



EUROPEAN CLIMATE, INFRASTRUCTURE AND
ENVIRONMENT EXECUTIVE AGENCY (CINEA)

CINEA.C - Green research and innovation
C.4 - Innovation Fund

Innovation Fund 2024 NetZero/Battery call

Questions & Answers

Date: 31 January 2025

Version: 1.0

Disclaimer:

Please note that these Q&As provide general guidance only and are not intended to address the specific circumstances of any particular case. The information provided is not of binding nature and without prejudice to the assessment of the submitted proposal(s).

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General

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1.	X	X	<p><i>How can applicants access the presentations from the IF24 Info Days events, and what resources are available?</i></p> <p>Applicants can access the presentations from the IF24 Info Days events on the CINEA website (https://cinea.ec.europa.eu/funding-opportunities/calls-proposals/innovation-fund-2024-call-and-battery-calls_en). The website offers a variety of resources, including tutorials, presentations, and recordings of the Info Day. These materials are designed to help potential applicants understand the specifics of the Innovation Fund and provide guidance on preparing a successful application.</p>
2.	X	X	<p><i>How is the confidentiality of the information provided in the application ensured?</i></p> <p>CINEA (the European Climate, Infrastructure and Environment Executive Agency) will treat each proposal confidentially, as well as any related information, data and documents received. It will archive submitted proposals under secure conditions. Experts assessing the proposals are contractually bound to confidentiality and absence of conflict of interests.</p>
3.	X	X	<p><i>In the Innovation Fund grants is there an obligation to declare costs actually incurred in the periodic report?</i></p> <p>No. In the periodic report neither beneficiaries nor affiliated entities have to declare costs actually incurred. The Innovation Fund grants are based on lump sum funding. Payments of the lump sum contribution will depend on the proper implementation of the action, the achievement of the results and the successful completion of the work packages in accordance with Annex 1 to the Grant Agreement.</p>
4.	X	X	<p><i>Can applicants still apply if they are unsure that their project will reach financial close within 4 years?</i></p> <p>To be eligible for the Innovation Fund grant, projects must reach financial close within four years after grant signature. This is a mandatory requirement. Applicants must therefore provide sufficient evidence that the project's implementation plan and set milestones can be credibly achieved within this timeframe, the earlier the better. Applicants must correctly assess the project risks and propose realistic mitigation measures. They also must identify the risk linked to the mandatory requirement to reach financial close within 4 years maximum and evaluate its probability. The Innovation Fund Delegated Regulation defines financial close as "the moment in the project development cycle where all the project and financing agreements have been signed and all the required conditions contained in them have been met". The signing of the main contracts and the fact that their conditions have been met are part of the project financial close. A non-identified and/or not mitigated risk, which could prevent the credible validation of the financial close within 4 years could be penalised by the independent experts during the evaluation.</p>
5.	X	X	<p><i>Are there templates available for the feasibility study and business plan?</i></p> <p>There are templates available for the feasibility study and business plan. However, the templates provided are recommended but not mandatory to use. <u>If you do not use them, please make sure that you submit at least the</u></p>

