



European Institute of  
Innovation & Technology

# EIT Climate-KIC STRATEGIC AGENDA 2021-2027 (Revised)

**The EIT – Making Innovation Happen**

European Institute of Innovation and Technology (EIT)

Amsterdam | 26 January 2024

[www.eit.europa.eu](http://www.eit.europa.eu) | [www.climate-kic.org](http://www.climate-kic.org)



The EIT is a body of the European Union



# Contents

<b>1</b>	<b>EXECUTIVE SUMMARY .....</b>	<b>2</b>
<b>2</b>	<b>STRATEGIC ANALYSIS OF THE SOCIETAL CHALLENGE.....</b>	<b>5</b>
<b>3</b>	<b>VISION, MISSION AND STRATEGIC OBJECTIVES.....</b>	<b>8</b>
3.1	KIC's vision.....	8
3.2	KIC's mission.....	8
3.3	KIC's strategic objectives .....	11
<b>4</b>	<b>IMPACT AND RESULTS .....</b>	<b>13</b>
4.1	Impact 13	
4.2	Results .....	17
<b>5</b>	<b>GOVERNANCE AND OPERATION MODEL .....</b>	<b>22</b>
5.1	Partnership.....	22
5.2	Governance .....	25
5.3	Budget .....	27
5.4	Financial Sustainability.....	30
5.4.1	Table 5 Revenue Stream Approach and Examples .....	31
5.5	Cross-cutting aspects.....	34
	Openness and Transparency .....	34
	Synergies and Collaborations .....	35
	Cross-KIC cooperation and Simplification/Shared Services .....	36
	Communication .....	37
	Dissemination of Results .....	38
	Stakeholder Engagement.....	39
	Global Outreach .....	42
<b>6</b>	<b>RISKS .....</b>	<b>43</b>
	<b>ANNEX 1 KIC IMPACT .....</b>	<b>49</b>



# 1 EXECUTIVE SUMMARY

The Intergovernmental Panel on Climate Change (IPCC) 6th Assessment Summary Report states that **“rapid and far-reaching transitions across all sectors and systems are necessary to achieve deep and sustained emissions reductions and secure a liveable and sustainable future for all.** These system transitions involve a significant upscaling of a wide portfolio of mitigation and adaptation options. Accelerated and equitable action in mitigating and adapting to climate change impacts is critical to meeting sustainable development goals.” The European Green Deal, launched in 2019, endorses a systemic response to the massive challenge we face. Thousands of cities, national and local authorities across Europe, as well as the European Parliament, have declared a climate emergency. 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 recovers from COVID-19 and meets the geopolitical challenges of the coming years. Harnessing thirteen years of climate learning, 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 with its place-based model for using whole system innovation to translate climate policy ambition into practical outcomes in achieving the ‘rapid, far-reaching, and unprecedented changes’ we now need.

## Box 1: At a glance – EIT Climate-KIC’s impacts

- “...the KIC is on track to achieve its 7-year Strategic Agenda goals” of contributing to avoidance of over 500m tonnes (CO<sub>2</sub>eq), strengthen resilience of 10m people to climate impacts; help leverage over €100Bn to support scale-up of innovations to tackle climate change; and generate over 50,000 jobs. [from “15-year Final Review”]
- “Climate-KIC has become an integral force in driving Europe’s climate agenda and amplifying its impact on a continental scale”. [from “15-year Final Review”]
- Launched 469 innovative products and services on the market, avoiding an estimated 13 million Tonnes (MT) of CO<sub>2</sub>e2 per year.
- Developed the world’s most extensive climate tech accelerator, incubating over 2,100 climate-positive businesses, who have raised more than €2.0bn in follow-on investment and created over 15,000 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.
- Lead the EU Cities Mission Implementation Platform, supporting 112 cities to reach their ambitious 2030 net-zero goals.
- Lead the EU Adaptation Mission Pathways to Resilience Programme, supporting over 150 European regions on their climate resilience journey.

In December 2018, EIT Climate-KIC adopted a bold vision for the period 2019-2023, arguing that ‘business as usual’ innovation was not delivering climate action fast enough. We proposed a fresh approach to innovation that intended to increase the chances of meeting our climate targets while enabling a just transformation<sup>1</sup>. This place-based, whole system approach developed by EIT Climate-KIC for innovation

<sup>1</sup> In 2018, Climate-KIC published *Transformation, in Time*.  
<https://www.climate-kic.org/wp-content/uploads/2018/12/Transformation-in-time.pdf>



was refreshed<sup>2</sup> recently for the period 2024-30 through an extensive process of stakeholder engagement, and entitled: 'Transformation, with Urgency'. EIT Climate-KIC's systems approach builds on the intent of the EU Missions and Green Deal, working with cities, states, and regions and industry value chains across Europe and beyond. In the coming years we will:

- Continue to nurture and demonstrate place-based innovation to support cities, states and regions that have set ambitious climate targets, through co-developing and sharing learning, insights, and solutions in the way places govern, make policies, engage citizens, finance actions, develop skills, adopt new technologies, shape new climate tech markets, and try new business models.
- 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 shorten the "test-learn-scale" innovation cycle and trigger fast large-scale changes, rather than supporting innovation one-by-one.
- Actively work to match supply of new solutions 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.
- 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 traditionalised 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.
- Actively seek to catalyse change by co-ordinating and orchestrating the process of bringing the best innovators and entrepreneurs together to help transform place and value chains, rather than act as a passive granter.

With the support of the EIT, we have been testing this approach as a form of advanced knowledge triangle integration<sup>3</sup> as envisaged in the EIT Strategic Innovation Agenda (EIT SIA 2021-2027). Alongside the refreshed strategy for systems innovation, this Strategic Agenda was updated in 2024 to reflect the advanced EIT KTI model adopted and delivered by EIT Climate-KIC. 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<sup>4</sup>.

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

- Helped shape and taken a leadership role in the EU Cities, Adaptation and Soil Missions to deliver coordinated, positive climate impact from EU funding programmes, policies, and regulations.
- Signed contracts with national and regional governments – including Slovenia, Ireland, Gipuzkoa – to support place-based and industry transformation to meet ambitious climate goals.

---

<sup>2</sup> Transformation, with Urgency, EIT Climate-KIC's refreshed strategy for the period 2024-30 can be found here: <https://www.climate-kic.org/wp-content/uploads/2023/12/Transformation-with-Urgency-EIT-Climate-KIC-Strategy-2024-2030.pdf>

<sup>3</sup> 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.

<sup>4</sup> 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.



- Seen the total follow-on investment for our start-ups far exceed €2bn since our inception, taken service-for-equity stakes in nearly 100 companies, and partnered with two venture funds – €50M seed and €100M scale – to scale solutions into the markets we are shaping in Europe and beyond.

We carry this momentum through the 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 (see Box 2 below).

**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 over **500 million tons** (CO<sub>2</sub>eq) of emissions.
- Strengthen the resilience of **10 million people** to the impacts of climate change.

As contributing outcomes, we will have:

- Helped leverage<sup>5</sup> 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 **100 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, and strengthening the capability of at least 82 Higher Education Institutions.\*

\*EIT-labelled trainings and learners are not targeted in Table 2 (Annual KPI targets), but will be delivered if funding is made available.

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. We will continue to ensure participation from partners in RIS countries of at least 20% of our overall community and ensure 20% of our place-based (e.g. cities, regions, countries) showcases of 1.5C 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.

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. 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 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

In March 2023, the Intergovernmental Panel on Climate Change (IPCC) published, as the culmination of their 6<sup>th</sup> Assessment Report, their Synthesis Report summarising the state of knowledge of climate change, its widespread impacts and risks, and climate change mitigation and adaptation. The report recognizes the interdependence of climate, ecosystems and biodiversity, and human societies; the value of diverse forms of knowledge; and the close linkages between climate change adaptation, mitigation, ecosystem health, human well-being, and sustainable development, and reflects the increasing diversity of actors involved in climate action. Key messages include:

- Human-caused climate change is already affecting many weather and climate extremes in every region across the globe. This has led to widespread adverse impacts and related losses and damages to nature and people. Despite progress, adaptation gaps exist, and will continue to grow at current rates of implementation. Hard and soft limits to adaptation have been reached in some ecosystems and regions. Maladaptation is happening in some sectors and regions. Maladaptation can be avoided by flexible, multi-sectoral, inclusive, long-term planning and implementation of adaptation actions.
- Continued greenhouse gas emissions will lead to increasing global warming, likely reaching 1.5°C in the near term. Risks and projected adverse impacts and related losses and damages from climate change escalate with every increment of global warming. Climatic and non-climatic risks will increasingly interact, creating compound and cascading risks that are more complex and difficult to manage. Some future changes are unavoidable and/or irreversible but can be limited by deep, rapid, and sustained global greenhouse gas emissions reduction. The likelihood of abrupt and/or irreversible changes increases with higher global warming levels.



- All global modelled pathways that limit warming to 1.5°C (>50%) with no or limited overshoot, and those that limit warming to 2°C (>67%), involve rapid and deep and, in most cases, immediate greenhouse gas emissions reductions in all sectors this decade. If warming exceeds a specified level such as 1.5°C, it could gradually be reduced again by achieving and sustaining net negative global CO<sub>2</sub> emissions. This would require additional deployment of carbon dioxide removal, leading to greater feasibility and sustainability concerns. Overshoot entails adverse impacts, some irreversible, and additional risks for human and natural systems.
- Climate change is a threat to human well-being and planetary health. There is a rapidly closing window of opportunity to secure a liveable and sustainable future for all. Climate resilient development integrates adaptation and mitigation to advance sustainable development for all and is enabled by increased international cooperation including improved access to financial resources, particularly for vulnerable regions, sectors and groups, and inclusive governance and coordinated policies. The choices and actions implemented this decade will have impacts now and for thousands of years.
- Deep, rapid, and sustained mitigation and accelerated implementation of adaptation actions in this decade would reduce projected losses and damages for humans and ecosystems, and deliver many co-benefits, especially for air quality and health. Delayed mitigation and adaptation action would lock in high-emissions infrastructure, raise risks of stranded assets and cost-escalation, reduce feasibility, and increase losses and damages. Near-term actions involve high up-front investments and potentially disruptive changes that can be lessened by a range of enabling policies.

