



Climate-KIC

# TRANSFORMATION, IN TIME

EIT CLIMATE-KIC STRATEGY  
2019–2022



## Introduction

**EIT Climate-KIC is a knowledge and innovation community established and funded by the European Institute of Innovation and Technology (EIT) in 2010. Our purpose is to tackle climate change through innovation. We are Europe's largest public-private partnership with this purpose – a growing pan-European community of diverse organisations united by a commitment to direct the power of creativity and human ingenuity at the climate change challenge. We bring together large and small companies, scientific institutions and universities, city authorities and other public bodies, start-ups, and students. With over 350 formal organisational partners from across 25 countries, we work on innovation to mitigate climate change and to adapt to its unavoidable impacts.**

**Our mission is to catalyse systemic change through innovation** in areas of human activity that have a critical impact on greenhouse gas emissions – cities, land use, materials and finance – and to create climate-resilient communities. Our Theory of Change<sup>1</sup> is focused on empowering people to change systems – through exploration, experimentation and demonstration – to enable viable alternatives at scale. Why? Our generation faces the challenge of reducing net greenhouse gas emissions to zero within the next 20–30 years by changing almost every aspect of the ways humans currently live, work and play to avert catastrophic global temperature rise<sup>2</sup>. Meeting that challenge requires transformation, by which we mean radical changes happening simultaneously, holistically and faster than we have ever experienced change before.

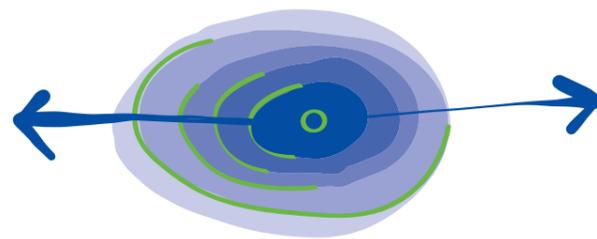
This document presents EIT Climate-KIC's strategy for the years 2019–2022, critical years for our mission. Focusing on systemic change is a pivot in our strategy and business model and, given the serious threat society is facing, our approach needs to show significant results during this period. We must also successfully transition to a diversified financial model as EIT funding decreases.

Our strategy is to amplify our relevance within the evolving context of climate change and the UN

Sustainable Development Goals by achieving greater impact and securing a diversified funding base that matches our ambition.

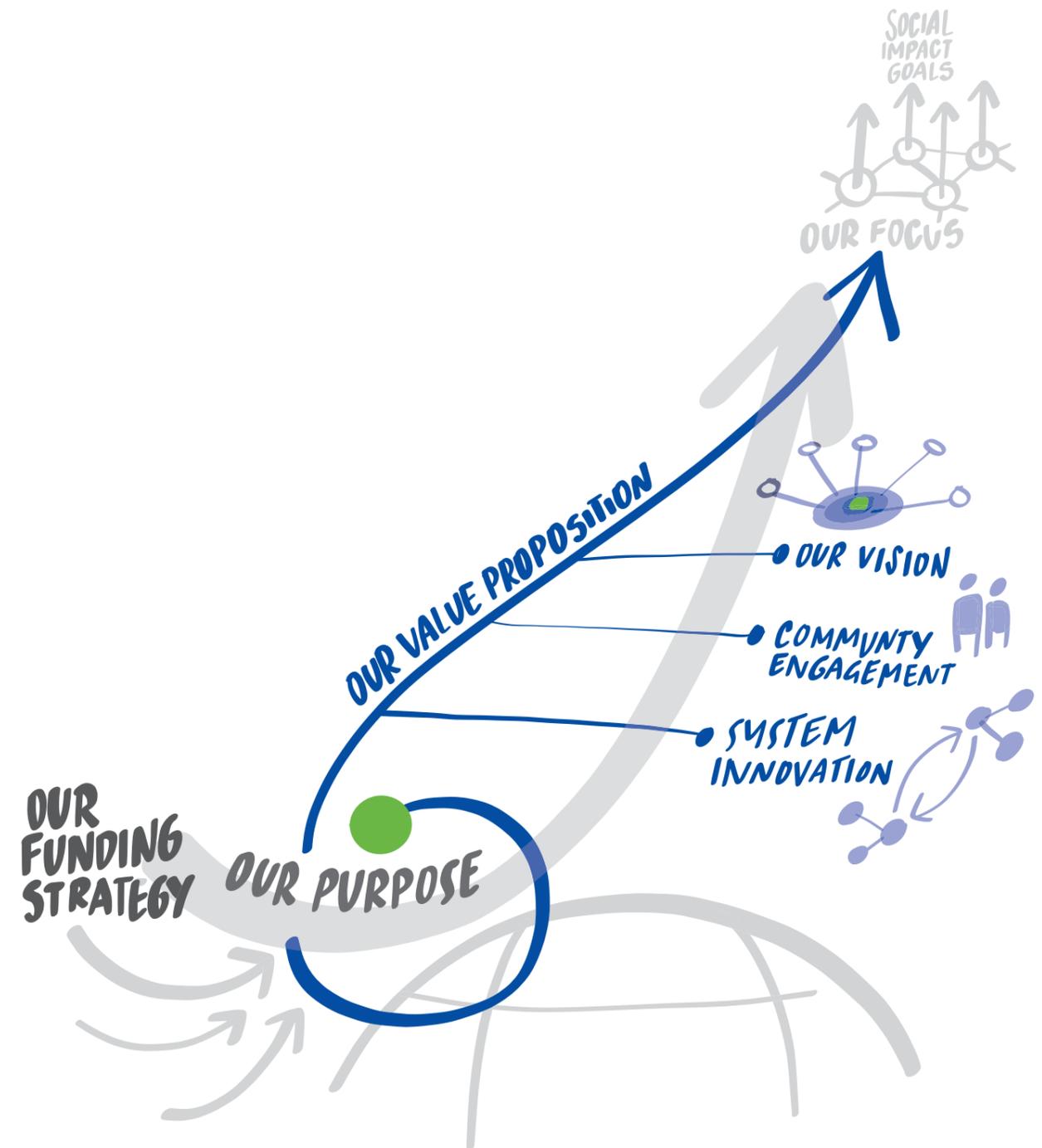
The document starts by explaining why we have chosen to focus on systems innovation and what we see as the potential of EIT Climate-KIC to unlock systemic change.

**Our approach assumes strategy as a process of active learning and continual evolution and sees innovation and learning as two sides of the same coin: when leveraged together, they are the most effective means to catalyse transformation in the face of uncertainty.**