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			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.
6.	<i>X</i>	<i>X</i>	<p><i>What is the role of the external experts?</i></p> <p>The evaluation process for the Innovation Fund involves external experts who play a crucial role in evaluating proposals. The independent external experts have a solid technical, financial, GHG emissions expertise and skills in the eligible sectors. Experts sign a contract that defines their rights, obligations, terms, and conditions, including a confidentiality clause and rules for handling potential conflicts of interest.</p>
7.	<i>X</i>	<i>X</i>	<p><i>What requirements must be met for the Gantt chart and work package descriptions in an Innovation Fund application, concerning the project start date?</i></p> <p>In an Innovation Fund application, the Gantt chart and work package descriptions in Part B of the application form must encompass all activities starting from the project's official start date, as designated in the call document. By default, this start date is set as the first day of the month following the signing of the Grant Agreement. However, if sufficiently justified, the start date may be set retroactively but not earlier than the first day of the month after submission of the application. All relevant activities from the official start date must be included within the Gantt chart (template provided) and work package descriptions, this is crucial to ensure that the project is implemented in line with the proposed timeline and to facilitate the evaluation of the project's progress and performance throughout its duration.</p>
8.	<i>X</i>	<i>X</i>	<p><i>How does the Innovation Fund address IP ownership and distribution of rights among beneficiaries, and what is required if a proposal is selected?</i></p> <p>The Innovation Fund does not impose specific requirements concerning the ownership and distribution of intellectual property (IP) rights among beneficiaries. Instead, the credibility of the proposed plan for securing necessary permits, IP rights, or licenses is evaluated as part of the operational maturity assessment. If a proposal is selected for Grant Agreement preparation, the signature of a consortium agreement also outlining the distribution of rights and IP ownership between beneficiaries will be required before the grant is signed. Importantly, the Innovation Fund itself does not claim any IP rights over the projects or their outputs, allowing beneficiaries the freedom to manage these aspects independently.</p>
9.	<i>X</i>	<i>X</i>	<p><i>What is the process for withdrawing an application from the Innovation Fund call, and does it affect future submissions?</i></p> <p>Applicants wishing to withdraw their proposal from the Innovation Fund call can do so by accessing the Funding and Tenders Portal before the call deadline. If they wish to withdraw an application after the call deadline has passed, they must submit a specific request to the European Commission. Withdrawing an application does not impact the applicant's ability to submit the same or a different proposal in any future calls.</p>
10.	<i>X</i>	<i>X</i>	<p><i>As a beneficiary of an Innovation Fund grant, am I automatically eligible to another EU programme or would I need to apply separately</i></p>

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			<p><i>and go through another selection process?</i></p> <p>An Innovation Fund beneficiary is not automatically eligible for other EU programmes. You will have to apply separately for different programmes, and your eligibility will depend on the conditions defined under the respective EU Programme.</p>
11.	X	X	<p><i>If I am not successful in an Innovation Fund call, can I apply again?</i></p> <p>You can apply for any of the future Innovation Fund calls, as long as your project is eligible.</p>
12.	X	X	<p><i>Will I get any feedback in case my proposal fails?</i></p> <p>Yes, the rejected proposals will receive a rejection letter accompanied by the evaluation report comprising a summary of the assessment of that proposal.</p>
13.	X	X	<p><i>Are there any specific rules/ legislation/ procedures applicable to procurement of goods (such as items of plant/equipment) and services related to project execution?</i></p> <p>According to Article 11.1 of the Model Grant Agreement, the beneficiaries must inter alia implement the action in compliance with all legal obligations under applicable EU, international and national law. Therefore, the beneficiaries must comply with the EU and national legislation applicable to procurement. Legal entities that are ‘contracting authorities’ within the meaning of Directive 2014/24/EU or ‘contracting entities’ within the meaning of Directive 2014/25/EU will have to comply with the applicable national law on public procurement. Please be aware that private entities may be qualified as ‘contracting authorities’ or ‘contracting entities’. In addition, please note there is a general obligation to avoid conflict of interests (see Article 12.1 of the Model Grant Agreement- Conflict of interests) that applies to the selections of contractors and subcontractors. Finally, purchases and subcontracting should be done in accordance with the internal rules and procedures of the beneficiary. Note that subcontracting is covered by Article 9.3 of Model Grant Agreement.</p>
14.	X	X	<p><i>Can I use the same application form I prepared for a previous Innovation Fund (InnovFund) call?</i></p> <p>No. For each call, only the specific application forms and templates available through the respective call page on the Funding and Tenders Portal and inside the Submission System are the ones to be used.</p>
15.	X	X	<p><i>Where can I find the applicable EU ETS benchmarks?</i></p> <p>The applicable EU ETS benchmarks are found in the Commission Implementing Regulation (EU) 2021/447 of 12 March 2021 determining revised benchmark values for free allocation of emission allowances for the period from 2021 to 2025 pursuant to Article 10a(2) of Directive 2003/87/EC, at the following link: https://eur-lex.europa.eu/eli/reg_impl/2021/447. The revised EU ETS Directive is available at https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32023L0959.</p>

