Annex 13 – NEFA guidelines

Non EIT Funded Activity (NEFA) model

NEFAs are activities that are fully implemented without any EIT funding – they may be completely self-funded by the KIC, or funded by other EU programmes, regional funds etc. NEFAs must comply with the same operational principles as EIT Funded Activities (EFAS).

In accordance with the EIT SIA (Strategic Innovation Agenda), the funding model introduces formally decreasing funding rates with the objective that over time, the EIT financed parts of any KIC activities are replaced by the KIC's own revenues and funds from third parties to maintain activities. The overall goal is that a KIC's innovation ecosystem becomes financially sustainable and that a KIC no longer requires EIT funding to carry out its activities at the latest in year 15.

NEFAs are a way for EIT to recognise increasing amounts of additional funding of KICs through activities fully implemented without any EIT funding (NEFAs). Considering KIC activities that are financed from own funds, or third parties may incentivise the KICs to diversify their sources of funding while helping KICs to comply with decreasing funding rates.

The ultimate objective of this funding model is that after year 15, KICs have the capacity to implement KTI (Knowledge Triangle Integration) activities without EIT funding, resulting in a complete NEFA portfolio.

The EIT will closely monitor both EIT and non-EIT financed activities. The EFAs need to fulfil all requirements of the EIT and Horizon Europe legal framework including planning, reporting, cost eligibility and control requirements. While NEFAs would be subject to the same requirements in terms of planning and reporting, they will be funded by the KICs' own resources or funding received from other programmes/ donors. Therefore, the eligibility rules and control/ audit requirement for the NEFAs shall be driven by the rules and requirements of the funding bodies (e.g., KIC's internal rules for their own funds, other EU programmes, national funding schemes, private funds, investors and donors, etc.).

In order to be recognised at the reporting stage and to be considered as contribution to the funding rates from non-EIT sources, as defined in the SIA, KICs must provide evidence that costs behind NEFAs have actually been incurred and been found eligible by the provider of the funding source.

Operational Conditions

NEFAs need to comply with the same operational conditions as EFAs:

1. contribute to the KIC's Strategic Agenda in line with the EIT Impact Framework, including a contribution to EIT core KPIs *(core KPIs are marked in red in the EIT Impact Framework)*
2. derive from and contribute to Knowledge Triangle Integration (KTI);
3. objectives and expected results have been adequately described in the KIC's Business Plan;
4. have been implemented by the KIC and its partners (incl. KIC Legal Entity); and
5. fulfil the reporting and data requirements of the EIT in terms of content and impact and IT tools.

Reporting Requirements

Progress Reporting: Progress and achievement against the Business Plan, description of the work implemented., Key Performance Indicators (KPIs) and Deliverables (DELs) reporting and provision of supporting documentation

Cost Reporting: EIT Health will need to provide evidence that costs behind NEFAs (non EIT Funded Activities) have been incurred and found eligible by the funding body. The reports approved by the funding bodies or similar evidence will need to be submitted by the NEFA activity leader. The eligibility of cost will not be checked by EIT Health, the evidence will be requested for audit trail purposes.

This evidence will be required at the interim report and final report stage. Should timelines between the funding body and EIT Health not converge, the evidence may be provided when it is available.

It is critical to ensure an appropriate level of transparency, therefore all activities, regardless of their funding source, shall be subject to EIT's review and validation processes:

1. at the planning stage, as part of the multi-annual Business Plan assessment;
2. during implementation, via the reinforced strategy for continuous monitoring; and
3. at reporting stage, including data provision via the eGrants and CORDA tools

Reporting timeframe for NEFAs will be considered from the start of the EFA.