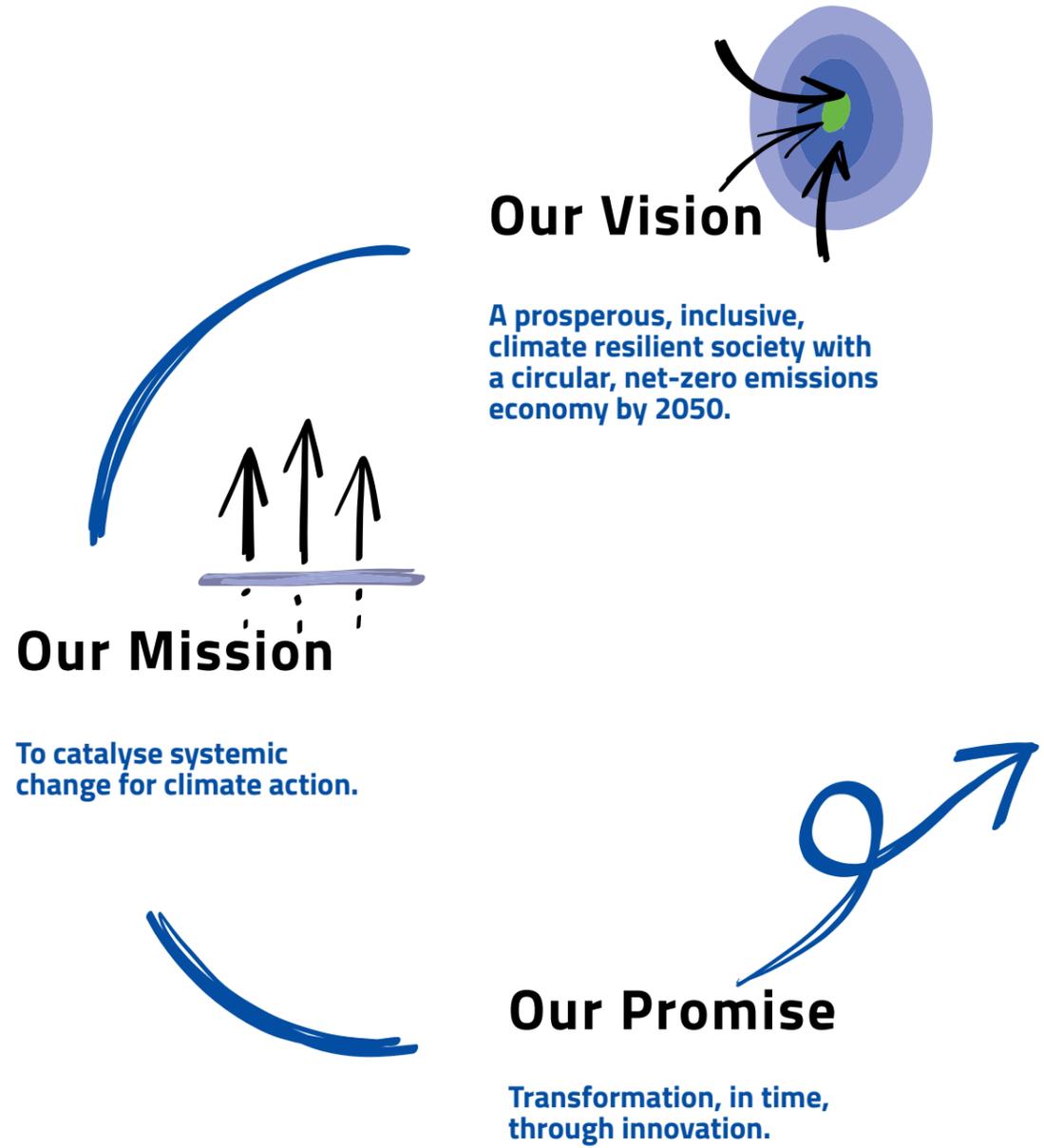


<sup>1</sup> A theory of change explains how we think change could happen because of cause and effect and provides a plan for achieving long-term impact goals through progressive, active learning around outputs and outcomes.

<sup>2</sup> The IPCC special report on 1.5°C (October 2018), in its Summary for Policy Makers, calls for rapid transition in energy, cities, land and industry, and includes a series of statements that validate the approach presented by EIT Climate-KIC in this strategy document.



# EIT Climate-KIC Promise



## Our Mission

To catalyse systemic change for climate action.

## Our Vision

A prosperous, inclusive, climate resilient society with a circular, net-zero emissions economy by 2050.

## Our Promise

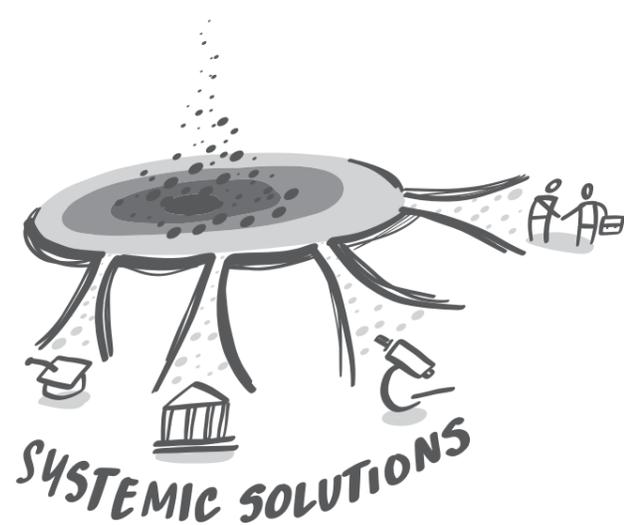
Transformation, in time, through innovation.

# EIT Climate-KIC Strategy 2019-2022

EIT Climate-KIC’s strategy is designed to maximise our impact on the societal challenge we were set up to address. We believe that this is both coherent with our purpose as an innovation community and necessary for organisations that will fund us.

The drivers of our strategy are:

- The need we serve – the problem we are trying to solve**
- Our theory of change – how we believe we can help solve the problem**
- Our unique opportunity to leverage the power of our community (partners, members, alumni, allies, start-ups, students and other stakeholders)**
- The capabilities we must build to deliver our objectives**
- Our funding model – the need for a diversified funding base that helps maximise our impact**



## Our Purpose

We draw our purpose from a context in which climate change is advancing fast and its damaging effects are beginning to take hold.

**Preventing catastrophic climate change and achieving the ‘well below 2°C’ Paris Agreement target requires a speed of decarbonisation at least six times faster than anything the global community has achieved so far.**

If we are to limit global warming to within a 1.5°C target, global greenhouse gas emissions would need to reach net zero by around 2050 at the latest. The recent IPCC Special Report on 1.5°C calls for a 45–50 per cent reduction in GHG emissions globally no later than 2030 if we are to have a hope of staying below 1.5°C (IPCC, 2018). Given that low-income countries will face additional challenges and require transition through less stringent emissions targets, and in a context of uncertainty with respect to US commitment to the Paris Agreement, a realistic global pathway to the 1.5°C target would call for Europe to assume more responsibility and leadership, achieving net zero emissions by the mid-2030s. Such a goal is significantly more ambitious than currently agreed European targets, and very far from the progress being made so far. This is the case for European innovation.

**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”.**

For example, rather than an economic model based on growth-consumption-obsolescence-disposal that continually exploits the planet’s resources, we need circular economies where waste is feedstock, recycling rates are close to 100 per cent, new materials and products are designed to be re-used



and re-purposed, cultural norms encourage re-use, maintenance and repair, and fossil carbon stays underground. Rather than large, polluting energy systems for domestic use, industry and transport, we need to switch to clean and often localised energy production and consumption, and clean mobility-as-a-service that will require changes in the way we live and work. Food production must be transformed as well, by changing diets and by replacing intensive tilling with no-till practices to prevent the breakdown of soil structure and by promoting the sequestering of carbon, thereby slowing climate warming. Our obsession with short-term returns in financial markets must be replaced with patient capital designed to value fully the social and environmental benefits of investment, accompanied by a radical shift away from banking on the ‘stranded assets’ of an expiring fossil carbon economy.

**At this stage, many of the easier wins – partial energy substitution, efficiency gains – have been activated. What faces us now is far more difficult and unprecedented.**

The changes needed are not clearly defined, and therefore we must explore both breakthrough and non-obvious solutions and seek to catalyse unexpected cross-pollination by bringing different disciplines together. Single-point technology solutions or substitutions will not be sufficient. If we are to heed the IPCC report, we need to identify new and different assumptions, values, practices, standards and behaviours across all industrial, social and economic fields to enable the scale and pace of transformation required. In transportation, for example, this means changing demand: moving away from driving to walking, cycling or virtual mobility rather than relying purely on incremental improvements in electric vehicle battery storage.

**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 [...], deep emissions reductions in all sectors, a wide portfolio of mitigation options and a significant upscaling of investments in those options’. The report highlights the importance of a combination of technological innovation, radical policy reforms and behaviour change<sup>3</sup>.

<sup>3</sup> Projections from the Climate Action Tracker, assessing science-based targets in the context of the Paris Agreement, and inclusive of a ‘fair contribution’ measure based on the principle of common but differentiated responsibilities: <https://climateactiontracker.org/>, accessed September 2018. This is supported by the series of 90 scenarios explored in the IPCC Special Report on 1.5°C, which further point to global emissions needing to be net-zero by the 2040s in the scenarios that do not envisage an overshoot and negative emissions offset.

Recent reviews of the effectiveness of research and innovation activities funded by Europe’s Horizon 2020 programme have led to calls for more systemic and cross-sectoral approaches, breakthrough thinking and solutions, deep demonstration projects and social inclusion through citizen engagement and participation<sup>4</sup>. The final Report from the High Level Panel of the European Pathways to Decarbonisation initiative, released in November 2018, specifically calls for a focus on: “system-level innovation, promoting sector-coupling so that the individual elements of decarbonisation fit together in a coherent whole” and recommends the establishment of large mission-oriented programmes of a cross-cutting nature for the deployment of system-level transdisciplinary innovation<sup>5</sup>.

And the European Commission’s ‘Strategic Long Term Vision for a prosperous, modern, competitive and climate-neutral economy by 2050’ (otherwise entitled ‘A Clean Planet for All’) calls for immediate, urgent and decisive climate action towards 1.5°C, targeting net-zero GHG emissions by 2050. This report calls out the severe consequences of not taking immediate action and points to the opportunity to obtain a first-mover advantage for Europe with respect to the wealth of opportunities the transition offers for society, citizens and the economy. The report emphasises the critical role for innovation and the imperative of ‘using every tool at our disposal’, requiring ‘economic and social transformations, engaging all sectors of the economy and society<sup>6</sup>’.