In other words, ***rapid and far-reaching transitions across all sectors and systems are necessary to achieve deep and sustained emissions reductions and secure a liveable and sustainable future for all.*** These system transitions involve a significant upscaling of a wide portfolio of mitigation and adaptation options. Accelerated and equitable action in mitigating and adapting to climate change impacts is critical to meeting sustainable development goals.

Meanwhile, the COVID19 crisis deeply impacted global economies and societies and challenged an effective response to the climate crisis. It also presented an opportunity for showing how nations could and should mobilise to respond to systemic challenges. Political responses to the COVID19 crisis such as the EU Recovery Plan for Europe and national recovery packages developed across the world have driven further efforts and investments in the green transition and innovation.

The European Commission's COVID19 Recovery Strategy emphasised 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 from climate change. 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 and far-reaching transitions across all sectors and systems...to secure a liveable and sustainable future”. This requires us to rethink the fabric of innovation, and how knowledge triangle integration can be amplified to be a key part of the solution.

The **strengths** in EIT Climate-KIC's response to the climate emergency included early recognition that this is a systemic challenge, which requires new approaches and solutions across multiple levers of change – from policies, regulations and making new markets to citizen engagement and technology adoption – to create the conditions for exponential replication and scaling of solutions. To address this systemic challenge, EIT Climate-KIC has built on the foundational EIT knowledge triangle integration to develop a place-based model of ‘whole system’ innovation for supporting national, regional, and municipal authorities to learn fast and scale solutions



to deliver ambitious climate targets for emission reductions and resilience. This approach has its origins in the High Level Panel of the European Decarbonisation Pathways Initiative Final Report from November 2018, 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 was continued through the establishment of the EU Missions. As a result, under Horizon Europe there is a clear focus on climate action valuing innovation for transformation and societal change at system level, where EIT Climate-KIC’s approach to systemic innovation has been successful at attracting large programme funding. The success in Horizon Europe shows the potential for EIT Climate-KIC-led initiatives delivering place-based innovation at global, EU, national and regional level<sup>5</sup>.

The **weaknesses** of our collective 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, while global geopolitics and local populist politics are 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:

- Meeting narrow emission reduction and climate resilience targets cannot be solved without addressing wider social and economic challenges within the places we work, hence the need for using all innovation levers available to us to effect place-based transformation.
- Civic legitimacy is key: the scale of the change required is too large and too fast to be ‘done to’ communities, it must be ‘done with’ communities through effective engagement and co-development, otherwise it will trigger a backlash to change.
- We need a systemic investment mindset to mobilise the public and philanthropic funding and private and institutional finance required to meet the challenge in the places we work.

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. 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 local and regional authorities and 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 uncontrolled migration, exacerbated by alluringly simple solutions touted by populist governments.

---

<sup>5</sup> EIT Climate-KIC, as examples, is contributing to the Horizon Europe Clusters 4 and 6 and leading mayor programmes in the Adaptation, Soil health and Cities Missions as well as 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.





The climate emergency, while widely appreciated as an existential threat, often struggles to get the attention of more immediate shocks. COVID19 recovery money has been channelled into job-saving measures and shovel-ready projects that fail to consider climate action adequately and lock-in further emissions. 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 KIC's vision

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

### 3.2 KIC's mission

**Our mission** is to support places – cities, regions, states – and their industry value chains to deliver their transformative climate and resilience goals through innovation.

EIT Climate-KIC is working to achieve our mission through our systems innovation approach, 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 changes 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 of rapid decarbonisation and climate resilience in Europe] provides a compelling value proposition for EU Member States recovering from COVID19. (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; transition 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'.)

EIT Climate-KIC has tested and implemented this placed-based, whole system approach to innovation,



building on the intent of the EU Missions and Green Deal, and working with cities, states, and regions across Europe and beyond. In the coming years we will:

- Continue to nurture and demonstrate place-based innovation to support cities, states and regions that have set ambitious climate targets, through co-developing and sharing learning, insights and solutions in the way places govern, make policies, engage citizens, finance actions, develop skills, adopt new technologies, make new cleantech markets, and try new business models.
- 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 fast (exponential) large-scale changes, rather than supporting innovation one-by-one.
- Actively work to match supply of new solutions 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.
- 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 traditionalised 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.
- Actively seek to catalyse change by co-ordinating and orchestrating the process of bringing the best innovators and entrepreneurs together to help transform place and value chains, rather than act as a passive granter.

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, where the innovation model this inspires, one of systems innovation, is increasingly being adopted by innovation agencies globally.

To illustrate this theory of change in action, and how an advanced version of knowledge triangle may achieve large scale impact, we provide an example in Box 3.



### Box 3: EIT Climate-KIC's approach demonstrated in cities across Europe

EIT Climate-KIC worked 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, which acted as the precursor to KIC leading the Mission Implementation Platform for the EU Cities Mission.

The four building blocks in this approach are:

*Intent:* Political intent by the city to deliver ambitious climate goals, and an understanding that business as usual approaches will not deliver those goals (i.e. that new approaches are required), is critical for setting up the partnership with a city. We call this the *intent* phase.

*Frame:* The next stage involves working with the city to map 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 possible intervention points ('tests of change'). Specialist organisations from across EIT Climate-KIC's community, 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 the city designs 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. We call this the *frame* phase.

*Portfolio:* The next step is to mobilise funding and finance to put this full portfolio of projects into action in the city as a set of 'test-learn-adapt' interventions. We scout 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 innovation supply and demand, where the city offers a testbed for testing new ideas and shaping the market and an opportunity for entrepreneurs to grow their businesses. 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 (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 plays the role of orchestrating these rapid learning cycles and helping the city to adjust the delivery of the portfolio.

*Intelligence:* The next step is to use the insights gained from the city and other similar places 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 approach encapsulates knowledge triangle<sup>10</sup> 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



### 3.3 KIC's strategic objectives

With our vision, mission, innovation model, and assets built over the past 13 years of EIT Climate-KIC, in the period 2021-2027 we will seek to achieve the following targets:

Reshape 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 tonnes (CO<sub>2</sub>eq) 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 **100 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, 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. As part of this work to transform places and value chains, we recognise the importance of being gender inclusive in all the activities we undertake.

- A. Focus:** Amplify our impact across four major systems – cities, industry, land-use, and finance – encapsulated in the cities, states, and regions where we work. 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 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 challenge of RIS countries head on, for example 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 direct financial support to the portfolios we design and seek to implement. We will target innovations that have a compelling commercialisation pathway to maturity and scaling, then by using our portfolio approach, we can 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. We intend to maintain partners in RIS countries to at least 20% of our overall community, recognising the importance of working and investing in place-based innovation in RIS. In also aiming for strategic partnerships with over 100 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. We will build on these approaches to support international opportunities for building climate innovation ecosystems in the Global South where European know-how can help build climate resilient communities.

- 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 key role in expanding climate entrepreneurship and solution development, 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 approach to systems innovation), (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 ways citizens across Europe contribute to—and share in success of—financing the next wave of climate-positive start-ups. We will help Europe expand its conception of “impact” beyond greenhouse emissions to reflect the systemic nature of climate change and the 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 the end of 2024. This will include diversifying streams of revenue to build resilience, including commercialising successful solutions, but also focusing on attracting funders including 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 initial fundraising efforts on securing money from public and philanthropic sources, including at local, regional, national, EU Mission and multilateral level, in keeping with our intent to be a key public goods asset in the fight against climate change, and use these building blocks to provide commercial services and investment opportunities in the emerging solutions.
- 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, including striving for equal gender balance in our supervisory committees, our senior leadership team, and our beneficiaries. 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 of what it takes to transform places and value chains through innovation. As part of this work to transform places and value chains, we recognise the importance of being gender inclusive, both in our own governance – for example striving for equal balance by 2024 - and in the activities we undertake. Through our network of partners and collaborators, we are in a unique position to support the change towards gender equality and mainstreaming across our ecosystem. We also commit to openness and transparency, including through publishing full open calls, having an open access community, being pan-European and nurturing inclusion.
- 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 knowledge management



platforms, offering a repository of learning from successes and failures and way to make connections.

- 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 by 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 EIC, the EIB, EIF, 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 support EIT to deliver on Union strategic priorities to achieve a net zero greenhouse gas economy and contribute to the realisation of Union objectives and policies, including the European Green Deal, the European Recovery Plan, the European strategy for data, the SME Strategy for a sustainable and digital Europe and the New Industrial Strategy, along with the vital need to invest in developing the innovation ecosystems in RIS countries. 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 systems innovation approach 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: Mechanisms to monitor and achieve planned impact**

Target	Problem addressed	Mechanisms for Achievement	Monitoring
Helped Europe avoid over <b>500 million tons</b> (CO <sub>2</sub> eq) of emissions.	Growing CO <sub>2</sub> eq 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).	<ul style="list-style-type: none"> <li>• Through leadership of EU Smart and Sustainable Cities Mission Implementation Platform;</li> <li>• Through combinations of projects being implemented in 'Deep Demonstration' places or pan-European portfolios;</li> <li>• Through start-ups as vehicles for replacing dirtier technologies for cleaner ones or through business model disruption; and</li> <li>• Through wider diffusion of advanced KTI innovation model.</li> </ul>	<ul style="list-style-type: none"> <li>• Ex-ante climate impact estimates for a sample of projects and start-ups, where appropriate, using EIT Climate-KIC methods<sup>6</sup>.</li> <li>• Scaling results to the portfolio level based on the sample.</li> </ul>
Strengthened the resilience of <b>10 million people</b> to the impacts of climate change.	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).	<ul style="list-style-type: none"> <li>• Through leadership of EU Adaptation Mission projects;</li> <li>• Through combinations of projects being implemented in 'Deep Demonstration' places concentrating on resilience;</li> <li>• Through start-ups as vehicles for bringing new resilience approaches to market; and</li> <li>• Through wider diffusion of the advanced KTI innovation model.</li> </ul>	<ul style="list-style-type: none"> <li>• Ex-ante climate resilience impact estimates for a sample of projects and start-ups.</li> <li>• Scaling results to the portfolio level based on the sample</li> <li>• Where possible, through ex-post evaluation.</li> </ul>

<sup>6</sup> 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 EIT Climate-KIC's place-based Deep Demonstrations.



