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I

(Legislative acts)

REGULATIONS

REGULATION (EU) 2021/817 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**of 20 May 2021****establishing Erasmus+: the Union Programme for education and training, youth and sport and
repealing Regulation (EU) No 1288/2013****(Text with EEA relevance)**

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Articles 165(4) and 166(4) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee ⁽¹⁾,Having regard to the opinion of the Committee of the Regions ⁽²⁾,Acting in accordance with the ordinary legislative procedure ⁽³⁾,

Whereas:

- (1) Investing in learning mobility for all, regardless of background and means, and in cooperation and innovative policy development in the fields of education and training, youth and sport is key to building inclusive, cohesive and resilient societies and sustaining the competitiveness of the Union, and is all the more important in the context of rapid and profound change driven by technological revolution and globalisation. Furthermore, such an investment also contributes to strengthening European identity and values and to a more democratic Union.
- (2) In its communication of 14 November 2017 entitled ‘Strengthening European Identity through Education and Culture’, the Commission put forward its vision to work towards the establishment, by 2025, of a European Education Area in which learning would not be hampered by borders. That communication set out a vision for a Union in which spending time in another Member State for the purposes of studying and learning in any form or setting would become the standard, where, in addition to one’s mother tongue, speaking two other languages would become the norm and where people would have a strong sense of their identity as Europeans, of Europe’s cultural heritage and its diversity. In that context, the Commission emphasised the need to boost the tried-and-tested Erasmus+ Programme in all categories of learners that it already covers with the aim of reaching out to learners with fewer opportunities.

⁽¹⁾ OJ C 62, 15.2.2019, p. 194.

⁽²⁾ OJ C 168, 16.5.2019, p. 49.

⁽³⁾ Position of the European Parliament of 28 March 2019 (OJ C 108, 26.3.2021, p. 965) and position of the Council at first reading of 13 April 2021 (not yet published in the Official Journal). Position of the European Parliament of 18 May 2021 (not yet published in the Official Journal).

- (3) The importance of education, training and youth for the future of the Union is reflected in the communication of the Commission of 14 February 2018 entitled 'A new, modern Multiannual Financial Framework for a European Union that delivers efficiently on its priorities post-2020'. That communication stressed the need to deliver on the commitments made by the Member States at the Social Summit for Fair Jobs and Growth held in Gothenburg on 17 November 2017, including through the full implementation of the European Pillar of Social Rights solemnly proclaimed and signed on 17 November 2017 by the European Parliament, the Council and the Commission ⁽⁴⁾ and Principle 1 thereof, which relates to education, training and lifelong learning. That communication stressed the need to step up mobility and exchanges, including through a substantially strengthened, inclusive and extended Erasmus+ Programme, as had been called for by the European Council in its conclusions of 14 December 2017.
- (4) Principle 1 of the European Pillar of Social Rights provides that everyone has the right to quality and inclusive education, training and lifelong learning in order to maintain and acquire skills that enable them to participate fully in society and manage successfully transitions in the labour market. The European Pillar of Social Rights also makes clear the importance of good quality early childhood education and care and of ensuring equal opportunities for all.
- (5) In the Bratislava Declaration, signed on 16 September 2016, leaders of 27 Member States stressed their determination to provide better opportunities for youth. In the Rome Declaration, signed on 25 March 2017, leaders of 27 Member States and of the European Council, European Parliament and Commission pledged to work towards a Union in which young people receive the best education and training and can study and find jobs across the continent and which preserves our cultural heritage and promotes cultural diversity.
- (6) The report of the Commission of 31 January 2018 on the mid-term evaluation of the Erasmus+ programme (2014-2020) established by Regulation (EU) No 1288/2013 of the European Parliament and of the Council ⁽⁵⁾ (the '2014-2020 Programme') confirmed that the creation of a single programme for education and training, youth and sport had resulted in significant simplification, rationalisation and synergies in the management of that Programme but concluded that further improvements were necessary to further consolidate the efficiency gains of the 2014-2020 Programme. In the consultations for that mid-term evaluation and on the future programme, Member States and stakeholders made a strong call for continuity in the Erasmus+ Programme's scope, architecture and delivery mechanisms, while calling for a number of improvements, such as making the Erasmus+ Programme more inclusive, simpler and more manageable for beneficiaries. Member States and stakeholders also expressed their full support for keeping the Erasmus+ Programme integrated and underpinned by the lifelong learning paradigm. In its resolution of 2 February 2017 on the implementation of Erasmus+ ⁽⁶⁾, the European Parliament welcomed the integrated structure of the 2014-2020 Programme and called on the Commission to exploit fully the lifelong learning dimension of that Programme by fostering and encouraging cross-sectoral cooperation in the Erasmus+ Programme. Member States and stakeholders also highlighted the need to strengthen further the international dimension of the Erasmus+ Programme.
- (7) The 2018 open public consultation on Union funding in the areas of values and mobility confirmed the key findings of the report on the mid-term evaluation of the 2014-2020 Programme and emphasised the need to make the future programme more inclusive, to continue to focus priorities on modernising education and training systems and to strengthen priorities on fostering European identity, active citizenship and participation in democratic life.
- (8) In its communication of 2 May 2018 entitled 'A Modern Budget for a Union that Protects, Empowers and Defends - the Multiannual Financial Framework for 2021-2027', the Commission called for greater investment in people and a stronger 'youth' focus in the next financial framework. In that communication, the Commission recognised that the Erasmus+ Programme has been one of the Union's most visible success stories. In its communication of 27 May 2020 entitled 'The EU budget powering the recovery plan for Europe', the Commission recognised the role of the Erasmus+ Programme in making the Union more resilient and addressing socio-economic challenges. It

⁽⁴⁾ OJ C 428, 13.12.2017, p. 10.

⁽⁵⁾ Regulation (EU) No 1288/2013 of the European Parliament and of the Council of 11 December 2013 establishing 'Erasmus+: the Union programme for education, training, youth and sport and repealing Decisions No 1719/2006/EC, No 1720/2006/EC and No 1298/2008/EC (OJ L 347, 20.12.2013, p. 50).

⁽⁶⁾ OJ C 252, 18.7.2018, p. 31.

also confirmed its commitment to a significantly strengthened Erasmus+ Programme. This would allow more people to move to another country to learn or work and would allow the Programme to focus on inclusiveness and on reaching more people with fewer opportunities.

- (9) In this context, it is necessary to establish Erasmus+, the Union Programme for education and training, youth and sport (the 'Programme'), as the successor to the 2014-2020 Programme. The integrated nature of the 2014-2020 Programme covering learning in all contexts, whether formal, non-formal or informal, and at all stages of life should be reinforced to boost flexible learning paths, thereby allowing people to acquire and improve the knowledge, skills and competences that are necessary to develop as individuals and to face the challenges and make the most of the opportunities of the 21st century.
- (10) The Programme should be established for a period of seven years to align its duration with that of the multiannual financial framework for the years 2021 to 2027 laid down in Council Regulation (EU, Euratom) 2020/2093 ⁽⁷⁾ (the '2021-2027 MFF').
- (11) The Programme should be equipped to become an even greater contributor to the implementation of the Union's policy objectives and priorities in the fields of education and training, youth and sport. A coherent lifelong learning approach is central to managing the different transitions that people will face over the course of their lives. Such an approach should be encouraged through effective cross-sectoral cooperation. In taking such an approach forward, the Programme should maintain a close relationship with the overall strategic framework for Union policy cooperation in the fields of education and training and youth, including the policy agendas for schools, higher education, vocational education and training and adult learning, while reinforcing and developing new synergies with other related Union programmes and policy areas.
- (12) The Programme is a key component of building a European Education Area. Following on from its communication of 14 November 2017 entitled 'Strengthening European Identity through Education and Culture', the Commission recalled, in its communication of 30 September 2020 on achieving the European Education Area by 2025, that the Erasmus+ Programme remains instrumental in achieving the objectives of quality and inclusive education, training and lifelong learning, and in preparing the Union to face the digital and green transitions. The Programme should be equipped to contribute to the successor of the strategic framework for European cooperation in education and training and the updated European Skills Agenda for sustainable competitiveness, social fairness and resilience established in the communication of the Commission of 1 July 2020 with a shared commitment to the strategic importance of skills, key competences and knowledge for sustaining jobs and supporting growth, competitiveness, innovation and social cohesion, in line with the Council Recommendation of 22 May 2018 ⁽⁸⁾. The Programme should contribute to delivering on the Digital Education Action Plan established in the communication of the Commission of 30 September 2020 entitled 'Digital Education Action Plan 2021-2027 – Resetting education and training for the digital age'. The Programme should respond to the necessary digital transformation of education and training, youth and sport. The Programme should also support Member States in reaching the goals of the Paris Declaration of 17 March 2015 on promoting citizenship and the common values of freedom, tolerance and non-discrimination through education.
- (13) In line with the European Union Youth Strategy 2019-2027 ⁽⁹⁾, the framework for European cooperation in the youth field for 2019-2027, based on the communication of the Commission of 22 May 2018 entitled 'Engaging, connecting and empowering young people: a new EU Youth Strategy', the Programme should support high-quality youth work, tools and systems for the training of youth workers, the validation of non-formal and informal learning and quality approaches to empower youth organisations. The Programme should support an inclusive and broad EU Youth Dialogue, the priorities of which are driven by young people's needs.
- (14) The Programme should take into account the relevant European Union Work Plan for Sport, which is the cooperation framework at Union level in the field of sport. Consistency and complementarity should be ensured between the relevant European Union Work Plan for Sport and actions supported under the Programme in the field of sport. There is a need to focus, in particular, on grassroots sport, taking into account the important role that sports play in promoting physical activity and a healthy lifestyle, interpersonal relations, social inclusion and

⁽⁷⁾ Council Regulation (EU, Euratom) 2020/2093 of 17 December 2020 laying down the multiannual financial framework for the years 2021 to 2027 (OJ L 433 I, 22.12.2020, p. 11).

⁽⁸⁾ Council Recommendation of 22 May 2018 on key competences for lifelong learning (OJ C 189, 4.6.2018, p. 1).

⁽⁹⁾ OJ C 456, 18.12.2018, p. 1.

equality. The Programme should support the learning mobility of sport staff, primarily in grassroots sport. Staff in non-grassroots sport, including those engaged in dual sport and non-sport careers, can also enhance the learning impact and knowledge transfer for grassroots sport staff and organisations. The Programme should therefore be able to support learning mobility opportunities for staff in non-grassroots sport where the participation of such staff can benefit grassroots sport. The Programme should contribute to promoting common European values through sport, good governance and integrity in sport, sustainable development, and education, training and skills in and through sport. Not-for-profit sport events supported by the Programme should achieve a European dimension and impact.

- (15) The Programme should be able to support any field of study and should, in particular, contribute to strengthening the Union's innovation capacity by supporting activities that help people develop the knowledge, skills, competences and attitudes they need in forward-looking study fields or disciplines such as science, technology, engineering, arts and mathematics (STEAM), climate change, environmental protection, sustainable development, clean energy, artificial intelligence, robotics, data analysis, design and architecture, and digital and media literacy. Innovation can be fostered through all learning mobility and cooperation actions, whether directly or indirectly managed.
- (16) Synergies with the Horizon Europe Programme established by Regulation (EU) 2021/695 of the European Parliament and of the Council ⁽¹⁰⁾ ('Horizon Europe') should ensure that combined resources from the Programme and Horizon Europe are used to support activities dedicated to strengthening and modernising European higher education institutions. Horizon Europe will, where appropriate, complement the Programme's support for the European Universities initiative as part of the development of new joint and integrated long-term and sustainable strategies on education, research and innovation. Synergies with Horizon Europe will help to foster the integration of education and research, in particular in higher education institutions.
- (17) New and emerging technologies offer significant opportunities for learning and exchange and have proved of particular importance during the COVID-19 pandemic. In addition to physical learning mobility, which remains the core action of the Programme, virtual formats, such as virtual learning, should be promoted in order to complement or support physical learning mobility, to offer meaningful learning opportunities to those who are unable to move physically to a country other than their country of residence or to foster exchanges through innovative learning formats. Where relevant, virtual cooperation should be promoted under the Programme. The Commission should ensure that, where possible and appropriate, virtual learning tools developed under the Programme are made available to the wider public.
- (18) In fulfilling its objectives, the Programme should be more inclusive by improving participation among people with fewer opportunities. A range of measures could help to increase the participation in the Programme of people with fewer opportunities, including better and more targeted outreach, communication, advice and assistance, simplified procedures, more flexible learning mobility formats, and increased engagement with small organisations, in particular newcomer organisations and community-based grassroots organisations that work directly with disadvantaged learners of all ages. It is important to recognise that low levels of participation among people with fewer opportunities stem from different causes and depend on different contexts. Therefore, within a Union-wide framework of such measures aimed at increasing participation among people with fewer opportunities, inclusion action plans should be developed and tailored to the target groups and specific circumstances in each Member State.
- (19) In some cases, people with fewer opportunities are less likely to participate in the Programme for financial reasons, whether because of their economic situation or because of the higher participation costs that their specific situation generates, as is often the case for people with disabilities. In such cases, their participation could be facilitated with targeted financial support. The Commission should therefore ensure that such financial support measures are put in place, including through possible grant adjustments at national level. Additional costs associated with measures to facilitate inclusion should not constitute a ground for the rejection of an application.

⁽¹⁰⁾ Regulation (EU) 2021/695 of the European Parliament and of the Council of 28 April 2021 establishing Horizon Europe – the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination, and repealing Regulations (EU) No 1290/2013 and (EU) No 1291/2013 (OJ L 170, 12.5.2021, p. 1).

- (20) In order to make the Programme more accessible for newcomer organisations and for organisations with smaller administrative capacity and to make the Programme more manageable for beneficiaries, a range of measures should be taken to simplify Programme procedures at implementation level. In that regard, Programme information technology systems should be user-friendly and provide simple access to the opportunities offered by the Programme. Similarly, the procedures put in place to implement the Programme should be consistent and simple and should be accompanied by high-quality support measures and information. To that end, regular meetings of the network of national agencies should be organised.
- (21) In its communication of 14 November 2017 entitled ‘Strengthening European identity through education and culture’, the Commission highlighted the pivotal role that education, culture and sport play in promoting active citizenship and common values among the youngest generations. Strengthening European identity and fostering the active participation of individuals and civil society in democratic processes is crucial for the future of Europe and democratic societies. Going abroad to study, learn, train and work or to participate in youth and sport activities contributes to strengthening that European identity in all its diversity. It reinforces the sense of being part of a cultural community and fosters intercultural learning, critical thinking and active citizenship among people of all ages. Those taking part in learning mobility activities should get involved in their local communities and engage with their host country local communities in order to share their experiences. The Programme should support activities linked to reinforcing all aspects of creativity in education, training and youth and enhancing individual key competences.
- (22) The Programme should only support actions and activities which present a potential European added value. The notion of European added value is to be understood broadly and can be demonstrated in different ways, such as where actions or activities have a transnational character, particularly with regard to learning mobility and cooperation aimed at achieving a sustainable systemic impact, complement or foster synergies with other programmes and policies at national, Union and international level, or contribute to the effective use of Union transparency and recognition tools.
- (23) The international dimension of the Programme should be boosted and aim to offer more opportunities for learning mobility, cooperation and policy dialogue with third countries not associated to the Programme. Building on the successful implementation of international higher education and youth activities under the predecessor programmes in the fields of education and training and youth, international learning mobility activities should be extended to other sectors, such as vocational education and training and sport. To increase the impact of those activities, it is important to enhance synergies between the Programme and the Union instruments for external action, such as the Neighbourhood, Development and International Cooperation Instrument, established by a Regulation of the European Parliament and of the Council establishing the Neighbourhood, Development and International Cooperation Instrument – Global Europe, amending and repealing Decision No 466/2014/EU of the European Parliament and of the Council and repealing Regulation (EU) 2017/1601 of the European Parliament and of the Council and Council Regulation (EC, Euratom) No 480/2009, and the Instrument for Pre-accession Assistance (IPA III), established by a Regulation of the European Parliament and of the Council establishing the Instrument for Pre-accession Assistance (IPA III). The Union instruments for external action should aim to increase opportunities, in particular for individuals and organisations from third countries not associated to the Programme, supporting, in particular, capacity-building in those countries, skills development and people-to-people exchanges, while offering more opportunities for cooperation, learning mobility and policy dialogue.
- (24) The basic architecture of the 2014-2020 Programme, which was divided into three chapters, namely education and training, youth and sport, and was structured around three key actions, has proved successful and should be maintained. Improvements in order to streamline and rationalise the actions supported by the Programme should be introduced. Stability and continuity should also be ensured in terms of management and implementation modes. Overall, at least 75 % of the Programme budget should be implemented under indirect management by the national agencies. This includes actions such as learning mobility in all fields of education and training, youth and sport and cooperation partnerships, including small-scale partnerships in the fields of education and training and youth. Where appropriate, specific arrangements regarding direct management should be put in place for actions involving Union-wide networks and European organisations under key actions 2 and 3, excluding small-scale partnerships.

- (25) The Programme should implement a set of actions in order to support learning mobility, cooperation among organisations and institutions, policy development and cooperation, and Jean Monnet actions. This Regulation should set out those actions and the descriptions thereof, including the activities that could be implemented under those actions in the course of the programming period.
- (26) The Programme should reinforce existing learning mobility opportunities, in particular in those sectors where the Programme could have the biggest efficiency gains, in order to broaden the reach of such opportunities and meet the high unmet demand. In particular, this should be done by increasing and facilitating learning mobility for higher education students, school pupils, adult education learners and vocational education and training learners, such as apprentices and trainees, including for purposes of upskilling and reskilling. Recent graduates and people who have recently obtained a vocational education and training qualification should be able to participate in learning mobility. The participation of recent graduates in learning mobility should be based on objective criteria, and equal treatment should be ensured. Learning mobility opportunities for young people participating in non-formal learning activities should also be extended to reach more young people. Learning mobility of staff in the fields of education and training, youth and sport should also be reinforced, considering its leverage effect. Learning mobility opportunities should be able to take various forms, including traineeships, apprenticeships, youth exchanges, school exchanges, teaching or participation in a professional development activity, and should be based on the specific needs of the different sectors. The Programme should support quality in learning mobility, including quality based on the principles set out in the Recommendation of the European Parliament and of the Council of 18 December 2006 ⁽¹¹⁾ and the Council Recommendations of 28 June 2011 ⁽¹²⁾, 20 December 2012 ⁽¹³⁾, 15 March 2018 ⁽¹⁴⁾, 26 November 2018 ⁽¹⁵⁾ and 24 November 2020 ⁽¹⁶⁾.
- (27) In line with the vision of a true European Education Area, the Programme should also boost learning mobility and exchanges and promote the participation of higher education students in educational and cultural and sports activities by supporting the digitalisation of processes through, for example, the European Student Card initiative. In this context, the Commission should develop the European Student Card initiative, in particular for higher education students participating in the Programme. The European Student Card initiative could be an important step in making learning mobility for all a reality, enabling higher education institutions to send and receive more higher education students for the purpose of exchanges while still enhancing quality in the learning mobility of higher education students, and also facilitating their access to various services, such as libraries, transport and accommodation, before their physical arrival at the institution abroad.
- (28) The Programme should encourage the participation of young people in Europe's democratic life, including by supporting activities that contribute to citizenship education and participation projects for young people to engage and learn to participate in civic society, thereby raising awareness of European common values, including fundamental rights, as well as European history and culture, bringing together young people and decision-makers at local, national and Union levels and contributing to the process of European integration.

⁽¹¹⁾ Recommendation of the European Parliament and of the Council of 18 December 2006 on transnational mobility within the Community for education and training purposes: European Quality Charter for Mobility (OJ L 394, 30.12.2006, p. 5).

⁽¹²⁾ Council Recommendation of 28 June 2011 – ‘Youth on the move’ – promoting the learning mobility of young people (OJ C 199, 7.7.2011, p. 1).

⁽¹³⁾ Council Recommendation of 20 December 2012 on the validation of non-formal and informal learning (OJ C 398, 22.12.2012, p. 1).

⁽¹⁴⁾ Council Recommendation of 15 March 2018 on a European Framework for Quality and Effective Apprenticeships (OJ C 153, 2.5.2018, p. 1).

⁽¹⁵⁾ Council Recommendation of 26 November 2018 on promoting automatic mutual recognition of higher education and upper secondary education and training qualifications and the outcomes of learning periods abroad (OJ C 444, 10.12.2018, p. 1).

⁽¹⁶⁾ Council Recommendation of 24 November 2020 on vocational education and training (VET) for sustainable competitiveness, social fairness and resilience (OJ C 417, 2.12.2020, p. 1).

- (29) Building on the evaluation and further development of the DiscoverEU initiative, which was launched as a preparatory action in 2018, the Programme should offer young people more opportunities to discover all destinations in Europe through learning experiences abroad. Young people, in particular those with fewer opportunities, should be given the chance to have a first-time, short-term individual or group experience travelling throughout Europe as part of an informal and non-formal educational activity that aims to foster their sense of belonging to the Union and to enable them to discover its cultural and linguistic diversity. Participants should be selected based on clear and transparent criteria. Implementing bodies should promote measures to ensure that the DiscoverEU initiative is inclusive and geographically balanced with regard to both the travel passes allocated and the Member States visited, and to support activities with a strong learning dimension. In this regard, through targeted measures, such as outreach activities, pre-departure information sessions and events for young people, the Programme should also promote the choice of less-visited Member States and peripheral regions. Other means of transport should be considered where rail transport is not available or is highly impractical, taking into account, in particular, the specific situation of the destination. The DiscoverEU initiative should seek to build links with relevant local, regional, national and European initiatives, such as the Union action entitled 'European Capitals of Culture', the European Youth Capitals, the European Volunteering Capitals and the European Green Capitals.
- (30) The learning of languages contributes to mutual understanding and mobility within and outside the Union, and language competences are essential life and job skills. Therefore, the Programme should enhance the learning of languages, including, where relevant, national sign languages, including through the broader use of online tools because e-learning can offer additional advantages for language learning in terms of access and flexibility. At the same time, in order to ensure broad and inclusive access to the Programme, it is important that multilingualism be a key principle in the implementation of the Programme.
- (31) The Programme should support measures that enhance cooperation between institutions and organisations that are active in the fields of education and training, youth and sport, thereby recognising the fundamental role of the institutions and organisations in equipping individuals with the knowledge, skills and competences needed in a changing world and helping the institutions and organisations to adequately fulfil their potential for innovation, creativity and entrepreneurship, in particular within the digital economy.
- (32) In its conclusions of 14 December 2017, the European Council called on Member States, the Council and the Commission to take forward a number of initiatives to elevate European cooperation in the field of education and training to a new level, including by encouraging the emergence by 2024 of 'European Universities', consisting of 'bottom-up' networks of universities across the Union. In its conclusions of 28 June 2018, the European Council called for cooperation between research, innovation and education to be encouraged, including through the European Universities initiative. The Programme should support those European Universities in developing joint long-term strategies for high-quality education, research and innovation and for service to society.
- (33) The Bruges Communiqué of 7 December 2010 on enhanced European Cooperation in Vocational Education and Training for the period 2011-2020 called for support of vocational excellence for smart and sustainable growth. In its communication of 18 July 2017 entitled 'Strengthening Innovation in Europe's Regions: Strategies for resilient, inclusive and sustainable growth', the Commission called on Member States to link vocational education and training to innovation systems, as part of smart specialisation strategies at regional level. The Programme should provide the means to respond to those calls and support the development of transnational platforms of centres of vocational excellence embedded in local and regional strategies for sustainable growth, innovation and competitiveness. Those centres of excellence should act as drivers of quality vocational skills in a context of sectoral challenges, while supporting overall structural changes and socio-economic policies in the Union.
- (34) User-friendly online platforms and tools for virtual cooperation can play an important role in supporting the delivery of education and training and youth policy in the Union. To increase the use of virtual cooperation activities, the Programme should support more systematic and coherent use of online platforms such as eTwinning, the School Education Gateway, the Electronic Platform for Adult Learning in Europe, the European Youth Portal and online platforms for higher education and, where necessary, any further online platform that might be set up in the fields of education and training and youth.

- (35) In line with relevant Union frameworks and tools, the Programme should contribute to facilitating transparency and the recognition of competences, skills and qualifications, and the transfer of credits or units of learning outcomes in order to foster quality assurance and to support the validation of non-formal and informal learning, skills management and guidance. In that regard, the Programme should also provide support to contact points and networks at national and Union level that facilitate cross-European exchanges and the development of flexible learning pathways between different fields of education and training and youth and across formal and non-formal settings. The Programme should also provide support to the Bologna Process.
- (36) The Programme should mobilise the potential of former participants in the Erasmus+ Programme and support related activities, in particular of Erasmus+ alumni networks, ambassadors and EuroPeers, by encouraging them to promote the Programme with a view to increasing participation.
- (37) As a way to ensure cooperation with other Union instruments and support to other Union policies, learning mobility opportunities should be offered to people in various sectors of activity, such as the public and private sector, agriculture and enterprise, enabling them to have a learning experience abroad that allows them, at any stage of their life, to grow and develop both personally, in particular by developing an awareness of their European identity and an understanding of European cultural diversity, and professionally, including by acquiring skills relevant to the labour market. The Programme should offer an entry point for Union transnational mobility schemes with a strong learning dimension, simplifying the offer of such schemes for beneficiaries and those taking part in those activities. The scaling-up of Programme projects should be facilitated. Specific measures should be put in place to help promoters of Programme projects to apply for grants or develop synergies with support from the Cohesion Policy Funds and from the programmes relating to migration, security, justice and citizenship, health, media and culture, and volunteering. It should be possible to award quality project proposals that cannot be financed under the Programme due to budgetary constraints with a Seal of Excellence label, based on a limited set of criteria. The Seal of Excellence label recognises the quality of the proposal and simplifies the search for alternative financing under the European Regional Development Fund established by a Regulation of the European Parliament and of the Council on the European Regional Development Fund and on the Cohesion Fund (the 'European Regional Development Fund') or the European Social Fund Plus established by a Regulation of the European Parliament and of the Council on the European Social Fund Plus (ESF+) (the 'European Social Fund Plus').
- (38) It is important to stimulate teaching, learning and research in European integration matters, including the Union's future challenges and opportunities, and to promote debate on those matters with support from Jean Monnet actions in the field of higher education and in other fields of education and training, in particular by means of teacher and staff training. Fostering a European sense of belonging and commitment is particularly important given the challenges to the common values on which the Union is founded and which form part of a common European identity, and considering the fact that citizens show low levels of engagement. The Programme should continue to contribute to the development of excellence in European integration studies. It is appropriate that the progress of the institutions financed under Jean Monnet actions towards delivering on the Programme objectives be monitored and evaluated regularly. Exchanges between those institutions and other institutions at national or transnational level should be encouraged, in full respect of their academic freedom.
- (39) Reflecting the importance of tackling climate change in line with the Union's commitments to implement the Paris Agreement adopted under the United Nations Framework Convention on Climate Change ⁽¹⁷⁾ and to achieve the United Nations' Sustainable Development Goals, the Programme is intended to contribute to mainstreaming climate actions and to the achievement of an overall target of 30 % of Union budget expenditure supporting climate objectives. In line with the European Green Deal as a blueprint for sustainable growth, the actions under this Regulation should respect the 'do no harm' principle without changing the fundamental character of the Programme. During the implementation of the Programme, relevant actions should be identified and put in place and reassessed in the context of the relevant evaluations and review process. It is also appropriate to measure relevant actions that contribute to climate objectives, including those intended to reduce the environmental impact of the Programme.

⁽¹⁷⁾ OJ L 282, 19.10.2016, p. 4.

- (40) This Regulation lays down a financial envelope for the Programme which is to constitute the prime reference amount, within the meaning of point 18 of the Interinstitutional Agreement of 16 December 2020 between the European Parliament, the Council of the European Union and the European Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, as well as on new own resources, including a roadmap towards the introduction of new own resources ⁽¹⁸⁾, for the European Parliament and the Council during the annual budgetary procedure. That financial envelope comprises an amount of EUR 0,5 billion in constant 2018 prices in line with the joint declaration by the European Parliament, Council and Commission of 16 December 2020 on the reinforcement of specific programmes and adaptation of basic acts ⁽¹⁹⁾.
- (41) Within a basic envelope for actions to be managed by the national agencies in the field of education and training, a breakdown of the minimum allocation per sector should be set out for the following sectors in order to guarantee that a critical mass of appropriations reaches the intended output and results in each of those sectors: higher education, vocational education and training, school education and adult education.
- (42) Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽²⁰⁾ (the 'Financial Regulation') applies to the Programme. The Financial Regulation lays down rules on the implementation of the Union budget, including the rules on grants, prizes, procurement, indirect management, financial instruments, budgetary guarantees, financial assistance and the reimbursement of external experts.
- (43) The types of financing and the methods of implementation under this Regulation should be chosen on the basis of their ability to achieve the specific objectives of the actions and to deliver results, taking into account, in particular, the costs of controls, the administrative burden, and the expected risk of non-compliance. When making that choice, the use of lump sums, unit costs and flat rates, as well as financing not linked to costs as referred to in Article 125(1) of the Financial Regulation, should be considered. The budgetary allocations to implement the actions managed by the national agencies should be accompanied by adequate support for the operating costs of national agencies, in the form of a management fee, to ensure effective and sustainable implementation of the delegated management tasks. The principles of transparency, equal treatment and non-discrimination set out in the Financial Regulation should be respected in the implementation of the Programme.
- (44) Third countries which are members of the European Economic Area may participate in Union programmes in the framework of the cooperation established under the Agreement on the European Economic Area ⁽²¹⁾, which provides for the implementation of the programmes on the basis of a decision adopted under that Agreement. Third countries may also participate on the basis of other legal instruments. A specific provision should be introduced in this Regulation requiring third countries to grant the necessary rights and access required for the authorising officer responsible, the European Anti-Fraud Office (OLAF) and the Court of Auditors to comprehensively exercise their respective competences. The full participation of third countries in the Programme should be subject to the conditions laid down in specific agreements covering the participation of the third country concerned in the Programme. Full participation entails, moreover, the obligation to set up a national agency and the management of some of the Programme actions under indirect management. Legal entities from third countries that are not associated to the Programme should be able to participate in some of the actions of the Programme, as defined in the work programmes and the calls for proposals published by the Commission. When implementing the Programme, specific arrangements could be taken into account with regard to the participation of legal entities from European microstates.
- (45) In view of Article 349 of the Treaty on the Functioning of the European Union (TFEU) and in line with the communication of the Commission of 24 October 2017 entitled 'A stronger and renewed strategic partnership with the EU's outermost regions', the Programme should take into account the specific situation of the outermost regions referred to in that Article. Measures should be taken to increase the participation of the outermost regions in all actions, including by means of financial support, where relevant, for learning mobility. Mobility exchanges and cooperation between people and organisations from those regions and third countries, in particular their neighbours, should be fostered. Such measures should be monitored and evaluated regularly.

⁽¹⁸⁾ OJ L 433 I, 22.12.2020, p. 28.

⁽¹⁹⁾ OJ C 444 I, 22.12.2020, p. 1.

⁽²⁰⁾ Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (OJ L 193, 30.7.2018, p. 1).

⁽²¹⁾ OJ L 1, 3.1.1994, p. 3.

- (46) Pursuant to Council Decision 2013/755/EU ⁽²²⁾, individuals and entities established in overseas countries or territories are eligible for funding subject to the rules and objectives of the Programme and possible arrangements applicable to the Member State to which the relevant overseas country or territory is linked. The constraints imposed by the remoteness of those countries or territories should be taken into account when implementing the Programme. The participation of those countries and territories in the Programme should be monitored and regularly evaluated.
- (47) In accordance with the Financial Regulation, the Commission should adopt work programmes and inform the European Parliament and the Council thereof. Work programmes should set out the measures needed for their implementation, in line with the general and specific objectives of the Programme, the selection and award criteria for grants and all other elements required. Work programmes and any amendments thereto should be adopted by means of implementing acts in accordance with the examination procedure.
- (48) In order to assess progress in, and make possible improvements to, the implementation of the Programme, the Commission should conduct an interim evaluation of the Programme. That interim evaluation should be accompanied by a final evaluation of the 2014-2020 Programme and relevant lessons from that evaluation should also feed into the interim evaluation. In addition to assessing the overall effectiveness and performance of the Programme, it is of particular importance that the interim evaluation thoroughly assess the implementation of new initiatives and of the inclusion and simplification measures put in place. Where appropriate, and on the basis of the interim evaluation, the Commission should put forward a legislative proposal to amend this Regulation. The Commission should transmit any evaluations to the European Parliament, to the Council, to the European Economic and Social Committee and to the Committee of the Regions.
- (49) Pursuant to paragraphs 22 and 23 of the Interinstitutional Agreement of 13 April 2016 on Better Law-Making ⁽²³⁾, the Programme should be evaluated on the basis of information collected in accordance with specific monitoring requirements, while avoiding an administrative burden, in particular on Member States, and overregulation. Therefore, provisions adopted through related delegated acts should not lead to a significant additional burden for Member States. Monitoring requirements should include specific, measurable and realistic indicators which can be measured over time as a basis for evaluating the effects of the Programme on the ground.
- (50) Appropriate outreach, publicity and dissemination of the opportunities and results of the actions supported by the Programme should be ensured at local, national and European level and should take into account the main target groups in the fields of education and training, youth and sport and, where relevant, a wide variety of other target groups, such as career guidance and employment services, cultural organisations, enterprises and foundations. Outreach, publicity and dissemination activities should rely on all the implementing bodies of the Programme and should, where relevant, have the support of other relevant stakeholders. Furthermore, the Commission should engage with a broad range of stakeholders, including organisations that participate in the Programme, on a regular basis across the life cycle of the Programme, in order to facilitate the sharing of good practices and project results and gather feedback on the Programme. The national agencies should be invited to participate in that process.
- (51) In order to ensure greater efficiency in communication to the public at large and stronger synergies between the communication activities undertaken at the initiative of the Commission, financial resources allocated to communication under this Regulation should also contribute to the corporate communication of the political priorities of the Union, insofar as those priorities are related to the objectives of the Programme.
- (52) In order to ensure that this Regulation is efficiently and effectively implemented, the Programme should make maximum use of delivery mechanisms already in place. The implementation of the Programme should therefore be entrusted to the Commission and to national agencies. Where feasible, and in order to maximise efficiency, the national agencies should be the same as those designated for the management of the 2014-2020 Programme. The scope of the *ex ante* compliance assessment should be limited to the requirements that are new and specific to the Programme, unless otherwise justified, such as in case of serious shortcomings or underperformance on the part of the national agency concerned.

⁽²²⁾ Council Decision 2013/755/EU of 25 November 2013 on the association of the overseas countries and territories with the European Union ('Overseas Association Decision') (OJ L 344, 19.12.2013, p. 1).

⁽²³⁾ OJ L 123, 12.5.2016, p. 1.

- (53) In order to ensure sound financial management and legal certainty in each Member State or third country associated to the Programme, each national authority should designate an independent audit body. Where feasible, and in order to maximise efficiency, the independent audit bodies should be the same as those designated under the 2014-2020 Programme.
- (54) Member States should endeavour to adopt all appropriate measures to remove legal and administrative obstacles that could prevent access to, or impede the proper functioning of, the Programme. That includes resolving, where possible and without prejudice to Union law on the entry and residence of third-country nationals, issues that create difficulties in obtaining visas and residence permits.
- (55) The performance reporting system should ensure that data for monitoring Programme implementation and for evaluation are collected efficiently, effectively, in a timely manner and at the appropriate level of detail. Such data should be communicated to the Commission in a way that complies with relevant data protection rules.
- (56) In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council ⁽²⁴⁾.
- (57) In order to simplify requirements for beneficiaries, simplified grants in the form of lump sums, unit costs and flat rates should be used to the maximum possible extent. Simplified grants to support learning mobility under the Programme, as defined by the Commission, should take into account the living and subsistence costs in the host country. The Commission and the national agencies of sending countries should have the possibility to adjust those grants on the basis of objective criteria, in particular to ensure access for people with fewer opportunities. In accordance with national law, Member States should also be encouraged to exempt those grants from any taxes and social levies; grants awarded to individuals by public or private legal entities should be treated in the same manner.
- (58) In accordance with the Financial Regulation, Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council ⁽²⁵⁾ and Council Regulations (EC, Euratom) No 2988/95 ⁽²⁶⁾, (Euratom, EC) No 2185/96 ⁽²⁷⁾ and (EU) 2017/1939 ⁽²⁸⁾, the financial interests of the Union are to be protected by means of proportionate measures, including measures relating to the prevention, detection, correction and investigation of irregularities, including fraud, to the recovery of funds lost, wrongly paid or incorrectly used, and, where appropriate, to the imposition of administrative penalties. In particular, in accordance with Regulations (Euratom, EC) No 2185/96 and (EU, Euratom) No 883/2013, OLAF has the power to carry out administrative investigations, including on-the-spot checks and inspections, with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the Union. The European Public Prosecutor's Office (EPPO) is empowered, in accordance with Regulation (EU) 2017/1939, to investigate and prosecute criminal offences affecting the financial interests of the Union as provided for in Directive (EU) 2017/1371 of the European Parliament and of the Council ⁽²⁹⁾. In accordance with the Financial Regulation, any person or entity receiving Union funds is to fully cooperate in the protection of the financial interests of the Union, grant the necessary rights and access to the Commission, OLAF, the Court of Auditors and, in respect of those Member States participating in enhanced cooperation pursuant to Regulation (EU) 2017/1939, the EPPO, and ensure that any third parties involved in the implementation of Union funds grant equivalent rights.

⁽²⁴⁾ Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers (OJ L 55, 28.2.2011, p. 13).

⁽²⁵⁾ Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999 (OJ L 248, 18.9.2013, p. 1).

⁽²⁶⁾ Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests (OJ L 312, 23.12.1995, p. 1).

⁽²⁷⁾ Council Regulation (Euratom, EC) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities (OJ L 292, 15.11.1996, p. 2).

⁽²⁸⁾ Council Regulation (EU) 2017/1939 of 12 October 2017 implementing enhanced cooperation on the establishment of the European Public Prosecutor's Office ('the EPPO') (OJ L 283, 31.10.2017, p. 1).

⁽²⁹⁾ Directive (EU) 2017/1371 of the European Parliament and of the Council of 5 July 2017 on the fight against fraud to the Union's financial interests by means of criminal law (OJ L 198, 28.7.2017, p. 29).