<sup>4</sup> Notably LAB-FAB-APP, Investing in the European future we want [http://ec.europa.eu/research/evaluations/pdf/archive/other\\_reports\\_studies\\_and\\_documents/hlg\\_2017\\_report.pdf](http://ec.europa.eu/research/evaluations/pdf/archive/other_reports_studies_and_documents/hlg_2017_report.pdf)

<sup>5</sup> This report synthesises the work carried out by the High-Level Panel (HLP) of the European Decarbonisation Pathways Initiative to provide advice to the European Commission in its contributions to the goals of the Paris Agreement: [https://ec.europa.eu/info/sites/info/files/rec-18-002-decarbonisation\\_booklet\\_27112018\\_0.pdf](https://ec.europa.eu/info/sites/info/files/rec-18-002-decarbonisation_booklet_27112018_0.pdf)

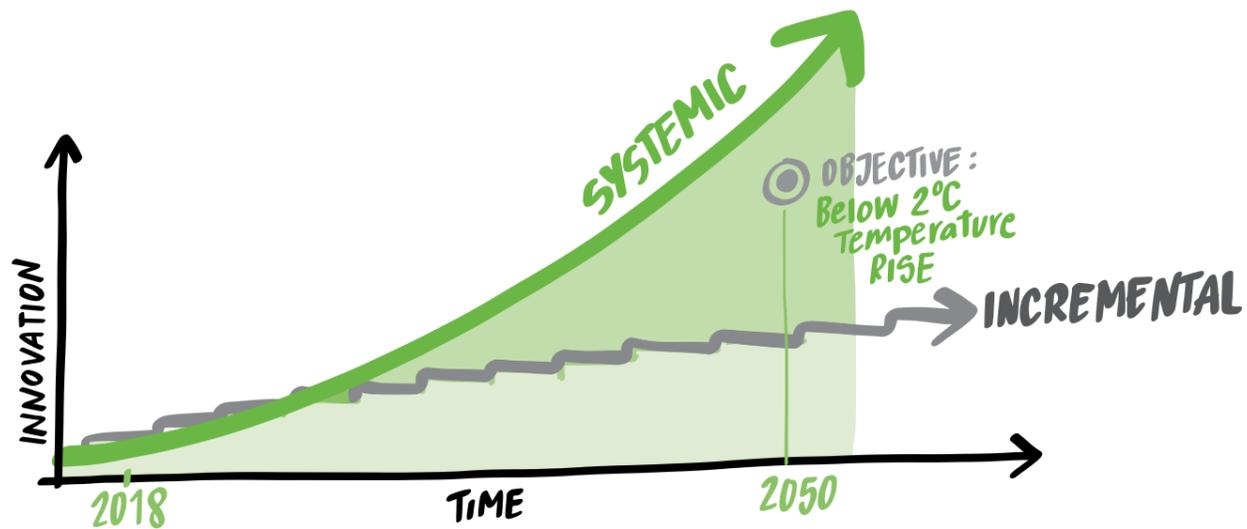
It was commissioned by Carlos Moedas and chaired by John Schellnhuber. EIT Climate-KIC is mentioned on pg. 165 as a suitable “nucleation element” for the launch of ‘Transition Super-Labs’, very-large-territory initiatives of real-life management of the transition from typical fossil-fuel-based local economies to zero-carbon ones.

<sup>6</sup> Published in November 2018 as a proposal for a long-term EU strategy towards the Paris goals by 2019: [https://ec.europa.eu/clima/sites/clima/files/docs/pages/com\\_2018\\_733\\_en.pdf](https://ec.europa.eu/clima/sites/clima/files/docs/pages/com_2018_733_en.pdf) Innovation is highlighted throughout together with the need for behavioural change, addressing demand and consumer choice, and citizen engagement

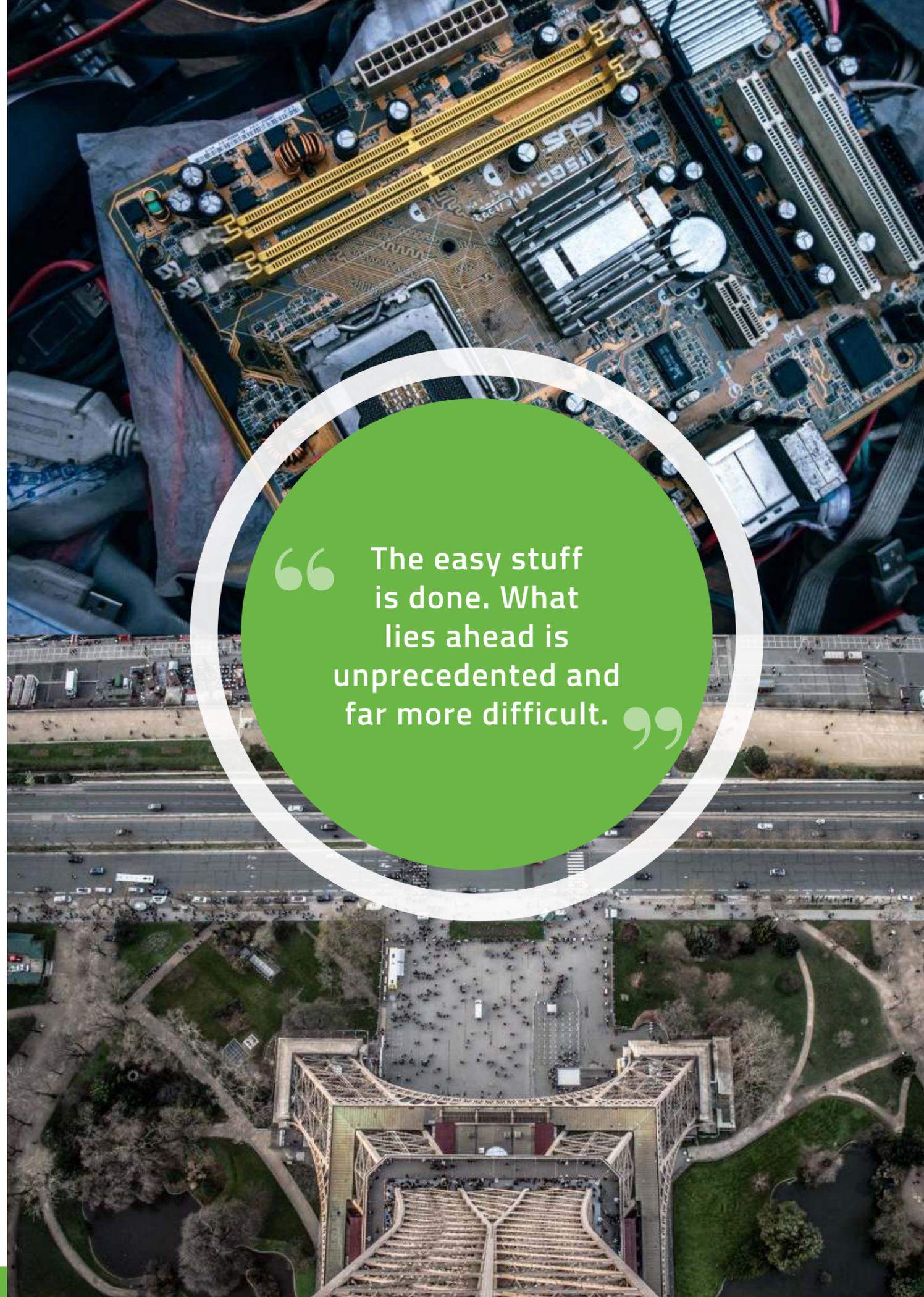
In a global and local context of unevenly distributed needs, resources and political will for whole-scale change, **Europe faces responsibilities, risks and opportunities that surpass anything it has hitherto tackled.** EIT Climate-KIC is a European community with the will and ambition to support Europe's leaders in tackling climate change, to enable Europe to fulfil its commitments in respect of the Paris Agreement, and to inspire global efforts by creating prosperity and wellbeing in the next economy. By focusing our efforts on systems innovation, we can achieve the critical structural and exponential changes that must occur both rapidly and on multiple fronts simultaneously to address climate change.

**We believe Europe and the world needs an ecosystem like EIT Climate-KIC to bring together and catalyse large and diverse communities to innovate for systemic changes that trigger climate action at scale. Society needs it. Organisations need it. Funders need it.**

Our purpose is to make that a reality.



