



Co-funded by the European Union

RIS Central and Eastern Europe Call for Proposals (CEE Open Innovation Call)

EIT FOOD

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Eitfood.eu

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1. Introduction

EIT Food is the world's largest food innovation community, creating connections right across the food system. Supported by the European Union (EU), we invest in projects, organisations and individuals which share our goals for a healthy and sustainable food system.

We have built a unique not-for-profit business to carry out transformative programmes in skills, education, entrepreneurship, start-up investment and communications. We deliver these programmes in partnership with our members to create a culture and build a community which sees the long-term value in the food innovation we fund through open, competitive calls.

EIT Food has a strategic approach to systems change to create societal and economic impact. This is underpinned by a robust Theory of Change and a clear set of impact indicators and goals published in our <u>Strategic Agenda 2021-27.</u>

EIT Food CLC NE, one of the EIT Food co-location centres (CLC), is based in Warsaw covering a vast region of Central and Eastern Europe (CEE), as well as the Nordic countries. EIT Food CLC NE is also one of the two CLCs implementing EIT Regional Innovation Scheme (RIS) instruments, supporting those regions in Europe which particularly require support for innovation in the agrifood sector.

EIT RIS activities seek to improve knowledge triangle integration and the innovation capacity of local ecosystems in the countries and regions with modest and moderate innovation performance.

2. Purpose of the Call

We seek to tackle the significant issues of the agrifood supply chain in the CEE region, namely:

Pressure on the supply chain.

The Russian invasion of Ukraine further destabilised the agrifood sector in Europe, already impacted by the Covid-19 pandemic and climate change. Due to the war's proximity, the whole CEE region has been negatively impacted.

Missing links in the food supply chain have caused increasing disruption and damage to the food system. Moreover, the war has accelerated a pre-existing, significant price surge, including high input costs (fertilizers, energy from fossil fuels, animal feed).

What is more, foreign investors and multi-national companies have become more cautious about investing in the CEE region. And the agrifood industry itself is focused on solving current pressing issues, rather than working on long term strategies like investment in RDI.

Low investment in intellectual property.

The CEE agri-food sector has gone through radical changes over last 3 decades. However, it is still characterized by low investments in intellectual property. Companies do not invest enough in RDI and collaboration with the innovators (including academia, research, startups) is not sufficient.

In some cases, the problem can be food producers' risk aversion and a lack of openness to embed work on innovations in their business model. Some are keen to learn from experiences of other companies but do not have time or money to implement these best practices. As a result, startups and the research sector have limited access to industry to verify and deploy their innovations on the market.

At the same time, investors looking for quick and high ROI, seek investment opportunities in other sectors that require less resources (money and time) to implement innovations.

The lack of communication and cooperation between researchers who work on innovations and businesses who use, implement, or commercialize them, is a significant barrier of progress. Better information flow from and to the industry could spark innovations.

Lack of intra- and inter- sectoral cooperation.

The CEE agrifood sector is characterized by a low vertical and horizontal integration. Instead of working in a collaborative way, companies are working individually and do not share information.

Moreover, the vertical collaboration within supply chains is not sufficient and the links are not strong enough, making the supply chain more volatile and prone to risks. As a result, innovations applied by individual companies do not spill-over to the sector at large.

The region is characterized by a trust gap between RDI and agri-food companies. There is also strong untapped potential for inter-sectoral collaboration (e.g., EE, RE, circular economy, digitalization, traceability, fintech).

Need for investment in sustainability.

The EU Green Deal and Bioeconomy are the most important and integrative concepts for the agrifood ecosystem at this moment.

While negatively impacted by climate change, the food system also contributes to it, generating one third of GHG emissions and causing water depletion and biodiversity loss. Agrifood emissions in the CEE region are not decreasing and in some countries are even increasing.

"Business as usual" is not an option anymore, since companies need to comply with a range of requirements related to climate change, water, soil, biodiversity, public health, and plant and animal health and welfare.