- (59) It is necessary to ensure the complementarity and consistency of the Programme actions, including those without a transnational or international character, with activities undertaken by the Member States and with other Union activities, in particular those relating to education and training, culture and the media, youth and solidarity, employment and social inclusion, research and innovation, industry and enterprise, digital policy, agriculture and rural development that have a focus on young farmers, environment and climate, cohesion, regional policy, migration, security and international cooperation and development.
- (60) While the regulatory framework under the 2014-2020 Programme allowed Member States and regions to establish synergies in the 2014-2020 programming period between that Programme and other Union instruments, such as the European Structural and Investment Funds, which also support the qualitative development of education, training and youth systems in the Union, that potential has so far been underexploited, thus limiting the systemic effects of projects and the impact on policy. Effective communication and cooperation should take place at national level between the national bodies in charge of managing those various instruments to maximise their respective impact. The Programme should allow for active cooperation with those instruments, in particular to ensure that, where relevant, adequate financial support measures are put in place to support people with fewer opportunities.
- (61) In order to optimise the added value from investments funded wholly or in part through the budget of the Union, synergies should be sought, in particular, between the Programme and other Union programmes, including Funds implemented under shared management. To maximise those synergies, key enabling mechanisms should be ensured, including cumulative financing in an action from the Programme and another Union programme, as long as such cumulative financing does not exceed the total eligible costs of the action. For that purpose, this Regulation should set out appropriate rules, in particular on the possibility to declare the same cost or expenditure on a pro-rata basis to the Programme and another Union programme.
- (62) In order to adapt, where necessary, to developments in the relevant fields, and in order to ensure the effective assessment of the Programme's progress towards the achievement of its objectives, the power to adopt acts in accordance with Article 290 TFEU should be delegated to the Commission to amend Annex I to this Regulation by adding to the description of the Programme actions and to amend Annex II to this Regulation with regard to the Programme's performance indicators, and to supplement this Regulation with provisions on the establishment of a monitoring and evaluation framework. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.
- (63) It is appropriate to ensure that the 2014-2020 Programme is closed correctly, in particular as regards the continuation of multiannual arrangements for its management, such as the financing of technical and administrative assistance. As from 1 January 2021, the technical and administrative assistance should ensure, where necessary, the management of actions that have not been finalised under the 2014-2020 Programme by 31 December 2020.
- (64) This Regulation respects the fundamental rights and observes the principles recognised in particular by the Charter of Fundamental Rights of the European Union (the 'Charter'). In particular, this Regulation seeks to ensure full respect for the right to equality between women and men and the right to non-discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation, and to promote the application of Articles 21 and 23 of the Charter. In line with Article 13 of the Charter, it should also be ensured that academic freedom is respected by the countries receiving funds under the Programme.
- (65) Horizontal financial rules adopted by the European Parliament and by the Council on the basis of Article 322 TFEU apply to this Regulation. Those rules are laid down in the Financial Regulation and determine in particular the procedure for establishing and implementing the budget through grants, procurement, prizes and indirect implementation, and provide for checks on the responsibility of financial actors. Where the Union contribution takes the form of lump sums, unit costs or flat rates, the levels of financial support should be regularly reviewed

and, where necessary, adjusted in accordance with the Financial Regulation, taking into account, where appropriate, the living and subsistence costs in the host country and travel costs. Rules adopted on the basis of Article 322 TFEU also include a general regime of conditionality for the protection of the Union budget.

- (66) In accordance with Article 193(2) of the Financial Regulation, it is possible to award a grant for an action which has already begun, provided that the applicant can demonstrate the need for starting the action prior to signature of the grant agreement. However, the costs incurred prior to the date of submission of the grant application are not eligible for Union financing except in duly justified exceptional cases. In accordance with Article 193(4) of that Regulation, the costs incurred prior to the date of submission of the grant application are also not eligible for Union financing in the case of operating grants and, in such a case, the grant agreement is to be signed within four months of the start of the beneficiary's financial year. In order to avoid any disruption in Union support which could be prejudicial to the Union's interests, it should be possible to provide in the financing decision, for a limited period of time at the beginning of the 2021-2027 MFF, and only in duly justified cases, for eligibility of activities and costs from 1 January 2021, even if those activities were implemented and those costs incurred before the grant application was submitted.
- (67) Since the objectives of this Regulation cannot be sufficiently achieved by the Member States but can rather, by reason of the transnational character of the Programme, the high volume and wide geographical scope of the learning mobility and cooperation activities funded, its effects on access to learning mobility and more generally on Union integration, and the reinforced international dimension of the Programme, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives.
- (68) Regulation (EU) No 1288/2013 should therefore be repealed with effect from 1 January 2021.
- (69) In order to ensure continuity in providing support in the relevant policy area and to allow implementation to start from the beginning of the 2021-2027 MFF, this Regulation should enter into force as a matter of urgency and should apply, with retroactive effect, from 1 January 2021,

HAVE ADOPTED THIS REGULATION:

CHAPTER I

GENERAL PROVISIONS

Article 1

Subject matter

This Regulation establishes Erasmus+, the programme for Union action in the fields of education and training, youth and sport (the 'Programme') for the period of the 2021-2027 MFF.

It lays down the objectives of the Programme, the budget for the period from 2021 to 2027, the forms of Union funding and the rules for providing such funding.

Article 2

Definitions

For the purposes of this Regulation, the following definitions apply:

- (1) 'lifelong learning' means learning in all its forms, whether formal, non-formal or informal, taking place at all stages in life and resulting in an improvement or update in knowledge, skills, competences and attitudes or participation in society from a personal, civic, cultural, social or employment-related perspective, including the provision of counselling and guidance services; it includes early childhood education and care, general education, vocational education and training, higher education, adult education, youth work and other learning settings outside formal education and training and it typically promotes cross-sectoral cooperation and flexible learning pathways;

- (2) 'learning mobility' means moving physically to a country other than the country of residence, in order to undertake study, training or non-formal or informal learning;
- (3) 'virtual learning' means the acquisition of knowledge, skills and competences through the use of information and communication technology tools that allow participants to have a meaningful transnational or international learning experience;
- (4) 'non-formal learning' means learning which takes place outside formal education and training through planned activities in terms of learning objectives and learning time and where some form of learning support is present;
- (5) 'informal learning' means learning resulting from daily activities and experiences which is not organised or structured in terms of objectives, time or learning support; it may be unintentional from the learner's perspective;
- (6) 'young people' means individuals aged between 13 and 30;
- (7) 'grassroots sport' means physical leisure activities practised regularly at non-professional level by people of all ages for health, educational or social purposes;
- (8) 'higher education student' means a person enrolled at a higher education institution, including at short-cycle, bachelor's, master's or doctoral level or equivalent, or a person who has recently graduated from such an institution;
- (9) 'staff' means a person who, on either a professional or a voluntary basis, is involved in education, training or non-formal learning at all levels, and includes professors, teachers including pre-school teachers, trainers, school leaders, youth workers, sport staff, early childhood education and care staff, non-educational staff and other practitioners involved on a regular basis in promoting learning;
- (10) 'sport staff' means a person involved in the instruction, training and management of a sports team or individual sports people, either on a paid basis or on a voluntary basis;
- (11) 'vocational education and training learner' means a person enrolled in an initial or continuous vocational education and training programme at any level from secondary to post-secondary level or a person who has recently graduated or obtained a qualification from such a programme;
- (12) 'school pupil' means a person enrolled in a learning capacity at an institution providing general education at any level from early childhood education and care to upper secondary education or a person schooled outside an institutional setting considered by the competent authorities as eligible to participate in the Programme in their respective territories;
- (13) 'adult education' means any form of non-vocational education for adults after initial education, whether of a formal, non-formal or informal nature;
- (14) 'third country' means a country that is not a Member State;
- (15) 'partnership' means an agreement between a group of institutions or organisations to carry out joint activities and projects;
- (16) 'Erasmus Mundus Joint Master's Degree' means an integrated study programme offered by at least two higher education institutions resulting in a single degree certificate or multiple degree certificates issued and signed by all the participating institutions jointly and recognised officially in the countries where the participating institutions are located;
- (17) 'international' relates to any action involving at least one third country not associated to the Programme;
- (18) 'virtual cooperation' means any form of cooperation using information and communication technology tools to facilitate and support any relevant Programme actions;
- (19) 'higher education institution' means an institution which, in accordance with national law or practice, offers recognised degrees or other recognised tertiary level qualifications, regardless of what such an establishment is called, or a comparable institution at tertiary level which is considered by the national authorities as eligible to participate in the Programme in their respective territories;
- (20) 'transnational' relates to any action involving at least two countries which are either Member States or third countries associated to the Programme;

- (21) 'youth participation activity' means an activity outside formal education and training carried out by informal groups of young people or youth organisations, and characterised by a non-formal or informal learning approach;
- (22) 'youth worker' means a person who, on either a professional or a voluntary basis, is involved in non-formal learning and supports young people in their personal socio-educational and professional development and the development of their competences; it includes persons who plan, steer, coordinate and implement activities in the field of youth;
- (23) 'EU Youth Dialogue' means the dialogue between young people and youth organisations and policy and decision-makers, as well as experts, researchers and other civil society actors, as appropriate; it serves as a forum for continuous joint reflection and consultation on the priorities of, and all fields of relevance to, young people;
- (24) 'legal entity' means a natural person or a legal person created and recognised as such under national law, Union law or international law which has legal personality and which may, acting in its own name, exercise rights and be subject to obligations, or an entity which does not have legal personality as referred to in point (c) of Article 197(2) of the Financial Regulation;
- (25) 'people with fewer opportunities' means people who, for economic, social, cultural, geographical or health reasons, due to their migrant background, or for reasons such as disability or educational difficulties or for any other reason, including a reason that could give rise to discrimination under Article 21 of the Charter of Fundamental Rights of the European Union, face obstacles that prevent them from having effective access to opportunities under the Programme;
- (26) 'national authority' means one or more authorities in charge, at national level, of monitoring and supervising the management of the Programme in a Member State or in a third country associated to the Programme;
- (27) 'national agency' means one or more bodies in charge of managing the implementation of the Programme at national level in a Member State or in a third country associated to the Programme;
- (28) 'newcomer organisation' means an organisation or institution that has not previously received support in a given type of action supported by the Programme or by the 2014-2020 Programme either as a coordinator or as a partner.

Article 3

Programme objectives

1. The general objective of the Programme is to support, through lifelong learning, the educational, professional and personal development of people in the fields of education and training, youth and sport, in Europe and beyond, thereby contributing to sustainable growth, quality jobs and social cohesion, to driving innovation and to strengthening European identity and active citizenship. The Programme shall be a key instrument for building a European Education Area, supporting the implementation of European strategic cooperation in the field of education and training, including its underlying sectoral agendas, advancing youth policy cooperation under the 2019-2027 European Union Youth Strategy and developing the European dimension in sport.
2. The Programme has the specific objectives to promote:
 - (a) the learning mobility of individuals and groups, and cooperation, quality, inclusion and equity, excellence, creativity and innovation at the level of organisations and policies in the field of education and training;
 - (b) non-formal and informal learning mobility and active participation among young people, and cooperation, quality, inclusion, creativity and innovation at the level of organisations and policies in the field of youth;
 - (c) the learning mobility of sport staff, and cooperation, quality, inclusion, creativity and innovation at the level of sport organisations and sport policies.
3. The Programme objectives shall be pursued through the following three key actions which mainly have either a transnational or an international character:
 - (a) learning mobility ('key action 1');

- (b) cooperation among organisations and institutions ('key action 2'); and
- (c) support to policy development and cooperation ('key action 3').

The Programme objectives shall also be pursued through Jean Monnet actions as set out in Article 8.

The actions supported under the Programme are set out in Chapters II (education and training), III (youth) and IV (sport). The description of those actions is set out in Annex I. The Commission is empowered to adopt delegated acts in accordance with Article 33 to amend that Annex by adding to the description of the actions, where necessary, in order to adapt to developments in the relevant fields.

Article 4

European added value

1. The Programme shall support only those actions and activities which present a potential European added value and which contribute to the achievement of the Programme objectives laid down in Article 3.
2. The European added value of the actions and activities of the Programme shall be ensured, for example, through their:
 - (a) transnational character, particularly with regard to learning mobility and cooperation aimed at achieving a sustainable systemic impact;
 - (b) complementarity and synergies with other programmes and policies at national, Union and international level;
 - (c) contribution to the effective use of Union transparency and recognition tools.

CHAPTER II

EDUCATION AND TRAINING

Article 5

Key action 1

Learning mobility

1. In the field of education and training, the Programme shall support the following actions under key action 1:
 - (a) the learning mobility of higher education students and staff;
 - (b) the learning mobility of vocational education and training learners and staff;
 - (c) the learning mobility of school pupils and staff;
 - (d) the learning mobility of adult education learners and staff.
2. Learning mobility under this Article may be accompanied by virtual learning and measures such as language support, preparatory visits, training and virtual cooperation. Learning mobility may be replaced by virtual learning for those persons who are unable to participate in learning mobility.

Article 6

Key action 2

Cooperation among organisations and institutions

In the field of education and training, the Programme shall support the following actions under key action 2:

- (a) partnerships for cooperation and exchange of practices, including small-scale partnerships to foster wider and more inclusive access to the Programme;
- (b) partnerships for excellence, in particular European Universities, platforms of centres of vocational excellence and Erasmus Mundus Joint Master's Degrees;
- (c) partnerships for innovation to strengthen Europe's innovation capacity;
- (d) user-friendly online platforms and tools for virtual cooperation, including support services for eTwinning and for the Electronic Platform for Adult Learning in Europe, and tools to facilitate learning mobility, including the European Student Card initiative.

Article 7

Key action 3

Support to policy development and cooperation

In the field of education and training, the Programme shall support the following actions under key action 3:

- (a) the preparation and implementation of the Union general and sectoral policy agendas in the field of education and training, including with the support of the Eurydice network or activities of other relevant organisations, and the support to the Bologna Process;
- (b) Union tools and measures that foster the quality, transparency and recognition of competences, skills and qualifications ⁽³⁰⁾;
- (c) policy dialogue and cooperation with relevant stakeholders, including Union-wide networks, European organisations and international organisations in the field of education and training;
- (d) measures that contribute to the high-quality and inclusive implementation of the Programme;
- (e) cooperation with other Union instruments and support to other Union policies;
- (f) dissemination and awareness-raising activities about European policy outcomes and priorities and about the Programme.

Article 8

Jean Monnet actions

The Programme shall support teaching, learning, research and debates on European integration matters, including on the Union's future challenges and opportunities, through the following actions:

- (a) the Jean Monnet action in the field of higher education;
- (b) the Jean Monnet action in other fields of education and training;
- (c) support to the following institutions pursuing an aim of European interest: the European University Institute, Florence, including its School of Transnational Governance; the College of Europe (Bruges and Natolin campuses); the European Institute of Public Administration, Maastricht; the Academy of European Law, Trier; the European Agency for Special Needs and Inclusive Education, Odense; and the International Centre for European Training, Nice.

⁽³⁰⁾ In particular: the common framework for the provision of better services for skills and qualifications (Europass); the European Qualifications Framework (EQF); the European Quality Assurance Reference Framework for Vocational Education and Training (EQAVET); the European Credit System for Vocational Education and Training (ECVET); the European Credit Transfer and Accumulation System (ECTS); the European Quality Assurance Register for Higher Education (EQAR); the European Association for Quality Assurance in Higher Education (ENQA); the European Network of Information Centres in the European Region and National Academic Recognition Information Centres in the European Union, and the Euroguidance network.

CHAPTER III

YOUTH

Article 9

Key action 1

Learning mobility

1. In the field of youth, the Programme shall support the following actions under key action 1:

- (a) the learning mobility of young people;
- (b) youth participation activities;
- (c) DiscoverEU activities;
- (d) the learning mobility of youth workers.

2. The actions under paragraph 1 may be accompanied by virtual learning and measures such as language support, preparatory visits, training and virtual cooperation. Learning mobility may be replaced by virtual learning for those persons who are unable to participate in learning mobility.

Article 10

Key action 2

Cooperation among organisations and institutions

In the field of youth, the Programme shall support the following actions under key action 2:

- (a) partnerships for cooperation and exchange of practices, including small-scale partnerships to foster wider and more inclusive access to the Programme;
- (b) partnerships for innovation to strengthen Europe's innovation capacity;
- (c) user-friendly online platforms and tools for virtual cooperation.

Article 11

Key action 3

Support to policy development and cooperation

In the field of youth, the Programme shall support the following actions under key action 3:

- (a) the preparation and implementation of the Union policy agenda on youth, with the support, as relevant, of the Youth Wiki network;
- (b) Union tools and measures that foster the quality, transparency and recognition of competences and skills, in particular through Youthpass;
- (c) policy dialogue and cooperation with relevant stakeholders, including Union-wide networks, European organisations and international organisations in the field of youth, the EU Youth Dialogue, and support to the European Youth Forum;
- (d) measures that contribute to the high-quality and inclusive implementation of the Programme, including support for the Eurodesk Network;
- (e) cooperation with other Union instruments and support to other Union policies;
- (f) dissemination and awareness-raising activities about European policy outcomes and priorities and about the Programme.

CHAPTER IV

SPORT*Article 12*

Key action 1

Learning mobility

1. In the field of sport, the Programme shall support the learning mobility of sport staff under key action 1.
2. Learning mobility under this Article may be accompanied by virtual learning and measures such as language support, preparatory visits, training and virtual cooperation. Learning mobility may be replaced by virtual learning for those persons who are unable to participate in learning mobility.

Article 13

Key action 2

Cooperation among organisations and institutions

In the field of sport, the Programme shall support the following actions under key action 2:

- (a) partnerships for cooperation and exchange of practices, including small-scale partnerships to foster wider and more inclusive access to the Programme;
- (b) not-for-profit sport events aimed at further developing the European dimension of sport and promoting issues of relevance to grassroots sport.

Article 14

Key action 3

Support to policy development and cooperation

In the field of sport, the Programme shall support the following actions under key action 3:

- (a) the preparation and implementation of the Union policy agenda on sport and physical activity;
- (b) policy dialogue and cooperation with relevant stakeholders, including European organisations and international organisations in the field of sport;
- (c) measures that contribute to the high-quality and inclusive implementation of the Programme;
- (d) cooperation with other Union instruments and support to other Union policies;
- (e) dissemination and awareness-raising activities about European policy outcomes and priorities and about the Programme.

CHAPTER V

INCLUSION*Article 15***Inclusion strategy**

The Commission shall, by 29 November 2021, develop a framework of inclusion measures to increase participation rates among people with fewer opportunities, as well as guidance for the implementation of such measures. That guidance shall be updated as necessary over the duration of the Programme. Based on the framework of inclusion measures, and with particular attention to the specific Programme access challenges within the national contexts, inclusion action plans shall be developed and shall form an integral part of the national agencies' work programmes. The Commission shall monitor the implementation of those inclusion action plans on a regular basis.

*Article 16***Financial support measures for inclusion**

1. The Commission shall, where relevant, ensure that financial support measures, including pre-financing, are put in place to facilitate the participation of people with fewer opportunities, in particular of those whose participation is impeded for financial reasons. The level of support shall be based on objective criteria.
2. In order to improve access for people with fewer opportunities and ensure the smooth implementation of the Programme, the Commission shall, where necessary, adjust or authorise the national agencies to adjust the grants to support learning mobility under the Programme.
3. The costs of measures to facilitate or support inclusion shall not justify the rejection of an application under the Programme.

CHAPTER VI

FINANCIAL PROVISIONS*Article 17***Budget**

1. The financial envelope for the implementation of the Programme for the period from 2021 to 2027 shall be EUR 24 574 000 000 in current prices.
2. As a result of the Programme-specific adjustment provided for in Article 5 of Regulation (EU, Euratom) 2020/2093, the amount set out in paragraph 1 of this Article shall be increased by an additional allocation of EUR 1 700 000 000 in constant 2018 prices as specified in Annex II to that Regulation.
3. The indicative distribution of the amount set out in paragraph 1 shall be:
 - (a) EUR 20 396 420 000, representing 83 % of the amount set out in paragraph 1 of this Article, to actions in the field of education and training as referred to in Articles 5 to 8, allocated as follows:
 - (i) at least EUR 7 057 161 320, representing 34,6 % of the total amount set out in point (a) of this paragraph, to actions as referred to in point (a) of Article 5(1) and to actions as referred to in point (a) of Article 6 carried out in the field of higher education;
 - (ii) at least EUR 4 385 230 300, representing 21,5 % of the total amount set out in point (a) of this paragraph, to actions as referred to in point (b) of Article 5(1) and to actions as referred to in point (a) of Article 6 carried out in the field of vocational education and training;
 - (iii) at least EUR 3 100 255 840, representing 15,2 % of the total amount set out in point (a) of this paragraph, to actions as referred to in point (c) of Article 5(1) and to actions as referred to in point (a) of Article 6 carried out in the field of school education;
 - (iv) at least EUR 1 182 992 360, representing 5,8 % of the total amount set out in point (a) of this paragraph, to actions as referred to in point (d) of Article 5(1) and to actions as referred to in point (a) of Article 6 carried out in the field of adult education;
 - (v) at least EUR 367 135 560, representing 1,8 % of the total amount set out in point (a) of this paragraph, to Jean Monnet actions as referred to in Article 8;
 - (vi) at least EUR 3 467 391 400, representing 17 % of the total amount set out in point (a) of this paragraph, to actions that are primarily directly managed and to horizontal activities as referred to in Article 5(2), points (b), (c) and (d) of Article 6 and in Article 7;
 - (vii) EUR 836 253 220, representing 4,1 % of the total amount set out in point (a) of this paragraph, for a margin of flexibility that can be used to support any of the actions referred to in Chapter II;
 - (b) EUR 2 531 122 000, representing 10,3 % of the amount set out in paragraph 1 of this Article, to actions in the field of youth as referred to in Articles 9, 10 and 11;

- (c) EUR 466 906 000, representing 1,9 % of the amount set out in paragraph 1 of this Article, to actions in the field of sport as referred to in Articles 12, 13 and 14;
- (d) at least EUR 810 942 000, representing 3,3 % of the amount set out in paragraph 1 of this Article, as a contribution to the operational costs of the national agencies; and
- (e) EUR 368 610 000, representing 1,5 % of the amount set out in paragraph 1 of this Article, for Programme support.

4. The additional allocation in paragraph 2 shall be implemented in accordance with the indicative distribution set out in paragraph 3, on a pro-rata basis.

5. In addition to the amounts set out in paragraphs 1 and 2 of this Article, and in order to promote the international dimension of the Programme, an additional financial contribution shall be made available from a Regulation of the European Parliament and of the Council establishing the Neighbourhood, Development and International Cooperation Instrument – Global Europe, amending and repealing Decision No 466/2014/EU of the European Parliament and of the Council and repealing Regulation (EU) 2017/1601 of the European Parliament and of the Council and Council Regulation (EC, Euratom) No 480/2009 and from a Regulation of the European Parliament and of the Council establishing the Instrument for Pre-accession Assistance (IPA III) to support actions implemented and managed in accordance with this Regulation. That contribution shall be financed in accordance with the Regulations establishing those instruments.

6. The funds that are to be managed by national agencies shall be allocated on the basis of the population of and cost of living in the Member State concerned, the distance between capitals of Member States and performance. The Commission shall further specify those criteria and their underlying formulae in the work programmes referred to in Article 22. Those formulae shall, as far as possible, avoid substantial reductions in the annual budget allocated to Member States from one year to the next and shall minimise excessive imbalances in the level of funds allocated. Funds shall be allocated based on performance in order to promote an efficient and effective use of resources. The criteria used to measure performance shall be based on the most recent data available.

7. The amounts set out in paragraphs 1 and 2 may be used for technical and administrative assistance for the implementation of the Programme, such as preparatory, monitoring, control, audit and evaluation activities, including corporate information technology systems.

8. Resources allocated to Member States under shared management may, at the request of the Member State concerned, be transferred to the Programme subject to the conditions set out in Article 26 of a Regulation of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy (the ‘Common Provisions Regulation for 2021-2027’). The Commission shall implement those resources directly in accordance with point (a) of the first subparagraph of Article 62(1) of the Financial Regulation or indirectly in accordance with point (c) of that subparagraph. Those resources shall be used for the benefit of the Member State concerned.

Article 18

Forms of Union funding and methods of implementation

1. The Programme shall be implemented, in a consistent manner, under direct management in accordance with point (a) of the first subparagraph of Article 62(1) of the Financial Regulation or under indirect management with bodies as referred to in point (c) of the first subparagraph of Article 62(1) of that Regulation.

2. The Programme may provide funding in any of the forms laid down in the Financial Regulation, in particular grants, prizes and procurement.

3. Contributions to a mutual insurance mechanism may cover the risk associated with the recovery of funds due by recipients and shall be considered a sufficient guarantee under the Financial Regulation. Article 37(7) of Regulation (EU) 2021/695 shall apply.

CHAPTER VII

PARTICIPATION IN THE PROGRAMME*Article 19***Third countries associated to the Programme**

1. The Programme shall be open to the participation of the following third countries:
 - (a) members of the European Free Trade Association which are members of the European Economic Area, in accordance with the conditions laid down in the Agreement on the European Economic Area;
 - (b) acceding countries, candidate countries and potential candidates, in accordance with the general principles and general terms and conditions for the participation of those countries in Union programmes established in the respective framework agreements and Association Council decisions or in similar agreements, and in accordance with the specific conditions laid down in agreements between the Union and those countries;
 - (c) European Neighbourhood Policy countries, in accordance with the general principles and general terms and conditions for the participation of those countries in Union programmes established in the respective framework agreements and Association Council decisions or in similar agreements, and in accordance with the specific conditions laid down in agreements between the Union and those countries;
 - (d) other third countries, in accordance with the conditions laid down in a specific agreement covering the participation of the third country in any Union programme, provided that the agreement:
 - (i) ensures a fair balance as regards the contributions and benefits of the third country participating in the Union programmes;
 - (ii) lays down the conditions of participation in the programmes, including the calculation of financial contributions to individual programmes, and their administrative costs;
 - (iii) does not confer on the third country any decision-making power in respect of the Union programme;
 - (iv) guarantees the rights of the Union to ensure sound financial management and to protect its financial interests.

The contributions referred to in point (d)(ii) of the first subparagraph shall constitute assigned revenues in accordance with Article 21(5) of the Financial Regulation.

2. Countries listed in paragraph 1 may only participate in the Programme in its entirety and provided that they fulfil all the obligations which this Regulation imposes on Member States.

*Article 20***Third countries not associated to the Programme**

In duly justified cases in the Union's interest, the Programme actions referred to in Articles 5 to 7, points (a) and (b) of Article 8 and Articles 9 to 14 may also be open to the participation of legal entities from third countries not associated to the Programme.

*Article 21***Rules applicable to direct and indirect management**

1. The Programme shall be open to the participation of public and private legal entities active in the fields of education and training, youth and sport.
2. For selections under both direct and indirect management, members of the evaluation committee may be external experts, as provided for in the third subparagraph of Article 150(3) of the Financial Regulation.

3. Public legal entities, and institutions and organisations in the fields of education and training, youth and sport that have received over 50 % of their annual revenue from public sources over the last two years, shall be considered as having the necessary financial, professional and administrative capacity to carry out activities under the Programme. They shall not be required to present further documentation to demonstrate that capacity.

4. The Commission may launch joint calls with third countries not associated to the Programme or with their organisations and agencies to finance projects on the basis of matching funds. Projects may be evaluated and selected through joint evaluation and selection procedures to be agreed upon by the funding organisations or agencies involved, in compliance with the principles set out in the Financial Regulation.

CHAPTER VIII

PROGRAMMING, MONITORING AND EVALUATION

Article 22

Work programme

The Programme shall be implemented by means of work programmes as referred to in Article 110 of the Financial Regulation. Work programmes shall give an indication of the amount allocated to each action and of the distribution of funds between the Member States and third countries associated to the Programme for the actions to be managed by the national agency. The Commission shall adopt work programmes by means of implementing acts. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 34.

Article 23

Monitoring and reporting

1. Indicators to report on the progress of the Programme towards the achievement of the general and specific objectives laid down in Article 3 are set out in Annex II.
2. To ensure the effective assessment of the Programme's progress towards the achievement of its objectives, the Commission is empowered to adopt delegated acts in accordance with Article 33 to amend, where necessary, Annex II with regard to the indicators in line with the objectives of the Programme as well as to supplement this Regulation with provisions on the establishment of a monitoring and evaluation framework.
3. The performance reporting system shall ensure that data for monitoring Programme implementation and for evaluation are collected efficiently, effectively, in a timely manner and at the appropriate level of detail.

To that end, proportionate reporting requirements shall be imposed on beneficiaries of Union funds and, where appropriate, on Member States.

Article 24

Evaluation

1. Evaluations shall be carried out in a timely manner to feed into the decision-making process.
2. Once sufficient information about the implementation of the Programme is available, but no later than 31 December 2024, the Commission shall perform an interim evaluation of the Programme. That interim evaluation shall be accompanied by a final evaluation of the 2014-2020 Programme, which shall feed into the interim evaluation. The interim evaluation of the Programme shall assess the overall effectiveness and performance of the Programme, including as regards new initiatives and the delivery of inclusion and simplification measures.

3. Without prejudice to the requirements set out in Chapter X and the obligations of national agencies set out in Article 27, Member States shall submit to the Commission, by 31 May 2024, a report on the implementation and the impact of the Programme in their respective territories.
4. Where appropriate, and on the basis of the interim evaluation, the Commission shall put forward a legislative proposal to amend this Regulation.
5. At the end of the implementation period, but no later than 31 December 2031, the Commission shall carry out a final evaluation of the results and impact of the Programme.
6. The Commission shall transmit any evaluations carried out under this Article, including the interim evaluation, accompanied by its observations, to the European Parliament, to the Council, to the European Economic and Social Committee and to the Committee of the Regions.

CHAPTER IX

INFORMATION, COMMUNICATION AND DISSEMINATION

Article 25

Information, communication and dissemination

1. In cooperation with the Commission, the national agencies shall develop a consistent strategy with regard to effective outreach and to the dissemination and exploitation of the results of activities supported under the actions they manage within the Programme. The national agencies shall assist the Commission in its general task of disseminating information concerning the Programme, including information in respect of actions and activities managed at national and Union level, and its results. National agencies shall inform relevant target groups about the actions and activities undertaken in their respective countries.
2. The recipients of Union funding shall acknowledge the origin of those funds and ensure the visibility of the Union funding, in particular when promoting the actions and their results, by providing coherent, effective and proportionate targeted information to multiple audiences, including the media and the public.
3. The legal entities within the sectors covered by the Programme shall use the brand name 'Erasmus+' for the purposes of communicating and disseminating information relating to the Programme.
4. The Commission shall implement information and communication actions relating to the Programme, to actions taken pursuant to the Programme and to the results obtained. The Commission shall ensure that, where relevant, Programme results are made publicly available and are widely disseminated in order to promote exchange of best practices among stakeholders and Programme beneficiaries.
5. Financial resources allocated to the Programme shall also contribute to the corporate communication of the political priorities of the Union, insofar as those priorities are related to the objectives laid down in Article 3.

CHAPTER X

MANAGEMENT AND AUDIT SYSTEM

Article 26

National authority

1. By 29 June 2021, the Member States shall notify the Commission, by way of a formal notification transmitted by their Permanent Representation, of the person or persons legally authorised to act on their behalf as the national authority for the purposes of this Regulation. Where a national authority is replaced over the course of the Programme, the Member State concerned shall notify the Commission thereof immediately in accordance with the same procedure.

2. The Member States shall take all necessary and appropriate measures to remove any legal and administrative obstacles to the proper functioning of the Programme, including, where possible, measures aimed at resolving issues that give rise to difficulties in obtaining visas or residence permits.

3. By 29 August 2021, the national authority shall designate a national agency for the duration of the Programme. A national authority shall not designate a ministry as a national agency. National authorities may designate more than one national agency. In cases where there is more than one national agency, Member States shall establish an appropriate mechanism to coordinate the management of the implementation of the Programme at national level, particularly with a view to ensuring coherent and cost-efficient implementation of the Programme and effective contact with the Commission in that respect, and to facilitating the possible transfer of funds between national agencies, thereby allowing for flexibility and better use of funds allocated to Member States. Each Member State shall determine how it organises the relationship between its national authority and the national agency, including tasks such as the establishment of the national agency's work programme. The national authority shall provide the Commission with an appropriate *ex ante* compliance assessment that the national agency complies with point (c)(v) or (vi) of the first subparagraph of Article 62(1) and with Article 154(1) to (5) of the Financial Regulation and with the Union requirements for internal control standards for national agencies and rules for the management of programme funds for grant support.

4. The national authority shall designate an independent audit body as referred to in Article 29.

5. The national authority shall base its *ex ante* compliance assessment on its own controls and audits or on controls and audits undertaken by the independent audit body referred to in Article 29. Where the national agency designated for the Programme is the same as the national agency designated for the 2014-2020 Programme, the scope of the *ex ante* compliance assessment shall be limited to the requirements that are new and specific to the Programme, unless otherwise justified.

6. In the event that the Commission rejects the designation of the national agency based on its evaluation of the *ex ante* compliance assessment, or if the national agency does not comply with the minimum requirements set by the Commission, the national authority shall ensure that the necessary remedial steps are taken to ensure that the national agency complies with the minimum requirements, or shall designate another body as national agency.

7. The national authority shall monitor and supervise the management of the Programme at national level. It shall inform and consult the Commission in due time prior to taking any decision that may have a significant impact on the management of the Programme, in particular regarding its national agency.

8. The national authority shall provide adequate co-financing for the operations of its national agency to ensure that the Programme is managed in compliance with the applicable Union rules.

9. Based on the national agency's yearly management declaration, the independent audit opinion thereon and the Commission's analysis of the national agency's compliance and performance, the national authority shall, each year, provide the Commission with information concerning its monitoring and supervision activities in relation to the Programme.

10. The national authority shall take responsibility for the proper management of the Union funds transferred by the Commission to the national agency in the framework of the Programme.

11. In the event of any irregularity, negligence or fraud attributable to the national agency, or any serious shortcomings or underperformance on the part of the national agency, where this gives rise to claims by the Commission against the national agency, the national authority shall reimburse the Commission for the funds not recovered.

12. In the circumstances referred to in paragraph 11, the national authority may, on its own initiative or upon request from the Commission, revoke the mandate of the national agency. Where the national authority wishes to revoke that mandate for any other justified reason, it shall notify the Commission of the revocation at least six months before the envisaged date of termination of the mandate of the national agency. In such cases, the national authority and the Commission shall formally agree on specific and timed transition measures.

13. In the event of revocation as referred to in paragraph 12, the national authority shall carry out the necessary controls regarding the Union funds entrusted to the national agency whose mandate has been revoked and shall ensure that those funds and all documents and management tools required for the management of the Programme are transferred to the new national agency in an unimpeded manner. The national authority shall provide the national agency whose mandate has been revoked with the necessary financial support to continue to meet its contractual obligations vis-à-vis the beneficiaries of the Programme and the Commission pending the transfer of those obligations to a new national agency.

14. Upon request from the Commission, the national authority shall designate the institutions or organisations, or the types of such institutions and organisations, to be considered eligible to participate in specific Programme actions in its territory.

Article 27

National agency

1. The national agency shall:
 - (a) have legal personality or be part of a legal entity which has legal personality, and be governed by the law of the Member State concerned;
 - (b) have the adequate management capacity, staff and infrastructure to fulfil its tasks satisfactorily, ensuring efficient and effective management of the Programme and sound financial management of Union funds;
 - (c) have the operational and legal means to apply the administrative, contractual and financial management rules laid down at Union level;
 - (d) offer adequate financial guarantees, issued preferably by a public authority, corresponding to the level of Union funds it is called upon to manage.
2. The national agency shall be responsible for managing all stages of the project lifecycle of the actions it manages as set out in work programmes as referred to in Article 22 of this Regulation, in accordance with point (c) of the first subparagraph of Article 62(1) of the Financial Regulation.
3. The national agency shall have the requisite expertise to cover all sectors of the Programme. Where a Member State or third country associated to the Programme has more than one national agency, those national agencies shall collectively have the requisite expertise to cover all sectors of the Programme.
4. The national agency shall issue grant support to beneficiaries within the meaning of point (5) of Article 2 of the Financial Regulation by way of a grant agreement as specified by the Commission for the Programme action concerned.
5. The national agency shall report each year to its national authority and the Commission in accordance with Article 155 of the Financial Regulation. The national agency shall be in charge of implementing the observations issued by the Commission following its analysis of the yearly management declaration and of the independent audit opinion thereon.
6. The national agency shall not, without prior written authorisation from the national authority and the Commission, delegate to a third party any task related to the Programme or budget implementation conferred on it. The national agency shall retain sole responsibility for any tasks delegated to a third party.
7. Where the mandate of a national agency is revoked, that national agency shall remain legally responsible for meeting its contractual obligations vis-à-vis the beneficiaries of the Programme and the Commission pending the transfer of those obligations to a new national agency.
8. The national agency shall be in charge of managing and winding up the financial agreements relating to the 2014-2020 Programme that are still open at the beginning of the Programme.

Article 28

European Commission

1. On the basis of the compliance requirements for national agencies referred to in Article 26(3), the Commission shall review the national management and control systems, in particular on the basis of the *ex ante* compliance assessment provided to it by the national authority, the national agency's yearly management declaration and the opinion of the independent audit body thereon, taking due account of the yearly information provided by the national authority on its monitoring and supervision activities with regard to the Programme.
2. Within two months of receipt from the national authority of the *ex ante* compliance assessment referred to in Article 26(3), the Commission shall accept, conditionally accept or reject the designation of the national agency. The Commission shall not enter into a contractual relationship with the national agency until it has accepted the *ex ante* compliance assessment. In the event of conditional acceptance, the Commission may apply proportionate precautionary measures to its contractual relationship with the national agency.
3. Each year, the Commission shall make the following Programme funds available to the national agency:
 - (a) funds for grant support in the Member State concerned for the Programme actions the management of which is entrusted to the national agency;
 - (b) a financial contribution in support of the national agency's Programme management tasks, which shall be established on the basis of the amount of Union funds for grant support entrusted to the national agency;
 - (c) if relevant, additional funds for measures under point (d) of Article 7, point (d) of Article 11 and point (c) of Article 14.
4. The Commission shall set the requirements for the national agency's work programme. The Commission shall not make Programme funds available to the national agency until the Commission has formally approved the national agency's work programme.
5. After assessing the yearly management declaration and the opinion of the independent audit body thereon, the Commission shall address its opinion and observations thereon to the national agency and the national authority.
6. In the event that the Commission cannot accept the yearly management declaration or the independent audit opinion thereon, or in the event of unsatisfactory implementation by the national agency of the Commission's observations, the Commission may implement any precautionary and corrective measures necessary to safeguard the Union's financial interests in accordance with Article 131 of the Financial Regulation.
7. The Commission, in cooperation with the national agencies, shall ensure that procedures put in place to implement the Programme are consistent and simple and that information is of high quality. In that regard, regular meetings shall be organised with the network of national agencies in order to ensure consistent implementation of the Programme across all Member States and all third countries associated to the Programme.
8. The Commission shall ensure that the information technology systems necessary to implement the Programme objectives laid down in Article 3, in particular under indirect management, are developed in an appropriate and timely manner and in such a way as to provide easy access and to be user-friendly. The Programme shall support the development, operation and maintenance of such information technology systems.

