



Innovation Fund



Innovation Fund

Production and use of
Renewable energy
*including manufacturing plants for
components*

**Carbon Capture
Use and Storage**

**Driving low-carbon
technologies to the market**

**Energy-intensive
industries**
including substitute products

Energy storage
*including manufacturing plants
for components*

Key features

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First call for large-scale projects

Volume of at least EUR 10 billion until 2030 (at EUR 20 carbon price)

LSC: Support of up to 60% of additional capital and operating costs (up to 10 years)

SSC: up to 60% of CAPEX

Annual calls for large-scale and small-scale projects (CAPEX < EUR 7.5 million)

Financed from the revenues of the EU Emissions Trading System

LSC: Support of additional capital and operating costs (up to 10 years)

SSC: support of CAPEX

First call open, volume of EUR 1 billion for large-scale projects

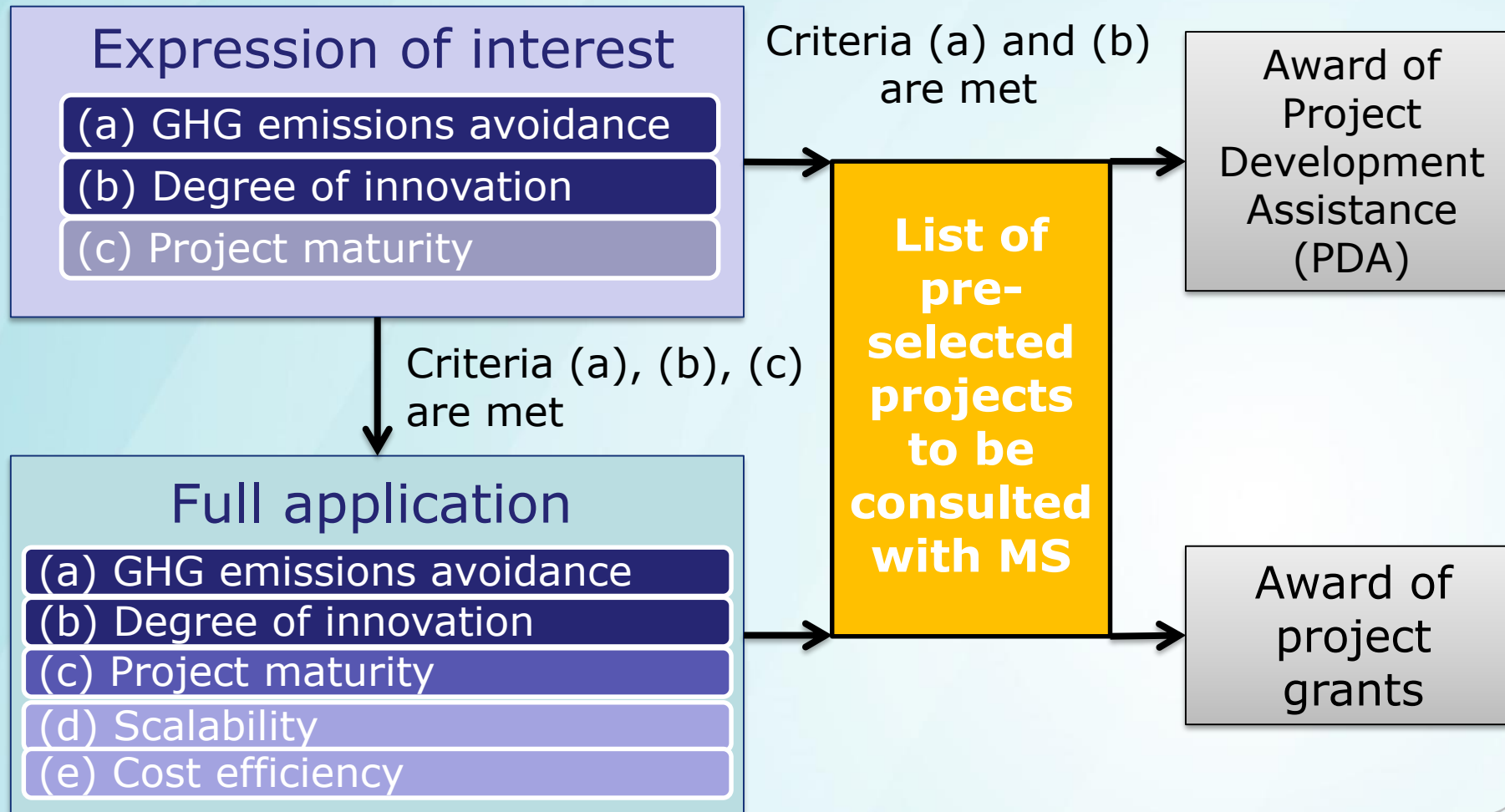
Planned volume of EUR 100 million for small-scale projects call

