



Project Implementation Handbook 2023-2025 – Financial support to start-ups

EIT Urban Mobility - Mobility for more liveable urban spaces

EIT Urban Mobility

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eiturbanmobility.eu



Version history

Date	Comments
27 July 2023	First release of the Project Implementation Handbook 2023 – Impact Ventures
28 February 2024	Second release of the Project Implementation Handbook 2023-2025 addressing minor updates on the legal requirements section (updated PIC validation procedure)

Contents

List of abbreviations	3
Introduction.....	4
1. Project kick-off	5
2. Communication requirements	6
3. Legal requirements.....	7
4. Project changes	9
5. Final reporting and review	11
6. Payment scheme.....	14
7. Eligibility control: Certified Financial Statement audits.....	15

List of abbreviations

CEO	Chief Executive Officer of EIT Urban Mobility
CfP	Call for Proposals
CFS	Certified Financial Statement
DEL	Deliverable
DoH	Declaration of Honour
EIT	European Institute of Innovation & Technology
EIT UM	EIT Urban Mobility
EU	European Union
IR	Interim Review
KIC	Knowledge Innovation Community
LEAR	Legal Entity Appointed Representative
PIC	Participant Identification Code
PMO	Programme Management Office of EIT Urban Mobility
REA	Research Executive Agency of the European Commission
RIS	Regional Innovation Scheme
FAIA	Financial Support Agreement and Investment Agreement
SME	Small and Medium-sized Enterprise

Introduction

The purpose of this document is to provide background information and guidance to Subgrantees¹ on the implementation of projects included in EIT Urban Mobility's Impact Ventures portfolio for the Business Plan 2023-2025. The document is also an annex to the Financial Support Agreement and Investment Agreement (FAIA) that entities receiving funding from EIT Urban Mobility have to sign. It describes the practical implementation rules of the framework outlined in the FAIA.

This handbook covers the life cycle of the projects, including their kick-off, the completion of all contractual requirements, day-to-day implementation, management of any project changes and final reporting.

Together with this handbook, subgrantees should become familiar with the "EIT Urban Mobility Brand Book" and "EIT Urban Mobility Communication guidelines" (see Section 2 "Communication requirements"). Detailed hands-on guides will be produced for specific processes (Cost Eligibility, Interim Report, Final Report, etc.), where necessary.

Project partners can address any formal complaint about the implementation of EIT Urban Mobility's monitoring process through the Whistleblowing channel, available on the EIT Urban Mobility website at the following link: <https://eitkurbanmobility.whistle.compliance.io/en>.

¹ A Subgrantee is the start-up financially supported by EIT Urban Mobility.

1. Project kick-off

To help subgrantees in the implementation of their projects, an introduction webinar will be held at the time the projects will start. During this webinar, EIT Urban Mobility staff will explain the role and responsibilities of subgrantees as well as provide information on the main milestones in the project implementation and reporting cycle.

Key responsibilities of subgrantees include:

- Monitoring and controlling the project's work plan and ensuring that the project is implemented according to the agreed workplan.
- Communicating any changes/deviations from the project's work plan to EIT Urban Mobility in a timely fashion.
- Ensure that the reported expenses comply with Horizon Europe's cost eligibility rules.

2. Communication requirements

All projects and activities funded by EIT Urban Mobility must comply with the communication, dissemination and visibility obligations included in the relevant Articles of the Financial Support Agreement and Investment Agreement (FAIA); i.e., those referring to “Communication, Dissemination and Visibility” (Article B). In accordance with the FAIA, **if a subgrantee breaches any of its obligations, the grant may be reduced accordingly (see section 6)**. Obligations include, amongst others:

