those around
unemployment, economic crisis, ecosystem collapse, extremism, fragile governance and so on. The climate
emergency, while widely appreciated as an existential threat, often struggles to get the attention of more
immediate shocks. COVID19 recovery money can still be channelled into job-saving measures and shovel-ready
projects that fail to consider climate action adequately and lock-in further emissions, though this is less likely
given priority placed on climate change in Next Generation EU. Money for climate change at the scale needed
may still disappear in a debt crisis, and organisations like EIT Climate-KIC could easily be starved of resources at
a critical moment.

### 3 VISION, MISSION AND STRATEGIC OBJECTIVES

During the period of EIT Climate-KIC’s Strategic Agenda 2021-2027, we will work with a boosted version
of knowledge triangle integration to maximise our impact on the societal challenge we were set up to address.

#### 3.1 Climate-KIC’s vision

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\(^9\) EIT Climate-KIC, as examples, is also contributing to the Race to Zero and the Race to Resilience of the COP Global Champions, the EU Sustainable Finance Platform, the UNFCCC Innovation and Resilience Hubs, and will support the EU Climate Pact.

\(^10\) For example - two hundred and seventy-four Local Authorities and eight Combined Authorities in the UK have now declared a climate emergency, some two thirds of the total. https://www.climateemergency.uk/blog/list-of-councils/

Our vision is for a prosperous, inclusive, climate resilient society with a circular, net-zero emissions economy by 2050.

3.2 Climate-KIC’s mission

Our mission is to catalyse systemic change for climate action through innovation.

EIT Climate-KIC is working to achieve our mission through our Theory of Change, which argues that ‘business as usual’ innovation alone is not delivering climate action fast enough, something reinforced by the slow pace of the Union’s decarbonisation in key systems. Many features of this approach, which brings a systemic lens to classic innovation, are reflected in aspects of Horizon Europe, particularly the intent of Missions, and are consistent with the type of innovation called for by the IPCC. Crucially, our strategy also offers a way of combining innovation, entrepreneurship, education, and sustainable innovation ecosystems, as well as the power of KIC communities, to maximise the potential for change in places and across value chains. Deploying this advanced version of knowledge triangle innovation, as called for by the EIT SIA, to support showcases of transformation, in our terms, Deep Demonstrations 12 of rapid decarbonisation and climate resilience in Europe, provides a compelling value proposition for EU Member States recovering from COVID-19.

We contend that rather than:

- only supporting innovations one-by-one, we combine such innovations into deliberately designed portfolios that allow us to bring new solutions to the climate challenge and learn how single innovations can reinforce each other to trigger faster and larger-scale changes.
- containing innovation to technology alone, we also nurture innovation in the way we govern, make policies, engage citizens, finance actions, develop skills and try new business models.
- concentrating only on the supply of new ideas to tackle climate change, we actively work to match supply with the type of demand and ambition that is aligned with the magnitude of the challenge, for example by working with cities who have set targets of net-zero emissions by 2030.
- treating innovation as just the preserve of elite universities, start-ups and teams in major corporations, we broaden inclusion to innovation actors in community groups, public administrations and those working outside mainstream channels, including drawing in all talent across the European Union and beyond; enhancing the participation of women and other marginalised innovators and entrepreneurs.
- acting as a passive granter and investor, we actively seek to catalyse change by co-ordinating and orchestrating the process of bringing together the best innovators and entrepreneurs to help transform places and value chains.

With the support of EIT, we have been testing this approach. Such an approach is needed to solve the most pressing problems like climate change, where the presence of complex systems means single innovations in isolation can have highly uncertain effects. The theory of change that unpins EIT Climate-KIC’s impact pathway and strategy draws on the work of complex adaptive systems and transitions researchers 13, where the innovation model this inspires, one of systems innovation, is increasingly being adopted by innovation agencies globally 14. To illustrate this theory of change in action and how an advanced version of knowledge triangle integration may achieve large scale impact, we have taken an example in Box 3.

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12 Different communities use different terms to mean something similar – essentially real examples of how fast change can happen through a whole community innovation approach. EIT Climate-KIC refers to Deep Demonstrations, Transitions researchers refer to Transition Arenas, the High-Level Panel on Decarbonisation referred to Transition Super Labs, and others have been using terms like ‘model regions’, ‘moonshots of social change’, ‘lighthouse places’.

13 Reference for example, the work of Snowden, Holling, Mazzucato, Rockstrom, DRIFT, Schott. A useful overview of the application to innovation is summarized by the Transformative Innovation Policy Consortium (TIP-C), http://www.tipconsortium.net/theory, accessed September 2020.

14 Note for example UNDP, SIDA, IDIA, SITRA, VINNOVA, OECD, NESTA.
Box 3: EIT Climate-KIC’s Theory of Change demonstrated in cities across Europe

EIT Climate-KIC is working with 15 cities across Europe through its ‘Healthy Clean Cities Deep Demonstration’ to achieve rapid decarbonisation by 2030 and in doing so, reimagine the future of the cities through innovation[^15]. Each city is an EIT Climate-KIC Partner and in this case plays the role of an ambitious demand-side actor. A team from EIT Climate-KIC explores the exact intent of the City’s plans and goals and encapsulates this in a Collaboration Commitment signed by both parties. The document sets out a shared process to follow and relative roles and responsibilities in the strategic partnership. We call this the **intent** phase.

The next stage involves mapping the key systems associated with City’s goals – for example in the case of Madrid around infrastructure, mobility, and the built environment, to identify the key barriers to change and the fastest moving and most dynamic factors. Specialist organisations from across EIT Climate-KIC’s partnership, well versed in these systems and in the local context, join the process to lend their expertise, their experiences from other places and their research insights. Together with local citizens and diverse stakeholders they design a connected portfolio of innovation, entrepreneurship, and education projects to intervene in the system, trying to overcome the barriers and piggy-back on the fast-changing elements. Some of these innovations may be new and others can build on existing activities in the city. A portfolio can contain between 10-50 different projects. Equally, some innovations can be more traditional EIT product/service development commercialisation approaches and others might seek to try new social innovations or regulatory sandboxes, for example. We call this the **frame** phase.

The next step is to put this portfolio of projects into action in the city as a set of test-learn-adapt interventions. We scour the full breadth of the EIT Community to find start-ups, SMEs, research bodies, consultancies, universities, community groups and many others ready to try their innovations and programmes. This is the act of matching supply and demand, where the city offers a testbed and opportunity for entrepreneurs to grow their businesses as an example. In this step, specific attention is paid to drawing on the broadest possible range of actors, ensuring those traditionally marginalised from the innovation process are included.

Each project in the portfolio offers an opportunity to learn about change and have impact, but also critically, the effects of projects can start to combine and create a wider impact in foreseen and unforeseen ways. We host rapid learning events with stakeholders from the city as well as those involved in implementing the projects (events known as sensemaking sessions) to draw these insights into focus and use them to identify intelligence to be used in decision-making and subsequent design of larger programmes and scaling strategies. We call this the **portfolio** phase, one often characterised by short cycles of learning and adjustment across the whole portfolio and potentially new projects being started and others being discontinued. Because a city is a complex system, it is impossible to predict the exact impact an innovation will have in advance, and only when multiple perspectives are gathered can insights be drawn about the potential for larger scale change. EIT Climate-KIC’s Legal Entity plays the role of orchestrating these rapid learning cycles and helping the City to adjust the delivery of the portfolio.

The next step is to use the insights gained and the impacts of different projects and combinations of projects to guide decision-making that influence the key drivers of changing city systems. This can include decisions about financing priorities, about which technologies to scale-up, about where in the city to focus efforts, about which policies to roll out, which regulations to add or drop and how to adopt new ways to govern or share ownership. The combined effect of these decisions is to fundamentally shift the city on to a faster decarbonisation (or climate resilience) pathway. However, other enabling conditions also help to maximise impact. For example, the process helps to shift mindsets of powerful actors, helps to break down barriers between city departments and with other stakeholders, and helps to share learning more widely across diverse actors that empowers them to make changes. We call this the **intelligence** phase.

The same theory of change can be, and is being applied to regions, to whole countries, to value-chains, to changing complex businesses and to pan-European systems such as industrial, finance and land-use systems. The approach encapsulates knowledge triangle integration as it draws in and combines programming on entrepreneurship, education, and innovation, applies them in a way that connects with local innovation ecosystems, and involves a diverse set of innovation actors drawn from research, public bodies, businesses, community groups and so on. It connects with the ambitions and thirst for change of a powerful demand-side actor and can enable impact on a key societal challenge for Europe by transforming places. It helps to elevate the capability of local sustainable innovation ecosystems and can be applied across Europe in a way tailored to local challenges and contexts.

As with any theory of change, there are many assumptions underlying connections between the steps. These include the assumption that funding is available, that there is some level of stability in political buy-in on behalf of the demand-side actor, that procurement processes can flex to work at speed, and that conditions make acting on the ground possible. Additionally, EIT Climate-KIC sees further embedding of this approach and diffusion of the systems innovation model through the boosted version of knowledge triangle integration as an opportunity to speed up transformation to a net-zero emissions and resilient society.

### 3.3 Strategic Objectives

With our vision, mission, fresh innovation model, theory of change, and assets built over the first ten years of EIT Climate-KIC, in the period from 2021-2027, we will seek to achieve the following targets:

Reshaped the **innovation model** for addressing the climate emergency, enabling a new relationship between innovation demand and supply in a systems innovation approach directed to changing systems. Through changing systems, we will help create exponential improvements in decarbonisation and resilience, and:

- Contribute to the avoidance of over **500 million tons** (CO2eq) of emissions.
- Strengthen the resilience of **10 million people** to the impacts of climate change.

As contributing outcomes, we will have:

- **Helped leverage** \(^\text{16}\) over **€100bn** to support the scale-up of innovations to tackle climate change.
- Generated **50,000** green jobs.
- Become the strategic partner of choice for over **50 cities, regions and countries across Europe**, orchestrating change through innovation (including in policy, business models, supply chains and citizen engagement) to achieve net-zero emissions and climate resilience aligned to the 2015 Paris Climate Change Agreement.
- Enhanced the innovation and entrepreneurial skills of over **200,000 people across Europe**, equipping them to be leaders of climate action, including supporting 1260 EIT Label graduates through blended and digital learning and at least 82 Higher Education Institutions.

During this period, EIT Climate-KIC intends to become an invaluable asset for the EU and EU Member States in achieving the European Green Deal and recovering from the COVID-19 pandemic. To realise these targets and intent, EIT Climate-KIC will pursue the following strategic objectives aligned with the EIT SIA 2021-2027.

**A. Focus:** Amplify our impact across four major systems – cities, industry, land-use, and finance – where progress on cutting emissions and building resilience is arguably slowest. This will allow us to focus our work on features of mitigation and adaptation in these systems, and orient public money to tackling some of the hardest challenges through innovation and capability building as discussed in Section 2. In changing these

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\(^{16}\) The notion of ‘leverage’ is well embedded in climate finance. Based on Brown *et al.* (2011), Public climate finance interventions often demonstrate the extent to which other public and private money has been ‘leveraged’ or catalysed because of their investment: it is often argued that the higher the ratio, the more effective the use of limited public funds and the more attractive an investment. High leverage ratios can demonstrate that public finance was used to de-risk investment and overcome barriers to encourage greater flows of finance to climate-friendly areas. [https://climatepolicyinitiative.org/wp-content/uploads/2011/11/Effectiveness-of-Climate-Finance-Methodology.pdf](https://climatepolicyinitiative.org/wp-content/uploads/2011/11/Effectiveness-of-Climate-Finance-Methodology.pdf). The World Bank’s instrument the CIF’s uses leverage figures to report its impact, for example see: [https://unfccc.int/news/climate-investment-funds-leverage-58-billion](https://unfccc.int/news/climate-investment-funds-leverage-58-billion).
systems and orienting our work to help transform places and value chains, we will place job creation, competitiveness and a just transition at the heart of our work. Equally, we will tailor our approach to meet the challenges of RIS countries head on, where our experience has highlighted key demand for work on for example, innovation for water scarcity in the context of changing land-use and on innovation in circular economy to maximise capture of material value in local economies while reducing emissions. More broadly, working on innovating the financial system and financial models will allow us to maximise our leverage ratio as well as direct financial support to the portfolios we design and seek to implement. With EIT funding, we will target innovations that have a compelling commercialisation pathway to maturity and scaling, then by using our portfolio approach, we can help to maximise the diffusion and wider impact of such innovation.

B. Sustainable Innovation Ecosystems: We will strengthen sustainable innovation and entrepreneurial ecosystems across Europe, particularly in those countries in the RIS programme and support the Higher Education Initiative Capacity Building Initiative (HEI-CBI). By 2024, we intend to raise participation from partners in RIS countries to at least 20% of our overall community. We will aid this by re-focusing our ecosystem building programmes on RIS countries, including Pioneers into Practice, Climate Launchpad, the Accelerator, Climathon, Young Innovators and the Journey among others, to help build the capability and interest in the more transformative innovation partnerships. In also aiming for strategic partnerships with over 50 places and major businesses by 2027, our aim is to offer these places as Deep Demonstrations of rapid decarbonisation and resilience through innovation. For that to happen, such places need to be mature and sustainable innovation ecosystems to offer the ingredients and capabilities required to support transformative change through innovation. This reinforces the connection between ecosystem building activities and the advanced knowledge triangle integration needed to unlock change at the level of whole systems.

