



Co-funded by the
European Union

Open Innovation Factory 2023

Cut-off 2 specific document



The information provided in this document is relevant to Cut-off 2 of the EIT Digital Open Innovation Factory 2023 programme.

Please refer to the main Open Innovation Factory 2023 document for the programme guidelines, requirements, and evaluation methodology.

The deadline for Cut-off 2 proposal submission is Nov 13th, 2023, at 5pm CEST (Brussels time). This is a fixed deadline, and no extensions will be granted.

Innovation Activities selected through this cut-off's evaluation process start on Jan 1st, 2024 and run for 6 months until June 30th, 2024.

The maximum EIT Digital funding that can be allocated per Innovation Activity proposal is €400,000, while the maximum budget for this cut-off is €2,5m. Partners must justify the use of the Innovation Activity proposal budget, comprising EIT Digital funding and the activity partners' own funding (co-funding), to support the activity's implementation and use of resources within the activity's time frame.

The proposals will be awarded until the available budget is exhausted or the list of proposals is completed according to the scores detailed below. EIT Digital reserves the right not to exhaust the entire budget available for the call.

Eligibility Criteria:

A description of all the eligibility requirements that proposals must meet to pass the first step of the evaluation process and move on to the Review Gate.

Eligibility conditions
The venture to be boosted has been incorporated between 01/01/2019 and the submission date.
The proposal contains at least two partners and comprises at least two countries.

Eligibility conditions
The applicants requesting EIT funding must be registered in an eligible country (see below for a list of eligible countries).
The proposal requests a maximum of €400,000 of EIT Digital funding.
The activity partners own contribution (co-funding) must be at least 50% of the activity's budget.
The venture to be boosted is not a subsidiary of another company and is not controlled by another company other than, if applicable, a non-trading holding company established solely for the assignment of founder shares.
The venture to be boosted has outright ownership of a substantial majority of the product's IP to which the proposal applies.
The equity proposal to EIT Digital from the venture to be boosted is between 2-15%.

Eligible countries¹ are the Member States (MS) of the European Union (EU) including their outermost regions² and countries which are associated to Horizon Europe.

It should be noted that:

- Participants from non-associated non-EU countries can take part in Horizon Europe actions — but not always with funding.
- Participants from other countries (i.e. countries that are neither EU Member States nor countries associated to Horizon Europe, nor countries listed [here](#)) are not automatically eligible for funding and therefore usually have to participate at their own cost.

Note: Participation from RIS countries is encouraged and positively evaluated.

¹ For entities from the UK and Switzerland: Since the UK and Switzerland have not concluded association to Horizon Europe at the time of publication of this document, it is advised to obtain confirmation of the conditions under which entities incorporated in these countries can participate in Open Innovation Factory 2023 from the relevant Regional Director before preparing a proposal. .

²https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/common/guidance/list-3rd-country-participation_horizon-euratom_en.pdf

EIT Digital Funding Criteria:

EIT Digital funding is delivered in four tranches over the course of 9-12 months from the start of the activity:

- The first tranche, amounting to 10% of EIT Digital funding, is disbursed at the activity's start once the contractual and partnership requirements are completed.
- The second tranche, amounting to up to 25% of EIT Digital funding, is disbursed close to month 4, and in any case after an initial assessment of the activity performance is done as part of the EIT Digital continuous monitoring exercise.
- The third tranche, amounting to up to 25% of EIT Digital funding, is disbursed after the end of the activity timeframe, close to month 7 and in any case after activity cost reporting is complete and most significant performance reporting materials are submitted and approved by EIT Digital.
- The fourth and final tranche, amounting to up to 40% of EIT Digital funding, is disbursed between month 9 and 12 from the start of the activity and once the delivery has been evaluated. If the delivery is incomplete, the committed KPIs have not been achieved or the quality of the deliverables is substandard, penalties may apply on this final EIT Digital disbursement, affecting the total amount of EIT Digital funding.

The funding award depends on the association to HE rules status of the country in which the organisation is registered at the moment of the final award for the cut-off. This aspect will be discussed during the Due diligence calls, when relevant.

For every activity, the reimbursement amounts will always depend on the following:

- **Eligibility of costs**: for costs to be considered eligible and therefore reimbursable they must be incurred during the activity's 6-month timeframe.
- **Actual costs incurred at reporting**: if during the activity's timeframe fewer costs are incurred than the originally budgeted ones (underspending), EIT Digital will only be able to reimburse the eligible costs actually incurred and a penalty may apply to the disbursement of the next tranche.
- **Co-funding rate**:
 - At proposal submission: the co-funding rate (co-funding/total cost) cannot be lower than 50%, meaning that EIT Digital funding can at most equal the activity partners' co-funding. All things equal, proposals with higher co-funding rates will be considered more competitive.
 - At reporting: once the activity is selected, its co-funding rate will be used to correct any changes in the amounts of EIT Digital funding disburseable. If, for

example, at reporting time the activity partners' budget is lower than the originally prospected budget, EIT Digital will correct its funding amount on the activity's co-funding rate and deliver reimbursements in the following tranches parametrized to the new amount. These corrections will not impact on the equity commitment for the EIT Digital sustainability.

