

Award criteria

Best practices



Award Criteria and Lessons Learned

- Degree of Innovation
- GHG emission avoidance potential
- Project maturity
 - Technical maturity
 - Financial maturity and cost efficiency
 - Operational maturity
- Replicability
 - Efficiency gains and of multiple environmental impacts
 - Further deployment
 - Contribution to Europe's industrial leadership and competitiveness
- Bonus points
 - Bonus 1 and 2: net carbon removals and other GHG savings
 - Bonus 3: use of additional renewable energy or RFNBOs
 - Bonus 4: for maritime sector projects
- Mandatory milestones and deliverables



Degree of Innovation

Susanna GALLONI, *Head of Sector*
CINEA - Innovation Fund Unit

Degree of Innovation



- **Application form, Part B**

- Section 1: Degree of innovation
 - Innovation **in relation to the state of the art**
 - Innovation **beyond the state of the art**
- Any due diligence report (if any)
- Feasibility study (mandatory document)



A template for the Feasibility study is available in the Submission System (under "Part B templates").

Template recommended to be used
- if not used, provide at least the same level of detail and information to ensure a proper assessment



Degree of Innovation

The Innovation Fund aims at supporting projects beyond incremental innovation on a scale from intermediate to breakthrough, including scaling-up, considering the European level as reference point (for SSP topic the European or national level)

Very low / incremental innovation

Intermediate or strong

Very strong or breakthrough

Incremental innovation: minor changes or improvements to existing products, processes or business models; implies limited new knowledge / technology; such projects **will not be retained.**

Intermediate or strong: new or considerably changed technologies or processes or business models; novel combinations of mature technologies; scale-up of innovative technologies

Very strong or breakthrough: completely new technologies or processes or business models; innovations leading to significant changes that transforms entire markets or industries or creates new ones



Degree of Innovation: types of innovative actions

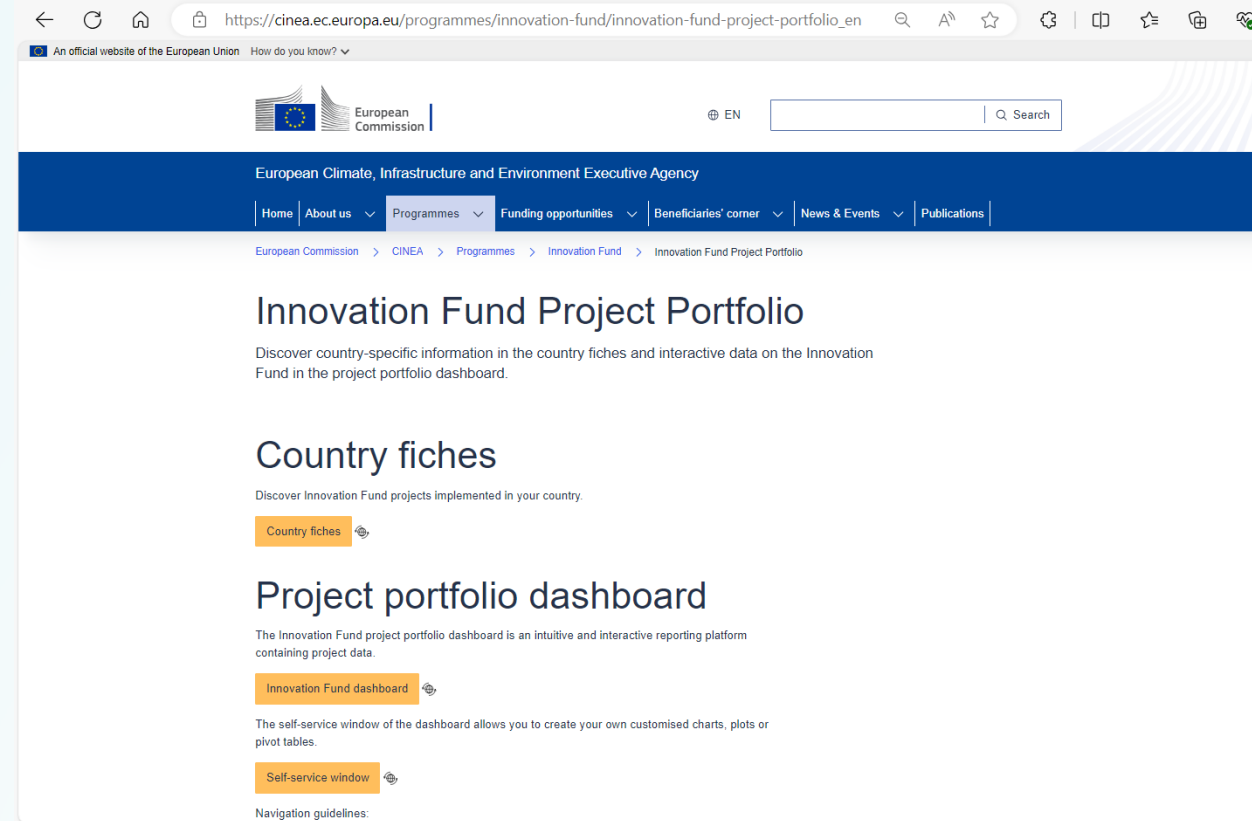
The Innovation Fund aims to support technologies, business models and processes that are not yet commercially available:

- **First-of-a-kind commercialisation** or **large-scale commercial size demonstration** of technologies, processes or business models previously proven at pilot or smaller scale, or large-scale demonstration plants
- A **second or more of a kind commercialisation**, under certain conditions. In particular, where the relevant costs remain a significant share of total costs that prohibit commercialisation without further public support. Innovation beyond incremental must still be demonstrated.
- **Innovative smaller demonstrations or pilot plants**, especially if this is the right scale at which technology needs to be proven before moving to a larger scale demonstration
- Projects aimed at demonstrated **scaling up** of innovative techniques, processes and technologies for their broad roll-out, which contribute significantly to the decarbonisation of the IF sectors



References to Innovation Fund projects

- Proposals focusing on innovations similar to the ones of ongoing Innovation Fund projects, must clearly justify where the new innovative elements lie
- Such projects may receive a lower score
- Consult the list of funded Innovation Fund projects ([Innovation Fund Project Portfolio Dashboard](#))



The screenshot shows the website for the Innovation Fund Project Portfolio. The browser address bar displays the URL: https://cinea.ec.europa.eu/programmes/innovation-fund/innovation-fund-project-portfolio_en. The page header includes the European Commission logo and the text "European Climate, Infrastructure and Environment Executive Agency". The main navigation menu contains links for Home, About us, Programmes, Funding opportunities, Beneficiaries' corner, News & Events, and Publications. The breadcrumb trail reads: European Commission > CINEA > Programmes > Innovation Fund > Innovation Fund Project Portfolio. The main heading is "Innovation Fund Project Portfolio", followed by a sub-heading: "Discover country-specific information in the country fiches and interactive data on the Innovation Fund in the project portfolio dashboard." Below this, there are three sections: "Country fiches" (Discover Innovation Fund projects implemented in your country. Includes a link for "Country fiches"), "Project portfolio dashboard" (The Innovation Fund project portfolio dashboard is an intuitive and interactive reporting platform containing project data. Includes a link for "Innovation Fund dashboard"), and "Self-service window" (The self-service window of the dashboard allows you to create your own customised charts, plots or pivot tables. Includes a link for "Self-service window"). At the bottom, there is a "Navigation guidelines" section.