<p>Leveraged over <b>€100bn</b> to support the scale-up of innovations to tackle climate change.</p>	<p>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.</p>	<ul style="list-style-type: none"> <li>• Through leadership of EU Missions for Adaptation, Cities and Soils;</li> <li>• By supporting start-ups with high climate and commercialisation impact potential, thus attracting money;</li> <li>• Through partnering with cities, countries, regions, and big business to ensure a demand side pull and a source of on-budget investment; and</li> <li>• By shaping mindsets in the financial system through innovation to encourage long term thinking and systemic portfolio investing for impact.</li> </ul>	<ul style="list-style-type: none"> <li>• Tracking follow-on funding and finance outcomes in the city and region beneficiaries of our EU Missions work; and tracking follow on investments in start-ups in our portfolio;</li> <li>• Monitoring co-investment, third-party funding, influenced funding and our influence on financial models through annual reporting routes; and</li> <li>• Through developmental and ex-post evaluation.</li> </ul>
<p>Generated <b>50,000</b> green jobs.</p>	<p>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.</p>	<ul style="list-style-type: none"> <li>• By matching fast growing start-ups with the market making and market shaping we are doing within EU Missions across Europe</li> <li>• Positioning portfolios associated with Deep Demonstrations as ones that can create short-term jobs.</li> </ul>	<ul style="list-style-type: none"> <li>• Surveys of start-ups and cities and region beneficiaries in EU Missions.</li> <li>• Using AI and web scraping tools to track in real time change in numbers of jobs in supported start-ups.</li> </ul>
<p>Be the strategic partner of choice for over <b>100 cities, regions, countries and large-scale businesses across Europe</b>, orchestrating change through innovation to achieve net-zero emissions and climate resilience.</p>	<p>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 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.</p>	<ul style="list-style-type: none"> <li>• 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</li> <li>• Drawing on impact studies, building learning networks across cohorts, and connecting the design of portfolios to financial mechanisms to increase demand.</li> </ul>	<ul style="list-style-type: none"> <li>• Counting the collaboration agreements, MOUs or formal contracts signed with EIT Climate-KIC to substantiate the bases for strategic partnerships.</li> <li>• The stage of progress of applying the boosted version of knowledge triangle integration (as described by intent, frame, portfolio, intelligence stages); and</li> <li>• Through developmental and ex-post evaluations to explore the extent to which this model leads to change towards net-zero emissions and climate resilience.</li> </ul>





<p>Enhanced the innovation and entrepreneurial skills of over <b>200,000 people across Europe</b>, equipping them to be climate leaders, including supporting 1260 EIT Label graduates and 82 Higher Education Institutions.</p>	<p>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.</p> <p>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.</p>	<ul style="list-style-type: none"> <li>• Through EIT Climate-KIC's learning programmes, namely Climathon, Climate Launchpad, Accelerator, Journey, Pioneers, Young Innovators. Each tried, tested, and evaluated as achieving objectives on enhancing skills and mindsets for change leadership; and</li> <li>• 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.</li> </ul>	<ul style="list-style-type: none"> <li>• Annual cumulative monitoring of participation in our learning programmes, coupled with data from participant evaluation.</li> <li>• Tracer studies of the career pathways of participants; and</li> <li>• 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.</li> </ul>
--	---	---	--

## 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.

Changes to EIT KPIs proposed in Table 2 reflect the cessation of EIT funding for specific activities (stand-alone education programmes, stand-alone innovation programmes, entrepreneurship from 2023 onwards), in line with the Due Diligence recommendations that EIT Climate-KIC should focus entirely on its 'system innovation as a service' model as a means of becoming financially self-sustaining while delivering an operating model which supports the Union and Member States to deliver their ambitious climate policy goals.

Table 2: Annual KPI targets<sup>7</sup>

Code	KPIs	2021	2022	2023	2024	2025	2026	2027	Total
EITHE01.1	#Intellectual property rights	14	15	0	0	0	0	0	29
EITHE02.1	#Marketed Innovations	35	27	0	0	0	0	0	62
EITHE02.2 EITRIS	EIT RIS Marketed Innovations	Please include the target (% of the above KPI) for the period: 30%							
EITHE02.3 EITRIS	#EIT RIS Countries – Marketed Innovations	Please include the target (% of the above KPI) for the period: 6 countries							
EITHE02.4	#Marketed Innovations with a sales revenue of at least 10 000 EUR.			0	0	0	0	0	0
EITHE03.1	#EIT Supported Start-ups/Scale-ups <sup>8</sup>	163	291	50	20	0	0	0	524
EITHE03.2 EITRIS	EIT RIS Start-ups/Scale-ups Supported	Please include the target (% of the above KPI) for the period: 60%							
EITHE03.3 EITRIS	#EIT RIS Countries – KIC supported Start-ups/Scale-ups	Please include the target (% of the above KPI) for the period: 16 countries							

<sup>7</sup> Details (excluding cross-KIC community projects) are included in the EIT Climate-KIC Business Plans.

<sup>8</sup> Note that this KPI EITHE03.1 reflects directly supported start-ups/scale-ups using EIT funding. EIT Climate-KIC continues to support start-ups with other – typically corporate – funding. In addition, as part of its move to support systemic innovation in Europe’s high greenhouse gas emission systems (cities, landscapes, industry), EIT Climate-KIC has focused more on working with enterprise support organisations – agencies that provide direct start-up/scale-up support – to build the enabling conditions for scaling solutions, rather than working with start-ups directly.



Code	KPIs	2021	2022	2023	2024	2025	2026	2027	Total
EITHE04.1	#Start-ups created of/for innovation	1	3	0	0	0	0	0	4
EITHE04.2 EITRIS	#EIT RIS Start-ups created of/for innovation	Please include the target (% of the above KPI) for the period. 60%							
EITHE04.3 EITRIS	#EIT RIS Countries – Start-ups created of/for innovation	Please include the target (% of the above KPI) for the period. 2 countries							
EITHE04.4	#Start-ups created of/for innovation with a sales revenue of at least 10 000 EUR.			0	0	0	0	0	
EITHE05.1	#Start-ups created of EIT labelled MSc/PhD programmes	1	4	0	0	0	0	0	5
EITHE05.2 EITRIS	#EIT RIS Start-ups created of EIT labelled MSc/PhD programmes	Please include the target (% of the above KPI) for the period. 40%							
EITHE05.3 EITRIS	#EIT RIS Countries – Start-ups created of EIT labelled MSc/PhD programmes	Please include the target (% of the above KPI) for the period. 8 countries							
EITHE06.1	Investment attracted by KIC supported Start-ups/Scale-ups	22M	36M	10M	15M	20M	20M	20M	147M
EITHE06.2 EITRIS	Investment attracted by KIC supported EIT RIS Start-ups/Scale-ups	Please include the target (% of the above KPI) for the period 35%							



Code	KPIs	2021	2022	2023	2024	2025	2026	2027	Total
EITHE06.3 EITRIS	# EIT RIS Countries – Investment attracted by KIC supported EIT RIS Start-ups/Scale-ups	Please include the target (% of the above KPI) for the period. 10 countries							
EITHE07.1	<b>#Graduates from EIT labelled MSc/PhD programmes</b>	200	240	10	0	0	0	0	450
EITHE07.2 EITRIS	# EIT RIS Graduates from EIT labelled MSc/PhD programmes	Please include the target (% of the above KPI) for the period. 20%							
EITHE08.1	<b># Successful Participants in (non-degree) education and training<sup>9</sup></b>	2959	1500	0	0	0	0	0	4459
EITHE08.2 EITRIS	# EIT RIS Participants with (non-degree) education and training	Please include the target (% of the above KPI) for the period. 65%							
EITHE09.1	<b>#Students enrolled in EIT Labelled programmes</b>	3	16	0	0	0	0	0	19
EITHE10.1	<b># Active KIC Partners collaborating in the KIC</b>	180	170	160	160	150	150	150	Av. Partners 160
EITHE10.2 EITRIS	# EIT RIS Active KIC Partners	Please include the target (% of the above KPI) for the period. 20%							

<sup>9</sup> Note that different funders within Europe have different metrics for what constitutes valid ‘education and training’. Here we show only those that figures that involve EIT funding.



