

EIB support to Innovation Fund Project Development Assistance, IF PDA

Dr. Zoran Stanic, Head of IF Unit, EIB

Innovation Fund Info Days: Third call for large-scale projects

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EIB at a glance



Largest multilateral lender and borrower in the world

Leading provider of climate finance

Governed by the EU Member States

Over **€1.5 trillion** invested since 1958

- More than **14,400 projects** in over **160 countries**
- Crowding-in bank: **€ 4.8 trillion** overall investment mobilised
- Lending ca. 60bn EUR in 2021

Headquartered in Luxembourg

- Around **3,800 staff**: In addition to finance professionals, we have engineers, economists and socio-environmental experts
- **54 offices** around the world



EIB role in the Innovation Fund Project Development Assistance

- The Innovation Fund includes a dedicated **Project Development Assistance (PDA)** to improve the “maturity” of projects for subsequent applications

“**Maturity**” refers to selection criterion C in Article 11 of the Delegated Regulation of the Innovation Fund.

“Project maturity in terms of planning, business model, financial and legal structure as well as project of reaching the financial close within a predefined period of time not exceeding four years after the award decision”

- According to Art. 13, the following activities may be funded by way of PDA:
 - (a) improvement and development of a project documentation, or of components of the project design with a view to ensuring the sufficient maturity of the project
 - (b) assessment of the feasibility of the project, including technical and economic studies
 - (c) advice on the financial and legal structure of the project
 - (d) capacity building of the project proponent
- The EIB has been entrusted by the Commission with the implementation of the PDA task in accordance with Article 18(1)(c) of Delegated Regulation (EU) 2019/856
- The PDA will be implemented by financial and technical experts of the EIB with support from external consultants

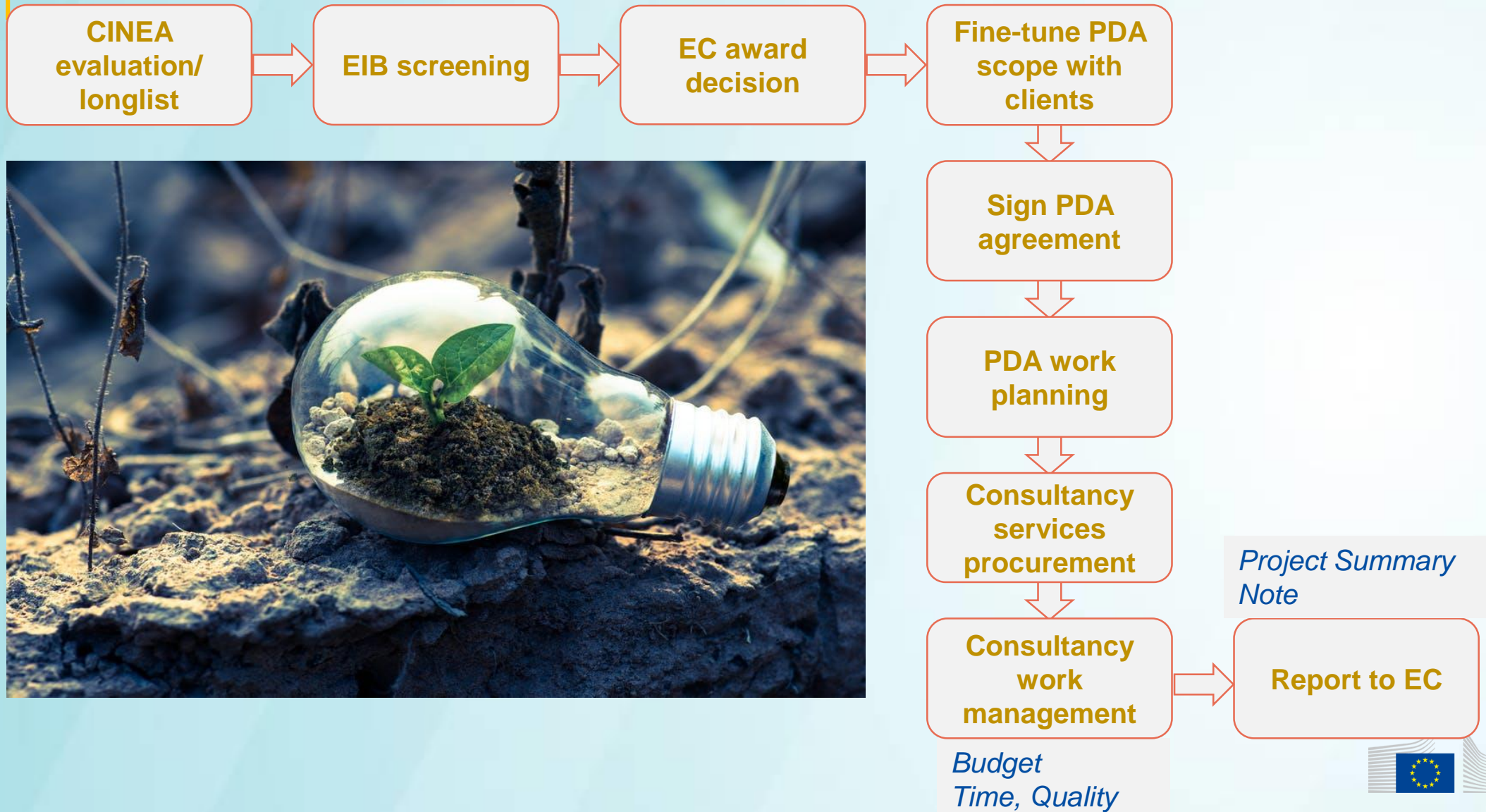
Criteria for projects to be considered for PDA support