Single applicant or consortium

Project start possible after application for first stage

Large- scale call: Selection process

INNOVATION FUND
First call for large-scale projects



Award criteria

GHG emission avoidance

- Quantitative indicators for absolute and relative avoidance

Degree of innovation

- Beyond incremental innovation and impact on EU policy objectives

Project maturity

- Ready to reach financial close within 4 years?

Scalability

- Market potential for widespread application

Cost efficiency

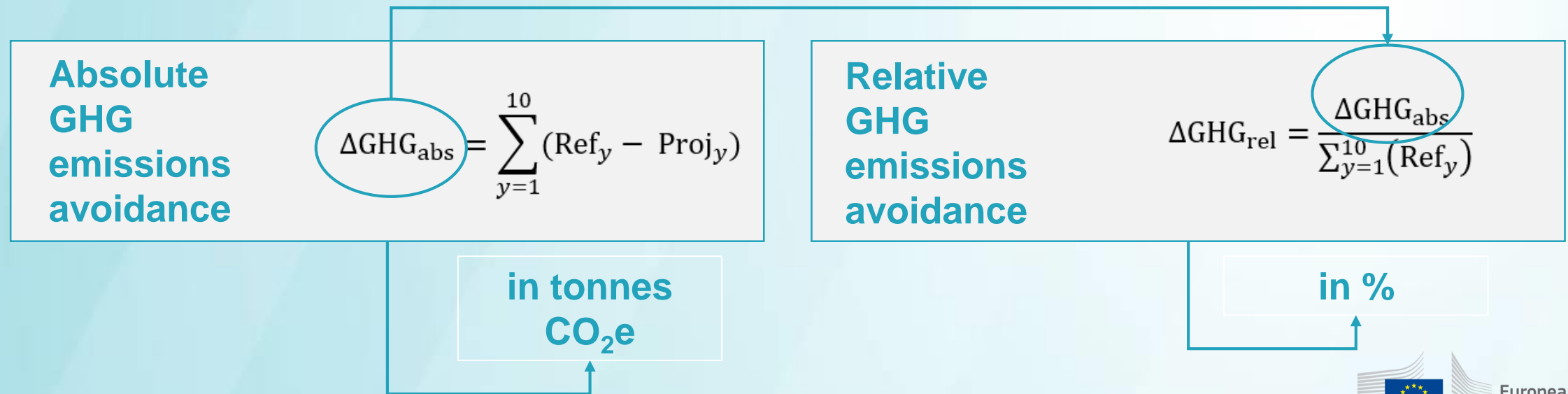
- Requested support per ton of CO₂

GHG emission avoidance calculation and criterion

Absolute GHG emission avoidance will be the difference between:

- the **emissions that would occur in the absence of the project (*Ref*)**, and
- the **emissions from the project activity (*Proj*)**

Timescale: 10-years but emission factors are fixed for the 10 years of calculation and for reporting purposes. For knowledge-sharing purposes however, the actual emission factors will be used.