Code	KPIs	2021	2022	2023	2024	2025	2026	2027	Total
anne	# EIT RIS Countries – Active KIC Partners	Please include the target (% of the above KPI) for the period. 20 countries							
EITHE11.1	FS revenues	€6.2M	€8.5M	€ 10M	€ 16M	€20M	€23.2M	€27M	€110.9M
EITHE11.2	% FS coefficient	18%	25%	40%	70%	100%	116%	133%	-
EITHE12.1	% KICs SIA funding rate	60%	77%	105%	163%	229%	252%	272%	-
EITHE13.1	Financial asset valuation	€1.3M	€3.1M	€5.2M	€5.6M	€6.1M	€6.7M	€7.2M	€7.2M
EITHE18.1	% of less represented gender in top governance and management positions combined			50%	50%	50%	50%	50%	50%
EITHE22.1	Number of new and established KIC Partners from RIS countries	35	34	32	32	30	30	30	
EITHE22.2	Number of new KIC Partners from RIS countries	0	0	0	0	0	0	0	

# 5 GOVERNANCE AND OPERATION MODEL

## 5.1 Partnership

EIT Climate-KIC partners are selected through an open and transparent process and sign the EIT Climate-KIC community agreement. Climate-KIC's relationship with our community has evolved rapidly with the removal – from start of 2023 - of the EIT funding incentive to be part of the partnership. This has required a different approach to community, one that reflects the shared community interest of collaborating in sourcing new funding and finance to deliver innovation actions in the places where we work. EIT Climate-KIC partners are registered in 34 different countries, with total numbers (projected for the life of the Strategic Agenda) included in Table 3. While numbers vary each year. Our partners span the knowledge triangle and represent larger businesses, SMEs, community organisations, research groups, universities, and public bodies: as of beginning 2024, 29% of our partners are from Higher Education and Research, 26% are SMEs, 25% are community and public bodies, and 16% are major businesses. EIT Climate-KIC has two categories of partners – Drive Partners and Explore Partners. Drive Partners contribute to the overall governance and strategy of EIT Climate-KIC through their 'Association' as described in section 5.2, whereas Explore Partners are affiliate partners that can access our digital community platform and join opportunities and events, but have no role in overall governance or strategy. .

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 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, within 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 marginalised innovators and entrepreneurs. Our partnership is an expression of that, and it will continue to be a design feature.

Equally, such a partnership needs orchestration to maximise our collective impact. The Legal Entity (LE) at the heart of EIT Climate-KIC then does not act just as a re-granter, but actively seeks to catalyse change by co-ordinating and orchestrating the process of bringing the best innovators and entrepreneurs to help transform places and value chains. To support this ambition and Partner community, EIT Climate-KIC's LE currently includes a set of branches across Europe: we use the terminology of 'branches' to reflect our legal presence in different jurisdictions, which gives us access to local public funding streams in support of our community, in place of the terminology of co-location centres (CLCs) or RIS Hubs. As of beginning of 2024, the LE has physical spaces and staff in 12 countries: France (Paris), Spain (Valencia), Italy (Bologna), UK and Ireland (London), Switzerland (Zurich), Nordics (Copenhagen), Germany (Berlin), Poland (Warsaw), Austria (Vienna), Slovenia (Ljubljana), Belgium (Brussels) and the Netherlands (Amsterdam), acting as the LE's Headquarters. These are branches, offering a way of promoting linkages and active collaboration among

knowledge triangle actors and are a focus point for knowledge exchange among the community.

Before 2024, EIT Climate-KIC worked through multiple RIS Innovation Hubs in Bulgaria, Croatia, Cyprus, Estonia, Greece, Latvia, Lithuania, Malta, Portugal, Romania, and Serbia.. RIS Hubs were 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. Looking forward, EIT Climate-KIC focuses on branches – the legal presence in different countries -which can help EIT Climate-KIC identify funding and collaboration opportunities and promote the advanced KTI model described in this document with existing and potential partners.. EIT Climate-KIC continues to develop RIS activities through its leadership positioning in the EU Cities, Adaptation and Soil Missions, working directly to support the climate ambitions of cities and regions within RIS region. In addition, EIT Community RIS Hubs can potentially support EIT Climate-KIC with these activities, particularly in countries where EIT Climate-KIC does not have a legal presence (CLC).

Beyond Europe, EIT Climate-KIC has been instrumental initially in leading- and now in supporting the Cross-KIC Strategic (Global) Outreach programme that has established EIT presence in Israel and the US. EIT Climate-KIC also has a sister organisation based in Australia which tests the system innovation approach developed in EIT Climate-KIC and applies it in the Australian context.

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

- EIT Climate-KIC LE has experienced a significant reduction of income from EIT and a refocusing of this budget on delivering financial sustainability by end 2024, necessitating cost savings. Some consolidation of the CLC network into fewer regional centres is likely to result, reflecting a move to the more regional coverage of other KICs.
- Not all CLCs 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. However, EIT Climate-KIC LE's leadership of programmes in the EU Cities and Climate Adaptation Missions means KIC LE is building local innovation ecosystems in the beneficiary cities and regions of these Missions. These provide a more obvious place to build our local presence through community members. This will be considered in any decision to reshape CLC coverage.
- COVID19 is having 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 EIT 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 growth as Europe recovers from 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 now zero EIT grant contribution to partners. Our ambition for the next seven years will be to implement our new Community Model, 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 core elements of the new Community Model:

- Access to the Community is fully open and has much lower barriers to entry.



- EIT Climate-KIC will have a broader range and diversity of community members, who will form into ‘sub-communities’ based on the types of opportunities they wish to mobilise around: for example, our community of cities and city stakeholders associated with the EU Cities Mission; our community of 93 (to date) start-ups in which we have equity stakes (and our 1.5C investment partnership); our community of regions and associated stakeholders associated with the EU Adaptation Mission; our community of stakeholders in Ireland interested in the transformation of the agri-food value chain, etc. We expect to have an increasing number of stakeholder groups as we move through the 7-year period.
- EIT Climate-KIC will provide infrastructure, activities, and collateral to support this ‘community of communities’ to develop future innovation opportunities, funding, and finance in the places we work – building on place-based and industry value chain innovation work we do. To implement this strategic plan, we will offer no-cost, fully open-access basic elements of the community with an increasing fee structure on the desire for access, services, learnings, and infrastructure.

Between 2021 and 2027, we intend to:

- Keep the total % of our partners registered in RIS countries by 2024 and 2027 to a minimum of 20%. This is because we know these countries face severe climate change challenges 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 focused on social innovation.
- Design together with partners our future community value proposition in the context of our changing funding mix, funding rules, legal frameworks, and strategic objectives.
- Maintain ClimateHIVE as an open digital platform where partners can connect virtually and exchange learning. In June 2020, we had ~1000 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, and the presence of our place-based and industry value chain work. 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 partnership strategy

	2021	2022	2023	2024	2025	2026	2027
<b>#CLCs [Branches]</b>	13	10	11	6	6	6	6
<b># EIT RIS Hubs</b>	14	14	0	0	0	0	0
<b># Number of Drive Partners</b>	30	25	80*	80	80	80	80
<b>#Number of Explore partners</b>	450	350	80*	80	80	80	80
<b>#Drive and Explore Partners from EIT RIS Countries</b>	40	52	40	40	40	40	40

\* Note that the jump in 'Drive Partners' and reduction in 'Explore Partners' in 2023 coincided with a structural change in the community model. At that point, EIT Climate-KIC shifted its value proposition with its community to reflect the shared need to build and service a community of innovators seeking to access and deliver on a suite of systems innovation opportunities.

## 5.2 Governance

To implement the ambitious strategy of the KIC, and in line with the recommendations of the EIT Due Diligence review, EIT Climate-KIC has adopted and will continue to evolve an organisational structure and governance model in full alignment with principles of good governance and the recommendations of the EIT Governing Board. Organisationally, EIT Climate-KIC comprises a charitable Foundation (Stichting Climate-KIC International Foundation) – a 'for purpose' organisational model with preferential access to public and philanthropic funds – with a for-profit arm (Climate-KIC Holding B.V.), which undertakes commercial and investment activities and holds equity stakes, and which is co-owned by the Association of Climate-KIC partners. The Chair of the Association of partners also holds a position on the Foundation Board to give voice to the partners in the controlling entity.

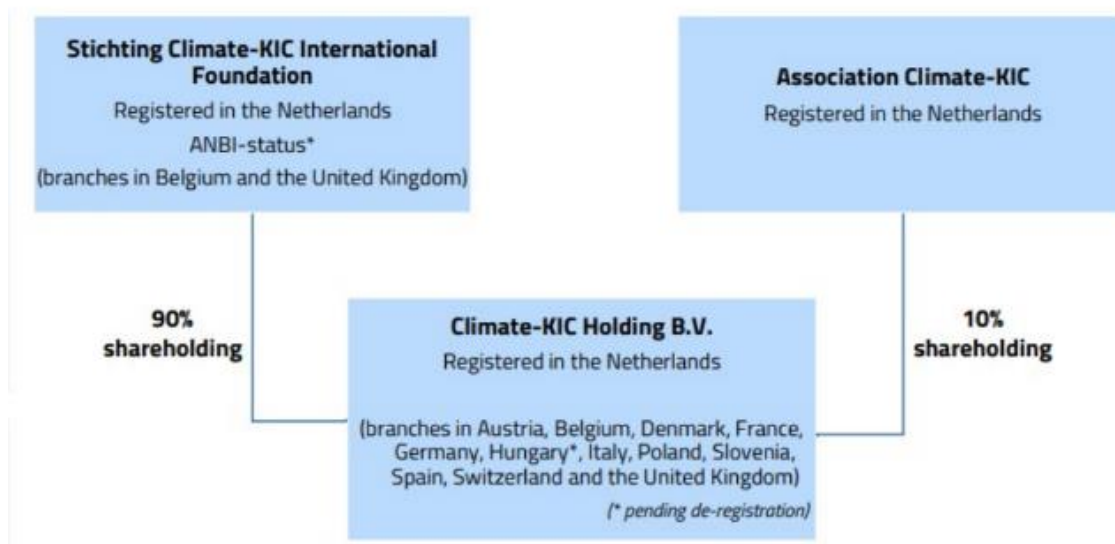
**EIT Climate-KIC Association**, comprising EIT Climate-KIC's Community Drive members, actively supports and directs the overall EIT Climate-KIC philosophy and strategy, as well as having representation in the Supervisory Boards of both Climate-KIC Holding B.V. (the KIC Legal Entity, ('KIC LE') until end 2024) and Stichting Climate-KIC International Foundation (the future KIC Legal Entity from 2025). The Association is a membership organisation without further ownership structure, holding a 10% ownership stake in the Holding B.V. (current KIC LE under the EIT Partnership Agreement until 2024) via its **Governing Board** of 11 directors (55% male and 45% female as of beginning of 2024), who reflect our geographic spread and sectoral diversity. 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 maintain, as a minimum, the representation from RIS countries among EIT Climate-KIC Drive Partners and improve the gender diversity of its Governing Board, striving for an equal balance by 2024. We aim to incorporate this into our delivery by bringing together policymakers, representatives from the public and private sectors, civil society, and governmental bodies at national, regional, and city levels.