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16.	X	X	<p><i>Do we still need to calculate the GHG emission avoidance for a period of 10 years if our project operates for a shorter (or longer) period? Which period is the basis for the cost efficiency calculation?</i></p> <p>The GHG emission reduction is calculated over a period of 10 years, irrespectively of the duration of the period of operation and of the monitoring period chosen by the project, and in accordance with the published “Methodology for calculation of GHG emission avoidance”. The calculation of absolute GHG emission avoidance over 10 years is the basis for the cost efficiency calculation. In the case that the period of operation of the project is less than 10 years, but not less than 3 years, operational data will be set to zero for those years in which the project does not operate. As such, both absolute and relative indicator will reflect the reduced period of operation.</p> <p>The monitoring period is the period of time after Entry into Operation during which the project operates, monitors and reports yearly the GHG emission avoided (that is why this period is sometime called “monitoring and reporting” period). The monitoring period is chosen by the applicant, the minimum period is 5 years. However, for small-scale projects and for proposals submitted under a PILOT topic and for Battery call proposals the monitoring period is minimum 3 years (section 6 of the call document). The monitoring period can be shorter than the period of operation of the project.</p> <p>For the purposes of grant disbursement, a project is expected to achieve at least 75% of the GHG emission avoidance expected over the duration of the monitoring period. Therefore, if the monitoring period is 5 years, the 75% of the achieved GHG emission avoidance should be understood with respect to the GHG emission avoidance expected over the first 5 years of operation of the project.</p> <p>Please refer to the GHG emission avoidance methodology for additional information.</p>
17.	X	X	<p><i>What is the basis for calculating the grant amount awarded to a project under the Innovation Fund, and under what circumstances can the grant amount be recovered?</i></p> <p>The grant amount is calculated based on the Relevant Cost, which includes the total Project capital expenditure (CAPEX) and the NPV of Project Revenues, Operational Benefits, Maintenance CAPEX, and Operational Costs (OPEX) over the first ten years of the Project’s operation (see the published “Methodology for calculation of relevant costs”). The portion of the grant amount paid after Financial Close can be recovered in specific cases, such as if the project fails to enter into operation or if the beneficiary fails to demonstrate any real avoidance of GHG emissions as specified in the call text.</p>
18.	X	X	<p><i>What is the difference between project lifetime and project duration, and how does the monitoring and reporting period fit into the Innovation Fund’s framework?</i></p>

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			<p>The project lifetime encompasses the entire period from the start to the end of the project, regardless of the Innovation Fund's support duration. In contrast, the project duration is specifically the timeframe during which the project receives support from the Innovation Fund. Once the project enters into operation, the monitoring and reporting period begins, which involves annually monitoring and reporting greenhouse gas (GHG) emission avoidance. This period is directly associated with the support provided by the Innovation Fund.</p>
<i>19.</i>	<i>X</i>		<p><i>What are the operating and monitoring period requirements for pilot projects under the Innovation Fund, and how should applicants plan their financial documentation?</i></p> <p>For pilot projects (as for other projects), the operating period should span the entire expected lifetime of the project and not be limited to just 3 or 4 years, unless the project is specifically planned to conclude at that point. Consequently, the business plan, financial model, and detailed budget table should reflect this full operational timeframe. The monitoring period can be shorter than the full operating period but must meet the specific minimum duration of at least 3 years for proposals submitted under a PILOT topic.</p>
<i>20.</i>	<i>X</i>	<i>X</i>	<p><i>How should an applicant define the project boundaries when applying for the Innovation Fund, and what key milestones should be considered?</i></p> <p>When defining the project boundaries for an Innovation Fund application, the applicant must establish a clear scope that aligns with the eligibility criteria outlined in the call documents. The correct definition of the project boundaries is crucial in order properly to calculate both the GHG emissions avoidance and the relevant costs of the proposed project.</p> <p>For the GHG emissions avoidance, the project boundaries influence the way that the GHG emissions shall be calculated and the sector under which the proposals shall apply. Once the relevant methodology section(s) has been identified following the provisions of the GHG methodology (section 1.1.1), the applicant must define the project boundaries for the purpose of greenhouse gas (GHG) emission avoidance calculations, adhering to the relevant provisions in the Methodology, and tailored to the specificities of the proposed project. The applicant shall take into consideration that the definition of the project boundaries is closely linked to the project classification and principal product definition.</p> <p>In terms of relevant costs calculation, in case of intermediary products, for the definition of the project boundaries applicants shall consider that if a projects has an identifiable product or more (final or intermediary) products which are the output of the given project, then all CAPEX, OPEX, revenues and operational benefits taken into account in the project's financial model and business plan must be linked to this product/these products. If the product uses intermediary products or goods produced by installations which are not part of the investment items, then only their purchase price can be taken into account as project costs.</p> <p>In case of "Incremental / add-on projects", when a project relates to building or transforming part of an existing installation, only the CAPEX of this part may be taken into account for the Relevant Costs calculations.</p>