Degree of Innovation for topic General - SSP

Innovation at national level:

- For **small-scale projects** (INNOVFUND-2024-NZT-GENERAL-SSP), the reference point can be at **European** or **national level**
- For **innovations at national level**: the geographical reference of the **state of the art must be the country where the project will be implemented**. The proposal should demonstrate how it goes beyond this national state-of-the-art
- Proposals going beyond state of the art at national level can meet the minimum threshold of this criterion; however, if a proposal is also going beyond the state of the art at European level, it may receive a higher score

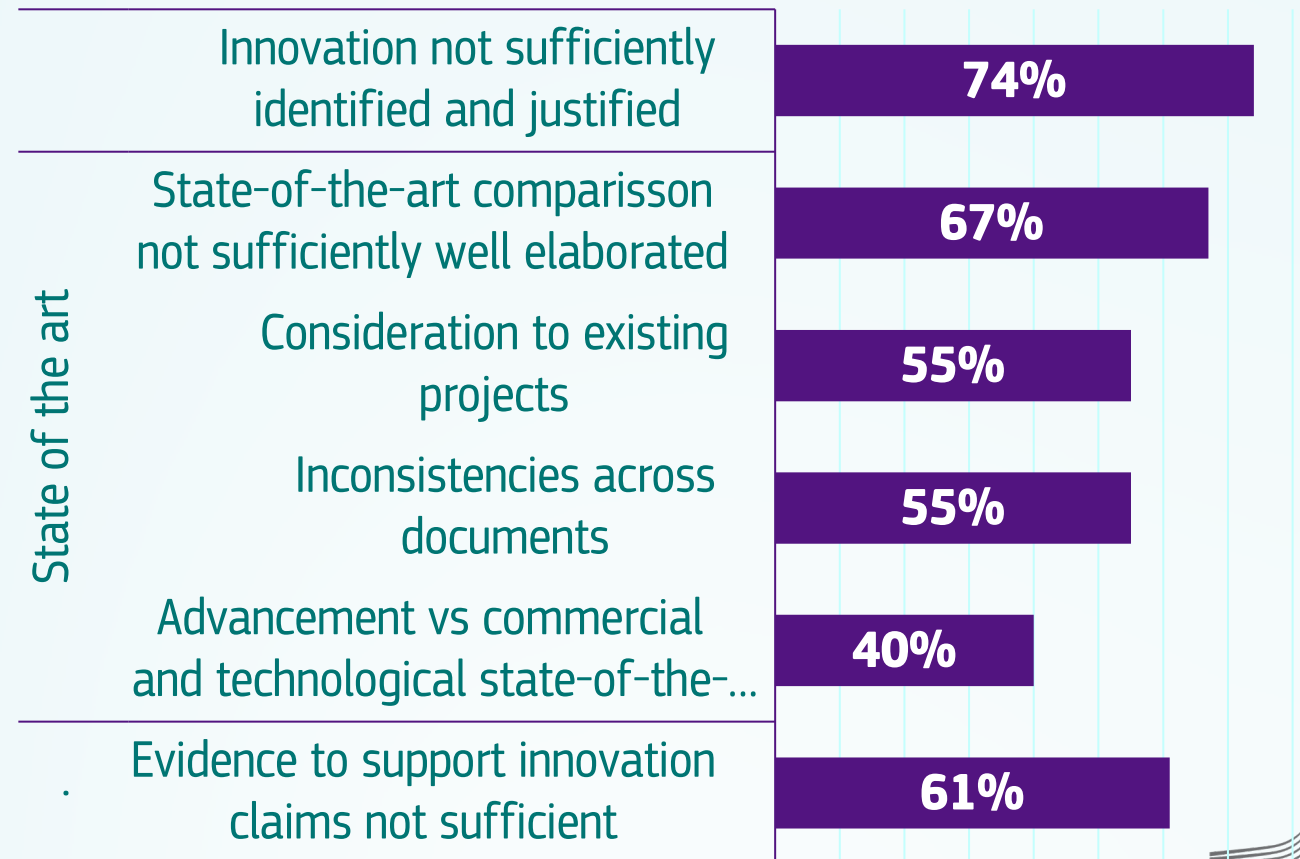


Degree of Innovation: Lessons Learned IF23 Call

Key reasons for failure:

- Innovation not sufficiently identified and justified with credible evidence
- State of the art not sufficiently well elaborated
- Inconsistencies across documents

Out of 12 proposals failing under Degree of Innovation, the main reasons are:



Best practice - Degree of Innovation

- Check thoroughly Annex 1 (Innovation in relation to the state of the art) in call text
- Be clear, exhaustive and transparent
- Provide convincing and substantial evidence for your claims
- Make clear references to the feasibility study, where relevant



Best practice - Degree of Innovation (cont.)

1

Describe

- Describe relevant state of the art
 - Include both technological & commercial aspects
- Provide quantitative inputs and evidence for:
 - Costs
 - Technical characteristics & performance
 - TRL/SRL

2

Identify

- How does your innovation go beyond state of the art?
 - Compare with previous & ongoing EU and IF projects
 - Provide geographical reference point
- Consider barriers: for scaling up & for technology integration

3

Provide evidence ->Feasibility study, GHG calc., other

- Compare key performance data vs state of the art
 - Relevant parameters
 - Consider also energy efficiency and circularity
- Provide patent data (when relevant)
- Consider how will the innovation be implemented or integrated?

GHG emission avoidance potential

Gianluca TONDI, *Head of Sector*
CINEA – Innovation Fund Unit

Best practice - Degree of Innovation (cont.)

1

Describe

- Describe relevant state of the art
 - Include both technological & commercial aspects
- Provide quantitative inputs and evidence for:
 - Costs
 - Technical characteristics & performance
 - TRL/SRL

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GHG emission avoidance potential



- **Application form, Part B, sections:**
 - Section 2: GHG emission avoidance potential
 - 2.1 Absolute GHG emission avoidance
 - 2.2 Relative GHG emission avoidance
 - 2.3 Minimum requirements
- **GHG emissions avoidance calculator** (mandatory annex)



GHG emission avoidance potential (1)

- **Absolute GHG emission avoidance:** difference between the expected GHG emissions of the proposed project and the GHG emissions in the reference scenario during 10 years after entry into operation
- **Relative GHG emission avoidance:** absolute GHG emission avoidance divided by the GHG emissions in the reference scenario over the same 10 years period

The calculation must be done:

- using the relevant GHG emission avoidance calculator
- following the Methodology for GHG Emission Avoidance Calculation

General Information				
General Information	Comment / Instruction	Estimated check		
Company	EN	Check the company name and the full name of the company.	OK	
Calculation version	4.0	Check the version of the calculation tool.	OK	
System		Check the description of the system and the reference scenario.	ERR	
Principal product that is the main use of the project		Check the description of the principal product and the reference scenario.		
Principal product(s) that are not the main use of the project (Non-eligible products)		Check the description of the principal product(s) and the reference scenario.		
Fraction of principal product(s)		Check the description of the fraction of principal product(s) and the reference scenario.		
Reference product(s) substituted by principal product(s), if different		Check the description of the reference product(s) and the reference scenario.		
Is this a hybrid application?	No	Check the description of the hybrid application and the reference scenario.	OK	
Full hybrid application, quality for other relevant project categories (REI, REI-2, REI-3)				

Absolute GHG Emission Avoidance				
Reference scenario GHG emissions (tCO ₂ e/MWh) (tCO ₂ e/MWh) (tCO ₂ e/MWh)				
Scenario	Reference scenario	Reference scenario	Reference scenario	CC-ready
GHG _{ref}	0.00	0.00	0.00	0.00

Relative GHG Emission Avoidance				
Reference scenario GHG emissions (tCO ₂ e/MWh) (tCO ₂ e/MWh) (tCO ₂ e/MWh)				
Scenario	Reference scenario	Reference scenario	Reference scenario	Estimated check
GHG _{ref}	0.00	0.00	0.00	OK

Absolute GHG Emission Avoidance by project stage of the process				
Reference scenario GHG emissions (tCO ₂ e/MWh) (tCO ₂ e/MWh) (tCO ₂ e/MWh)				
Stage	Reference scenario	Project emissions	Absolute GHG emission avoidance	Relative GHG emission avoidance
Pre-construction	0.00	0.00	0.00	0.00
Construction	0.00	0.00	0.00	0.00
Operation	0.00	0.00	0.00	0.00
Decommissioning	0.00	0.00	0.00	0.00



GHG emission avoidance potential (2)

- Quality of the GHG emission avoidance calculation and minimum requirements:
 - External experts will assess the quality and credibility of your calculation of GHG emission avoidance potential
 - In case of issues in the quality of the calculation (including reliability and margin of uncertainty of key parameters and/or key assumptions), points may be reduced
 - In case the GHG avoidance calculation methodology is incorrectly applied or in case the application documents have not been filled correctly, the score for this sub-criterion will be below the minimum threshold and the proposal will be rejected



GHG emission avoidance potential (3)

- Quality of the GHG emission avoidance calculation and minimum requirements
- When relevant, the proposal should demonstrate whether the proposed project meets or not the minimum requirements:
 - For projects producing products with an EU ETS benchmark: the process emissions of the project per unit of product must be below the EU ETS benchmark(s) applicable at the call deadline
 - For projects using biomass feedstocks: the biomass used will at least meet the sustainability requirements of the Renewable Energy Directive
 - For all projects: the relative GHG emission avoidance must be:
 - for all topics except INNOVFUND-2024-NZT-PILOTS: at least 50%
 - for INNOVFUND-2024-NZT-PILOTS topic: at least 75%
- **Proposals not meeting minimum requirements will be rejected!**



Guidelines and support for GHG Calculation

- Methodology for GHG Emission Avoidance Calculation
- Recordings on the GHG methodology
- An updated set of filled examples in the templates
- Tutorial on how to fill in the GHG Calculators (coming soon)

Tutorials

CINEA produces a series of **tutorials** to help you throughout the application process.