Digitalisation and technological advancement can and should be used to mitigate the agrifood sector's climate impact.

3. Types of Solutions sought

By means of this Call for Proposals, EIT Food CLC NE wants to begin easing pressure on the food supply chain in the CEE region.

We seek activities:

- implemented by consortia, that will bridge different sectors and enhance intersectoral collaborations.
- which can be **applied universally** and significantly impact the food supply chain within selected industry/industries.
- encompassing open standards, protocols, tools, and technologies to promote collaboration and the potential for innovative solutions. We prefer to support solutions with open access; however, it is not obligatory.
- that will put **new products on the market**, introduce new and improved commercial processes and services.
- Comply with <u>EIT Food Branding guidance</u>
- that help achieve EIT Food's Missions:

- Healthier Lives Through Food
- A Net Zero Food System
- A Fully Transparent, Fair and Resilient Food System

Note on the EIT Food Missions:

Mission	Success Indicators
Healthier Lives Through Food	Increasing the availability of food products with improved nutritional profile to consumers.
	Increasing the availability of food products with reduced levels of salt, sugar, or trans and saturated fats to consumers.
	More consumers using innovative technology, products or services that help to change or personalise their diet in line with relevant national dietary guidelines.
Net Zero Food System	Reduction of CO2 in the food system (measured in tonnes).
	Reduction of other significant environmental impacts in the food system (usually measured in CO2 equivalent tonnes).
	An increase in the number of products on the market that use food waste or side-streams.
	An increase in the use of food waste or side-streams in food production.
	An increase in products on the market that use alternative or new ingredients and improve environmental impact outcomes.
Fully transparent, fair, and resilient food supply	Reduction in the estimated cost (€) burden attached to food insecurity and food safety issues.
	Overall increase Societal Return on Investment per € of grant due to the adoption of technology improving transparency, traceability or security across the food system.
	(This might include value from measures such as jobs created, costs avoided, food waste avoided, € value of efficiency gains made, investment raised, reduced public health costs, etc.)

• that align with one or more EIT Focus Areas:



Note on the Focus Areas:

The six EIT Food Focus Areas have been identified as strategic areas of the food system which currently offer the greatest potential for solutions to emerge. Applicants to this Call will be asked to indicate which Focus Area their innovation solution will address. Proposals which do not align with any Focus Area are not eligible to apply for this call.

Our specific focus area priorities include innovations and investments in sustainable biogas production; precision farming, carbon farming, regenerative agriculture and other sustainable solutions and methods in the food systems.

Examples of open elements encompassed by the innovative solutions:

- Tools and applications allowing cross-sector readable calculations of sustainability parameters (carbon footprint, waste, energy);
- Supply chain-oriented protocols and standards (e.g. product specification language, codes, norms);
- Universal interfaces, control system drivers, libraries facilitating better resource and process monitoring;
- Manufacturing standards, solutions and concepts increasing safety, speed, and product throughout;
- Solutions applied in other industries that can be deployed in the ag-food sector.

Examples of challenges identified across the value chain:

- Enhance the food chain agility and responsiveness to shocks;
- Build digital systems to increase coordination of supply chain operators as well as demand/supply modelling and forecasting;
- Develop approaches across the value chain to prevent supply chain imbalances;
- Remove barriers to upscaling technologies for production and processing of alternative protein solutions;
- Reduce pesticides and fertilizers and develop biological alternatives;
- Develop approaches across the value chain to prevent over-production;
- Develop circular farming approaches;
- Develop methods to sustainably dispose or reintegrate waste / side streams back into the system;
- Create new processing technologies to transform waste into healthy food or feed products and raw materials;
- Find ways to reduce antibiotics / develop biological alternatives;
- Reduce use of fossil fuels in food system inputs (incl. fertilizer production);
- Develop processing technologies that reduce the cost of healthy and sustainable products and make them more affordable;
- Create models to improve processing efficiency and reduce use of fossil fuels;
- Develop sustainable and affordable packaging systems with enhanced food preservation abilities;
- Generate quick, simple, and scalable tools to assess and mitigate environmental impact;
- Solutions for the industry helping to adjust to new trade mechanisms such as the EU's Carbon Boarder Adjustment Mechanism.