“ The easy stuff is done. What lies ahead is unprecedented and far more difficult. ”

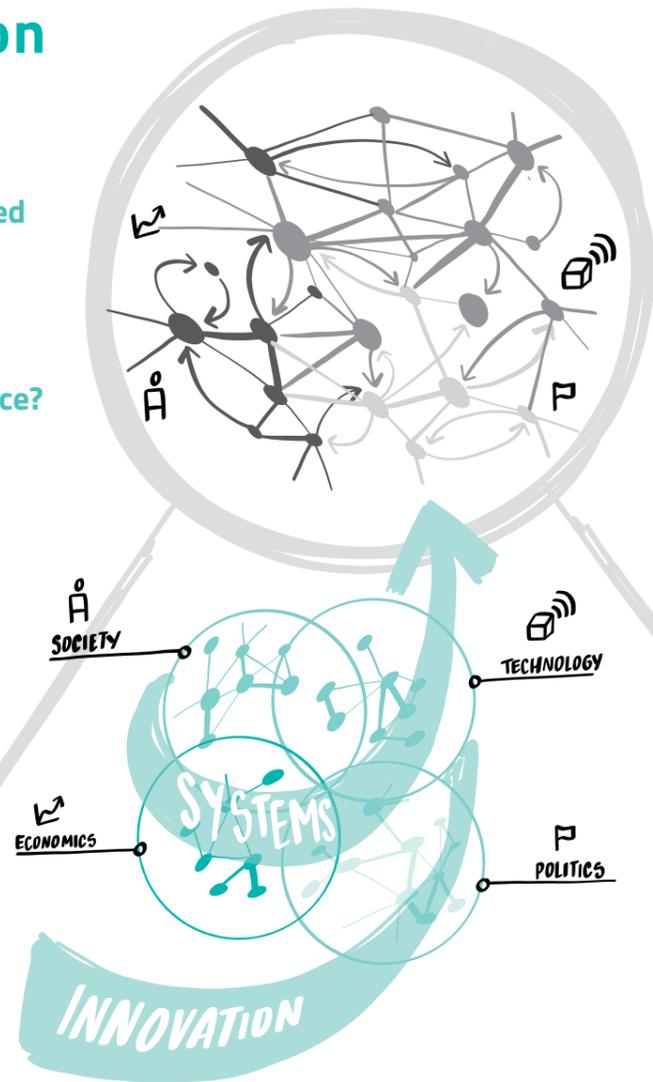


# Our Value Proposition

EIT Climate-KIC has a nine-year track record of innovating, but given the need for systemic change at the scale and pace demanded today, we have asked ourselves: Where is innovation most needed in this context? Where could innovation make the greatest difference? Where might it enable exponential effects? What kind of innovation?

## Systems Innovation

We think innovation at a systems level – ‘systems innovation’ as a shorthand – is the way to prompt such transformations. By systems innovation we mean integrated and coordinated interventions in economic, political and social systems and along whole value chains through a portfolio of deliberate and connected innovation experiments (i.e. a *portfolio approach*). Such an approach is designed to generate viable pathways to change through identification of options, social and behavioural inflexion points, and scaling of transformative solutions.



Systems innovation recognises that:

- A **portfolio approach** allows us to learn fast and reduces the risks that come with transformation.

**A portfolio approach means supporting many different but connected initiatives, less on their individual potential, and more as a spread of options for exploring alternatives and connections and test our way forward.**

Such an approach is important given the uncertainty of the changes we face and offers a diversity of inputs that accelerates learning and implementation, so helping us identify what can work in unlocking change.

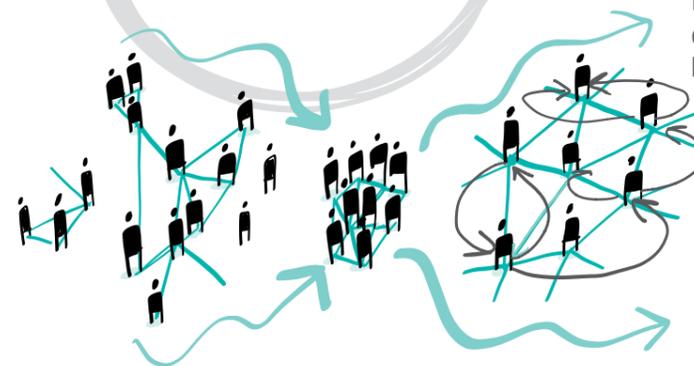
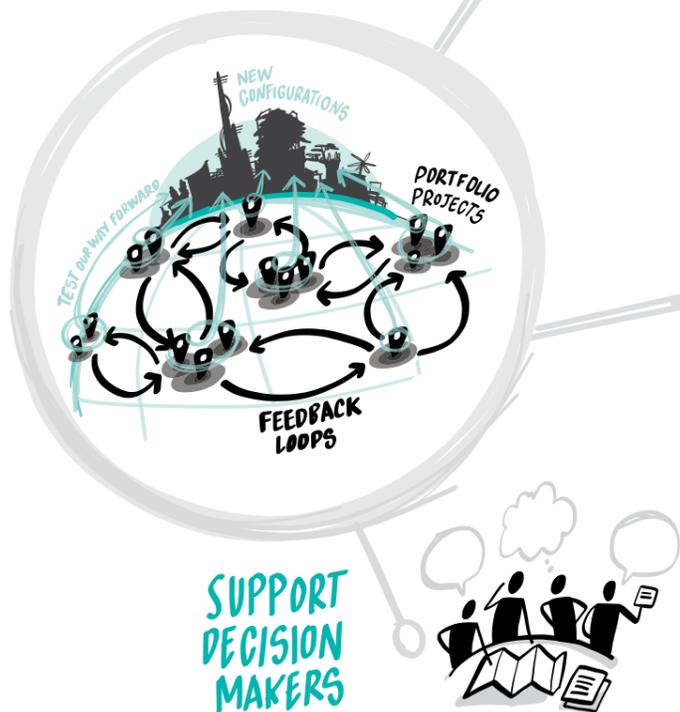
- **Learning by doing enables action:** experience, exploration and sense-making across multiple, connected experiments and demonstrations can generate alternative business and industrial models and create options and pathways for choice and momentum.

ALTERNATIVE BUSINESS & INDUSTRIAL MODELS



ADAPTIVE SYSTEMS HAVE SELF-TRANSFORMING PROPERTIES

- **Understanding and using the properties of systems is the key to transformation.** Cities, land use, materials, finance, human societies are all complex adaptive systems, which means they have self-transforming properties – they change in dynamic ways in response to different interventions. Systems innovation is innovation designed to engage those properties, intervening on levers of change around financing models, policy and regulatory frameworks, perception and social norms, skills and capabilities, technologies, citizen participation and behaviour, business models, and production systems



**Demand-Led Model**

During the first nine years, EIT Climate-KIC’s approach to innovation has sought to bring together a knowledge pyramid of research, business, education and governmental entities, and in so doing link supply-side actors with demand-side actors in a thematic context. We have found, however, that the gravitational force of working with an innovation pipeline model, competitive calls and KPIs weighted to the conversion of research to innovation and the generation of new ideas and successful businesses, has led to a predominance of innovation supply: research projects, technologies and products looking for funding and customers or investors to sell to. We have also learned that a supply approach to innovation, in a context of public or even philanthropic funding, runs the risk of bias towards discrete, single-point solutions of an incremental nature. Such solutions rarely achieve systemic change and will not address climate change at the speed and scale we need.