Where to find useful information (coming soon)	Application process 🔗	How to fill in PART C (coming soon)	Financial Information File (coming soon)
Introduction to Business Plan template and lessons learned on financial maturity (coming soon)	The extra file for data collection (coming soon)	GHG methodology calculation tutorials (coming soon)	

GHG Methodology videos

Find here a set of videos on the overview and guidance on the GHG calculations for each project category.

Main principles and step-by-step of the GHG calculation	Section 2: Energy Intensive Industries (EII)	Section 3: Renewable Energy Sources (RES)	See ENI (EE)
Section 5: Mobility (MOB)	Section 6: Credit for carbon capture and storage (CCS) or utilisation (CCU)	Section 7: Batteries (BATT)	

Supporting documents

To complete the GHG Methodology tutorial and help you with your proposal, templates and examples of GHG calculations are available through the [following link](#).

Still have doubts? Check out the [Frequently Asked Questions section](#) on the Funding and Tenders Portal. If you still need further assistance, don't hesitate to contact the [Innovation Fund Helpdesk](#).

Tools and Guidance

Examples of GHG calculations for the [IF24 Call](#):

- [Energy intensive industry - Production of e-fuels](#)
- [Energy intensive industry - Production of green hydrogen](#)
- [Energy intensive industry - Production of methanol](#)
- [Energy intensive industry - Direct air capture with CO₂ storage](#)
- [Energy storage - Manufacturing of components \(stationary batteries\)](#)
- [Energy storage - Storage of hydrogen](#)
- [Renewable energy - Manufacturing of components \(wind blades\)](#)
- [Renewable energy - Use of renewable energy outside Annex I](#)
- [Net-zero mobility and buildings - Maritime](#)
- [Net-zero mobility and buildings - Aviation plus modal switch](#)



Lessons learned IF23 Call

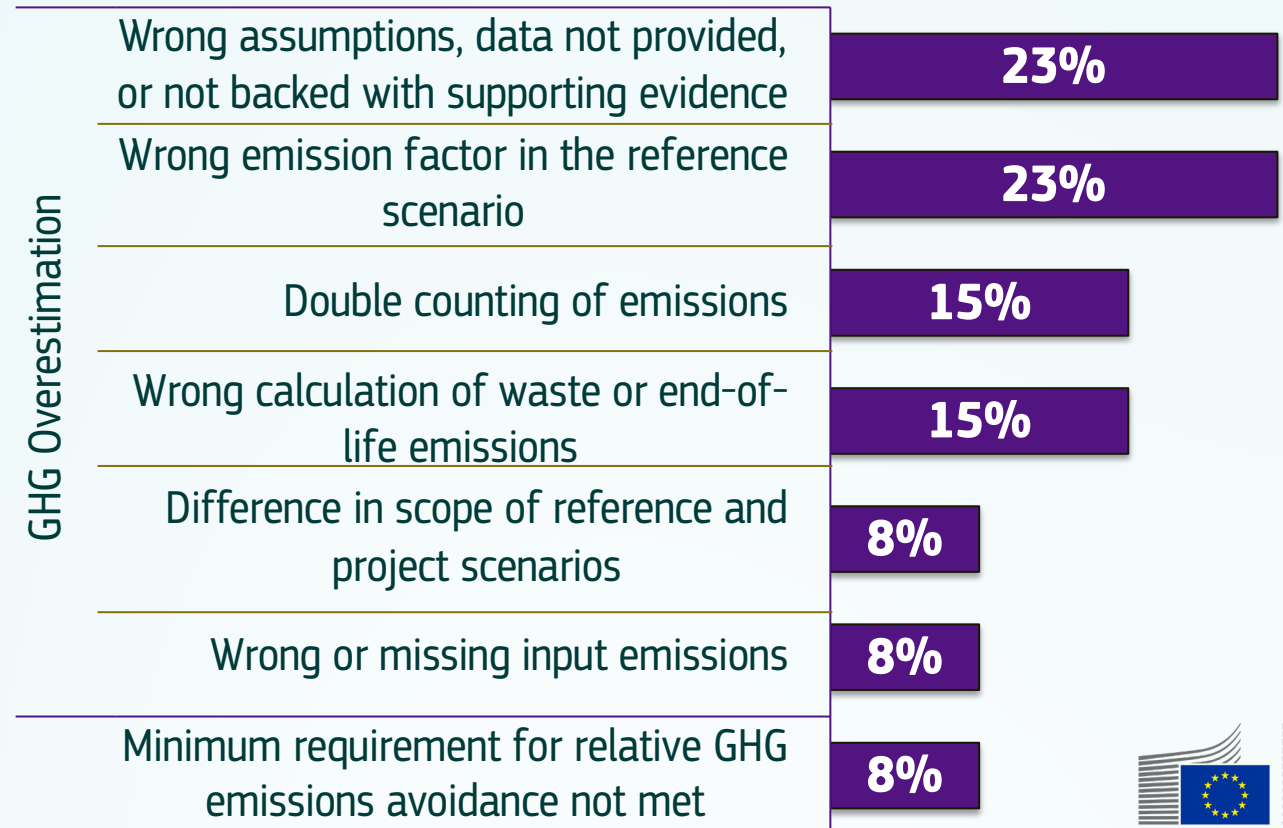
Quality of GHG calculation and min. requirements

Main mistakes on GHG emissions avoidance quality

- Poor assumptions
- Wrong emission factor
- Double counting of emissions
- Wrong calculations

Resulting in overestimations of GHG emissions avoidance

Out of 11 proposals failing quality of GHG calculation, the main reasons are:



Best practice - GHG Emissions avoidance potential

- Follow the IF GHG emission methodology for calculation and reporting
- Identify **principal product(s)**, select sector, scenario and methodology accordingly
- Use correct **emissions factor(s)** in line with the methodology
- **Justify choices** made in the application of the GHG emissions avoidance methodology, when relevant
- **Assumptions** must be **robust and properly justified**



Project Maturity

- Technical maturity
- Financial maturity
- Operational maturity

Technical Maturity

Gianluca TONDI, *Head of Sector*
CINEA - Innovation Fund Unit

Technical Maturity



- **Application form, Part B, sections:**
 - Section 0: Technical characteristics and scope and Technology scope
 - 4.1 Technical maturity
- Feasibility study (mandatory annex)
- Any due diligence report (if any)



Technical Maturity: technical feasibility

- Explain the degree of technology readiness of the proposed solution and the technical feasibility of delivering the expected output (e.g. in terms of quality and volume of the products):
 - Has the technology already been proven in a pilot scale demonstration?
 - Are the characteristics of the proposed plant credible and in line with basic engineering principles?
 - Are the technical assumptions realistic and conform with the state of technology development?
 - Provide robust and credible assumptions used for operational characteristics of the plant and estimation of the expected outputs
 - Provide clear reference to relevant parts of the Feasibility study and other supporting documents
 - For maritime sector projects: the description of the existing vessel(s) (if applicable) and details on the operational area, shipbuilding location and servicing network



Feasibility study



- Template available in the Submission System (under "Part B templates")
- If the template is not used make sure that you submit at least the same level of detail and information to ensure a proper assessment.
- The feasibility study should include:
 - Project description
 - Background information (existing situation)
 - Location analysis and strategic approach
 - Objectives
 - Resources and feedstock availability
 - Technical assessment
 - Expected project output
 - Techno-economic analysis

EU Grants: Feasibility Study (INNOVFUND): V1.0 – 15.11.2024

FEASIBILITY STUDY

(To be uploaded in the Portal Submission System as part of the application)

⚠ *This template is recommended but not mandatory. If you do not use it, please make sure that you submit at least the same level of detail and information to ensure a proper assessment. In case you consider a section not applicable, please mark it and explain why.*

PROJECT

Project name and acronym:

[project title] — [acronym]

FEASIBILITY STUDY

Project description

Provide a high-level description of the project (e.g. technologies, products and/or services). It is important that this description captures the most important aspects of the technologies to be used, products and/or services that you are considering, as well as how they may benefit customers and the project itself.

Please include the relevant graphical representation of the project as block flow diagram(s).