C. Next-Generation Climate Entrepreneurship: Building on our 10-year track record of running the world’s largest incubation and acceleration programme for climate-oriented business ideas and start-ups, we will play a leading role in ushering in the next generation of climate entrepreneurship, ensuring that diversity and inclusion are at the heart of our approach. Capitalizing on a growing number of mature technology start-ups and the progression of the climate innovation challenge from one of technology development to one of technology diffusion, we will move into a more systemic approach. This means that we will put greater emphasis on (i) innovations across all levers of change—not just technology—that both offer transformative potential while promising to become phenomenally successful business ventures (“unicorns”), (ii) connecting start-ups with the demand-side of innovation (e.g. as expressed in our theory of change), (iii) extracting intelligence from our sensemaking and portfolio composition process to identify innovation need and the entrepreneurial initiatives that meet that need, and (iv) facilitate the venture capital necessary for the most promising of our start-ups to scale, tapping into a growing supply of institutional capital and leveraging FinTech to enable citizens across Europe to contribute to—and share in the successes of—financing the next wave of climate-positive start-ups. Through these efforts, we will help Europe expand its conception of “impact” beyond greenhouse emissions reductions to better reflect the systemic nature of climate change and the many environmental and social objectives set out in the SDGs, Paris Agreement, and the European Green Deal.

D. Funding: Attract other sources of funding beyond EIT with the aim to achieve full financial sustainability by 2024. This will include diversifying streams of revenue to build resilience but also focusing on attracting funders who share our ambition and who can help us direct at least €100m per year for climate innovation, education, and entrepreneurship activities. We will concentrate most of our fundraising efforts on securing money from public and philanthropic sources, including at local, regional, national, EU and multilateral level in keeping with our intent to be a key public goods asset in the fight against climate change.

E. Governance, capability, and inclusion: Enhance the governance, legal entities, and capabilities at the core of our innovation community to act as an orchestrator and catalyst. In doing so, we will shape a new community value proposition, streamline the way money flows to climate action under new rules, and sharpen our offer

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17 The Higher Education Institutions Capacity Building Initiative (HEI-CBI) aims to increase the innovation capacities and capabilities of Higher Education Institutions (HEIs). The HEI-CBI will create systemic impact in Europe by support HEIs along a trajectory toward a stronger, systemic contribution to innovation ecosystems through inter alia (i) education and human capital development, (ii) innovation and knowledge transfer, (iii) innovation pathways to EIT/KICs instruments to support to enterprise development; (iv) broader societal engagement and local/regional leadership.
as we learn more of what it takes to transform places and value chains through innovation. We also commit to openness and transparency, including through publishing full open calls, having an open access community, being pan-European and nurturing inclusion from diverse innovation actors.

F. **Knowledge sharing and diffusion:** Share knowledge and experience with other organisations looking to test and learn from systemic innovation models and gathering more insights into its relative impact potential. This will help build confidence in the advanced version of knowledge triangle integration and promote diffusion across Europe and globally. At each stage, we will ensure all our activities, innovations and community members are available to all through our Exaptive knowledge management platform, offering a repository of learning from successes and failures and a way to make rapid connections. More details on our knowledge sharing and dissemination strategy can be found in section 5.5.

G. **Synergies and alignment:** EIT Climate-KIC will consistently calibrate its approach to contribute to the Union’s policy objectives, particularly with respect to the European Green Deal, Horizon Europe, Next Generation EU, Smart Specialisation and to its external affairs approach. We will contribute to the Union’s climate objectives as laid down in law and seek to bolster Europe’s achievement of the ‘Fit for 55’ package and National Energy and Climate Plans (NECPs) through innovation. We will seek cooperation and synergy with other EU instruments and partnership, including with the European Innovation Council, the European Investment Bank, European Investment Fund and naturally with the other EIT KICs as examples.

### 4 IMPACT AND RESULTS

#### 4.1 Impact

Beyond the 2027 quantitative targets set out in section 3, we intend to diffuse the advanced knowledge triangle integration model to more countries and places and embed it within the implementation of the European Green Deal thus potentially magnifying EIT Climate-KIC’s wider indirect impact. Additionally, we want to learn more about the connection between innovation and the speed and scale of transformation now needed to achieve rapid decarbonisation and resilience-building. Evaluating the connection between the two through EIT Climate-KIC’s theory of change cannot yet draw on a simple set of tools and practices to establish clear impact and attribution, but we intend to enhance this area of research through the Strategic Agenda period in line with similar plans for Horizon Europe itself.

Table 1 describes the main mechanisms for achieving the headline 2027 impacts and the way we intend to source data to monitor our progress. Annex I provides a more detailed set of outcome and impact metrics.
Table 1 EIT Climate-KIC’s 2027 Targets, Mechanisms and Monitoring Approach

<table>
<thead>
<tr>
<th>Target</th>
<th>Problem addressed</th>
<th>Mechanisms for Achievement</th>
<th>Monitoring</th>
</tr>
</thead>
<tbody>
<tr>
<td>Helps Europe avoid over 500 million tons (CO2eq) of emissions.</td>
<td>Growing CO2eq emissions lead to a steady rise of temperature (global warming) which has significant impact on human and ecosystem health on the planet and the potential to disrupt business as usual. SDG13 is to ‘take urgent action to combat climate change and its impacts’. The 2015 Paris Agreement calls for temperatures to be kept ‘well below 2 degrees Celsius’, and the 2030 EU Climate and Energy Framework sets a goal of reducing emissions in the EU by 40% by 2030 (cf. 1990 levels).</td>
<td>Through innovation projects scaling; Through combinations of projects being implemented in ‘Deep Demonstration’ places or pan-European portfolios; Through start-ups as vehicles for replacing dirtier technologies for cleaner ones or through business model disruption; and Through wider diffusion of advanced KTI innovation model.</td>
<td>Ex-ante climate impact estimates for projects and start-ups, using EIT Climate-KIC methods; Where possible, use of new satellite data from Copernicus to monitor emissions changes in the places where EIT Climate-KIC is working on the ground with cities, regions etc; and Through ex-post evaluation.</td>
</tr>
<tr>
<td>Strengthened the resilience of 10 million people to the impacts of climate change.</td>
<td>Climate change is affecting all European regions. The key climate-related hazards are heat waves and droughts, forest fires, windstorms, heavy rain and floods, sea level rise and storm surges. SDG13 (target 1) calls for strengthening resilience and adaptive capacity to climate-related hazards and natural disasters in all countries. This aspect is also encapsulated in the Horizon Europe Mission on Climate Resilience and in the new European Adaptation Strategy (2021).</td>
<td>Through innovation projects scaling; Through combinations of projects being implemented in ‘Deep Demonstration’ places concentrating on resilience; Through start-ups as vehicles for bringing new resilience approaches to market; and Through wider diffusion of the advanced KTI innovation model.</td>
<td>Ex-ante climate resilience impact estimates for projects and start-ups; Where possible, use of new satellite data from Copernicus or from insurance risk models to monitor resilience changes in the places where EIT Climate-KIC is working on the ground with cities, regions etc; and Through ex-post evaluation.</td>
</tr>
<tr>
<td>Leveraged over €100bn to support the scale-up of innovations to tackle climate change.</td>
<td>Climate change has been famously described as the greatest market failure ever seen. The market participants who cause climate change have not had to shoulder its costs. Therefore, it is up to the public sector to act, including through policies to change incentives for consumers and producers, and increased investment. The investment needs, even in Europe’s energy system alone to support a 1.5 degree aligned transition, is estimated to be €400bn per year and this cannot be from the public purse alone. Innovation can help de-risk investments, attract private money and speed up the transformation.</td>
<td>Through de-risking innovation projects through testing; By supporting start-ups with high climate and commercialisation impact potential, thus attracting money; Through partnering with cities, countries, regions, and big business to ensure a demand side pull and a source of on-budget investment; and By shaping mindsets in the financial system through innovation to encourage long-term thinking and systemic portfolio investing for impact.</td>
<td>Tracking funding pathways for projects and start-ups in our portfolio; Monitoring co-investment, third-party funding, influenced funding and our influence on financial models through annual reporting routes; and Through developmental and ex-post evaluation.</td>
</tr>
</tbody>
</table>

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18 Impact Estimates provide the primary, consistent and robust method or tool for generating the baseline and subsequent results reporting data and evidence against KPIs associated with avoided emissions and strengthened resilience. To collect data and monitor progress, EIT Climate-KIC has developed a flexible method for assessing the mitigation potential of its activities at the proposal stage, implementation stage and after the project has finished. The 3-stage method can be applied across EIT Climate-KIC’s portfolio, including in the individual innovation initiatives associated with portfolios of Climate-KIC’s place-based Deep Demonstrations.
Annex 1 - FPA

| Annex 1 - FPA | NUMBER | insert number — | insert acronym |

| Generated 50,000 green jobs. | Innovation to tackle climate change can create valuable jobs, a priority in the context of COVID19 recovery where many jobs have been lost. Many Member States are prioritising green job creation as part of the Next Generation EU programme. | • By supporting fast growing start-ups and innovation projects that spawn spin-offs • Positioning portfolios associated with Deep Demonstrations as ones that can create short-term jobs. • Surveys of start-ups and innovation project actors. • Possibility of using AI and web scraping tools to assess change in numbers of jobs in partners, start-ups, city initiatives etc. |

| Be the strategic partner of choice for over 50 cities, regions, countries and large-scale businesses across Europe, orchestrating change through innovation to achieve net-zero emissions and climate resilience. | Europe needs inspiration from places that are rapidly transforming to net-zero emissions, and doing so in a way that promotes inclusion, prosperity, and equity. Thousands of cities, regions, and local authorities have declared a climate emergency, but do not yet know how to they will transform to achieve their ambitious climate change targets. Innovation can help unveil these pathways to change, while also creating new jobs and societal value, something especially relevant as Europe seeks to recover from COVID19 in a way that stimulates the climate transformation we need. | • By offering a model, method and orchestration service backed by an extensive innovation track record to cities, regions, countries, and large-scale businesses with an ambition to tackle climate change at the speed and scale needed (Such cases are also aligned to our strategic objective of changing city, land-use, materials, and financial systems); and • Drawing on impact studies, building learning networks across cohorts, and connecting the design of portfolios to financial mechanisms to increase demand. • Counting the collaboration agreements, MOUs or formal contracts signed with EIT Climate-KIC to substantiate the bases for strategic partnerships; • The stage of progress of applying the boosted version of knowledge triangle integration (as described by intent, frame, portfolio, intelligence stages); and • Through developmental and ex-post evaluations to explore the extent to which this model leads to change towards net-zero emissions and climate resilience. |

| Enhanced the innovation and entrepreneurial skills of over 200,000 people across Europe, equipping them to be climate leaders, including supporting 1260 EIT Label graduates and 82 Higher Education Institutions. | Through the EIT SIA, and as amplified by DG EAC and European Green Deal, Europe faces a significant skills gap on the kind of innovation, entrepreneurship and change leadership required to achieve the short and long-term climate and economic goals of the Union. Particularly EIT Climate-KIC reflects the needs expressed in the SIA, with an intent to support lifelong learning, mentoring, skilling and reskilling, online modules and reaching beyond usual actors to create the skills base for a European transformation to a net-zero future and the next economy. | • Through EIT Climate-KIC’s strategic programmes, namely Climathon, Climate Launchpad, Accelerator, Journey, Pioneers, Young Innovators, the EIT Label. Each tried, tested, and evaluated as achieving objectives on enhancing skills and mindsets for change leadership; and • Through wider community activation and bespoke skills programming to overcome barriers or take advantage of areas of momentum in the places targeted through EIT Climate-KIC strategic partnerships and sustainable innovation ecosystems (e.g. RIS). • Annual cumulative monitoring of participation in strategic programmes listed, coupled with data from participant evaluation; • Tracer studies of the career pathways of participants; and • Through developmental and ex-post evaluations to explore the extent to which EIT Climate-KIC’s skills and capability building programmes are helping to promote change leadership. |

### 4.2 Results

In addition to EIT Climate-KIC’s headline impacts between 2021–2027, the KIC will also contribute results in line with EIT’s Impact Framework (2021–2027). The forecasted levels presented in Table 2 also are considered alongside the financial support projected in Table 3. We view achievement of EIT core KPIs as key annual steps in monitoring.
EIT Climate-KIC’s overall pathway to achieve impact. KPI targets in Table 2 are based on EIT grant/partner co-funding only, and only where the necessary EIT evidence requirements are anticipated to be fulfilled within the reporting year. They do not take into consideration any other funding sources.