4. Timeline

Call open	3 April-19 June
Evaluation	19-23 June
Invitation to Panel Meetings for selected proposals	29 June
Panel meetings	10-14 July
Preliminary communication to selected projects	20 July
Official communication	21 August

5. Call specific requirements

5.1 Funding

The total financial allocation for this call is 1.5 million EUR (500 thousand EUR/year). The maximum support for each recipient is 750 thousand EUR.

5.2 Duration

Activity duration is variable according to the nature and maturity of the proposed innovation. However, proposals may not request more than 24 months of funding.

5.3 KPIs

Proposals must include the following mandatory KPI with plans to deliver this KPI:

 Marketed Innovations (EITHE02.4). A least one innovation introduced on the market during the KAVA duration or at the latest within 18 months from the start of the project with a sales revenue of at least 10 000 EUR documented. Innovations include new or significantly improved products (goods or services) and processes sold. The number and quality of marketed innovations will be evaluated.

5.4 Technology Readiness Level (TRL) and Market Readiness Level (MRL)

Proposed innovative solutions must:

- have a minimum **Technology Readiness Level 5** (TRL) at the time of the proposal submission (including proof of TRL level 4 completed and demonstrated). You will be required to upload documents such as: prototypes, data, feedback from tests/trials, consumers' assessment as part of your proposal submission.
- indicate their **Market Readiness Level (MRL)** but there is no minimum requirement requested nor supporting documentation to be submitted for MRL.

5.5 Deliverables

The following deliverables are required for each 24-month Activity:

Up to 6 months – Design and development (Technical, pilot planning, commercial and communication/dissemination plans developed and kicked off).

- DEL 01: A technical commercial plan
- DEL 02: A communication and dissemination plan

Up to 12 months – Pilot and testing (Activities include progress by at least one technology or readiness level (TRL); prototype/proof of concept/beta version developed; product/ service/ model piloted; or innovative products tested through test-beds or other innovative platforms).

- DEL 03: A technical and commercial midterm report
- DEL 04: A report on the Designed/Tested Innovation

Up to 18 months – Preparation of the launch of the report (Finalisation of commercialisation and marketing Activities to ensure launch of product or service on the market).

- DEL 05: A final commercialisation report
- Up to 24 months Market launch (Launch of innovation product or service on the market)
- DEL 06: A final communication and dissemination report
- DEL 07: A final technical and commercial report
- KPI EITHE02.4: Marketed Innovation
- DEL 08: disseminated results/GP good practice/LL lessons learnt

5.6 Eligibility of Expenditures

All costs need to comply with Horizon Europe regulations regarding the eligibility of expenses. Please refer to Article 6 of the <u>Model Grant Agreement</u> and the <u>Annotated Model Grant Agreement</u>.

In addition to the guidance provided by Horizon Europe, the proposals must comply with the following maximum thresholds:

• Subcontracting can amount to a maximum of 15% of total costs.

- Depreciation can amount to a maximum of 30% of total costs.
- <u>Participants are not permitted to give a subgrant to another third party.</u>

5.7 Financial Sustainability

EIT Food has developed a Financial Sustainability strategy to enable EIT Food to gradually become financially independent from EIT funding.

Co-funding:

EIT Food will fund up to 70% of total eligible costs of the Activity (reimbursement rate). As such, the consortium must co-fund a minimum of 30% (co-funding) of the total project eligible costs. Other EU funding is not eligible source of co-funding.

Financial Return Model:

In line with the EIT Food Financial Sustainability Strategy and EIT requirements, all innovation Activities selected for funding are required to commit to giving a financial return to EIT Food based on the following:

- A 20% fixed return within 15 months after the agreed end date of the project, as submitted in the original proposal (the completion date)
- In the event that the project was not successful, and the return is not paid, EIT Food will initiate an IP recovery process in collaboration with the exploiting party(ies), and will look for alternative commercialisation opportunities.