Article 29

Independent audit body

1. The independent audit body shall issue an audit opinion on the yearly management declaration as referred to in Article 155(1) of the Financial Regulation. It shall form the basis of the overall assurance pursuant to Article 127 of the Financial Regulation.
2. The independent audit body shall:
 - (a) have the necessary professional competence to carry out public sector audits;

- (b) ensure that its audits take account of internationally accepted audit standards;
 - (c) not be in a position of conflict of interest with regard to the legal entity of which the national agency forms part; in particular, the independent audit body shall be independent, in terms of its functions, of the legal entity of which the national agency forms part.
3. The independent audit body shall give the Commission and its representatives and the Court of Auditors full access to all documents and reports in support of the audit opinion that it issues on the national agency's yearly management declaration.

Article 30

Principles of the control system

1. The Commission shall take appropriate measures to ensure that, when actions financed under this Regulation are implemented, the financial interests of the Union are protected by the application of preventive measures against fraud, corruption and any other illegal activities, by effective controls and, if irregularities are detected, by the recovery of the amounts wrongly paid and, where appropriate, by effective, proportionate and dissuasive administrative and financial penalties.
2. The Commission shall be responsible for the supervisory controls with regard to the Programme actions and activities managed by the national agencies. It shall set the minimum requirements for the controls by the national agency and the independent audit body.
3. The national agency shall be responsible for the primary controls of grant beneficiaries for the actions it manages as set out in work programmes as referred to in Article 22. Those controls shall give reasonable assurance that the grants awarded are used as intended and in compliance with the applicable Union rules.
4. With regard to the Programme funds transferred to the national agencies, the Commission shall ensure proper coordination of its controls with the national authorities and the national agencies, on the basis of the single audit principle and following a risk-based analysis. This paragraph shall not apply to investigations carried out by OLAF.

Article 31

Protection of the financial interests of the Union

Where a third country participates in the Programme by means of a decision adopted pursuant to an international agreement or on the basis of any other legal instrument, the third country shall grant the necessary rights and access required for the authorising officer responsible, OLAF and the Court of Auditors to comprehensively exercise their respective competences. In the case of OLAF, such rights shall include the right to carry out investigations, including on-the-spot checks and inspections, as provided for in Regulation (EU, Euratom) No 883/2013.

CHAPTER XI

COMPLEMENTARITY

Article 32

Cumulative and alternative financing

1. The Programme shall be implemented so as to ensure its overall consistency and complementarity with other relevant Union policies, programmes and funds, in particular those relating to education and training, culture and the media, youth and solidarity, employment and social inclusion, research and innovation, industry and enterprise, digital policy, agriculture and rural development, environment and climate, cohesion, regional policy, migration, security and international cooperation and development.

2. An action that has received a contribution under the Programme may also receive a contribution from another Union programme, provided that the contributions do not cover the same costs. The rules of the relevant Union programme shall apply to the corresponding contribution to the action. The cumulative financing shall not exceed the total eligible costs of the action. The support from the different Union programmes may be calculated on a pro-rata basis in accordance with the documents setting out the conditions for support.

3. Project proposals may receive support from the European Regional Development Fund or the European Social Fund Plus, in accordance with Article 73(4) of the Common Provisions Regulation for 2021-2027, where they have been awarded a Seal of Excellence label under this Programme by virtue of complying with the following cumulative conditions:

- (a) they have been assessed in a call for proposals under the Programme;
- (b) they comply with the minimum quality requirements of that call for proposals; and
- (c) they cannot be financed under that call for proposals due to budgetary constraints.

CHAPTER XII

TRANSITIONAL AND FINAL PROVISIONS

Article 33

Exercise of the delegation

1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.
2. The power to adopt delegated acts referred to in Articles 3 and 23 shall be conferred on the Commission for the duration of the Programme.
3. The delegation of power referred to in Articles 3 and 23 may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the *Official Journal of the European Union* or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.
4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making.
5. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.
6. A delegated act adopted pursuant to Articles 3 and 23 shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.

Article 34

Committee procedure

1. The Commission shall be assisted by a committee. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.
2. The committee may meet in specific configurations to deal with sectoral issues. Where appropriate, in accordance with its rules of procedure and on an ad hoc basis, external experts, including representatives of the social partners, may be invited to participate in its meetings as observers.

3. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.

Article 35

Repeal

Regulation (EU) No 1288/2013 is repealed with effect from 1 January 2021.

Article 36

Transitional provisions

1. This Regulation shall not affect the continuation of or modification of actions initiated pursuant to Regulation (EU) No 1288/2013, which shall continue to apply to those actions until their closure.
2. The financial envelope for the Programme may also cover the technical and administrative assistance expenses necessary to ensure the transition between the Programme and the measures adopted pursuant to Regulation (EU) No 1288/2013.
3. In accordance with point (a) of the second subparagraph of Article 193(2) of the Financial Regulation, and by way of derogation from Article 193(4) of that Regulation, in duly justified cases specified in the financing decision, activities supported under this Regulation and the underlying costs incurred in 2021 may be considered eligible as of 1 January 2021, even if those activities were implemented and those costs incurred before the grant application was submitted. The grant agreements for the operating grants of the 2021 financial year may exceptionally be signed within six months of the start of the beneficiary's financial year.
4. If necessary, appropriations may be entered in the Union budget beyond 2027 to cover the expenses provided for in Article 17(7) in order to enable the management of actions and activities not completed by 31 December 2027.
5. Member States shall ensure, at national level, the unimpeded transition between the actions implemented under the 2014-2020 Programme and those to be implemented under the Programme.

Article 37

Entry into force

This Regulation shall enter into force on the day of its publication in the *Official Journal of the European Union*.

It shall apply from 1 January 2021.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 20 May 2021.

For the European Parliament
The President
D. M. SASSOLI

For the Council
The President
A. P. ZACARIAS

ANNEX I

DESCRIPTION OF ACTIONS SET OUT IN CHAPTERS II, III AND IV**1. KEY ACTION 1 – LEARNING MOBILITY**

- 1.1. Learning mobility: short-term, long-term, group or individual mobility on diverse thematic areas and study subjects, including forward-looking fields such as the digital field, climate change, clean energy and artificial intelligence;
- 1.2. Youth participation activities: activities with the aim of helping young people to engage and learn to participate in civic society, to raise awareness of European common values and to foster dialogue between young people and decision-makers at local, regional, national and European level;
- 1.3. DiscoverEU: an informal and non-formal educational activity with a strong learning component and an inclusive dimension, consisting of learning experience and travel throughout Europe to foster a sense of belonging to the Union and to enable participants to discover Europe's cultural and linguistic diversity.

2. KEY ACTION 2 – COOPERATION AMONG ORGANISATIONS AND INSTITUTIONS

- 2.1. Partnerships for cooperation: diverse cooperation activities carried out jointly by organisations and institutions from different countries, in particular with the aim of exchanging and developing new ideas and practices, sharing and confronting practices and methods and developing and reinforcing network partners. This action includes small-scale partnerships specifically designed to foster wider and more inclusive access to the Programme through activities with lower grant amounts, shorter duration and simpler administrative requirements;
- 2.2. Partnerships for excellence: diverse partnership projects and networks of education and training institutions and providers which aim to foster excellence and a reinforced international dimension and to develop long-term strategies to improve quality at a systemic level in all fields of education and training, in particular through jointly developed innovative practices and pedagogies, high levels of embedded mobility and a strong focus on interdisciplinarity, namely:
 - 2.2.1. alliances of higher education institutions (European Universities) that develop joint long-term strategies for high-quality education, research and innovation and for service to society, based on a common vision and shared values, high levels of mobility, and a strong focus on interdisciplinarity and open study programmes combining modules in different countries;
 - 2.2.2. partnerships of vocational education and training providers (platforms of centres of vocational excellence) embedded in local and regional strategies for sustainable growth, innovation and competitiveness that jointly work on high-quality transnational vocational programmes focused on meeting current and emerging sectoral skills needs;
 - 2.2.3. integrated study programmes (Erasmus Mundus Joint Master's Degrees) offered by higher education institutions established in Europe and other countries of the world that foster higher education excellence and world-wide internationalisation;

The action referred to in point 2.2 may also support partnership projects and alliances to promote excellence in the fields of school education and adult education.

- 2.3. Partnerships for innovation: partnerships in the fields of education and training and youth with the aim of developing innovative practices, namely:
 - 2.3.1. alliances: strategic cooperation between key players in the field of education and training and in business and research that foster innovation and modernisation of education and training systems;
 - 2.3.2. projects that foster innovation, creativity, e-participation, and social entrepreneurship in the fields of education and training and youth;
- 2.4. Not-for-profit sport events: events held either in one country or simultaneously in several countries to raise awareness of the role of sport in diverse areas such as social inclusion, equal opportunities and health-enhancing physical activities;
- 2.5. Online platforms and tools for virtual cooperation in the fields of education and training and youth.

3. KEY ACTION 3 – SUPPORT TO POLICY DEVELOPMENT AND COOPERATION

- 3.1. Preparation and implementation of the Union's general and sectoral policy agendas, which consist of a diverse range of activities seeking to inspire and support policies and strategies in the fields of education and training, youth and sport, including European policy agendas and strategies in the various education sectors, youth and sports, including activities supporting policy cooperation at European level. This action also includes support for policy experimentation at European level, support for activities aimed at addressing emerging challenges in various thematic areas, and support for knowledge-gathering, including surveys and studies;
- 3.2. Support to Union tools and measures that foster the quality, transparency and recognition of competences, skills and qualifications, including activities with the aim of facilitating the transfer of credits, fostering quality assurance, promoting the validation of non-formal and informal learning, including skills management and guidance, and supporting relevant bodies, networks and tools that facilitate exchanges in the field of transparency and recognition;
- 3.3. Policy dialogue in the fields of education and training, youth and sport and cooperation with relevant stakeholders, including a diverse range of activities such as conferences and other types of events, support for cooperation with international organisations and support to the functioning of the EU Youth Dialogue, Union-wide networks and European organisations which pursue the general Union interest;
- 3.4. Measures that contribute to the high-quality and inclusive implementation of the Programme, including support for activities and bodies, such as resource centres, info-networks and training and cooperation activities that improve implementation of the Programme, build national agencies' capacity and enhance strategic implementation, and harness the potential of former participants of the Erasmus+ Programme and other multipliers as positive role models;
- 3.5. Cooperation with other Union instruments and support to other Union policies, including support for activities to foster synergies and complementarities with other Union and national instruments and to promote cooperation with the structures implementing such instruments;
- 3.6. Dissemination and awareness-raising activities that aim to inform citizens and organisations about the Programme and Union policies in the fields of education and training, youth and sport.

4. JEAN MONNET ACTIONS

- 4.1. The Jean Monnet action in the field of higher education: support to higher education institutions within and beyond the Union through Jean Monnet modules, chairs and centres of excellence and through Jean Monnet projects and networking activities;
 - 4.2. The Jean Monnet action in other fields of education and training: activities aimed at promoting knowledge about Union matters in education and training institutions, such as schools and vocational education and training institutes;
 - 4.3. Support to the designated institutions referred to in point (c) of Article 8.
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ANNEX II

INDICATORS

The measurements of quantitative indicators shall be disaggregated, where appropriate, according to country, gender and type of action and activity.

1. Areas to be monitored

- Participation in learning mobility;
- Organisations and institutions with a reinforced European and international dimension;

2. Elements to be measured**2.1. Key action 1 - Learning mobility:**

- 2.1.1. The number of participants in learning mobility activities under key action 1;
- 2.1.2. The number of organisations and institutions taking part in the Programme under key action 1;
- 2.1.3. The number of participants in virtual learning activities under key action 1;
- 2.1.4. The share of participants that consider they have benefited from their participation in learning mobility activities under key action 1;
- 2.1.5. The share of participants that consider they have an increased European sense of belonging after participating in activities under key action 1;

2.2. Key action 2 - Cooperation among organisations and institutions:

- 2.2.1. The number of organisations and institutions taking part in the Programme under key action 2;
- 2.2.2. The share of organisations and institutions that consider they have developed high-quality practices as a result of their participation in key action 2;
- 2.2.3. The number of users of virtual cooperation platforms supported under key action 2;

2.3. Key action 3 - Support to policy development and cooperation:

- 2.3.1. The number of organisations and institutions taking part in grant actions under key action 3;

2.4. Inclusion:

- 2.4.1. The number of people with fewer opportunities taking part in activities under key action 1;
- 2.4.2. The number of newcomer organisations and institutions taking part in the Programme under key actions 1 and 2;

2.5. Simplification:

- 2.5.1. The number of small-scale partnerships supported under key action 2;
- 2.5.2. The share of organisations and institutions that consider that the procedures for taking part in the Programme are proportionate and simple;

2.6. Climate contribution:

- 2.6.1. The share of activities addressing climate objectives under key action 1;
 - 2.6.2. The share of projects addressing climate objectives under key action 2.
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REGULATION (EU) 2021/818 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**of 20 May 2021****establishing the Creative Europe Programme (2021 to 2027) and repealing Regulation (EU) No 1295/2013****(Text with EEA relevance)**

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular, Article 167(5), and Article 173(3) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee ⁽¹⁾,

Having regard to the opinion of the Committee of the Regions ⁽²⁾,

Acting in accordance with the ordinary legislative procedure ⁽³⁾,

Whereas:

- (1) Culture, arts, cultural heritage and cultural diversity are of great value to European society from a cultural, educational, democratic, environmental, social, human rights and economic point of view and should be promoted and supported. The Rome Declaration of 25 March 2017 and the European Council of 14 and 15 December 2017 stated that education and culture are key to building inclusive and cohesive societies for all and to sustaining European competitiveness.
- (2) Pursuant to Article 2 of the Treaty on European Union (TEU), the Union is founded on the values of respect for human dignity, freedom, democracy, equality, the rule of law and the respect for human rights, including the rights of persons belonging to a minority. Those values are common to the Member States in a society in which pluralism, non-discrimination, tolerance, justice, solidarity and equality between women and men prevail. Those values are further reaffirmed and articulated in the rights, freedoms and principles enshrined in the Charter of Fundamental Rights of the European Union (the 'Charter'), which has the same legal value as the Treaties under Article 6 TEU. In particular, the freedom of expression and information and the freedom of the arts and science are enshrined, respectively, in Articles 11 and 13 of the Charter.
- (3) Article 3 TEU further specifies that the Union's aim is to promote peace, its values and the well-being of its peoples and that, inter alia, it is to respect its rich cultural and linguistic diversity and ensure that Europe's cultural heritage is safeguarded and enhanced.
- (4) The communication of the Commission of 22 May 2018 entitled 'A New European Agenda for Culture' sets out objectives for the cultural and creative sectors. It aims to harness the power of culture and cultural diversity for social cohesion and societal well-being by fostering the cross-border dimension of cultural and creative sectors and fostering their capacity to grow, to encourage culture-based creativity in education and innovation, and for jobs and growth, and to strengthen international cultural relations. The Creative Europe Programme (the 'Programme'), together with other Union programmes and funds, will support the New European Agenda for Culture. The intrinsic value of culture and of artistic expression should be preserved and promoted, and artistic creation should

⁽¹⁾ OJ C 110, 22.3.2019, p. 87.

⁽²⁾ OJ C 168, 16.5.2019, p. 37.

⁽³⁾ Position of the European Parliament of 28 March 2019 (OJ C 108, 26.3.2021, p. 934) and position of the Council at first reading of 13 April 2021 (OJ C 169, 5.5.2021, p. 1). Position of the European Parliament of 18 May 2021 (not yet published in the Official Journal).

be at the heart of the Programme. That is also consistent with the 2005 Unesco Convention on the Protection and Promotion of the Diversity of Cultural Expressions, which entered into force on 18 March 2007 and to which the Union and its Member States are parties.

- (5) In order to foster the shared area of cultural diversity for the peoples of Europe, it is important to promote the transnational circulation of artistic and cultural works, collections and products, thereby encouraging dialogue and cultural exchanges, and the transnational mobility of artists and of cultural and creative professionals.
- (6) Safeguarding and enhancing cultural heritage facilitates free participation in cultural life, in line with the United Nations (UN) Universal Declaration of Human Rights and the International Covenant on Economic, Social and Cultural Rights. Therefore, cultural heritage plays an important role in the construction of a peaceful and democratic society, in processes of sustainable development and in the promotion of cultural diversity.
- (7) The promotion of European cultural diversity is based on the freedom of artistic expression, the capabilities and competences of artists and cultural operators, the existence of flourishing and resilient cultural and creative sectors and the ability of artists and cultural operators to create, innovate and produce their works and distribute them to a larger and more diverse European audience. This thereby enlarges the business potential of the cultural and creative sectors, increases access to and the promotion of creative content, artistic research and creativity, and contributes to sustainable growth and job creation. In addition, the promotion of creativity and new knowledge contributes to boosting competitiveness and sparking innovation in industrial value chains. The Union's rich cultural and linguistic diversity is a key asset for the European project. At the same time, the European cultural and creative market is characterised by geographical specificities, linguistic specificities, or both, which can cause market fragmentation. Continuing efforts are therefore required to ensure that the cultural and creative sectors fully benefit from the Union's single market and, in particular, from the Digital Single Market.
- (8) The digital shift represents a paradigm change for cultural and creative sectors. It has reshaped habits, relations, and production and consumption models. This presents a number of challenges. At the same time, the digital shift offers new opportunities for cultural and creative sectors in terms of the creation of, distribution of and access to European works, which benefits European society as a whole. The Programme should encourage cultural and creative sectors to take advantage of those opportunities.
- (9) The Programme should take into account the dual nature of the cultural and creative sectors, recognising, on the one hand, the intrinsic and artistic value of culture and, on the other, the economic value of those sectors, including the broader contribution of those sectors to growth, competitiveness, creativity and innovation. The Programme should also take into account the positive impact of culture on intercultural dialogue, social cohesion and the dissemination of knowledge. This requires strong European cultural and creative sectors, in particular a vibrant European audiovisual industry, given its capacity to reach diverse audiences and its economic importance, including its economic importance for other creative sectors. However, competition in global audiovisual markets has been further intensified by the deepening digital shift, for example changes in media production and consumption and the growing position of global platforms in the distribution of content. Therefore, there is a need to step up support for the European industry.
- (10) As exemplified by the Union action for the European Capitals of Culture, established by Decision No 445/2014/EU of the European Parliament and of the Council^(*) (the 'European Capitals of Culture'), the cultural and creative sectors have an important role in enhancing and revitalising the Union's territories. In that way, the cultural and creative sectors are key drivers for boosting quality-based tourism and regional, local and urban development across the Union.

^(*) Decision No 445/2014/EU of the European Parliament and of the Council of 16 April 2014 establishing a Union action for the European Capitals of Culture for the years 2020 to 2033 and repealing Decision No 1622/2006/EC (OJ L 132, 3.5.2014, p. 1).

- (11) In order to be effective, the Programme should take into account the specific nature and challenges of the different cultural and creative sectors, their different target groups and their particular needs through tailor-made approaches within a strand dedicated to the audiovisual sector (the 'Media strand'), a strand dedicated to the other cultural and creative sectors (the 'Culture strand') and a cross-sectoral strand (the 'Cross-sectoral strand').
- (12) The Programme should support actions and activities with European added value, which complement regional, national, international and other Union programmes and policies and positively impact European citizens, and should support the development and promotion of transnational cooperation and exchanges within the cultural and creative sectors. Through such actions and activities, the Programme contributes to the strengthening of European identity and values while promoting cultural and linguistic diversity.
- (13) Music, in all its forms and expressions, and in particular contemporary and live music, is an important component of the cultural, artistic and economic landscape of the Union and its heritage. It is an element of social cohesion and it serves as a key instrument to enhance economic and cultural development. The Culture strand should therefore pay attention to the music sector.
- (14) The Culture strand should promote the networking of creative communities and foster cross-border and multi-disciplinary collaboration with the use of different skillsets, such as artistic, creative, digital and technological skillsets.
- (15) The Cross-sectoral strand aims to exploit the potential of collaboration among different cultural and creative sectors and to address the common challenges they face. There are benefits in terms of knowledge transfer and administrative efficiencies to be gained from a joint transversal approach. In that context, the Programme desks contribute to the achievement of the objectives of the Programme and its implementation.
- (16) Union intervention is needed in the audiovisual sector to accompany the Union's Digital Single Market policies. That concerns, in particular, the modernisation of the copyright framework by means of Directives (EU) 2019/789 ⁽⁵⁾ and (EU) 2019/790 ⁽⁶⁾ of the European Parliament and of the Council, and Directive 2010/13/EU of the European Parliament and of the Council ⁽⁷⁾, as amended by Directive (EU) 2018/1808 of the European Parliament and of the Council ⁽⁸⁾. Directives (EU) 2019/789 and (EU) 2019/790 seek to strengthen the capacity of European audiovisual operators to create, finance, produce and disseminate works that are prominently displayed on different media, for example TV, cinema or Video On Demand, that are available and attractive to audiences in a more open and competitive market within Europe and beyond. Those Directives also aim to achieve a well-functioning market place for creators and right holders, especially for press publications and online platforms, and to ensure fair remuneration of authors and performers, which are dimensions that should be taken into account across the Programme. Furthermore, support should be scaled up in order to address recent market developments, in particular the stronger position of global platforms of distribution in comparison to national broadcasters that traditionally invest in the production of European works. As the market conditions and audiovisual operators continue to evolve, specific criteria to define what constitutes an independent production company should be provided in the context of the implementation of the Programme.

⁽⁵⁾ Directive (EU) 2019/789 of the European Parliament and of the Council of 17 April 2019 laying down rules on the exercise of copyright and related rights applicable to certain online transmissions of broadcasting organisations and retransmissions of television and radio programmes, and amending Council Directive 93/83/EEC (OJ L 130, 17.5.2019, p. 82).

⁽⁶⁾ Directive (EU) 2019/790 of the European Parliament and of the Council of 17 April 2019 on copyright and related rights in the Digital Single Market and amending Directives 96/9/EC and 2001/29/EC (OJ L 130, 17.5.2019, p. 92).

⁽⁷⁾ Directive 2010/13/EU of the European Parliament and of the Council of 10 March 2010 on the coordination of certain provisions laid down by law, regulation or administrative action in Member States concerning the provision of audiovisual media services (Audiovisual Media Services Directive) (OJ L 95, 15.4.2010, p. 1).

⁽⁸⁾ Directive (EU) 2018/1808 of the European Parliament and of the Council of 14 November 2018 amending Directive 2010/13/EU on the coordination of certain provisions laid down by law, regulation or administrative action in Member States concerning the provision of audiovisual media services (Audiovisual Media Services Directive) in view of changing market realities (OJ L 303, 28.11.2018, p. 69).

- (17) The Programme should allow for the broadest possible participation of organisations in the cultural and creative sectors in it and for those organisations to access the Programme in the broadest way possible, regardless of their geographical origin. The Programme should support those organisations and the best talent, wherever located, to operate across borders and internationally. The Media strand should take into account the differences across countries regarding the production and distribution of audiovisual content and access to audiovisual content and trends relating to the consumption of audiovisual content, and, in particular, their linguistic and geographical specificities, thereby providing a more level playing field, broadening the participation of, and increasing collaboration among, Member States with different audiovisual capacities and supporting European talent, wherever located, to operate across borders and internationally. The specificities of the outermost regions referred to in Article 349 of the Treaty on the Functioning of the European Union (TFEU) should also be taken into account.
- (18) The special actions under the Programme such as the Union action for the European Heritage Label established by Decision No 1194/2011/EU of the European Parliament and of the Council ^(*) (the 'European Heritage Label'), the European Heritage Days, European prizes in the areas of contemporary, rock and pop music, literature, heritage and architecture and the European Capitals of Culture have directly reached millions of European citizens, have demonstrated the social and economic benefits of European cultural policies, and should therefore be continued and whenever possible expanded. The Culture strand should support the networking activities of the European Heritage Label sites. Consideration should also be paid to the possibility of extending the European prizes to new fields and sectors, notably theatre.
- (19) Culture is key to strengthening inclusive and cohesive communities. In the context of migration issues and integration challenges, culture plays a fundamental role in providing opportunities for intercultural dialogue and in integrating migrants and refugees, helping them to feel part of host societies, and in developing good relations between migrants and new communities.
- (20) In order to contribute to an inclusive society, the Programme should promote and increase cultural participation across the Union, in particular with regard to people with disabilities and people from disadvantaged backgrounds.
- (21) In accordance with the Davos Declaration of 22 January 2018 entitled 'Towards a high-quality Baukultur for Europe', steps should be taken to promote a new integrated approach to the shaping of a high-quality built environment which is anchored in culture, which strengthens social cohesion, which guarantees a sustainable environment and which contributes to the health and well-being of the population as a whole. That approach should not only place an emphasis on urban areas, but also on the interconnectivity of peripheral and rural areas. The concept of Baukultur encompasses all factors which have a direct impact on the quality of life of citizens and communities, thereby fostering inclusivity, cohesion and sustainability in a very concrete way.
- (22) Freedom of expression and artistic freedom are at the core of vibrant cultural and creative sectors. In particular, the news media sector needs a free, diverse and pluralistic media environment. In conjunction with Directive 2010/13/EU, the Programme should therefore promote a free, diverse and pluralistic media environment, encouraging crossovers and cross-cutting activities supporting the news media sector. The Programme should provide support for new media professionals and enhance the development of critical thinking among citizens by means of promoting media literacy.
- (23) The Programme should also stimulate interest in and improve access to European audiovisual works, in particular through audience development measures, including film literacy.
- (24) The mobility of artists and cultural workers beyond borders under the Culture strand can contribute to better linked, stronger and more sustainable cultural and creative sectors in the Union because this is a way to accelerate the development of skills and the learning curve within the cultural and creative sectors, to improve intercultural awareness and to foster the transnational co-creation, co-production, circulation and dissemination of works.

^(*) Decision No 1194/2011/EU of the European Parliament and of the Council of 16 November 2011 establishing a European Union action for the European Heritage Label (OJ L 303, 22.11.2011, p. 1).

- (25) Cooperation projects, in particular small-scale projects, given the specificities of the cultural and creative sectors, should be at the core of the Culture strand. Therefore, the Commission should facilitate participation in the Programme by achieving substantial simplification of bureaucratic procedures, mostly in the application stage, and, for small-scale projects, by allowing higher co-financing rates.
- (26) In line with Articles 8 and 10 TFEU, the Programme, in all its activities, should support gender mainstreaming and the mainstreaming of non-discrimination objectives and should, where applicable, define appropriate gender-balance criteria. Women are actively engaged in cultural and creative sectors as authors, professionals, teachers, artists and audience members. However, it is less likely that women occupy decision-making positions in cultural, artistic and creative institutions. Therefore, the Programme should promote female talent in order to support women's artistic and professional careers.
- (27) Taking into account the joint communication of 8 June 2016 entitled 'Towards an EU strategy for international cultural relations', endorsed by the resolution of the European Parliament of 5 July 2017 on the mandate for the trilogue on the 2018 draft budget ⁽¹⁰⁾, and the Council conclusions of 24 May 2017 on an EU strategic approach to international cultural relations, European funding instruments and, in particular, the Programme should recognise the relevance of culture in international relations and its role in promoting European values by dedicated and targeted actions designed to have a clear Union impact on the global scene.
- (28) In line with the communication of the Commission of 22 July 2014 entitled 'Towards an integrated approach to cultural heritage for Europe', relevant policies and instruments should ensure the legacy of the 2018 European Year of Cultural Heritage, which successfully and efficiently mainstreamed culture into other policy fields, in particular through a participatory governance approach, in drawing out the long term and sustainability value of Europe's cultural heritage, developing a more integrated approach to its preservation and valorisation and supporting the sustainable safeguarding, the regeneration, the adaptive reuse and the promotion of its values through awareness-raising and networking activities. In the culture sector, consideration should be given to supporting artists, creators and artistic craftspeople skilled in the traditional trades related to cultural heritage restoration. In the audiovisual sector, in particular, heritage works are a crucial source of memory and cultural diversity and represent potential market opportunities. In this context, audiovisual archives and libraries contribute to the preservation and re-use of, and new market developments for, heritage works.
- (29) In line with the communication of the Commission of 10 March 2020 entitled 'A New Industrial Strategy for Europe', the Union should rely on its strengths, in particular its diversity, its talents, its values, its way of life and its innovators and creators.
- (30) The success of the Programme relies on the development of innovative and effective projects that generate good practices in terms of transnational European cooperation in the cultural and creative sectors. Wherever possible, such success stories should be promoted, encouraging the support of new business models and skills, fostering traditional know-how and translating creative and interdisciplinary solutions into economic and social value.
- (31) The Programme should be open, subject to certain conditions, to the participation of Members of the European Free Trade Association, acceding countries, candidate countries and potential candidates benefiting from a pre-accession strategy, European Neighbourhood Policy countries and the Union's strategic partners.
- (32) Third countries which are members of the European Economic Area may participate in Union programmes in the framework of the cooperation established under the Agreement on the European Economic Area ⁽¹¹⁾, which provides for the implementation of the programmes on the basis of a decision adopted under that Agreement. Third countries may also participate on the basis of other legal instruments. A specific provision should be introduced in this Regulation requiring third countries to grant the necessary rights and access required for the authorising officer responsible, the European Anti-Fraud Office (OLAF) and the Court of Auditors to comprehensively exercise their respective competences.

⁽¹⁰⁾ OJ C 334, 19.9.2018, p. 253.

⁽¹¹⁾ OJ L 1, 3.1.1994, p. 3.

- (33) Third countries should aim to participate fully in the Programme. However, third countries that do not fulfil the conditions for participating in the Media and Cross-sectoral strands but participate in the Culture strand should be able to set up and support Programme desks to promote the Programme in their country and to stimulate cross-border cooperation within the cultural and creative sectors.
- (34) Derogations from the obligation to fulfil the conditions set out in Directive 2010/13/EU should be subject to scrutiny and granted to European Neighbourhood Policy countries in duly justified cases, taking into account the specific situation of the audiovisual market in the country concerned and the level of integration in the European audiovisual policy framework. Progress towards the achievement of the objectives set out in Directive 2010/13/EU should be monitored on a regular basis. Moreover, participation in actions funded by the Media strand should be set out on a case-by-case basis in the relevant work programmes.
- (35) The Programme should foster the cooperation between the Union and international organisations such as Unesco, the Council of Europe, including Eurimages and the European Audiovisual Observatory (the 'Observatory'), the Organisation for Economic Co-operation and Development (OECD) and the World Intellectual Property Organisation. The Programme should also support the Union commitment relating to the UN Sustainable Development Goals, in particular its cultural dimension. As regards the audiovisual sector, the Programme should ensure the Union's contribution to the work of the Observatory.
- (36) Reflecting the importance of tackling climate change in line with the Union's commitments to implement the Paris Agreement adopted under the United Nations Framework Convention on Climate Change and to achieve the UN Sustainable Development Goals, the Programme is intended to contribute to mainstreaming climate actions and to the achievement of an overall target of 30 % of Union budget expenditure supporting climate objectives. In line with the European Green Deal as a blueprint for sustainable growth, the actions under this Regulation should respect the 'do no harm' principle. During the implementation of the Programme, relevant actions should be identified and put in place without changing the fundamental character of the Programme, and should be reassessed in the context of the relevant evaluations and review process.
- (37) For simplification and efficiency, the Commission should be able to divide budgetary commitments into annual instalments. In that case, the Commission should commit the annual instalments during the Programme's implementation, taking into account the progress of the actions that receive financial assistance, their estimated needs and the budget available. The Commission should communicate to the beneficiaries of grants an indicative timetable covering the commitment of the individual annual instalments.
- (38) Horizontal financial rules adopted by the European Parliament and by the Council on the basis of Article 322 TFEU apply to this Regulation. Those rules are laid down in the Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council ⁽¹²⁾ (the 'Financial Regulation') and determine in particular the procedure for establishing and implementing the budget through grants, procurement, prizes and indirect implementation, and provide for checks on the responsibility of financial actors. Rules adopted on the basis of Article 322 TFEU also include a general regime of conditionality for the protection of the Union budget.
- (39) 'LUX - the European Audience Film Award by the European Parliament and the European Film Academy' has established itself as a distinctive European prize, promoting and disseminating European films that reflect European identity and values beyond national borders, and building on collaborations with a community of renowned film creators and European film organisations and networks.
- (40) Since its creation, the European Union Youth Orchestra has developed a unique expertise in promoting access to music, as well as intercultural dialogue, mutual respect and understanding through culture, while also favouring the international career development and training of young musicians. The particularity of the European Union Youth Orchestra lies in the fact that it is a European orchestra, created by a resolution of the European Parliament, that transcends cultural boundaries and is composed of young musicians selected across Europe in accordance with demanding artistic criteria through a rigorous and transparent annual audition process in all Member States. This

⁽¹²⁾ Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (OJ L 193, 30.7.2018, p. 1).

special contribution to Europe's cultural diversity and identity should be acknowledged by, for example, providing for actions in which the European Union Youth Orchestra and similar European cultural entities can apply to participate. The possibility of multiannual funding for such entities should be provided for in order to ensure the stability of their functioning.

- (41) Organisations in the cultural and creative sectors with a large European geographical coverage and whose activities entail delivering cultural services directly to the European citizens and that thus have the potential to have direct impact on European identity should be eligible for Union support.
- (42) In order to ensure the efficient allocation of funds from the general budget of the Union, it is necessary that all actions and activities carried out under the Programme provide European added value. It is also necessary to ensure that they complement Member States' activities. Consistency, complementarity and synergies should be sought with funding programmes that support policy areas with close links to each other, ensuring that potential beneficiaries are aware of the different funding opportunities, and with horizontal policies such as Union competition policy.
- (43) Financial support should be used to address market failures or sub-optimal investment situations in a proportionate manner, and actions should not duplicate or crowd out private financing or distort competition in the internal market.
- (44) It is important that the Programme address the structural challenges of Europe's cultural and creative sectors, which have been exacerbated by the COVID-19 pandemic. The Programme encompasses the fundamental role of European culture and media in citizens' well-being and in empowering them to take informed decisions. The Programme, together with other relevant Union funding programmes and Next Generation EU, should support the short-term recovery of the cultural and creative sectors, enhance their longer-term resilience and competitiveness in order to best address potential major crises in the future and accompany their digital and ecological transition.
- (45) The policy objectives of the Programme are also addressed through financial instruments and budgetary guarantees under the policy windows of the 2021-2027 Invest EU Programme established by Regulation (EU) 2021/523 of the European Parliament and of the Council ⁽¹³⁾, which, inter alia, continue to facilitate access to finance for small and medium-sized enterprises and organisations in the cultural and creative sectors.
- (46) Impact, quality and efficiency in the implementation of projects under the Programme should constitute key evaluation criteria for the selection of the projects in question. Taking into account the technical expertise required to assess proposals under specific actions of the Programme, members of committees to evaluate such proposals ('evaluation committees') may be external experts. When selecting the external experts, due consideration should be paid to their professional backgrounds and to the gender balance of the committee in question.
- (47) The Programme should include a realistic and manageable system of qualitative and quantitative performance indicators to accompany its actions and to monitor its performance on a continuous basis. Such monitoring and information and communication actions relating to the Programme and its actions should build on the three strands of the Programme.
- (48) Considering the importance and complexity of gathering and analysing data and of measuring the impact of cultural policies, the Commission should help to gather evidence and statistical data on the trends and developments of the cultural and creative sectors by making use of its expertise and that of other relevant research institutions and should regularly report to the European Parliament and to the Council on the data gathered.

⁽¹³⁾ Regulation (EU) 2021/523 of the European Parliament and of the Council of 24 March 2021 establishing the InvestEU Programme and amending Regulation (EU) 2015/1017 (OJ L 107, 26.3.2021, p. 30).

- (49) The Programme should be established for a period of seven years to align its duration with that of the multiannual financial framework for the years 2021 to 2027 laid down in Council Regulation (EU, Euratom) 2020/2093 ⁽¹⁴⁾ (the '2021-2027 MFF').
- (50) This Regulation lays down a financial envelope for the Programme which is to constitute the prime reference amount within the meaning of point 18 of the Interinstitutional Agreement of 16 December 2020 between the European Parliament, the Council of the European Union and the European Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, as well as on new own resources, including a roadmap towards the introduction of new own resources ⁽¹⁵⁾, for the European Parliament and the Council during the annual budgetary procedure.
- (51) The Financial Regulation applies to this Programme. The Financial Regulation lays down rules on the implementation of the Union budget, including the rules on grants, including those to third parties, prizes, procurement, indirect management, financial instruments, budgetary guarantees, financial assistance and the reimbursement of external experts.
- (52) The forms of funding and the methods of implementation under this Regulation should be chosen on the basis of their ability to achieve the specific objectives of the actions and to deliver results, taking into account, in particular, the costs of controls, the administrative burden, and the need for administrative simplification, in particular in the application process, for the benefit of all parties involved, and the expected risk of non-compliance. When making that choice, the use of lump sums, unit costs and flat rates, as well as financing not linked to costs as referred to in Article 125(1) of the Financial Regulation, should be considered.
- (53) In accordance with the Financial Regulation, Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council ⁽¹⁶⁾ and Council Regulations (EC, Euratom) No 2988/95 ⁽¹⁷⁾, (Euratom, EC) No 2185/96 ⁽¹⁸⁾ and (EU) 2017/1939 ⁽¹⁹⁾, the financial interests of the Union are to be protected by means of proportionate measures, including measures relating to the prevention, detection, correction and investigation of irregularities, including fraud, to the recovery of funds lost, wrongly paid or incorrectly used, and, where appropriate, to the imposition of administrative penalties. In particular, in accordance with Regulations (Euratom, EC) No 2185/96 and (EU, Euratom) No 883/2013, OLAF has the power to carry out administrative investigations, including on-the-spot checks and inspections, with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the Union. The European Public Prosecutor's Office (EPPO) is empowered, in accordance with Regulation (EU) 2017/1939, to investigate and prosecute criminal offences affecting the financial interests of the Union as provided for in Directive (EU) 2017/1371 of the European Parliament and of the Council ⁽²⁰⁾. In accordance with the Financial Regulation, any person or entity receiving Union funds is to fully cooperate in the protection of the financial interests of the Union, grant the necessary rights and access to the Commission, OLAF, the Court of Auditors and, in respect of those Member States participating in enhanced cooperation pursuant to Regulation (EU) 2017/1939, the EPPO, and ensure that any third parties involved in the implementation of Union funds grant equivalent rights.
- (54) It should be possible to award quality proposals for actions that are eligible under the Programme but cannot be financed under it due to budgetary constraints with a Seal of Excellence label, based on a specific set of criteria. The Seal of Excellence label recognises the quality of the proposal and simplifies the search for alternative funding under the European Regional Development Fund or the European Social Fund Plus. For actions in respect of which a Seal of Excellence label could be awarded, additional information should be provided in the relevant calls for proposals.

⁽¹⁴⁾ Council Regulation (EU, Euratom) 2020/2093 of 17 December 2020 laying down the multiannual financial framework for the years 2021 to 2027 (OJ L 433 I, 22.12.2020, p. 11).

⁽¹⁵⁾ OJ L 433 I, 22.12.2020, p. 28.

⁽¹⁶⁾ Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999 (OJ L 248, 18.9.2013, p. 1).

⁽¹⁷⁾ Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests (OJ L 312, 23.12.1995, p.1).

⁽¹⁸⁾ Council Regulation (Euratom, EC) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities (OJ L 292, 15.11.1996, p. 2).