Degree of innovation

Project goes beyond incremental innovation

- (First-of-a-kind) commercialisation at large-scale
- Proposed technology or product goes beyond minor changes

... considering additional criteria
(second stage)

- Energy efficiency and circularity
- Use of electricity from renewable origin
- Net carbon removals

Project maturity – *ready to reach financial close within 4 years?*

	Assessment criteria	Mandatory documents
Technical maturity	Technical feasibility, including project design and technical risks	<i>Feasibility study</i>
Financial maturity	Financial viability, including profitability and financing structure	<i>Business plan</i>
Operational maturity	Progress in planning and implementation, including permitting procedures, contracts with customers and suppliers	<i>Project implementation plan</i>

Scalability – *market potential for widespread application*

Project and regional level

- Further expansion at project site, including sector coupling
- Cooperation with regional economy
- Strategy on knowledge sharing

Sector

- Potential GHG emission avoidance for sector, # installations
- Taking account of supply and demand conditions, such as expected cost reductions and resource constraints

Economy-wide

- Potential GHG emission avoidance across economy, taking into account size of the sector and potential of GHG emission avoidance in other sectors
- Impact on competitiveness and supply chains within EU

Cost efficiency =

**Relevant costs less contribution
by project applicant**
Max 60% of relevant costs

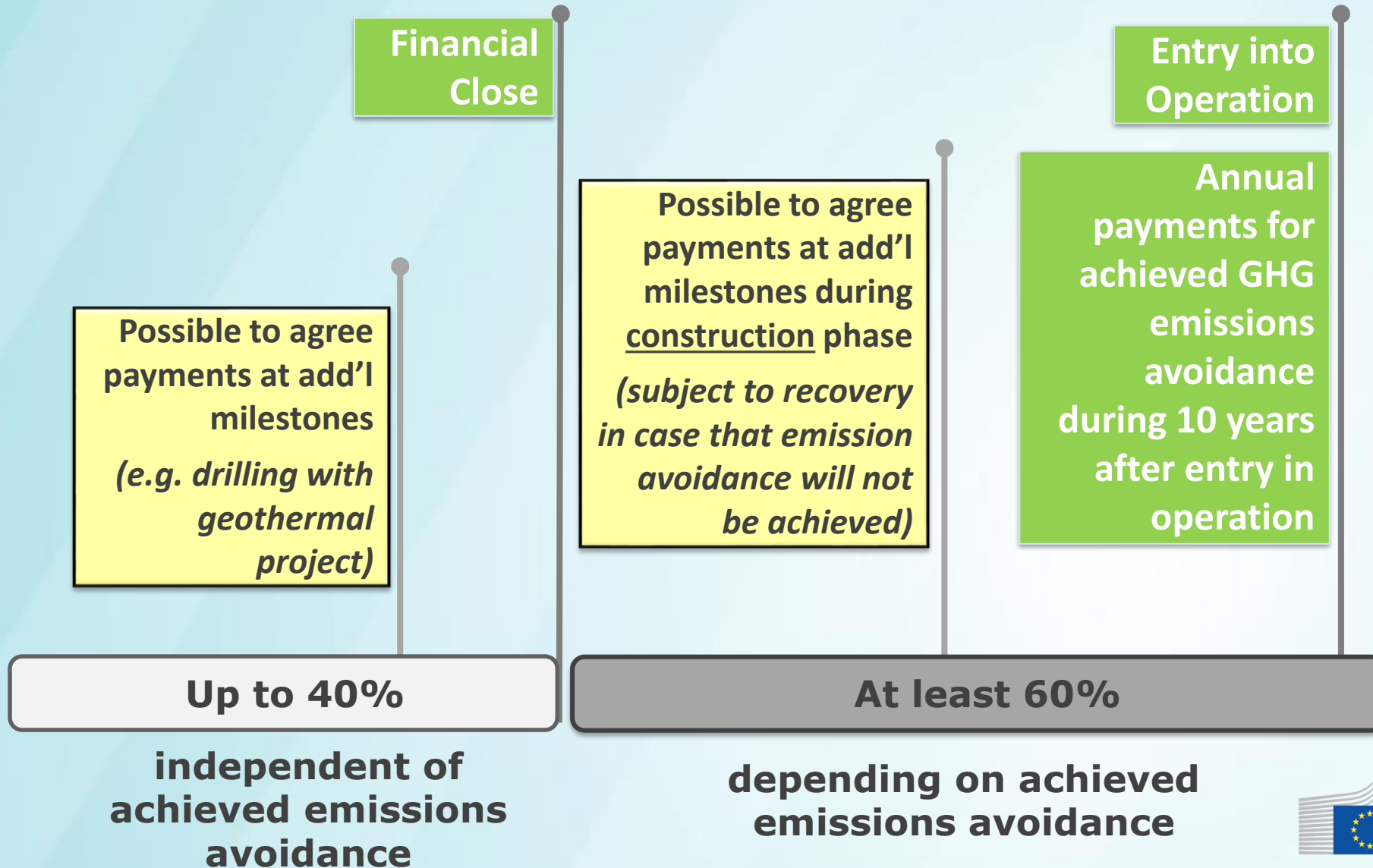
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**Absolute GHG emission
avoidance**
during 10 years after entry into
operation (*first criterion*)