**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. It is the controlling entity of the Climate-KIC Group and, from 2025, will be the formal partnering entity with EIT. Based on the premise of strict independence, i.e. it must hold the majority stake: in practice, the Foundation holds 90% of shares of the Holding B.V.. The Foundation 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, whilst ensuring that the LE's strategy remains aligned to the KIC Strategic Agenda. It is an important vehicle for raising funding from public and private sources, underpinning our strategy for diversifying and generating additional revenue streams. The Stichting has its own Board of Directors. As at Q2 2024, this Board has a 50:50 male/female split. Currently, the Foundation has a single (male) executive director. Given the process of operationalizing the Foundation in preparation for the post-2024 org structure is ongoing, to ensure continuity in terms of lines of reporting and accountability, the Holding B.V. Executive Board and Leadership Team will take on management of the whole Climate-KIC Group (Foundation + Holding B.V.) at beginning of 2025.

**Climate-KIC Holding B.V. (Holding)** is the commercial arm of the International Foundation, undertaking commercial activities and holding investments and equity stakes. Until 2024, the Holding B.V. was the KIC Legal Entity and the primary operational vehicle for EIT Climate-KIC, securing income from both EIT and non-EIT sources. To improve tax and structural efficiencies of the group, non profit activities (public grants etc) will be redirected through the Foundation whilst retaining all commercial activity in the Holding B.V. This is intended to optimise the structure from the perspective of financial sustainability, both improving revenue generation and reducing operational costs.

EIT Climate-KIC will effect a series of changes to the organisational structure in 2024 to improve its tax efficiency and ability to secure both public and private income in line with its long term mission, leaving the same overarching structure but with reduced tax and structural inefficiencies.

Figure 1: Entity Structure



Details of Board members of the different legal entities of EIT Climate-KIC can be found here:

<https://www.climate-kic.org/who-we-are/board-members/>

As per the KIC LE compliance environment, a majority of Holding B.V. and Foundation Supervisory Board 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 Supervisory Boards act in the interest of all stakeholders. Further, to ensure separation of the supervisory from the operations or executive, the Holding B.V. Supervisory Board (although it does indeed monitor and advise the Executive Board) is not an operational or executive body. As at Q1 2024, the Foundation Supervisory Board has a 50:50 male/female split, the Holding B.V. Board has an 80:20 male/female split, and the Association Board has a 55:45 male/female split. We continue to work towards our objective of gender equality at Supervisory level, as well at Executive Board, in line with European research and innovation guidance for gender equality<sup>10</sup>.

**The Executive Board of the Holding B.V.** comprises four statutory directors – the CEO, CFO, CSO and COO (25% male, 75% female as of beginning 2024). 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 Leadership Team (70% female, 30% male as of January 2024) to represent the diversity of units and functions, and to integrate the management of branches under a single structure. The Leadership Team meets monthly 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 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

<sup>10</sup> For reference, please see gender equality in Horizon Europe [Gender equality in research and innovation - European Commission \(europa.eu\)](#) and the EIT Gender Equality Policy and Action Plan (Annex 2), including objectives for the EIT KICs [gender templating 221-2027 \(europa.eu\)](#)

relation allocating and managing such grant. As part of 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 August 2023).

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:

- Continue to hone and fully operationalise our place-based transformation (systems innovation as a service) value proposition to cities, states and regions, and their industry value chains, including implementing a portfolio approach to innovation, entrepreneurship, and practices of sensemaking, insights and learning in line with EIT GB recommendation. This is in line with the advanced knowledge triangle integration model directed at societal challenges, as called for in the EIT SIA 2021-2027.
- Align the multiple communities we work with (cities, start-ups, investors, regions, corporates, systemic collaborative) and our new community model with our strategy 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 community knowledge platform.
- Reduce the operational costs and make our enabling services model more efficient across our services and across organisational functions, including CLCs in line with EIT GB recommendations.
- Complete implementation of systems and processes to deliver best practice in operational and financial management in a multi-funder environment.

## 5.3 Budget

Table 4 represents an indicative budget model for EIT Climate-KIC to 2027, without making any assumptions 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 and agreement on the current MoC being discussed by EIT Governing Board and EIT Climate-KIC Holding BV.

The budget table includes the following assumptions:

- **EIT Grant:** since the relationship between EIT and EIT Climate-KIC post-2024 remains unresolved, we have not assumed any EIT grant beyond 2024.
- **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. It does NOT include asset valuation of equity stakes in start-ups.
- **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, of 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, EU Missions etc).

Table 4: Overview on the financing of KIC activities (MEUR)

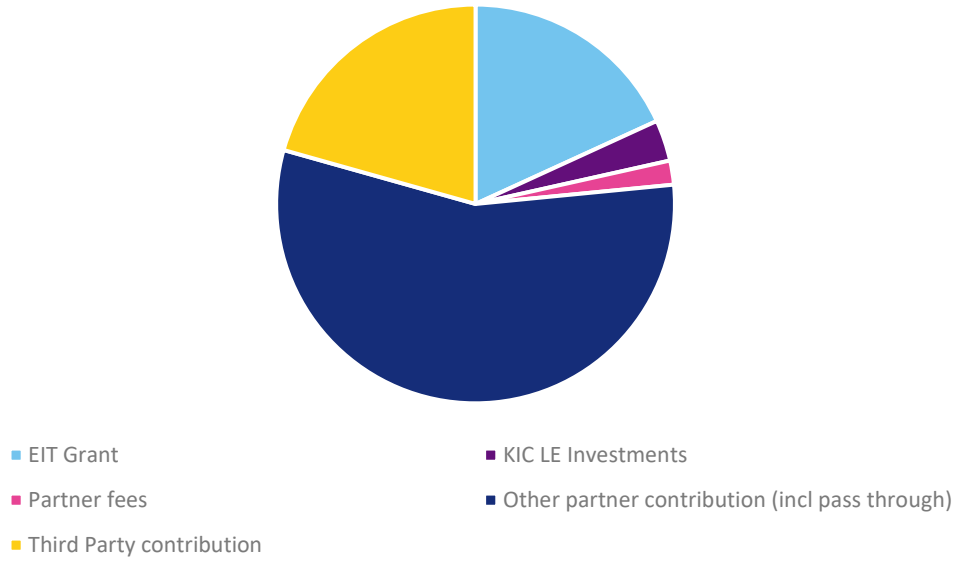
KIC Financing (Euro)	2021	2022	2023	2024	2025	2026	2027	Total:
<b>EIT Grant</b>	€30,571,000	€22,978,000	€ 12,000,000	€ 8,000,000	€ -	€ -	€ -	€73,549,000
<b>KICLE investments (exc. membership fees)</b>	€0	€851,000	€800,000	€1,200,000	€2,500,000	€3,800,000	€4,500,000	€ 14,551,000
<b>Partners membership fees</b>	€2,100,000	€ 1,200,000	€800,000	€ 800,000	€ 800,000	€ 800,000	€ 800,000	€ 7,300,000
<b>Other partners contributions</b>	€5,276,000	€4,813,000	€1,000,000	€1,000,000	€1,000,000	€ 1,000,000	€1,000,000	€15,089,000
<b>Third party contribution to KIC LE</b>	€2,000,000	€5,400,000	€ 32,765,000	€ 82,739,000	€ 70,084,000	€ 64,400,000	€ 63,700,000	€321,888,000
<b>Total Funding</b>	€ 39,947,000	€ 35,242,000	€47,365,000	€93,739,000	€74,384,000	€70,000,000	€70,000,000	€430,677,000
<b>% of EIT grant of the total budget</b>	<b>77%</b>	<b>65%</b>	<b>25%</b>	<b>9%</b>	<b>-%</b>	<b>-%</b>	<b>-%</b>	<b>17%</b>

In all cases, we are **excluding**: balance sheet/asset values of equity stakes in start-ups.

We are **including**: in the case of *Third Party Contributions*, funds marshalled by Climate-KIC and sub granted to the EIT Climate-KIC community that passes through the accounts of the Climate-KIC Legal Entity (for example from our leadership role in EU Cities and Adaptation Mission); and globally relevant activities, not just those within the boundaries of EU member states and third-party countries.

Figure 2: KIC Financing 2021-27

KIC Financing 2021-27



## 5.4 Financial Sustainability

The EIT model of funding requires an ambitious approach to building the KIC into a social impact enterprise. This requires each KIC to focus on tackling the challenge of managing a planned significant drop off in EIT funding whilst maintaining the overall envelope of funding and finance for delivering innovation with its community to meet its societal challenge. 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 rethinking 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 products and services for the future but shaping 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. Our experience in building local innovation ecosystems has shown that a place-based focus on change – at different scales: municipal, regional, state – is most likely to deliver the systemic change we require to meet climate goals.