Financial Return Mechanism Agreement (FRMA)

The Financial Return Mechanism will be formalised according to the EIT Food Financial Return Mechanism Agreement (FRMA) terms and conditions. The FRMA must be agreed to and signed by the exploiting party(ies) and EIT Food as a mandatory condition for funding.

5.8 Intellectual Property Policy

<u>EIT Food Intellectual Property's (IP) Policy</u> complies with Horizon Europe's IP Policy, found in Article 16 of the <u>Model Grant Agreement</u>.

6. General Proposal Preparation, Submission & Evaluation

6.1 Who can apply?

Funding for this call is available to all organisations, both EIT Food partners and non-partners, from the following **eligible EU Member States**: Bulgaria, Croatia, Czechia, Estonia, Latvia, Lithuania, Hungary* (see Note on Section 5.1: Eligibility), Poland, Romania, Slovenia, Slovakia, and **Horizon Europe Associated Countries:** Montenegro, North Macedonia, Serbia, Ukraine.

6.2 Proposal Submission

To begin an EIT Food proposal submission, applicants <u>must register in Plaza</u>, EIT Food's proposal submission platform. Please note:

- <u>PLAZA</u> registration is not automatic. The EIT Food PLAZA support team must approve all registrations.
- Please register at least 5 working days before the call closes to ensure there is time to check your registration information and approve your registration request.

• Once approved, you will receive a one-time password for you to log in and begin your proposal. Visit our Call Page to register for upcoming webinars detailing how to submit a proposal.

The submission form can be found <u>on our website</u>.

6.3 Mandatory Documents

Mandatory Documents for upload can be found <u>on our website</u>.

- Implementation Schedule
- Business Model Canvas template can be downloaded here
- Criticality Map template can be downloaded here
- Proof of TRL 5
- **Commercialisation Strategy** template can be downloaded <u>here</u>. All items mentioned below shall be uploaded as one single pdf document:
 - Serviceable Obtainable Market: documentation explaining which expected SOM and market share your quantification is based on. This might include draft/expected offtake agreements, letters of intent to customers, market research reports, competitor analysis etc.).
 - Market introduction / distribution channels: a Business Plan that includes the description of the sales/distribution channels for the described SOM.
 - Product Readiness Level: Please provide evidence documenting the status of the activities required to launch the innovation in the market. Roadmap Go To Market And Scale Up Milestones For KERs: evidence documenting the status of the activities required to launch the innovation in the market (product readiness level).

7. Evaluation and Selection Process

All submitted proposals will undergo an eligibility check and evaluation to determine their feasibility and suitability for funding.

7.1 Eligibility

Organisation Eligibility	Each participating organisation must:
	 Be a legally incorporated entity in one of the EU or Horizon Europe eligible country listed above for a minimum of 3 years. Have at least 3 years' published accounts showing business Activity. Provide a PIC Number: https://www.eitfood.eu/files/PIC- Guidance.pdf
Consortia Eligibility	To be eligible consortia must:
	 Have at least 3 eligible organisations committed to collaborating between 2 different eligible countries, representing at least two sides of the knowledge triangle, with at least one industry organisation Each of the three organisations must be active participants in the consortium, showing a role, commiserate with the level of budget, and should not fall under the same ownership At least one Exploiting Party/Parties responsible for commercial exploitation resulting from the Activity

Proposal Eligibility	To eligible proposals must:
	 Be complete, with all mandatory supporting documents uploaded. Be submitted on time via our submission template, in English. Proposals must be committed to delivering at least one Marketed Innovation launched on the market including documented and valid sales revenue of at least 10.000 EUR (ten thousand euros). Contribute to the EIT Food Missions Align with one or more EIT Focus Areas Have an innovation with a minimum Technology Readiness Level 5 (TRL)

Please Note:

1. Failing any of the above criteria will make your proposal ineligible. Failing to meet the Individual Organisation criteria will make that single organisation ineligible, which might affect the eligibility of the whole proposal, depending on the relevance of the role of the applicant being removed. If an applicant or the proposal is ineligible, participants will be informed.