*Contributions from private
resources or public support*

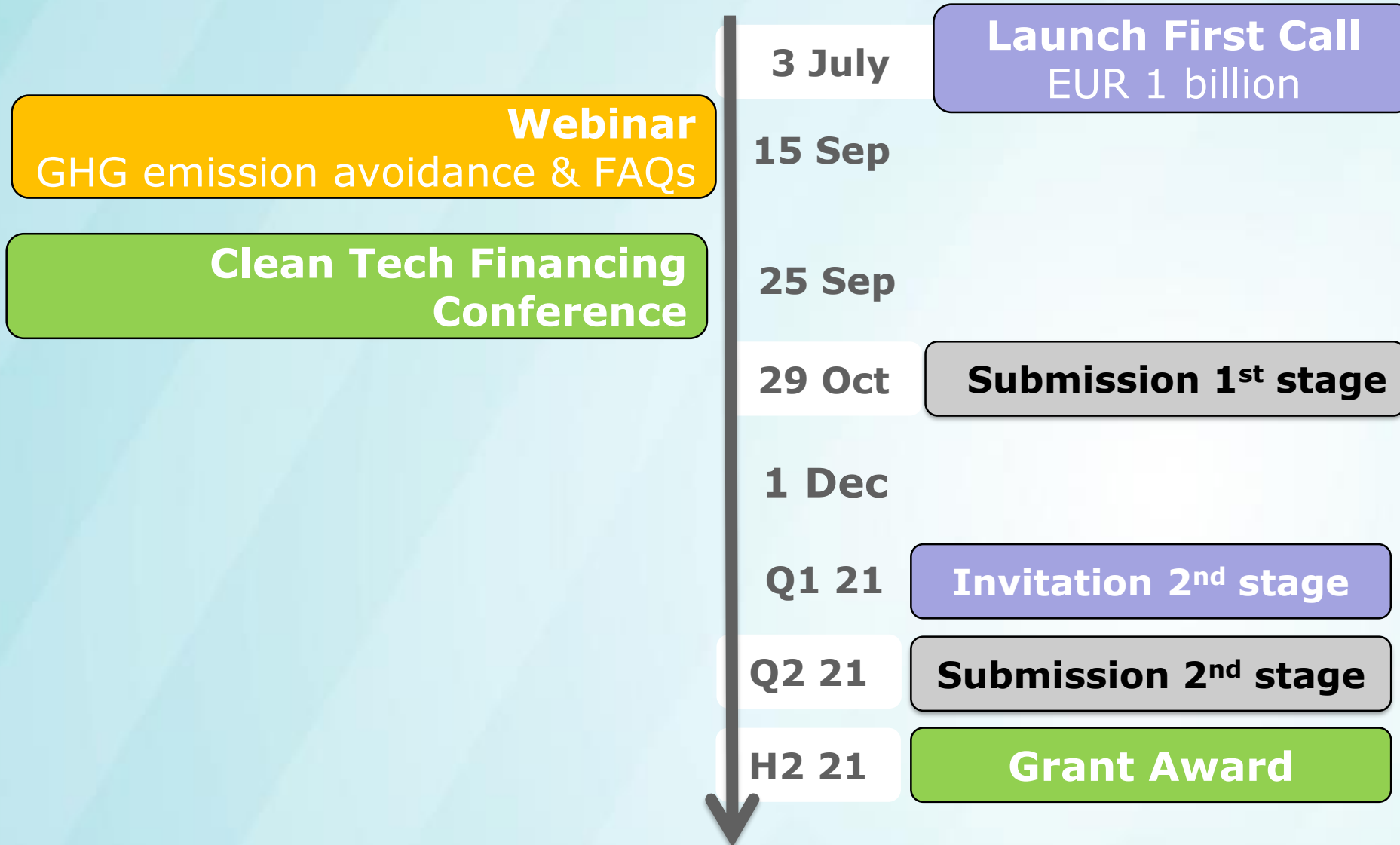
Payments upon milestones

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Calendar – 1st large-scale call

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First call for large-scale projects



*All call documents available on the **Funding and Tenders Portal***

- ✓ Guidance and calculation tools on GHG emissions and relevant costs
 - ✓ Frequently asked questions



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First call for small-scale projects



Small-scale projects compared to large-scale projects in the Delegated Regulation

	Large-Scale	Small-Scale
Size of projects	> € 7.5M CAPEX	< € 7.5M CAPEX
Eligible activities	<ul style="list-style-type: none"> - Energy intensive industry, - Renewables, - Storage - CCUS 	Same
Application process	Two stages	Single stage
Selection criteria	<ul style="list-style-type: none"> - GHG emission avoidance - Degree of Innovation - Project maturity - Scalability - Cost efficiency 	Same
Grant amount	<ul style="list-style-type: none"> - Up to 60% of additional costs 	<ul style="list-style-type: none"> - Up to 60% of total CAPEX - Max grant = 60% of € 7.5M = € 4.5M