⁽¹⁹⁾ Council Regulation (EU) 2017/1939 of 12 October 2017 implementing enhanced cooperation on the establishment of the European Public Prosecutor's Office ('the EPPO') (OJ L 283, 31.10.2017, p. 1).

⁽²⁰⁾ Directive (EU) 2017/1371 of the European Parliament and of the Council of 5 July 2017 on the fight against fraud to the Union's financial interests by means of criminal law (OJ L 198, 28.7.2017, p. 29).

- (55) In view of Article 349 TFEU, and taking into account the communication of the Commission of 24 October 2017 entitled 'A stronger and renewed strategic partnership with the EU's outermost regions', the specific contribution of the regions referred to in that Article to the cultural diversity of the Union, as well as their role in promoting exchanges of, including through mobility, and cooperation with people and organisations from third countries, in particular from their neighbouring countries, should be valued. Pursuant to Council Decision 2013/755/EU ⁽²¹⁾ and taking into account the contribution of overseas countries and territories to the international cultural influence of the Union, persons and entities established in overseas countries and territories are eligible for funding subject to the rules and objectives of the Programme and possible arrangements applicable to the Member State to which the relevant overseas country or territory is linked. It should thus be possible for people to benefit equally from the competitive advantages that the cultural and creative industries can offer, in particular economic growth and employment.
- (56) In order to ensure the effective assessment of the Programme's progress towards the achievement of its objectives, the power to adopt acts in accordance with Article 290 TFEU should be delegated to the Commission in respect of developing a monitoring and evaluation framework and of reviewing the Programme indicators. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making ⁽²²⁾. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.
- (57) In accordance with Article 193(2) of the Financial Regulation, it is possible to award a grant for an action which has already begun, provided that the applicant can demonstrate the need for starting the action prior to signature of the grant agreement. However, the costs incurred prior to the date of submission of the grant application are not eligible for Union financing, except in duly justified exceptional cases. In accordance with Article 193(4) of the Financial Regulation, the costs incurred prior to the date of submission of the grant application are also not eligible for Union financing in the case of operating grants and the grant agreement is to be signed within four months of the start of the beneficiary's financial year. In order to avoid any disruption in Union support which could be prejudicial to Union's interests, it should be possible to provide in the financing decision, for a limited period of time at the beginning of the 2021-2027 MFF, and only in duly justified cases, for the eligibility of activities and costs from 1 January 2021, even if those activities were implemented and those costs incurred before the grant application was submitted.
- (58) Pursuant to paragraphs 22 and 23 of the Interinstitutional Agreement of 13 April 2016 on Better Law-Making, the Programme should be evaluated on the basis of information collected in accordance with specific monitoring requirements, while avoiding an administrative burden, in particular on Member States, and overregulation. Those requirements, where appropriate, should include measurable indicators as a basis for evaluating the effects of the Programme on the ground.
- (59) In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission to adopt the work programmes. Those implementing powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council ⁽²³⁾. In particular, as provided for by this Regulation, time limits should be proportionate and should afford committee members early and effective opportunities to examine the draft implementing act and express their views.
- (60) It is necessary to ensure that the 2014-2020 Creative Europe Programme established by Regulation (EU) No 1295/2013 of the European Parliament and of the Council ⁽²⁴⁾ (the '2014-2020 Programme') is closed correctly, in particular as regards the continuation of multiannual arrangements for its management, such as the financing of technical and administrative assistance. As from 1 January 2021, technical and administrative assistance should ensure, where necessary, the management of actions that have not yet been finalised under the 2014-2020 Programme by 31 December 2020.

⁽²¹⁾ Council Decision 2013/755/EU of 25 November 2013 on the association of the overseas countries and territories with the European Union (Overseas Association Decision) (OJ L 344, 19.12.2013, p. 1).

⁽²²⁾ OJ L 123, 12.5.2016, p. 1.

⁽²³⁾ Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by the Member States of the Commission's exercise of implementing powers (OJ L 55, 28.2.2011, p. 13).

⁽²⁴⁾ Regulation (EU) No 1295/2013 of the European Parliament and of the Council of 11 December 2013 establishing the Creative Europe Programme (2014 to 2020) and repealing Decisions No 1718/2006/EC, No 1855/2006/EC and No 1041/2009/EC (OJ L 347, 20.12.2013, p. 221).

- (61) This Regulation respects the fundamental rights and observes the principles recognised in particular by the Charter. In particular, this Regulation seeks to ensure full respect for the right to equality between men and women and the right to non-discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation, as enshrined in Articles 21 and 23 of the Charter. This Regulation is also in line with the UN Convention on the Rights of Persons with Disabilities.
- (62) Since the objectives of this Regulation cannot be sufficiently achieved by the Member States but can rather, by reason of their transnational character, the high volume and wide geographical scope of the mobility and cooperation activities funded, their effects on access to learning mobility and more generally on Union integration, and their reinforced international dimension, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity, as set out in Article 5 TEU. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives.
- (63) Regulation (EU) No 1295/2013 should therefore be repealed with effect from 1 January 2021.
- (64) In order to ensure continuity in providing support in the relevant policy area and to allow the implementation to start from the beginning of the 2021-2027 MFF, this Regulation should enter into force as a matter of urgency and should apply, with retroactive effect, from 1 January 2021,

HAVE ADOPTED THIS REGULATION:

CHAPTER I

GENERAL PROVISIONS

Article 1

Subject matter

This Regulation establishes the Creative Europe Programme (the 'Programme') for the duration of the 2021-2027 MFF.

It lays down the objectives of the Programme, the budget for the period from 2021 to 2027, the forms of Union funding and the rules for providing such funding.

Article 2

Definitions

For the purposes of this Regulation, the following definitions apply:

- (1) 'cultural and creative sectors' means all sectors:
- (a) whose activities, many of which have potential to generate innovation and jobs in particular from intellectual property:
 - (i) are based on cultural values and artistic and other individual or collective creative expressions; and
 - (ii) include the development, the creation, the production, the dissemination and the preservation of goods and services which embody cultural, artistic or other creative expressions, as well as related functions such as education or management;
 - (b) irrespective of:
 - (i) whether the activities of those sectors are market-oriented or non-market-oriented;
 - (ii) the type of structure that carries out those activities; and
 - (iii) how that structure is financed;

those sectors include, inter alia, architecture, archives, libraries and museums, artistic crafts, audiovisual (including film, television, video games and multimedia), tangible and intangible cultural heritage, design (including fashion design), festivals, music, literature, performing arts (including theatre and dance), books and publishing, radio, and visual arts;

- (2) 'legal entity' means a natural person or a legal person which is created and recognised as such under national law, Union law or international law, which has legal personality and which may exercise rights and be subject to obligations when acting in its own name, or an entity which does not have legal personality as referred to in point (c) of Article 197(2) of the Financial Regulation;
- (3) 'blending operation' means actions supported by the Union budget, including within blending facilities pursuant to Article 2(6) of the Financial Regulation, that combine non-repayable forms of support and financial instruments from the Union budget with repayable forms of support from development or other public finance institutions, or from commercial finance institutions and investors.

Article 3

Programme objectives

- 1. The general objectives of the Programme are to:
 - (a) safeguard, develop and promote European cultural and linguistic diversity and heritage;
 - (b) increase the competitiveness and the economic potential of the cultural and creative sectors, in particular the audiovisual sector.
- 2. The Programme has the following specific objectives:
 - (a) to enhance artistic and cultural cooperation at the European level in order to support the creation of European works and strengthen the economic, social and external dimension of and innovation and mobility in Europe's cultural and creative sectors;
 - (b) to promote competitiveness, scalability, cooperation, innovation and sustainability, including through mobility, in the European audiovisual sector;
 - (c) to promote policy cooperation and innovative actions supporting all strands of the Programme and to promote a diverse, independent and pluralistic media environment, and media literacy, thereby fostering freedom of artistic expression, intercultural dialogue and social inclusion.
- 3. The Programme shall cover the following strands:
 - (a) the Culture strand, which covers cultural and creative sectors with the exception of the audiovisual sector;
 - (b) the Media strand, which covers the audiovisual sector;
 - (c) the Cross-sectoral strand, which covers actions across all cultural and creative sectors.
- 4. Recognising the intrinsic and economic value of culture, the Programme objectives shall be pursued through actions with European added value. European added value shall be ensured, inter alia, through:
 - (a) the transnational character of actions and activities, which complement regional, national, international and other Union programmes and policies, thereby promoting European common roots and cultural diversity;
 - (b) cross-border cooperation, including through mobility, among organisations and professionals in the cultural and creative sectors, and the potential of such cooperation to address common challenges, including the digital shift, and to promote access to culture, active engagement of citizens and intercultural dialogue;
 - (c) the economies of scale and growth and jobs which Union support fosters, creating a leverage effect for additional funds;
 - (d) providing a more level playing field through actions with European added value under the Media strand that take into account the specificities of different countries, in particular regarding the production and distribution of content, access to content, the size and specificities of their markets and their cultural and linguistic diversity, in a way that broadens the participation of countries with different audiovisual capacities and strengthens collaboration between those countries.

5. The Programme objectives shall be pursued in a way that encourages inclusion, equality, diversity and participation, which, where appropriate, shall be achieved through specific incentives that:

- (a) ensure that people with disabilities, people belonging to minorities and people belonging to socially marginalised groups have access to the cultural and creative sectors and that encourage their active participation in those sectors, including in both the creative process and audience development; and
- (b) foster gender equality, in particular as a driver of creativity, economic growth and innovation.

Article 4

Programme actions

The Programme shall support actions that are in accordance with the priorities set out in Articles 5, 6 and 7 and the descriptions set out in Annex I.

Article 5

Culture strand

1. In line with the Programme objectives referred to in Article 3, the Culture strand shall have the following priorities:

- (a) to strengthen transnational cooperation and the cross-border dimension of the creation, circulation and visibility of European works and the mobility of operators in the cultural and creative sectors;
- (b) to increase access to and participation in culture and to increase audience engagement and improve audience development across Europe;
- (c) to promote societal resilience and to enhance social inclusion and intercultural dialogue through culture and cultural heritage;
- (d) to enhance the capacity of the European cultural and creative sectors, including the capacity of individuals working in those sectors, to nurture talent, to innovate, to prosper and to generate jobs and growth;
- (e) to strengthen European identity and values through cultural awareness, arts education and culture-based creativity in education;
- (f) to promote capacity-building within the European cultural and creative sectors, including grassroots organisations and micro-organisations, so that they are able to be active at the international level;
- (g) to contribute to the Union's global strategy for international relations through culture.

2. The actions through which the priorities set out in paragraph 1 of this Article are to be pursued are set out in Section 1 of Annex I.

Article 6

Media strand

1. In line with the Programme objectives referred to in Article 3, the Media strand shall have the following priorities:

- (a) to nurture talent, competence and skills and to stimulate cross-border cooperation, mobility, and innovation in the creation and production of European audiovisual works, thereby encouraging collaboration across Member States with different audiovisual capacities;
- (b) to enhance the circulation, promotion, online distribution and theatrical distribution of European audiovisual works within the Union and internationally in the new digital environment, including through innovative business models;

(c) to promote European audiovisual works, including heritage works, and to support the engagement and development of audiences of all ages, in particular young audiences, across Europe and beyond.

2. The priorities set out in paragraph 1 of this Article shall be addressed through support for the development, production, promotion, and dissemination of European works and support for access to those works, with the objective of reaching diverse audiences within Europe and beyond, thereby adapting to new market developments and accompanying the implementation of Directive 2010/13/EU.

3. The actions through which the priorities set out in paragraph 1 of this Article are to be pursued are set out in Section 2 of Annex I.

Article 7

Cross-sectoral strand

1. In line with the Programme objectives referred to in Article 3, the Cross-sectoral strand shall have the following priorities:

- (a) to support cross-sectoral transnational policy cooperation, including cooperation on the promotion of the role of culture in social inclusion and cooperation on artistic freedom, to promote the visibility of the Programme and to support the transferability of the results of the Programme;
- (b) to encourage innovative approaches to the creation, distribution and promotion of, and access to, content across cultural and creative sectors and other sectors, including by taking into account the digital shift, covering both market and non-market dimensions;
- (c) to promote cross-sectoral activities that aim at adjusting to the structural and technological changes faced by the media, including enhancing a free, diverse, and pluralistic media environment, quality journalism and media literacy, including in the digital environment;
- (d) to support the establishment of Programme desks in participating countries and the activities of Programme desks and to stimulate cross-border cooperation and the exchange of best practices within the cultural and creative sectors.

2. The actions through which the priorities set out in paragraph 1 of this Article are to be pursued are set out in Section 3 of Annex I.

Article 8

Budget

1. The financial envelope for the implementation of the Programme for the period from 1 January 2021 to 31 December 2027 shall be EUR 1 842 000 000 in current prices.

2. As a result of the programme-specific adjustment provided for in Article 5 of Regulation (EU, Euratom) 2020/2093, the amount set out in paragraph 1 of this Article shall be increased by an additional allocation of EUR 600 000 000 in 2018 prices as specified in Annex II to that Regulation.

3. The indicative distribution of the amount set out in paragraph 1 of this Article shall be:

- (a) at least 33 % for the objective referred to in point (a) of Article 3(2) (Culture strand);
- (b) at least 58 % for the objective referred to in point (b) of Article 3(2) (Media strand);
- (c) up to 9 % for the objective referred to in point (c) of Article 3(2) (Cross- sectoral strand).

4. The indicative distribution of the amount set out in paragraph 2 of this Article shall be:

- (a) at least 33 % for the objective referred to in point (a) of Article 3(2) (Culture strand);
- (b) at least 58 % for the objective referred to in point (b) of Article 3(2) (Media strand);
- (c) up to 9 % for the objective referred to in point (c) of Article 3(2) (Cross-sectoral strand).

5. The amounts set out in paragraphs 1 and 2 may be used for technical and administrative assistance for the implementation of the Programme, such as preparatory, monitoring, control, audit and evaluation activities, including corporate information technology systems.

6. In addition to the amounts set out in paragraphs 1 and 2 of this Article, and in order to promote the international dimension of the Programme, additional financial contributions may be made available from a Regulation of the European Parliament and of the Council establishing the Neighbourhood, Development and International Cooperation Instrument –Global Europe, amending and repealing Decision No 466/2014/EU of the European Parliament and of the Council and repealing Regulation (EU) 2017/1601 of the European Parliament and of the Council and Council Regulation (EC, Euratom) No 480/2009, and from a Regulation of the European Parliament and of the Council establishing the Instrument for Pre-accession Assistance (IPA III) to support actions that are implemented and managed in accordance with this Regulation. Such contributions shall be financed in accordance with the Regulations establishing those instruments.

7. Resources allocated to Member States under shared management may, at the request of the Member State concerned, be transferred to the Programme subject to the conditions set out in Article 26 of a Regulation of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy (the ‘Common Provisions Regulation for 2021-2027’). The Commission shall implement those resources directly in accordance with point (a) of the first subparagraph of Article 62(1) of the Financial Regulation or indirectly in accordance with point (c) of that subparagraph. Those resources shall be used for the benefit of the Member State concerned.

8. Budgetary commitments for actions extending over more than one financial year may be broken down over several years into annual instalments. Those commitments shall not exceed 40 % of the amount set out in paragraph 1.

Article 9

Third countries associated to the Programme

1. The Programme shall be open to the participation of the following third countries, provided that they contribute financially to the Programme:

- (a) Members of the European Free Trade Association which are members of the European Economic Area, in accordance with the conditions laid down in the Agreement on the European Economic Area;
- (b) acceding countries, candidate countries and potential candidates, in accordance with the general principles and general terms and conditions for the participation of those countries in Union programmes established in the respective framework agreements and Association Council decisions or in similar agreements and in accordance with the specific conditions laid down in agreements between the Union and those countries;
- (c) European Neighbourhood Policy countries, in accordance with the general principles and general terms and conditions for the participation of those countries in Union programmes established in the respective framework agreements and Association Council decisions or in similar agreements and in accordance with the specific conditions laid down in agreements between the Union and those countries;
- (d) other third countries, in accordance with the conditions laid down in a specific agreement covering the participation of the third country to any Union programme, provided that the agreement:
 - (i) ensures a fair balance as regards the contributions and benefits of the third country participating in the Union programmes;
 - (ii) lays down the conditions of participation in the programmes, including the calculation of financial contributions to individual programmes, and their administrative costs;

- (iii) does not confer on the third country a decision-making power in respect of the Union programme;
- (iv) guarantees the rights of the Union to ensure sound financial management and to protect its financial interests.

The contributions referred to in point (d)(ii) of the first subparagraph shall constitute assigned revenues in accordance with Article 21(5) of the Financial Regulation.

2. The participation of the countries referred to in paragraph 1 of this Article in the Media strand and Cross-sectoral strand shall be subject to the fulfilment of the conditions set out in Directive 2010/13/EU.
3. The agreements concluded with countries as referred to in point (c) of paragraph 1 may derogate from the obligations set out in paragraph 2 in duly justified cases.
4. Countries as referred to in points (a) and (b) of paragraph 1 of this Article that fully participated in the 2014-2020 Programme may fully participate in the Programme on a provisional basis if they can show that they have taken tangible steps to align their national law to Directive 2010/13/EU, as amended by Directive (EU) 2018/1808.
5. Countries as referred to in point (b) of paragraph 1 of this Article shall be allowed to continue to participate in the Programme beyond 31 December 2022 provided that they provide the Commission with evidence showing that they have fulfilled the conditions set out in Directive 2010/13/EU.
6. Access to the actions corresponding to the priority referred to in point (d) of Article 7(1) shall be ensured for countries that exceptionally participate in the Culture strand but do not fulfil the conditions for participating in the Media strand and Cross-sectoral strand under paragraph 2 of this Article.

Article 10

Other third countries

Where it is in the Union's interest, the Programme may support cooperation with third countries other than those referred to in Article 9 with regard to actions financed through additional financial contributions from the external financing instruments in accordance with Article 8(6).

Article 11

Cooperation with international organisations and the European Audiovisual Observatory

1. Access to the Programme shall be open to international organisations that are active in the areas covered by the Programme, in accordance with the Financial Regulation.
2. The Union shall be a member of the Observatory for the duration of the Programme. The Union's participation in the Observatory shall contribute to the achievement of the priorities of the Media strand. The Commission shall represent the Union in its dealings with the Observatory. The Media strand shall support the payment of the contribution fee for Union membership of the Observatory and data collection and analysis in the audiovisual sector.

Article 12

Data gathering on cultural and creative sectors

To strengthen the evidence base for the development of the cultural and creative sectors and to measure and analyse their contribution to Europe's economy and society, the Commission shall gather appropriate data and information, making use of its own expertise and that of the Council of Europe, the OECD, Unesco and relevant research institutions, as appropriate. The Commission shall report regularly to the European Parliament and to the Council on the data gathered. The Commission shall share relevant findings on the data gathered with stakeholders.

*Article 13***Forms of Union funding and methods of implementation**

1. The Programme shall be implemented under direct management in accordance with the Financial Regulation or under indirect management with bodies as referred to in point (c) of Article 62 (1) of that Regulation.
2. The Programme may provide funding in any of the forms laid down in the Financial Regulation, in particular grants, prizes and procurement. The Programme may also provide financing in the form of financial instruments within blending operations.
3. Blending operations under the Programme shall be implemented in accordance with Regulation (EU) 2021/523 and Title X of the Financial Regulation.
4. Contributions to a mutual insurance mechanism may cover the risk associated with the recovery of funds due by recipients and shall be considered a sufficient guarantee under the Financial Regulation. Article 37 of Regulation (EU) 2021/695 of the European Parliament and of the Council ⁽²⁵⁾ shall apply.
5. Entities active in cultural and creative sectors that have received over 50 % of their annual revenue from public sources over the last two years shall be considered as having the necessary financial, professional and administrative capacity to carry out activities under the Programme. They shall not be required to present further documentation to demonstrate that capacity.

*Article 14***Protection of the Union's financial interests**

Where a third country participates in the Programme by means of a decision adopted pursuant to an international agreement or on the basis of any other legal instrument, that third country shall grant the necessary rights and access required for the authorising officer responsible, OLAF and the Court of Auditors to comprehensively exercise their respective competences. In the case of OLAF, such rights shall include the right to carry out investigations, including on-the-spot checks and inspections, as provided for in Regulation (EU, Euratom) No 883/2013.

*Article 15***Work programmes**

1. The Programme shall be implemented through annual work programmes as referred to in Article 110 of the Financial Regulation. Annual work programmes shall give an indication of the amount allocated to each action and set out, where applicable, the overall amount reserved for blending operations. Annual work programmes shall also contain an indicative timetable for implementation.
2. The Commission shall adopt annual work programmes by means of implementing acts. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 24(2).

⁽²⁵⁾ Regulation (EU) 2021/695 of the European Parliament and of the Council of 28 April 2021 establishing Horizon Europe – the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination, and repealing Regulations (EU) No 1290/2013 and (EU) No 1291/2013 (OJ L 170, 12.5.2021, p. 1).

CHAPTER II

GRANTS AND ELIGIBLE ENTITIES*Article 16***Grants**

1. Grants under the Programme shall be awarded and managed in accordance with Title VIII of the Financial Regulation.
2. In order to ensure that applications are properly evaluated, members of evaluation committees may be external experts. External experts shall have a professional background related to the field assessed and, where relevant, knowledge of the geographical area concerned by the application.
3. In accordance with point (a) of the second subparagraph of Article 193(2) of the Financial Regulation, and by way of derogation from Article 193(4) of that Regulation, in duly justified cases specified in the financing decision, activities supported under this Regulation and the underlying costs incurred in 2021 may be considered eligible as of 1 January 2021 even if those activities were implemented and those costs were incurred before the grant application was submitted. The grant agreements for the operating grants of the 2021 financial year may exceptionally be signed within six months of the start of the beneficiary's financial year.
4. Where applicable, the Programme actions shall set out appropriate criteria to achieve gender equality.

*Article 17***Eligible entities**

1. The eligibility criteria set out in this Article shall apply in addition to the criteria set out in Article 197 of the Financial Regulation.
2. The following entities are eligible to participate in the Programme if they are active in cultural and creative sectors:
 - (a) legal entities established in:
 - (i) a Member State or an overseas country or territory linked to that Member State;
 - (ii) a third country associated to the Programme; or
 - (iii) a third country listed in the work programme, subject to the conditions set out in paragraphs 3 and 4;
 - (b) legal entities created under Union law;
 - (c) international organisations.
3. Legal entities active in the cultural and creative sectors established in a third country which is not associated to the Programme shall exceptionally be eligible to participate in the Programme where such participation is necessary for the achievement of the objectives of a given action.
4. Legal entities active in the cultural and creative sectors established in a third country which is not associated to the Programme shall in principle bear the cost of their participation. Where it is in the Union's interest, additional contributions from the external financing instruments in accordance with Article 8(6) may cover the costs of the participation of such legal entities.

CHAPTER III

SYNERGIES AND COMPLEMENTARITY*Article 18***Complementarity**

The Commission, in cooperation with the Member States, shall ensure the overall consistency and complementarity of the Programme with the relevant Union policies and programmes, in particular those relating to gender balance, education, in particular digital education and media literacy, youth and solidarity, employment and social inclusion, in particular for socially marginalised groups and minorities, research, technology and innovation, including social innovation, industry and enterprise, agriculture and rural development, environment and climate action, cohesion, regional and urban policy, sustainable tourism, State aid, mobility and international cooperation and development.

*Article 19***Cumulative and alternative funding**

1. An action that has received a contribution under the Programme may also receive a contribution from any other Union programme, including Funds under the Common Provisions Regulation for 2021-2027, provided that the contributions do not cover the same costs. The rules of the relevant Union programme shall apply to the corresponding contribution to the action. The cumulative financing shall not exceed the total eligible costs of the action, and the support from the different Union programmes may be calculated on a pro-rata basis.

2. A project may be awarded a Seal of Excellence label as defined in point (45) of Article 2 of the Common Provisions Regulation for 2021-2027 under the Programme where it complies with the following cumulative conditions:

- (a) it has been assessed in a call for proposals under the Programme;
- (b) it complies with the minimum quality requirements of that call for proposals; and
- (c) it cannot be financed under that call for proposals due to budgetary constraints.

A project that has been awarded a Seal of Excellence label in accordance with the first subparagraph of this paragraph may receive support from the European Regional Development Fund or the European Social Fund Plus in accordance with Article 73(4) of the Common Provisions Regulation for 2021-2027.

CHAPTER IV

MONITORING, EVALUATION AND CONTROL*Article 20***Monitoring and reporting**

1. Qualitative and quantitative indicators to report on the progress of the Programme towards the achievement of the objectives laid down in Article 3 are set out in Annex II.

2. To ensure the effective assessment of the Programme's progress towards the achievement of its objectives, the Commission is empowered to adopt delegated acts, in accordance with Article 22, to develop the provisions for a monitoring and evaluation framework, including amendments to Annex II in order to review or supplement the indicators where necessary for monitoring and evaluation.

3. The performance reporting system shall ensure that data for monitoring the implementation and the results of the Programme are collected efficiently, effectively, and in a timely manner.

4. To that end, proportionate reporting requirements shall be imposed on recipients of Union funds and, where appropriate, on Member States.

Article 21

Evaluation

1. The Commission shall carry out evaluations based on the regular collection of data and consultation of stakeholders and beneficiaries, in a timely manner to feed into the decision-making process.

2. Once sufficient information about the implementation of the Programme is available but, in any event, no later than 31 December 2024, the Commission shall carry out an interim evaluation of the Programme, which shall be based, inter alia, on external and independent analyses. The Commission shall submit a report on the interim evaluation to the European Parliament and to the Council no later than six months after the interim evaluation has been carried out.

3. After 31 December 2027 but, in any event, no later than 31 December 2029, the Commission shall carry out a final evaluation of the Programme, which shall be based on external and independent expertise. The Commission shall submit a report on the final evaluation to the European Parliament and to the Council no later than six months after the final evaluation has been carried out.

4. The Commission shall communicate the conclusions of the evaluations referred to in paragraphs 2 and 3, together with its observations on those evaluations, to the European Parliament, to the Council, to the European Economic and Social Committee and to the Committee of the Regions.

5. The evaluation reporting system shall ensure that data for Programme evaluation are collected efficiently, effectively, in a timely manner and at the appropriate level of detail. The recipients of Union funds shall communicate such data and information to the Commission in a way that complies with other legal provisions. For example, personal data shall be made anonymous where necessary. To that end, proportionate reporting requirements shall be imposed on recipients of Union funds.

Article 22

Exercise of the delegation

1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.

2. The power to adopt delegated acts referred to in Article 20 is conferred on the Commission for a period of seven years from 1 January 2021.

3. The delegation of power referred to in Article 20 may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of power specified in that decision. It shall take effect the day following the publication of the decision in the *Official Journal of the European Union* or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.

4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making.

5. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.

6. A delegated act adopted pursuant to Article 20 shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of two months of notification of that act to the European Parliament and the Council, or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.

CHAPTER V

TRANSITIONAL AND FINAL PROVISIONS

*Article 23***Information, communication and publicity**

1. The recipients of Union funds shall acknowledge the origin of those funds and ensure the visibility of the Union funding, in particular when promoting the actions and their results, by providing coherent, effective and proportionate targeted information to multiple audiences, including the media and the public, in particular the name of the Programme and, for actions funded under the Media strand, the Media logo, as set out in Annex III.
2. The Commission shall implement information and communication actions relating to the Programme, to actions taken pursuant to the Programme and to the results obtained.
3. Financial resources allocated to the Programme shall also contribute to the corporate communication of the political priorities of the Union, insofar as those priorities are related to the objectives referred to in Article 3.

*Article 24***Committee procedure**

1. The Commission shall be assisted by a committee (the 'Creative Europe Committee'). That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.
2. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.
3. The Creative Europe Committee may meet in specific configurations to deal with concrete issues relating to the individual strands of the Programme.

*Article 25***Repeal**

Regulation (EU) No 1295/2013 is repealed with effect from 1 January 2021.

*Article 26***Transitional provisions**

1. This Regulation shall not affect the continuation of or modification of actions initiated pursuant to Regulation (EU) No 1295/2013, which shall continue to apply to those actions until their closure.
2. The financial envelope for the Programme may also cover the technical and administrative assistance expenses necessary to ensure the transition between the Programme and the measures adopted pursuant to Regulation (EU) No 1295/2013.
3. If necessary, appropriations may be entered in the Union budget beyond 2027 to cover the expenses for the assistance referred to in Article 8(5), to enable the management of actions not completed by 31 December 2027.

*Article 27***Entry into force**

This Regulation shall enter into force on the day of its publication in the *Official Journal of the European Union*.

It shall apply from 1 January 2021.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 20 May 2021.

For the European Parliament
The President
D. M. SASSOLI

For the Council
The President
A. P. ZACARIAS

ANNEX I

DESCRIPTION OF THE PROGRAMME ACTIONS

SECTION 1

CULTURE STRAND

The priorities of the Culture strand referred to in Article 5 shall be pursued, including with the aim of strengthening the circulation of European works in a digital and multilingual environment, and where appropriate, by means of translation, regardless of the type of medium used, through the following actions, the details of which, including possible higher co-financing rates for small-scale projects, shall be defined in the work programmes:

Horizontal actions:

Horizontal actions aim to support all the cultural and creative sectors, with the exception of the audiovisual sector, in addressing common challenges they face at European level. In particular, horizontal actions shall co-finance transnational projects for collaboration, networking, mobility and internationalisation, including through residency programmes, touring, events, exhibitions and festivals. The following horizontal actions shall be supported under the Programme:

- (a) transnational cooperation projects that bring together organisations in the cultural and creative sectors of all sizes, including micro-organisations and small-sized organisations, and from different countries to undertake sectoral or cross-sectoral activities;
- (b) European networks of organisations in the cultural and creative sectors from different countries;
- (c) cultural and creative pan-European platforms;
- (d) transnational mobility of artists and operators in the cultural and creative sectors and the transnational circulation of artistic and cultural works;
- (e) support, including in terms of capacity building, to organisations in the cultural and creative sectors in order to help them operate at the international level;
- (f) policy development, cooperation and implementation in the field of culture, including through the provision of data and the exchange of best practices, pilot projects and incentives to promote gender equality.

Sectoral actions:

To respond to shared needs within the Union, the following sectoral actions shall be supported in those cultural and creative sectors, notably the music sector, whose specificities or specific challenges require a more targeted approach that complements the horizontal actions:

- (a) support to the music sector: actions that promote diversity, creativity and innovation in the field of music, including live performance, in particular, the distribution and promotion of all musical repertoires in Europe and beyond, training actions, participation in and access to music, and audience development for all European repertoires, and support for data gathering and analysis; those actions shall build on and continue to support the experiences and expertise gained within the 'Music moves Europe' initiative;
- (b) support to the book and publishing sector: targeted actions that promote diversity, creativity and innovation, the promotion of European literature across borders in Europe and beyond, including in libraries, training and exchanges for sector professionals, authors and translators and transnational projects for collaboration, innovation and development in that sector; targeted actions that promote the translation of literature and, where possible, the adaptation of literature into accessible formats for people with disabilities;
- (c) support to architecture and cultural heritage for a quality built environment: targeted actions for the mobility, capacity-building and internationalisation of architecture and cultural heritage operators; the promotion of Baukultur, peer learning and audience engagement in order to disseminate high-quality principles in contemporary architecture and cultural heritage interventions; support to the sustainable safeguarding, the regeneration and the adaptive reuse of cultural heritage and the promotion of its values through awareness-raising and networking activities;

- (d) support to other sectors of artistic creation where specific needs are identified, including targeted actions for the development of the creative aspects of sustainable cultural tourism and of the design and fashion sectors and for the promotion and representation of those other sectors of artistic creation outside the Union.

Special actions that aim to render European cultural diversity and heritage visible and tangible and to nurture intercultural dialogue:

- (a) financial support to the European Capitals of Culture;
- (b) financial support to the European Heritage Label and networking activities between the sites awarded the European Heritage Label;
- (c) Union cultural prizes;
- (d) European Heritage Days;
- (e) support to European cultural entities such as orchestras that aim to train and promote young, high-potential artists and have an inclusive approach with a large geographical coverage, or entities that deliver direct cultural services to European citizens with a large geographical coverage.

SECTION 2

MEDIA STRAND

The priorities of the Media strand referred to in Article 6 shall take into account the requirements of Directive (EU) 2018/1808 and the differences across countries regarding the production and distribution of, and access to, audiovisual content and the size and specificities of their respective markets and linguistic diversity, and shall be pursued through the following actions, the details of which shall be defined in the work programmes:

- (a) the development of audiovisual works by European independent production companies, covering a variety of formats (such as feature films, short films, series, documentaries and narrative video games) and genres, and targeting diverse audiences, including children and young people;
- (b) the production of innovative and quality TV content and serial storytelling, addressing diverse audiences, by European independent production companies;
- (c) promotion and marketing tools, including online and through the use of data analytics, to increase the prominence, visibility, cross-border access, and audience reach of European works;
- (d) support to international sales and circulation of non-national European works on all platforms (e.g. cinema theatres, online) targeting both small and large-sized productions, including through coordinated distribution strategies covering several countries and encouraging the use of subtitling, dubbing and, where applicable, audio description tools;
- (e) support to the multilingual access to cultural TV programmes online through subtitling;
- (f) support to networking activities for audiovisual professionals, including creators, and business-to-business exchanges to nurture and promote talent in the European audiovisual sector, and facilitate the development and distribution of European and international co-creations and co-productions;
- (g) support to activities of European audiovisual operators at industry events and fairs in Europe and beyond;
- (h) support to the visibility and outreach of European films and audiovisual creations aimed at wide European audiences beyond national borders, especially young people and multipliers, including through the organisation of screenings, communication, dissemination and promotion activities in support of European Awards, in particular 'LUX - the European Audience Film Award by the European Parliament and the European Film Academy';
- (i) initiatives promoting audience development and engagement, including film education activities, addressing in particular young audiences;
- (j) training and mentoring activities to enhance the capacity of audiovisual professionals to adapt to new creative processes, market developments and digital technologies that affect the whole value chain;
- (k) a network or networks of European Video on Demand operators, screening a significant proportion of non-national European works;

- (l) European festivals and a European festivals' network or European festivals' networks screening a significant proportion of non-national European works, while preserving their identity and unique profile;
- (m) a European cinema operators' network, with a broad geographic coverage, screening a significant proportion of non-national European films, fostering the role of European cinemas in the circulation of European works;
- (n) specific measures to contribute to a more balanced gender participation in the audiovisual sector, including studies, mentoring, training and networking activities;
- (o) support to policy dialogue, innovative policy actions and exchange of best practices – including through analytical activities and the provision of reliable data;
- (p) transnational exchange of experiences and know-how, peer learning activities and networking among the audiovisual sector and policy makers.

SECTION 3

CROSS-SECTORAL STRAND

The priorities of the Cross-sectoral strand referred to in Article 7 shall be pursued through the following actions, the details of which shall be defined in the work programmes:

Policy cooperation and outreach actions that:

- (a) support policy development, the transnational exchange of experiences and know-how, peer learning and awareness raising activities, networking, and regular cross-sectoral dialogue among organisations in the cultural and creative sectors and policy makers;
- (b) support analytical cross-sectoral activities;
- (c) aim to foster cross-border policy cooperation and policy development with regard to the role of social inclusion through culture;
- (d) enhance knowledge of the Programme and the topics it covers, foster citizen outreach and assist with the transferability of results beyond Member State level.

The 'creative innovation lab' actions, which shall:

- (a) encourage new forms of creation at the crossroads between different cultural and creative sectors, for example through experimental approaches and the use of innovative technologies;
- (b) foster innovative cross-sectoral approaches and tools which shall, where possible, encompass multilingual and social dimensions to facilitate the distribution, promotion and monetisation of, and access to, culture and creativity, including cultural heritage.

The 'Programme desks' actions, which shall:

- (a) promote the Programme at national level, provide relevant information on the various types of financial support available under Union policy, and assist operators in the cultural and creative sectors to apply for support under the Programme, including by informing them of the requirements and procedures related to the various calls for proposals and by sharing good practices;
- (b) support potential beneficiaries in application processes and provide peer mentoring for newcomers to the Programme, stimulate cross-border cooperation and the exchange of best practices between professionals, institutions, platforms and networks within and across the policy areas covered by the Programme and cultural and creative sectors;
- (c) support the Commission in ensuring proper communication and dissemination of the results of the Programme to citizens and operators in the cultural and creative sectors.

Cross-cutting actions that support the news media sector, which shall:

- (a) address the structural and technological changes faced by the media sector by promoting an independent and pluralistic media environment, including by supporting independent monitoring for assessing risks and challenges to media pluralism and freedom, and by supporting awareness-raising activities;

- (b) support high-quality media production standards by fostering cooperation, digital skills, cross-border collaborative journalism, and quality content, thereby contributing to professional ethics in journalism;
 - (c) promote media literacy in order to enable citizens to use, and develop a critical understanding of, the media and support knowledge sharing and exchanges on media literacy policies and practices;
 - (d) include specific measures to contribute to a more balanced gender participation in the news media sector.
-

ANNEX II

COMMON QUALITATIVE AND QUANTITATIVE IMPACT PROGRAMME INDICATORS

The number and scale of transnational partnerships created with the support of the Programme, including the country of origin of the beneficiary organisations.

Qualitative evidence of success stories in the artistic, business and technological innovation fields due to Programme support.

Indicators*Culture strand:*

The number and scale of transnational partnerships created with the support of the Programme.

The number of artists and operators in the cultural and creative sectors that have moved beyond national borders due to Programme support, indicating the country of origin and the proportion of women.

The number of people who have accessed European cultural and creative works supported by the Programme, including works from countries other than their own.

The number of projects supported by the Programme addressed to socially marginalised groups.

The number of projects supported by the Programme involving organisations from third countries.

Media strand:

The number of people who have accessed European audiovisual works supported by the Programme from countries other than their own.

The number of participants in learning activities supported by the Programme who have assessed that they have improved their competences and increased their employability, indicating the proportion of women.

The number, budget and geographical origins of co-productions developed, created and distributed with the support of the Programme and co-productions with partners from countries with different audiovisual capacities.

The number of audiovisual works in lesser-used languages developed, produced and distributed with the support of the Programme.

The number of people reached by Business to Business promotional activities in major markets.

Cross-sectoral strand:

The number and scale of transnational partnerships formed (composite indicator for the 'creative innovation lab' action and cross-cutting actions that support the news media sector).

The number of events or activities promoting the Programme organised by the Programme desks.

The number of participants in the 'creative innovation lab' action and cross-cutting actions that support the news media sector, indicating the proportion of women.