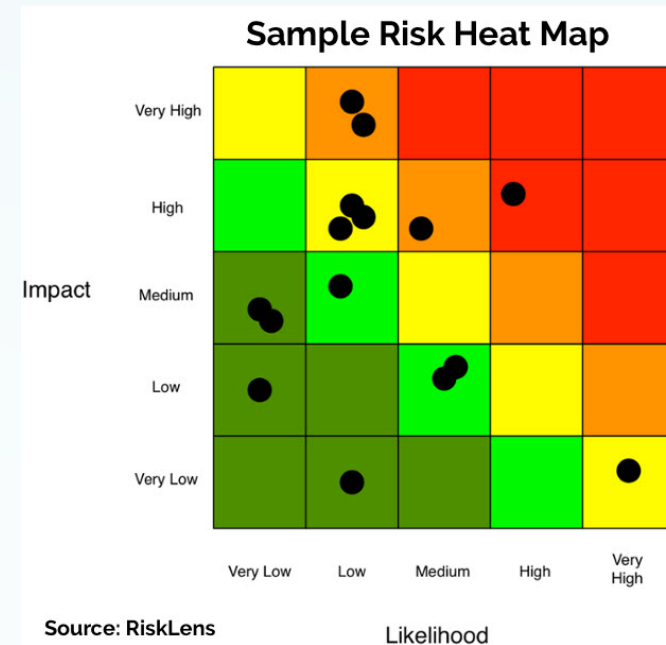
Insert text

Risk analysis and management



Risks are included **only** in the Feasibility Study (mandatory annex) which must:

- Describe key risks that could impact the technical feasibility of the proposed technology/process
- Describe the impact if the risk materializes and the proposed risk mitigation measures and explain why they are suitable
- Summarize your analysis in a table (see template)
- Provide a risk heat map



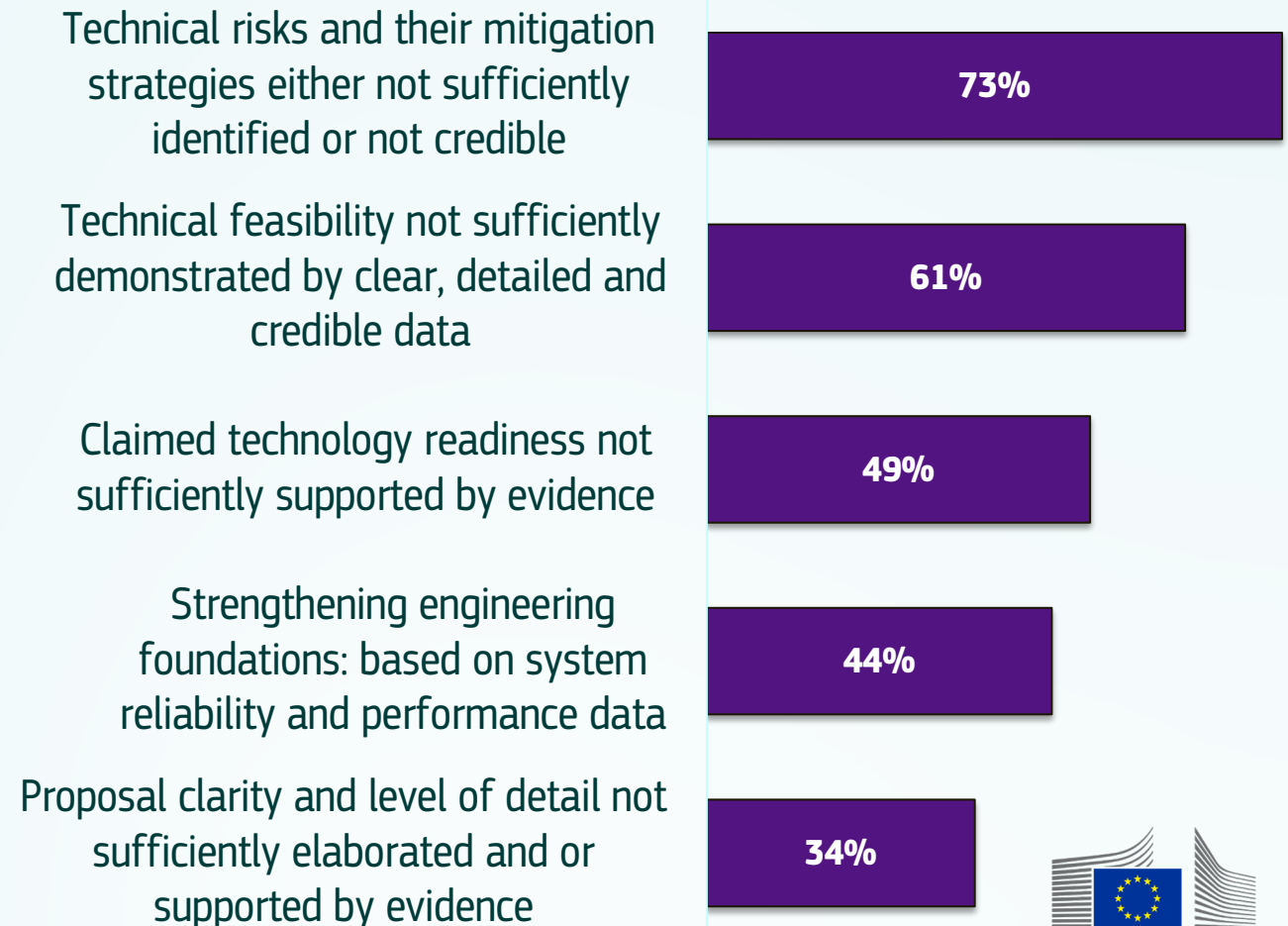
Technical Maturity: Lessons Learned IF23 Call

Key reasons for failure:

Technical feasibility claims not sufficiently supported by:

- Proper identification of risks and mitigation measures
- Credible data and evidence
- Detailed strategies to achieve targets

Out of 29 proposals failing technical maturity, the main reasons are:



Best practice – Technical Maturity

1 Describe readiness level

Describe actual readiness level of your technology based on credible data:

- Be concise
- Be realistic
- Provide **key facts and figures**

2 Identify

- Relevant data – from your previous stages: pilots / projects
- Include all relevant critical **risks** and **mitigation** strategies

3 Provide evidence ->Feasibility study, GHG calc., other

- Due diligence report
- Procurement quotes
- MoU
- Signed letters of intents/ support

Ensure **full consistency** between documents:
Feasibility study, business plan, GHG calculations

Resubmissions are welcome, especially when TRL is improving



Financial Maturity

Alexandre COBBAERT, *Senior Financial Engineer*

CINEA - Financial Engineering, Business Intelligence & IT Unit

Financial Maturity: Key points

Objective: assess the project's ability to reach Financial Close as soon as possible and within 4 years*

Project business plan and profitability

Soundness of the financing plan

Commitment of project funders

Understanding of project business and financial risks

*For the topics Pilots and Manufacturing, projects demonstrating the **ability to reach financial close within two years and entry into operation within four years** after grant agreement signature may receive a higher score under the project maturity criterion, **provided all other aspects of the project maturity are duly addressed**



Financial Maturity: Key points

Objective: ability to reach Financial Close within 4 years



New

- **Business plan (mandatory annex)**

New template to be used: available in the Submission System (under "Part B templates")

If not used, provide the same level detail and information

- **Application Form Part B**

Financial maturity (section 4.2): **summary of information submitted in the business plan annex**

Risk management (section 4.4): **leave blank** as information is already filled in business plan annex

Work packages, activities, resources and timing (section 9.2)

- **Financial Information File ('FIF') / detailed financial model**

To be filled completely - includes the Relevant cost calculator, the financial model Summary Sheet, the grant drawdown schedule and the cost efficiency calculation, Applicant's Financial Model (xls)



Simplified



Financial Maturity: Key points

Objective: ability to reach Financial Close within 4 years

- **Project shareholders' financial resources**

Financial statements of project shareholders over last 3 years (if available)



New

- **Project funding support (supporting documents)**

Minimum requirements in call text Annex 3; Confirmation of funding support is essential for proposals with low profitability



New

- **Project contract terms (supporting documents)**

Minimum requirements in call text Annex 3

Any existing due diligence report (optional)



Financial Maturity

Business model/concept => Business plan

- Credibility of the business model and business plan:
 - Describe the proposed project business model, including the project competitive advantage, targeted market(s) and products, barriers to entry and how it addresses market gaps
 - Fully describe and substantiate the main revenues and cost assumptions (CAPEX and OPEX). Include a detailed breakdown and description of prices and volumes assumed (attach any available due diligence)
 - Describe the strategy to secure key contracts with off-takers, key suppliers, construction contractors. Where available, provide contractual evidence for example letters of support, indicative terms from MoU's or Lol's (see call text Annex 3)
 - Justify the contingencies (CAPEX and OPEX) used and ensure that they are in line with market practice in your sector