Grant disbursement	<ul style="list-style-type: none"> - 40% at financial close - 60% dependent on delivery of GHG emission avoidance 	Same
Project Development Assistance (PDA)	<ul style="list-style-type: none"> - Yes 	Yes

Proposed first call for small-scale projects

Call volume

- € 100 million

Call dates

- Launch on 1 December
- Submission deadline on 10 March

Focus

- Innovative projects ready for market entry
- Avoid overlap with other EU programmes

Award criteria

- Simplified methodologies and requirements
- More weight on innovative projects that are market ready

Grant disbursement

- Quicker grant disbursement within 3-year reporting period (instead of 10 years with large-scale projects)

Designing the small-scale call to avoid overlap with other EU programmes

	Life programme (climate change – traditional projects)	EIC accelerator	Innovation Fund call for small- scale projects
Focus	<ul style="list-style-type: none"> Aimed at earlier-stage demonstration and pilot projects 		<ul style="list-style-type: none"> Market entry, e.g. first-time project implementation with “pioneer” customers
Grant size	Average ≈ €1.5M	Max. €2.5M	<ul style="list-style-type: none"> Setting a minimum project size of €2.5M CAPEX This means a minimum grant of €1.5M (= 60% of €2.5M)

Innovative small-scale projects ready for market entry



Pioneer Customer(s)