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			<p>Only the contribution of this partial process/installation to the overall operational cost of the full process/installation may be used in the calculations. The revenues that can be used are the ones generated by the incremental investment, not those of the overall existing process and the logic applied must be the same as the one used for the calculation of GHG emissions.</p> <p>For further details, applicants should refer to the GHG Methodology document (“Methodology for calculation of GHG emission avoidance”), specifically section 1.1 and to the Relevant costs Methodology, section 3.4.1</p>
<i>21.</i>	<i>X</i>	<i>X</i>	<p><i>What is the purpose of the audit on the correctness of the relevant cost calculation before Entry into Operation, and how does it relate to the Innovation Fund application process?</i></p> <p>The audit of financial figures before Entry into Operation serves as a mandatory deliverable outlined in the Innovation Fund call text. Its primary purpose is to ensure the accuracy and correctness of the relevant cost calculation for the project and that the grant is still less or equal to 60% of the relevant costs. This audit verifies that the financial figures reported, including CAPEX and operating costs, are accurate and justified. By doing so, it helps to ensure that the support is limited to the amount necessary and that the budgeted allocations outlined in the application are well aligned. This step is crucial for maintaining transparency and accountability in the use of funds.</p>
<i>22.</i>	<i>X</i>	<i>X</i>	<p><i>In the Innovation Fund calls, is it possible for an applicant to submit more than one application?</i></p> <p>Yes, but the applicant will have to provide evidence of sufficient financial, technical and operational capacity to implement all proposed actions if applications are successful. A single project may be submitted only once in a given call, and in the appropriate topic. Moreover, if there are several proposals from the same applicant for very similar projects, the applicant may be asked to withdraw one or more of the proposals, or the proposals may be rejected. The evaluation process will assess the similarity of projects on a case-by-case basis.</p>

Consortium and Roles

<i>Question n°</i>	<i>NZT</i>	<i>BATT</i>	<i>Q&A</i>
1.	X	X	<p><i>What is the maximum number of entities that can form the consortia for project application? Is it possible to involve also sub-contractors as members of the consortia?</i></p> <p>There is no maximum number of entities that can form the consortium. The entities forming the consortium must be identified as “applicants” in your proposal and they will be parties to the Grant Agreement and identified as “beneficiaries”- please check the call text and the Model Grant Agreement for further definition of the possible roles. Sub-contractors are not considered as members of the consortium and do not sign the Grant Agreement; however, their role should be described in the part B of the application form. Please refer to the provisions of Article 9.3 of the Model Grant Agreement on subcontractors.</p>
2.	X	X	<p><i>Can affiliated entities be also applicants?</i></p> <p>Yes, a legal entity that qualifies as an “affiliated entity” of another applicant (within the meaning of Article 187 of the Financial Regulation) may be itself an applicant. Please note that it is the responsibility and choice of the applicant/ affiliated entity itself whether to participate in an Action as an affiliated entity or as an applicant/beneficiary.</p> <p>An affiliated entity, as defined in Article 187 of the Financial Regulation 2018/1046., is an entity that satisfies the eligibility criteria and that does not fall within one of the exclusion situations referred to in the call for proposals and that has a link with the applicant, in particular a legal or capital link, which is neither limited to the Action nor established for the sole purpose of its implementation, may be considered as affiliated to the applicant. An entity forming the applicant (together with other entities), including where the latter is specifically established for the purpose of implementing the action proposed for funding may also be considered as affiliated to the applicant. For further details, please refer to Article 187 of the Financial Regulation.</p>
3.	X	X	<p><i>Which are the differences between beneficiaries, affiliated entities, associated partners and subcontractors in the Grant Agreement?</i></p> <p>Beneficiaries, affiliated entities, associated partners and subcontractors have different rights and obligations under the Grant Agreement (see articles 7, 8, 9.1 and 9.3 of the Model Grant Agreement). Beneficiaries are the legal entities involved in the action that are parties to the Grant Agreement. As signatories of the Grant Agreement, they are fully responsible towards the granting authority for implementing the project and for complying with all the obligations stated in the Grant Agreement. Beneficiaries receive lump sum contributions to the action. They must have the appropriate resources to implement the action. If they rely on affiliated entities or other participants, they retain sole responsibility towards the granting authority and the other beneficiaries. Beneficiaries must ensure that the contracting obligations under the Grant Agreement of the other participants (affiliated entities, associated partners and subcontractors) apply to them. In order to be included as affiliated entity under the Grant Agreement, a legal entity must comply with the definition of “affiliated entities” in article 2 of the model Grant</p>