Financial Maturity

Business Plan => Financial model

- Robustness of the cash flow projections and project profitability
 - Ensure that the financial projections are coherent with the assumptions of the business plan and across the other application documents.
 - Fill in the Financial Model Input Sheet in the Financial Information File and make sure the data are coherent with your own detailed financial model
 - Describe project returns over the entire project lifetime with the grant and compare it to the WACC
 - Ensure that assumptions used for WACC adequately reflect the project risks



Financial Maturity

Soundness of financing plan

- Project Financial Close must be reached latest 4 years after signing of the Grant Agreement
 - Justify the planned date for Financial Close, clearly describe the work packages, milestones and deliverables up to that date
- Demonstrate financial viability of your project. Does the financing plan cover construction costs and potential negative operational cash flows?
- If your financing plan includes external debt, justify the key terms and show they are in line with market standards. Ensure that the level of debt assumed is supported by stable cash flows and reinforced with long-term off-take contracts. If possible, letters from banks substantiating the conditions and letters of potential off-takers are always a plus (see call text Annex 3)
- Describe the funding structure in the organizational chart highlighting the main legal entities and where the debt (if any) will be raised (will it be recourse/non-recourse?)
- Make sure that grant disbursement is in line with the call text requirements



Financial Maturity

Commitment of project funders

- Describe the state-of-play, nature, level and conditions of support provided by project funders
- Provide corresponding evidence like letters of interest/support, letters of approval from funders/shareholders or board confirming the support of the financing plan. This will be even more crucial for unprofitable projects (pilots or others). Also describe the necessary internal approval process. Don't forget to attach the financial statements of project funders
- Support from other sources including market mechanisms, support from Member States and status/planning for State aid clearance where relevant (provide evidence if you have, do not just mention it)



Financial Maturity

RISK ANALYSIS AND MANAGEMENT

Business and financial risks

- Provide a description of the main business and financial risks with the appropriate mitigation measures
- Underpin your analysis with the business plan and provide a risk heat map
- Describe contingency planning and/or contingency funding to cover downside scenarios like lower green price premium, sales growth or lower than anticipated, price increase, higher construction cost, absence of additional grant (if any)
- Fill in the risk tables and risk heat map of the business plan template and leave blank form part B – risk management (section 4.4)



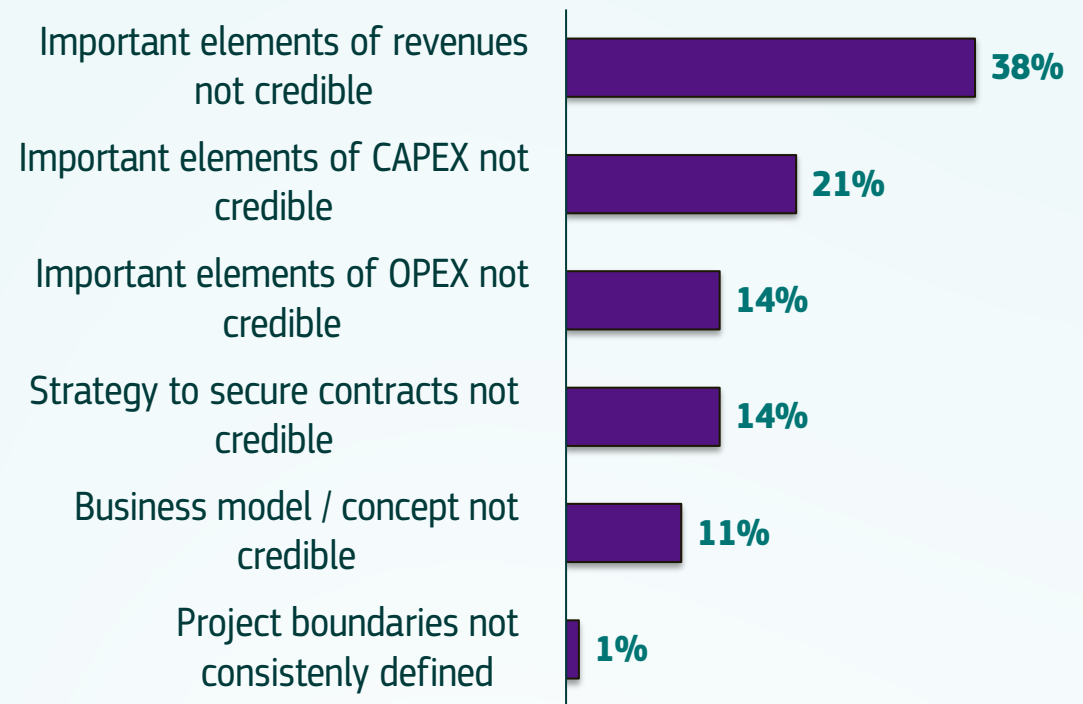
Main issues with the Business Plan

Lessons Learned IF23 Call

Most issues related to **business plan** refer to:

- **Revenues:** credibility and justification of prices, volumes
- **CAPEX:**
 - Justification missing,
 - No detailed breakdown,
 - Lack of evidence (including quotes from engineering and construction contractors)

Out of 84 proposals, the main issues with the business plan are:



- Fully **describe, substantiate and evidence the main revenues, CAPEX and OPEX assumptions** and include a **detailed breakdown** and description of prices and volumes
- See Annex 3 of call text for minimum requirements on project contract terms



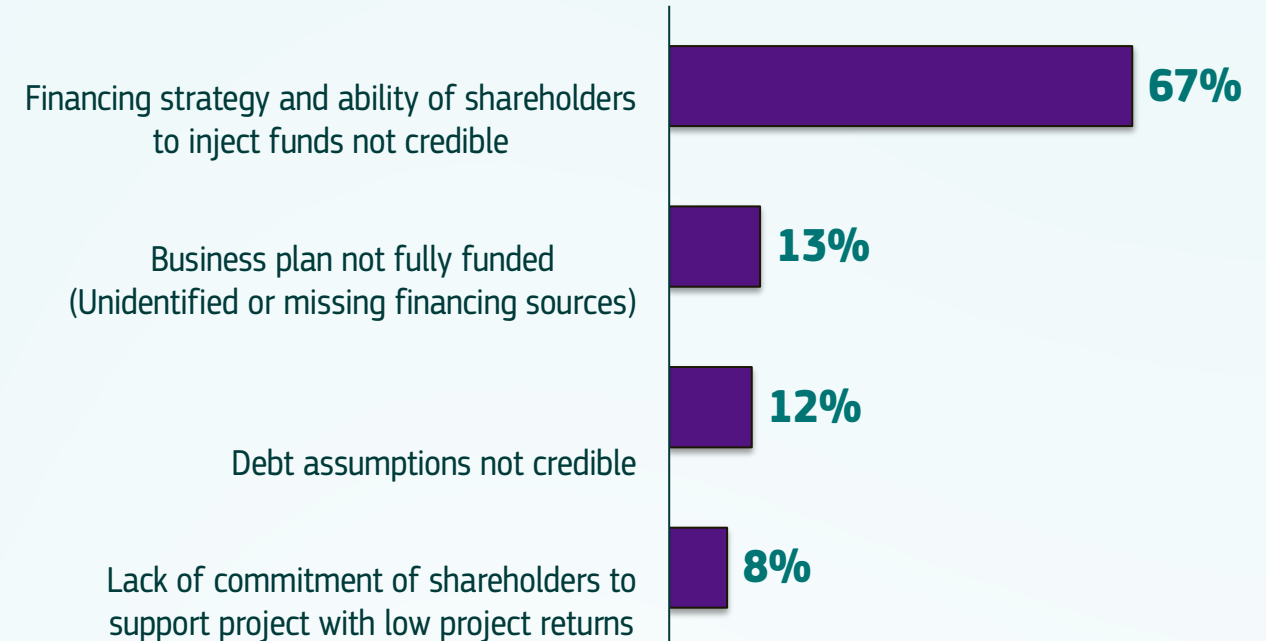
Main issues with the Financing Plan:

Lessons Learned IF23 Call

Out of 84 proposals, the main issues with the financing plan are:

Main issues with financing strategy

- Ability to secure the required funding
- Commitment of shareholders
- Expected timing
- Steps to reach final investment decision
- Other issues related to **debt assumptions** (for instance debt repayment capacity)
- **Unidentified or missing funding sources**