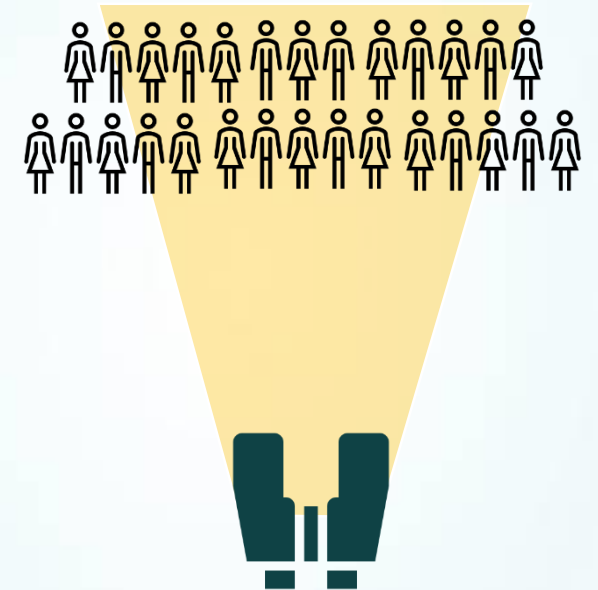
Installation of an innovation in a new “pioneer” market with a “pioneer” customer.

- *You have an exciting new technology but need a market*
- *Include the customer(s) in your application*

think of

- *Battery solutions*
- *Hydrogen fuel cells powered data centres*
- *climate neutral public buildings: renewable energy, energy storage and substitute materials pilot buildings*

examples



Award Criteria

GHG emissions avoidance

- Absolute and relative emissions
- Below ETS benchmark
- Biomass sustainability

Simplified methodologies

Innovation

- Beyond state-of-the-art
- Beyond incremental innovation

Encouragement of specific activities

Project maturity

- Implementation maturity
- Financial maturity

Fewer requirements on documentation

Scalability

- Project and regional level
- Sector level
- Economy wide

No knowledge sharing plan

Cost efficiency

- Relevant cost = total project CAPEX
- EU contribution requested per tCO₂ avoided

Simpler calculations

GHG Emission Avoidance

Sub-criteria	Description
Absolute GHG emission avoidance	The difference between the expected GHG emissions of the project and the GHG emissions in the reference scenario during 10 years after entry into operation.
Relative GHG emission avoidance	The absolute GHG emission avoidance of the project divided by the GHG emissions in the reference scenario.

Degree of Innovation

Project goes beyond state of the art

- First-of-a-kind commercialisation or commercial size demonstration of processes previously proven at pilot, or demonstration plants.

Project goes beyond incremental innovation

- Proposed technology or product or business model goes beyond minor changes made to existing products, processes or business models

Specific activities encouraged

- Direct air capture
- Net carbon removals
- Substitute products

NEW !!

Project Maturity

Implementation maturity

- Technical feasibility
- Credibility of implementation planning
- Project team
- Permitting procedure, public acceptance where relevant
- **Contracts with customers**

Financial maturity

- Viability of financial plan and bankability
- Soundness of financial model

Proposed simplifications:

- Only two sub-criteria
- Lower requirements on documentation
- No project implementation plan

Scalability

Project and regional level

- Expansion at project site and possible transfer to other sites
- Cooperation with other actors of the regional economy
- Knowledge sharing, communication and dissemination

Sector level

- Extent to which the technology of the project can be applied within the sector and the expected emissions avoidance
- Expected cost reductions and resource constraints

Economy-wide

- Extent to which the technology of the project can be applied across the economy
- Potential to create new value chains or reinforce existing ones