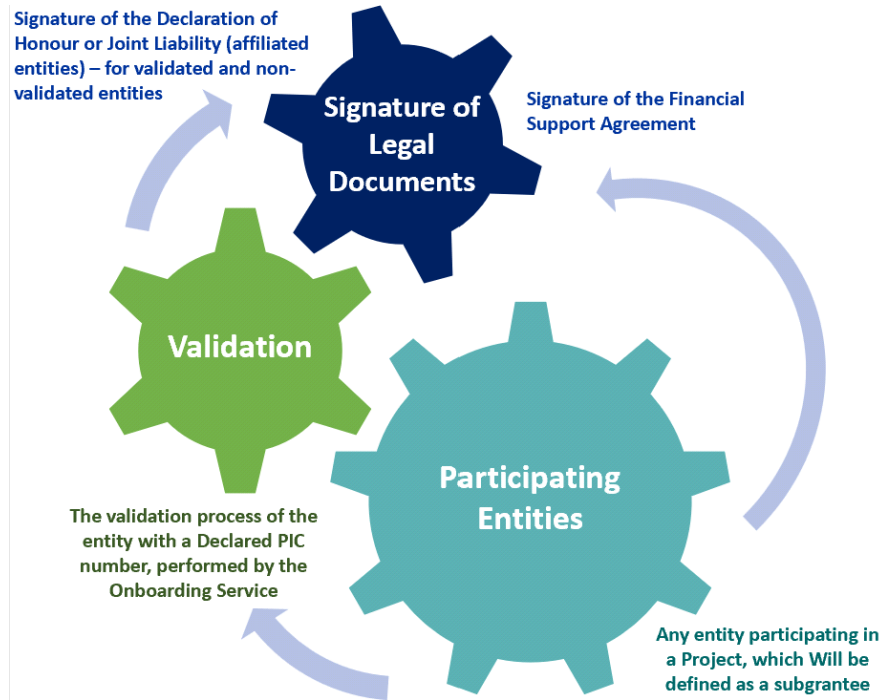
- Funded projects are required to add EIT Urban Mobility/EU co-branding to their websites/webpages no later than 3 months after the beginning of the project.
- EIT Urban Mobility/EU co-branding must be utilised in all external communications of projects carried out with EIT Urban Mobility funding/support or organised in collaboration between EIT Urban Mobility and its subgrantees.
- Crucially, due to the three-year duration of the EIT Urban Mobility Business Plan, **it is mandatory that co-branding requirements are fulfilled until August 2026** (i.e., the duration of the Business Plan 2023-2025 plus the subsequent period during which reporting and assessment by the EIT takes place). **This obligation applies regardless of the end date of the project.**

Full details of the branding guidelines are available in the “EIT Urban Mobility 2023-2025 Brand Book” and **communication requirements are outlined in the** “EIT Urban Mobility 2023-2025 Communication Guidelines”.

In addition, the following communication inputs are required:

- The public deliverables (if any) produced by the projects will be published on the EIT Urban Mobility website.

3. Legal requirements



EIT Urban Mobility is a Knowledge and Innovation Community (KIC) created by the European Institute of Innovation and Technology (EIT). It has been set up as a legal entity and, as such, it signed a Partnership Agreement (covering a 7-year period, 2021-2027) and a Grant Agreement (covering a 3-year period, 2023-2025) with the EIT.

The Grant Agreement allows EIT Urban Mobility to provide financial support to third parties (i.e. “subgrantees” or “recipients”) for projects and actions that contribute to the objectives and targets of the EIT Urban Mobility Business Plan 2023-2025. Entities receiving EIT Urban Mobility funding for the implementation of projects will therefore become subgrantees of the Business Plan 2023-2025, committing themselves to perform towards the achievement of the related targets.

Entities that have never been part of projects funded by EIT Urban Mobility and that do not have a PIC (Participant Identification Code) validated by the Research Executive Agency (REA) of the European Commission will be subject to **PIC validation** process managed by the **EIT Community Onboarding Service**. The validation of the PIC is **mandatory** for all EIT Urban Mobility’s subgrantees. Entities will be asked to provide a package of documentation to complete their validation (see table below) and become “EIT validated”.

The following tables summarise the information needed for entities that do not have a validated PIC (i.e., entities without a PIC or when the PIC is only declared) and for entities with a validated PIC. The documentation to be provided is different depending on the amount of EIT funding requested.