Table 2 Annual KPI Targets

<table>
<thead>
<tr>
<th>Code</th>
<th>KPIs</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>EITHE01.1</td>
<td>#Designed/Tested Innovations</td>
<td>14</td>
<td>13</td>
<td>12</td>
<td>12</td>
<td>12</td>
<td>12</td>
<td>12</td>
<td>87</td>
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<tr>
<td>EITHE01.3 EITRIS</td>
<td>EIT RIS Designed/Tested Innovations</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EITHE01.4 EITRIS</td>
<td>#EIT RIS Countries – Designed/Tested Innovations</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EITHE02.1</td>
<td>#Marketed Innovations</td>
<td>35</td>
<td>20</td>
<td>18</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>153</td>
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<tr>
<td>EITHE02.2 EITRIS</td>
<td>EIT RIS Marketed Innovations</td>
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<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EITHE02.3 EITRIS</td>
<td>#EIT RIS Countries – Marketed Innovations</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EITHE03.1</td>
<td>#Supported Start-ups/Scale-ups</td>
<td>163</td>
<td>150</td>
<td>150</td>
<td>130</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>953</td>
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<tr>
<td>EITHE03.2 EITRIS</td>
<td>EIT RIS Start-ups/Scale-ups Supported</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>EITHE03.3 EITRIS</td>
<td>#EIT RIS Countries – KIC supported Start-ups/Scale-ups</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>EITHE04.1</td>
<td>#Start-ups created off/for innovation</td>
<td>1</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>19</td>
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<td>#EIT RIS Start-ups created off/for innovation</td>
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<td></td>
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</tr>
<tr>
<td>EITHE04.3 EITRIS</td>
<td>#EIT RIS Countries – Start-ups created off/for innovation</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EITHE05.1</td>
<td>#Start-ups created of EIT labelled MSc/PhD programmes</td>
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<td>4</td>
<td>4</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>29</td>
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<td>EITHE05.2 EITRIS</td>
<td>#EIT RIS Start-ups created of EIT labelled MSc/PhD programmes</td>
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<tr>
<td>EITHE05.3 EITRIS</td>
<td>#EIT RIS Countries – Start-ups created of EIT labelled MSc/PhD programmes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EITHE06.1</td>
<td>Investment attracted by KIC supported Start-ups/Scale-ups</td>
<td>22M</td>
<td>30M</td>
<td>30M</td>
<td>25M</td>
<td>20M</td>
<td>20M</td>
<td>20M</td>
<td>167M</td>
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<td>EITHE06.2 EITRIS</td>
<td>Investment attracted by KIC supported EIT RIS Start-ups/Scale-ups</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EITHE06.3 EITRIS</td>
<td># EIT RIS Countries – Investment attracted by KIC supported EIT RIS Start-ups/Scale-ups</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EITHE07.1</td>
<td>#Graduates from EIT labelled MSc/PhD programmes</td>
<td>200</td>
<td>240</td>
<td>230</td>
<td>230</td>
<td>230</td>
<td>230</td>
<td>230</td>
<td>1590</td>
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<td>EITHE07.2 EITRIS</td>
<td># EIT RIS Graduates from EIT labelled MSc/PhD programmes</td>
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<td></td>
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<tr>
<td>EITHE07.3</td>
<td>% of Graduates in same disciplines from partner HEIs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Code</td>
<td>KPIs</td>
<td>2021</td>
<td>2022</td>
<td>2023</td>
<td>2024</td>
<td>2025</td>
<td>2026</td>
<td>2027</td>
<td>Total</td>
</tr>
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<tr>
<td>EITHE08.1</td>
<td>#Participants in (non-degree) education and training</td>
<td>2959</td>
<td>1500</td>
<td>1500</td>
<td>1500</td>
<td>1500</td>
<td>1200</td>
<td>1200</td>
<td>11359</td>
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<tr>
<td>EITHE08.2</td>
<td>EIT RIS Participants with (non-degree) education and training</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>65%</td>
</tr>
<tr>
<td>EITHE09.1</td>
<td># EIT labelled MSc/PhD students and graduates who joined Start-ups</td>
<td>3</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>63</td>
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<tr>
<td>EITHE09.2</td>
<td>EIT RIS EIT labelled MSc/PhD students and graduates who joined Start-ups</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>35%</td>
</tr>
<tr>
<td>EITHE10.1</td>
<td># Active KIC Partners (in EIT Grant)</td>
<td>180</td>
<td>170</td>
<td>160</td>
<td>160</td>
<td>150</td>
<td>150</td>
<td>150</td>
<td>Average 160 partners</td>
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<tr>
<td>EITHE10.2</td>
<td>EIT RIS Active KIC Partners</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>20%</td>
</tr>
<tr>
<td>EITHE10.3</td>
<td>EIT RIS Countries – Active KIC Partners</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>20 countries</td>
</tr>
<tr>
<td>EITHE11.1</td>
<td>FS revenues</td>
<td>€6.2M</td>
<td>€8.5M</td>
<td>€11.6M</td>
<td>€15.8M</td>
<td>€18.5M</td>
<td>€23.2M</td>
<td>€27M</td>
<td>€110.7M</td>
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<tr>
<td>EITHE11.2</td>
<td>% FS coefficient</td>
<td>18%</td>
<td>25%</td>
<td>39%</td>
<td>63%</td>
<td>93%</td>
<td>116%</td>
<td>133%</td>
<td>60%</td>
</tr>
<tr>
<td>EITHE12.1</td>
<td>% Co-funding rate</td>
<td>60%</td>
<td>77%</td>
<td>105%</td>
<td>163%</td>
<td>229%</td>
<td>252%</td>
<td>272%</td>
<td>145% average</td>
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<tr>
<td>EITHE13.1</td>
<td># KIC success stories</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>110</td>
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<tr>
<td>EITHE13.2</td>
<td>EIT RIS Success stories</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td>50%</td>
</tr>
<tr>
<td>EITHE13.3</td>
<td>EIT RIS Countries – Success stories</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>10 countries</td>
</tr>
<tr>
<td>EITHE16.1</td>
<td># HEIs involved in EIT and KIC activities</td>
<td>14</td>
<td>16</td>
<td>18</td>
<td>20</td>
<td>22</td>
<td>24</td>
<td>26</td>
<td>140</td>
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<td>EITHE16.2</td>
<td># RIS HEIs</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>Minimum of 22%</td>
</tr>
<tr>
<td>EITHE16.3</td>
<td># HEIs involved in the new HEI Action (this No is included in the target for EITHE 14.1)</td>
<td>6</td>
<td>8</td>
<td>10</td>
<td>13</td>
<td>15</td>
<td>15</td>
<td>15</td>
<td>82</td>
</tr>
<tr>
<td>EITHE16.4</td>
<td>% RIS HEIs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>35%</td>
</tr>
</tbody>
</table>
5 GOVERNANCE AND OPERATION MODEL

5.1 Partnership

EIT Climate-KIC partners are selected through an open and transparent process\(^{19}\) and sign the EIT Climate-KIC community agreement. They are registered in 39 different countries, with total numbers (projected for the life of the Strategic Agenda) included in Table 3. While numbers vary each year, about 200 of these partners participate in the EIT grant. Our partners span the knowledge triangle and represent larger businesses, SMEs, community organisations, research groups, universities, and public bodies: currently 28% of our partners are from Higher Education and Research, 37% are SMEs, 22% are community and public bodies, and 13% are major businesses. EIT Climate-KIC has two categories of partners – Core Partners and Affiliate Partners. Core Partners contribute to the overall governance and strategy of EIT Climate-KIC through their ‘Association’ as described in section 5.2, whereas Affiliates are only involved in activities. This categorisation is further explained in the footnotes of Table 3.

EIT Climate-KIC considers our Partner community as our foremost asset, offering Europe a climate innovation action force full of the brightest minds, the most dynamic companies, the most strategic thinkers and the most forward-thinking cities and public authorities. Partners play several roles as part of EIT Climate-KIC, and the value they bring to the community is different and complementary by design. Their roles include (i) delivery of innovation, entrepreneurship, and education projects, (ii) offering the supply of new ideas, (iii) design of innovation with respect to demand, (iv) being the demand-side actor, and (v) building sustainable innovation ecosystems, among others.

Our intent has always been to have a large, balanced, pan-European partnership because the societal challenge of climate change needs action on multiple levers of change, and innovation requires multiple perspectives and diverse actors. As highlighted in Section 3, our innovation model – one of advanced knowledge triangle integration – we do not want to treat innovation as just the preserve of elite universities, start-ups, and teams in major corporations. We broaden inclusion to innovation actors in community groups, public administrations and those working outside mainstream channels, including drawing in all talent across the Union, enhancing the participation of women and other

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\(^{19}\) Applications for Climate-KIC community membership are fully open, with information provided on Climate-KIC’s website: https://www.climate-kic.org/get-involved/partnership-opportunities/. Applications are reviewed and approved in two stages. Stage one is similar to an expression of interest in that the applying member will need to provide EIT Climate-KIC with an introduction to who they are and what their expertise and experience could contribute to. This information is provided in a Pre-Approval Form and sent to the Executive Board who review the application, using the criteria of expertise and experience to assess the value of the application. Once the applying member is approved at stage one, the organisation will be sent the formal application documents to complete. If the application satisfies the approval criteria, the applying member signs a Community Agreement (CA) with Climate-KIC Holding B.V. Once signed, the applying organisation becomes a Community Member of Climate-KIC. It is possible for an organisation which is legally linked (subject to terms and conditions) to an existing Climate-KIC Community Member to become an Affiliated Entity (formerly known as a Linked Third Party). Affiliated entities are not required to enter into the Community Agreement with Climate-KIC Holding B.V, the community member to whom the affiliated entity is linked is legally responsible towards Climate-KIC for their affiliate under the terms of their own executed Community Agreement. The guiding principle is that the Executive Board will only refuse applications at stage two on formal grounds (e.g. if any of the application documents are incomplete or incorrect, or they do not pass Climate-KIC’s standard due diligence checks). Once an organisation has signed the Community Agreement with Climate-KIC Holding B.V, they are eligible to become a member of Association Climate-KIC (also known as a ‘Core Partner’). This process is ultimately owned by the Association and as such they are subject to change at the Association’s discretion. Applications for Association Climate-KIC membership are reviewed and approved in several steps. These are as follows:

- The prospective Association CKIC member must first become a Climate-KIC Community Member and then request to ‘upgrade’ to also become an Association member (‘Core Partner’)
- The relevant local Climate-KIC Director will complete the ‘Association Climate-KIC Membership Pre-Approval Form’, which will be submitted to the Executive Board (EB) for approval. This form should provide information on the achievements and merits of the applying Climate-KIC Community Member as well as the mutual benefits of them becoming a member of Association Climate-KIC.
- If the Association Climate-KIC membership application receives support from the Executive Board, it will then be submitted for final consideration and approval at the next Climate-KIC Governing Board meeting.

19
EIT Climate-KIC also works through 14 RIS Innovation Hubs in Bulgaria, Croatia, Cyprus, Estonia, Greece, Latvia, Lithuania, Malta, Portugal, Romania, Serbia, and Slovenia. EIT Climate-KIC is also extending its network of RIS Innovation Hubs to the Czech Republic and Slovakia in 2020/21, established through an open call process. RIS Hubs are physical hubs, established by EIT Climate-KIC with members of the Partner community, serving as a focal point for activities and mobilisation of local knowledge triangle actors. Both CLCs and RIS Innovation Hubs also help EIT Climate-KIC identify funding and collaboration opportunities and promote the advanced KTI model described in this document. Beyond Europe, EIT Climate-KIC has been instrumental in leading the cross-KIC Global Outreach programme that has established EIT presence in Israel, the US and China. EIT Climate-KIC also has a sister organisation based in Australia.

Looking to the future, EIT Climate-KIC will review the geographical coverage of CLCs and RIS Innovation Hubs in 2021 with the following factors influencing decisions on how to evolve the set-up over time:

- EIT Climate-KIC LE is likely to experience a significant reduction of income between 2020 and 2021, necessitating cost savings. Some consolidation of the CLC network into fewer regional centres may result, reflecting a move to the more regional coverage of other KICs. Not all CLCs and RIS Innovation Hubs are aiding financial sustainability or indeed are positioned close to demand-side actors (e.g. city authorities, major businesses or governments) ready to be high-ambition climate leaders. This will be considered in any decision to reshape CLC coverage.
- Given EIT Climate-KIC already has an extensive network of CLCs and RIS Innovation Hubs, short-term expansion is unlikely. Nevertheless, where Member State governments are committed to transformative climate action and are seeking EIT Climate-KIC’s help with COVID19 recovery, RIS Innovation Hubs may be converted to CLCs. Financial sustainability and the level of Partner community activity will be contributing factors in any decision in this regard.
- COVID19 may have a long-term impact on working practices, meaning that physical collaborative workspaces are not as desirable for forging collaboration and support to knowledge triangle actors as high-quality digital collaboration tools and facilitation platforms.

The future of the Climate-KIC Community, Partnership and Network

The size, diversity, and geographical spread of the EIT Climate-KIC Partner community is a key asset of the KIC. However, our commitment to be a leader for climate action and innovation at the heart of Horizon Europe, the EIT Strategic Innovation Agenda and as a key pillar of Next Generation EU; the effort to create jobs and sustainable economic growth as Europe battles COVID-19, means we must continue to evolve and grow this community. It also means we must transform the ways EIT Climate-KIC hosts, supports, and mobilises partners’ skills and expertise in the context of a declining EIT grant contribution. Our ambition for the next seven years will be to implement a new Community Model, to be launched in 2021, which provides access to a greater number and diversity of people and organisations. Attracting this diversity is a key pillar of the overall strategy. Importantly, the model will also provide the people and organisations within the community greater access to a wider variety of funding and collaboration opportunities.