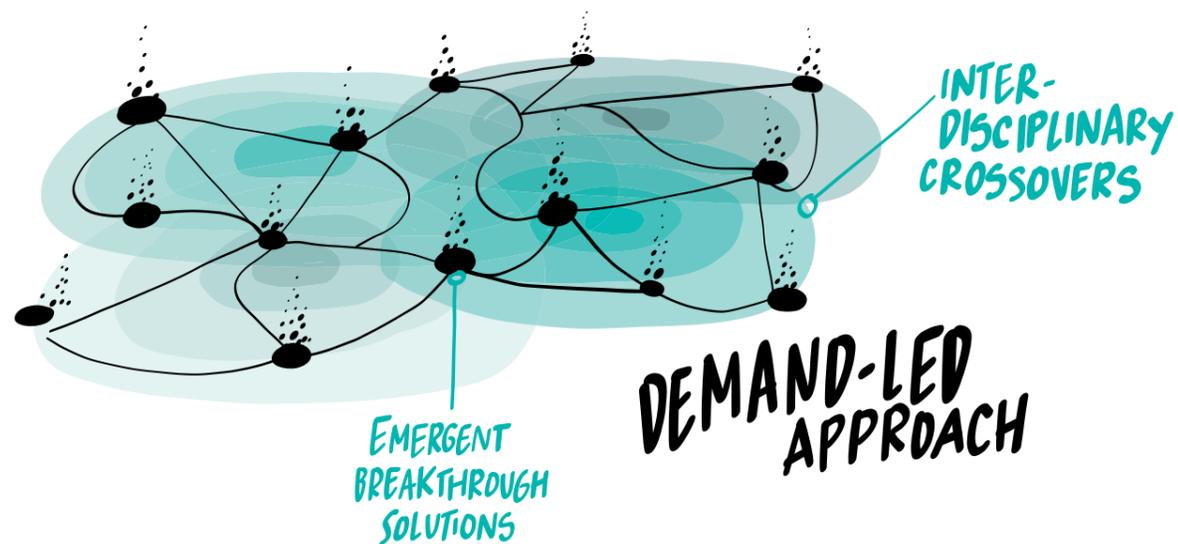
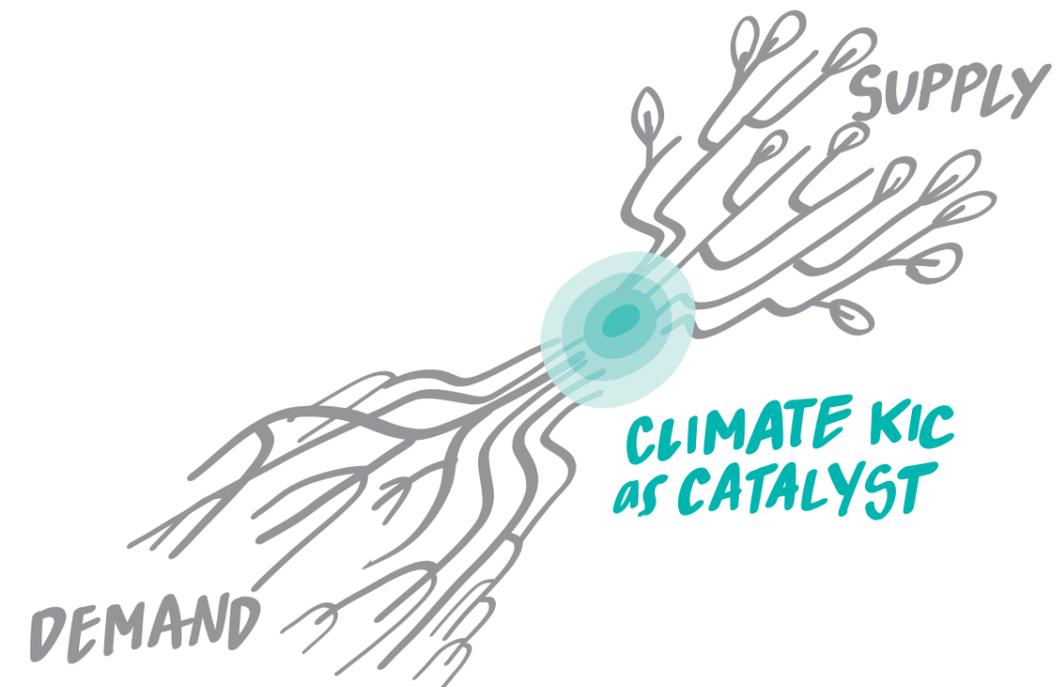
**Catalysing systemic change through innovation means connecting a supply of innovation with demand-side actors: problem-owners and those with high ambition for change.**

**A breakthrough demand-led approach starts by identifying the complex nature of the problem and the necessary scale for intervention.**

It encourages us to cast innovation challenges as missions that capture imagination and inspire action across boundaries and contexts. It highlights the importance of understanding and addressing underlying assumptions that determine habits, behaviours and value generation models. And it favours using a combination of solutions – and working on multiple drivers of change – to create deep demonstrations that enable different futures.

**EIT Climate-KIC has therefore chosen to position itself as an orchestrated innovation ecosystem that connects ‘demand’ and ‘supply’ in catalysing transformational systemic change,** one that brings together public and private actors – businesses and states, individuals and cities.

Innovation that involves these actors working together in ways that bridge multiple contexts is more successful in tackling social challenges than innovation that generates solutions in silos. Accordingly, we will continue to grow and adapt our community, deliberately targeting those that can bring something new and allow us to engage multiple levers of change simultaneously. We see this as a systems innovation service model.



### Community Engagement

The knowledge, know-how and diversity within our community are at the core of our value proposition and delivery model.

**It is our belief that communities that succeed in bringing about systems innovation are those that excel at understanding the specific needs and resources of different places and contexts.**

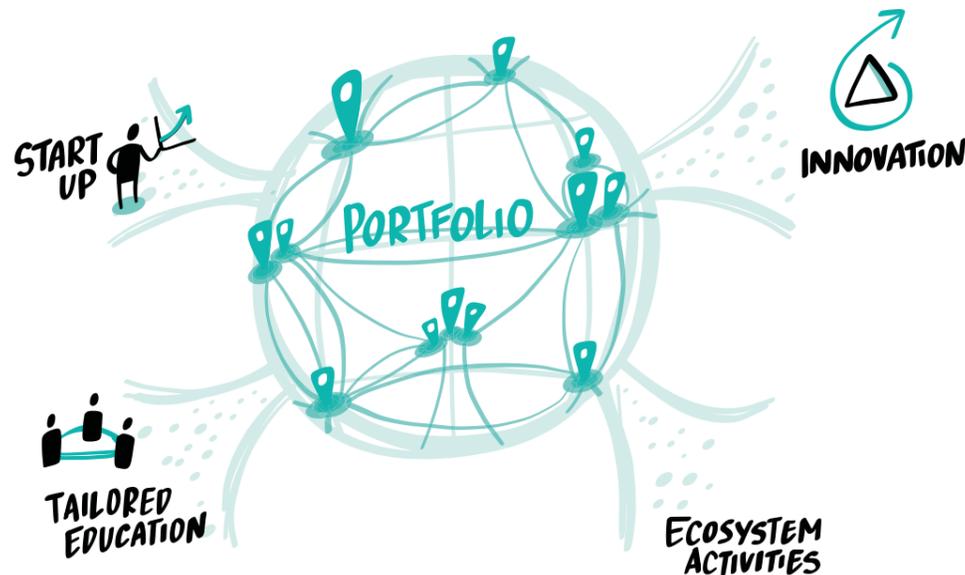
They substantially accelerate the creative encounter of problems and solutions in those contexts and, in so doing, generate new learning at a faster pace than others. They are also the communities that can attract and galvanise the best possible expertise around a compelling portfolio of activities, regardless of where that expertise sits.

**Our community delivery model relies on a broad, geographically diverse spectrum of expertise that allows us to go beyond generic insights to gain a very granular understanding of what makes a place or a system unique.**

As a community, going forward, we intend to look for breakthrough solutions, which often emerge at the edge of the known or the mainstream, work with early adopters and encourage interdisciplinary collisions and cross-overs. Using an increasingly sophisticated matchmaking engine, we will accelerate the creative encounter of solutions and

problems (including those yet to be defined, as in the case for exponential technologies). This in turn will dramatically accelerate learning across different innovation actors and amplify our ability to catalyse change by instigating shifts in mindsets and behaviours, identifying and scaling workable solutions, necessary capabilities and pathways to implementation.

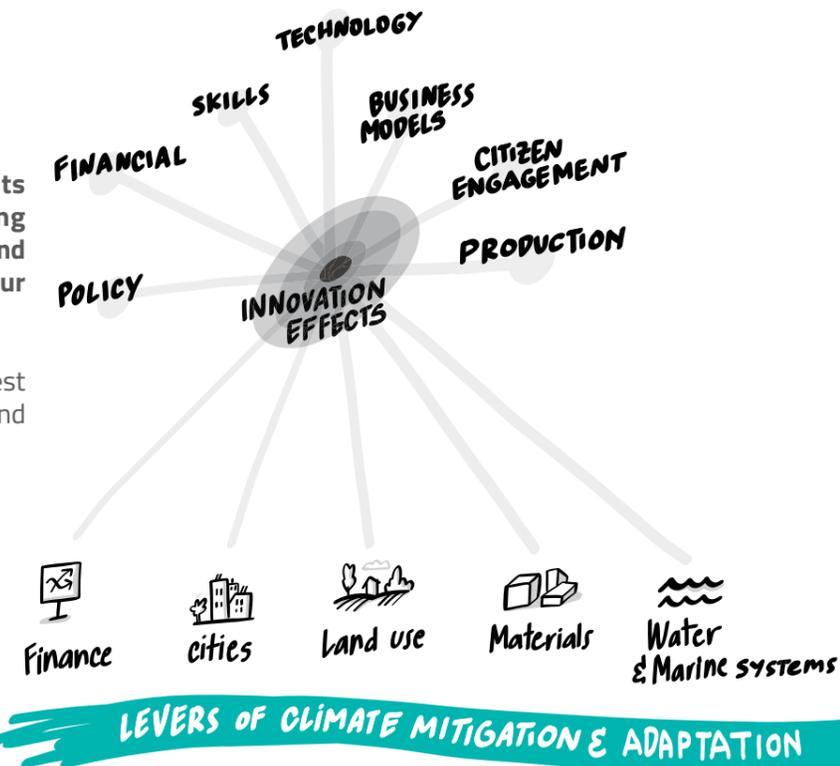
By 2022 our community will have the ‘street credentials’ of having understood the specificity of different contexts and tested a portfolio of solutions on the ground. This will give it the collective intelligence and credibility to tackle the most difficult aspects of system change and climate innovation, including power imbalances and non-linear dynamics. **At the heart of our community delivery model is the role of individual and collective agency. Our portfolio will emphasise experiments and solutions that are designed for participation and co-design:** creating the conditions for citizens, cities, landowners, land users and local authorities to embrace, to engage and to make change. In this way we will address consumer and lifestyle choices, self-regulation and corporate responsibility and the opportunity for cities and landscapes to act as ‘laboratories for transformative and sustainable solutions’.