Entities without a PIC or a PIC with the status “Declared”	
Entities requesting less than 60,000 EUR	Entities requesting 60,000 EUR or more

<ul style="list-style-type: none"> • <u>Legal entity identification form</u> without supporting documents • Ad-hoc declarations <ul style="list-style-type: none"> ○ Declaration of Honour (DoH)** ○ Declaration of Joint Liability (DoJL - for Affiliated Entities) 	<ul style="list-style-type: none"> • <u>Legal entity identification form</u> with supporting documents • Ad-hoc declarations <ul style="list-style-type: none"> ○ Declaration of honour** ○ Declaration of Joint Liability (DoJL - for Affiliated Entities) • Official VAT document proof (for non-EU Countries) • Certification of Registry • Copy of the Identity Card or Passport of the authorized person • Financial capacity assessment documents*
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Table 1. Documentation needed to fulfil the legal requirements for entities without PIC or with the PIC status “declared”.

Entities with a validated PIC	
Entities requesting less than 60,000 EUR	Entities requesting 60,000 EUR or more
<ul style="list-style-type: none"> • Ad-hoc declarations (e.g. Affiliated Entities): <ul style="list-style-type: none"> ○ Declaration of Honour (DoH)** ○ Declaration of Joint Liability (DoJL - for Affiliated Entities) 	<ul style="list-style-type: none"> • Financial capacity assessment documents* • Ad-hoc declarations: <ul style="list-style-type: none"> ○ Declaration of Honour (DoH)** ○ Declaration of Joint Liability (DoJL - for Affiliated Entities)

Table 2. Documentation needed to fulfil the legal requirements for entities with a validated PIC.

* This check will be performed only in a limited number of cases (i.e., according to HE rules, for lead coordinators with an EIT budget contribution of over 500,000 EUR).

** Declaration of Honour (DoH) or Declaration of Joint Liability (DoJL) will be requested once a year if, throughout the duration of the Business Plan 2023-25, a partner is awarded an additional project under the framework of any EIT KIC for that give year. Entities will update the DoH whenever the content of the DoH is outdated. The Onboarding Service will manage its signature process.

It should be noted that for business entities² requesting 60,000 EUR or more, the joint KICs Onboarding Service might perform a creditworthiness check.

Once entities have been validated by the joint KICs Onboarding Service, they can proceed with the signature of the Financial Support Agreement and Investment Agreement (FAIA), which is expected to be valid for the entire duration of the project.

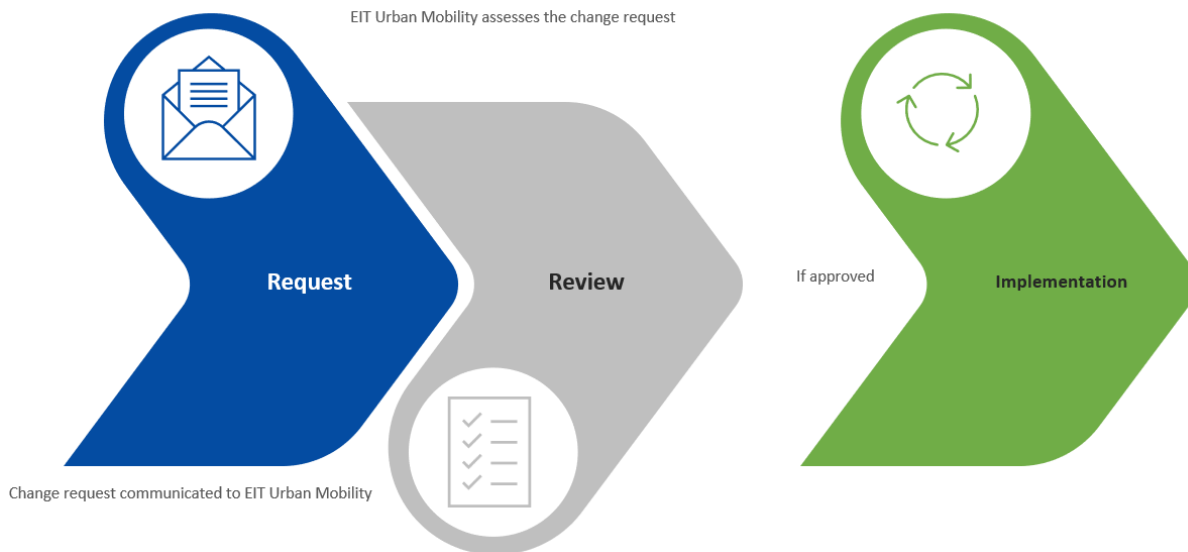
The **Financial Support Agreement and Investment Agreement** lays down the contractual arrangements between EIT Urban Mobility and the subgrantee regarding the financial support to the third party (i.e. the subgrantee).