The following are likely to be core elements of the new Community Model:

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20 Slovenia is an example of a RIS Innovation Hub graduating to become a CLC, aided by the development of the Deep Demonstration on Circular Economy in partnership with the Government of Slovenia.
Annex 1 - FPA NUMBER —

- Access to the Community is fully open and has much lower barriers to entry.
- EIT Climate–KIC will have a much broader range and diversity of community members, who will form into ‘sub-communities’ based on the types of opportunities they wish to mobilise around. Whilst formal EIT Partners will continue to be a key stakeholder group, we expect to have an increasing number of stakeholder groups as we move through the 7-year period.
- EIT Climate–KIC LE will provide systems innovation services, infrastructure, activities, and collateral to support the community. To implement this strategic plan, we will offer no-cost, fully open-access basic elements of the community with an increasing fee structure based on the desire for access, services, learnings, and infrastructure.

Between 2021 and 2027, we intend to:
- Increase the total % of our partners registered in RIS countries to 20% by 2024 and to 25% by 2027. This is because we know that these countries face severe climate change challenge as well as key opportunities for action, and sustainable innovation ecosystems are a key prerequisite to transformational change capability in these places.
- Maintain a diverse community mix aligned with our innovation model, reiterating the value of drawing in the full breadth of innovation talent across the Union. Over the past two years we have focussed on bringing in the voices of those lesser heard or ‘unusual actors’ into the Climate debate. Key examples brought into the EIT Climate–KIC Partnership in 2019 and 2020 include the arts, culture, and social innovation. Growing the diversity of our Partner types and further enhancing the openness of the community is key to driving transformational innovation. Therefore, continuing to increase this type of diversity is a key strategy for 2021 – 2027. The target is to have 20% of the Partnership represented by non-traditional climate actors and actors focussed on social innovation.
- Design together with partners our future community value exchange proposition in the context of our changing funding mix, funding rules, legal frameworks, and strategic objectives.
- Maintain Exaptive as an open digital platform where partners can connect virtually and exchange learning. In June 2020, we had 1600 active users (defined as using the platform within the previous month). We plan this to grow 20% per year through further communication and training activities.
- Ensure EIT Climate–KIC maintains a pan-European coverage through the representation of our partners, our co-location centres, and the combined presence of national and RIS innovation hubs. This is critical as a value proposition for our community to offer an asset to all Member States in support of their transformational journey to net-zero emissions through innovation.

Table 3: KIC projected partnership growth

<table>
<thead>
<tr>
<th>#CLCs</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
</tr>
</thead>
<tbody>
<tr>
<td>#EIT RIS Hubs</td>
<td>13</td>
<td>10</td>
<td>11</td>
<td>12</td>
<td>13</td>
<td>13</td>
<td>13</td>
</tr>
<tr>
<td>#Number of partners 21</td>
<td>14</td>
<td>14</td>
<td>13</td>
<td>12</td>
<td>11</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>#Number of project partners 22</td>
<td>30</td>
<td>25</td>
<td>25</td>
<td>30</td>
<td>30</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>#Partners from EIT RIS countries</td>
<td>450</td>
<td>350</td>
<td>420</td>
<td>480</td>
<td>550</td>
<td>600</td>
<td>650</td>
</tr>
</tbody>
</table>

5.2 Governance

To implement the ambitious strategy of the KIC, EIT Climate–KIC has adopted and will continue to evolve a governance model in full alignment with principles of good governance, which sees a separation of the supervisory function from

21 Partners, which refers to ‘Core Partners’ under EIT Climate–KIC’s governance model, have an influence on the KIC’s strategic decisions through the KIC’s General Assembly, where the Association of Core Partners have a 10% ownership of the EIT Climate–KIC Legal Entity. Core Partner include those from major businesses, universities, cities/regions, and research bodies.

22 Activity partners, which refers to ‘Associate Partners and Core Partners’ in EIT Climate–KIC’s model, are involved in implementation of the KICs activities in total. The figures for 2021 are correct as for Q3 2020 and will be updated in subsequent versions as the total varies. The categories of partners also involve SMEs and community organisations that are not represented at the level of Core Partners. These numbers are inclusive of RIS partner numbers.
operations using a system of checks and balances, and has a size allowing it to function in an effective and efficient way. Further, to ensure continuous alignment to best corporate governance arrangements, and preserve the integrity and impact of our activities, we have introduced several structural changes to decouple engagement in corporate entity/shareholding administration from deep strategic collaboration as well as emphasise the separation of ownership and membership from operational management. As of 2021, we pursue a formal corporate structure as follows:

EIT Climate–KIC Association, comprising EIT Climate–KIC’s Core Partners (also known as Members of Association), actively supports and directs the overall EIT Climate–KIC philosophy and strategy. The Association is a membership organisation without further ownership structure, holding a 10% ownership stake in the KIC Legal Entity (LE). Via its Governing Board of 13 directors (70% male and 30% female as of February 2021), 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. Our intent is to increase the representation from RIS countries among EIT Climate–KIC’s Core Partners and improve the gender diversity of its Governing Board, striving for an equal balance by 2024.

Stichting Climate–KIC International Foundation (Foundation) was incorporated and achieved formal non-profit status (known as ANBI or algemeen nut beogende instelling in the Netherlands) in 2020. Based on the premise of strict independence, i.e. it must hold the majority stake, Foundation holds 90% of shares of the KIC LE. It was set up with a view of aligning to key Horizon Europe objectives and related strategic pivots particularly around transparency, good governance, alignment to mission and freedom from conflicts. It is an important vehicle for raising funding from public and private sources, underpinning our strategy for diversifying and generating additional revenue streams.

The Supervisory Board (SB) was established in 2015 with the incorporation of the EIT Climate–KIC Holding. Supervisory Board members are selected through an open process with clear and transparent criteria shared well in advance of interview selection or next steps. The decision to appoint a candidate to the Supervisory Board is made in an impartial, objective, and transparent manner ensuring equal treatment amongst the various candidates.

As per the KIC LE compliance environment, a majority of SB members must be independent (i.e. not materially connected with an organisation that is a Member of Association or a project partner or otherwise has a material commercial arrangement with EIT Climate–KIC) and this independence is mandatory for the Chair and Vice Chair. The SB acts in the interest of all stakeholders. Our intent is to make membership of the SB fully independent by 2024 if not before. Further, to ensure separation of the supervisory from the operations or executive, the Supervisory Board (although it does indeed monitor and advise the Executive Board) is not an operational or executive body. Gender diversity is a key feature of the Supervisory Board with key figures including the Chair of the Supervisory Board and the lead on Audit & Risk both being women.

The Executive Board comprises four statutory directors – the CEO, CFO, CSO and the COO (50% male, 50% female as of February 2021). The Executive Board of EIT Climate–KIC has overall legal responsibility for managing 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 team members through a Management Team (70% female, 30% male as of February 2021) to represent the diversity of units and functions, and to integrate the management of CLCs and RIS Innovation Hubs under a single structure. The Management Team meets every two weeks to make operational and programming decisions.

Further, in addition to the formal structure, we will hold good governance across the entirety of the organisation, ensuring 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 independently (e.g. by staff employed by the EIT Climate–KIC Holding). This will afford 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. As part of

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23 In EIT Climate–KIC’s governance model, CLCs are branches of Climate–KIC Holding BV and do not have separate governance structures, with the goal of maximising independent decision-making from partners and aiding long-term agility.
this, core policies and protocols including Conflicts of Interest & Gifts, Anti-Fraud, Bribery & Corruption, Delegation of Authorities, Procurement Policy, and Diversity & Inclusion will enable and encourage open, high-quality, and robust decision-making. Best practice requirements will be passed through to community members via the internal agreements including Ethical Standards. For example, we are starting to manage aspects of diversity more systematically – including, but not limited to, gender, noting that the gender split of KIC LE staff is 65% female, 35% male (as of February 2021).

EIT Climate–KIC has established systems and processes that provide robust governance and prudent management of financial resources based on professional management practices. From 2021-2027, the aim is to continue evolving practices that are responsive to the changing portfolio of EIT Climate–KIC activities and enable our knowledge and innovation community to deliver impact through systemic change. Empowering our teams to optimise opportunities, learn quickly, and make change happen are fundamental principles that inform the planning and design of our enabling operational services. We will continue to grow our business intelligence capabilities to track the effectiveness of our processes, with a view to efficiently scaling and delivering value to our partner community through operational functions.

Our operational priorities to 2027 are:

1. Continue to hone and fully operationalise our value proposition across EIT Climate–KIC’s activities, including implementing a portfolio approach to innovation, entrepreneurship and education, and practices of sensemaking, insight and learning. This is in line with the advanced knowledge triangle integration model directed at societal challenges, as called for in the EIT SIA 2021-2027.
2. Align our community and community model with our strategy in order to fully leverage the power of collective intelligence and our substantial experience in testing and scaling innovative climate solutions; including broadening the data offering and optimising our substantial network using Exaptive as a community knowledge platform.
3. Routinise our enabling services model across our services and across organisational functions, including CLCs.
4. Complete implementation of systems and processes to deliver best practice in operational and financial management in a multi-funder environment.
5. Ensure additional funders are attracted with a seamless transition between contracting and delivery, alongside maintaining the EIT grant with the transition to Horizon Europe.
6. Increase reserves and working capital to a sustainable level; and
7. Ensure best practice governance, including in any changes to CLCs or governance structures over the period.

By 2027, EIT Climate–KIC will be an organisation that addresses the extraordinary complexity of tackling climate change through innovation with coherent approaches, processes, tools, capabilities, and mindsets that is sought after by funders, knowledge experts and thought-leaders. Our people will have competitive employment contracts, training, and development opportunities, and are highly productive working within a community and expansive network of change-makers.

5.3 Budget

Table 4 represents an indicative budget model for EIT Climate–KIC to 2027, with the assumption that as a First Wave KIC, there is an ongoing relationship with EIT after 2024 in line with the EIT Legislative Package agreed in 2021. This is subject to full review provisions as set out in the EIT Regulation and SIA, where any remaining funding from EIT would be competitive and focused on high value activities that cannot easily be covered by other funding sources.

The budget table includes the following assumptions:

- **EIT Grant**: as a first wave KIC, we have assumed a downward trend in EIT grant between 2021-2024 within the current 15-year mandate in line with the latest indications around the budget available to EIT. This does not factor in any additional budget deployable as part of COVID19 recovery.
- **KIC LE Investments**: refers to the reinvesting of revenue margins from previous year or ongoing, in this case through the margin generated from ROI/Equity, from services, from investment advisory and so on (as expressed in Table 6).
- **Partner membership fees**: membership fees of the EIT Climate–KIC community paid to the KIC Legal Entity.
- **Other partner contributions**: are inclusive of traditional EIT co-funding of KAVAs (both cash and in-kind) and the co-funding contributions of the KIC Legal Entity and linked entities including the Climate–KIC Foundation. These are leveraged on all parts of the EIT KAVAs apart from those listed in the EIT Legislative package.
Third Party Contributions: are inclusive of funding from organisations outside of the EIT Climate-KIC community who are offering supporting or catalytic funding aligned to the KIC’s vision and mission. Examples of this include contributions by non-EIT partner hosts of Climathon or Climate Launchpad, or Deep Demonstration Challenge Owners without EIT partner status, or any other parallel funding or co-finance to support innovation (e.g. from member states, investment funds etc). These are not audited by EIT and no included in the annual business plan under current rules.

Table 3 KIC Financing (EURO)

<table>
<thead>
<tr>
<th>KIC Financing (Euro)</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
<th>Total:</th>
</tr>
</thead>
<tbody>
<tr>
<td>EIT Grant</td>
<td>€35,000,000</td>
<td>€35,000,000</td>
<td>€30,000,000</td>
<td>€25,000,000</td>
<td>€20,000,000</td>
<td>€20,000,000</td>
<td>€20,000,000</td>
<td>€185,000,000</td>
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<td>KIC LE investments</td>
<td>€200,000</td>
<td>€400,000</td>
<td>€800,000</td>
<td>€1,200,000</td>
<td>€1,500,000</td>
<td>€1,800,000</td>
<td>€2,500,000</td>
<td>€8,400,000</td>
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<tr>
<td>(exc. membership</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<td>fees)</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Partners membership</td>
<td>€1,800,000</td>
<td>€1,600,000</td>
<td>€1,900,000</td>
<td>€2,500,000</td>
<td>€3,000,000</td>
<td>€3,500,000</td>
<td>€3,500,000</td>
<td>€17,800,000</td>
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<tr>
<td>Other partners</td>
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<td>€27,150,000</td>
<td>€31,735,000</td>
<td>€40,980,000</td>
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<td>€50,460,000</td>
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<td>Third party</td>
<td>€20,000,000</td>
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<td>€40,000,000</td>
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<tr>
<td>Total Funding</td>
<td>€80,000,000</td>
<td>€99,150,000</td>
<td>€104,435,000</td>
<td>€114,680,000</td>
<td>€120,460,000</td>
<td>€130,760,000</td>
<td>€140,460,000</td>
<td>€789,945,000</td>
</tr>
<tr>
<td>% of EIT grant of</td>
<td>44%</td>
<td>35%</td>
<td>29%</td>
<td>22%</td>
<td>17%</td>
<td>15%</td>
<td>14%</td>
<td>23%</td>
</tr>
<tr>
<td>the total budget</td>
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<td></td>
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</tr>
</tbody>
</table>

In all cases, we are excluding: balance sheet/asset values; and funding that does not have a direct impact relationship with the efforts of the EIT Climate-KIC community in achieving its vision and mission.