## Our Vision

**EIT Climate-KIC has chosen to direct its efforts at systems innovation, working with ambitious actors to connect supply and demand while leveraging the power of our community to catalyse change.**

We think this combination gives us the best chance of unlocking change at the speed and scale the climate challenge needs.



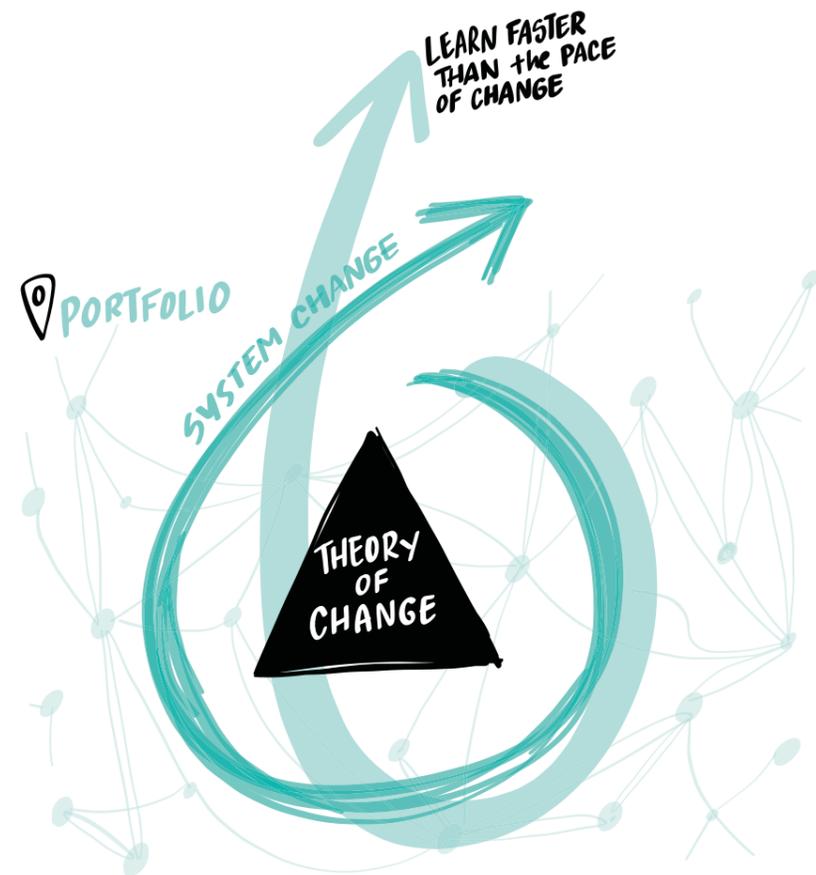
**To achieve this vision, we have made the following commitments:**

- We will continue to **focus on our four overarching systems** and associated impact goals: cities, land use, materials and finance. We have chosen these systems because we regard them as pivotal to climate mitigation and adaptation and in urgent need of transformation. In the next two years and with additional funding, we plan to introduce a fifth area of focus: on water and marine systems.
- In these systems, we will **direct innovation effects** at financial, policy, skills, technology, citizen engagement, business models and production systems as levers of change, and we will concentrate a significant component of our effort on deep demonstrations designed to show what is possible and to accelerate adoption.
- In creating these innovation effects, we will bring to bear EIT Climate-KIC’s experience in education and skills development, decision metrics and risk information, entrepreneurship and the supply of new ideas and a community model of innovation that utilises the unique skills, knowledge, and competencies of diverse organisations.
- In addition to innovation projects, our portfolios of experiments will include start-ups, tailored education programmes, ecosystem activities, citizen engagement approaches and communications initiatives designed to **address mindsets, shape behaviours, and change demand and consumption practices.**
- The **leadership** we have demonstrated in **education programming** over the last nine years will be applied and tailored to creating the skills, mindsets and learning so fundamental to changing systems. The design of learning activities, focused on influential actors in the different systems represented by our impact goals and in the context of a portfolio approach, will draw on our understanding that learning and innovation are inextricably linked and mutually reinforcing.

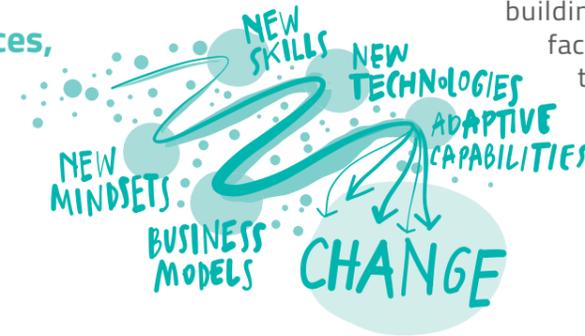
- Leveraging our experience of innovation in Europe and **deploying the full force of European ingenuity** we will work beyond the borders of Europe and partner with global actors where interconnected value chains and supply chains require international collaboration, co-creation of solutions and joint intervention to achieve our impact goals (see page 18)
- The climate innovation challenge is enormous, and EIT Climate-KIC will not achieve the impact we seek acting alone. We will therefore **identify synergies** and build deep partnerships with other complementary organisations, networks and funders with like-minded intent. This will help create joint momentum, allowing us to support each other more readily, and to achieve our common goals more efficiently

**In this way, EIT Climate-KIC will work to unlock systemic change through strategic innovation – designing, executing and connecting entrepreneurial experiments and deep demonstrations selected and assessed as a portfolio of innovation effects on levers of systemic change.**

Our portfolio approach enables learning by doing and an exploration of alternative solutions and business models, making it safe to change.



**The portfolio will be composed of experiments on the 'leading edge' of exploration, focused on triggering new ways of thinking, leveraging exponential effects of new technologies, networks and community forces, and seeking to learn faster than the pace of change.**



It will also include experiments in radical optimisation of existing solutions and systems to enable faster transitions away from climate-damaging economies and value chains, including, for example, coal-reliant regions in Europe.

This can mean accelerating change through building new skills and mindsets, facilitating the adoption of new technologies and business models (leap-frogging) and building adaptive capabilities in individuals, communities, businesses and cities.

**EIT Climate-KIC's current pattern of activity**

- Incremental
- Opportunistic
- Single-point experiments, individually assessed
- Predominance of technology innovation
- Europe-focused
- Supply-led pipeline of ideas, research and business models



**EIT Climate-KIC's 2019-2022 Vision**

- Transformative
- Deliberate
- Portfolios of related, connected experiments
- Innovation across multiple levers
- Leveraging European leadership
- Deep demand-driven demonstrations

This vision represents a strategic pivot for EIT Climate-KIC

# Our Focus

## Impact Goals

Work on a Theory of Change in 2017 led EIT Climate-KIC to adopt a set of 'impact goals' to focus our activities and direct them towards a common impact, acknowledging that these goals are deeply interrelated through shared, complex systems. Impact goals help focus our attention on the characteristics of the systems we are exploring, on what levers of change might constitute the most effective intervention points and on what outcomes we are looking to see.

**Taking the IPCC 1.5°C Report as a point of departure, we will use these impact goals as a frame of reference to test for non-linear, systemic approaches to transformation – looking for low-hanging fruit, surfacing where resistance is greatest, identifying inflexion points and mapping and clustering our innovation efforts around driving elements and moveable levers.**



These goals are: (i) integrated with the cities, land use, materials and finance systems that are at the core of our systems innovation approach; (ii) consistent with the UN Sustainable Development Goals and Paris Agreement; (iii) directly relevant to Europe's climate leadership challenge; and (iv) located within areas requiring significant innovation. The set of goals is not intended to be static over the longer term (we will revise the goals as we learn), nor to represent silos or ways of dividing action, but instead to be dynamic in response to need and in respect of the EU's missions and long-term decarbonisation plan. Equally, the goals cannot be achieved by EIT Climate-KIC acting alone. A concerted, multi-stakeholder, multi-platform approach is required.

**Our climate innovation impact goals offer a framework for our portfolio approach, allowing us to deliver a spread and diversity of innovation initiatives – experiments, demonstrations and scale-ups – across geographies, contexts, levels of risk, intervention points and levers of change.**

Central to this portfolio approach and to systems innovation is iterative learning. Each experiment in the system offers an opportunity to sense-make and learn through multiple feedback loops about how the system works, and what intended and unintended consequences emerge in practice. This is fundamental to working effectively with high degrees of uncertainty and to identifying the most relevant intervention points to catalyse change in complex adaptive systems. It also offers an opportunity to learn together as a community and to make sense of the relationship between innovation and systemic change, as well as extending understanding of the mix of interventions that create optimum conditions for achieving tipping points for change.