Entities receiving EIT Urban Mobility funding must contribute to EIT UM Financial Sustainability Mechanism (FSM) by giving out equity to EIT UM for a nominal price or for free.

If foreseen by the call for proposal, supported entities must additionally subscribe to the EIT Urban Mobility Growth Lab programme.

² A business entity is an organisation created by an individual or individuals to conduct business, engage in a trade or partake in similar activities.

4. Project changes



During the implementation phase, projects may need to make changes to their approved work plan. Change requests need to be communicated to EIT Urban Mobility, who will assess and accept or reject the request. If accepted, next steps will depend on the type of change requested: major changes or minor changes. Whenever possible, requests for project changes should be submitted in an aggregated way, avoiding multiple requests.

Minor changes:

Small changes in budget distribution between cost categories³ lower than +/- 30%. For example, shifting 30% of travel budget to personnel. These deviations are generally accepted and can be reported and justified at the time of the final reporting.

Major changes:

The Subgrantee must communicate to EIT Urban Mobility with no delay such requests for changes, which will be assessed and approved/rejected by EIT Urban Mobility.

1) Changes in the legal status of the Project Leader

The Project Leader will need to communicate any changes to its legal status to EIT Urban Mobility as soon as possible. EIT Urban Mobility will assess the eligibility of the project with regards to the conditions of the respective call, as well as the potential impact on the project results.

³ Any change in subcontracting costs should be agreed with EIT Urban Mobility before being incurred.

2) Changes to the description of the project

Please note that: **any reduction in the scope of the project will need to be associated with a reduction in financial support.**

3) Changes in budget

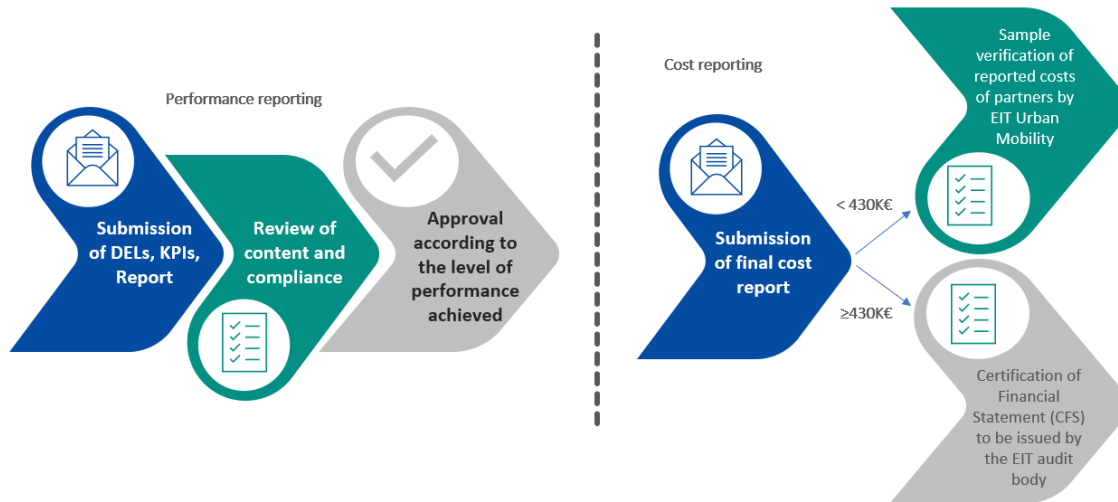
There are four groups of budget changes:

- Decrease of the overall project budget. These changes will be **generally accepted**.
- Increase of the overall project budget that results in an increase of financial support. This change is **unlikely to be approved and therefore will require a strong justification**.
- **Major changes in budget distribution** between cost categories higher than +/- 30%. **These changes will need to be approved by EIT Urban Mobility.**

4) Changes to the project duration

In case the project requires additional time to complete its workplan, the Subgrantee will have to request a project extension to EIT Urban Mobility. This request should be sent at least 2 months before the end of the project. If the extension is approved, the project will be allowed to continue with the implementation and report costs incurred during that extension, as long as they are not higher than the original approved budget. Some projects may have a limit to the length of the extension they can request, according to the original call guidelines. In all cases, **no extension can be granted beyond 31 December 2025.**

5. Final reporting and review



Once the implementation of the project has finished, subgrantees must report respectively on performance and costs **within one month time from the end of the project**.