ANNEX III

MEDIA STRAND LOGO

The Media strand logo shall be as follows:



Creative
Europe
MEDIA

REGULATION (EU) 2021/819 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**of 20 May 2021****on the European Institute of Innovation and Technology****(recast)****(Text with EEA relevance)**

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 173(3) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee ⁽¹⁾,

After consulting the Committee of the Regions,

Acting in accordance with the ordinary legislative procedure ⁽²⁾,

Whereas:

- (1) Regulation (EC) No 294/2008 of the European Parliament and of the Council ⁽³⁾ has been substantially amended ⁽⁴⁾. Since further amendments are to be made, that Regulation should be recast in the interests of clarity.
- (2) The periodic independent evaluations of the European Institute of Innovation and Technology (EIT) and the experience in applying Regulation (EC) No 294/2008 demonstrate that substantial changes are necessary to further improve the EIT model and its underlying processes. Moreover, the interim evaluation and *ex ante* impact assessment of the EIT have identified a number of areas for improvement, inter alia the funding model of the Knowledge and Innovation Communities (KICs), the integration of the KICs in local innovation ecosystems, the openness and transparency of the KICs and monitoring by the EIT. This Regulation also offers the opportunity to address those aspects.
- (3) Member States are primarily responsible for sustaining a strong European industrial, competitive and innovative base. However, the nature and scale of the innovation challenge also require action to be taken collaboratively at Union level.
- (4) The EIT is established to complement existing Union and national policies and initiatives by fostering the integration of the knowledge triangle – higher education, research and innovation – across the Union.
- (5) The EIT should contribute to reinforcing the innovation capacity of the Union and Member States in order to tackle major challenges faced by society, thereby contributing to sustainable Union economic development and competitiveness.
- (6) The EIT, through the KICs, should aim to strengthen innovation ecosystems across the Union in an open and transparent manner. In order to achieve that objective, the EIT should facilitate and enhance networking, integration and cooperation and promote synergies between different innovation communities across Europe. The EIT also aims to deliver on the Union strategic priorities and contribute to the realisation of Union objectives and policies, including those referred to in the communications of the Commission of 11 December 2019 on the European Green Deal, of 27 May 2020 on the EU budget powering the recovery plan for Europe (Recovery Plan for Europe), of 19 February 2020 on a European strategy for data, of 10 March 2020 on an SME Strategy for a sustainable and digital Europe and of 10 March 2020 on a New Industrial Strategy for Europe, and those related to achieving the

⁽¹⁾ OJ C 47, 11.2.2020, p. 69.

⁽²⁾ Position of the European Parliament of 27 April 2021 (not yet published in the Official Journal) and decision of the Council of 10 May 2021.

⁽³⁾ Regulation (EC) No 294/2008 of the European Parliament and of the Council of 11 March 2008 establishing the European Institute of Innovation and Technology (OJ L 97, 9.4.2008, p. 1).

⁽⁴⁾ See Annex II.

Union's strategic autonomy, while retaining an open economy. Furthermore, the EIT should contribute to tackling global challenges, including the United Nations Sustainable Development Goals (SDGs) by following the principles of the 2030 Agenda for Sustainable Development (the '2030 Agenda') and the Paris Agreement adopted under the United Nations Framework Convention on Climate Change ⁽⁵⁾ (the 'Paris Agreement'), and to achieving a net-zero greenhouse gas economy by 2050 at the latest. The transition will be possible only through a boost in research and innovation, which underscores the need to reinforce favourable conditions and investments in enhancing Europe's knowledge base and research and innovation capacity, in particular in green, climate-friendly technologies and innovations.

- (7) The EIT should enhance the openness of the KICs in order to strengthen collaborative links and create synergies between different innovation communities in Europe, thereby facilitating geographical diversity and the talent circulation.
- (8) The priority fields and financial needs of the EIT for a period of seven years, covering the relevant multiannual financial framework (MFF), should be laid down in a Strategic Innovation Agenda (SIA). The SIA should be aligned with Horizon Europe – the Framework Programme for Research and Innovation (Horizon Europe), established by Regulation (EU) 2021/695 of the European Parliament and of the Council ⁽⁶⁾, including with regard to reporting, monitoring, evaluation and other requirements set out in that Regulation, and should take into account the strategic planning of Horizon Europe. The SIA should establish and foster synergies with other parts of Horizon Europe, other relevant Union programmes of the MFF and other relevant Union, national and regional initiatives, policies and instruments, in particular with those supporting research and innovation, education and skills development, sustainable and competitive industry, entrepreneurship and regional development. Given the importance of the SIA for Union innovation policy and the expected socio-economic impact on the Union, the SIA should be adopted by the European Parliament and by the Council on the basis of a Commission proposal. That Commission proposal should be based on a contribution provided by the EIT. That contribution should be made available to the European Parliament and to the Council.
- (9) The crisis resulting from the outbreak of COVID-19 has caused major disruptions to Member States' healthcare and economic systems. Overcoming the social, economic, environmental and technological impacts arising from the crisis will require the collaboration of Union institutions, bodies, offices and agencies. The EIT and the KICs should respond with flexibility to existing as well as new and unexpected challenges and priorities, and should be able to adopt measures and initiatives to provide appropriate support to their ecosystems. In particular, the EIT and the KICs should contribute to the innovation efforts that are needed to tackle the impact of the COVID-19 crisis, in accordance with the priorities of the European Green Deal, the Recovery Plan for Europe, the New Industrial Strategy for Europe and the SDGs, while ensuring synergy with other Union initiatives and partnerships.
- (10) In accordance with Regulation (EU) 2021/695, the activities of the EIT should address strategic long-term challenges, in particular in trans- and inter-disciplinary areas including the development of innovative non-technological solutions as a necessary complement to technology focused innovation activities. In so doing, the EIT should promote regular dialogue with civil society, research organisations, innovation centres, small and medium sized-enterprises (SMEs), higher education institutions (HEIs) and representatives of industry.
- (11) The EIT should, through the KICs, give priority to the transfer of its higher education, research and innovation and entrepreneurial activities to the business context and to their commercial application and support the innovation and entrepreneurial capacity of HEIs and the creation and development of innovative businesses, in complementarity with the European Innovation Council (EIC), as well as other relevant parts of Horizon Europe, and the InvestEU Programme established by Regulation (EU) 2021/523 of the European Parliament and of the Council ⁽⁷⁾.

⁽⁵⁾ OJ L 282, 19.10.2016, p. 4.

⁽⁶⁾ Regulation (EU) 2021/695 of the European Parliament and of the Council of 28 April 2021 establishing Horizon Europe – the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination, and repealing Regulations (EU) No 1290/2013 and (EU) No 1291/2013 (OJ L 170, 12.5.2021, p. 1).

⁽⁷⁾ Regulation (EU) 2021/523 of the European Parliament and of the Council of 24 March 2021 establishing the InvestEU Programme and amending Regulation (EU) 2015/1017 (OJ L 107, 26.3.2021, p. 30).

- (12) The EIT should operate through excellence-driven Institutionalised European Partnerships of HEIs, research organisations, companies, including SMEs and public companies, as well as local authorities, social enterprises, relevant not-for-profit organisations and other stakeholders. Given the innovative nature of certain enterprises in relation to the goods or services that they offer, their organisation or the production methods that they employ, the promotion of social entrepreneurship and a closer engagement of SMEs and social enterprises that ensures their active participation should be pursued. Those partnerships should aim to become financially sustainable by mobilising funds from other public and private sources and to attract and engage the widest possible range of relevant new partners. They should be selected and designated as KICs by the Governing Board, in accordance with the priority fields and timetable set out in the SIA, taking into account the priorities as set out in the Horizon Europe strategic planning, addressing emerging global and social challenges. They should be selected on the basis of a competitive, open, transparent and excellence-based process, in accordance with this Regulation and with the criteria for the selection of European Partnerships set out in Regulation (EU) 2021/695. The first such KIC, to be launched as soon as possible in 2022 or 2023, should relate to Cultural and Creative Sectors and Industries and the second such KIC, to be launched in 2026, should relate to the Water, Marine and Maritime Sectors and Ecosystems.
- (13) Taking into account the specificity of the KICs, it is necessary to provide for special minimum conditions to form a KIC, derogating from the rules for the participation in and dissemination of Horizon Europe. Similarly, specific rules on ownership, access rights, exploitation and dissemination may be necessary for KIC added-value activities, where appropriate.
- (14) The Governing Board should steer and monitor the activities of the EIT and be responsible for the selection, designation, financing, monitoring and evaluation of the activities of the KICs in accordance with Regulation (EU) 2021/695 and the SIA. When appointing the members of the Governing Board, the Commission should ensure a balanced representation of those with experience in the fields of higher education, research, innovation or business, as well as gender balance and geographical coverage, with excellence as a guiding principle.
- (15) The EIT should organise continuous monitoring and periodic external evaluations of the output, results and impact of each KIC, including their progress towards financial sustainability, cost-efficiency and openness to new members. Those evaluations should include interim reviews covering the first three years of the partnership agreement and the three years following any extension, comprehensive assessments conducted before the end of the seventh year of the partnership agreement, and final reviews conducted before the end of the partnership agreement. The Governing Board should take corrective measures in respect of the KICs when appropriate.
- (16) The EIT should regularly inform the Member State Representatives Group (MSRG) of the performance, achievements and activities of the EIT and the KICs, the results of their monitoring and evaluation, and their performance indicators and corrective measures. The MSRG should advise the Governing Board and the Director on strategically important issues and should advise and share experience with the EIT and the KICs. The EIT should organise the meetings of the MSRG.
- (17) In order to contribute to the competitiveness and reinforce the international attractiveness of the European economy and its innovation and entrepreneurial capacity, the EIT and the KICs should be able to attract partner organisations, researchers and students from across the Union, including from the Union's outermost regions, and beyond, such as by encouraging their mobility.
- (18) Relations between the EIT and the KICs should be based on partnership agreements and grant agreements, which will set out the rights and obligations of the KICs and the EIT's performance-based financial contribution to the KICs. In order to limit the administrative burden on the KICs and ensure more long-term planning resources and activities, the EIT should conclude multiannual grant agreements of up to three years with the KICs, or, where considered to be more appropriate, annual grant agreements. By way of derogation from Regulation (EU, Euratom) 2018/1046 of

the European Parliament and of the Council ⁽⁸⁾ (the 'Financial Regulation'), the EIT should be able to establish such a partnership agreement for an initial period of seven years and, subject to a positive performance and positive outcomes of the interim review and of the comprehensive assessment of the KIC, extend it for a further period of up to seven years. After the expiry of the partnership agreement, the EIT and the KIC may conclude a memorandum of cooperation with the aim of maintaining active cooperation.

- (19) There is a need to support higher education as an integral, but often missing, component of the knowledge triangle. Participating HEIs and vocational education and training providers should award degrees and diplomas through the KICs in accordance with national rules and accreditation procedures. Partnership agreements, grant agreements and memoranda of cooperation between the EIT and the KICs should provide for those degrees and diplomas also to be labelled as EIT degrees and diplomas. In addition, the EIT should strengthen the promotion of the EIT-labelled degrees and diplomas in order to increase their recognition outside the EIT Community and extend their use to lifelong learning programmes, vocational training, skilling, re-skilling and up-skilling programmes. Through its activities and work, the EIT should, in accordance with Directive 2005/36/EC of the European Parliament and of the Council ⁽⁹⁾, help promote mobility for students, researchers and staff as well as provide opportunities for lifelong learning, mentoring and coaching.
- (20) Appropriate provision should be made to guarantee the liability, openness and transparency of the EIT. Appropriate rules regulating its governance and functioning should be laid down in the Statutes of the EIT.
- (21) The EIT should have legal personality and, in order to guarantee its functional autonomy and independence from national authorities and external pressures, it should administer its own budget whose revenue should include a contribution from the Union.
- (22) It is expected that industry, the financial and service sectors will contribute significantly to the budget of the KICs. The KICs should, in particular, aim to maximise the share of contributions from private sources and from income generated by their activities and to pursue and achieve financial sustainability, at the latest before the expiry of the 15 years of EIT financial support. The KICs and their partner organisations should publicise the fact that their activities are undertaken in the context of the EIT and that they receive a financial contribution from the general budget of the Union. Furthermore, transparency of the funding should be increased by providing publicly available information on which projects are funded and on the allocation of the funding.
- (23) The Union budgetary procedure should be applicable to the Union financial contribution chargeable to the general budget of the Union. The auditing of accounts should be undertaken by the Court of Auditors in accordance with the Financial Regulation.
- (24) The EIT should make best efforts to facilitate a smooth transition between MFF periods, in particular for ongoing activities.
- (25) The revenue of the EIT should include the contribution from the Union provided from the financial contribution from Horizon Europe. That revenue should be able to include contributions from other private and public sources.
- (26) The EIT is a body set up by the Union within the meaning of Article 70 of the Financial Regulation and should adopt its financial rules accordingly. Consequently, Commission Delegated Regulation (EU) 2019/715 ⁽¹⁰⁾ should apply to the EIT.

⁽⁸⁾ Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (OJ L 193, 30.7.2018, p. 1).

⁽⁹⁾ Directive 2005/36/EC of the European Parliament and of the Council of 7 September 2005 on the recognition of professional qualifications (OJ L 255, 30.9.2005, p. 22).

⁽¹⁰⁾ Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council (OJ L 122, 10.5.2019, p. 1).

- (27) The EIT should adopt a consolidated annual activity report, outlining the activities conducted and results of the operations in the preceding calendar year. The EIT should also adopt a single programming document, based on the SIA, in accordance with its financial rules, outlining its planned initiative in terms of annual and multiannual programming and allowing the EIT to respond to internal and external developments in the fields of research, society, technology, higher education, innovation and other relevant areas. That single programming document should be transmitted to the European Parliament and to the Council for information.
- (28) Since its creation, the EIT has benefited from the expertise of its staff. However, due to the legal framework applicable under Regulation (EC) No 294/2008, some of those staff contracts have expired without the possibility of renewal. To avoid such a situation in the future, and given the importance of human expertise for the success of EIT activities, it is in the EIT's best interests to make every effort, within the applicable legal framework, to attract and retain qualified staff.
- (29) It is appropriate that the Commission initiate independent, external evaluations of the operation of the EIT, including the activities managed through the KICs, in particular with a view to preparing the SIA. Those evaluations should examine how the EIT fulfils its mission and objectives and cover the activities of the EIT and the KICs. They should assess the Union added value of the EIT, the impact across the Union and the impact of the Regional Innovation Scheme (RIS) activities, the openness, effectiveness, efficiency, outreach activities, communication, visibility, dissemination of results, the relevance of the activities pursued and whether they are consistent with and complement relevant Union and national policies, including any synergies with other parts of Horizon Europe. Those evaluations should feed into the Horizon Europe evaluations carried out by the Commission in accordance with Regulation (EU) 2021/695.
- (30) The EIT should make best efforts to streamline the terminology related to the structure of each KIC, with the purpose of further simplifying and enhancing the recognisability of the EIT.
- (31) In order to contribute to tackling disparities in innovation in Europe, the EIT should, in particular through the RIS, as further set out in the SIA, support the innovation capacity of countries and regions, aim to strengthen innovation ecosystems to tackle global challenges and integrate new partner organisations in the KICs.
- (32) The KICs, acting as an innovation facilitator, should consider Member States' smart specialisation strategy priorities and enhance their innovation capacity by fully reflecting regional capacities and strengths, opportunities, weaknesses, as well as local actors and their activities and markets.
- (33) It is essential to promote strong synergies between the EIT and the EIC. The KICs should stimulate the creation of innovative businesses in close synergy with the EIC, while avoiding duplication, and EIT beneficiaries should be able to apply to the EIC instruments for support additional to the services provided by the KICs. In particular, start-ups with a high growth potential supported by KICs should have simplified and thereby faster access to EIC actions in accordance with the relevant provisions of Regulation (EU) 2021/695 in order to help them scale up rapidly, while the EIC beneficiaries should benefit from support schemes provided by the EIT. In order to avoid silos and promote synergies and collaboration, the EIT and the EIC should envisage reciprocal and systematic exchanges of information. The Governing Board should be able to invite members of the EIC Board to its meetings as observers where relevant.
- (34) In order to ensure the continuity of the activities of the EIT and the KICs in compliance with the relevant provisions of Regulation (EU) 2021/695, this Regulation should enter into force as a matter of urgency and certain provisions thereof should apply, with retroactive effect, from 1 January 2021.
- (35) Since the objectives of this Regulation cannot be sufficiently achieved by the Member States but can rather, for reasons of scale and transnationality, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union (TEU). In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives,

HAVE ADOPTED THIS REGULATION:

Article 1

Subject matter

This Regulation establishes the European Institute of Innovation and Technology (EIT).

Article 2

Definitions

For the purpose of this Regulation, the following definitions apply:

- (1) 'innovation' means the process, including its outcome, by which new ideas respond to societal, economic or environmental needs and demand and generate new products, processes, services, or business, organisational and social models that are successfully introduced into an existing market or that are able to create new markets and that provide value to society;
- (2) 'Knowledge and Innovation Community' or 'KIC' means a large-scale Institutionalised European Partnership, as referred to in Regulation (EU) 2021/695, of higher education institutions, research organisations, companies and other stakeholders in the innovation process in the form of a strategic network, regardless of its legal form, based on joint mid- to long-term innovation planning to meet the EIT challenges and contribute to attaining the objectives established under Regulation (EU) 2021/695;
- (3) 'co-location centre' means a physical hub, established in an open and transparent manner, which promotes links between and active collaboration among knowledge triangle actors and acts as a focal point for knowledge exchange and through which the KICs' partners are able to access facilities and the expertise needed to pursue their common objectives;
- (4) 'RIS hub' means a physical hub, established by a KIC and forming part of its structure, in a Member State or in an associated country targeted by the RIS that serves as focal point for the KIC's activities and for the mobilisation and involvement of local knowledge triangle actors in the activities of the KIC;
- (5) 'partner organisation' means a legal entity which is a member of a KIC and may include, in particular, higher education institutions, vocational education and training providers, research organisations, public institutions, public or private companies, financial institutions, regional and local authorities, foundations and not-for-profit organisations;
- (6) 'research organisation' means a public or private legal entity which undertakes research or technological development as one of its main objectives;
- (7) 'higher education institution' or 'HEI' means a university or any type of higher education institution which, in accordance with national law or practice, offers degrees and diplomas in particular at master's or doctoral level, regardless of its denomination in the national context;
- (8) 'EIT Community' means the EIT and the active community of individuals and legal entities which benefited or benefit from the EIT support or financial contribution;
- (9) 'Strategic Innovation Agenda' or 'SIA' means an act setting out the priority fields and the strategy of the EIT for future initiatives, the EIT's capacity to generate the best innovation added-value, the EIT's objectives, key actions, mode of operation, expected results and impact, as well as an estimate of the resources needed for the period of Horizon Europe and the MFF;
- (10) 'Regional Innovation Scheme' or 'RIS' means a scheme fostering the integration of the knowledge triangle and the innovation capacity of countries (and regions in those countries) that are classified as 'moderate' or 'modest' innovators in the European Innovation Scoreboard as referred to in the SIA and of the outermost regions within the meaning of Article 349 of the Treaty on the Functioning of the European Union (TFEU), in particular by attracting and integrating new partners into the KICs and bridging regional disparities, thereby mitigating the innovation divide;

- (11) 'stakeholder forum' means a platform open to representatives of Union institutions, national, regional and local authorities, organised interests and individual entities from business, higher education, research, associations, civil society and cluster organisations, as well as other interested parties from across the knowledge triangle;
- (12) 'KIC business plan' means a document annexed to the grant agreement covering a period of up to three years, describing the KIC's objectives, the manner in which they are to be achieved, the expected results, the planned KIC added-value activities and the related financial needs and resources, including the actions aiming to achieve financial sustainability and increase the KIC's openness to new partners from across the Union;
- (13) 'KIC added-value activities' means activities carried out by partner organisations in accordance with the KIC business plan, contributing to the integration of the knowledge triangle of higher education, research and innovation, including the establishment, administrative and coordination activities of the KICs, and contributing to the overall objectives of the EIT;
- (14) 'cross-KIC activities' means activities that aim to enhance cooperation and synergies between KICs, foster a more interdisciplinary approach and create a critical mass among KICs to tackle topics of common interest;
- (15) 'memorandum of cooperation' means an agreement between the EIT and a KIC, aiming to keep the KIC as an active member of the EIT Community after the expiry of the partnership agreement, and which includes the conditions for access to EIT competitive calls for some specific activities and transnational activities with a high Union added value;
- (16) 'financial sustainability' means a capacity of a KIC to finance its knowledge triangle activities independently of contributions from the EIT.

Article 3

Mission and objectives

1. The EIT's mission is to contribute to sustainable Union economic growth and competitiveness by reinforcing the innovation capacity of the Union and Member States in order to address major challenges faced by society. It shall do this by promoting synergies, integration and cooperation among higher education, research and innovation of the highest standards, including by fostering entrepreneurship, thereby strengthening the innovation ecosystems across the Union in an open and transparent manner. The EIT shall also deliver on the Union strategic priorities 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 for Europe and those related to achieving the Union's strategic autonomy, while retaining an open economy. Furthermore, it shall contribute to tackling global challenges, including the SDGs by following the principles of the 2030 Agenda and the Paris Agreement, and to achieving a net-zero greenhouse gas economy by 2050 at the latest.
2. For the budget period of 2021-2027, the EIT shall contribute to delivering on the general and specific objectives of Horizon Europe, fully taking into account its strategic planning.

Article 4

SIA

1. The SIA shall set out the priority fields and strategy of the EIT for the seven-year period concerned in accordance with the objectives and the priorities of Horizon Europe set out in Regulation (EU) 2021/695, and shall include an assessment of the EIT's expected socio-economic impact, its outreach activities and its capacity to generate the best innovation added-value. The SIA shall be aligned with reporting, monitoring and evaluation and other requirements set out in Regulation (EU) 2021/695 and shall take into account the results of the continuous monitoring and periodic independent evaluation of the EIT as referred to in Article 20 of this Regulation.
2. The SIA shall take into account the strategic planning of Horizon Europe ensuring consistency with the challenges of that programme, as well as complementarity with the EIC established by Regulation (EU) 2021/695, and shall establish and foster appropriate synergies and complementarities between EIT activities and other relevant Union, national and regional programmes supporting research and innovation, education and skills development, sustainable and competitive industry, entrepreneurship and regional development.

3. The SIA shall include an estimate of financial needs and sources in view of the future operation, long-term development and funding of the EIT. It shall also contain an indicative financial plan covering the period of the relevant MFF.
4. The EIT shall, after consulting the existing KICs and taking their opinions into account, prepare a contribution to the Commission's proposal on the SIA and submit it to the Commission. The EIT contribution shall be made public.
5. Acting on the proposal from the Commission, the European Parliament and the Council shall adopt the SIA in accordance with Article 173(3) TFEU.

Article 5

Bodies of the EIT and the Member State Representatives Group

1. The bodies of the EIT shall comprise those set out in this paragraph.

A Governing Board shall be composed of high-level members with proven experience in the fields of higher education, research, innovation or business. The Governing Board shall be responsible for steering and monitoring the activities of the EIT, for the selection, designation, financing, monitoring and evaluation of the KICs, including taking appropriate corrective measures in the event of underperformance of the KICs, and other strategic decisions. The selection of the Governing Board shall take into account criteria concerning gender and geographical balance. The Governing Board shall elect a Chairperson from among its members.

An Executive Committee shall be composed of selected members representing all three components of the knowledge triangle and the Chairperson of the Governing Board. The Executive Committee shall assist the Governing Board in the performance of its tasks and shall prepare the meetings of the Governing Board in cooperation with the Director.

A Director shall be appointed by the Governing Board. The Director shall act as the legal representative of the EIT and shall be responsible for the implementation of the Governing Board's decisions, and the EIT's operations and day-to-day management.

An Internal Auditing Function shall operate in complete independence and in compliance with the relevant international standards. The Internal Auditing Function shall advise the Governing Board and the Director on financial and administrative management and control structures within the EIT, on the organisation of financial links with the KICs and on any other subject requested by the Governing Board.

2. Detailed provisions regarding the bodies of the EIT are provided for in the Statutes of the EIT, which are set out in Annex I.

3. The Member State Representatives Group (MSRG) shall be established.

The MSRG shall be composed of one representative from each Member State and each associated country.

The MSRG shall advise the Governing Board and the Director:

- (a) on the extension or termination of the EIT's partnership agreements with the KICs, as referred to in point 6 of Section 3 of Annex I;
- (b) on the conclusion of a memorandum of cooperation with each KIC, as referred to in point 6 of Section 3 of Annex I; and
- (c) on strategically important issues to the EIT other than those referred to in points (a) and (b), sharing experience with regard thereto.

The MSRG shall also advise and share experience with the KICs.

The MSRG shall be regularly informed of the performance, achievements and activities of the EIT and the KICs, the results of their monitoring and evaluation, and their performance indicators and corrective measures. The MSRG shall provide its opinion in regard thereto.

The MSRG shall facilitate appropriate synergies and complementarities between EIT and KIC activities with national programmes and initiatives, including the potential national co-financing of KIC activities.

Article 6

Tasks

In order to achieve its mission and objectives set out in Article 3, the EIT shall undertake at least the following:

- (a) identify, in accordance with the SIA, its main priorities and activities, and implement them in accordance with the applicable provisions of Regulation (EU) 2021/695;
- (b) ensure openness to and raise awareness among potential new partner organisations and encourage their participation in its activities, in particular SMEs and emerging centres of excellence, across the Union, including through the RIS, by building on existing networks of information and structures;
- (c) select and designate KICs in accordance with Article 9 and set out the KICs' rights and obligations by means of partnership agreements and grant agreements, supervise and provide the KICs with appropriate support and strategic guidance by appropriate quality control measures, continuous monitoring and periodic external evaluation of their activities in accordance with Article 11, and take corrective measures where appropriate;
- (d) steer the implementation of the RIS, including through the implementation of RIS hubs by the KICs;
- (e) ensure an appropriate level of coordination and facilitate communication and thematic cooperation between the KICs and launch calls for cross-KIC activities and shared services;
- (f) ensure the widespread implementation of EIT-labelled degrees and diplomas by KICs, strengthen their promotion outside the EIT Community and extend them to lifelong learning programmes;
- (g) promote the dissemination of best practices for the integration of the knowledge triangle, including among the KICs and across the Union, inter alia through the RIS, in order to develop a common innovation and knowledge transfer culture, and to encourage the openness of KICs to new members through outreach activities;
- (h) promote the wide dissemination, communication and exploitation of the results and opportunities emerging from the EIT Community in order to increase the awareness, visibility and knowledge of the EIT across the Union, as well as to encourage participation in EIT Community activities;
- (i) support the KICs in the development of an effective financial sustainability strategy for the mobilisation of funds from other public and private sources;
- (j) foster excellence in higher education, research and innovation, in particular by promoting the KICs as excellent innovation partners;
- (k) promote multidisciplinary approaches to innovation, across all sectors, including through the integration of technological, social and non-technological solutions, sustainability and climate neutrality by design, organisational approaches, focus on entrepreneurship and new business models;
- (l) ensure synergies and complementarities between the activities of the EIT and other Union programmes, where appropriate, in accordance with Regulation (EU) 2021/695;
- (m) foster the discussion and exchange and dissemination of expertise and knowhow between KICs with regard to innovative intellectual property rights models, with the aim of promoting knowledge transfer and dissemination, both within the context of the KICs and more widely across the Union;
- (n) provide the necessary support and foster synergies with the KICs to develop innovative solutions;
- (o) organise regular meetings, at least every two years, of a stakeholder forum to share and discuss the activities of the EIT, its experiences, best practices and contribution to Union innovation, research and education policies and objectives, as well as other Union policies and objectives when relevant, and to allow stakeholders to express their views;

- (p) organise meetings of the MSRG, at least twice a year, independently from the meetings of the stakeholder forum;
- (q) facilitate the establishment of EIT Community shared services facilities;
- (r) encourage the networking, over time, of the RIS hubs and co-location centres in Member States in order to facilitate their cooperation within the EIT Community and with the local innovation ecosystems;
- (s) monitor the implementation of activities to be undertaken by the KICs for the development of the entrepreneurial and innovation capacity of their member organisations, in particular HEIs, vocational education and training providers, SMEs and start-ups and their integration in innovation ecosystems, throughout the Union and in line with the knowledge triangle approach;
- (t) design, in cooperation with the Commission and after consulting the KICs, launch and coordinate a pilot initiative supporting the innovation and entrepreneurial capacities of higher education institutions and their integration in innovation ecosystems (pilot higher education initiative), which is to be implemented by the KICs.

Article 7

KICs

1. The KICs shall undertake at least the following:

- (a) innovation activities and investments with Union added value, including facilitating the creation of innovative start-ups and the development of innovative businesses in complementarity with the EIC and the InvestEU Programme, fully integrating the higher education and research dimensions to attain a critical mass and stimulating the dissemination and exploitation of results;
- (b) innovation-driven research, experimentation, prototyping and demonstration in areas of key economic, environmental and societal interest and drawing on the results stemming from Union and national research, with the potential to strengthen the Union's competitiveness at international level and find solutions for the major challenges faced by European society, including those relating to health and the digital market;
- (c) education and training activities in particular at master's and doctoral level, as well as professional training courses, in areas with the potential to meet future European socio-economic and socio-ecological needs and which expand the Union's talent base, promote the development of innovation-related skills, the improvement of managerial and entrepreneurial skills and the mobility of researchers and students, and foster knowledge-sharing, mentoring and networking among the recipients of EIT education and training activities, including those that are EIT-labelled;
- (d) actions as part of the pilot higher education initiative to better integrate HEIs in innovation value chains and ecosystems and bring them together with other key innovation players from the knowledge triangle and thereby improve their innovation and entrepreneurial capacity;
- (e) outreach activities and the dissemination of best practices in the field of innovation with a focus on the development of cooperation between higher education, research and business, including the service and financial sectors, and, where relevant, public and third sector organisations;
- (f) RIS activities, fully integrated in the KICs' multiannual strategy and linked to the relevant smart specialisation strategies as defined in point (2) of Article 2 of Regulation (EU) 2021/695 in order to strengthen innovation capacity and to develop sustainable innovation ecosystems with a view to decreasing the disparities and divide in innovation performance across the Union;
- (g) to seek synergies and complementarities between KIC activities and existing Union, national and regional programmes, in particular the EIC, other European Partnerships and missions of Horizon Europe, as appropriate;
- (h) to mobilise funds from public and private sources, in particular seeking to raise an increasing proportion of their budget from private sources and from income generated by their own activities, in accordance with Article 18;
- (i) to provide, on request, information on research and innovation outputs and results, and related intellectual rights, developed pursuant to the activities of the KICs, and on the relevant inventors.

2. Without prejudice to the partnership agreements and grant agreements between the EIT and the KICs, the KICs shall have substantial autonomy to establish their internal organisation and composition, as well as their agenda and working methods, provided that they result in progress towards achieving the objectives of the EIT and the KICs, while taking into account the strategic planning of Horizon Europe and the strategic direction of the EIT set out in the SIA and by the Governing Board.

In particular, the KICs shall:

- (a) establish internal transparent governance arrangements which reflect the knowledge triangle of higher education, research and innovation;
- (b) ensure and promote their openness through clear and transparent accession and exit criteria, including through open calls, to potential new partner organisations across the Union that add value to the partnership;
- (c) establish internal rules, including codes of conduct, that ensure their functioning in an open and transparent manner;
- (d) establish and implement their business plans;
- (e) establish and implement strategies for achieving financial sustainability.

3. KICs may adopt measures and initiatives aiming to mitigate the effects of the COVID-19 crisis, in particular actions aiming to increase the resilience of microenterprises, SMEs and start-ups, as well as students, researchers and employees.

4. The relationship between the EIT and each KIC shall be based on a partnership agreement, a grant agreement or, subject to Article 12, a memorandum of cooperation.

Article 8

Rules for participation and dissemination

The rules for the participation in and dissemination of Horizon Europe shall apply. By way of derogation from those rules:

- (a) the minimum conditions to form a KIC are set out in Article 9(3) and (4) of this Regulation;
- (b) specific rules on ownership, access rights, exploitation and dissemination may apply for KIC added-value activities, where appropriate.

Article 9

Selection and designation of the KICs

1. A partnership shall be selected and designated by the EIT as a KIC following a competitive, open and transparent procedure. The conditions and criteria laid down in Regulation (EU) 2021/695, *inter alia* in Article 28(3) thereof, as well as the criteria for the selection of European Partnerships, shall apply. The Governing Board may further specify those criteria, by adopting and publishing criteria for the selection of the KICs based on the principles of excellence and innovation relevance in delivering on global challenges and Union policy priorities.

2. The EIT shall launch the selection and designation of KICs according to the priority fields and timetable set out in the SIA, taking into account the priorities set out in the strategic planning of Horizon Europe.

3. The minimum condition to form a KIC is the participation of at least three independent partner organisations, that are comprised of at least one HEI, one research organisation and one private company and that are established in at least three different Member States.

4. In addition to the condition set out in paragraph 3, at least two thirds of the partner organisations forming a KIC shall be established in the Member States.

5. The EIT shall adopt and publish criteria and procedures for financing, monitoring and evaluating the activities of the KICs prior to the launching of the selection procedure for new KICs. The EIT shall promptly inform the MSRG and the European Parliament of those criteria and procedures.

*Article 10***Principles for the evaluation and monitoring of KICs**

The EIT shall, on the basis of indicators and monitoring provisions set out, inter alia, in Regulation (EU) 2021/695 and in the SIA, and in close cooperation with the Commission, organise continuous monitoring and periodic external evaluations of the output, results and impact of each KIC, including the progress of the KICs towards financial sustainability, cost-efficiency and openness to new members.

The results of such monitoring and evaluations shall be submitted to the European Parliament and to the Council and shall be made public.

*Article 11***Duration, extension and termination of a partnership agreement**

1. By way of derogation from point (c) of Article 130(4) of the Financial Regulation, the EIT may establish a partnership agreement with a KIC for an initial period of seven years.

2. On the basis of a continuous monitoring of the KICs in accordance with Article 10, the EIT shall, under the supervision of the Governing Board, conduct interim reviews of the performance and activities of the KICs covering the first three years of the partnership agreement.

In the case of an extension of the partnership agreement, the EIT shall conduct such interim reviews covering the first three years following its extension.

The Governing Board shall make those interim reviews public.

3. Before expiry of the seven-year period referred to in paragraph 1, the EIT shall, under the supervision of the Governing Board, conduct a comprehensive assessment of the performance and activities of each KIC, with the support of independent external experts.

4. After consulting the MSRG, the Governing Board may extend the partnership agreement for a further period of up to seven years or discontinue the EIT's financial contribution and not extend the partnership agreement with a KIC on the basis of:

- (a) the outcome of the interim review referred to in the first subparagraph of paragraph 2; and
- (b) the outcome of a comprehensive assessment referred to in paragraph 3.

The EIT shall inform the European Parliament and the Council before extending the seven-year period referred to in paragraph 1.

5. For the purpose of deciding whether to extend the partnership agreement with a KIC under paragraph 4, the Governing Board shall take into account the criteria for implementing, monitoring and evaluating the European Partnerships set out in Regulation (EU) 2021/695 and, with regard to the KICs, the following matters:

- (a) their relevance to the Union's global challenges;
- (b) their Union added value and relevance with regard to the objectives of the EIT;
- (c) the achievement of their objectives;
- (d) their efforts to coordinate their activities with other relevant research and innovation initiatives;
- (e) their capacity to ensure openness to new members;
- (f) their achievements in attracting new members from across the Union;
- (g) their compliance with good governance principles;
- (h) their efforts and results in designing and implementing gender-sensitive measures and activities; and
- (i) their capacity to develop sustainable innovation ecosystems and the achieved level of financial sustainability.

6. In the event that the continuous monitoring, an interim review or the comprehensive assessment of a KIC referred to in paragraphs 2 and 3 of this Article shows inadequate progress in areas referred to in Article 10 or a lack of Union added value, the Governing Board shall take appropriate corrective measures, including the reduction, modification or withdrawal of the EIT's financial contribution or the termination of the partnership agreement.

7. The EIT shall, under the supervision of the Governing Board, conduct a final review of the performance and activities of the KIC before the expiry of the partnership agreement. Subject to the positive outcome of a final review before the expiry of the partnership agreement, the EIT may conclude a memorandum of cooperation with a KIC.

Article 12

Memorandum of cooperation

1. The duration, content and structure of the memorandum of cooperation shall be established by the Governing Board, taking into account an in-depth, independent study. The study shall include an assessment of the KIC's efforts to achieve financial sustainability, the revenues generated and the KIC's financial outlook. In addition, the assessment shall identify any activities the continuation of which might be at risk due to a lack of resources.

2. The memorandum of cooperation shall include:

- (a) rights and obligations linked to the continuation of the knowledge triangle activities as well as the maintenance of the KIC's ecosystem and network;
- (b) conditions for the use of the EIT brand and participation in EIT Awards and in other initiatives organised by the EIT;
- (c) conditions for the participation in higher education and training activities including the use of the EIT label for education and training programmes and relations with the EIT Alumni Community;
- (d) conditions for participation in EIT competitive calls for some specific activities, including cross-KIC activities and shared services;
- (e) conditions for additional support from the EIT for transnational coordination activities among the co-location centres with a high Union added value.

3. Where no memorandum of cooperation is concluded, the KIC shall not use the EIT brand for its activities.

Article 13

Degrees and diplomas

1. Degrees and diplomas relating to the higher education activities referred to in point (c) of Article 7(1) shall be awarded by participating HEIs and vocational education and training providers in accordance with national rules and accreditation procedures. The partnership agreements, grant agreements and memoranda of cooperation between the EIT and the KICs shall provide for such degrees and diplomas also to be labelled as EIT degrees and diplomas.

2. The EIT shall encourage participating HEIs and vocational education and training providers to:

- (a) award joint or multiple degrees and diplomas, reflecting the integrated nature of the KICs, which may also be awarded by a single HEI or vocational education and training provider;
- (b) disseminate best practices on horizontal issues;
- (c) promote and publicise the EIT label in their training and diplomas;
- (d) develop different strategies with the aim of promoting effective cooperation with innovation ecosystems and businesses and fostering an entrepreneurial mind-set;
- (e) create programmes focusing on lifelong learning and certification;

- (f) pay special attention to gender balance and gender-sensitive approaches, in particular in areas where women continue to be underrepresented, such as information and communications technology, science, technology, engineering and mathematics;
- (g) take into account:
 - (i) Union action undertaken in accordance with Articles 165 and 166 TFEU;
 - (ii) action undertaken in the context of the European Higher Education Area.

Article 14

Operational independence of the EIT and consistency with Union, Member State or intergovernmental action

1. The EIT shall carry out its activities independently of national authorities and external pressures, while ensuring that such activities are consistent, through coordination, with other actions and instruments to be implemented at Union level, in particular in the fields of higher education, research and innovation.
2. The EIT shall also seek synergies and complementarities by taking appropriate account of policies and initiatives at regional, national and intergovernmental levels in order to make use of best practices, well-established concepts and existing resources.

The Commission shall offer the EIT the necessary support in establishing appropriate synergies and complementarities with other activities undertaken under Regulation (EU) 2021/695, as well as other Union initiatives and programmes, while avoiding duplication.

The Commission shall provide recommendations to the EIT on how to reduce the administrative burden on KICs.