Once these intervention points are understood, pathways to transformation at scale can be identified together with compelling arguments for change and strategic options or opportunities for implementation. For this, EIT Climate-KIC will leverage or build specific scaling activities and instruments, including business and service model designs, to support delivery and to generate economic incentives for those involved in implementation. This will include designing demand finance and return on investment in different ways to the EIT Climate-KIC community through additional funding, revenues and equity. Self-financing instruments, special purpose vehicles (SPVs) and an evergreen investment fund will be put in place to leverage finance, not only in the form of grants, but through patient capital or equity mechanisms. These scaling activities will not be financed by the EIT but by other funders such as international finance institutions, European Commission instruments, private foundations, and so on, in line with a strategy that aims to align economic design and investment with impact.

## EIT Climate-KIC's Climate Innovation Impact Goals

**Goal 1: Promote retrofit and decentralised energy:**

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

**Goal 2: Nurture nature-based resilience for cities:**

Create more liveable, resilient cities through substantially increasing the introduction of nature-based solutions and enhancing natural systems.

**Goal 3: Accelerate sustainable urban mobility:**

Trigger the switch to clean urban mobility to achieve considerable cuts in urban transport emissions.

**Goal 4: Make agriculture climate-smart:**

Instigate a substantial increase in the application of climate-smart agriculture solutions.

**Goal 5: Reform food systems:**

Transform climate-damaging food value chains and enhance the climate resilience of food supply.

**Goal 6: Nurture forests in integrated landscapes:**

Grow carbon sequestration in forests and linked value chains, while avoiding deforestation and protecting ecosystem services.

**Goal 7: Build circular material flows:**

Catalyse a switch to a circular economy and transform production for fossil-energy intensive materials.

**Goal 8: Reduce industry emissions:**

Partner with key industry stakeholders in cutting Scope 3 emissions<sup>7</sup> to reach science-based targets.

**Goal 9: Reboot regional economies:**

Transition carbon-intensive regions to become zero-carbon innovation hotspots.

**Goal 10: Mainstream climate in financial markets:**

Advance metrics, standards and instruments that enable transparent,

true-cost and benefit accounting for a well below 2°C pathway.

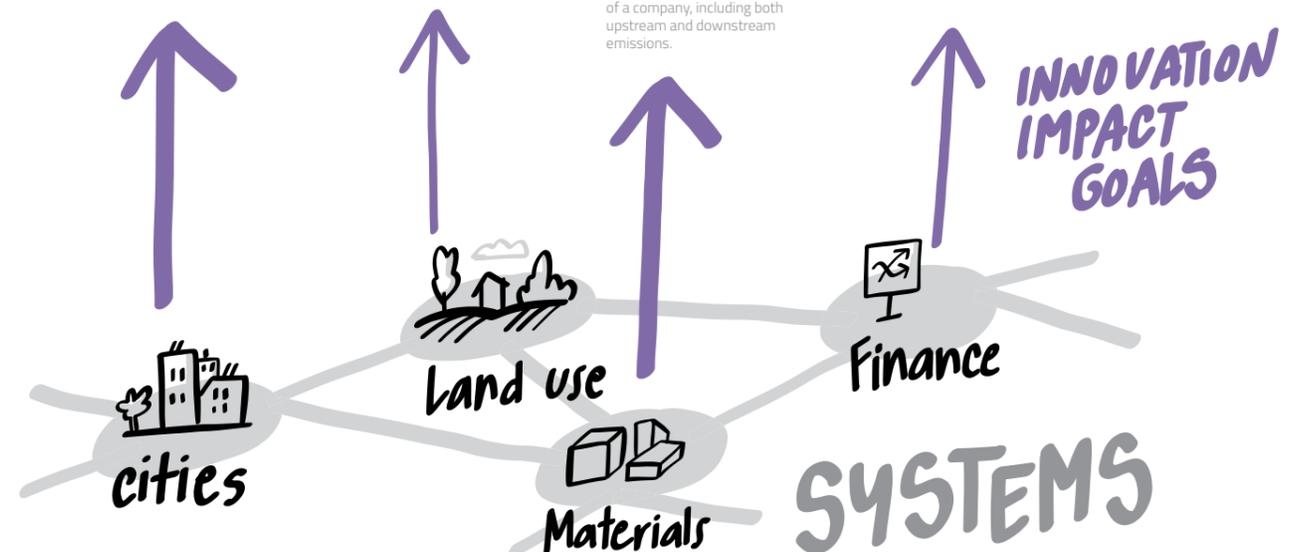
**Goal 11: Democratise climate risk information:**

Enhance access to risk information through capacity building and a major expansion of the climate services market.

**Goal 12: Foster bankable green assets in cities:**

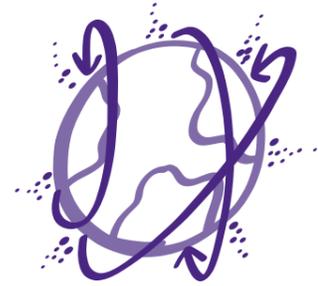
Develop capacity in preparing projects and investment vehicles to boost the availability of sustainable investment assets in cities.

7 The GHG Protocol Corporate Standard classifies a company's GHG emissions within three 'scopes': Scope 1 emissions are direct emissions from owned or controlled sources. Scope 2 emissions are indirect emissions from the generation of purchased energy. Scope 3 emissions are all indirect emissions (not included in scope 2) that occur in the value chain of a company, including both upstream and downstream emissions.



### Geographic scope

EIT Climate-KIC will increasingly focus its activities on meeting the needs of high climate ambition cities, regions, companies and countries committed to securing systemic change through innovation. Such a focus, through a systems innovation service model that helps broker supply and demand, will present opportunities for our community to tailor initiatives to meet that ambition.



Geographic diversity will remain a key feature of EIT Climate-KIC – the spread of innovation experiments at different geographic scales and in different political, economic and cultural contexts opens windows on how to create broadly based systemic change. When making choices about where we work we will give priority to parts of Europe that face significant challenges in reducing emissions and adapting to climate change, and where our systems innovation approach can help to unlock systemic change.

By 2022 EIT Climate-KIC will also be working more globally, because (i) our innovation model is in demand and our European experience is valued by those looking to develop innovation-based approaches to tackling climate change; (ii) value chains often stretch beyond Europe's borders, and innovation along those chains is critical to realising our impact goals; (iii) there is demand from our Partners for EIT Climate-KIC to create bridges for innovation co-operation beyond Europe; (iv) the climate problem is global and in desperate need of fresh solutions; (v) some of the most compelling funding opportunities involve leveraging European experience internationally; and (vi) EIT is backing our presence in countries and regions beyond Europe.

**Our approach will be to treat our experience in Europe as our foremost asset, leveraging European ingenuity in places where we have competency, experience, engagement and strategic opportunities for impact.**

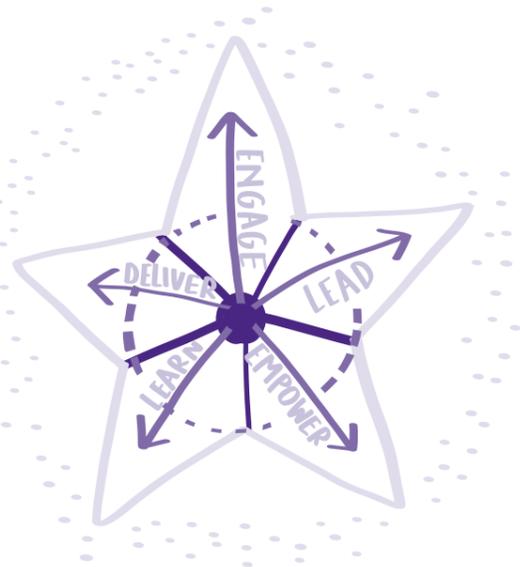
We will build on the foundations being established through the Cross-KIC Outreach Programme in the U.S., Israel and China, while continuing to develop joint programmes with Climate-KIC Australia. We will operate with and through existing EIT Climate-KIC partners who have established presences and programming in international hubs, striving at all times to maximise the connectivity between the European innovation ecosystem and those in countries outside Europe.

“ We will work to unlock transformation – radical change happening simultaneously, holistically and faster than any change we have experienced before. ”

# Our capabilities

To realise our vision, EIT Climate-KIC must possess and offer a combination of distinctive capabilities, where the full force of a diverse, distributed but connected community can create the exponential effects we need to lever systemic change. The capabilities include:

- Engage:** The capability to structure innovation ecosystems and community engagement activities; source and exchange ideas; cultivate collaboration, develop trust and a sense of possibility; attract new members to the community.
- Deliver:** The capability to deliver change as a community through innovation implementation and scaling, working to help achieve the ambition of cities, companies, regions and states that offer compelling strategic opportunities.
- Learn:** The capability to build momentum and accountability through measurement, sense-making and learning systems, and to represent learning in the form of roadmaps for change.
- Empower:** The capability to design funding to suit the purpose of systemic change; unlock innovative sources of financing; invest in targeted capability building, mindset shifts, social and behavioural tipping points for change, and network effects for exponential adoption.
- Lead:** The capability to test and develop systems innovation models; facilitate the creation of a collective voice for climate action in policy and funding; select and compose a portfolio of innovation experiments; lead the community in building consortia and in looking for early adopters to learn from; explore new formats and channels to draw in meaningful conversations about climate innovation and impact, centred around a common sense of curiosity towards unknown spaces and solutions.