Project development assistance support (PDA)

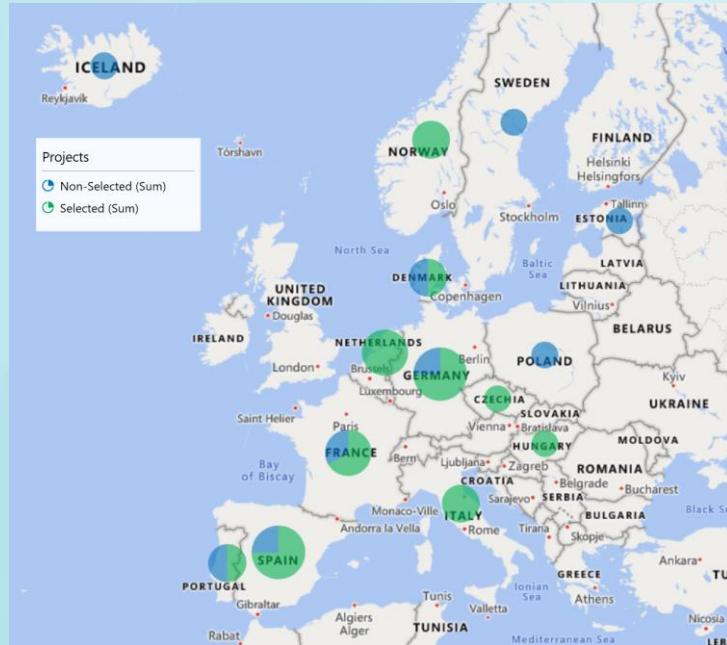
Out of the proposals that do not score above the threshold for funding, those proposals are considered for project development assistance that:

- *reach at least the **minimum threshold** for ‘GHG emission avoidance’, ‘Degree of innovation’, ‘Scalability’ and ‘Cost efficiency’*
- *are awarded at least **50%** of total points under the ‘Project maturity’ criterion, and*
- *are considered by the evaluators as **having the potential for improving their maturity** through specific project development assistance*

PDA process

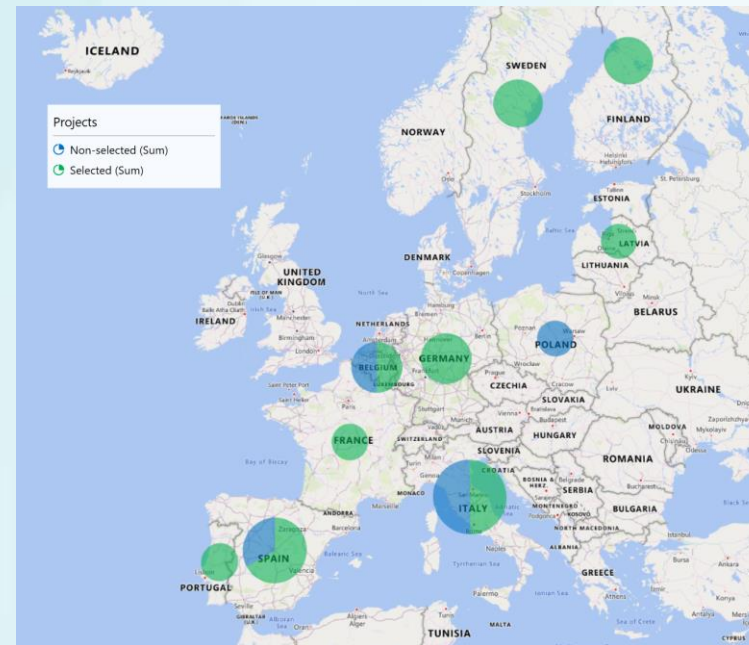


Overview of awarded PDA projects



InnovFund-LSC-2020: projects per sector

Sector	Eligible projects	Selected projects
Hydrogen	22%	20%
Biofuels, refineries and biorefineries	9%	20%
Intra-day electricity storage	9%	13%
Other energy storage	13%	20%
CO ₂ transport and storage	9%	7%
Other sectors	39%	20%