Our business model centres around servicing two key market needs, with the aim of delivering both societal impact and financial sustainability for the KIC:

1. **Meeting the needs of places – cities, states and regions, and their industry value chains – that have set highly ambitious climate targets but do not have the solutions to deliver those targets in the timescales required.** We describe this as the innovation gap. We aim to be the innovation delivery partner for places that have the political intent to transform, through deploying our systems innovation approaches – Deep Demonstrations of change - as described in Section 3. This offers an advanced form of knowledge triangle integration which puts learning and insights from testing solutions at the heart of our offer. It uses blended public and private funding. Public funding from EIT, from EU Missions and Member States, from philanthropy to convene the innovation ecosystem and co-develop large scale innovation interventions to test, de-risk, and create the enabling conditions ('shaping markets') for change across all levers: policy, financial models, business models, new technologies, citizen engagement. We then mobilise - crowd-in - private funding and finance to replicate and scale these solutions across different places, taking a percentage of the mobilised funds.
2. **Matching start-up innovation and demand with supply:** we have unparalleled insight into the emerging ClimateTech solutions from being Europe's leading accelerator of climate solutions for over a decade. With our work to create the enabling environment for solutions, in cities, land use, and industry, we have unparalleled access to the market shaping ongoing across Europe and internationally, including capacity building needs. With our 'Investing for 1.5' initiatives with venture capital firms and investors, we will monetise these privileged insights through management fees, brokerage fees and matching fees.

3. **Streamlining the Business:** to reduce operational costs and improve efficiency to complete the move away from EIT funding
4. **Equity holdings:** Climate-KIC now holds small equity stakes in over 100 of the best startups with climate solutions, worth approximately €7.4M (but shown with a 60% discount in value in our accounts to reflect the illiquid and high risk nature of startups. This value is growing at over 10% year on year.

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

#### 5.4.1 Table 5 Revenue Stream Approach and Examples

Revenue Stream	Examples
1. Income generated by ROI & Equity	Equity taken in 'interesting' start-ups, which show potential for delivering step-change in the system in which they are deployed (e.g. urban retrofit, CCS, etc), through the 'services for equity' SAFE instrument. 93 equity stakes to date.
	Sale of equity stakes in start-ups and reinvestment to minimise equity dilution.
	Development of the Investing for 1.5C partnership with venture capital firms, with a share of management fees (from investment advisory services) and a share of the carried interest as revenue components for EIT Climate-KIC.
2. Education	EIT Climate-KIC has two primary routes to education fees: through our Systems Innovation Learning Partnerships (SILP) with organisations in Europe and internationally; and through the development of Skills Academies to support capability development to meet Europe's need for skilled workers in the places where we work. Other learning activities are incorporated within our Systems Innovation as a Service offer to help cities, regions, and states to meet their climate goals.
3. Services & Consulting	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.
	Matching innovation demand to supply of start-ups offers up opportunities for brokerage and service fees, alongside the venture capital firm management fees in the RoI category.
4. Membership Fees	We have reshaped the community model, as described in Section 5.1 with Drive and Affiliate members, to capitalise on the multiple innovation sub-communities with which we now work. These include: start-ups in which we have equity; cities and associated stakeholders involved in the EU Cities Mission and national city platforms; regions and associated stakeholders involved in the EU Adaptation Mission; land owners and users and agrifood interests associated with our Ireland Deep Demonstration of change; and industry and associated stakeholders delivering a circular economy. Our aim in developing and engaging this community is not – primarily – to secure direct fee income for EIT Climate-KIC, though unrestricted income to KIC LE remains important, but to build collaborative initiatives with our community to capitalise on the many opportunities for mobilising the much larger funding and finance directed at innovation in the systems where we work, from which we secure fee, service and RoI income.
5. Alternative funding sources for KIC LE (public and private)	To capitalise on the major investment in green recovery stimulus in Europe, through Horizon Europe, through the EU Missions, and through many other EU structural / cohesion fund instruments, EIT Climate-KIC is deploying its advanced KTI model – described by the EIT Due Diligence report as an operative model for enabling EU to deliver on its ambitious climate policy ambitions. The role of the KIC Legal Entity is to help places – cities, regions, states, and their industry value chains – to deploy innovation systemically, learn by doing, and deliver the transformation required for a net-zero, resilient future.
	Internationally, there is substantial funding for the development of innovation ecosystems to support local solution development for economic development and climate resilience. We are using EIT Climate-KIC's experience of developing local innovation ecosystems in Europe to expand our offering to international development banks, UN agencies and philanthropy.



EIT Climate-KIC is established to deliver public goods and financial sustainability. The role of the KIC Legal Entities is to orchestrate a community to deliver societal 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 service of supporting place-based change to meet the climate challenge, underpinned by a commercial model of matching innovation demand with supply. This blended public-private funding is where the growth in revenue will come from. We target public funding that aligns 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 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 core offerings of System Innovation Learning Partnerships; and Skills Academies. 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. 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.
4. **Membership Fees:** The membership fee transitioned from its current form based on a grant administration model to a model focussed on offering value from opening innovation opportunities for future funding and finance for the community. 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 Horizon Europe, national government funds and foundations. We are positioning for major funding within the sector through the EU Missions (Cities, Adaptation, Soils), 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. 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 receive 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 relationships. 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 6 Forecast Revenue (EURO)**

FS forecast revenues (MEUR)	2023	2024	2025	2026	2027	TOTAL
1. INCOME GENERATED BY ROI & EQUITY	€ 800,000	€ 1,200,000	€ 2,500,000	€ 3,800,000	€ 4,500,000	€ 12,800,000
2. EDUCATION	€ 242,000	€ 246,000	€ 250,000	€ 250,000	€ 250,000	€ 1,238,000
3. SERVICES & CONSULTING	€ 1,000,000	€ 1,900,000	€ 2,000,000	€ 2,600,000	€ 3,100,000	€ 10,600,000
4. MEMBERSHIP FEES	€ 800,000	€ 800,000	€ 800,000	€ 800,000	€ 800,000	€ 4,000,000
5. ALTERNATIVE FUNDING SOURCES FOR KIC LE <sup>11</sup>	€ 31,455,614	€ 80,609,408	€ 68,486,900	€ 64,150,000	€ 63,450,000	€ 308,151,922
6. SUM of FS REVENUES	€ 34,297,614	€ 83,855,408	€ 73,036,900	€ 70,000,000	€ 70,000,000	€ 331,189,922
7. EIT grant PROJECTION	€ 12,000,000	€ 8,000,000	€ 0	€ 0	€ 0	€ 20,000,000
8. FS COEFFICIENT (%) ([6] / [7])	%	%	%	%	%	%

Table 6: Forecast revenue (in MEUR)

<sup>11</sup> Alternative Funding Sources includes all revenue coming through KIC Legal Entity – and so recognisable in external financial audit – but some of this will be regranting to KIC Community and beneficiaries (e.g. cities and regions where we work).

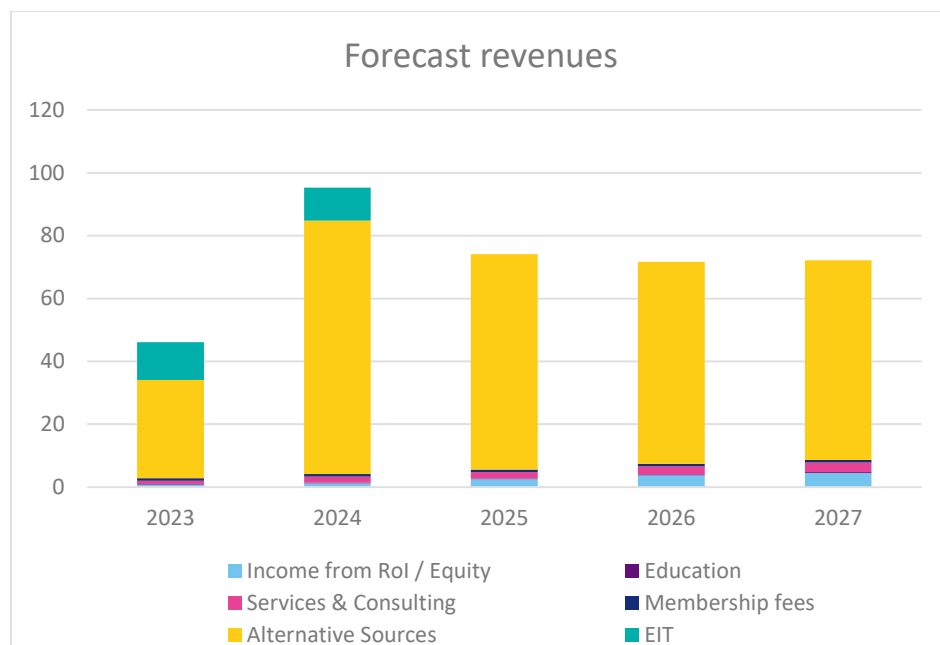


Figure 3: Graph outlining the KIC's forecast revenues (2021-2027)

## 5.5 Cross-cutting aspects

### Openness and Transparency

EIT Climate-KIC is committed to openness, transparency, and fairness in the work we do - for our own employees, our community of partners, and the places (cities, regions, states) where we work. We are committed to creating a foundation of trust and shared responsibility across our community of innovators, to have the greatest impact in tackling the climate emergency together. With the cessation of the EIT grant on to partners, our focus has been on building up our varied innovation communities – including both members of our community and wider stakeholders - in trust relationships with teams in EIT Climate-KIC: start-ups in which we have equity stakes; investors interested in our 1.5C Fund partnership; cities within the EU Cities Mission; regions within the EU Adaptation Mission; land owners and users within the EU Soils Mission; the Systemic Collaborative of delivery partners developing a compelling innovation offer to philanthropic Foundations, etc.