We are including: in the case of Third Party Contributions, fund marshalled by or aligned with the EIT Climate-KIC community that may not necessarily pass through the accounts of the Climate-KIC Legal Entity; and globally relevant activities, not just those within the boundaries of EU member states and third-party countries.

Funding Sources and their Focus: In terms of EIT Grant (exclusive of co-funding) we expect to concentrate this on the following activities as represented in Chart 1. The EIT grant is also divided into categories – the core component, EIT RIS, X-KIC and HEI Action – where the proportion of grant allocated to each action is consistent with the guidance in the EIT Legislative Package. The factors affecting allocation include the multi-year nature of EIT Climate-KIC programming, the ability to leverage co-funding and partner demand, EIT guidance and budget category caps, relative success in securing other sources of funding. Chart 1 is indicative, and budget allocation by Area may vary on an annual basis given specific needs and opportunities of the overall portfolio.
Chart 1: Planned allocation of EIT funding across knowledge triangle activities (EIT Grant, excluding co-funding)

In order to ensure our management costs reflect an efficient use of the grant, we have taken steps to consolidate leases, negotiate cheaper technology costs, change the balance of staff locations to lower cost hubs, and design greater reliance on more cost effective digital solutions.

In terms of partner contributions, beyond non-legal entity partner co-funding of KAVAs and membership fees, we expect the primary source of funding channelled through the legal entity (and linked family of organisations) to be from:

- Financial instruments, including those funded from the general budget of the European Union (e.g. with respect to implementing the European Green Deal and the Missions and Clusters under Horizon Europe)
- Contributions from Member States or other countries (etc.) directly to the Climate-KIC community (e.g. through public authorities).

We envisage a key but secondary source of funding to be from contributions from Foundations, international bodies or institutions (e.g. the Green Climate Fund, the Adaptation Fund, Climate-relevant Foundations). We have established instruments to realise revenue from asset, royalties, licenses, and IP, but we do not envisage them offering a substantial source of funding in the short-term.

In terms of Third-Party contributions, we would expect the greatest contribution to be around the following sources:

- Direct funding of Member States, regions, cities, or other public bodies directly to the innovation portfolios (inclusive of KTI activities) created around Deep Demonstrations.
- Direct funding from Foundations, or other non-state actors in the same.
- Investment, including from private sources, for scaling activities in the same.
- Additional funding brought by the hosts of EIT Climate-KIC programmes such as Climathon and Climate Launchpad in places outside Europe.

The projected distributions of funding by category/source is detailed in the following section.

5.4 Financial Sustainability

The EIT model of funding requires an ambitious approach to funding the KICs. This requires each KIC to focus on tackling the challenge of managing a planned significant drop off in funding whilst maintaining the overall envelope of finance for in year action. Each KIC addresses this challenge based on the market conditions presented by the societal challenge that they are seeking to address. For EIT Climate-KIC the challenge of climate change is about to see one of the largest packages for stimulus ever injected into the European economy.

In this context, our aim is to diversify our funding streams substantially by bringing the strengths of the community (created from 10 years of innovation partnership) in support of effective use of this stimulus, delivering rapid action within a framework that achieves the systemic change that is called for. The new economy that is needed to address
the societal challenge which EIT Climate-KIC was set up to tackle has not matured evenly. Massive government funding to sectors such as energy or transport have supported a growth in major companies in sectors that are addressing those specific issues. This is where much of the reduction in CO2 emissions has been seen. We believe that EIT Climate-KIC’s focus on the areas that are hardest to transition has created ecosystems that will enable Europe to lead the world in solutions that will meet the most significant challenges facing the global economy. The public and private sector are now placing significant funds behind stimulating these new markets in the post COVID recovery, such as large-scale retrofitting, reimagining resilient food systems, landscape restoration, and the switch to electric urban mobility. Unlike many areas of political vagaries this is not likely to be reframed, the commitment is for a decade of funding. Due to the flexibility in the way the KICs were established, EIT Climate-KIC has positioned itself to capitalise on this opportunity, supporting accelerated impact through direct action with a community that is not only creating the products and services for the future but shaping the economic models that support them.

Our 2021 – 2027 strategy is to position EIT Climate-KIC as a focal point for the combination of public and private funding to be targeted at climate action. We will engage, listen, and continue to develop a programme that can deliver global outcomes for funders with a macro view, whilst addressing the local challenges of those organisations facing immediate threats.

Our model centres around two key business areas:

1. Strategic innovation partnerships including through the deployment of Deep Demonstrations and a portfolio approach as described in Section 3. We see this as offering a form of advanced knowledge triangle integration as a service to support the ambitions of places and businesses who have declared climate emergencies or who are ready for unlocking large scale transformations.

2. Strategic Programmes. Three under the Entrepreneurship Area; Accelerator, Climathon and Climate Launchpad, and four under the Education area; Journey, Pioneers into Practice, EIT Label, and Young Innovators.

This model enables revenue to be drawn across the five main areas of potential revenue.

**Table 4 Revenue Stream Approach and Examples**

<table>
<thead>
<tr>
<th>Revenue Stream</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Income generated by ROI &amp; Equity</td>
<td>The Entrepreneur Investment Programme: EIT Climate-KIC receives a fee for the introduction of investors to start-ups, operationalised via an equity crowdfunding platform that gives EIT Climate-KIC a percentage share of all capital invested by investors it refers to the platform for a 2-year period following such an introduction</td>
</tr>
<tr>
<td></td>
<td>Sale of equity stakes in start-ups</td>
</tr>
<tr>
<td></td>
<td>Development of a “Venture Centre of Excellence (VCoE)” fund-of-funds structure with the European Investment Fund (EIF), with referral fees and strategic investment advisory fees as revenue components for EIT Climate-KIC</td>
</tr>
<tr>
<td></td>
<td>Revenue sharing mechanisms with innovation projects.</td>
</tr>
<tr>
<td>2. Education</td>
<td>Journey, Pioneers into Practice, Climate Innovation Leaders and Young Innovators established as strategic programmes, with the potential for fee paying participation or combination of strategic programmes into skills development offers in cities, regions, countries.</td>
</tr>
<tr>
<td>3. Services &amp; Consulting</td>
<td>Systems innovation/boosted KTI offer on commercial terms to the public and private sector. Provides a transformation programme for a client in an advisory or innovation partner model.</td>
</tr>
<tr>
<td></td>
<td>Strategic programmes as a service model to organisations with a shared interest for our underlying approach to impact.</td>
</tr>
<tr>
<td>4. Membership Fees</td>
<td>We are reshaping the community to a new service model in 2021 as described in Section 5.1.</td>
</tr>
<tr>
<td>5. Alternative funding sources for KIC LE (public and private)</td>
<td>To capitalise on the major investment in green recovery stimulus, in Horizon Europe and many other instruments, EIT Climate-KIC is deploying its advanced KTI, systems innovation strategic partnership model to grant bodies, national mechanisms and foundations. The role of the KIC Legal Entity is to orchestrate such an approaching, bringing the method, knowledge, process, network, experience, and evaluation capability to bear on the ambition to transform to net-zero, resilient futures.</td>
</tr>
<tr>
<td></td>
<td>The Strategic Programmes have equally been established to deploy funds seeking shared outcomes.</td>
</tr>
</tbody>
</table>
Accordingly, our financial sustainability strategy has three components: (i) attract funding from multiple different sources, with a focus on securing a small number of major grant funders or clients who share our vision; (ii) keep a tight control on our costs while excelling with our capabilities; and (iii) maximise utilisation and leverage potential of our remaining funding from EIT. We will focus on those relationships where we can co-create outcomes and critically the model for the KIC will be to continue to engage and reshape to deliver on the desired outcomes. The critical success factors to this approach will be:

- Adaptability and flexibility to provide a dynamic but assured vehicle for public grants
- Demand-led to bring critical insight to programme development
- Maintain scale and diversity to be the partner of choice for our community and other stakeholder.

EIT Climate-KIC is established to deliver public goods and the role of the KIC Legal Entities is to orchestrate a community to deliver impact through innovation. The described strategy intends to create a blend of revenue streams which will support the different aspects of the KICs model. For example, partner fees and ROI revenue will enable the KIC to invest in its own innovation, creating value for the community through ecosystem services and engaging the community in the strategic direction. The service and consulting model will offer value on a commercial basis bringing the value created by the KIC community to bear on a specific problem whilst contributing to the overall operating model of the KIC. We will also utilise and continue to create education programmes that attract fees to support the impact they achieve with attendees but also the continued development of the education function. As such all surplus (profit) from these revenue models will be reinvested into the KIC to continue its development.

This will then enable the KIC to operate a not-for-profit model of public good in the operation of public grants. This is where the largest growth in revenue will come from, and while it is not expected that this will generate significant revenue for reinvestment, we will target those grants that align with EIT Climate-KIC’s strategy and as such bring together funders that are seeking to deliver similar objectives. Table 6 shows the targeted revenues from these activities from the period of 2021–2027.

This revenue forecast includes the following assumptions:

1. **Income generated by ROI & Equity:** A model of return has been included for those revenues expected from the financial participation in innovation projects, equity in start-ups, and services delivered in the field of investments (e.g. referrals and strategic investment advisory). This considers the risks involved in these activities and the time taken to achieve a return from early-stage innovation. There is the potential for these returns to be higher and EIT Climate-KIC will manage them accordingly to maximise the opportunity.

2. **Education:** EIT Climate-KIC is targeting fundraising for the strategic programmes, including Journey, Young Innovators, Climate Innovation Leadership and Pioneers into Practice. We are targeting grants and corporate partnerships in the region of 200k – 500k per annum, seeking to increase and retain partners between 2021 and 2027. The model already includes returns from the successful programmes within the space sector. This will be complemented by participation fees where appropriate.

3. **Services and Consulting:** This is in two parts. 1) The systems innovation/boosted KTI model which is currently being tested with potential clients in the public and private sector through Deep Demonstrations. The strategic partnership approach includes an early-stage engagement to identify intent with a challenge owner, support to design a model of intervention and the management of an innovation portfolio that achieves internal and external systemic outcomes. The initial phases range from 20–300k with respect orchestration revenue for the KIC LE and the portfolio will be multi annual in nature. The assumption targets 2-3 funded partnerships (based on current pipeline) in 2021 and growing by one every three years. 2) It also includes contracts for accelerator services such as our current work with Munich Re. We expect to grow this by 1 additional partner every two to three years.

4. **Membership Fees:** The membership fee will be transitioned from its current form based on a grant administration model to a model focussed on offering value from the ecosystem services. It is expected that there will be a reduced return during this transition which will then grow as the service matures.

5. **Alternative funding streams:** EIT Climate-KIC has secured funding from H2020, national government funds and foundations. We are positioning for major funding within the sector, where there are synergies with the current programme such as with the European Commission on the Green Deal Call, with EIC or directly with National Governments such as Slovenia, regional governments and indirectly through projects under LIFE and other aligned programmes. EIT Climate-KIC is resourcing its teams to attract grants ranging from 100k – 5m+ per annum. The assumption in this model is that EIT Climate-KIC will received between 10-20 grants of this nature per year with sizes increasing over the period of the strategy. The key to this assumption is that EIT Climate-KIC transitions from a smaller role in these grants to a larger role because of its strategy in the previous period to target larger funding
This is consistent with the KIC role as a public asset in support the large-scale transformation of places within Europe to achieve the goals of the European Green Deal and the 2030 Union climate change targets.