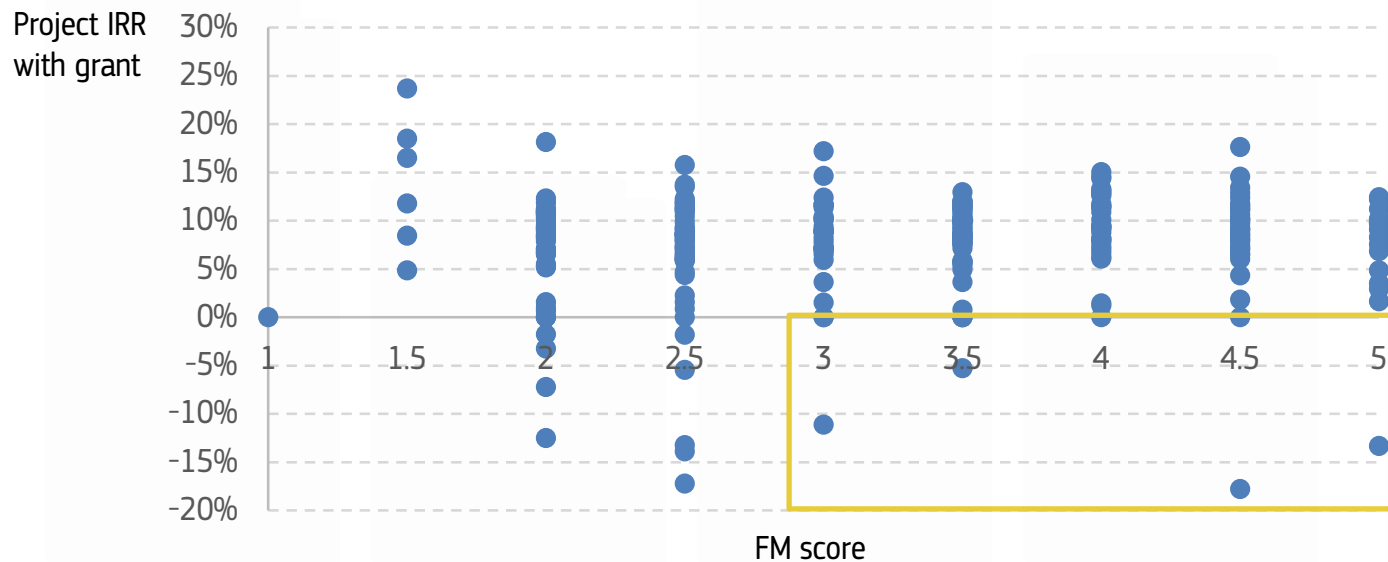


- Clearly **identify all funding sources** with their terms and conditions and the progress made in defining and/or negotiating them with funding counterparts.
- Provide financial statements of the shareholder entities
- See Annex 3 of call text for minimum requirements on project funding support



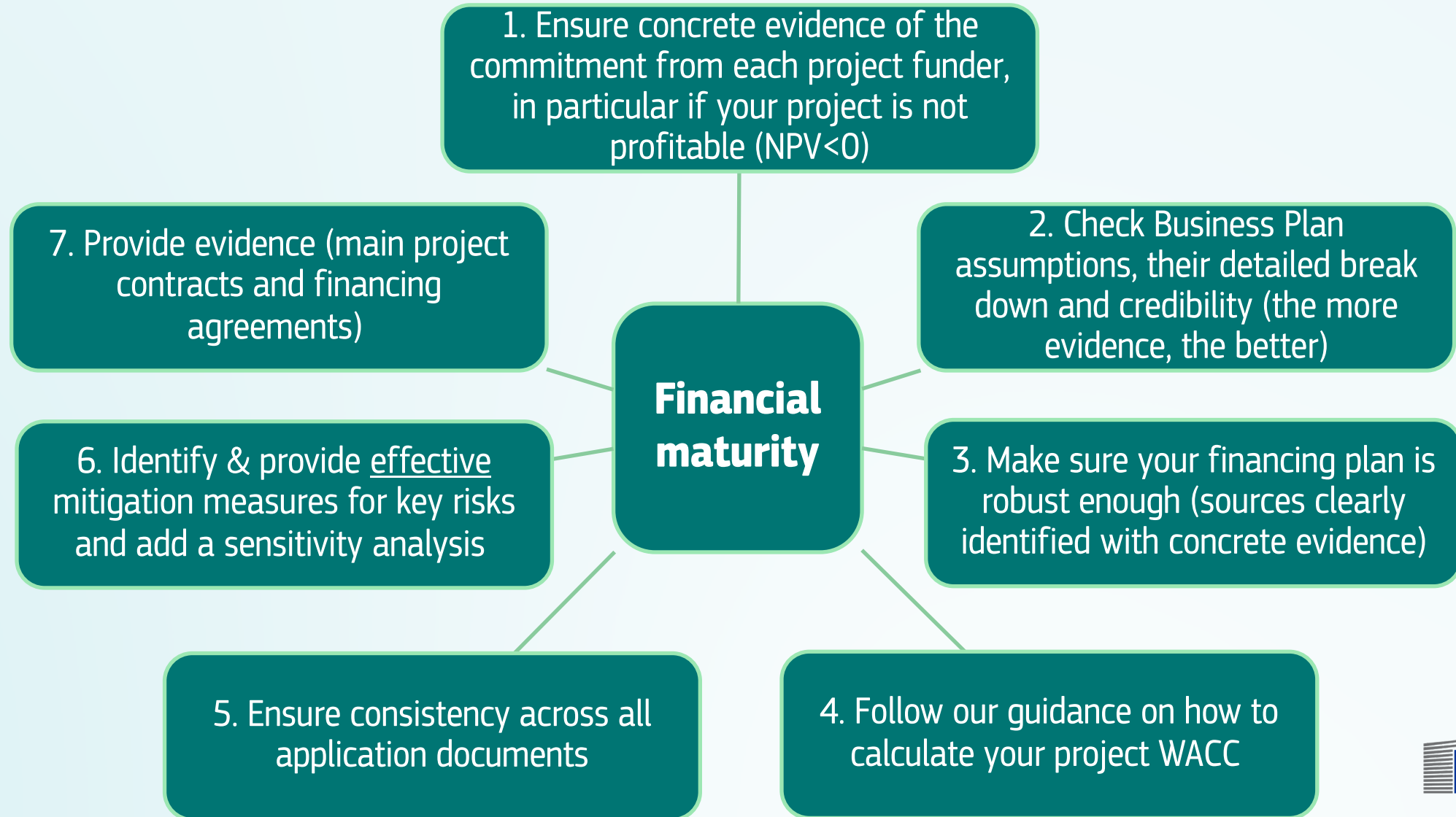
Funders commitment is important

NZT 2023 project IRR with grant and FM score



Even projects with negative or low IRR can pass the Financial maturity sub criteria thanks to the **solid letters of commitment** from the project sponsors/shareholders => make sure the commitment letters recognise the issue of project profitability and confirm the willingness to implement the project.

7 Golden Rules of Financial Maturity



Financial Maturity tutorials (coming soon)

PAGE CONTENTS				
Details	Where to find useful information (coming soon)	Application process ↗	How to fill in PART C (coming soon)	Financial Information File (coming soon)
Description				
Events				
Tutorials	Introduction to Business Plan template and lessons learned on financial maturity (coming soon)	The extra file for data collection (coming soon)	GHG methodology calculation tutorials (coming soon)	
GHG Methodology videos				
Supporting documents				



Check out:

https://cinea.ec.europa.eu/funding-opportunities/calls-proposals/innovation-fund-2024-call-and-battery-calls_en#tutorials



Cost efficiency

Alexandre COBBAERT, *Senior Financial Engineer*

CINEA - Financial Engineering, Business Intelligence & IT Unit

Cost efficiency: key points

Objective: assess the quality of the grant calculation and CE ratio

- **Application Form Part B**

Relevant cost and cost efficiency ratio (section 7.1)

- **Financial Information File ('FIF') / detailed financial model**

To be filled completely - includes the Relevant cost calculator, the financial model Summary Sheet, the grant drawdown schedule **and the cost efficiency calculation**, Applicant's Financial Model (xls)

- **Other annexes** (see page 12 of call text)

Only for projects using 'reference plant' calculation methodology for relevant costs



Cost efficiency: key points

- **Cost efficiency is split in two sub-criteria:**

- Cost efficiency ratio – based automatic score
- Qualitative assessment on how the computation of Cost Efficiency ratio was made

- **Cost efficiency ratio level has minimum requirement (except for Pilots):**

(a) for all topics except Pilots:

- If cost efficiency ratio is *lower than or equal to* €200/tCO₂eq, score will be based on formula
12 – (12 x (cost efficiency ratio/200))
- If cost efficiency ratio is *higher than* €200/tCO₂eq, **proposal will be rejected (i.e. not considered for funding)**