2. According to EU policies and measures, Russian and Belarusian entities will not be authorised to participate in any new grant under the EU Research and Innovation programmes. This ban applies not only to their potential participation as beneficiaries, but to their potential participation in any kind of role: beneficiaries, linked third parties/affiliated entities, subcontractors, in-kind contributors, international partners/associated partners, and third parties receiving financial support. Find the full statement from the European Commission here.

3. Pursuant to Article 2 (2) of the Decision 2022/2506 of 15 December 2022 on measures for the protection of the Union budget against breaches of the principles of the rule of law in Hungary where the Commission implements the Union budget in direct or indirect management pursuant to of Article 62(1) points (a) and (c), of Regulation (EU, Euratom) 2018/1046, no legal commitments shall be entered into with any public interest trust established on the basis of the Hungarian Act IX of 2021 or any entity maintained by such a public interest trust. This prohibition applies to financial support to third parties (sub-grants and prizes), hence the proposal of any entity or group of entities where a Participant is included in the list of public interest trusts shall be considered as not eligible

4. Proposals will be deemed ineligible if any organisation in the consortium is:

a. bankrupt, subject to insolvency or winding-up procedures, where its assets are being administered by a liquidator or by a court, where it is in an arrangement with creditors, where its business Activities are suspended, or where it is in any analogous situation arising from a similar procedure provided for under national laws or regulations;

b. it has been established by a final judgment or a final administrative decision that the organisation is in breach of its obligations relating to the payment of taxes or social security contributions in accordance with the applicable law;

c. it has been established by a final judgment or a final administrative decision that the organisation is guilty of grave professional misconduct by having violated applicable laws or regulations or ethical standards of the profession to which the organisation belongs, or by having engaged in any wrongful conduct which has an impact on its professional credibility where such conduct denotes a wrongful intent or gross negligence;

d. is found to be attempting to influence the decision-making process of the call during the process; e. attempting to obtain confidential information that may confer upon it undue advantages in the call process;

f. it has been established by a final judgment that the organisation is guilty of fraud, corruption or money laundering.

7.2 Evaluation Process

At least 3 external evaluators and 1 internal evaluator will evaluate each proposal based on the criteria below. All external evaluators have been selected in an open and transparent process and must contractually agree to rescue themselves in the event of a conflict of interest.

[1
Impact (50%)	 Contribution to specific challenges in the industry listed in the call, including extent of alignment with EIT Food Missions 40% Potential impact of the solution on the industry and scalability of the solution's intended impact is significant, as measured by EIT Core KPIs: Marketed_Innovations 50% The solution is open-source 10% 	0-5
Excellence (30%)	 Demonstrated understanding of market for the proposed innovation. 25% Business plan/Commercial strategy is well researched and convincing. 25% Soundness/credibility of the business concept and robust commercialisation strategy are aligned with the indicated MRL's feasibility to launch product on the market. 25% TRL Stage of development of the innovation is clearly demonstrated in terms of: (1) its critical/non-critical technologies are clearly demonstrated (2) Convincing proof of TRL stage of at least 5 at the time of proposal submission has been provided, in the form of prototypes, data, feedback from tests/trials, consumers' assessment, that show evidence of completion/ achievement of TRL 4. 25% 	0-5
Quality and efficiency of implementation (20%)	 Value for money 25% Competences and complementarity of the consortium to achieve project objectives. 25% Adequate resources (human and financial) to achieve project objectives. 25% Risk analysis and mitigation plan in place. 25% 	0-5

The following criteria and weighting will be used in the assessment:

Each evaluation sub-criterion will be scored from 1 to 5 using the following scoring system:

The quality threshold for selection is a total score of 3.