In addition to ensuring openness at the highest levels of governance via our independent Supervisory Board for Holding, which is 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.

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 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.

As already mentioned above in the Governance point, EIT Climate-KIC comprises a charitable Foundation with Climate-KIC Holding B.V. being its for-profit arm which undertakes commercial and investment activities and holds equity stakes. The Foundation itself holds 90% of Climate-KIC Holding's shares. The two entities are thus closely linked. At the same time, they have different responsibilities, as the Foundation is a non-profit philanthropy oriented at non-profit delivery, while Climate-KIC Holding B.V. is the for-profit arm driving forward and delivering all for-profit activities, including the relevant EIT activities.

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.

## 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.

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) 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.

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

Identifying synergies and building deep partnerships with other KICs with like-minded intent during this period, will be critical (see Table 7).

For example, we have agreed MOUs with other KICs (EIT Food; EIT Creative and Culture) to build closer relationships and develop complementary opportunities. For EIT Food, the market shaping we are undertaking with the Irish Government and public agencies in our Ireland Deep Demonstration of change in the agri-food system dovetails nicely with EIT Food's innovation priorities. For Culture and Creative, the need for effective storytelling and positive narratives of possible futures under climate change fits neatly with the KIC interest in helping scale creative solutions.

We continue to explore further collaborations with the two other first wave KICs, particularly with respect to matching

innovation solutions being developed by the KICs to our market making and shaping undertaken through the EU Missions across Europe. For example, the 112 cities in the EU Cities Mission are estimated to need to invest approximately €10-15Billion each just for built infrastructure in the coming seven years to meet their climate targets. This is a trillion Euro market requiring matching digital and energy solutions as well as climate tech.

EIT Climate-KIC continues to play an active role in key cross-KIC initiatives, notably New European Bauhaus and HEI – in both of which EIT Climate-KIC is instrumental in delivering programme outcomes – and continues to work in partnership with others KICs on Strategic (Global) Outreach and RIS ecosystems, amongst others. In addition, EIT Climate-KIC continues to seek out new funding opportunities in collaboration with other KICs.

EIT Climate-KIC continues to support the development of shared services with other KICs where it makes sense operationally.

## 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 open pathways to shift mindsets and behaviours, and enable action. EIT Climate-KIC will start more extensively to experiment with new forms of 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 city, land and regions, industry, and entrepreneur and investment 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 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 partner portal: ClimateHIVE. 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. Given our important role as a delivery partner for EU Missions, and in Horizon Europe and other European publicly funded projects, as well as our role as an EIT KIC, a key dissemination route involves European Commission dissemination tools, including CORDIS and in particular the Horizon Results Platform (HRP) which focuses on exploitable results of European public funding.

At the heart of EIT Climate-KIC's mission is to use our portfolio of innovation interventions to build intelligence and insights and enhance learning, which includes publishing insights, policy papers and good practice briefings about our systems innovation approach, what works and what does not, in our role of supporting positive change in partnership with places and industry in Europe and beyond. We will make use of the EIT Knowledge Centre to support wider dissemination of this intelligence and these insights for European benefit, and support the Centre's development through engagement with the EIT-KIC Dissemination Working Group.

Our website [www.climate-kic.org](http://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 channel 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**

Stakeholders	Overarching objectives/impacts	Indicative format/tools
<p><b>European Commission</b>, 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.</p>	<ul style="list-style-type: none"> <li>• To contribute to EU policies and programmes.</li> <li>• To strengthen EIT Climate-KIC's position as a delivery vehicle for the EU City, Adaptation and Soil Missions.</li> <li>• To influence the delivery of the European Green Deal and roll-out of Horizon Europe.</li> </ul>	<ul style="list-style-type: none"> <li>• Regular meetings with EU policy makers at all levels of the hierarchy.</li> <li>• Briefings for the Commission (including sharing results harvested from our portfolio of activities).</li> <li>• Participation in 'flagship' European Commission events such as Sustainable Energy Week, R&amp;I Days, European Week of Regions and Cities.</li> </ul>
<p><b>European Parliament</b>, including eg. ITRE and ENVI committees</p>	<ul style="list-style-type: none"> <li>• To contribute to EU policies and programmes.</li> <li>• To influence the delivery of the European Green Deal and roll-out of Horizon Europe.</li> </ul>	<ul style="list-style-type: none"> <li>• Supporting workshops to explore synergies between Horizon Europe and regional policies, based on EIT Climate-KIC's delivery experience.</li> </ul>
<p><b>Member State Permanent Representations</b> to the EU, in particular Climate and Research and Innovation Attachés.</p>	<ul style="list-style-type: none"> <li>• To contribute to EU policies and programmes.</li> <li>• To access COVID-19 recovery funding.</li> <li>• To collectively support climate innovation.</li> </ul>	<ul style="list-style-type: none"> <li>• Regular meetings with target countries.</li> <li>• Extensive mapping of Recovery and Resilience programmes.</li> </ul>
<p><b>Climate related NGOs</b>, Think Tanks, Corporate and philanthropic EU networks, including CAN Europe, Covenant of Mayors, Eurocities, ERRIN, WWF, E3G, European Climate Foundation</p>	<ul style="list-style-type: none"> <li>• To collectively support climate innovation and bring new knowledge and insights to secure political and financial leadership at all levels.</li> </ul>	<ul style="list-style-type: none"> <li>• Regular meetings, and co-hosting of webinars, events, and reports.</li> <li>• Collaboration to identify city, regional and country leaders ready to set ambitious, transformative action to meet climate targets.</li> </ul>
<p><b>International networks</b> and organisations, where synergies were identified with the EIT Climate-KIC, including FEDERENE, Energy Cities, Coal Region in Transition, WWF, UNDP, UNEP, UNIDO, UNFCCC.</p>	<ul style="list-style-type: none"> <li>• To collectively support climate innovation, building innovation bridges between European hubs and those in other parts of the world.</li> <li>• To propagate the systems innovation model and secure collaborations to expand the reach of Climathon and Climate Launchpad.</li> </ul>	<ul style="list-style-type: none"> <li>• MOUs and collaboration agreements to aid shared purpose.</li> <li>• Joint hosting of events, including for example at Conference of Parties.</li> <li>• Regular meetings and potential for learning events.</li> </ul>

<p><b>Member States, cities, regional leaders</b> committed to transformative climate action and engaging in innovation/building knowledge triangle integration</p>	<ul style="list-style-type: none"> <li>• To collectively support climate innovation.</li> <li>• Raise awareness (e.g. through the increased participation to the EIT programmes in the area).</li> <li>• To increase participation and increase the ecosystem's visibility and development.</li> </ul>	<ul style="list-style-type: none"> <li>• Stakeholder mapping and engagement activities integrated into the local initiatives and networks.</li> <li>• Collaboration commitments to secure long-term partnerships.</li> <li>• Developing relationships to influence policy, leverage impact, and manage resources effectively.</li> </ul>
---	--	--

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 already operate – often with EU MS funding – in Africa, Latin America 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 for 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 the development of innovation ecosystems which lead to future climate and economic resilience (with a focus on Africa – in line with European Commission priorities – and Latin America). Additional interaction and shared experience will come from the cross-KIC EIT Global Outreach programme, led by EIT Health, that has established EIT innovation hubs in California (Silicon Valley), China (closed for political reasons after the EU Commission guidance) 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 focused and recent discussions in California, different African and Latin American countries, and Australia indicate that developing these innovation ecosystems 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. 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.

Key: risk (title and description, including cause and potential consequence)	Risk type	Objective/thematic area affected by the risk	Impact	Likelihood	Key control(s)/ mitigating factor(s)	Action plan Summary		
						Description	Owner	Deadline
<p><b>Transition to end of EIT funding</b></p> <p>Inability to secure additional funding and finance will inhibit EIT Climate-KIC's ability to deliver its 2027 Strategic Agenda targets</p>	<p>Business value proposition.</p> <p>Operational efficiency.</p>	<p>Bankruptcy</p> <p>Balance sheet risk</p>	High	Medium	<p>Business Planning: Develop and implement FS plan.</p> <p>Strategy: Clarity on business model and ability to monetise knowledge and partnership assets.</p> <p>Resources: commit sufficient internal resources and leadership to ensure transition is prioritised and consistently well managed.</p>	<p>Early and consistent engagement with EIT on FS position.</p> <p>Commit senior staff and appropriate functions (Business Development, Operations, Legal, Community Activation, Communications) and embed in operational planning processes.</p> <p>Ensure investments and policy/process development is aligned and in-step with transition requirements and schedule.</p>	CSO/ CFO	2024

<p><b>Social-Economic Instability</b></p> <p>Political, economic and social instability</p>	<p>Macro Environment</p>	<p>Economic downturn</p> <p>Lack of stable economic conditions; climate innovation viewed as a luxury</p> <p>Further restructuring, bankruptcy</p> <p>Balance sheet risk</p>	<p>Medium</p>	<p>Medium</p>	<p>Narratives in place – work on resilience and adaptation, connecting economic and social resilience to climate goals</p> <p>Engagement with European Commission + Member States</p>	<p>Connect to Member State and COVID Recovery</p> <p>Consider relevance to economic risks</p> <p>Amplification opportunities – take systemic look at what is happening in world for impact and fundraising (Community Activation and Business Development Teams)</p>	<p>CEO</p>	<p>Ongoing</p>
---	--------------------------	--	---------------	---------------	---	--	------------	----------------