(b) for Pilots

- If cost efficiency ratio is *lower than or equal to* €2000/tCO₂eq, score will be based on formula
12 – (12 x (cost efficiency ratio/2000))
- If cost efficiency ratio is *higher than* €2000/tCO₂eq, proposal gets zero score but is **NOT rejected**



Cost efficiency

Requested Innovation Fund grant
+ other public support (*)

Absolute GHG emission
avoidance

During 10 years after entry into operation

Maximum requested IF grant
is 60% of total relevant
costs

Applicants choosing not to
apply for the maximum grant
will be more competitive
when ranked against other
applicants in 'cost per unit
performance' metric

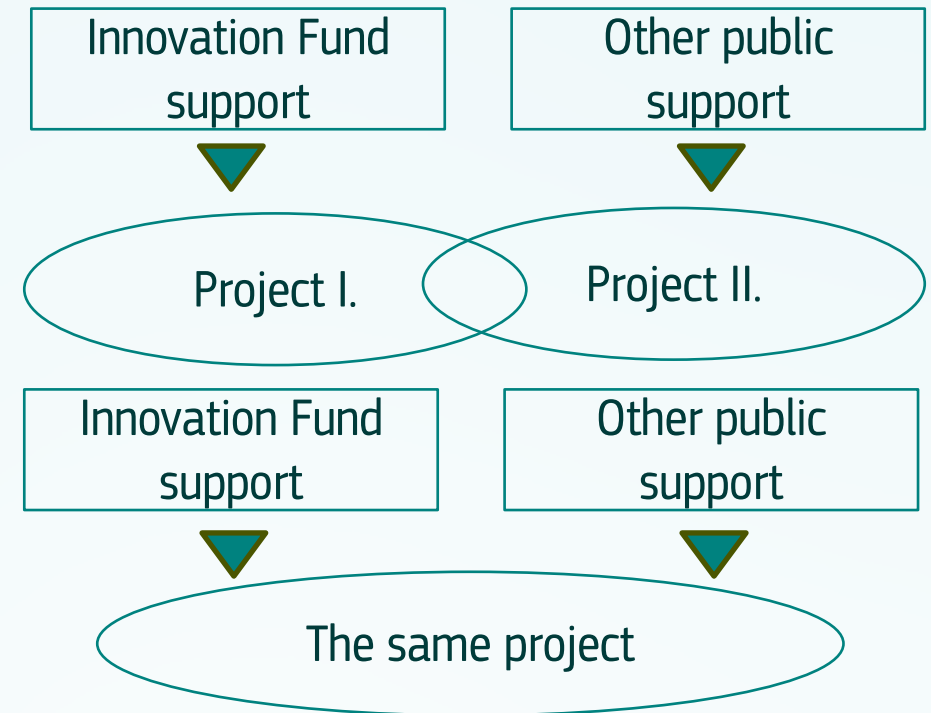
(*)

- If other public support is included in the **project's financial model**, it **must** be added in the **numerator of the Cost efficiency** formula. Public support already secured **must** be included. Public support that is not secured – up to the applicant if it is included in the financial model/CE.
- For public support received during operation, the rule is to add the undiscounted amount that will be obtained the first ten years of operation.
- Some forms of State aid such as taxes or tariff reductions can only be reflected in the Relevant Costs

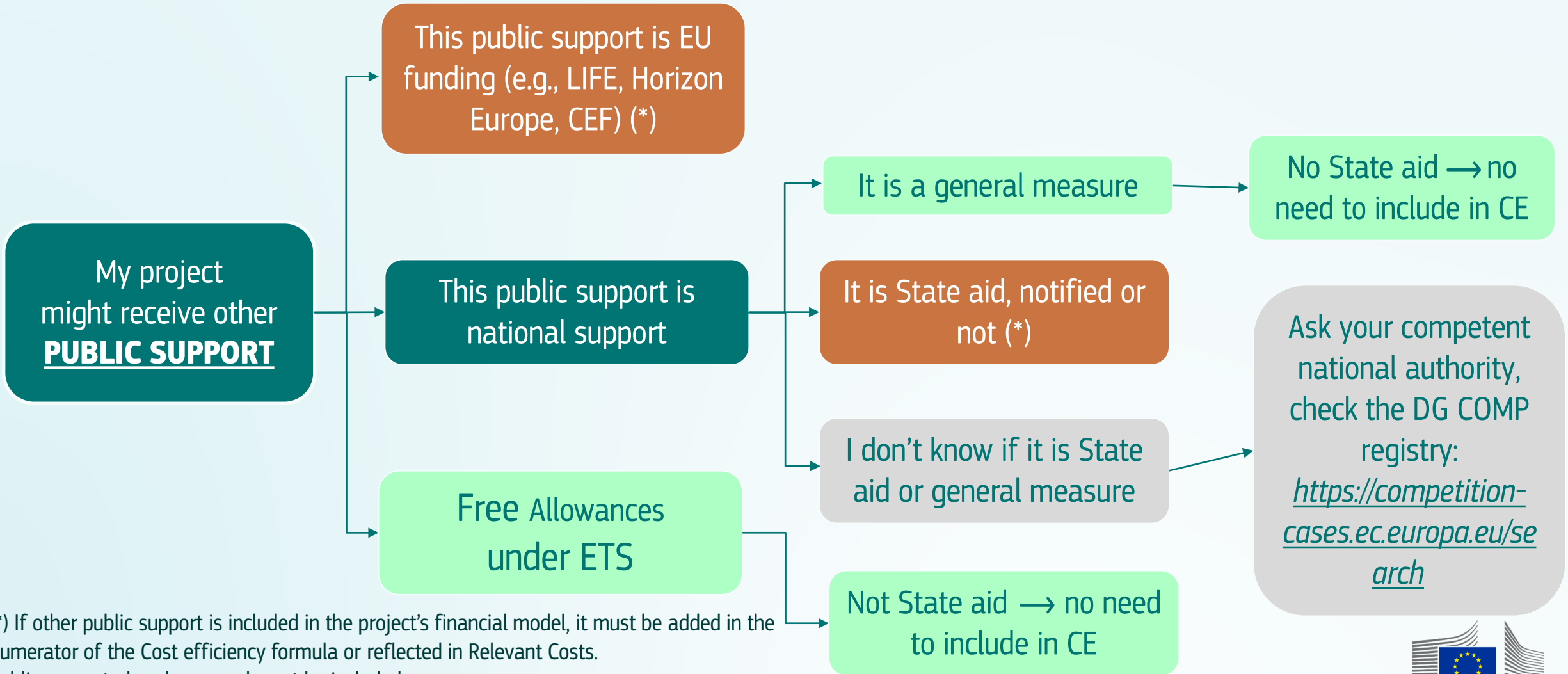


When “other public support” is relevant

- Combined support for distinct project stages/separate project parts does not need to be reflected in CE
- When IF and another public support programme **contribute to the same project** or **to two projects with overlapping costs** there are **rules on combined support to respect**
 - for State aid: see Commission guidelines such as GBER or CEEAG
 - for other EU funding programmes – see “no double funding” rules in the Financial Regulation
- **Projects should get in touch with competent authorities**



What type of “other public support” is relevant



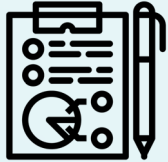
(*) If other public support is included in the project’s financial model, it must be added in the numerator of the Cost efficiency formula or reflected in Relevant Costs.
 Public support already secured must be included.
 Public support that is not secured – up to the applicant if it is included.