The final reviews is a key milestone of the implementation cycle. The objective is to assess the outcomes of the project's implementation (performance, budget, and impact) and ensure that the project was executed in line with the work plan and contributing to the targets of the Business Plan 2023-2025.

Importantly, in case of concerns about the performance of a project, EIT Urban Mobility can trigger an *Ad-Hoc* performance review at any time during the year.

The final review is usually comprised of two main elements:

- **A performance report** providing an overview of project implementation covering risks, communication and dissemination actions, etc.
- **A cost report** providing an overview of incurred project expenses.

Performance reporting

Subgrantees need to submit the items detailed below, which will be reviewed by EIT Urban Mobility for content and compliance.

- **Deliverables:** Subgrantees need to submit deliverables (if any) according to the work plan and due dates. Subgrantees should use the deliverable templates provided by EIT Urban Mobility to ensure compliance with EIT/EU branding requirements.
- **Project Final Performance Report:** The report assesses different aspects of the project, including explaining achievements, deviations, and corresponding justifications.

Cost reporting

Subgrantees do not need to submit documentation to EIT Urban Mobility justifying costs (timesheets, invoices, contracts, etc.) as part of their interim cost report. However, subgrantees must keep appropriate and sufficient evidence to prove the eligibility of all the costs declared, implementation of the action according to the approved project and compliance with all the other obligations under the Financial Support Agreement and Investment Agreement (FAIA). If costs are not supported by appropriate and sufficient evidence, they will be rejected. The evidence must be verifiable, auditable and available. It must be correctly archived for the duration indicated in the FAIA. Conditions for cost eligibility are set out in the Horizon Europe Model Grant Agreement and transposed in the document Eligibility of Expenditure, which is also part of the call package.

- Following the submission of the cost report an internal eligibility check will be performed: these checks will be performed on a sample basis.

If any cost is considered as ineligible during the internal eligibility check, or as a final result of a CFS audit (see chapter 7), the finance contact will be asked to correct its cost reporting accordingly.

Please note that:

- 1) If the total costs reported are higher than the latest approved budget, the excess is covered by the subgrantee.
- 2) If the total costs reported are lower than the latest approved budget, the financial support is reduced accordingly.

Final Review

EIT Urban Mobility will review the Final Reports submitted by Subgrantee and assess the overall project performance.

Regular monitoring and any mitigation actions taken during previous interim reviews should ensure that projects deliver on all their objectives. However, in cases where performance at project closure is not satisfactory, any shortcomings will be assessed, and their weight calculated according to the performance rate methodology outlined below (see table 5).

In case of underperformance any reduction will be aligned accordingly (i.e., % of underperformance equals % of reduction) and applied to the project total budget.

The following table outlines the methodology to calculate the level of underperformance.

Indicator	Weight (%)
Deliverables Factors to be considered: Achievement/not achievement of objectives, submission/no submission of deliverables, quality of deliverables.	Up to 30%
Financial Sustainability Mechanism (FSM)/equity • Achieved: no reduction.	Up to 60%

<ul style="list-style-type: none"> ▪ Not achieved: 30% reduction. ▪ Partial achievement: reduction proportional to underachievement of targets. 	
<p>Branding Factors to be considered: Please refer to Section 2 communication requirements and to documents “EIT Urban Mobility 2023-2025 Brand Book” and “EIT Urban Mobility 2023-2025 Communication guidelines”.</p>	<p>Up to 10%</p>