Article 15

Legal status

1. The EIT shall be a Union body and shall have legal personality. In each Member State, it shall enjoy the widest possible legal capacity accorded to legal persons under national law. In particular, it may acquire and dispose of movable and immovable property and be a party to legal proceedings.
2. Protocol No 7 on the privileges and immunities of the European Union annexed to the TEU and to the TFEU shall apply to the EIT.

Article 16

Liability

1. The EIT shall be solely responsible for meeting its obligations.
2. The contractual liability of the EIT shall be governed by the relevant contractual provisions and the law applicable to the contract in question.

The Court of Justice of the European Union (the 'Court of Justice') shall have jurisdiction pursuant to any arbitration clause contained in a contract concluded by the EIT.

3. In the case of non-contractual liability, the EIT shall, in accordance with the general principles common to the laws of the Member States, make good any damage caused by it or by its members of staff in the performance of their duties.

The Court of Justice shall have jurisdiction in any dispute relating to compensation for such damage.

4. Any payment by the EIT for covering the liability referred to in paragraphs 2 and 3 and the costs and expenses incurred in connection therewith shall be considered expenditure of the EIT and shall be covered by the resources of the EIT.

5. The Court of Justice shall have jurisdiction in actions brought against the EIT in accordance with Articles 263 and 265 TFEU.

Article 17

Transparency and access to documents

1. The EIT and the KICs shall ensure that their activities are conducted with a high level of transparency. In particular, the EIT and the KICs shall set up an accessible, free website that provides information about their activities and the opportunities they offer, in particular with regard to open calls.

2. The EIT and the KICs shall make available detailed information on calls for proposals issued by them, including the information on their evaluation processes and results from those calls for proposals. That information shall be made available in a timely, searchable and traceable manner in the relevant common online databases of Union-funded research and innovation projects, in accordance with Regulation (EU) 2021/695.

3. Before issuing calls for proposals for the selection of the KICs, the EIT shall make public its rules of procedure, its specific financial rules referred to in Article 23(1) and the criteria for the selection of the KICs referred to in Article 9.

4. The EIT shall make public without delay its single programming document and consolidated annual activity report referred to in Article 19.

5. Without prejudice to paragraphs 6 and 7, the EIT shall not divulge to third parties confidential information it has received for which confidential treatment has been requested and is justified.

6. The members of the EIT bodies shall be subject to the confidentiality requirement referred to in Article 339 TFEU.

The information gathered by the EIT in accordance with this Regulation shall be subject to Regulation (EU) 2018/1725 of the European Parliament and of the Council ⁽¹¹⁾.

7. Regulation (EC) No 1049/2001 of the European Parliament and of the Council ⁽¹²⁾ shall apply to the documents held by the EIT.

8. Council Regulation No 1 ⁽¹³⁾ shall apply to the EIT. The translation services required for the functioning of the EIT shall be provided by the Translation Centre for the bodies of the European Union, set up by Council Regulation (EC) No 2965/94 ⁽¹⁴⁾.

Article 18

Financing of the KICs

1. The KICs shall be financed, in particular, from the following sources:

- (a) contributions from partner organisations, forming a substantial source of funding;
- (b) voluntary contributions from Member States, associated countries or other third countries or public authorities within those Member States or countries;

⁽¹¹⁾ Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC (OJ L 295, 21.11.2018, p. 39).

⁽¹²⁾ Regulation (EC) No 1049/2001 of the European Parliament and of the Council of 30 May 2001 regarding public access to European Parliament, Council and Commission documents (OJ L 145, 31.5.2001, p. 43).

⁽¹³⁾ Council Regulation No 1 of 15 April 1958 determining the languages to be used by the European Economic Community (OJ 17, 6.10.1958, p. 385).

⁽¹⁴⁾ Council Regulation (EC) No 2965/94 of 28 November 1994 setting up a Translation Centre for bodies of the European Union (OJ L 314, 7.12.1994, p. 1).

- (c) contributions from international bodies or institutions;
 - (d) revenue generated by the KICs' own assets and activities and royalties from intellectual property rights;
 - (e) capital endowments;
 - (f) bequests, donations and contributions from individuals, institutions, foundations or any other bodies established under national law;
 - (g) the financial contribution from the EIT;
 - (h) financial instruments, including those funded from the general budget of the Union.
2. The conditions for accessing the financial contribution from the EIT shall be established in the financial rules of the EIT referred to in Article 23(1).
3. Budgetary commitments for actions extending over more than one financial year may be broken down over several years into annual instalments, subject to adequate monitoring of estimated financial needs of the KICs to be established on an annual basis.
4. The EIT financial contribution to the KICs may cover up to 100 % of the total eligible costs of KIC added-value activities in the initial stages of a KIC's life cycle. Such a contribution shall gradually decrease over time in accordance with the funding rates set in the SIA.
5. The KICs and their partner organisations may apply for Union funding, in particular in the framework of Union programmes and funds, in accordance with the relevant rules. Such funding shall not cover costs already funded under another Union programme.
6. Contributions from partner organisations to the financing of the KICs shall be determined in accordance with the funding rates referred to in paragraph 4 and reflect the KICs' strategy for achieving financial sustainability.
7. The EIT shall establish a performance-based allocation mechanism for granting its financial contribution to the KICs. It shall include assessing the KICs' business plans and performance as measured by continuous monitoring in accordance with Article 10 and as set out in the SIA.

Article 19

Programming and reporting

1. The EIT shall adopt a single programming document based on the SIA, in accordance with its financial rules referred to in Article 23(1), containing the following:
- (a) a statement of the major priorities and planned initiatives of the EIT and the KICs;
 - (b) an estimate of financing needs and sources;
 - (c) an estimate of the staffing needs arising from new tasks;
 - (d) appropriate qualitative and quantitative methods, tools and indicators for monitoring the activities of the EIT and the KICs, using an impact-oriented and performance-based approach;
 - (e) other components as laid down in its financial rules.
2. The EIT shall adopt a consolidated annual activity report, which shall include comprehensive information on the activities conducted by the EIT and the KICs during the preceding calendar year and on the EIT's contribution to the objectives of Horizon Europe, and to the Union innovation, research and education policies and objectives. The consolidated annual activity report shall assess the results with respect to the objectives, indicators and timetable set, the risks associated with the activities carried out, the use of resources, including its contribution to the climate mainstreaming target under Regulation (EU) 2021/695 broken down by KIC, and the general operation of the EIT. The consolidated annual activity report shall include further comprehensive information in accordance with the EIT's financial rules.

By 29 May 2022 and on an annual basis thereafter, the Director shall submit the consolidated annual activity report to the competent committees of the European Parliament.

Article 20

Monitoring and evaluation of the EIT

1. The EIT shall ensure that its activities, including those managed through the KICs, shall be subject to continuous and systematic monitoring and periodic independent evaluation in accordance with its financial rules, to ensure both the highest quality of outcome, scientific excellence and the most efficient use of resources. The outcomes of the monitoring and of the evaluations shall be made public.

2. The Commission, with the assistance of independent external experts and taking into account the views of stakeholders, shall carry out, in a timely manner, an interim and a final evaluation of the EIT and the KICs. Those evaluations shall feed into the Horizon Europe evaluations provided for in Article 52 of Regulation (EU) 2021/695.

Those evaluations shall examine how the EIT fulfils its mission and objectives and cover activities of the EIT and the KICs. They shall assess the Union added value of the EIT, the impact across the Union and the impact of the RIS activities, openness, effectiveness, efficiency and relevance of the EIT activities pursued and their consistency and complementarity with relevant Union and national policies, including the synergies with other parts of Horizon Europe, in particular the other European Partnerships and missions and the EIC.

The interim evaluation shall also assess, inter alia, the result and impacts of the pilot higher education initiative, the effectiveness of the KICs' financial sustainability strategies and the collaboration between the EIT and implementing bodies under Pillar III 'Innovative Europe' of Horizon Europe. In that respect, the EIT evaluations shall feed into Horizon Europe evaluations, also in view of a systematic assessment of the Pillar III 'Innovative Europe' of Horizon Europe, in particular with respect to the one-stop shop for innovation.

3. The Commission may carry out further evaluations of themes or topics of strategic relevance, with the assistance of independent external experts selected on the basis of a transparent process, to examine the progress made by the EIT towards the objectives set, identify the factors contributing to the implementation of the activities and identify best practices. By carrying out those further evaluations, the Commission shall fully consider the administrative burden on the EIT and the KICs.

4. The Commission shall communicate the results of the evaluations, accompanied by its observations, to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. The Governing Board shall take due account of the findings of evaluations in carrying out the programmes and operations of the EIT.

Article 21

The EIT's budget

1. The revenue of the EIT shall consist of a contribution from the Union. The revenue of the EIT may also include contributions from other private and public sources.

The Union contribution shall be provided from a financial contribution from Horizon Europe set at EUR 2 726 000 000 in current prices, with an additional amount of EUR 210 000 000 in constant 2018 prices, for the period 2021-2027.

The EIT may receive additional financial resources from other Union programmes.

2. The EIT financial contribution to the KICs shall be provided from the Union contribution referred in paragraph 1.

*Article 22***Preparation and adoption of the EIT's annual budget**

1. The content and structure of the EIT's budget shall be established in accordance with its financial rules. The expenditure of the EIT shall include staff remuneration, administrative and infrastructure expenses and operational expenditure. Administrative expenses shall be kept to a minimum. The EIT's budget shall be balanced in terms of revenue and expenditure.
2. The Director shall draw up a draft estimate of the EIT's revenue and expenditure for the following financial year and shall forward it to the Governing Board.
3. The Governing Board shall adopt the draft estimate of the EIT's revenue and expenditure, accompanied by a draft establishment plan, and shall forward them as a part of the single programming document by the date specified in the EIT's financial rules to the European Parliament, the Council and the Commission.
4. The Governing Board shall adopt the EIT's budget. The EIT's budget shall become final following the final adoption of the general budget of the Union. Where appropriate, it shall be adjusted accordingly.
5. The Governing Board shall, as soon as possible, notify the budgetary authority of its intention to implement any project which may have significant financial implications for the funding of the EIT's budget, in particular any projects relating to property such as the rental or purchase of buildings. It shall inform the Commission thereof.
6. Any substantial modification of the EIT's budget shall follow the same procedure.

*Article 23***Implementation and control of the budget**

1. The EIT shall adopt its financial rules in accordance with Article 70(3) of the Financial Regulation. Appropriate consideration shall be given to the need for adequate operational flexibility in order to enable the EIT to achieve its objectives and attract and retain private sector partners.
2. The financial contribution to the EIT from Horizon Europe and other Union programmes shall be implemented in accordance with the rules of those programmes.
3. The Director shall implement the budget of the EIT.
4. The accounts of the EIT shall be consolidated with the Commission's accounts.

*Article 24***Protection of the financial interests of the Union**

1. With a view to combating fraud, corruption and other illegal acts, Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council ⁽¹⁵⁾ shall apply to the EIT.
2. The EIT shall accede to the Interinstitutional Agreement of 25 May 1999 between the European Parliament, the Council of the European Union and the Commission of the European Communities concerning internal investigations by the European Anti-fraud Office (OLAF) ⁽¹⁶⁾. The Governing Board shall formalise that accession and adopt the necessary measures to help OLAF carry out internal investigations.

⁽¹⁵⁾ Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999 (OJ L 248, 18.9.2013, p. 1).

⁽¹⁶⁾ OJ L 136, 31.5.1999, p. 15.

3. All decisions adopted and partnership agreements or grant agreements concluded by the EIT shall provide explicitly that OLAF and the Court of Auditors may carry out on-the-spot inspections of the documents of contractors and sub-contractors which have received Union funds, including at the premises of the final beneficiaries.

Article 25

Winding up of the EIT

In the event of the EIT being wound up, this shall take place under the supervision of the Commission in accordance with the applicable laws. The partnership agreements or grant agreements with the KICs shall lay down the appropriate provisions.

Article 26

Review

By 31 December 2026, the Commission shall, on the basis of the results of the evaluations referred to in Article 20(2) and (3), submit, where appropriate, any proposals for amendments to this Regulation which it considers to be necessary, in particular in relation to the EIT's mission and objectives set out in Article 3 and with a view to extending the EIT's budget beyond the period specified in Articles 3 and 21 in accordance with the relevant Union framework programme for research and innovation.

Article 27

Repeal

Regulation (EC) No 294/2008 is repealed as from 28 May 2021, with the exception of Articles 3 and 5, Article 6(1) and Articles 7, 14, 17 and 19 thereof, which shall be repealed with effect from 1 January 2021.

References to the repealed Regulation shall be construed as references to this Regulation and shall be read in accordance with the correlation table in Annex III.

Article 28

Entry into force and application

This Regulation shall enter into force on the day of its publication in the *Official Journal of the European Union*.

Articles 3, 4 and 6, Article 7 (1) and (3), and Articles 8, 9, 18 and 21 shall apply from 1 January 2021.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 20 May 2021.

For the European Parliament
The President
D. M. SASSOLI

For the Council
The President
A. P. ZACARIAS

ANNEX I

STATUTES OF THE EUROPEAN INSTITUTE OF INNOVATION AND TECHNOLOGY

SECTION 1

COMPOSITION OF THE GOVERNING BOARD

1. The Governing Board shall be composed of 15 members, appointed by the Commission, in a transparent manner, providing a balance between those with experience in the fields of higher education, research, innovation or business. That appointment shall be made following an open call for expressions of interest. The term of office of the members of the Governing Board shall be four years. The Commission may extend the term of office once by a two-year period on the proposal of the Governing Board.

In appointing the members of the Governing Board, the Commission shall make best efforts to ensure a balanced representation of those with experience in the fields of higher education (including vocational education and training), research, innovation and business, as well as gender and geographical balance and an appreciation of the higher education, research and innovation environment across the Union.

Where necessary, the Governing Board shall submit to the Commission a shortlist of candidates for the purposes of the appointment of a member or members. The shortlisted candidates shall be selected on the basis of the outcome of a transparent and open procedure initiated by the EIT.

The Commission shall appoint the member or members in accordance with the procedure laid down in the first, second and third paragraphs and inform the European Parliament and the Council of the selection procedure and of the final appointment of those members of the Governing Board.

In the event that a member is unable to complete his or her term of office, a substitute member shall be appointed by the procedure set out in the first, second and third paragraphs in order to complete the incapacitated member's term of office. A substitute member who has served for a period of less than two years may be reappointed by the Commission for an additional term of four years at the request of the Governing Board.

The Commission shall appoint three additional members to the Governing Board to reach the number of 15 by 29 November 2022. The members of the Governing Board appointed before 28 May 2021 shall complete their non-renewable term of office.

In exceptional and duly justified circumstances, in particular in order to maintain the integrity of the Governing Board, the Commission may, on its own initiative, terminate the term of office of a member of the Governing Board.

2. The members of the Governing Board shall act in the interests of the EIT, safeguarding its mission and objectives, identity, autonomy and coherence, in an independent and transparent manner.
3. The Governing Board may invite a Member of the EIC Board or other stakeholders to attend their meetings as observers.
4. The Governing Board shall, when executing its responsibilities, act under the supervision of the Commission in implementing the EIT's mission and objectives set out in Article 3.

SECTION 2

RESPONSIBILITIES OF THE GOVERNING BOARD

1. The Governing Board, in exercising its responsibility for steering and monitoring the activities of the EIT and the KICs, shall take strategic decisions. In particular, it shall:
 - (a) after consulting the existing KICs and taking their opinions into account, adopt the EIT's contribution to the Commission's proposal on the SIA and make it public;

- (b) adopt the EIT's single programming document, budget, annual accounts and balance sheet and consolidated annual activity report;
 - (c) adopt sound criteria and clear and transparent procedures for performance-based financing of the KICs, including the decision on the maximum allocation of the EIT financial contribution to them, with a view to implementing the relevant KIC business plan and achieving the objectives set out in the SIA and in accordance with Article 10, taking into account the requirements set out in Article 11(4) and (5), including the KICs' progress in achieving financial sustainability;
 - (d) adopt the selection procedure of the KICs, in accordance with Article 9 and the SIA;
 - (e) select and designate a partnership as a KIC in accordance with the conditions and criteria set out in Article 9, and withdraw such a designation where appropriate;
 - (f) authorise the Director to prepare, negotiate and conclude partnership agreements and grant agreements with the KICs;
 - (g) establish the duration, content and structure of memoranda of cooperation in accordance with Article 12, mandate and authorise the Director to prepare and negotiate memoranda of cooperation with the KICs and, after having examined the negotiated memoranda of cooperation, authorise the Director to conclude them;
 - (h) authorise the Director to extend partnership agreements with the KICs beyond the period initially set, subject to the positive outcome of the interim review and comprehensive assessment, as set out in the SIA, before the expiry of that period in accordance with Articles 10 and 11;
 - (i) authorise the Director to prepare, negotiate and conclude grant agreements with other legal entities;
 - (j) adopt effective, efficient, transparent and continuous monitoring and evaluation procedures, including a sound set of indicators in accordance with Articles 10, 11, 19 and 20, and supervise their implementation by the Director;
 - (k) take appropriate corrective measures with respect to underperforming KICs, including the reduction, modification or withdrawal of the EIT's financial contribution to those KICs or the termination of the partnership agreements with them, based on the monitoring and the assessment of results, in accordance with the objectives of the EIT and the KICs and with Articles 10, 11 and 18;
 - (l) encourage the KICs to adopt operational models for openness towards new partner organisations;
 - (m) promote the EIT across the Union and globally, so as to raise its attractiveness, and for that purpose authorise the Director to sign memoranda of understanding with Member States, associated countries or other third countries;
 - (n) decide on the design and coordination of support actions undertaken by the KICs to broaden the impact of the EIT across the Union for the development of entrepreneurial and innovation capacity of HEIs, as well as vocational education and training providers where appropriate, and their integration in innovation ecosystems, in order to reinforce the integration of the knowledge triangle;
 - (o) promote the creation of synergies between the EIT, including through the KICs, and the Union framework programmes for research and innovation, as well as national and regional funding schemes.
2. In addition to the strategic decisions referred to in point 1, the Governing Board shall take the following procedural and operational decisions necessary for the fulfilment of its tasks and the activities of the EIT. It shall, in particular:
- (a) adopt its rules of procedure and those of the Executive Committee, as well as the specific financial rules of the EIT;
 - (b) delegate specific tasks to the Executive Committee;
 - (c) set appropriate fees for members of the Governing Board and of the Executive Committee, which shall be in line with similar remuneration in the Member States;

- (d) adopt an open and transparent procedure for selecting the members of the Executive Committee;
 - (e) appoint the Director and, if necessary, extend his or her term of office or remove the Director from office, in accordance with Section 5;
 - (f) appoint the Accounting Officer and the members of the Executive Committee;
 - (g) adopt a code of good conduct regarding conflicts of interest;
 - (h) establish, where appropriate, advisory groups with a defined objective, tasks and duration;
 - (i) set up an Internal Auditing Function in accordance with the EIT's financial rules;
 - (j) decide on the working languages of the EIT, taking into account existing principles on multilingualism and the practical requirements of its operations;
 - (k) convene an annual senior-level meeting with the KICs;
 - (l) report on the KICs' cooperation with other European Partnerships.
3. The Governing Board shall take decisions in accordance with the Staff Regulations of Officials of the European Union and the Conditions of Employment of Other Servants of the Union, laid down in Council Regulation (EEC, Euratom, ECSC) No 259/68 ⁽¹⁾ (referred to as the 'Staff Regulations' and the 'Conditions of Employment', respectively), relating to the EIT staff and the conditions of its employment. In particular, it shall:
- (a) adopt the implementing measures in order to give effect to the Staff Regulations and the Conditions of Employment, in accordance with Article 110(2) of the Staff Regulations;
 - (b) in accordance with point (c) of this point, exercise, with respect to the staff of the EIT, the powers of the Appointing Authority conferred by the Staff Regulations and the Authority Empowered to Conclude a Contract of Employment conferred by the Conditions of Employment (the 'appointing authority powers');
 - (c) in accordance with Article 110(2) of the Staff Regulations, adopt a decision based on Article 2(1) of the Staff Regulations and Article 6 of the Conditions of Employment, delegating relevant appointing authority powers to the Director and establishing the conditions under which that delegation can be suspended with the Director being authorised to sub-delegate those powers;
 - (d) adopt a decision to temporarily suspend, where exceptional circumstances so require, the delegation of the appointing authority powers to the Director and those sub-delegated by the Director and exercise them itself or delegate them to one of its members or to a staff member other than the Director.

SECTION 3

FUNCTIONING OF THE GOVERNING BOARD

1. The Governing Board shall elect its Chairperson from among its members. The term of office of the Chairperson shall be two years, renewable once.
2. The representative of the Commission shall participate in the meetings of the Governing Board, without the right to vote, but his or her agreement shall be required in cases referred to in point 5. He or she shall have the right to suggest points on the agenda of the Governing Board.
3. The Director shall participate in the meetings of the Governing Board, without the right to vote.
4. The Governing Board shall adopt decisions by simple majority of members having a right to vote.

However, decisions under points (1)(a), (b), (c), (d), and (n) of Section 2 and points (2)(e) and (j) of Section 2, as well as decisions under point 1 of this Section shall require a majority of two thirds of the Governing Board's members having the right to vote.

⁽¹⁾ OJ L 56, 4.3.1968, p. 1.

5. Decisions of the Governing Board under points (1)(c), (e), (g), (h), (j) and (m), point (2)(c) and point (3)(a) of Section 2 shall require the agreement of the Commission, expressed by its representative in the Governing Board.

6. The Governing Board shall seek the opinion of the MSRG before adopting decisions concerning the extension or termination of the partnership agreements with the KICs in accordance with points (1)(h) and (k) of Section 2, and on the conclusion of the memorandum of cooperation in accordance with point (1)(g) of Section 2.

The opinion referred to in the first paragraph shall not be binding on the Governing Board. It shall be issued without undue delay and in any event not later than two months after it has been requested.

7. The Governing Board shall meet in ordinary session at least four times a year and in extraordinary session when convened by its Chairperson or at the request of at least one third of all its members or the representative of the Commission.

SECTION 4

THE EXECUTIVE COMMITTEE

1. The Executive Committee shall assist the Governing Board in the performance of its tasks.

2. The Executive Committee shall consist of five members, including the Chairperson of the Governing Board, who shall also chair the Executive Committee. The four members other than the Chairperson shall be chosen by the Governing Board from among its members, providing a balance between those with experience in the fields of higher education, research, innovation or business. The term of office of the members of the Executive Committee shall be two years, renewable once.

3. The Executive Committee shall prepare the meetings of the Governing Board in cooperation with the Director.

4. The Governing Board may request the Executive Committee to supervise and monitor the implementation of decisions and recommendations of the Governing Board.

5. The Executive Committee shall prepare the discussion of and adoption by the Governing Board on the draft EIT's contribution to the Commission's proposal on the SIA. In addition, the Executive Committee shall prepare the discussion of the Governing Board on the draft single programming document, the draft consolidated annual activity report, the draft annual budget and the draft annual accounts and the balance sheet before their submission to the Governing Board.

6. Decisions of the Executive Committee shall be adopted on the basis of a majority of the members present. Each member shall have one vote.

7. The representative of the Commission shall participate in the meetings of the Executive Committee, without the right to vote. The representative of the Commission shall have the right to suggest points on the agenda of the Executive Committee.

8. The Director shall participate in the meetings of the Executive Committee, without the right to vote.

9. The members of the Executive Committee shall act in the interests of the EIT, safeguarding its mission and objectives, identity, autonomy and coherence, in an independent and transparent manner. They shall regularly report to the Governing Board on the decisions adopted and tasks assigned to them by the Governing Board.

SECTION 5

THE DIRECTOR

1. The Director shall be a person with expertise and a high reputation in the areas in which the EIT operates. The Director shall be a member of staff of the EIT and shall be engaged as a temporary agent under point (a) of Article 2 of the Conditions of Employment.
2. The Director shall be appointed by the Governing Board from a list of candidates proposed by the Commission, following an open and transparent selection procedure. For the purpose of concluding the contract with the Director, the EIT shall be represented by the Chairperson of the Governing Board.
3. The term of office of the Director shall be four years. The Governing Board, acting on a proposal from the Commission that takes into account its evaluation of the Director's performance and the EIT's best interests as well as its future tasks and challenges, may extend that term of office once for a period of up to four years. A Director whose term of office has been extended shall not participate in another selection procedure for the same post.
4. The Director shall be removed from office only upon a decision of the Governing Board, acting on a proposal from the Commission.
5. The Director shall be responsible for operations and for the day-to-day management of the EIT and shall be its legal representative. The Director shall be accountable to the Governing Board and report to it on an ongoing basis on the development of the EIT activities and activities falling under his or her responsibility.
6. The Director shall in particular:
 - (a) organise and manage the activities of the EIT;
 - (b) support the Governing Board and the Executive Committee in their work, provide the secretariat for their meetings and supply information necessary for the performance of their duties;
 - (c) support the Governing Board in preparing the EIT's contribution to the Commission's proposal on the SIA;
 - (d) prepare the draft single programming document, the draft consolidated annual activity report and the draft annual budget for submission to the Governing Board;
 - (e) prepare and administer the KICs selection procedure and ensure that the various stages of that procedure are carried out in a transparent and objective manner, under the supervision of the Governing Board, annexing a detailed report of the selection procedure to the consolidated annual activity report referred to in point (d);
 - (f) prepare, negotiate and conclude, under the authorisation of the Governing Board, partnership agreements and grant agreements with the KICs;
 - (g) prepare and negotiate memoranda of cooperation with the KICs and, subject to final approval by the Governing Board, conclude them in accordance with point (1)(a) of Section 2;
 - (h) prepare, negotiate and conclude, with the agreement of the Governing Board, grant agreements with other legal entities;
 - (i) organise the meetings of the stakeholder forum and of the MSRG and ensure effective communication with them, under the supervision of the Governing Board;
 - (j) sign, with the authorisation of the Governing Board, memoranda of understanding with Member States, associated countries or other third countries with the aim of promoting the EIT globally;
 - (k) ensure the implementation of effective monitoring, assessment and evaluation procedures relating to the performance of the KICs in accordance with point (1)(j) of Section 2, as well as implement the corrective measures decided by the Governing Board in accordance with Article 11(6);

- (l) be responsible for administrative and financial matters, in accordance with the principle of sound financial management, including the implementation of the EIT's budget, taking due account of advice received from the Internal Auditing Function;
 - (m) submit the draft annual accounts and balance sheet to the Internal Auditing Function, and subsequently to the Governing Board;
 - (n) ensure that the obligations of the EIT with regard to the contracts and agreements it has concluded are met, under the supervision of the Governing Board;
 - (o) ensure effective communication with the Union's institutions, under the supervision of the Governing Board;
 - (p) inform the MSRG of the results of the monitoring, assessment and evaluation, and submit the opinions of the MSRG to the Governing Board;
 - (q) act in the interests of the EIT, safeguarding its mission and objectives, identity, autonomy and coherence, in an independent and transparent manner.
7. The Director shall perform any other tasks entrusted to him or her by the Governing Board and under its responsibility.

SECTION 6

STAFF OF THE EIT AND SECONDED NATIONAL EXPERTS

1. The staff of the EIT shall consist of personnel employed directly by the EIT. The Staff Regulations, the Conditions of Employment and the rules adopted by agreement between the Union institutions for giving effect to them shall apply to the staff of the EIT. This point shall apply to staff employed by the EIT on 28 May 2021, regardless of the starting date of their contract of employment.
 2. National experts may be seconded to the EIT for a limited period. The Governing Board shall adopt provisions enabling seconded national experts to work at the EIT and defining their rights and responsibilities.
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*ANNEX II***REPEALED REGULATION WITH THE AMENDMENT THERETO**

Regulation (EC) No 294/2008 of the European Parliament and of the Council (OJ L 97, 9.4.2008, p. 1)

Regulation (EU) No 1292/2013 of the European Parliament and of the Council (OJ L 347, 20.12.2013, p. 174)

ANNEX III

CORRELATION TABLE

Regulation (EC) No 294/2008	This Regulation
Article 1	Article 1
Article 2, point 1	Article 2, point 1
Article 2, point 2	Article 2, point 2
Article 2, point 3	Article 2, point 3
Article 2, point 5	Article 2, point 5
Article 2, point 6	Article 2, point 6
Article 2, point 7	Article 2, point 7
-	Article 2, point 8
Article 2, point 8	-
Article 2, point 9	Article 2, point 9
Article 2, point 9a	Article 2, point 10
Article 2, point 10	Article 2, point 11
-	Article 2, point 12
Article 2, point 11	Article 2, point 13
-	Article 2, point 14
-	Article 2, point 15
-	Article 2, point 16
Article 3	Article 3(1) and (2)
Article 4(1), points (a), (c) and (d)	Article 5(1)
Article 4(2)	-
Article 4(3)	Article 5(2)
-	Article 5(3)
Article 5(1), points (a) to (c)	Article 6, points (a), (b) and (c) and point (e)
Article 5(1), point (d)	-
-	Article 6, point (d)
Article 5(1), points (e) and (f)	Article 6, points (f) and (g)
-	Article 6, points (h) and (i)
Article 5(1), points (g) to (i)	Article 6, points (j), (k) and (l)
Article 5(1), point (j)	-
-	Article 6, points (m) and (n)
Article 5(1), point (k)	Article 6, points (o) and (p)
-	Article 6, points (q) to (t)
Article 5(2)	-
Article 6(1), points (a) to (c)	Article 7(1), points (a), (b) and (c)
-	Article 7(1), point (d)
Article 6(1), point (d)	Article 7(1), point (e)

-	Article 7(1), point (f)
Article 6(1), point (e)	Article 7(1), point (g)
-	Article 7(1), points (h) and (i)
Article 6(2), points (a) to (e)	Article 7(2), points (a) to (e)
-	Article 7(3)
Article 6(3)	Article 7(4)
-	Article 8
Article 7(1)	Article 9(1)
Article 7(1a)	Article 9(2)
Article 7(2)	-
Article 7(3)	Article 9(3)
Article 7(4)	Article 9(4)
Article 7(5)	Article 9(5)
Article 7a	Article 10
Article 7b(1)	-
Article 7b(2)	Article 11(1)
-	Article 11(2)
-	Article 11(3)
Article 7b(3)	Article 11(4)
-	Article 11(5)
Article 7b(4)	Article 11(6)
-	Article 11(7)
-	Article 12
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-	Article 13(2), points (c) to (f)
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DECISIONS

DECISION (EU) 2021/820 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of 20 May 2021

on the Strategic Innovation Agenda of the European Institute of Innovation and Technology (EIT) 2021-2027: Boosting the Innovation Talent and Capacity of Europe and repealing Decision No 1312/2013/EU

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 173(3) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee ⁽¹⁾,

Acting in accordance with the ordinary legislative procedure ⁽²⁾,

Whereas:

- (1) Regulation (EU) 2021/819 of the European Parliament and of the Council ⁽³⁾, and in particular Article 4 thereof, provides for the adoption of a Strategic Innovation Agenda (SIA).
- (2) The SIA should set out the priority fields and the strategy for the European Institute of Innovation and Technology (EIT) for the seven-year period concerned in accordance with Regulation (EU) 2021/695 of the European Parliament and of the Council ⁽⁴⁾, should establish the EIT's key actions and should include an assessment of the EIT's expected social, economic and environmental impact, its outreach activities and its capacity to generate best innovation added-value. The SIA should take into account the results of the continuous monitoring and periodic independent evaluation of the EIT.
- (3) The SIA should also take into account the strategic planning of Horizon Europe – the Framework Programme for Research and Innovation (Horizon Europe), established by Regulation (EU) 2021/695, establish and foster appropriate synergies and complementarities between EIT activities and other relevant Union, national and regional initiatives, instruments and programmes, and ensure consistency with Union priorities and commitments, including those referred to in the communications of the Commission of 11 December 2019 on the European Green Deal, of 27 May 2020 on EU budget powering the recovery plan for Europe (Recovery Plan for Europe), of 19 February 2020 on a European strategy for data, of 10 March 2020 on an SME Strategy for a sustainable and digital Europe and of 10 March 2020 on a New Industrial Strategy for Europe and those related to achieving Europe's strategic autonomy, while retaining an open economy.
- (4) The SIA should include an estimate of financial needs and sources for the future activities of the EIT. It should also include an indicative financial plan covering the period of the relevant multiannual financial framework (MFF).

⁽¹⁾ OJ C 47, 11.2.2020, p. 69.

⁽²⁾ Position of the European Parliament of 27 April 2021 (not yet published in the Official Journal) and decision of the Council of 10 May 2021.

⁽³⁾ Regulation (EU) 2021/819 of the European Parliament and of the Council of 20 May 2021 on the European Institute of Innovation and Technology (see page 61 of this Official Journal).

⁽⁴⁾ Regulation (EU) 2021/695 of the European Parliament and of the Council of 28 April 2021 establishing Horizon Europe – the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination, and repealing Regulations (EU) No 1290/2013 and (EU) No 1291/2013 (OJ L 170, 12.5.2021, p. 1)).

- (5) In order to ensure the continuity of the activities of the EIT and the Knowledge and Innovation Communities (KICs) in compliance with the relevant provisions of Regulation (EU) 2021/695, this Decision should enter into force as a matter of urgency and should apply, with retroactive effect, from 1 January 2021.
- (6) Since the objectives of this Decision cannot be sufficiently achieved by the Member States but can rather, by reason of scale and transnationality, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality as set out in that Article, this Decision does not go beyond what is necessary in order to achieve those objectives.
- (7) Decision No 1312/2013/EU of the European Parliament and of the Council ⁽⁵⁾ should be repealed,

HAVE ADOPTED THIS DECISION:

Article 1

The Strategic Innovation Agenda of the European Institute of Innovation and Technology for the period from 2021 to 2027 (SIA 2021-2027) as set out in the Annex is hereby adopted.

Article 2

SIA 2021-2027 shall be implemented in accordance with Regulation (EU) 2021/819.

Article 3

Decision No 1312/2013/EU is repealed with effect from 1 January 2021.

Article 4

This Decision shall enter into force on the day of its publication in the *Official Journal of the European Union*.

It shall apply from 1 January 2021.

Done at Brussels, 20 May 2021.

For the European Parliament

The President

D. M. SASSOLI

For the Council

The President

A. P. ZACARIAS

⁽⁵⁾ Decision No 1312/2013/EU of the European Parliament and of the Council of 11 December 2013 on the Strategic Innovation Agenda of the European Institute of Innovation and Technology (EIT): the contribution of the EIT to a more innovative Europe (OJ L 347, 20.12.2013, p. 892).

ANNEX

**THE STRATEGIC INNOVATION AGENDA OF THE EUROPEAN INSTITUTE OF INNOVATION AND
TECHNOLOGY FOR THE PERIOD FROM 2021 TO 2027**

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1. INTRODUCTION

This Strategic Innovation Agenda sets out the priority fields and strategy of the European Institute of Innovation and Technology (EIT) for 2021-2027 (SIA 2021-2027). It establishes the EIT's objectives, key actions, mode of operation, expected results and impact, as well as an estimate of the resources needed. SIA 2021-2027 ensures the necessary consistency of the EIT with Horizon Europe.

SIA 2021-2027 is informed by an impact assessment carried out by the Commission. It takes into account the draft SIA prepared by the EIT and submitted to the Commission on 20 December 2017, in accordance with Regulation (EC) No 294/2008 of the European Parliament and of the Council ⁽¹⁾. It also reflects Regulation (EU) 2021/695, and, in particular, the key role of the EIT as part of Pillar III 'Innovative Europe' of Horizon Europe, and its contribution to addressing global and societal challenges, including established targets and commitments to climate objectives and the United Nations (UN) Sustainable Development Goals (SDGs), and to Pillar I 'Excellent Science' and Pillar II 'Global Challenges and European Industrial Competitiveness' of Horizon Europe. SIA 2021-2027 builds on the lessons learnt over the previous years of operation of the EIT and the results of a wide consultation process with key stakeholders.

SIA 2021-2027 takes into account the strategic planning of Horizon Europe to ensure consistency with the Horizon Europe activities, as well as synergies with other relevant Union programmes and consistency with Union priorities and commitments, including those related to the European Green Deal, the Recovery Plan for Europe, the European strategy for data, the SME Strategy for a sustainable and digital Europe and the New Industrial Strategy for Europe and those related to achieving the Union's strategic autonomy, while retaining an open economy. Furthermore, it contributes to tackling global and societal challenges, including the SDGs by following the principles of the Paris Agreement adopted under the United Nations Framework Convention on Climate Change ⁽²⁾, and to achieving a net-zero greenhouse gas economy by 2050 at the latest. It also aims to increase complementarity and synergies between the EIT activities and national and regional funding programmes and priorities.

1.1. Background

The EIT was established in 2008 in order to contribute to sustainable economic growth and competitiveness by reinforcing the innovation capacity of the Union and Member States. It pioneered the integration of higher education, research and innovation (the 'knowledge triangle') together with a strong emphasis on entrepreneurial talent, business creation and innovation skills.

Since its establishment, the EIT has gradually established itself as a unique instrument addressing societal challenges through the integration of the knowledge triangle. The EIT operates mainly through Knowledge and Innovation Communities (KICs) ⁽³⁾. There are currently eight KICs that operate in the areas of climate change, digital transformation, energy, food, health, raw materials, urban mobility and added-value manufacturing.

Each KIC has to date been organised around five to ten co-location centres (CLCs) ⁽⁴⁾, which are intended to act as geographical hubs that also provide a physical space for local interaction within the innovation ecosystem and for the practical integration of the knowledge triangle. CLCs are organised and structured according to their relevant national and regional innovation context and build on a pan-European network of existing labs, offices or campuses of a KIC partner.

The KICs aim to run portfolios of knowledge triangle activities through:

- (a) education and training activities with strong entrepreneurship components to train the next generation of talents, including the design and implementation of programmes, in particular at master's and doctoral level, awarded the EIT label, namely a quality seal awarded by the EIT to a KIC's educational programme which complies with specific quality criteria related, inter alia, to entrepreneurial education and innovative 'learning-by-doing' curricula, the EIT's education agenda being key to developing highly entrepreneurial and skilled innovators, hence the importance of programmes and activities aiming to develop entrepreneurship and digital skills and re-skill and up-skill human resources in a lifelong learning perspective;

⁽¹⁾ Regulation (EC) No 294/2008 of the European Parliament and of the Council of 11 March 2008 establishing the European Institute of Innovation and Technology (OJ L 97, 9.4.2008, p. 1).

⁽²⁾ OJ L 282, 19.10.2016, p. 4.

⁽³⁾ As defined in point (2) of Article 2 of Regulation (EU) 2021/819.

⁽⁴⁾ As defined in point (3) of Article 2 of Regulation (EU) 2021/819.

- (b) activities that support research and innovation to develop innovative and sustainable products, processes, technologies, services and non-technological solutions that address a specific business opportunity or social objective;
- (c) business creation and support activities, such as accelerator schemes to help entrepreneurs translate their ideas into successful ventures and speed up the growth and development process.

The focus on global and societal challenges through the integration of the knowledge triangle, integrating higher education activities in the innovation value chain, is a distinctive feature of the EIT compared to other innovation instruments.