Operational Maturity

Susanna GALLONI, *Head of Sector*
CINEA - Innovation Fund Unit

Project Maturity: Operational Maturity



- **Application form, Part B, sections:**
 - 4.3 - Operational maturity
 - 9.1 - Work Plan
 - 9.2 – Work Packages, activities, resources and timing
- **Timetable-Gantt chart** (mandatory document)
- **Participant information**, including CVs and previous projects, if any (mandatory document)
- **Feasibility Study** (mandatory document)
- Due diligence report (if any)
- Permits, licences, authorisations (if any)



Operational Maturity



Credibility and level of detail of the project implementation plan covering all project milestones & related deliverables

- Project milestones must include at least financial close, entry into operation and annual reporting after the entry into operation (guidance provided in the call text and application form Part B)
- Provide a clear timeline from signature of the grant agreement up to the end of the operation period; ensure consistency between the text in the application form Part B and the Gantt chart (mandatory annex)
- Key aspects: strategy to reach financial close and entry into operation; ensure adequate timing of planned activities during plant construction; regular operation of the technology during operation period
- The project implementation plan must be consistent with work packages, milestones and deliverables described in section 9 of the application form Part B
- Ability to reach entry into operation in line with market standards in the sector or faster



Operational Maturity



State of play and credibility of the plan for obtaining required permits, rights or licences, and other regulatory procedures

Included a summary of the key information provided in the project description section of the feasibility study:

- Key aspects to be covered: detailed analysis of the regulatory framework; any intellectual property rights or licence; other relevant regulatory procedures; relevant permitting processes needed (including permits related to environmental impacts)
- State of play: description of permits already obtained and still needed and the plan for obtaining them, including timeline indicating the relevant permit application dates, expected reception dates and measures planned to ensure timely granting



Operational Maturity

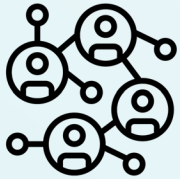


Soundness of the public acceptance strategy

- Detailed description of all environmental impacts expected throughout the whole project life-cycle (from construction to operation to decommissioning), and associated mitigation measures
- Degree of public acceptance of the technology and the project
- Clear and specific steps planned be ensured public acceptance (please do not limit to generic explanations of the issue)

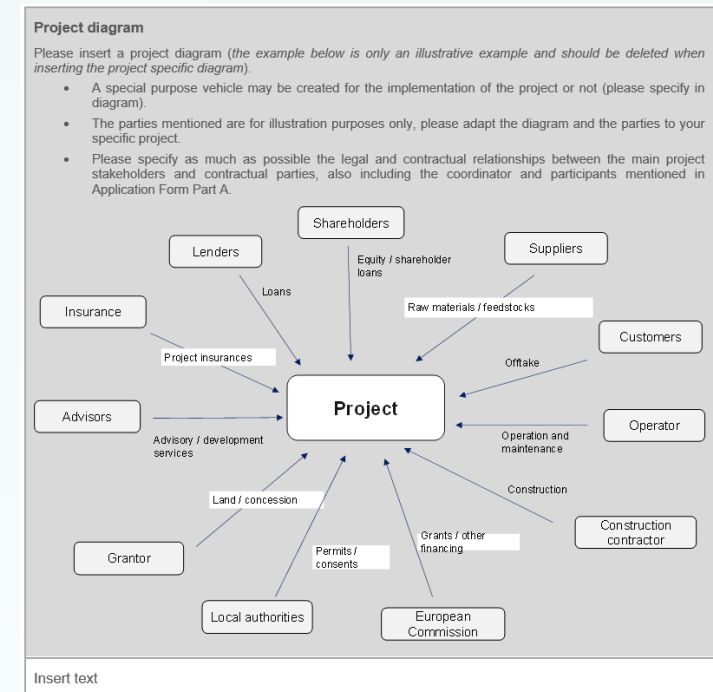


Operational Maturity



Relevance & track record of the project management team and soundness of the project organisation

- Project management team, e.g.: key qualifications and track record; sufficient coverage of all necessary skills; provide justifications on the need for additional outside resources
- Project organisation, e.g. project management structure; governance, responsibilities and decision-making mechanisms and processes within the consortium; quality management, health and safety
- Provide a project diagram visualising the involved actors and organisation of the project



Operational Maturity

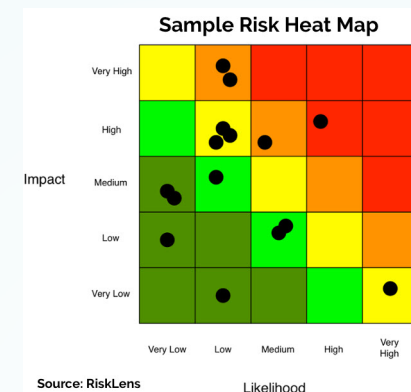


Operational risks and credibility of proposed mitigation measures



Risks are included **only** in the Feasibility Study and Business plan (mandatory documents) which must:

- Describe the main operational risks associated with the construction (for example timing), project design, operation (for example weather conditions) and decommissioning, or risks stemming from dependencies from other projects relevant to the project
- Describe the impact if the risk materializes and the proposed risk mitigation measures and explain why they are suitable
- Summarize your analysis in a table (see template)
- Include a Risk heat map

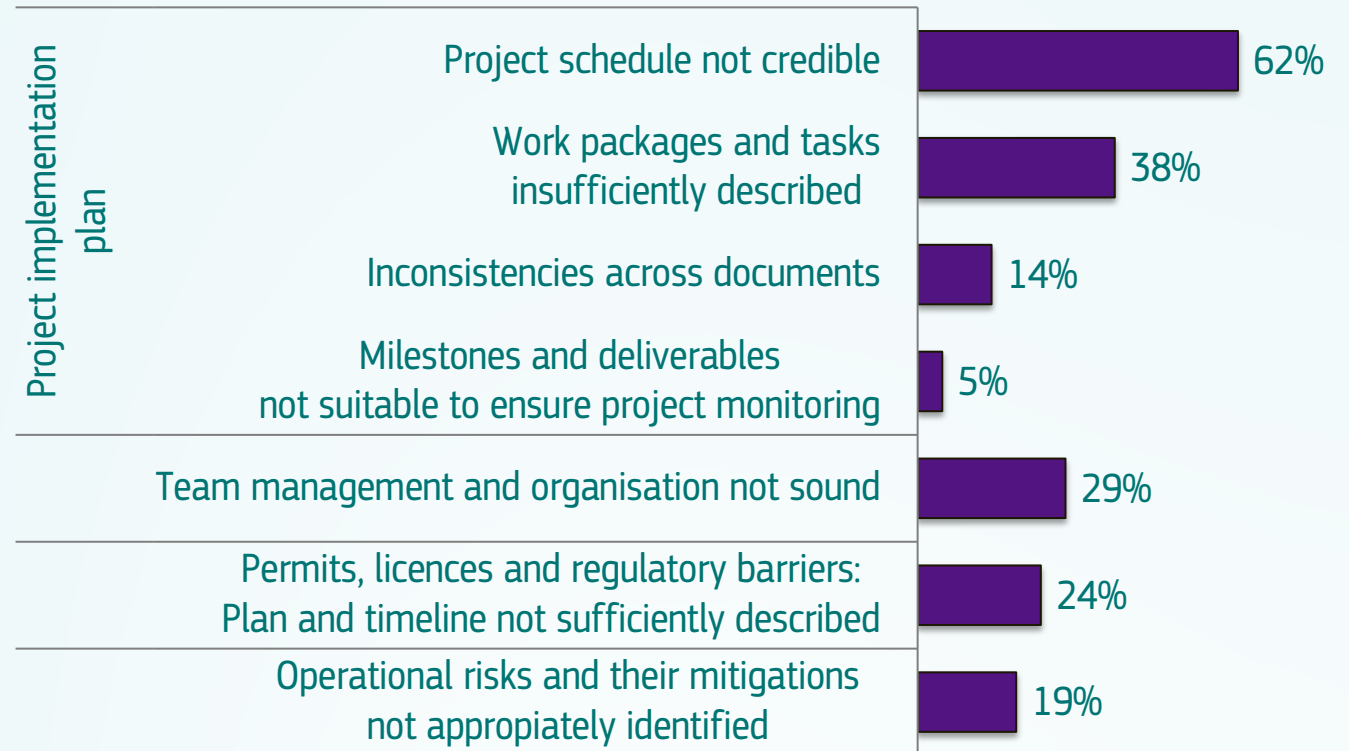


Operational Maturity: Lessons Learned IF23 Call

Out of 21 proposals failing operational maturity, the main reasons are:

Key reasons for failure:

- Project implementation plan not credible
- Team management and organisation not sound
- Permitting and licences plan and timeline not sufficiently elaborated
- Operational risks and their mitigation strategies not adequate



Best practice – Operational Maturity

Operations

- Define solid **Work Packages** and **tasks**
- Set clear and realistic **deliverables, milestones** and **means of verification**
- Include relevant **operational risk** assessment in the Feasibility Study
- Ensure availability of necessary know-how in the team

Timeline

- Ensure consistency between **Gantt** & tasks/ WPs (interdependencies)/ FiF
- Consider realistic timing for:
 - Construction and supply
 - Obtaining permits, rights and licences
 - Ensuring public acceptance
 - Potential delays

Clear strategy

- Clearly identify project parties and responsibilities
- Clear **Role distribution**
- **Link Work Packages** and corresponding **financial costs**
- Set a clear strategy for:
 - Construction, considering targets/ deadlines & needs
 - Obtaining permits, rights and licenses for a defined location
 - Ensuring public acceptance

- **Provide contractual evidence**
- For example: letters of support, MoUs, indicative terms of agreement for off-take agreements, key suppliers, quotes from vendors, EPC parties