Score		Description
0	Not addressed	Not addressed
1	Poor	The criterion is inadequately addressed, or there are serious inherent weaknesses

2	Fair	Proposal broadly addresses the criterion but there are significant weaknesses
3	Good	Proposal addresses the criterion well, but a number of shortcomings are present
4	Very good	Proposal addresses the criterion very well, but a small number of shortcomings are present
5	Excellent	Proposal successfully addresses all relevant aspects of the criterion. Any shortcomings are minor.

8. Payment and Monitoring

8.1 Payment Schedule

Participants of the consortia will receive funds in the form of a subgrant based on actual eligible costs.

8.2 Appeal on Evaluation Results

Activity leaders can submit an appeal on within 5 days of result receipt, if:

- There is an indication that the results of the eligibility checks were incorrect.
- The evaluation of their proposal has not been carried out in accordance with the procedures set out in this document.

For more details, please read EIT Food Redress Mechanism .docx

9.Next Steps for Selected Proposals

9.1 EIT Food Legal Framework & Legal Documents to be signed

Following the initial notification letter, selected proposals will receive a second communication with instructions regarding the completion of the following documents, as well as agreeing to EIT Food's conflict of interest policy:

- A. **EIT Special Conditions is** signed by participants in EIT funded activities transposing the provision of the Partnership Agreement (PA) concluded between EIT Food and the European Institute of Innovation and technology (EIT). According to article 5.3 PA the provisions included in the PA must be transposed in the KIC's legal and operational arrangements with the KIC's Partners. This Annex I shall be considered as the document that is required by the EIT under article 5.3 PA.
- B. **Subgrant Framework Agreement** between EIT Food and participants receiving EIT grants setting out the main principles under the Cascade Funding for a Participants receiving EIT grants under the Cascade Funding and outlining the main rights and obligations in this regard, such as liability, IP principles, payments, termination, suspension etc. (in case of non-partner and partner organizations).
- C. **Kava Contract** between EIT Food and the project consortium for the duration of project implementation, setting out obligations (such as KPI delivery, Financial Return Mechanism), funding amount for each participant, as well as other aspects governing the implementation of the project.
- D. **Financial Return Mechanism Agreement**, regarding the Financial Return Mechanism, needs to be signed between EIT Food and exploiting party/parties of the consortium.

9.2 Payment Schedule

EIT Food will transfer funding in instalments. A proportion of the Activity budget will be prefinanced, with subsequent payments being linked to the completion of deliverables.

The majority of the grant will be transferred at the end of the Activity, once eligible costs have been determined and following the completion of final Activity reporting and the fulfilment of all obligations specified in the Project Agreement.

9.3 Monitoring

All Activities selected for funding undergo continuous monitoring by EIT Food to ensure effective progress and implementation at each Stage in accordance with the Project Agreement, and to trigger payments according to the achievement of deliverables and KPIs.

The monitoring will cover several aspects relating to the Activity implementation including, but not limited to achievement of deliverables and KPIs; risk management; financial management; quality assurance; progress against KPI achievement and impact delivery; communication and dissemination; and progress towards commercialisation and exploitation of results.

EIT Food may request regular reporting of actual costs incurred with the subgrant, as well as regular reporting of KPIs and deliverables, together with the supporting documentation. The monitoring process may result in an amendment to the Activity workplan and/or budget, however the Financial Return Mechanism Agreement cannot be renegotiated following the approval of the Activity.

In the case of under-performance, significant delay of implementation, misconduct of the consortium, or any other reason jeopardizing the timely implementation of the Activity identified during the monitoring process, EIT Food reserves the right to discontinue or restructure the funding of the Activity at any point during the Activity duration. Furthermore, EIT Food will monitor all Activities up to 5 years after Activity completion to track long-term impact, the status of commercialisation and to ensure the achievement of KPIs anticipated after Activity end.

10. Your Questions

If you have any questions about this Call for Proposals, please contact <u>ewa.karolewska@eitfood.eu</u>.

Please visit <u>our website</u> for information about upcoming events to support you application. You will also find our list of Frequently Asked Questions.