The EIT approach helps to build resilience and increase sustainability and contributes to the creation of incremental and disruptive innovations, in order to effectively address market failures and help transform industries and support the creation of start-ups, spin-offs and small and medium-sized enterprises (SMEs). The EIT enables the creation of long-term business strategies for addressing global challenges and helps create the framework conditions that are essential for a well-functioning innovation ecosystem to grow and for innovation to thrive. Regulation (EU) 2021/819 provides for the objective that the KICs become financially sustainable ⁽⁵⁾, which is a unique feature, aiming to create a business and results-oriented innovation. In that context, the KICs are to develop and implement revenue-creating strategies in order to maintain their innovation ecosystem and knowledge triangle activities beyond the period covered by the grant agreements.

The EIT thus offers a dynamic platform for launching, scaling up, monitoring and supporting KICs with strong network effects and positive spill-overs. The KICs in the first wave (EIT Digital, EIT Climate-KIC and EIT InnoEnergy), launched in 2009, are established and mature and their partnership agreements are to be terminated after 2024, in line with the maximum grant duration. A second and third generation of KICs (EIT Health and EIT Raw Materials, launched in 2014, and EIT Food, launched in 2016) are maturing. The KICs EIT Urban Mobility and EIT Manufacturing were both launched in December 2018 and started their operations in 2019.

By 2019, there were more than 600 businesses, 250 higher education institutions (HEIs) ⁽⁶⁾, 200 research organisations ⁽⁷⁾, and more than 50 civil society organisations and authorities participating in the eight KICs.

Against the backdrop of persisting regional disparities in innovation performance in Europe, the EIT launched a regional innovation scheme (RIS) ⁽⁸⁾ in 2014 to widen its regional outreach to modest and moderate innovator countries. Through the RIS, the EIT has expanded its activities across Europe and offers opportunities for countries (and regions in those countries) with modest and moderate innovation performance as classified in the European Innovation Scoreboard (EIS) to engage in knowledge triangle activities as part of a KIC community.

The EIT has been able to stay agile and to develop the governance principles and rules for the successful management of the KICs under the overall umbrella of Horizon 2020 established by Regulation (EU) No 1291/2013 of the European Parliament and of the Council ⁽⁹⁾, in accordance with Regulation (EC) No 294/2008. Its operational independence has allowed it to test and effectively implement a number of novelties in the management of its beneficiaries, such as a competitive funding mechanism, financial sustainability targets and specific key performance indicators.

1.2. Key challenges

In recent years, the pace of innovation has accelerated dramatically. Innovation is reshaping economic sectors, disrupting existing businesses and creating unprecedented opportunities. With a shifting global economic order and international competition on the rise, the Union needs, inter alia, to involve all talents, increase the participation of women and foster a swift transfer of the results of research and innovation activities to the market and society, with the aim of increasing innovation capacity across the Union. Co-design, collaboration and

⁽⁵⁾ As defined in point (16) of Article 2 of Regulation (EU) 2021/819.

⁽⁶⁾ As defined in point (7) of Article 2 of Regulation (EU) 2021/819.

⁽⁷⁾ As defined in point (6) of Article 2 of Regulation (EU) 2021/819.

⁽⁸⁾ As defined in point (10) of Article 2 of Regulation (EU) 2021/819 and Section 3.2 of this Annex.

⁽⁹⁾ Regulation (EU) No 1291/2013 of the European Parliament and of the Council of 11 December 2013 establishing Horizon 2020 – the Framework Programme for Research and Innovation (2014–2020) and repealing Decision No 1982/2006/EC (OJ L 347, 20.12.2013, p. 104).

co-creation across disciplines and between higher education, research and business have never been so important in contributing to address global challenges related to climate change, biodiversity loss and unsustainable use of natural resources, digital and social transformation, demographic shifts and the future of healthcare and food.

First, the spread of COVID-19 has had a major impact on our economies and societies, disrupting economic activities, affecting healthcare systems, jobs and well-being. In order to address the crisis, a combination of short-term and forward-looking measures are required in order to provide immediate support to the economies and stakeholders, while ensuring the necessary conditions for the recovery to take place.

It is therefore important to identify and tackle crisis-related challenges, including access to finance, in order to rebuild trust and confidence among all stakeholders as well as support the development and implementation of solutions to ease the impact of crises on society. At the same time, programmes supporting innovation, business creation and upgrade, entrepreneurial and innovation skills are key to putting the Union economy on the right track and propelling a swift recovery.

Stronger innovation ecosystems have proved to respond more quickly and resolutely to crises. In order to accelerate the recovery and be able to tackle future emergencies, investments in improving coordination capacities within innovation ecosystems are essential to increase their resilience and their responsiveness to deliver promptly the needed solutions.

In the medium and long term, all the KICs need to adapt to the impacts of the shock and ensure agility and flexibility in order to find and pursue new opportunities. Thanks to their 'place-based' approach through CLCs and RIS hubs ⁽¹⁰⁾ across Europe, the KICs contribute to strengthening local innovation ecosystems, inter alia, by fostering closer interactions between the actors of the knowledge triangle and by favouring better coordinated relations with financial and public institutions, as well as with citizens.

Second, today's societies and economies are increasingly driven by the skills and abilities of people and organisations to turn ideas into novel products, processes, services, businesses and societal models. Innovation, entrepreneurial culture, market uptake of innovative solutions and increased investments in education, research and innovation will make all the difference if the Union is to succeed in its transition towards a competitive, digital, climate-neutral and inclusive society. There is a strong need to further boost collaboration between disciplines and interdisciplinary learning, as well as the innovation capacity of HEIs across the Union. The EIT is in a unique position to fulfil that need in the Horizon Europe framework.

Third, physical proximity is one of the key factors enabling innovation. Initiatives aiming to develop innovation networks and providing services that support the creation, sharing and transfer of knowledge play a key role in fostering interactions between academia, research organisations, business, public authorities and individuals. Still, research and innovation performances across the Union, as reflected in the annual EIS, vary considerably. It is of crucial importance that innovation is inclusive and rooted in local territories with a particular attention to the increased involvement of SMEs and third sector organisations. EIT activities are well suited to contribute to strengthening local innovation ecosystems with a strong European dimension and provide new models for a sustainable economy. The activities of the EIT and the KICs have yet to become increasingly linked to regional strategies and smart specialisation strategies ⁽¹¹⁾.

Fourth, vibrant innovation ecosystems require a mix of knowledge, investment, infrastructure and talent. Framework conditions for cooperation between European research, education and innovation along with strong synergies need to be in place in order to ensure proper and efficient investment of scarce resources and to leverage other sources of funding aiming to achieve financial sustainability. Strengthening the knowledge triangle integration through KICs, including through the involvement of new partners in other sectors, countries and regions, is a proven way to foster an environment conducive to innovation and is a guiding objective of the EIT.

⁽¹⁰⁾ As defined in point (4) of Article 2 of Regulation (EU) 2021/819.

⁽¹¹⁾ As defined in point (2) of Article 2 of Regulation (EU) 2021/695.

1.3. Positioning in Horizon Europe

In the context of Regulation (EU) 2021/695, the Commission made a firm commitment to raise Europe's innovation potential further in order to be able to respond to future challenges. The EIT's distinctive role in fostering innovation by bringing together business, education, research, public authorities and civil society is reinforced by its positioning in Pillar III 'Innovative Europe' of Horizon Europe. Regulation (EU) 2021/695 reflects the growing Union ambition of innovation and the need to deliver on that ambition.

The strategic planning of Horizon Europe aims to ensure coherence between the EIT activities and other activities under Regulation (EU) 2021/695. The EIT shall contribute to the strategic coordinating process for European Partnerships. The EIT shall continue to work closely with other implementing bodies under the Pillar III 'Innovative Europe' of Horizon Europe and use best efforts to contribute to a one-stop shop for innovation.

The EIT shall continue to strengthen innovation ecosystems that help to tackle global challenges by fostering the integration of the knowledge triangle in the thematic areas of activity of the KICs.

Strong synergies, including through cooperation at governance level, between the implementing bodies of the Pillar III 'Innovative Europe' of Horizon Europe are required. The EIT and the European Innovation Council (EIC) shall run complementary activities aiming to streamline the support provided to innovative businesses, including business acceleration services and training.

The EIC may help start-ups supported by KICs with a high growth potential to rapidly scale-up. In particular, the most innovative ventures supported by the KICs may benefit from simplified and thereby faster access to EIC actions, in particular to the support offered by the EIC Accelerator and by the financial support offered by the InvestEU Programme established by Regulation (EU) 2021/523 of the European Parliament and of the Council ⁽¹²⁾. Furthermore, the EIT shall facilitate the access of EIC beneficiaries to the KICs' innovation ecosystems and relevant actors of the knowledge triangle. EIC beneficiaries can thus become actively involved in the KICs' activities and benefit from the KICs' services.

The EIT shall ensure consistency with the European innovation ecosystems component of Pillar III 'Innovative Europe' of Horizon Europe. In particular, the EIT shall take an active part in the activities of the EIC Forum referred to in Council Decision (EU) 2021/764 ⁽¹³⁾ and shall establish links between the EIT Community ⁽¹⁴⁾ and relevant activities supporting innovation ecosystems in order to avoid duplication and to ensure the consistency and complementarity between actions of the EIT and of the EIC.

The EIT shall also ensure stronger synergies between its actions and the programmes and initiatives of the Pillar I 'Excellent Science' of Horizon Europe, to accelerate the transfer of knowledge resulting from blue sky research into concrete applications benefiting society. In particular, with regard to the Marie Skłodowska-Curie Actions (MSCA) and the European Research Council (ERC), the EIT shall collaborate on the development of innovation and entrepreneurial skills of MSCA fellows and ERC grantees at all stages of their career. That collaboration shall remain voluntary and shall not increase the administrative burden on the beneficiaries.

The EIT shall contribute to the Pillar II 'Global Challenges and European Industrial Competitiveness' of Horizon Europe, complement relevant activities to tackle global and societal challenges, and foster the sustainable growth and competitiveness of the Union on a global scale. In particular, through the KICs, the EIT shall seek to contribute to and ensure stronger synergies with relevant missions and thematic clusters and other European Partnerships, such as by supporting demand-side measures and providing exploitation services to boost technology transfer and accelerate the commercialisation of results achieved.

The EIT shall explore opportunities for synergies between the 'Widening Participation and Strengthening the European Research Area' part of Horizon Europe, including the teaming and twinning activities and the outreach activities that it supports. In particular, target entities of the 'Widening Participation and Strengthening the European Research Area' part of Horizon Europe, as well as EIT outreach activities, may leverage EIT expertise and support.

⁽¹²⁾ Regulation (EU) 2021/523 of the European Parliament and of the Council of 24 March 2021 establishing the InvestEU Programme and amending Regulation (EU) 2015/1017 (OJ L 107, 26.3.2021, p. 30).

⁽¹³⁾ Council Decision (EU) 2021/764 of 10 May 2021 on establishing the Specific Programme implementing Horizon Europe – the Framework Programme for Research and Innovation, and repealing Decision 2013/743/EU (OJ L 167 I, 12.5.2021, p. 1).

⁽¹⁴⁾ As defined in point (8) of Article 2 of Regulation (EU) 2021/819.

2. RAISING THE BAR: EIT STRATEGY AND OBJECTIVES FOR 2021-2027

During the period 2021-2027, the EIT shall continue to support the KICs in order to strengthen the innovation ecosystems that help to tackle global and societal challenges, in full complementarity with Horizon Europe and other Union programmes. It shall do so by fostering the integration of higher education, research and innovation, thereby creating environments conducive to innovation, and by promoting and supporting a new generation of entrepreneurs, contributing also to closing the entrepreneurial gender gap and to stimulating the creation of innovative businesses, with a particular focus on SMEs, in close synergy and complementarity with the EIC.

Particular attention shall also be paid to gender balance and gender-sensitive approaches, in particular in areas where women remain underrepresented, such as information and communications technologies, science, technology, engineering and mathematics. In doing so, on the basis of the areas of intervention established in Regulation (EU) 2021/695, the EIT shall, in particular:

- (1) strengthen sustainable innovation ecosystems across Europe;
- (2) foster innovation and entrepreneurial skills in a lifelong learning perspective, including increasing capacities of HEIs across Europe;
- (3) create new solutions to the market to address global challenges; and
- (4) ensure synergies and value added within Horizon Europe.

In line with the challenges that the EIT is facing and in order to contribute to its general objectives as set out in Article 3 of Regulation (EU) 2021/819 and thereby to the scientific, economic, technological and societal impact of Horizon Europe, the EIT's specific objectives for 2021-2027 shall be to:

- (a) increase the openness, impact and transparency of the KICs and the integration of the knowledge triangle across the Union;
- (b) increase the entrepreneurial and innovation capacity of higher education across Europe by promoting and supporting institutional change in HEIs and the integration of HEIs in innovation ecosystems;
- (c) increase the regional and local outreach of the EIT and the KICs, in particular by including a wider range of stakeholders in order to address disparities in innovation capacity and to enhance knowledge and innovation diffusion across the Union.

The EIT may, where relevant, respond to the COVID-19 crisis and potential future crises with the necessary flexibility by integrating relevant initiatives in its strategy in order to contribute to protecting the innovation ecosystems and to help EIT stakeholders prepare for the economic recovery.

3. BOOSTING THE INNOVATION TALENT AND CAPACITY OF EUROPE: KEY ACTIONS

The EIT strategy for 2021-2027 shall focus on actions adding value at Union level and contributing to achieving the objectives of Horizon Europe. First, the EIT shall continue to support the innovation capacity and ecosystems across the Union through the KICs, their further development, openness to new partners, enhanced transparency, compliance with good governance principles and expansion. Second, building on its experience with the knowledge triangle integration, the EIT shall steer the support and development of entrepreneurial and innovation capacity of HEIs, which will be implemented through the KICs. Third, through more effective cross-cutting measures, the EIT shall make all necessary efforts to ensure that its visibility and impact at Union level increase. In addition, the EIT shall improve its operations in order to increase its effectiveness, efficiency and impact, including in areas such as guiding the KICs towards financial sustainability, the openness, outreach, transparency, quality and sustainability of its own activities and the activities of the KICs, a higher involvement of SMEs and start-ups, and gender balance.

3.1. Support for existing KICs

The EIT shall strengthen innovation ecosystems by continuing to support existing KICs in addressing global challenges through the integration of the knowledge triangle at Union, national, regional and local level. To that end, a large share of the EIT budget is to be dedicated to support the KICs, and the EIT shall further strengthen its platform for launching, growing and monitoring the KICs.

The EIT shall ensure that the KICs continue to pursue financial sustainability, in order to achieve financial independence from the EIT grant at the latest after 15 years following their launch by leveraging public and private investment, while still focusing on the integration of knowledge triangle activities.

The EIT shall ensure that the KICs develop and implement a strategy to collaborate and create interfaces and synergies with relevant European Partnerships, missions and the EIC, as well as with other relevant Union and international initiatives and programmes. In addition to financial support, based on lessons learned, the EIT shall provide strategic supervision and guidance to the KICs. On the basis of the indicators listed, inter alia, in Annex V to Regulation (EU) 2021/695, the EIT shall monitor and analyse the performance, the leverage investments and the different qualitative and quantitative impacts.

The EIT shall make best efforts to streamline the terminology related to the structure of each KIC, with the purpose of further simplifying and enhancing the recognisability of the EIT.

The EIT shall establish areas of, and promote stronger cross-KIC collaboration on, topics of strategic and policy relevance. The EIT shall strengthen coordination between KICs in areas of common interest, in particular by fostering exchanges of experiences and good practices between KICs and collaboration between them (cross-KIC activities ⁽¹⁵⁾) on both thematic and horizontal topics. Cross-KIC activities have the highest potential where several KICs already address common Union policy priorities where no dedicated KICs exist. Bringing together the different KICs communities in dedicated joint actions of mutual benefit has high potential for synergies and interdisciplinary benefits. The EIT shall encourage such activities and take an active part in defining the content and structure of the cross-KIC activities. It shall monitor the implementation of cross-KIC activities as well as the results achieved, with the aim of making those activities an integral part of the KICs' multiannual strategies. The EIT shall also facilitate the establishment of cross-KIC shared services with the purpose of jointly handling operational tasks common for all the KICs.

3.2. Increasing the regional impact of KICs

The EIT shall further increase its regional impact through an enhanced openness and inclusive approach of the KICs towards a wide range of potential partners and stakeholders, a strengthened dissemination and exploitation of results and a better integrated regional strategy of KICs. Each KIC will be required to develop and implement a regional strategy as an integral part of its business plans with the aim of strengthening the relationship with national, regional and local innovation actors, including SMEs. Where relevant, the KICs shall demonstrate links with smart specialisation strategies and with the activities of thematic platforms and interregional initiatives, including with the managing authorities of European structural and investment funds (ESIF). The EIT shall continuously monitor the implementation of those strategies, including the leverage effect on the ESIF.

A so-called 'place-based' innovation approach is to be integrated within the KICs' multiannual strategy and business plan and build on its CLCs and RIS hubs, thus leveraging their role as a gateway for accessing a KIC community, and interacting with the co-located partners, as well as with other local innovation actors.

The EIT shall monitor how CLCs and RIS hubs operate and how they integrate in the local innovation ecosystems.

The EIT shall ensure that RIS activities are used to attract and facilitate integration of potential new partners that add value to the KICs, thus extending the EIT's pan-European coverage, and are fully integrated in KICs' multiannual strategies. The RIS, steered by the EIT and implemented by KICs, has been run on a voluntary basis to date. From 2021, the RIS activities shall become mandatory and an integral part of the KICs' multiannual strategies. The EIT shall ensure that RIS activities are used as a bridge towards relevant research and innovation smart specialisation strategies.

In addition, KICs shall enhance such integration through the establishment of RIS hubs. A RIS hub shall be established following a thorough needs analysis and an open call. It shall be part of the structure of the KICs and serve as focal point for their activities. Its objective is to mobilise and involve local knowledge triangle actors in the KICs' activities, establishing synergies at local level, identifying funding and collaboration opportunities and promoting their active integration in ecosystems. In accordance with the KIC expansion strategy, RIS hubs could pave the way to the establishment of a CLC in the targeted region.

⁽¹⁵⁾ As defined in point (14) of Article 2 of Regulation (EU) 2021/819.

The EIT shall continue to provide guidance and support to KICs in the preparation and implementation of multiannual RIS strategies. RIS activities shall continue to support the innovation capacity of countries (and regions in those countries) that have modest and moderate innovation performances according to the EIS, as well as of the outermost regions within the meaning of Article 349 of the Treaty on the Functioning of the European Union, in order to foster their integration in the KICs' communities. The following are countries and regions eligible for RIS activities (RIS countries and regions):

- (1) the countries (and the regions in those countries) that are classified as either 'moderate' or 'modest' innovators in at least one of the three EIS annual reports issued in:
 - (a) 2018, 2019 and 2020 for 2021-2024; and
 - (b) in 2021, 2022 and 2023 for 2025-2027; and
- (2) the outermost regions.

The EIT budget devoted to implementing RIS activities shall be at least 10 % and a maximum of 15 % of the overall EIT funding for existing and new KICs, thereby allowing an increase in the number of KIC partners from targeted regions. Activities supported through the RIS shall aim to:

- (1) contribute to improving the innovation capacities of regional and local ecosystems across the Union, via capacity building activities and closer interactions between the local innovation actors, such as clusters, networks, public authorities, HEIs, research organisations, vocational education and training providers and SMEs, as well as the activities of those actors;
- (2) support the objective of attracting new partners in the KICs and link local innovation ecosystems to pan-European innovation ecosystems; and
- (3) leverage additional private and public funding, with particular attention to ESIF.

3.3. Launch of new KICs

In order to contribute to addressing new and emerging global challenges, the EIT shall launch open and transparent calls for proposals to create new KICs in priority fields selected among thematic areas of strategic importance and based on criteria assessing, inter alia, their relevance to the Union policy priorities with regard to addressing global and societal challenges, and their potential and added value to be addressed through the EIT model. The launch of new KICs shall take into account the strategic planning of Horizon Europe and the budget allocated to the EIT for the period from 1 January 2021 to 31 December 2027. The relevant selection criteria for European Partnerships set out in Annex III of Regulation (EU) 2021/695 shall be included in the KIC call for proposals and shall be assessed during the evaluation.

Based on a proposal from the Governing Board and an analysis thereof, a first new KIC, in the field of Cultural and Creative Sectors and Industries (CCSI), is proposed to be launched as soon as possible in 2022 or 2023, with a call for proposals to be published if feasible in 2021. This priority field has the strongest complementarity with the eight existing KICs, as well as with the potential priority areas for other European Partnerships to be launched in the framework of Horizon Europe. A factsheet summarising the challenges in the CCSI field and the expected impact of the new KIC is included in Appendix 1.

A second new KIC, in the field of Water, Marine and Maritime Sectors and Ecosystems (WMM), is proposed to be launched in 2026, with a call for proposals to be published in 2025. The Commission, with the assistance of independent external experts, shall carry out an ex-ante analysis by 2024 to evaluate the relevance of the WMM field. If the analysis results in a negative conclusion, the Commission may submit a proposal to amend SIA 2021-2027, taking into account the contribution of the Governing Board and the strategic planning of Horizon Europe. A factsheet summarising the challenges in the WMM field and the expected impact of the new KIC is included in Appendix 2.

Other new KICs may be selected if budget allocations additional to those of the EIT become available and shall take into account the contribution of the Governing Board, the strategic planning of Horizon Europe and the criteria set for the selection of European Partnerships, in particular openness, transparency, Union added value, contribution to the SDGs, coherence and synergies.

3.4. Supporting the innovation and entrepreneurial capacity of higher education institutions

In cooperation with the Commission, and after consulting the KICs, the EIT shall design and launch a pilot initiative supporting the innovation and entrepreneurial capacities of higher education institutions and their integration in innovation ecosystems (pilot higher education initiative), which will be implemented through the KICs, starting in 2021. Through the knowledge triangle integration model, the EIT is bridging the persistent gap between higher education, research and innovation. In particular, the EIT and the KICs are key tools for the development of human capital through their distinctive focus on innovation and entrepreneurial education. However, the impact of the EIT shall be further extended beyond the KICs' partners.

HEIs across Europe need to be innovative and entrepreneurial in their approach to education, research, and engagement with businesses and the broader regional and local innovation ecosystem, including civil society, public institutions and third sector organisations, in the most inclusive and gender balanced way, which is possible to be achieved through a clear strategy, a methodological framework and commitment of resources.

The KICs' activities relating to the pilot higher education initiative shall be implemented through open and transparent calls for proposals, which will aim to increase the innovation capacity in higher education, targeting mainly HEIs that are not KIC partners in innovation value chains and ecosystems across the Union. The activities shall address primarily the capacity development of HEIs, including:

- (1) the exchange and implementation of best practices in knowledge triangle integration, including organisational learning, training for up-skilling and re-skilling, coaching and mentoring;
- (2) the development of action plans on how to address identified needs in areas such as innovation management, start-up creation and development, technology transfer including intellectual property rights management, sustainability and climate neutrality by design, people and organisational management, the integration of gender approaches in innovation and engagement with local stakeholders and civil society; and
- (3) the implementation of innovation capacity development action plans and follow-up actions.

Those activities shall involve other actors in the knowledge triangle, such as vocational education and training providers, research and technology organisations, SMEs and start-ups, and shall complement the intervention of the EIT on education as a core part of the knowledge triangle integration activities of the KICs. The EIT shall promote stronger cross-KIC collaboration within the pilot higher education initiative. The eligibility criteria to be included in the calls for proposals shall ensure that the majority of funding will go to HEIs from outside of the KICs. The aim of the pilot higher education initiative is that the impact of the EIT reach beyond the KICs and contribute to the EIT's core mission of boosting sustainable economic growth and competitiveness by reinforcing the innovation capacity of Member States, in line with the Horizon Europe goals of fostering entrepreneurial and innovation skills in a lifelong learning perspective, including increasing the capacities of HEIs across Europe.

The EIT support shall also build on policy initiatives such as the HEInnovate ⁽¹⁶⁾ and RIIA ⁽¹⁷⁾ frameworks that have proven their value in a number of HEIs and Member States across the Union. The EIT shall design the support activities in close collaboration with the Commission, and after consulting the KICs, ensuring full coherence and complementarity with relevant activities within Horizon Europe, Erasmus+, established by Regulation (EU) 2021/817 of the European Parliament and of the Council ⁽¹⁸⁾, and other Union programmes.

⁽¹⁶⁾ HEInnovate is a policy framework developed by the Commission and the Organisation for Economic Co-operation and Development (OECD). HEInnovate offers HEIs a methodology to identify innovation capacity areas for further development and to shape relevant strategies and actions in order to achieve the desired impact. HEInnovate is based on sound methodological evidence with eight capacity development areas: Leadership and Governance; Digital Transformation; Organisational Capacity; Entrepreneurial Teaching and Learning; Preparing and Supporting Entrepreneurs; Knowledge Exchange; Internationalisation; and Measuring Impact. OECD has published a number of HEInnovate-based country reports, see OECD Skills Studies series at <https://www.oecd-ilibrary.org/education/>

⁽¹⁷⁾ The Regional Innovation Impact Assessment framework (RIIA) was developed by the Commission as a first step in guiding assessments of the innovation impact of universities through the elaboration of metrics based case studies. Assessing the innovation impact, e.g. through the RIIA framework, could potentially be tied to innovation performance based funding instruments at the Union, national or regional level.

⁽¹⁸⁾ Regulation (EU) 2021/817 of the European Parliament and of the Council of 20 May 2021 establishing Erasmus+: the Union Programme for education and training, youth and sport and repealing Regulation (EU) No 1288/2013 (see page 1 of this Official Journal).

The specific details of the implementation and delivery mechanism process shall be further developed and fine-tuned in the first three years and shall be subject to monitoring and evaluation during this pilot phase. The evaluation of the pilot phase shall be conducted by independent external experts and the results shall be communicated to the Member State Representatives Group (MSRG) and to the European Parliament. Based on the results of that evaluation, the Governing Board shall decide whether the pilot higher education initiative is to be either continued and scaled-up or discontinued.

The Governing Board shall steer and supervise the implementation and monitoring of the activities of the KICs. Particular attention shall be paid to ensuring an open and inclusive approach to attract HEIs beyond the KICs' partners aiming for wide geographical coverage; an inter-disciplinary and inter-sectoral approach; a broader participation of women in sectors where they are underrepresented; and a link with the RIS, relevant thematic platforms and smart specialisation strategies, and the Policy Support Facility when appropriate.

The EIT shall strengthen and widen the scope of the EIT label beyond the KICs to include the HEIs participating in the action. With the involvement of actors from across the knowledge triangle, the EIT shall strive to link its support for developing innovation capacity in higher education to the EIT label, which is currently awarded to the KICs' education programmes.

The EIT shall extend the EIT label to lifelong learning activities, such as mentoring, vocational training, skilling, re-skilling and up-skilling programmes, massive open online courses, involving and reaching out to a wider target group of students, adult learners and institutions, including vocational education and training institutions, beyond the KICs. The application of the EIT label beyond the EIT Community is expected to have a more structuring effect at all levels (individual, programme and institution).

The EIT shall monitor the award and expansion of the EIT label to KICs' education and training programmes and explore a more effective quality assurance mechanism, including external recognition and accreditation of the EIT label.

To ensure the success of the pilot higher education initiative, the EIT shall provide specific guidance, expertise and coaching to participating HEIs and target HEIs from across Europe, paying particular attention to HEIs from countries (and regions in those countries) that are moderate and modest innovators and other low performing regions that wish to develop their innovation capacities and strengthen their innovation footprint and smart specialisation strategies.

3.5. EIT cross-cutting activities

3.5.1. Communication and dissemination

The EIT and the KICs shall strive to improve and reinforce their communication and visibility, and apply an improved branding strategy with regard to their main stakeholders in Member States and beyond, in line with the communication approach used with regard to Horizon Europe. With a growing number of KICs and the pilot higher education initiative, the EIT shall boost its efforts to increase the recognition of Union support as a quality brand for innovation. This brand management and improved communication is crucial, in particular with regard to citizens and national and regional authorities, as the innovations coming out of the EIT contribute to demonstrating the concrete impact of Union investments through Horizon Europe.

The EIT shall strive to increase the use of existing Union information networks and provide coordination to their activities in order to ensure better advice and guidance to potential KIC partners. Such increased use and coordination may include the support of the national and regional authorities in identifying the necessary synergies with the multiannual strategies of the KICs. In order to ensure wider dissemination and better understanding of the opportunities offered by the EIT, the EIT shall reinforce guidance and assistance on aspects related to participation in KICs across Europe by building on existing networks of information and structures across Europe, in particular the National Contact Points referred to in Regulation (EU) 2021/695.

In order to ensure that a large stakeholder community across the knowledge triangle at Union, national, regional and local level is aware of all EIT (and KIC) calls and funded projects, they will appear also in the European Funding and Tender Opportunities Portal, under Regulation (EU) 2021/695.

The EIT shall organise regular meetings of the MSRG and of Commission related services, at least twice a year, to ensure appropriate communication and flow of information with Member States and at Union level. The European Parliament and the Council shall be kept duly informed of the performance, achievements and activities of the EIT and the KICs. In addition, the MSRG shall advise the EIT on strategically important issues. The MSRG, together with the EIT, shall ensure appropriate support to liaise and promote synergies about EIT-supported activities with national or regional programmes and initiatives, and share information about the potential national and regional co-financing of those activities.

The EIT shall further increase the visibility of its action towards citizens and the EIT Community through the Stakeholder Forum ⁽¹⁹⁾, the EIT Awards and the EIT Alumni Community ⁽²⁰⁾ with the aim of promoting the interactions with European actors of the knowledge triangle and recognise the most promising innovators and entrepreneurs in Europe.

The EIT shall continue to steer and provide strategic guidance to the EIT Alumni Community (in collaboration with the EIT Alumni Board) to maximise its entrepreneurial and societal impact and the continuous involvement of its members in EIT-supported activities. In the course of 2021-2027 the EIT Alumni Community will continue to grow and will also include the alumni taking part in the actions supporting the innovation capacities of HEIs.

3.5.2. Identify and share good practices with stakeholders

The EIT shall identify, codify, effectively share, and disseminate learning and good practices emerging from EIT-funded activities and, for that purpose, engage with Member State authorities at both national and regional level, with the Commission and the European Parliament, in particular with its Science and Technology Panel, establishing a structured dialogue and coordinating efforts. The KICs and the projects supporting innovation and entrepreneurial capacity of HEI are expected to be a valuable source of evidence and experimental learning for policy-makers in the field of research, innovation and higher education, as well as in different thematic domains.

To date, the good practices and learning stemming from the KICs have not been pooled or codified sufficiently or disseminated effectively. The EIT shall further develop its role as an innovation institute with the ability to detect, analyse, codify, share and ensure the take-up of innovative practices, learning and results from the EIT-funded activities (support for education and training, research and innovation and entrepreneurship) on a broader scale. That EIT activity shall build on the links and synergies with the other initiatives within Horizon Europe, in particular the EIC, the missions and the European Partnerships.

3.5.3. International cooperation and global outreach activities

The EIT shall develop broad lines of international cooperation of the EIT and the KICs under the supervision of the Governing Board, in compliance with the Horizon Europe approach to international cooperation as referred to in Regulation (EU) 2021/695 and other relevant Union policies, and in consultation with the respective Commission services. The EIT shall seek to ensure that its activities have a greater impact through international cooperation and shall coordinate international EIT-funded activities by the KICs. Its focus shall be to align closely with relevant policy objectives of the Union as well as its research and innovation priorities, and to ensure Union added value.

⁽¹⁹⁾ As defined in point (11) of Article 2 of Regulation (EU) 2021/819.

⁽²⁰⁾ The EIT Alumni Community brings together entrepreneurs and change agents who have participated in an education or entrepreneurship programme delivered by a KIC. The Community represents a network of over 5 000 members.

When a physical presence of the EIT Community in a third country is deemed to be necessary to increase the impact and deliver more efficiently on its objectives, the EIT shall ensure coordination of the intervention, and provide incentives for joint KIC efforts.

In its international cooperation and global outreach activities, the EIT, in cooperation with the Commission, shall focus on effective tackling of global challenges, contributing to relevant international initiatives and the SDGs, ensuring access to talent and enhanced supply and demand of innovative solutions. The EIT shall closely monitor those activities and ensure that they comply with the Horizon Europe approach to international cooperation as referred to in Regulation (EU) 2021/695 and other relevant Union policies.

3.6. Making it work: mode of operation

This section includes a number of measures that aim to adapt and improve the current functioning of the EIT and the KICs. An effective, empowered and strategic Governing Board shall monitor the implementation of those measures at the EIT level, and shall provide the necessary incentives and control, including through the performance-based funding allocation process, to ensure that the KICs implement them.

3.6.1. KIC operational model

The EIT shall ensure that the implementation of the KICs is in full compliance with the relevant requirements provided for in Regulation (EU) 2021/695, including ensuring the transition of the eight existing KICs towards the delivery of the new implementation criteria for European Partnerships set out in that Regulation. Therefore, the EIT shall provide strengthened operational guidance to the KICs and continuously monitor the KICs' performance to ensure compliance with sound management, good governance, monitoring and evaluation principles set out in Regulation (EU) 2021/819, as well as the principles and criteria for European Partnerships set out in Regulation (EU) 2021/695 and alignment with the requirements stemming from Horizon Europe priorities and indicators in order to maximise their performance and impact, based on a long-term collaboration strategy between the EIT and the KICs. Appropriate corrective measures shall be taken if a KIC underperforms, delivers inadequate results, fails to achieve the expected impact or lacks Union added value.

The EIT shall ensure that the measures ensuring continuous openness of the KICs to new members as well as transparency during implementation be improved, in particular by adopting and applying transparent, clear and consistent accession and exit criteria for new members that add value to the partnerships, as well as other provisions such as transparent procedures for preparation of their business plans, and by systemically monitoring the KICs' activities. The KICs shall also run their activities in a fully transparent way, including through open calls for identifying and selecting their projects, partners and other activities and shall remain open and dynamic partnerships that new partners across the Union, including an increasing share of SMEs and start-ups, that add value to the partnership are able to join on the basis of excellence and innovation relevance. In order to limit the concentration of funding and ensure that the KICs' activities benefit from a wide network of partners, the procedure for the preparation of their business plans (including the identification of priorities, the selection of activities and the allocation of funds) and related funding decisions shall be made more transparent and inclusive. The KICs' multiannual strategies shall address the expansion of the partnership, including the establishment of new CLCs for which the Governing Board shall allocate an adequate budget. When deciding on the funding, the Governing Board shall take into account the progress towards the targets indicated in the multiannual strategies, inter alia, the number of CLCs. KICs shall make broader use of competitive funding mechanisms and increase the openness of calls, in particular for projects that are open to third parties. All those measures will increase the number of participating entities involved in the KICs' activities. Finally, the KICs shall report on the involvement of new partners in their regular reporting as one of the elements of their performance-based funding.

As KICs operate across the entire value chain of innovation, they shall ensure an appropriate and continuous balance between the three sides of the knowledge triangle and related activities in their business plan portfolio. The EIT shall monitor the KICs' operations to ensure that they are implemented through a lean, efficient and cost-effective structure that keeps administrative, management and overhead costs to a minimum. The EIT shall ensure that the KICs achieve their expected impacts through a broad range of activities, identified in their business plans, which effectively support the fulfilment of their objectives, including their potential impact on innovation ecosystems at Union, national, regional and local level.

Commitments from each KIC's partner shall be ensured by regularly monitoring the actual partner's contributions against the original commitments. The EIT shall ensure that the KICs have a risk management system in place for cases where some partners are not able to meet their original commitments. In pursuing the financial sustainability of their activities, the KICs shall look to a wide range of revenue and investment sources. To that end, the KICs shall ensure that the conditions of access to the partnership remain attractive to a wide range of potential partners. Any membership or tuition fees should not constitute a barrier for the participation of relevant partners in a KIC, in particular for SMEs, start-ups and students.

3.6.2. KIC funding model

Through a lean and simplified funding model, the EIT is expected to enhance the impact of the KICs and their contribution towards reaching the objectives of the EIT and Horizon Europe, as well as encourage the commitment of the KICs' partners. In order to increase the added value of its support, the EIT shall adapt its funding model. The EIT shall make best efforts to facilitate a smooth transition between MFF periods, in particular for the ongoing activities. There are three main areas where the EIT shall implement improvements.

First, the EIT shall gradually decrease the funding rate for KIC added-value activities ⁽²¹⁾ in order to increase the levels of private and public investments other than revenues from their partners. The adaptation of the funding model is expected to facilitate the ability of the KICs to manage the transition towards financial sustainability. It is expected that KICs be encouraged to gradually decrease the share of EIT funding in their business plan during the duration of the partnership agreements, while increasing the level of co-investment from non-EIT sources. Decreasing EIT funding rates for KIC added-value activities shall be applicable across phases of the KICs' entire life cycle (start-up, ramp-up, maturity, exit from the EIT grant), as presented in the following table:

	Start-up	Ramp-up	Maturity	Exit from EIT grant
Years	1 – 4	5 – 7	8 – 11	12 – 15
EIT funding rate	Up to 100 %	Up to 80 %	Up to 70 %	Up to 50 % at year 12, decreasing by 10 % per annum

Figure 1: EIT funding rates 2021-2027

The activities of some of the KICs, due to their specific nature, might need extra incentives to be performed. To that end, the Governing Board might decide to apply more favourable funding conditions for cross-KIC activities, RIS activities and the pilot higher education initiative.

Second, the EIT shall ensure that the grant allocation process will follow a performance-based funding model. The use of multiannual grants shall be increased to the extent possible. The EIT funding shall be directly tied to progress made in the areas listed in Article 10 and Article 11(5) of Regulation (EU) 2021/819 and to the KICs' objectives as laid down in their business plans, and could be reduced, modified or discontinued in the event of a lack of results. The EIT shall, inter alia, provide stronger incentives to the KICs to strive for new partners and shall take corrective measures, in particular based on the KIC's individual performance, in order to ensure the highest level of impact.

Third, the EIT shall apply strict rules for reinforcing the comprehensive assessment mechanism prior to the expiry of the initial seven-year period of the KIC's operations in accordance with Articles 10 and 11 of Regulation (EU) 2021/819. That comprehensive assessment, to be undertaken with the help of independent external experts, shall be in line with best international practice and with the monitoring and evaluation criteria for European Partnerships set out in Regulation (EU) 2021/695. It shall take place before the expiry of the initial seven-year period. As a result of the comprehensive assessment, the Governing Board shall decide to continue, modify or discontinue (thus not extending the partnership agreement with that KIC) the financial contribution to a KIC and reallocate the resources to better performing activities. The Governing Board shall seek the opinion of the MSRG prior to adopting that decision.

⁽²¹⁾ As defined in point (13) of Article 2 of Regulation (EU) 2021/819.

3.6.3. Reducing the administrative burden

The EIT shall intensify its efforts towards simplification in order to reduce the administrative burden on the KICs, allowing the implementation of their business plans and multiannual strategies in an agile and efficient way. Such simplification may include the use of lump sum or unit costs for relevant KIC activities. Moreover, in order to provide for better planning of resources, in particular of innovation activities, as well as facilitate stronger commitment and long-term investment from participating partners in the activities of the KICs, the EIT shall sign multiannual grant agreements with KICs, when appropriate including provisions for performance-based funding, under the respective partnership agreements. Those multiannual grant agreements shall not exceed three years.