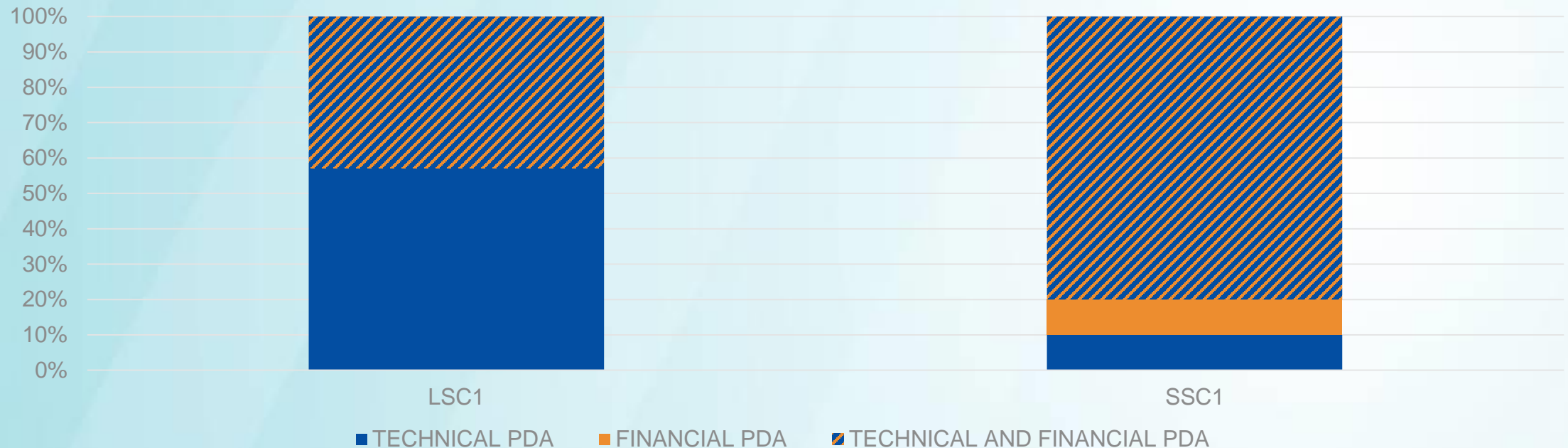


InnovFund-SSC-2020: projects per sector

Sector	Eligible projects	Selected projects
Hydrogen	23%	20%
Biofuels, refineries and biorefineries	8%	10%
Intra-day electricity storage	8%	10%
Other energy storage	8%	10%
CO ₂ transport and storage	-	-
Other sectors	54%	50%

Overview of awarded PDA scope for the first IF cycles

Share of PDA activities addressing technical and/or financial maturity



PDA examples from the first two IF cycles

Independent reviews

- Technology assessment: Verification of key technical project's parameters
- CAPEX & OPEX review
- Market analysis review
- Pilot project review and scale-up risk assessment

Additional studies

- Business case modelling
- Market research
- Regulatory assessment

Financial modeling

- Review of the existing financial model
- Development of a bank-standard financial model

Other Financial Advisory

- Business plan assessment
- Corporate strategy guidance
- Advice on fundraising strategy
- Support with equity pitch documentation

Key highlights

- The purpose of PDA is to increase the project's maturity based on specific recommendations with limited time and budget
- Projects receiving PDA support can reapply to subsequent IF calls
- Projects can receive PDA support to improve their technical and/or financial maturity
- Overall responsibility for project development remains with the promoter

Beneficiaries' feedback to PDA services

- *“The PDA project allowed us to gather substantial evidence in several areas where we lacked data or experience”*
- *“We are currently using the template for our internal financial modeling efforts. This will then become the basis for future financial modeling within grants”*
- *“The PDA substantially improved maturity of the project, as the PDA addressed those areas of application that received lowest score”*

NER300 Financial Advisory Support

**Available until
December 2023**

- ✓ Targets **early-stage innovative low-carbon projects** in preparation for commercial roll-out
- ✓ Improves the **bankability and overall readiness of projects**
- ✓ Serves to **increase financing prospects** from the EIB or third party investors
- ✓ **Raises prospects** of financial close and entry into operation



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Eligible sectors:

- 1 **RENEWABLE ENERGY**
- 2 **CARBON CAPTURE USE AND STORAGE (CCU, CCS)**
- 3 **SMART ENERGY SYSTEMS AND ENERGY STORAGE**

27 projects supported since 2019

FINANCIAL ADVISORY PROVIDED:

- Bankability Assessment
- Review and development of business and financial plans
- Financial Modelling
- Evaluation of funding sources; identification of optimal mix
- Equity pitch documentation
- Other