Table 5 Forecast Revenue (EURO)

<table>
<thead>
<tr>
<th>FS forecast revenues (MEUR)</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. INCOME GENERATED BY ROI &amp; EQUITY</td>
<td>€ 200,000</td>
<td>€ 600,000</td>
<td>€ 800,000</td>
<td>€ 1,500,000</td>
<td>€ 1,800,000</td>
<td>€ 2,500,000</td>
<td>€ 3,500,000</td>
<td>€ 10,900,000</td>
</tr>
<tr>
<td>2. EDUCATION</td>
<td>€ 730,000</td>
<td>€ 800,000</td>
<td>€ 900,000</td>
<td>€ 1,000,000</td>
<td>€ 1,100,000</td>
<td>€ 1,400,000</td>
<td>€ 1,500,000</td>
<td>€ 7,430,000</td>
</tr>
<tr>
<td>3. SERVICES &amp; CONSULTING</td>
<td>€ 700,000</td>
<td>€ 1,300,000</td>
<td>€ 1,700,000</td>
<td>€ 2,200,000</td>
<td>€ 2,200,000</td>
<td>€ 2,600,000</td>
<td>€ 3,100,000</td>
<td>€ 13,800,000</td>
</tr>
<tr>
<td>4. MEMBERSHIP FEES</td>
<td>€ 1,600,000</td>
<td>€ 1,600,000</td>
<td>€ 1,900,000</td>
<td>€ 2,500,000</td>
<td>€ 3,000,000</td>
<td>€ 3,500,000</td>
<td>€ 3,500,000</td>
<td>€ 17,600,000</td>
</tr>
<tr>
<td>5. ALTERNATIVE FUNDING SOURCES FOR KIC LE</td>
<td>€ 2,970,000</td>
<td>€ 4,281,000</td>
<td>€ 6,385,300</td>
<td>€ 8,600,890</td>
<td>€ 10,481,157</td>
<td>€ 13,225,504</td>
<td>€ 15,093,155</td>
<td>€ 61,037,006</td>
</tr>
<tr>
<td>6. SUM of FS REVENUES</td>
<td>€ 6,200,000</td>
<td>€ 8,581,000</td>
<td>€ 11,685,300</td>
<td>€ 15,800,890</td>
<td>€ 18,581,157</td>
<td>€ 23,225,504</td>
<td>€ 26,693,155</td>
<td>€ 110,767,006</td>
</tr>
<tr>
<td>7. EIT grant PROJECTION</td>
<td>€ 35,000,000</td>
<td>€ 35,000,000</td>
<td>€ 30,000,000</td>
<td>€ 25,000,000</td>
<td>€ 20,000,000</td>
<td>€ 20,000,000</td>
<td>€ 20,000,000</td>
<td>€ 185,000,000</td>
</tr>
<tr>
<td>8. FS COEFFICIENT (%) ([6] / [7])</td>
<td>18%</td>
<td>25%</td>
<td>39%</td>
<td>63%</td>
<td>93%</td>
<td>116%</td>
<td>133%</td>
<td>60%</td>
</tr>
</tbody>
</table>

26
5.5 **Cross-cutting aspects**

**Openness and Transparency**

EIT Climate-KIC is committed to openness, transparency, and fairness - for our own employees, our EIT community, and the public. We are committed to creating a foundation of trust and shared responsibility across our community, to have the greatest impact in tackling the climate emergency together. In addition to ensuring openness at the highest levels of governance via our independent Supervisory Board separated from operational management (see further details in Section 5.2), we also ensure this openness flows through to those who may participate as KIC partners. We encourage fair and transparent community participation through standardised onboarding procedure for new partners, and our partnership is open to all who can contribute to climate innovation. Information about partner entry and exit criteria is published on our website and through our Partner Information Platform. The platform also provides transparent rules, operational processes, and ways to gather support and help. A Community Desk offers active support to all our community members to maximise their engagement and confidence, and to respond to questions or concerns.

Calls for proposals are open to existing partners and to non-partners and are reviewed based on their fit within our portfolio. As noted in section 5.1, our partnership has diversified in a multitude of ways. We have engaged with more RIS countries in the last three years and intend to increase partner participation from RIS to 20% of the total community by 2024. We have introduced more ‘unusual actors’ into the partner mix, including those in the arts, culture and social innovation. We intend to continue diversifying the Partnership in the coming years, to bring a wider range of views, knowledge and capabilities to our community. In 2020 we also held the first all-partner virtual retreat, opening a range of possibilities for future events.

Our website and our social media channels are at the heart of our communications strategy, and we ensure that all relevant information and documents are published and made available to the public including our Annual Report, Strategic Agenda, and Business Plan. We are also constantly publishing stories about our results and the successes of our community, to spread awareness of the climate challenge and use communications as a bridge to new opportunities. We make every effort to ensure consistency with the EIT and EU co-branding guidance in our communications and encourage our partners to do the same. This increases the visibility of the EU and EIT in climate action innovation around the globe.

EIT Climate-KIC’s AI and knowledge sharing tool Exaptive, has created a transparent register of all projects, initiatives, partners, start-ups, and Alumni community, as well as funding, and is constantly being enhanced and updated. Exaptive is accessible to all partners in our Community. The Exaptive ‘Cognitive City’ tool allows users to self-match-make and to create novel teams. It helps democratise and equalise project opportunities and can unlock potential for unexpected people to work together in unexpected ways by using machine learning to suggest collaborations.

EIT Climate-KIC is working diligently to ensure our internal human resources activities are also fair and inclusive. We are conducting work on several initiatives, including Gender and Diversity, transparent salary scales based on capability rather than experience, and diversifying the geographies we are active in. We will continue to look for ways to improve our openness and transparency, through our communications strategy, business processes, and recruiting processes.

The revision and amendment of this EIT Climate-KIC Strategic Agenda during the period will be managed in an inclusive and transparent process, with amendments published to the public.

**Synergies and Collaborations**

We cannot achieve the transformative impact we seek by acting alone. Identifying synergies and building deep partnerships with other complementary Union, national and regional instruments and programmes, organisations, institutions, networks, and funders and indeed other KICs with like-minded intent during this period, will be critical (see Table 7). We will strive to create joint momentum, allowing us to support each other more readily, and to achieve our common goals more efficiently. Bringing together synergies with funders who share the outcomes that we are seeking to achieve in our strategy, working with them on funding programmes and supporting the financial sustainability of the KIC, as described in the Financial Sustainability section of this document, is an additional key element for our collaborations.

Our ability to add value to the strategic priorities of Horizon Europe, the European Green Deal, 2030 Climate Target Plan and Next Generation EU Recovery Plan (including the InvestEU Programme) will be a key focus during this period.
The value of our strategy and approach to systemic innovation in the climate sphere has already been warmly received at the EU level. For example, the European Commission’s Research and Innovation DG (DG RTD) has integrated many of the learnings from our approach to Deep Demonstrations while crafting the future Horizon Europe Missions. A concrete demonstration of this interest can be seen for example in the explicit acknowledgement of EIT Climate-KIC’s systems transformation approach in the Mission Board language around the Mission on Climate Resilience. Similarly, we will continue to develop synergies with DG CLIMA, building on the joint activities carried out by EIT Climate-KIC, for example on bringing a multi-level innovation approach to the forthcoming Adaptation strategy of the EU. We will also continue to work closely with DG CLIMA to build further on our existing collaboration around the EU Emissions Trading System (ETS) Innovation Fund. In the period covered by this Strategic Agenda, we will continue to work hard to ensure that this sense of interest and complementarity can be converted into explicit synergies, with the roll-out of Horizon Europe, and in particular the implementation of the Missions (with adaptation, cities, soils, and oceans being of particular interest) and clusters in Pillar 2.

Further, EIT Climate-KIC seeks to extend its existing partnerships with the Copernicus Programme and the European Centre for Medium-Range Weather Forecasts. This collaboration involves maximising the uptake and utility of Copernicus data to support climate action and decision-making in national, regional, and local initiatives. Bringing Copernicus climate services closer to the transformational intent of cities across Europe, and helping build the climate services market across Europe, including through start-ups and SMEs will be a key feature of the next stage of partnership.

In addition, we will endeavour to continue to strengthen synergies with the European Innovation Council (EIC) and build on the collaboration framework between EIT Climate-KIC and the EIC as part of the EIC Pilot (due to be launched during 2021), integrating and streamlining services for start-ups while narrowing the innovation gap between the east and west of Europe. We will aim to ensure that our approach to climate transformation will increase the impact of EIC’s innovation portfolio and vice versa, to create a pipeline of impactful innovations addressing the Green Deal goals towards EIC’s funding and support mechanisms. We will also undertake a review of all relevant European Partnership Initiatives at the beginning of the new programming period to test for synergies and areas of complementarity, including those four climate partnerships foreseen to cover green hydrogen fuels, a circular bio-based economy, clean aviation, and rail networks.

Southern and Central Eastern European regions are going to be priority areas of work for EIT Climate-KIC and the strategy is oriented to ensuring impact in most difficult regions to achieve the Green Deal ambition. DG REGIO and DG RTD have called for the need of stronger harmonization between Horizon Europe and Cohesion Policy, and the Regional Innovation Scheme – designed to be a place-based transformation ‘instrument towards climate neutrality, - is going to have a pivotal role in the European landscape in such direction. We will continue to seek synergies with European Structural and Investment Funds (ESIF) and operate the recently launched “Sustainable transitions in Cohesion Policy toolkit”, starting from RIS eligible territories, being the ones most affected by transitions and requiring strengthen capabilities and innovation opportunities to comply with European requirements. Therefore, in the long-term, EIT Climate-KIC is aiming to support local authorities, regions, and countries to better allocate resources from ESIF (and other regional resources) and embed them through innovation, aligned with Smart Specialisation Strategies and incorporated with EIT Climate-KIC’s Deep Demonstrations. This will capitalise on the current work in progress on policy mix analysis for Member States to support in technical assistance and capacity building, accelerating the presence and impact of regions in the climate innovation space at European level. Ultimately, stronger relations are going to be developed with DG NEAR and actors active in the Western Balkans, considering the relevance of the region to achieve European Green Deal ambition and the Green Agenda just launched. EIT Climate-KIC is going to lead a permanent cross-KIC platform for sustainable innovation in the region and capitalize on the cross-KIC investment just launched through stronger synergies in using Instrument for Pre-Accession Assistance funds.

Internationally, we are working to support climate action by sharing our experiences and looking to learn from others, regarding what works and what does not work in delivering rapid climate mitigation and resilience through systemic innovation. Our intent is to provide much needed evidence to key policy makers, regarding “how” to rapidly achieve climate goals utilising innovation and a boosted version of KTI. To do this effectively we are collaborating with organisations that can amplify our voice and echo our messages. These organisations include the UNFCCC, UNEP, UNESCO, UNIDO, UNDP, the World Bank, the IADB, as well as coalitions of networks that include the Energy Transitions Commission, City Climate Finance Leadership Alliance, the Marrakech Partnership, the Race to Zero and the Race to Resilience campaign.

We are engaging actively with key international development donors within the EU, including from Member States and DG DEVCO to build further capacity around systemic innovation and to ensure that development aid is supporting
innovative experiments with a climate focus across the world. This cooperation gives us the opportunity to work closely with organizations in cross-cutting areas and support greening global value chains that will lead to increased resilience for EU stakeholders in the face of climate change. We are continuing to position the European Union and the KIC community as a global leader in innovative climate action with in-depth climate expertise, which will be a key element in forward-looking international bilateral and multilateral conversations between the European Union and its key global political and economic partners. We are continuing to explore how we can shape structural investments in Africa to support low-carbon, resilient infrastructure investments and continued cooperation in this area between Europe, China, and others.

In addition, we are looking to enhance awareness of our brand through engagements in key events, which allow us to identify future partners and alliances to synergise and identify future funding opportunities. These events include annual events such as the Biodiversity CoPs, The World Bank Spring Meetings, Climate Action Weeks, Global Adaptation Summit meeting, City Summit, Circular Economy Summit and the Conference of the Parties and preparatory meetings of the Subsidiary Body for Implementation and Subsidiary Body for Scientific and Technological Advice (SB/SBSTA).

The private sector is also a critical partner to EIT Climate–KIC as a funder, challenge owner, participant, and advocate of Deep Demonstration and advanced KTI-as-a-service. As businesses facing complex and volatile operating environments as result of climate change, innovative climate adaptation and resilience is key to managing business risks and ensuring long-term, inclusive, and sustainable economies. We will continue to offer businesses a practical framework for managing the uncertainties climate change brings to individual organisations whilst fulfilling their role as global citizens and key players in the transformation now need.

Cross-KIC cooperation and Simplification/Shared Services

The breadth and nature of the climate challenge that faces Europe and the world touches almost every aspect of the way we live our lives. For EIT Climate–KIC, therefore, engagement and cooperation with its sister KICs in the EIT Community is of great importance – augmenting our systemic innovation approach and enhancing impact to meet the demands of Member States. EIT Climate–KIC will continue to seek opportunities for cross-KIC cooperation in line with the guidance of the EIT legislative package on annual budget % allocations. Beyond participation in many of the initiatives-led by other KICs, EIT Climate–KIC will specifically take a leadership role on the areas it can add most value and have strongest alignment with its mission. As of 2021, these are across the following areas:

- **Maximising synergies through consolidating CLCs and extending the use of shared services.** The added value here involves simplifying day-to-day operations, finding cost efficiencies, sharing experience and best practices, and hosting joint activities and events to reach maximum visibility and connectivity for the EIT community.

- **Supporting the EIT community's global outreach beyond Europe.** EIT Climate–KIC aims to provide a co-ordinated approach for the EIT Community on global outreach; to create a platform to join efforts, resources, share good practices and lessons learnt; to strengthen the EIT Community brand globally; to provide a stronger voice towards EU/ international stakeholders; and to act as a bridge between the innovation ecosystem of the EIT Community with innovation ecosystems beyond Europe.

- **Extending the impact of the EIT community in the Western Balkans.** The EIT community is seeking to strengthen the innovation agenda of the Western Balkans through partnerships and a focus on key shared challenges, including climate action and circular economy. EIT Climate–KIC intends to lead efforts for the EIT community, building on its existing Hubs and projects in the regions.

- **Helping support the Union's policy priorities, including the New European Bauhaus.** EIT Climate–KIC can draw support from the KICs to help achieve the Commission President's vision for the New European Bauhaus as a creative and interdisciplinary initiative and convening space to design future ways of living that brings the Green Deal to our cities and communities.