3.6.4. EIT relation with KICs after the termination of the partnership agreement

The EIT shall develop the general principles for the relation with KICs after the termination of the partnership agreement in line with the framework for European Partnerships provided for in Regulation (EU) 2021/695. Based on an in-depth independent study, to be conducted by the end of 2023, the EIT shall establish, in close cooperation with the Commission, the overall framework for its relations with the KICs whose partnership agreement is terminated or expired in the course of the 2021-2027 programming period. That in-depth independent study shall include an assessment of the KIC's efforts to achieve financial sustainability, the revenues generated and KIC's financial outlook and shall identify any activities, the continuation of which might be at risk due to a lack of resources. Subject to a positive outcome of a final review, the EIT may conclude a memorandum of cooperation ⁽²²⁾ with a KIC, aiming to maintain active cooperation with it after the termination of the partnership agreement.

The memorandum of cooperation shall include:

- (a) rights and obligations linked to the continuation of the knowledge triangle activities as well as the maintenance of the KIC's ecosystem and network;
- (b) conditions for the use of the EIT brand and participation in EIT Awards and in other initiatives organised by the EIT;
- (c) conditions for the participation in higher education and training activities including the use of the EIT label for education and training programmes and relations with the EIT Alumni Community;
- (d) conditions for participation in EIT competitive calls for some specific activities, including cross-KIC activities and shared services;
- (e) conditions for additional support from the EIT for transnational coordination activities among the CLCs with a high Union added value.

Taking into account the results of an in-depth independent study, the Governing Board shall establish the duration, content and structure of the memorandum of cooperation, including the specific activities of the KICs that can be supported under points (a) to (e) of the second paragraph. The KICs shall be entitled to participate in the activities of the EIT in accordance with the conditions set out in the memorandum of cooperation, including the participation in competitive calls.

3.7. Synergies and complementarities with other Union programmes

Building on its broad scope of action and distinctive role as an integral part of Horizon Europe, the EIT is well placed to create synergies and provide complementarities, while avoiding duplications, with other Union programmes or instruments, including by reinforcing its support for KICs in their planning and implementing activities. The EIT is expected to contribute to synergies in the mid to long term, inter alia with regard to the following:

Erasmus+

- The EIT shall seek to establish synergies between Erasmus+ and EIT communities. Cooperation is to be geared towards ensuring access for Erasmus+ students participating in KIC partner HEIs to KIC summer schools or other relevant training activities (for instance, on entrepreneurship and innovation management) and establishing contacts with the KICs' alumni network.

⁽²²⁾ As defined in point (15) of Article 2 of Regulation (EU) 2021/819.

- Cooperation activities may also include delivery of training by the EIT or the KICs to academic staff (from any HEIs, beyond the KICs) for curricula integrating entrepreneurship and innovation, as well as testing, adoption and scaling-up of innovative practices developed within Erasmus+ networks (such as the alliances for innovation between HEIs and businesses) by KICs and vice versa.
- Synergies are to be ensured, where possible, with the European Universities initiative that could help mainstream the EIT's education activities to reach a systemic impact.

Digital Europe Programme, established by Regulation (EU) 2021/694 of the European Parliament and of the Council ⁽²³⁾

- The KICs, in particular the CLCs, shall collaborate with the European Digital Innovation Hubs in accordance with Regulation (EU) 2021/694 to support the digital transformation of the industry and public sector organisations.
- Feasibilities shall be explored to use infrastructures and capacities developed under the Digital Europe Programme (such as data resources and libraries of artificial intelligence algorithms and high performance computing competence centres in Member States) by the KICs in education and training, as well as for testing and demonstration purposes in innovation projects.

Cohesion Policy Funds (in particular the European Regional Development Fund and the Cohesion Fund, established by a Regulation of the European Parliament and of the Council on the European Regional Development Fund and on the Cohesion Fund and the European Social Fund Plus, established by a Regulation of the European Parliament and of the Council on the European Social Fund Plus (ESF+))

- The KICs, through the CLCs and RIS hubs, shall promote regional and cross-regional cooperation between the knowledge triangle actors and managing authorities, in synergy with interregional cooperation and investments along value chains in related smart specialisation priority areas, and the work of the thematic smart specialisation platforms. Such cooperation with managing authorities may lead to including KIC activities in the operational programmes. The EIT shall also explore contributing to the skills development initiatives under the Cohesion Policy Funds through the exchange of best practices.
- The EIT shall promote the collaboration between relevant KICs and the smart specialisation platforms, in order to facilitate synergies between EIT resources, Cohesion Policy Funds and other Union, national and regional programmes. The aim is to reach a broader representation of EIT activities across the Union, to strengthen links with smart specialisation strategies and to better use the RIS to leverage ESIF in EIT and KIC activities.

InvestEU Programme

- The KICs shall seek the collaboration of the InvestEU Advisory Hub to provide technical support and assistance to KIC-backed ventures for the preparation, development, and implementation of projects.
- The KICs shall strive to contribute to feed the InvestEU Portal in order to bring investors and financial intermediaries closer to KIC-backed ventures, in close collaboration with Commission services and in synergy with the EIC.

Creative Europe Programme, established by Regulation (EU) 2021/818 of the European Parliament and of the Council ⁽²⁴⁾

The Creative Europe Programme is relevant, inter alia, to the activities of a new KIC on CCSI. Strong synergies and complementarities are to be developed with the Creative Europe Programme in areas such as creative skills, jobs and business models.

Single Market Programme, established by Regulation (EU) 2021/690 of the European Parliament and of the Council ⁽²⁵⁾.

⁽²³⁾ Regulation (EU) 2021/694 of the European Parliament and of the Council of 29 April 2021 establishing the Digital Europe Programme and repealing Decision (EU) 2015/2240 (OJ L 166, 11.5.2021, p. 1).

⁽²⁴⁾ Regulation (EU) 2021/818 of the European Parliament and of the Council of 20 May 2021 establishing the Creative Europe Programme (2021 to 2027) and repealing Regulation (EU) No 1295/2013 (see page 34 of this Official Journal).

⁽²⁵⁾ Regulation (EU) 2021/690 of the European Parliament and of the Council of 28 April 2021 establishing a programme for the internal market, competitiveness of enterprises, including small and medium-sized enterprises, the area of plants, animals, food and feed, and European statistics (Single Market Programme) and repealing Regulations (EU) No 99/2013, (EU) No 1287/2013, (EU) No 254/2014 and (EU) No 652/2014 (OJ L 153, 3.5.2021, p. 1).

KICs shall seek cooperation with the Enterprise Europe Network (EEN) and its Sector Groups to facilitate business-to-business cooperation, technology transfer and innovation partnerships for entrepreneurs wishing to develop their activities across the Union and beyond in accordance with Regulation (EU) 2021/690. EEN organisations will promote the KICs' activities among their SME clients. The EIT shall explore cooperation on the mobility programmes for new entrepreneurs to improve their entrepreneurial skills.

4. TACKLING THE CRISIS RESULTING FROM THE OUTBREAK OF COVID-19

Major social, economic, environmental and technological changes arising from the COVID-19 crisis will require the collaboration of all Union institutions, bodies, offices and agencies. The EIT should contribute to the necessary innovation efforts by providing a coherent response to the COVID-19 crisis.

The EIT will ensure that the KICs support and promote the delivery of innovative solutions in different fields of action in accordance with the priorities of the Recovery Plan for Europe, the European Green Deal, the New Industrial Strategy for Europe and the SDGs, thus contributing to the recovery of Europe's societies and economy and strengthening their sustainability and resilience.

In particular, the EIT should ensure that the KICs are able to operate with the necessary flexibility to adapt to the challenges arising from the COVID-19 crisis, as well as to new and unexpected challenges and priorities. Under the supervision and control of the EIT, the KICs could create measures that are fit for the purpose of supporting and increasing the resilience of their ecosystems, namely their partners and beneficiaries and beyond their existing communities. Specific attention should be paid to actions aiming to increase the resilience of microenterprises, SMEs and start-ups, as well as students, researchers, entrepreneurs and employees who have been hit particularly hard by the COVID-19 crisis.

The KICs are also invited to exploit synergies with other Union initiatives and partnerships, with a view to supporting the strength of Europe's innovation ecosystems.

In adapting to the new situation, the KICs may make use of innovative collaborative tools, instruments, information and support services to ensure collaboration and interaction within their communities.

The EIT, seeking synergies with other Union programmes and agencies, may propose initiatives based on the integration of the knowledge triangle aiming to support innovation ecosystems in the Union. To that end, the EIT may promote new cross-KIC activities to tackle challenges arising from the COVID-19 crisis.

5. RESOURCES

5.1. Budget needs

The EIT's budget needs in the period 2021-2027 are EUR 2 965 000 000 and are based on three main components: (1) expenditure for the existing eight KICs (reflecting that for three of them the partnership agreements will come to an end by 2024) and the launch of two new KICs (one in 2022 or 2023 and a second one in 2026); (2) EIT administrative expenditure; and (3) expenses for preparation, monitoring, control, audit, evaluation and other activities and expenditures necessary for managing and implementing the activities of the EIT, as well as evaluating the achievement of its objectives in accordance with Article 12(6) of Regulation (EU) 2021/695.

Around EUR 2 854 000 000 (96 % of the total EIT budget) is envisaged to fund existing and new KICs of which:

- (a) at least 10 % and a maximum of 15 % shall be dedicated to the RIS;
- (b) a maximum of 7 % shall be dedicated to cross-KIC activities, including support for KICs for which the partnership agreement is expired or terminated;
- (c) a maximum of 3 % shall be dedicated to a pilot higher education initiative of three years.

Through the introduction of a gradually decreasing EIT funding rate, the KICs are expected to mobilise a further EUR 1 500 000 000 of other public and private sources. The budget for the launch of two new KICs (one to be launched as soon as possible in 2022 or 2023 and a second to be launched in 2026) will be around EUR 300 000 000. If budget allocations additional to those of the EIT become available, the EIT may launch additional KICs.

The EIT shall continue to be a lean and dynamic organisation. The costs of EIT administrative expenditure, covering necessary staff, administrative, infrastructure and operational expenses, shall, on average, not exceed 3 % of the EIT budget. Part of the administrative expenditure is covered by Hungary through the provision of office space free of charge until the end of 2029. To that end, a major effort shall be made to decrease the KICs' administrative costs which, in any event, shall be kept to a reasonable minimum.

5.2. Impact (monitoring and evaluation)

The measurement of the EIT's impact is expected to be continuously improved over the next programming period taking into account the lessons learnt and the experiences gained so far and the need to streamline its practices with those of Horizon Europe. The EIT shall apply an evaluation, reporting and monitoring framework in accordance with Articles 10, 11 and 20 of Regulation (EU) 2021/819, ensuring coherence with the overall approach taken for Horizon Europe while catering for flexibility. In particular, feedback loops between the Commission, the EIT and the KICs shall be improved in order to address the objectives in a consistent, coherent and efficient manner.

5.2.1. Reporting and monitoring

The EIT shall improve its current monitoring system and introduce a reporting and monitoring framework including key performance indicators, aligned with the impact pathway indicators of Horizon Europe. The reporting and monitoring of the KICs' operational performance, including their administrative expenditure and their results, will be a primary task of the EIT and shall be implemented in cooperation with Horizon Europe common corporate services within the Commission. The reporting and monitoring system for the KICs shall be built into the overall Horizon Europe monitoring system, in particular by implementing common data models including data collection stored in the Horizon Europe database. The Commission shall take part in the co-design of all relevant impact and monitoring indicators and tools developed or applied by the EIT in order to ensure coherence with the overall Horizon Europe monitoring system, including the impact pathway indicators, the criteria for European Partnerships and the strategic planning of Horizon Europe. Continuous monitoring procedures, as well as interim review and comprehensive assessment procedures, including the establishment of a sound set of quantitative and qualitative indicators and their related baseline and targets, shall be established by the Governing Board. Furthermore, the EIT shall take into account the deployment of the innovation radar methodology in Horizon Europe, and shall explore how innovation radar could be leveraged by the KICs in order to enhance its monitoring activities.

The results of such monitoring shall feed into the KICs' multiannual business planning processes and determine the allocation of the EIT's performance-based funding of the KICs' activities and the preparation of the partnership agreements and grant agreements with the KICs as beneficiaries. Furthermore, the results of the monitoring of the KICs is expected to feed into the strategic coordinating process for the European Partnerships.

The EIT's activities, including those managed through the KICs, are expected to have:

- (1) a technological, economic and innovation impact by influencing the creation and growth of businesses, as well as the creation of new innovative solutions to address global challenges, creating direct and indirect jobs and mobilising additional public and private investments;
- (2) a scientific and educational impact by strengthening human capital in research and innovation, enhancing innovative and entrepreneurial skills both at individual and organisational levels and fostering the creation and diffusion of knowledge and innovation openly within society;
- (3) a societal impact, including an impact derived by the delivery of systemic solutions within and beyond the EIT Community, also through cross-KIC activities, by addressing Union policy priorities in the fields of climate change (such as mitigation, adaptation and resilience), energy, raw materials, health, added value manufacturing, digital, urban mobility, food, culture and creativity, or water through innovative solutions, engagement with citizens and end-users and by strengthening the uptake of innovative solutions in those areas of society.

The EIT shall ensure the development of specific societal indicators in the areas of activity of the KICs and shall carry out regular monitoring in line with the Horizon Europe framework for societal impact.

The impacts referred to in the third paragraph shall be measured, inter alia, in accordance with the impact pathway indicators set out in Annex V to Regulation (EU) 2021/695.

Additional indicators, including societal impact indicators in the areas of activity of the KICs, shall be developed by the EIT together with the Commission in line with the development of the Horizon Europe indicator framework and shall reflect the overall approach for European Partnerships to contribute to scientific, economic and societal impact. The alignment of the impact indicators with Horizon Europe aims to monitor progress towards the EIT's objectives over time, ensuring a comparative evidence-base on results and impacts generated by the KICs vis-à-vis Horizon Europe. In addition, the EIT shall ensure that the monitoring system captures progress in relation to activities specific to the KIC model, such as knowledge triangle integration and entrepreneurial skills. The indicators on EIT education-related activities (including those supporting the capacities of HEIs) shall monitor for example:

- (1) human capital skill acquisition and HEI engagement and capacity improvement (short term);
- (2) career and the role and performance of HEIs in local innovation ecosystems (medium term); and
- (3) working conditions and the role and performance HEIs in local innovation ecosystems (long term).

The continuous monitoring of the KICs shall be performed in an efficient way and address, inter alia, the following:

- (1) progress towards financial sustainability in particular leveraging new sources of investments;
- (2) progress towards pan-European coverage and openness, as well as transparency of governance;
- (3) effectiveness in business acceleration (namely, created and supported high-growth ventures);
- (4) each KIC's administrative and management costs;
- (5) the operations of CLCs and the RIS hubs and entities and their integration in the local innovation ecosystems;
- (6) the implementation of education and training activities, including the extended use of the EIT label.

The following table sets out a non-exhaustive list of key performance indicators and targets that are expected to be monitored by the EIT in the period 2021-2027. Those indicators provide the main input and output orientations for monitoring the achievement of the EIT's key objectives for 2021-2027, such as fostering innovation and entrepreneurship through better education, increasing its regional and local impact and openness towards potential partners and stakeholders, ensuring balance between revenues and costs, establishment of new CLCs and bringing new innovative solutions to global challenges to market.

EIT Management Indicators	Target 2023 (baseline 2020)	Target 2027 (baseline 2020)
Number of entities/organisations participating in activities of the EIT and the KICs	20 % increase	50 % increase
Number of innovations (products and services) launched on the market	1 500	4 000
HEIs involved in activities of the EIT and the KICs	285	680
Number of students involved in education activities of the EIT and the KICs	8 500	25 500
Number of start-ups supported	300	700
KICs' funding	EUR 700 000 000	EUR 1 500 000 000
Number of entities/organisations participating in activities of the EIT and the KICs from regions outside the KICs' CLC regions	50 % increase	100 % increase

In order to improve openness and transparency, the EIT shall ensure that the project data collected through its internal monitoring system, including the results from the KICs, is fully accessible and integrated in the overall data management system of Horizon Europe. The EIT shall ensure that detailed information arising from its monitoring and evaluation process is made available in a timely manner and is accessible in the Horizon Europe database. In addition, the EIT shall ensure dedicated reporting on quantitative and qualitative impacts, including on committed and actually provided financial contributions.

5.2.2. Evaluation, interim review and comprehensive assessment

The periodic independent evaluations of EIT activities, including those managed through the KICs, shall be carried out by the Commission in accordance with Regulations (EU) 2021/819 and (EU) 2021/695.

In accordance with Article 20 of Regulation (EU) 2021/819, the interim evaluation shall assess, inter alia, the result and impacts of the pilot higher education initiative, the effectiveness of the KICs' financial sustainability strategies, the impact of RIS activities and the collaboration between the EIT and the implementing bodies under Pillar III 'Innovative Europe' of Horizon Europe. In that respect, the EIT evaluations shall, in particular, assess the effectiveness, efficiency, relevance, coherence and Union added value of the EIT activities, including through the KICs. They shall be carried out by the Commission, with the assistance of independent external experts, and they shall feed into the Horizon Europe evaluations carried out by the Commission, also in view of a systemic assessment of the Pillar III 'Innovative Europe' of Horizon Europe, in particular with respect to the one-stop shop for innovation.

Each KIC shall be subject to a comprehensive assessment conducted by the EIT, under the supervision of the Governing Board and with the support of independent external experts, before the end of the seven-year period of the partnership agreement, as well as to a final review before its end. On the basis of a comprehensive assessment, the Governing Board shall decide on whether to extend the partnership agreement beyond the first seven years, while the final review shall be used as a basis on which to negotiate a possible memorandum of cooperation. When conducting those evaluations, in accordance with Article 11(5) of Regulation (EU) 2021/819, the Governing Board shall take into account the implementing, monitoring and evaluation criteria for the European Partnerships set out in Regulation (EU) 2021/695, the achievement of the KIC's objectives, its coordination with other relevant research and innovation initiatives, its level of financial sustainability, its capacity to ensure openness to new members, the transparency of its governance, and its achievement in attracting new members, within the limits of the Union contribution referred to in Article 21 of Regulation (EU) 2021/819, the Union added value and relevance with regard to the objectives of the EIT.

In addition, in accordance with Article 11(2) of Regulation (EU) 2021/819, the EIT shall, under the supervision of the Governing Board, conduct interim reviews of the KICs' performance and activities covering their first three years of the partnership agreement (namely, the KICs' start-up phase) and, if it is the case, the three years following its extension (namely, the maturity phase). Those reviews shall be based on the continuous monitoring performed by the EIT. They shall help the Governing Board to get early indications on the KICs' performance with respect to their strategy and targets, as well as compliance with Governing Board indications.

In accordance with Article 11(6) of Regulation (EU) 2021/819, in the event that the continuous monitoring, an interim review or the comprehensive assessment of a KIC shows inadequate progress in areas referred to in Article 10 of that Regulation or a lack of Union added value, the Governing Board shall take appropriate corrective measures. The corrective measures may take the form of a reduction, modification or withdrawal of the EIT's financial contribution or the termination of a partnership agreement, as well as binding recommendations related to the KIC's activities, or suggestions for adaptations of its delivery and operational models.

The results of those interim reviews and evaluations shall be made publicly available, communicated to the European Parliament and to the Council and reported to the strategic coordinating process for European Partnerships.

Appendix 1

Factsheet on the KIC on Cultural and Creative Sectors and Industries (CCSI)**I. The Challenge**

A KIC on CCSI ⁽²⁶⁾ can bring a horizontal solution to an array of rising challenges, which are of a permanent nature and may be addressed through education, research and innovation activities. Those challenges may be grouped into four pillars:

- (1) European creativity, cultural and linguistic diversity;
- (2) European identity and cohesion;
- (3) European employment, economic resilience and smart growth; and
- (4) Europe as a global actor.

European creativity and cultural diversity depends on resilient and robust CCSI. However those sectors are facing a number of challenges as a result of the increased competition from global players and the digital shift.

- Producers, creators, distributors, broadcasters, cinema, theatres and all types of cultural organisations and businesses need to innovate in order to attract new audiences and expand, and to develop new processes, services, contents and practices that provide societal value.
- The shortage of entrepreneurship and cross-cutting skills in cultural and creative sectors ⁽²⁷⁾ concerns both emerging sub-sectors and very mature ones that undergo a profound digital transformation. Those skills are needed for innovation and are crucial in light of labour market changes that the sector is facing.
- Cultural heritage is an undisputed expression of cultural identity, an important public good and a source of innovation, providing good return on investment and significant economic revenues, but its potential is still largely untapped. As a catalyst for sustainable heritage-led regeneration and an essential stimulus to education and lifelong learning, fostering cooperation and social cohesion, it is likely to benefit greatly from a KIC on CCSI.

Societal challenges related to European identity and cohesion can generally be described in terms of a lack of 'bridges' connecting different parts of society and connecting different territories. They include issues related to social exclusion, the need to build closer intercultural links, protect linguistic diversity, including minority languages, and develop a sense of common belonging based on our cultural diversity and common heritage that could be addressed through more inclusive and accessible community participation, innovations in design, architecture and the use of public spaces, as well as culture-led societal innovation. In particular:

- there is limited cooperation among researchers, between research and industry, and between public and third sector organisations, as well as insufficient coordination and unnecessary duplication of research and development efforts, sharing of methods, results, and best practices;
- the level of integration of creative clusters and innovation hubs is insufficient;
- a significant share of regional smart specialisation priorities in Europe refers to culture under different angles (such as cultural heritage, creative industries and the arts);

⁽²⁶⁾ CCSI relate to all sectors and industries whose activities are based on cultural values, cultural diversity and individual and/or collective artistic and other creative expressions, whether those activities are market or non-market oriented, whatever the type of structure that carries them out, and irrespective of how that structure is financed. Those activities include the development of skills and talent with the potential to generate innovation, the creation of wealth and jobs through the production of social and economic value, including from intellectual property management. Those activities relate also to the development, the production, the creation, the dissemination and the preservation of goods and services which embody cultural, artistic or other creative expressions, as well as related functions such as education and management. The cultural and creative sectors include, inter alia, architecture, archives, the arts, libraries and museums, artistic crafts, audiovisual (including film, television, software, video games, multimedia and recorded music), tangible and intangible cultural heritage, design, creativity-driven high-end industries and fashion, festivals, music, literature, performing arts (including theatre and dance), books and publishing (newspapers and magazines), radio and visual arts, and advertising.

⁽²⁷⁾ Cultural and creative studies in European universities are mostly focused on the 'creative part' and their graduates are not always ready to enter the modern labour market as they lack cross-sectoral (entrepreneurial, digital and financial management) skills. With regard to HEIs, the Union is trailing behind the United States of America in communication and media studies (while Union universities are performing better in more traditional disciplines such as art and design or performing arts).

- given the important role of culture and creativity for the economic and social development of cities and regions and their ability to further help address disparity issues across Europe, the potential of a KIC on CCSI is high.

Current challenges related to European employment, economic resilience, and smart growth, include socio-economic issues such as tackling unemployment (in particular youth unemployment), improving skills and working environments and facing global competition.

- There is a high market concentration: in 2013, around 50 % of the total Union turnover and added value was generated in the United Kingdom, Germany and France.
- Globalisation, digitisation and technological innovation have a strong impact on European industries. Those developments have changed the way in which artists produce and distribute their works and relate to their audiences, changing the traditional business models of CCSIs, and they have fundamentally altered consumer expectations and behaviour. In addition, the increasing power of non-European content production companies has had a huge impact on the traditional value chain.
- Creative, cultural and artistic productions often face the challenge of monetising their output and products, thereby creating highly precarious areas of work. New innovative ways of supporting micro, small and medium-sized creative and cultural organisations and enterprises are to be found.

The role of Europe as a global actor includes the need to enhance the dissemination of European cultural content. Europe needs to remain competitive in the global digital race for the creation of new technologies (such as Artificial Intelligence, the Internet of Things and blockchain) for which CCSI are important generators of content, products and services. Moreover, on a global scale, CCSI (such as design and architecture) contribute actively to the sustainable development and drive green innovation, while cultural content (literature, film and the arts) can, in addition to its intrinsic value, raise awareness of ecological problems and inform public opinion.

II. Relevance and impact

A KIC on CCSI – with its holistic and integrated approach – will help address all the challenges set out in Section I. By covering nearly all sectors of our lives, society and economy, that KIC is likely to be highly relevant in terms of its economic and societal impact, unlocking strategic opportunities for economic, technological and social innovation. It is also likely to be instrumental in allowing HEIs in the arts to play a more active role in developing hybrid competences and an entrepreneurial mindset that better meets the needs of industry.

Culture-based and creativity-driven innovations boost European competitiveness either directly by creating new enterprises and jobs or indirectly by creating cross-sector benefits to the wider economy, improving quality of life and increasing the attractiveness of Europe. Cultural and creative sectors (such as cultural heritage and the arts) are increasingly seen as new sources of smart, sustainable and inclusive growth and jobs. Those sectors are already employing more than 12 million people in the Union, which amounts to more than 7,5 % of all persons employed in the Union. Cultural heritage is a key component of the cultural and creative sectors and a major contributor to the attractiveness of Europe's regions, cities, towns and rural areas. It is a driver for private sector investments, for talent attraction, for business generation and for direct and indirect job creation.

The contribution of culture and creativity to innovation is increasingly driven by non-technological factors such as creativity, design and new organisational processes or business models. In particular, the sectors with distinct value chains (namely, music, the arts, design, fashion, audiovisual, video games and architecture) have a strong innovation capacity in economic terms and are able to drive innovation in other sectors of the economy.

Culture and participation in cultural activities have a direct impact on the well-being of citizens and social inclusion. Cultural and creative industries enhance societal values of identity, democracy and community participation. Culture has a great potential to reinforce a European sense of belonging, where diversity represents an asset. This is of fundamental importance to enable resilience, social access, societal cohesion, anti-radicalisation and gender equality, and to tackle Europe's political uncertainties and the need for unity.

A KIC on CCSI is to empower network opportunities, collaboration, co-creation and knowhow transfer between education, research, business, public and third-sector organisations, within the cultural and creative sectors and with other sectors of the society and the economy. It is intended to:

- catalyse bottom-up and top-down initiatives at Union, national and regional level. It will develop the necessary framework conditions for the creation and scale-up of new ventures in innovative ecosystems;
- provide researchers and students in many disciplines (including the arts, humanities, social sciences, applied hard sciences and business) and entrepreneurs of the cultural and creative industries and other sectors with the knowledge and skills necessary to deliver innovative solutions and to turn them into new cultural, societal and business opportunities; and
- allow further cross-fertilisation with other economic and industrial sectors, acting as an accelerator for innovation.

III. Synergies and complementarities with existing initiatives

A KIC on CCSI would be complementary to a number of other Union initiatives, as well as such at the level of Member States. The main synergies expected at Union level are presented in this Section.

A KIC on CCSI is expected to establish strong synergies with relevant policy initiatives under Horizon Europe, and in particular under Pillar II 'Global Challenges and European Industrial Competitiveness' with the cluster 'Culture, Creativity and Inclusive Society' and its areas of intervention on cultural heritage and democracy. A KIC on CCSI could also provide valuable horizontal inputs across various activities to be carried out in the cluster 'Digital, Industry and Space', in particular as regards the manufacturing technologies in which the need to develop new products relies heavily on CCSI. Furthermore, it could efficiently complement other parts of Horizon Europe, the intervention of the existing EIT Digital and the actions planned under other Union programmes such as InvestEU Programme, Erasmus+, Creative Europe Programme, Digital Europe Programme or the Cohesion Policy Funds.

The Creative Europe Programme will be highly relevant for the activities of a KIC on CCSI. The Creative Europe Programme elects strands and special calls reflecting some of the challenges facing the cultural and creative sector (such as skills and employment and business models) and aims to develop strong synergies and complementarities. Under the InvestEU Programme, and in the context of limited access to finance for the cultural and creative sectors, synergies are expected with the financial mechanism helping to scale up cultural and creative projects by providing insurance to financial intermediaries.

The Smart Specialisation Strategy (S3 strategy) platform on Industrial Modernisation has identified a number of research and innovation strategies that focus on CCSI and explore new links between local assets, potential markets and societal challenges through the involvement of a large set of entrepreneurial actors. In particular, the promotion of new partnerships between research organisations, enterprises and public authorities is a major concern of the S3 strategy, calling for the set-up of new collaborative platforms.

IV. Conclusion

A KIC on CCSI is most suited to address the major economic and societal challenges referred to in this Appendix. Creativity is a key driver of innovation and a KIC on CCSI has the capacity to unleash the potential of artistic, culture-based creativity and to help strengthen Europe's competitiveness, sustainability, prosperity and smart growth.

*Appendix 2***Factsheet on the KIC on Water, Marine and Maritime Sectors and Ecosystems (WMM)**

This Appendix presents an overview of the WMM field at the time of preparation of the SIA 2021-2027. Prior to the launch of a KIC on WMM, the Commission shall perform an analysis to reflect developments in scientific, technological and socio-economic trends, and ensure:

- (1) full alignment with the strategic planning of Horizon Europe;
- (2) full alignment with the criteria for European Partnerships set out in Annex III of Regulation (EU) 2021/695; and
- (3) coherence with existing initiatives at Union, national and regional level, including European Partnerships and missions.

I. The challenge

Seas, oceans and inland waters play a central role in human life, health and wellbeing, in the provision of food, critical ecosystem services, renewable energy and other resources, as well as in climate-related dynamics and in the preservation of biodiversity. During the last 100 years, the overuse and mismanagement of natural resources have placed a great pressure on freshwater and marine ecosystems. Therefore, the creation of a circular and sustainable blue economy that develops within ecological limits and that is based on the reliable availability of an acceptable quantity and quality of water as well as on healthy and functioning freshwater and marine ecosystems is a challenge. That challenge encompasses mainly: (1) water scarcity, drought and floods; (2) marine and freshwater ecosystem degradation; and (3) the circular and sustainable blue economy.

1. Water scarcity, drought and floods

Continued climate change and over-extraction of fresh water are increasing the severity and frequency of water scarcity and droughts. Without innovative methods and technologies to gather, predict, prepare and disseminate information and solutions about waterbody safety, potential threats and mitigation of risks, the Union is exposed to severe economic and social harm. Water scarcity accompanies the pressure on land driven by the need to increase biomass production, carbon sequestration and wilderness to achieve decarbonisation and biodiversity targets. The Commission's impact assessment ⁽²⁸⁾ indicates that shifting protein production to non-fed aquaculture and to integrated multi-trophic aquaculture and aquaponics, could relieve pressure on land and freshwater.

2. Marine and freshwater ecosystem degradation

Coastal, marine and freshwater ecosystems are subject to pressure from direct human activity and accelerating climate change. The damage includes the loss of biodiversity, the depletion of fish stocks, damage to the sea floor, including from the use of harmful devices such as fishing gear, obstruction of rivers, eutrophication pollution, and the accumulation of marine litter including a high level of fishing gear and microplastics that are discarded in the oceans. Poor ecological health not only compromises biodiversity targets but also harms those communities and businesses that depend on clean water and healthy ecosystems. The global market for goods and services for measuring and mitigating that degradation is growing and is highly competitive. Innovation that can enhance, restore and recover marine, coastal and freshwater capital and innovation into sustainable fishing gear and methods is key for the competitiveness of Union businesses and to supporting jobs and growth across the Union.

⁽²⁸⁾ Impact assessment accompanying the communication of the Commission of 17 September 2020 on Stepping up Europe's 2030 climate ambition. Investing in a climate-neutral future for the benefit of our people.

3. The circular and sustainable blue economy

The circular economy path not only safeguards human health and resource efficiency, but is also an engine of sustainable growth. The planned unprecedented growth in offshore wind energy and other innovative ocean energy technologies, which must not undermine environmental protection, offer opportunities both for the enhancement of biodiversity (such as artificial reefs and oyster beds) and for new activities that make use of the space and renewable electricity such as aquaculture and hydrogen electrolysis. Non-fed aquaculture is able to recycle the excess nutrients that would otherwise cause eutrophication. New targets for emissions reduction and renewable fuel in maritime transport require innovation in propulsion and logistics. The reuse of wastewater prevents shortages that may be exacerbated by a changing climate.

II. Relevance and impact

A KIC on WMM – with a holistic and integrated approach – will help address the challenges referred to in Section I. This field has a relatively strong knowledge base and high market potential. European countries have produced more research papers on water science and technology in the past 15 years than both the United States of America and the rest of the world. Moreover, the Union, together with China and the United States of America, is one of the leading maritime economies. According to the most recent figures from 2018, the established sectors of the blue economy employed over five million people in the Union, and generated EUR 750 billion of turnover and EUR 218 billion of gross value added. However, there is a clear fragmentation of efforts and disconnections between education, research and innovation activities. For example, less than 20 % of research and development organisations in water sciences have an effective cooperation with industries or enterprises.

Newly emerging innovation sectors (such as biotechnologies and offshore energy production) open new market opportunities for new technologies and new business and highly skilled jobs. Those sectors and the technological transition of the more traditional marine-related sectors would require trans-disciplinary approaches and new types of education across discipline boundaries. In particular, academic programmes tend to be rather broad, whereas the sectors require specific knowledge and skills. Additionally, curricula in areas such as engineering, urban design and architecture do not sufficiently cover issues related to ecology, marine engineering and management of water.

Establishing a KIC on WMM is intended to comprise a real contribution to strengthening innovation ecosystems and stimulating cooperation across the knowledge triangle, in order to accelerate the uptake of new technologies and approaches and boost the development of more sustainable products and methods, in particular as far as fishing gear is concerned. The establishment of a pan-European multi-disciplinary community of knowledge triangle partners would help to promote the blue economy vision and boost worldwide competitiveness of European marine and maritime science and technology. Such a community would help bring to the market innovative projects of blue science and technology that would provide solutions to urgent practical challenges of sustainability and contribute to an 'Ecosystem-based Blue Economy' not only at a European but also at a global level. A KIC on WMM would lead to better management of human interactions with water-marine ecosystems directly contributing to a sustainable blue economy that develops within ecological limits, in particular by ensuring the sustainable management of marine ecosystems.

III. Synergies and complementarities with existing initiatives

The KIC on WMM shall establish the strongest possible synergies with relevant Union policy initiatives as well as within Horizon Europe, and interact at an international level with relevant UN initiatives and the SDGs, in particular SDG 6 'Clean Water and Sanitation', SDG 11 'Sustainable Cities and Communities', SDG 13 'Climate Action' and SDG 14 'Life below Water'.

The KIC on WMM shall be aligned with the priorities established in Directive (EU) 2020/2184 of the European Parliament and of the Council ⁽²⁹⁾, Directive 2008/56/EC of the European Parliament and of the Council ⁽³⁰⁾, Directive 2014/89/EU of the European Parliament and of the Council ⁽³¹⁾, Regulation (EU) No 1380/2013 of the European Parliament and of the Council ⁽³²⁾, the communication of the Commission of 10 October 2007 on An integrated Maritime Policy for the European Union and international commitments. The KIC on WMM shall contribute to priorities established in the European Green Deal, in particular the 'Farm to Fork Strategy', the 'Zero pollution action plan for air, water and soil', the 'initiatives to increase and better manage the capacity of inland waterways' and the EU Biodiversity Strategy for 2030.

Some regional S3 strategies have identified a number of research and innovation strategies that focus on marine and aquatic industries and explore new links between local assets, potential markets and societal challenges through the involvement of a large set of entrepreneurial actors.

Strong complementarities with the components of Horizon Europe are to be ensured and duplications are to be avoided, in particular with:

- (1) the possible mission on 'healthy oceans, seas, coastal and inland waters';
- (2) relevant European Partnerships, in particular the ones on 'a climate-neutral, sustainable and productive Blue Economy', 'Rescuing biodiversity to safeguard life on Earth', 'Water4All', 'Clean energy transition', 'Driving urban transition', 'Food systems' and 'Research and Innovation in the Mediterranean Area' (Horizon 2020);
- (3) all clusters of Pillar II 'Global Challenges and European Industrial Competitiveness';
- (4) research infrastructures; and
- (5) the EIC.

Strong complementarities with the European Investment Bank (EIB) and BlueInvest are also to be ensured for the uptake of promising innovations and duplications are to be avoided.

IV. Conclusion

The KIC on WMM is best suited to addressing the major economic, environmental and societal challenges referred to in this Appendix. That KIC is needed, in particular, to strengthen the innovation ecosystems throughout Europe tackling the water-related challenges, train the next generation of innovators and entrepreneurs, and find and support innovative solutions for those challenges.

The KIC on WMM shall:

- (1) reduce the fragmentation of the water, maritime and marine sectors' innovation landscape by fostering the creation of innovation ecosystems that will connect actors and networks across sectors and disciplines at Union, national, regional and local level;
- (2) promote an integrated and multidisciplinary approach through collaboration among HEIs, research organisations, innovative businesses, public and third-sector organisations in the blue economy sectors in order to deliver on the Union objectives on green and digital transitions;
- (3) connect actors and networks across sectors and disciplines at Union, national regional and local level, in particular by identifying the relevant S3 strategy and further regional strategies which include blue economy sectors;
- (4) train and develop the next generation of innovators and entrepreneurs in the blue economy sectors by equipping them with the necessary entrepreneurial and technological skills needed for sustainable and competitive development;

⁽²⁹⁾ Directive (EU) 2020/2184 of the European Parliament and of the Council of 16 December 2020 on the quality of water intended for human consumption (OJ L 435, 23.12.2020, p. 1).

⁽³⁰⁾ Directive 2008/56/EC of the European Parliament and of the Council of 17 June 2008 establishing a framework for community action in the field of marine environmental policy (Marine Strategy Framework Directive) (OJ L 164, 25.6.2008, p. 19).

⁽³¹⁾ Directive 2014/89/EU of the European Parliament and of the Council of 23 July 2014 establishing a framework for maritime spatial planning (OJ L 257, 28.8.2014, p. 135).

⁽³²⁾ Regulation (EU) No 1380/2013 of the European Parliament and of the Council of 11 December 2013 on the Common Fisheries Policy, amending Council Regulations (EC) No 1954/2003 and (EC) No 1224/2009 and repealing Council Regulations (EC) No 2371/2002 and (EC) No 639/2004 and Council Decision 2004/585/EC (OJ L 354, 28.12.2013, p. 22).

- (5) contribute to the development of the appropriate framework conditions to transform ideas into new technological developments and social innovation, and to their market deployment in view of improving the quality of life and benefitting Union citizens;
 - (6) establish synergies with other European Partnerships, missions, the EIC, the EIB and BlueInvest, in order to scale up innovations, allow other sectors to prosper in a sustainable manner and increase the market deployment and societal acceptance of innovative solutions; and
 - (7) strengthen the Union's position as a global actor in ocean science, inland waters management and ecosystem protection and restoration.
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