Proposed simplification:
No knowledge-sharing (KS) plan required

Cost efficiency =

**Relevant costs less contribution
by project applicant**
Max 60% of relevant costs

=

**Absolute GHG emission
avoidance**

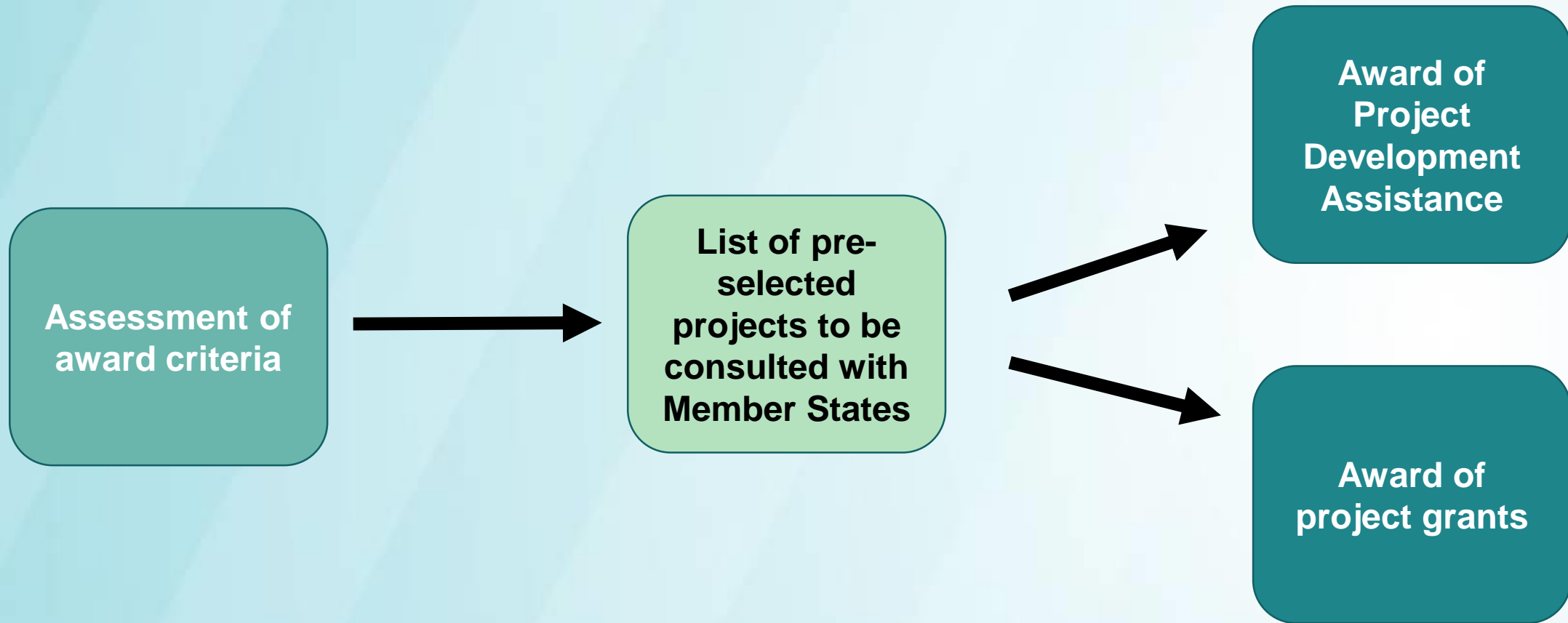
During 10 years after entry into operation