Key risk (title and description, including cause and potential consequence)	Risk type	Objective/thematic area affected by the risk	Impact	Likelihood	Key control(s)/ mitigating factor(s)	Action plan Summary		
						Description	Owner	Deadline
<p><b>Fundraising efforts not aligned to financial need or organisational capacity</b></p> <p>Not securing adequate and appropriate new funding</p> <p>Overbidding, bid beyond delivery and financial capacity</p>	<p>Financial Processes and Budget Allocation</p>	<p>Financial sustainability</p>	<p>High</p>	<p>Medium</p>	<p>Pipeline tracking in Salesforce under constant review and monitoring.</p> <p>Deal desk process including bid approval decision making matrix, early upstream</p> <p>Significant discussions and identification of diverse pipeline opportunities</p> <p>Organisational change to provide new roles and funding team leadership</p>	<p>Improved pipeline management process</p> <p>Bid team formation to be included in Project Fitting</p> <p>Implement of win/ loss reviews</p> <p>Bid approval decision making matrix at relevant boards introduced early upstream</p> <p>Funding team leadership</p>	<p>CSO</p>	<p>Ongoing</p>

<p><b>Insufficient Impact/Take-Up of Systems Innovation as Service / Deep Demonstrations Approach</b></p> <p>Not enough buy-in from Member States to make investment at portfolio stage</p> <p>EU/National procurement rules do not allow for investment</p>	<p>External partners</p>	<p>Deep Demonstrations</p>	<p>Medium</p>	<p>Medium</p>	<p>Ensuring sufficient resource and focus is placed on building and managing these relationships.</p> <p>Understanding of the financial mechanisms needed to support investment</p>	<p>Increasing Strategic Partnerships and policy team focus on these relationships, focussing Deep Demonstration outreach on building Member State relationships</p> <p>Improved Deep Demonstration Storytelling and communications in local national context around work we are doing</p> <p>Collaboration with financial institutions to better understand procurement rules and increase potential of investment opportunities</p>	<p>CSO, CEO</p>	<p>Ongoing</p>
--	--------------------------	----------------------------	---------------	---------------	---	--	-----------------	----------------

Key risk (title and description, including cause and potential consequence)	Risk type	Objective/the matic area affected by the risk	Impact	Likelihood	Key control(s)/ mitigating factor(s)	Action plan Summary		
						Description	Owner	Deadline
<p><b>Inadequate Capabilities</b></p> <p>To deliver Strategic Agenda 2021-27 Goals because of loss of critical staff</p>	Human Resources	Overall delivery	High	Medium	<p>Ensuring that organisation change includes focus on attraction and retention of key staff</p> <p>Commercial know-how to support financial sustainability of org</p> <p>Workstreams/talent retention/HR, selection, calibration process</p>	<p>Staff wellbeing workstream underway to identify key support and mechanisms to be put in place for staff, review of values and employee experience underway</p> <p>Extended HR support available</p> <p>Documented procedures and process (minimise key person risk)</p> <p>Created cross-functional group to examine ways of working</p>	COO	Ongoing
<p><b>Adverse Reputational Event</b></p> <p>Restructure related reputational risk and employer branding</p>	Quality and timeliness of communication	Funder and partner engagement	High	Medium	Staff processes and procedures, communications planning	<p>Reputational workstream underway</p> <p>Policies, protocols on onboarding, training</p>	COO	Ongoing



<p><b>Compliance with Laws &amp; Regulations</b></p> <p>EIT Climate-KIC operates in many jurisdictions. This creates a risk of non-compliance with the repercussions ranging from minor (small fines) to severe (jail sentence), lawsuits, personal injury.</p>	<p>Legality &amp; regularity</p>	<p>Compliance</p>	<p>Low</p>	<p>Low</p>	<p>Legal Counsel /Team Review and Compliance Dashboard in place</p>	<p>Regular of review of Law Firm Panel and the Compliance Dashboard</p>	<p>General Counsel</p>	<p>Ongoing</p>
---	----------------------------------	-------------------	------------	------------	---	---	------------------------	----------------

Table 7: Risk assessment

# ANNEX 1 KIC IMPACT

Table 8

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

KIC Strategic Objective  <i>(i)</i>	Problem/ issue related to the societal challenge  <i>(ii)</i>	Societal and economic impact to be created by 2027  <i>(iii)</i>	Impact KPIs  <i>(iv)</i>	Targets to be achieved by 2024*  <i>(v)</i>	Targets to be achieved by the FPA end year [2027]*  <i>(vi)</i>	Targets to be achieved by 2027*  <i>(vii)</i>	Relevant UN SDG Targets  <i>(viii)</i>	Source of verification (to be completed only for the societal impacts)  <i>(ix)</i>
A. Focus on systems innovation to address systems needing change to tackle emissions and improve resilience.	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.	Slowing emissions in partnership with EIT Climate-KIC countries and sub-national places (cities, regions)  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)	Avoided or sequestered greenhouse gas emissions measured as MT CO2 equivalent (cf. baseline year) in places where we work.  # People with strengthened climate resilience in places where we work.	200 million tons (CO2eq) of emissions avoided.  3m people more climate resilient.	500 million tons (CO2eq) of emissions avoided.  10m people more resilient	500 million tons (CO2eq) of emissions avoided.  10m people more resilient	SDG 13.1 SDG 13.2 SDG 11.5	<ul style="list-style-type: none"> <li>• Ex-ante climate impact estimates for projects and start-ups, using EIT Climate-KIC's established methods.</li> <li>• 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</li> <li>• Through ex-post evaluation.</li> <li>• 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.</li> </ul>

KIC Strategic Objective <i>(i)</i>	Problem/ issue related to the societal challenge <i>(ii)</i>	Societal and economic impact to be created by 2027 <i>(iii)</i>	Impact KPIs <i>(iv)</i>	Targets to be achieved by 2024* <i>(v)</i>	Targets to be achieved by the FPA end year [2027]* <i>(vi)</i>	Targets to be achieved by 2027* <i>(vii)</i>	Relevant UN SDG Targets <i>(viii)</i>	Source of verification (to be completed only for the societal impacts) <i>(ix)</i>
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.)	# of places/challenge owners with an agreement to work in partnership with EIT Climate-KIC to achieve rapid decarbonisation and resilience.	30	50	50	SDG 8.3 SDG 8.4 SDG 13.2 SDG 13.3	<ul style="list-style-type: none"> <li>Counting the collaboration agreements, MOUs or formal contracts signed with EIT Climate-KIC to substantiate the bases for strategic partnerships;</li> <li>The state of progress of applying the advanced version of knowledge triangle integration (as described by intent, frame, portfolio, intelligence stages); and</li> <li>Through developmental and ex-post evaluations to explore the extent to which this model leads to change towards net-zero emissions and climate resilience.</li> </ul>

KIC Strategic Objective	Problem/ issue related to the societal challenge	Societal and economic impact to be created by 2027	Impact KPIs	Targets to be achieved by 2024*	Targets to be achieved by the FPA end year [2027]*	Targets to be achieved by 2027*	Relevant UN SDG Targets	Source of verification (to be completed only for the societal impacts)
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)
C. Next-generation climate entrepreneurship, leadership, and capability.	Through the EIT SIA, and as amplified by DGEAC 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.	# of people with enhanced innovation and entrepreneurial skills  # 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).	50,000  5	200,000  8	200,000  8	SDG 4.7  SDG 8.3  SDG 8.4	<ul style="list-style-type: none"> <li>Annual cumulative monitoring of participation in strategic programmes listed, coupled with data from participant evaluation;</li> <li>Tracer studies of the career pathways of participants; and</li> <li>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.</li> </ul>

D. Supporting the creation of net new climate-friendly jobs.	New jobs are needed to address the challenges of a transition to net-zero emissions, circular economy innovation, and climate resilience.	Expanding the availability of new climate-friendly jobs.	Combined # new jobs created in start-ups/scale-ups, and # jobs/employment in existing businesses, partners sustained through innovations.	20,000	50,000	50,000	SDG 13.1 SDG 8.2 SDG 8.3 SDG 8.4 SDG 8.6	<ul style="list-style-type: none"> <li>• Monitored through surveys of start-ups and project partners.</li> <li>• Monitored through cities, regions and countries working in partnership with EIT Climate-KIC.</li> <li>• Possibility of big data tools.</li> </ul>
--	---	--	---	--------	--------	--------	--	--

KIC Strategic Objective <i>(i)</i>	Problem/issue related to the societal challenge <i>(ii)</i>	Societal and economic impact to be created by 2027 <i>(iii)</i>	Impact KPIs <i>(iv)</i>	Targets to be achieved by 2024* <i>(v)</i>	Targets to be achieved by the FPA end year [2027]* <i>(vi)</i>	Targets to be achieved by 2027* <i>(vii)</i>	Relevant UN SDG Targets <i>(viii)</i>	Source of verification (to be completed only for the societal impacts) <i>(ix)</i>
E. Funding for innovation	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.	Innovation can help de-risk investments, attract private money and speed up the transformation.	<p># Billion Euros leveraged to support the scale-up/diffusion of innovations to tackle climate change.</p> <p># and revenue of start-ups and scale-ups supported by KICs trading 3 years after KIC support ceased</p> <p>KIC Revenues (EITHE11.1) to enable KIC and the KIC Community to deliver on our impact thesis.</p>	<p>€30bn</p> <p>150 (€250m)</p> <p>€80M</p>	<p>€100bn</p> <p>250 (€500m)</p> <p>€70M</p>	<p>€100bn</p> <p>250 (€500m)</p> <p>€70M</p>	SDG13	<ul style="list-style-type: none"> <li>Tracking funding pathways for projects and start-ups in our portfolio;</li> <li>Monitoring co-investment, third-party funding, influenced funding and our influence on financial models through annual reporting routes; and</li> <li>Through developmental and ex-post evaluation, and AI/big data tools.</li> <li>Financial audit of turnover of KIC Legal Entity.</li> </ul>