Communication

Communications is a window into what’s possible, where ideas are explored, possibilities are tested, experiences are shared. Real, human stories are told and perceptions and assumptions are challenged to make way for different decisions to be made. EIT Climate–KIC will start more extensively to experiment with new forms of climate communication to meet the growing demand for effective communication tools that trigger climate action. This will include campaign work around climate and future literacy and communication projects that work with transformational narratives.
First and foremost, our communication will be driven by our strategic objectives as described in chapter 3.3 of this document. Due to our dependency on additional funding sources, we will focus our efforts on supporting the financial sustainability of EIT Climate-KIC. In the period of 2021 - 2027, this will be achieved by adding attractive communication services to our bids that include classical communication management and the provision of our thriving social media channels that we are planning to grow throughout the coming years. The regular publishing of case studies will underline the track-record of our systems innovation, advanced KTI approach and highlight cross-sector innovation that tackles transformation across whole systems. These case studies will focus on activities that clearly showcase how our systemic approach is coming to life and how it is contributing to solving the societal challenge we were set up to contribute to. By 2027, we are planning to accumulate 70 of these case studies while carefully considering a geographical balance to capture Innovation across Europe.

We will utilise the EIT Success Stories KPI to search the organisation regularly for stories which best showcase the role of KTI in making innovation happen. Examples of the types of stories we generate for proactive public relations include commissioning of new projects, breakthroughs in climate innovation, project achievements creating positive impact, and opinion and thought leadership pieces from our community regarding global news.

EIT Climate-KIC views collaboration with EIT and 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 good practices. We see this approach to collaboration around societal challenges as a critical element in our community’s future and long-term funding prospects. EIT Climate-KIC plays a central role within the EIT family in the development and enhancement of the EIT Community brand. It leverages the EIT Community brand to build our collective reputation across Europe. Building on the current success of the EIT Awards, EIT Climate-KIC will continue to strengthen the brand by entering only our most successful and 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 will help the EIT Community to elevate the Awards’ significance and reputation, as well as portray the success of the EIT KIC concept.

We will strengthen the collaboration with EIT in the period of 2021 – 2027 by actively contributing to EIT-organised press activities and strategic exchanges with communication departments across the EIT community. We will also strengthen our editorial process with regards to the priorities of the European Green Deal. Meanwhile, we will include the needs of future funders in our work, adapt our communications activities to serve a multi-funder environment and carefully balance the various communication needs of these stakeholders.

In terms of knowledge management, we will continue to work with our innovation, education, entrepreneurship, and citizen outreach teams to capture case studies and success stories from our work and that of our partners and start-up community. We will continue to reference EIT clearly as one of our funders on all our communications to underline the EU’s contribution to our body of work.

The moment to act on climate is now. The next seven years will not only be crucial for EIT Climate-KIC, but also for the societal challenge we were established to tackle. Our communication efforts are therefore one of our key contributions to Europe’s ambition to redesign a sustainable, inclusive economy, revitalising industry, preserving vital biodiversity systems and tackling climate change.

We are also aware that the communication approaches we are considering in 2021 will most likely change during the timeframe of this strategic agenda. With the rise of artificial intelligence (AI) in communication and the dynamic environment of social networks, we are about to begin a new era of interaction with our audiences which will create exciting opportunities. This will have an enormous impact on both the work we do and the way we disseminate results to each other, organisations, stakeholders, and citizens. In the period of 2021 - 2027, we are planning to audit our overall communication activities on a biennial basis and built-in recommendations from external communication experts to ensure that our strategies are considering the newest technologies and approaches.

**Dissemination of Results**

Dissemination means sharing research and project results with potential users - peers in the research field, industry, other commercial players and policymakers. Where relevant, we also consider sharing the results of our work with the wider public – as we are financed by EU citizens, we feel strongly that our work should benefit society. Therefore, EIT Climate-KIC’s dissemination efforts are focused on communicating results of our work and the impact of our funding, to specialists and to society at large.

When it comes to sharing results with experts, we do not believe in a “one-size-fits-all” approach due to the anticipated high diversity of projects in our future portfolio. Most of our dissemination efforts will be managed directly by our
partners as part of their project deliverables. Results will be shared from expert to expert and activities will include presenting at conferences, hosting webinars and publishing papers and thought leadership. Additionally, we will host sensemaking sessions for our community on a regular basis as part of our systems-innovation-as-a-service offer which is fundamentally based on scaling through learning. In 2021-2027 we are planning to complement these project-led dissemination activities by increasingly placing results of our work to Non-KIC outlets, like the Community Research and Development Information Service (CORDIS) platform as well as our own Knowledge Management Tool “Exaptive”. The latter will offer an overview of our whole innovation projects portfolio, their key results, as well as follow-up contacts, and will be publicly accessible. The tool will also show connections between projects and tag projects to areas of impact.

Our website www.climate-kic.org is at the heart of our general dissemination efforts: we will continue to offer various dissemination formats, from news-style articles to interviews focusing on our projects, to reports and exciting audio-visual content. The content will be promoted extensively on our social media channels, comprised of more than 200,000 followers, to attract the right readers for the right content. Our growing LinkedIn-Group with more than 35,000 followers will attract a specialist workforce that is interested in concrete results of our work and opportunities for collaboration, while non-work-related social networks like Facebook (with more than 100,000 followers) will raise awareness of our work in general and offering opportunities to join activities of our KIC community.

By 2027, we are planning to raise our social media followership by roughly 8% annually, targeting 280,000 followers across our channels in total. At the same time, we consider that the Social Media landscape is changing rapidly, which means we will revisit our strategy regularly to adapt. Key audiences we target include science, business and environment journalists, potential private sector partners, entrepreneurs in the field of climate action, and public sector bodies willing to test and implement innovations.
Stakeholder Engagement

Table 7 builds on the *synergies and collaboration* section to identify the objectives and impacts of working with key stakeholders to achieve EIT Climate-KIC strategic objectives for the period until 2027.

**Table 7: Summary of Stakeholder Engagement for EIT Climate-KIC until 2027**

<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>Overarching objectives/impacts</th>
<th>Indicative format/tools</th>
</tr>
</thead>
</table>
| **European Commission**, in particular DG RTD, DG EAC, DG CLIMA, DG ENER, DG CNCT, DG ENV, DG REGIO, DG GROW, DG EASME, Commissioners Cabinets, in addition to EIB, EIC, EIF. | • To contribute to EU policies and programmes.  
• To strengthen EIT Climate-KIC’s position as a delivery vehicle for the EU Adaptation Strategy.  
• To influence the delivery of the European Green Deal and roll-out of Horizon Europe. | • Regular meetings with EU policy makers at all levels of the hierarchy.  
• Briefings for the Commission (including sharing results harvested from our portfolio of activities).  
• Participation in ‘flagship’ European Commission events such as Sustainable Energy Week, R&I Days, European Week of Regions and Cities. |
| **European Parliament**, including eg. ITRE and ENVI committees | • To contribute to EU policies and programmes.  
• To influence the delivery of the European Green Deal and roll-out of Horizon Europe. | • Supporting workshops to explore synergies between Horizon Europe and regional policies, based on EIT Climate-KIC’s delivery experience. |
| **Member State Permanent Representations** to the EU, in particular Climate and Research and Innovation Attachés. | • To contribute to EU policies and programmes.  
• To access COVID-19 recovery funding.  
• To collectively support climate innovation. | • Regular meetings with target countries.  
• Extensive mapping of Recovery and Resilience programmes. |
| **Climate related NGOs**, Think Tanks, Corporate and philanthropic EU networks, including CAN Europe, Covenant of Mayors, Eurocities, ERRIN, WWF, E3G, European Climate Foundation | • To collectively support climate innovation and bring new knowledge and insights to secure political and financial leadership at all levels. | • Regular meetings, and co-hosting of webinars, events, and reports.  
• Collaboration to identify city, regional and country leaders ready to set ambitious, transformative action to meet climate targets. |
| **International networks** and organisations, where synergies were identified with the EIT Climate-KIC/RIS activities, including FEDERENE, Energy Cities, Coal Region in Transition, WWF, UNDP, E3G, UNIDO, UNFCCC. | • To collectively support climate innovation, building innovation bridges between European hubs and those in other parts of the world.  
• To propagate the systems innovation model and secure collaborations to expand the reach of Climathon and Climate Launchpad. | • MOUs and collaboration agreements to aid shared purpose.  
• Joint hosting of events, including for example at Conference of Parties.  
• Regular meetings and potential for learning events. |
| **Member States, cities, regional leaders** committed to transformative climate action and engaging in innovation/building knowledge triangle integration | • To collectively support climate innovation.  
• Raise awareness (e.g. through the increased participation to the EIT programmes in the area).  
• To increase the participation from Southern and Eastern Europe and increase the ecosystem’s visibility and development. | •Stakeholder mapping and engagement activities are orchestrated by the EIT Climate-KIC RIS Hubs, which are integrated into the local initiatives and networks.  
•Collaboration commitments to secure long-term partnerships.  
•Developing relationships to influence policy, leverage impact, and manage resources effectively. |
As Table 7 demonstrates, EIT Climate-KIC collaborates with a multitude of diverse stakeholders across the globe and across industries. We are constantly seeking new ways to demonstrate our systems innovation, entrepreneurship, and education initiatives to stakeholders, both throughout Europe and internationally. Our goal is to create a knowledge sharing community, to promote opportunities for collaboration and strengthen our impact on climate innovation.

A strong engagement with our stakeholders is crucial to ensure alignment, grow synergies and create impact, in order to achieve the societal challenge we were set up to address. Following the COVID–19 crisis we will have a new emphasis on digital events, to offer space for discussion and for initiating collaboration. We have been exploring different ways to create new and unexpected connections within and across our community, as well as new ways we can engage with and empower partners, including the use of our platform Exaptive, and bolstering our virtual conference capabilities with tools such as Miro. Internally, EIT Climate-KIC uses Salesforce to track our interactions with key stakeholders. This creates a wealth of information available to all employees, as well as optimises our relationships with external stakeholders. We regularly showcase engagement activities through all-staff webinars and announcements on our intranet sites. We are continuing to improve our internal communications and knowledge sharing strategy to ensure employees are equipped with the necessary knowledge to engage in key conversations. EIT Climate-KIC is also rolling out a more robust partner communications strategy, including a portal where we will post regular updates about our strategy, interactive Miro boards, video interviews with our leadership team, pre-recorded webinars, and surveys. The portal also contains a Q&A section, where partners can receive ‘live’ answers from the EIT Climate-KIC team. We will continue to refine our partner communications strategy and the content released on the portal based on feedback received from partners.

Global Outreach

We are increasingly using our EU relationships as a bridge to international opportunities, searching for complementarity between our work and initiatives in locations outside of Europe. We engage with Member State Embassies and Consulates General, EIT partners, and local stakeholders in EU-outreach locations, to build a deep understanding of the local innovation ecosystems. We have recently seen a rise in virtual meetings and events due to COVID–19 and see this as an opportunity for increased international collaboration. We have already been invited to share our learnings from the EU Green Deal in both the Republic of Korea, and the State of California, and will continue to capitalise on the opportunity to share our learnings and experiences virtually and make connections across the globe. International cooperation and engagement will be vital both for COVID recovery initiatives and progress towards the UN Sustainable Development Goals over the coming years.

However, it is important that EIT Climate-KIC is and remains a European organisation, avoiding global overstretch. Our approach is therefore to identify key innovation ecosystems with which to connect. We are targeting two types of ecosystem: a) those where there is already a very high level of ambition and innovation (with a focus on California and Australia), enabling rapid delivery of climate impact and b) those where there is huge potential for scaling but with challenges in developing and connecting with the innovation ecosystem that will likely make delivery less rapid (with a focus on China and India). Additional interaction and shared experience will come from the cross-KIC EIT Global Outreach programme, led by Climate–KIC, that has established EIT innovation hubs in California (Silicon Valley), China (initially Beijing) and Israel (Tel Aviv). Regardless of the type of ecosystem, our key objective is that international activities must deliver impact for the EIT Climate-KIC strategy, with funding from external sources. These activities must also be highly focussed and recent discussions in California, China, India and Australia indicate that Deep Demonstrations offer an excellent and highly constructive route for the development of collaborative international programmes building on complementarity between our European and the partner international ecosystems. Silicon Valley is particularly interested in ‘Healthy, Clean Cities’ and ‘Zero-Net Emissions, Resilient Maritime Hubs’, while in China the greatest traction currently comes from ‘Healthy, Clean Cities’ and ‘Circular, Regenerative Economy’. We will continue building on these opportunities, exploring synergies between the EU and other international actors, and sharing our learnings from our experiences in Europe.

6 RISKS

As part of our mission to catalyse systemic change, we continue enhancing our dynamic pan-European knowledge and innovation community consisting of leading actors from small and large business, academia, scientific institutions, city authorities and other public bodies. The KIC LE is the orchestrator of this community as the KIC LE. Following a multi-year deep dive with key stakeholders across the community, the KIC LE has adopted a Risk Management Framework that sets out EIT Climate-KIC’s approach to risk management from a strategic and portfolio perspective, supported by an execution point of view covering strategy, organisation and governance, risk appetite and the management process.
The purpose of this work was to ensure that relevant risks are properly identified, adequately assessed by the executive management, appropriately prioritised, managed and monitored on an on-going basis by EIT Climate-KIC, and, where relevant, regularly reported. Such improved risk management and intelligence is key to deliver on the ambitious strategy over the long term and working within this framework between 2021-2027 should enable and encourage an environment and culture of smart, considered and balanced risk intelligence, risk taking and risk controlling.