**Relevant costs = total
capital expenditure
(CAPEX) of the project**

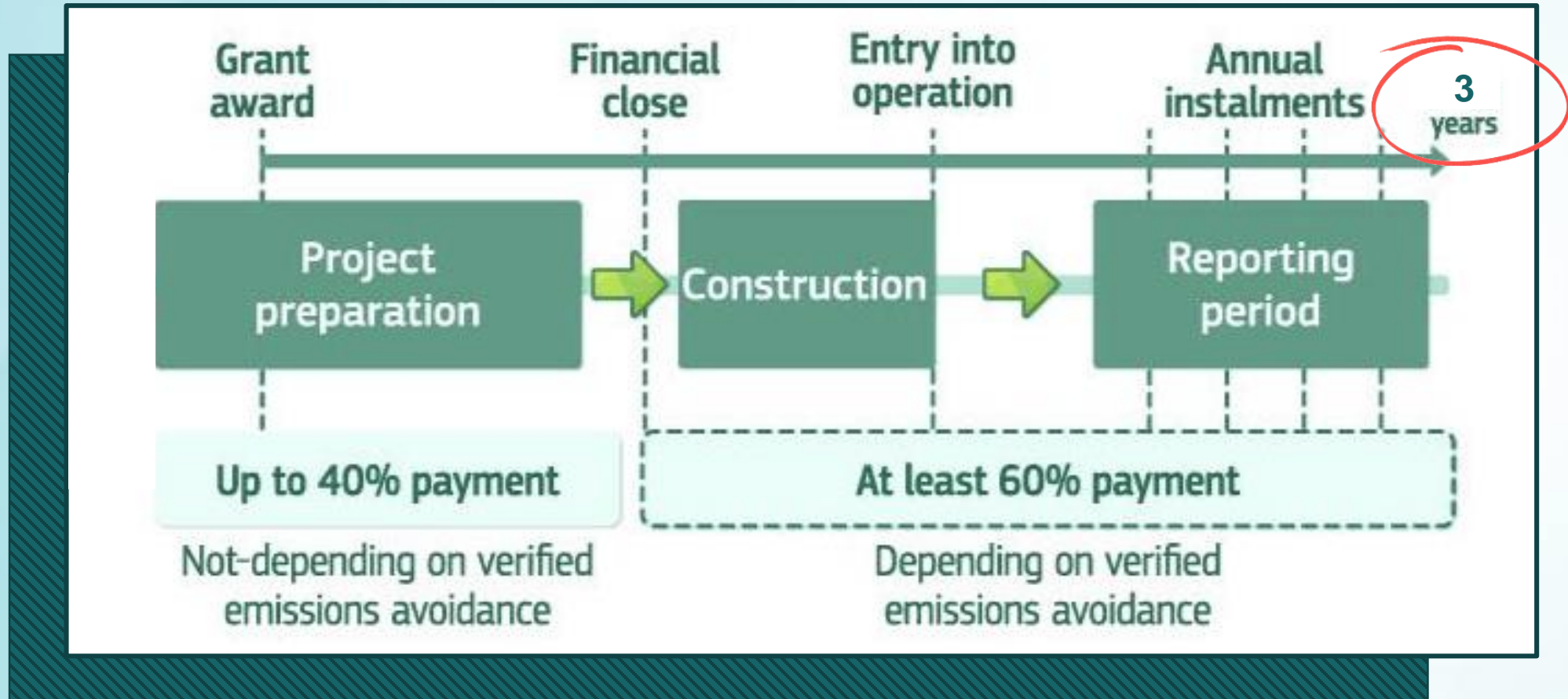
(eg. construction costs, site
infrastructure; development
costs; Intangible assets)

- **Maximum of €7.5M
CAPEX**
- **CAPEX to be certified
by independent auditor**

Selection process: overview



Proposal for quick grant disbursement within 3 years reporting period



Project Development Assistance (PDA)

When can projects benefit from PDA?

- After the evaluation, rejected projects that:
 - Meet the minimum requirements for Degree of Innovation and GHG emissions avoidance
 - Are awarded at least 50% points under project maturity criterion
 - Are considered by evaluators as having potential to improve their maturity with PDA
 - Are confirmed by the EIB as shortlisted projects for the PDA

How does it work?

- The PDA support consists of the **EIB expert services** for further development of projects
- Managed separately under project - specific contract with the EIB
- Subject to Commission Award Decision
- **Cca 20 projects** could benefit from the PDA in this call

Time Plan



Join us as project evaluator!



Technical experts



Financial experts



Legal experts

- **Individual** evaluation
 - 5 working days during November and December
 - To be organized fully remotely from your office or home
 - Can be performed during weekends and evenings
- **Consensus group** –
 - Full week of discussion with other fellow evaluators in January 2021
 - Either in Brussels or virtually
- Up to € 5000 compensation OR pro-bono
- **Confidentiality and conflict of interest rules apply**

Outreach & Upcoming events

Encourage cooperation and synergies with national focal points of other programmes (Horizon Europe, LIFE...)

19 November

Conference on small-scale projects

1 December

Launch Innovation Fund call for small-scale projects

Q1 2021

Webinar(s) on small-scale call

THANK YOU