To maximise the collective impact of our community, EIT Climate-KIC has an organisation at its core – Climate-KIC Holding. The Holding plays a role of orchestration for the community. Since 2016 the Holding has grown in capacity and capability, offering a vision of systemic change, helping to define challenges, and establishing platforms for broad-based engagement with the aim of generating a collective impact.

The Holding will take responsibility for the *Engage, Lead, Empower and Learn* capabilities described above. EIT Climate-KIC as a whole – our partners and wider community – will *Deliver*.



## Funding our strategy

Currently EIT Climate-KIC is funded predominantly by the EIT. Our aim is to diversify our funding streams substantially in the coming years, reducing the EIT component<sup>8</sup>. In the years 2019–2022 EIT Climate-KIC must make substantial progress in attracting other sources of funding at the scale and of the quality to support systems innovation and deliver systemic change. This is also a period during which the costs of Climate-KIC Holding, acting as the community’s orchestrator, must be sustained to maximise the potential for collective impact.

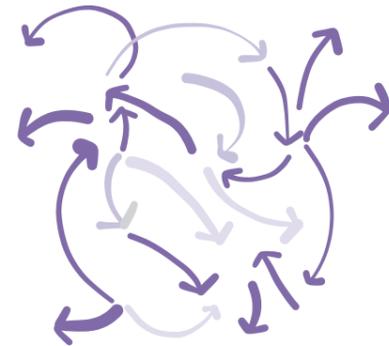
Accordingly, our financial sustainability strategy has three components: (i) attract funding from multiple different sources, with a focus on securing a small number of major grant funders or clients who share our vision; (ii) keep a tight control on our costs while excelling with the capabilities described in the previous section; and (iii) maximise utilisation of our remaining funding from EIT. In terms of attracting new money to EIT Climate-KIC we want to pivot to a multi-funder model for several reasons: the spread of funding builds resilience, the scale of declining EIT funding is unlikely to be met by a single source, and



<sup>8</sup> Funding for KICs has a 15-year horizon with a bell-shaped profile. The period 2019-2022 represents years 9-12 for EIT Climate-KIC and will therefore see a decline in EIT funding as well as an imperative to demonstrate financial sustainability.

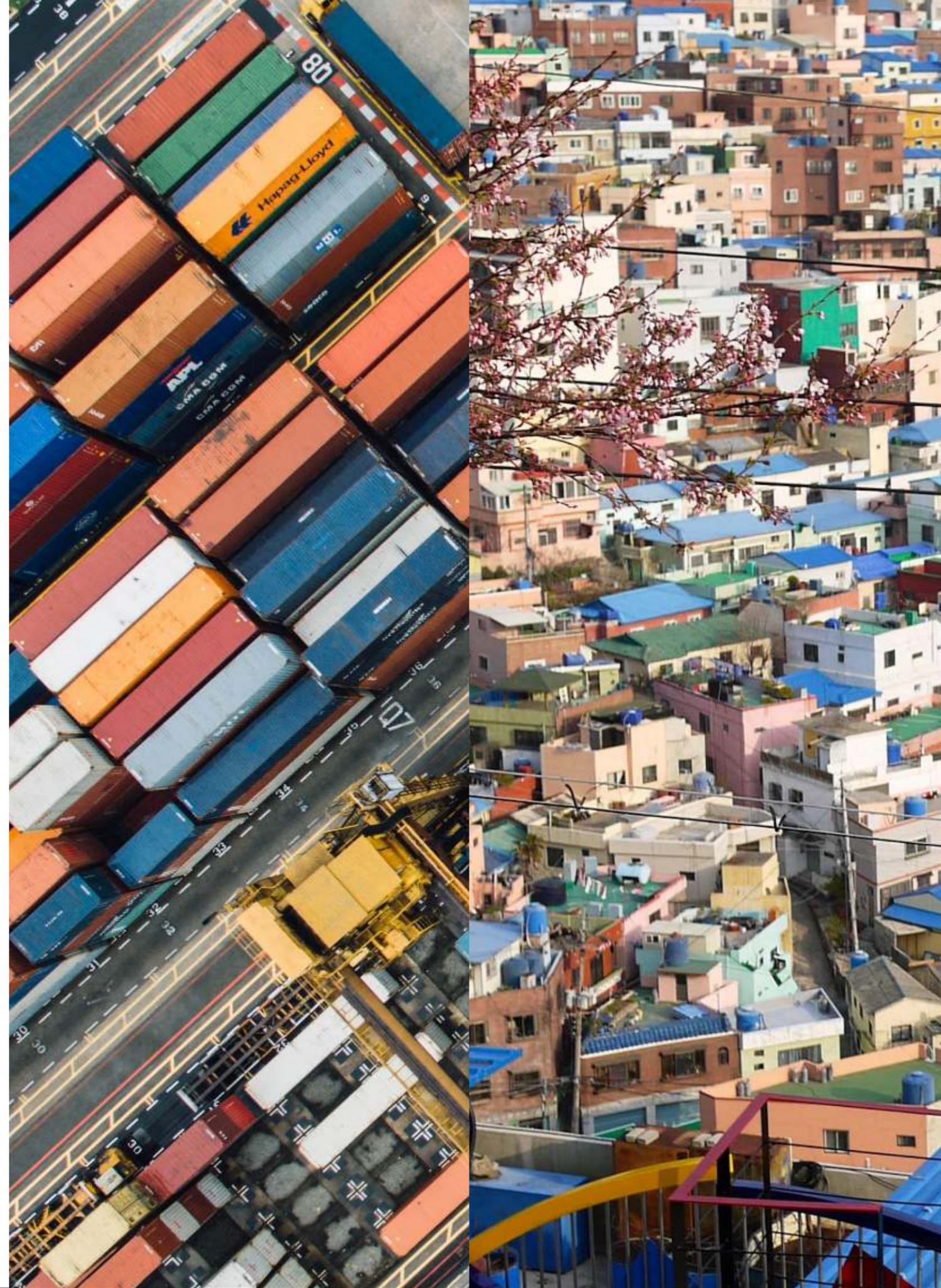
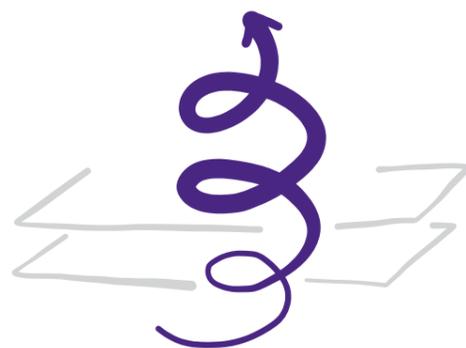
different funding sources have appetite for different parts of our portfolio. Nonetheless, we must take care to avoid overly complex or highly burdensome funding mixes and ensure the quality of funding is fully aligned to our mission - being focused on impact and nurturing the needs and delivery capabilities of our community model.

**Our principal ongoing focus will be on attracting grant funding from public and philanthropic sources, and developing a systems innovation service for cities, regions, countries or companies.**



Such funding has the ambition of addressing the market failures that have caused climate change, has the appetite for disruptive change and can reach a significant scale. Within this landscape we will treat securing a future funding relationship with programmes within the arc of the new 2021–2027 EU Multilateral Funding Framework and with major EU institutions as our highest priority, together with high net worth individuals and mission-driven funds with appetite to drive systemic change through a deliberate portfolio approach to breakthrough innovation.

In 2022 our aim is to be directing more than €100m at innovation through Climate-KIC Holding, and for this resource to be leveraging over €1bn of innovative climate action.



## Call to Action

With our 2019–2022 strategy EIT Climate-KIC aims to become recognised globally as a community known for leveraging the exponential potential of innovation to test assumptions, experiment with possibilities, shift mindsets and behaviour, and find pathways to systemic change. EIT Climate-KIC will connect portfolios of diverse solutions and integrated demonstrations across borders and contexts to accelerate mutually transformative learning and implementation.

By 2022 we intend to have generated resources, experience and capability around purposeful outcomes on emission reductions and increased climate resilience that can be multiplied to accelerate change and generate hope.

This is a call to those who share our vision and dare to go on this journey with us.



“ Innovation gives us hope – hope for a sustainable, just and prosperous future. ”





EIT Climate-KIC is active in 24 countries with 28 offices across Europe.

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