The risks currently associated with this Strategic Agenda have been identified in table 8 below. They will be managed as per the Risk Management Framework to ensure successful implementation. This Risk Management Framework establishes a multidirectional, interactive approach in which almost any component can influence another. The principles and requirements of the framework apply to all organisational functions, groups and teams within EIT Climate-KIC. The framework seeks to strengthen the risk awareness and promote EIT Climate-KIC risk culture enabling EIT Climate-KIC to effectively capitalise on opportunity and deal with uncertainty, by enhancing the organisation’s capacity to build value which contributes to the fulfilment of its strategy. In addition, risk management facilitates the alignment of organisational strategy and risk appetite. The risk management strategy indicates the level of risk consistent with the requirements of various stakeholders, such as employees, the regulators and other stakeholders. It sets out the boundaries for seeking an optimal risk profile by taking into account of the risk/return characteristics of the risks that EIT Climate-KIC faces.
<table>
<thead>
<tr>
<th>Key risk (title and description, including cause and potential consequence)</th>
<th>Risk type</th>
<th>Objective/thematic area affected by the risk</th>
<th>Impact</th>
<th>Likelihood</th>
<th>Key control(s)/mitigating factor(s)</th>
<th>Action plan Summary</th>
</tr>
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</table>
| **Transition to Horizon Europe**  
Lack of operational and implementation direction on the funding programme may inhibit EIT Climate-KIC’s ability to plan and act quick enough | Operational processes | Shift to cascading grant model, introduction to new Partnership Agreement and Grant Agreement requires updated policies, processes, and systems and requisite change management regime | Medium | Low | Planning: Develop and implement workplan in Q1 2021 aligned with EIT consultation process and schedule.  
Change Management: identify diverse range of internal and external stakeholders affected and requirements to facilitate the change process.  
Resources: commit sufficient internal resources and leadership to ensure transition is prioritised and consistently well managed. | Early and consistent engagement with EIT during the consultation phases and internal and external stakeholders in 2020.  
Commit senior staff and appropriate functions (Operations, Legal, Community Activation, Communications) and embed in operational planning processes.  
Ensure investments and policy/process development is aligned and in-step with transition requirements and schedule. | COO | 2021 |
| **Social-Economic Instability**  
Political, economic and social instability | Macro Environment | Economic downturn  
Lack of stable conditions, innovation viewed as a luxury noting value proposition is focused on public sector  
Further restructuring, bankruptcy  
Balance sheet risk | Low | High | Narratives in place – work on resilience and adaptation, connecting Covid 19 CEO webinars and speaking events | Connect to Member State and COVID Recovery  
Consider relevance to economic risks  
Amplification opportunities – take systemic look at what is happening in world for impact and fundraising (Community Activation and FF Teams) | CEO | Ongoing |
<table>
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<tbody>
<tr>
<td>Fundraising efforts not aligned to financial need or organisational capacity</td>
<td>Financial Processes and Budget Allocation</td>
<td>Financial sustainability</td>
<td>High</td>
<td>Medium</td>
<td>Pipeline tracking in Salesforce under constant review and monitoring. Deal desk process including bid approval decision making matrix, early upstream. Significant discussions and identification of diverse pipeline opportunities. Organisational change to provide new roles and funding team leadership</td>
<td>Improved pipeline management process. Bid team formation to be included in Project Fitting. Implement of win/ loss reviews. Bid approval decision making matrix at relevant boards introduced early upstream. Blueprint positions and funding team leadership.</td>
</tr>
<tr>
<td>Insufficient Impact/Take-Up of Deep Demonstrations Approach</td>
<td>External partners</td>
<td>Deep Demonstrations</td>
<td>High</td>
<td>Medium</td>
<td>Ensuring sufficient resource and focus is placed on building and managing these relationships. Understanding of the financial mechanisms needed to support investment.</td>
<td>Increasing Future Funding and policy team focus on these relationships, focussing Deep Demonstration outreach on building Member State relationships. Improved Deep Demonstration Storytelling and communications in local national context around work we are doing. Collaboration with financial institutions to better understand procurement rules and increase potential of investment opportunities.</td>
</tr>
</tbody>
</table>

Owner: CSO, CEO
Deadline: Ongoing
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| **Inadequate Capabilities**  
To deliver Strategic Agenda 2021-27  
To deliver Transformation in Time and new ways of working | Human Resources | Overall delivery | Medium | Medium | Ensuring that organisation change includes focus on attraction and retention of key staff  
Blueprint Restructure Work Focus on Set up  
Workstreams/talent retention/HR, selection, calibration process | Staff wellbeing workstream underway to identify key support and mechanisms to be put in place for staff, review of values and employee experience underway  
Extended HR, restructure support which we have brought in are able to support between the 3-6 months  
Documented procedures and process (minimise key person risk)  
Created cross-functional group to examine ways of working | CFO | Ongoing |
| **Adverse Reputational Event**  
Restructure related reputational risk and employer branding | Quality and timeliness of communication | Funder and partner engagement | High | Low | Staff processes and procedures, communications planning | Reputational workstream underway  
Policies, protocols on onboarding, training | COO | January 2021 |
| **Compliance with Laws & Regulations**  
EIT Climate-KIC operates in many jurisdictions. This creates a risk of non-compliance with the repercussions ranging from minor (small fines) to severe (goal sentence), lawsuits, personal injury. | Legality & regularity | Compliance | Low | Low | Law Firm Panel and the Compliance Dashboard in place | Regular of review of Law Firm Panel and the Compliance Dashboard | General Counsel | Ongoing |
## ANNEX 1 KIC IMPACT

<table>
<thead>
<tr>
<th>KIC Strategic Objective</th>
<th>Problem/ issue related to the societal challenge</th>
<th>Societal and economic impact to be created by 2027</th>
<th>Impact KPIs</th>
<th>Targets to be achieved by 2024*</th>
<th>Targets to be achieved by the FPA end year [2027]*</th>
<th>Targets to be achieved by 2027*</th>
<th>Relevant UN SDG Targets</th>
<th>Source of verification (to be completed only for the societal impacts)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Focus on systems innovation to address systems needing change to tackle emissions and improve resilience.</td>
<td>A steady rise of temperature (global warming), which has a significant impact on the planet’s human and ecosystem health caused by CO2eq emissions. Progress on cutting emissions and building resilience to warming is slowest in the cities, materials, land-use, and finance systems.</td>
<td>Slowing emissions in partnership with EIT Climate-KIC countries. Strengthened resilience to the unavoidable impacts of climate change (helping communities mitigate against the impacts of climate change through better understanding, preparation, and management of climate risks, and developing solutions for transformative adaptation)</td>
<td>Avoided or sequestered greenhouse gas emissions measured as MT CO2 equivalent (cf. baseline year). # People with strengthened climate resilience.</td>
<td>200 million tons (CO2eq) of emissions avoided.</td>
<td>500 million tons (CO2eq) of emissions avoided.</td>
<td>500 million tons (CO2eq) of emissions avoided.</td>
<td>SDG 13.1 SDG 13.2 SDG 11.5</td>
<td>• Ex-ante climate impact estimates for projects and start-ups, using EIT Climate-KIC’s established methods. • Where possible, use of new satellite data from Copernicus to monitor emissions changes in the places where EIT Climate-KIC is working on the ground with cities, regions etc; and • Through ex-post evaluation. • With respect to resilience, measures associated with new/improved climate risk management policies, new protection tools/measures, changes to average annualised losses can all help support target measurement.</td>
</tr>
</tbody>
</table>
### B. Sustainable innovation ecosystems

Europe needs inspiration from places and organizations that are rapidly transforming to net-zero emissions, and doing so in a way that promotes inclusion, prosperity, and equity. Thousands of cities, regions, and local authorities have declared a climate emergency, but do not yet know how they will transform to achieve their ambitious climate change targets. Innovation can help unveil these pathways to change, while also creating new jobs and societal value, something especially relevant as Europe seeks to recover from COVID19 in a way that stimulates the climate transformation we need.

Examples of cities, regions, countries, and large-scale businesses that have succeeded in an ambition to tackle climate change at the speed and scale needed. (Such cases are also aligned to our strategic objective of changing cities, land-use, materials, and finance systems.)

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<td>(iii)</td>
<td>(iv)</td>
<td>(v)</td>
<td>(vi)</td>
<td>(vii)</td>
<td>(viii)</td>
<td>(ix)</td>
</tr>
<tr>
<td><strong># of places/challenge owners with an agreement to work in partnership with EIT Climate-KIC to achieve rapid decarbonisation and resilience.</strong></td>
<td>30</td>
<td>50</td>
<td>50</td>
<td><strong>SDG 8.3</strong></td>
<td><strong>SDG 8.4</strong></td>
<td><strong>SDG 13.2</strong></td>
<td><strong>SDG 13.3</strong></td>
<td>• Counting the collaboration agreements, MOUs or formal contracts signed with EIT Climate-KIC to substantiate the bases for strategic partnerships; • The state of progress of applying the advanced version of knowledge triangle integration (as described by intent, frame, portfolio, intelligence stages); and • Through developmental and ex-post evaluations to explore the extent to which this model leads to change towards net-zero emissions and climate resilience.</td>
</tr>
</tbody>
</table>

### C. Next-generation climate entrepreneurship, leadership, and capability.

Through the EIT SIA, and as amplified by DG EAC and European Green Deal, Europe faces a significant skills gap on the kind of innovation, entrepreneurship and change leadership required to achieve the short- and long-term climate and economic goals of the Union. EIT Climate-KIC reflects the needs expressed in the SIA, with an intent to support lifelong learning, mentoring, skilling and reskilling, online modules and reaching beyond usual actors to create the skills base for a European transformation to a net-zero circular economy future.

EIT Climate-KIC will help Europe expand its conception of “impact” beyond greenhouse emissions reductions to better reflect the systemic nature of climate change and the many environmental and social objectives set out in the Paris Agreement and the European Green Deal.

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<td>(v)</td>
<td>(vi)</td>
<td>(vii)</td>
<td>(viii)</td>
<td>(ix)</td>
</tr>
<tr>
<td><strong># of people with enhanced innovation and entrepreneurial skills</strong></td>
<td>50,000</td>
<td>200,000</td>
<td>200,000</td>
<td><strong>SDG 4.7</strong></td>
<td><strong>SDG 8.3</strong></td>
<td><strong>SDG 8.4</strong></td>
<td>• Annual cumulative monitoring of participation in strategic programmes listed, coupled with data from participant evaluation; • Tracer studies of the career pathways of participants; and • Through developmental and ex-post evaluations to explore the extent to which EIT Climate-KIC’s skills and capability building programmes are helping to promote change leadership.</td>
<td></td>
</tr>
</tbody>
</table>

<p>| # and type of skill gaps/or skill shortages filled by KIC/sector (noting skills gaps on climate action leadership, circular economy, green building design etc). | 5 | 8 | 8 | <strong>SDG 4.7</strong> | <strong>SDG 8.3</strong> | <strong>SDG 8.4</strong> | • Annual cumulative monitoring of participation in strategic programmes listed, coupled with data from participant evaluation; • Tracer studies of the career pathways of participants; and • Through developmental and ex-post evaluations to explore the extent to which EIT Climate-KIC’s skills and capability building programmes are helping to promote change leadership. |</p>
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<tr>
<td>D. Supporting the creation of net new climate-friendly jobs.</td>
<td>New jobs are needed to address the challenges of a transition to net-zero emissions, circular economy innovation, and climate resilience.</td>
<td>Expanding the availability of new climate-friendly jobs.</td>
<td>Combined # new jobs created in start-ups/scale-ups, and # jobs/employment in existing businesses, partners sustained through innovations.</td>
<td>20,000</td>
<td>50,000</td>
<td>50,000</td>
<td>SDG 13.1 SDG 8.2 SDG 8.3 SDG 8.4 SDG 8.6</td>
<td>• Monitored through surveys of start-ups and project partners. • Monitored through cities, regions and countries working in partnership with EIT Climate-KIC. • Possibility of big data tools.</td>
</tr>
<tr>
<td>E. Funding for innovation</td>
<td>Climate change has been famously described as the greatest market failure ever seen. The market participants who are causing climate change have not had to shoulder its costs. Therefore, it is up to the public sector to act, including through policies to change incentives for consumers and producers, and increased investment. The investment needs, even in Europe’s energy system alone to support a 1.5 degree aligned transition, are estimated to be €400bn per year; and this cannot be funded from the public purse alone.</td>
<td>Innovation can help de-risk investments, attract private money and speed up the transformation.</td>
<td>Euros leveraged to support the scale-up/diffusion of innovations to tackle climate change. # and revenue of start-ups and scale-ups supported by KICs trading 3 years after KIC support ceased</td>
<td>€30bn 150 (€250m)</td>
<td>€100bn 250 (€500m)</td>
<td>€100bn 250 (€500m)</td>
<td>SDG13</td>
<td>•Tracking funding pathways for projects and start-ups in our portfolio; •Monitoring co-investment, third-party funding, influenced funding and our influence on financial models through annual reporting routes; and •Through developmental and ex-post evaluation, and AI/big data tools.</td>
</tr>
</tbody>
</table>

*Targets should be accumulative for the period of the KIC up to this year.