It is **highly recommended** to design the Innovation Activity proposal with the **leanest and most cost-efficient approach**, using only the resources strictly needed to achieve the chosen objectives in the given timeframe. Evaluation Scoring Details

Experts score each question on a scale from 0 to 5:

- 0 – Proposal fails to address the criterion or cannot be assessed due to mission or incomplete information.
- 1 – Poor. The criterion is inadequately addressed or there are serious inherent weaknesses.
- 2 – Fair. The proposal broadly addresses the criterion, but there are significant weaknesses.
- 3 – Good. The proposal addresses the criterion well, but a number of shortcomings are present.
- 4 – Very good. The proposal addresses the criterion very well, but a small number of shortcomings are present.
- 5 – Excellent. The proposal successfully addresses all relevant aspects of the criterion. Any shortcomings are minor.

Below two tables identifying the questions that will be addressed at the Review Gate and MC Gate.

Table 1. Review Gate questions and minimum required scores.

Question		Score range	Question minimum required score
Excellence	Is the activity building an innovative solution with demonstrable economic and societal impact for Europe?	0-5	2
	Is the proposed technology mature enough to address the business pain? Is timing right considering market, user, societal and/or technological trends and developments?	0-5	2
Impact	How does the venture position itself in the competitive landscape? How realistic and sound are the assumptions and estimations?	0-5	2
	Does the venture have high potential to succeed and scale? Is a launching customer committed to use the product?	0-5	2
	Does the venture have assets (IP assets ownership, freedom to operate, resources, etc.) to fuel its growth? How attractive is the venture likely to be to investors at the end of the activity?	0-5	2
	Are the venture’s financial needs well assessed and realistic? Is there additional financial investment committed to the venture?	0-5	2
Implementation	How strong is the work plan (milestones, deliverables, way of working)? Are there ambitious intermediate milestones?	0-5	2
	Is the founder/s’ and CxO’s track record convincing? Is their seniority level, experience, and background appropriate for the venture’s goals? Do the individual team members have strong commitment to the venture and clear accountability?	0-5	2
	Is the partner setup complementary and well positioned to add value to the venture?	0-5	2
Reviewer Gate minimum required score: 32/45			

Table 2. MC Gate questions and minimum required scores.

	Question	Score range	Question minimum required score
Financial Sustainability	Does the venture have the potential to provide value to EIT Digital’s long-term financial sustainability?	0-5	3
	Is the proposed equity transfer suitably aligned with the current maturity of the venture?	0-5	3
Strategic Alignment	Is there alignment with the EIT Digital Strategic Innovation Agenda and the five Strategic Focus Areas?	0-5	3
	Is the solution well rooted in digital deep tech?	0-5	3
	How well does the venture fit with the overall EIT Digital Equity Portfolio?	0-5	3
MC Gate minimum required score: 18/25			

Passing conditions: if each question’s minimum required score is reached and each gate’s minimum required score is reached, then the Innovation Activity proposal can move on to the next evaluation stage.

Note: The gates’ minimum required scores are based on a higher scoring average per question than the minimum. For example, if two MC Gate questions score 3/5, for the Innovation Activity Proposal to pass the remaining four questions must cumulatively score at least 12/25 to reach the gate’s minimum required score of 18. Therefore, it is insufficient for each question to receive the minimum required score alone for the Innovation Activity proposal to progress to the next stage.

Ranking: The proposals are ranked after the MC Consensus meeting by their overall MC Gate score. The proposals discarded by question will appear at the bottom of the list ranked by overall MC Gate score.

To resolve any overall MC Gate score tie, priority will be assigned by following the order listed below:

1. Highest scoring at the Review Gate;
2. Highest average Impact questions scoring;
3. Highest equity percentage proposal;
4. Lead partner from RIS country;
5. Female CEO.

If proposals are still tied after the assessments above, the MC will untie the ranking at its discretion.

Timeline:

Action	Date
Submission system opens	Fri, Mar 31
Info session	Tue, Sep 5
Cut-off 2 closing	Mon, Nov 13
Communication to all pre-selected and rejected activities	Tue, Nov 28
Invitation of pre-selected activities to Due Diligence interviews	Tue, Nov 28
Due Diligence interviews (mandatory for the selected proposals)	Thu, Nov 30 - Fri, Dec 1
Feedback to selected/rejected activities	Fri, Dec 8
Appeal window (5 days)	Fri, Dec 15
Proposal adjustments window (5 business days)	Fri, Dec 15
Appeals and adjustments resolution	Wed, Dec 20
Activities start	Mon, Jan 1

Selected proposals:

The venture to be boosted will be automatically involved in the EIT Digital Speed Master³ free of charge. The partners' participation is compulsory as part of the mentoring program.

³ For more information: <https://www.eitdigital.eu/speedmaster>