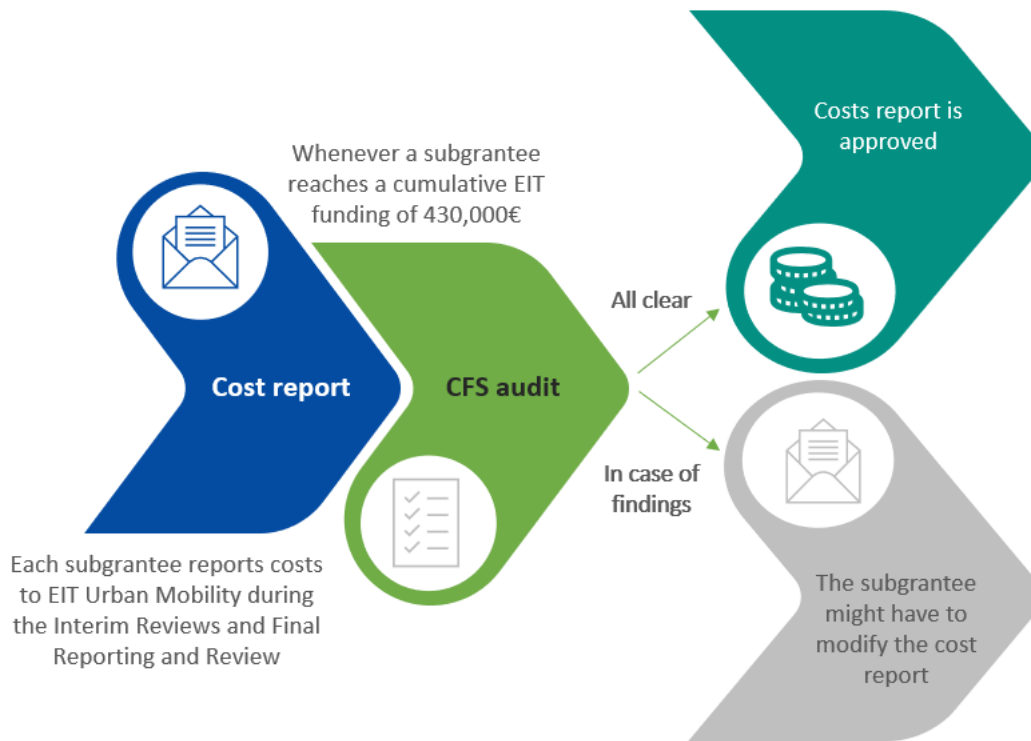
Table 1. Performance rate methodology

6. Payment scheme

Upon completion of the relevant contractual package the whole approved EIT Urban Mobility grant will be transferred to the Project Leader account.

Please note that **this payment scheme is applicable to 2023 and 2024, updates might be applicable in 2025.**

7. Eligibility control: Certified Financial Statement audits



After each interim or final cost reporting, the cumulative funding **reported by an individual start-up** in the Business Plan 2023-2025 for all EIT Urban Mobility projects they participate in will be checked. When subgrantee reaches a cumulative EIT funding of 430,000€, a Certified Financial Statement (CFS) audit will be requested. The CFS audit will be performed by an external auditor appointed by EIT Urban Mobility. The CFS review is independent from the internal audit check described in chapter 5 (Final reporting and reviews).

The scope of the CFS audit is to check the eligibility of the costs reported so far by a subgrantee for all projects where they participate, cumulatively. The first CFS audit will check costs reported up to a specific date “D”. A second CFS audit (meaning a start-up reaches again a cumulative EIT funding of 430,000€) would check the costs reported from date “D+1 day” to date “D2”, and so on.

The result of each CFS audit can be either:

1. **Clear, no findings are detected.** All costs are validated according to payment description in Section 6.

2. **The auditor report lists findings:** EIT Urban Mobility (Finance department) will decide if the findings correspond to ineligible costs. The decision will be based on conditions for cost eligibility set out in the Horizon Europe Model Grant Agreement and transposed in the document “*Eligibility of Expenditure*”, which is part of EIT Urban Mobility Call for Proposals (CfP) packages. In the case that EIT Urban Mobility determines that the CFS findings are ineligible costs, the partner will have to correct its cost report excluding those ineligible costs.