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			<p>Agreement (and which refers to Article 187 of the Financial Regulation). Affiliated entities receive lump sum contributions to the action under the same conditions as the beneficiaries and must implement the action tasks attributed to them in Annex 1. Their contributions will be included in Annex 2 and will be taken into account for the calculation of the grant amount. Associated partners may not charge contributions to the action (no lump sum contributions) and the costs for their tasks are not eligible (may not be included in the estimated budget in Annex 2). Subcontractors cannot charge lump sum contributions to the action and must implement the action tasks attributed to them in Annex 1. The beneficiaries' costs for subcontracting are considered entirely covered by the lump sum contributions for implementing the work packages (irrespective of the actual subcontracting costs incurred, if any). In addition, subcontracting should normally constitute a limited part of the budget (see section 13 of call text). However, this does not mean that projects with significant subcontracting are ineligible. It is up to the applicants to organize themselves as they see most appropriate, taking into account the project needs and the different rights and obligations under the Grant Agreement. The Innovation Fund simplified Grant Agreement provides that subcontractors may participate in the action, if necessary for the implementation of the action. It is important to note that the beneficiary must award contracts and subcontracts on the basis of best value for money and absence of conflict of interests. This means that the EPC company cannot appear as a commercial partner to the project, offering EPC services under commercial terms, if it is also a beneficiary or affiliated entity in the project.</p>
4.	X	X	<p><i>In the Innovation Fund calls, is it possible to add a beneficiary during project implementation?</i></p> <p>Yes, adding a beneficiary during project implementation is possible through an amendment to the Grant Agreement. The coordinator must submit a formal request, which will be examined by CINEA on a case-by-case basis. Amendments should not call into question the decision awarding the grant or breach the principle of equal treatment of applicants. Please refer to articles 39 and 40 of the Model Grant Agreement.</p>
5.	X	X	<p><i>What happens if there is a change in ownership of a project after the Grant Agreement is signed, and how does the Innovation Fund handle such changes?</i></p> <p>It is up to the applicant to define the most adequate project organization. However, it is essential to note that the project beneficiary is fully responsible towards the granting authority for implementing the project and for complying with all the obligations stated in the Grant Agreement. This means that the applicant must ensure that the project organization is capable of meeting the project's objectives and obligations.</p> <p>The Innovation Fund permits changes in the project organization, including changes in ownership, after the Grant Agreement is signed.</p>

Consortium and Roles

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			<p>These changes need to be managed through grant amendments. The European Climate, Infrastructure and Environment Executive Agency (CINEA) will review the amendment requests to decide if they can be accepted. During the review process, CINEA will evaluate the compliance with the call requirements, focusing on aspects such as the financial and operational capacity of the beneficiaries, among other criteria.</p>
6.	<i>X</i>	<i>X</i>	<p><i>How can we determine which applicants should be included in a consortium as beneficiaries, affiliated entities, associated partners or subcontractors? Is there a template to be used when preparing the consortium agreement?</i></p> <p>It is up to the applicants to propose a partnership as they see most appropriate, taking into account the project needs and the different rights and obligations under the Grant Agreement. See also Section 13 of the call text.</p> <p>For the consortium agreement, there is no template. Please refer to Article 7 of the Model Grant Agreement for the topics to be covered in the consortium agreement: “[...]these arrangements must be set out in a written consortium agreement between the beneficiaries, covering for instance: - the internal organisation of the consortium - the management of access to the Portal - different distribution keys for the payments and financial responsibilities in case of recoveries (if any) - additional rules on rights and obligations related to background and results (see Article 16) - settlement of internal disputes - liability, indemnification and confidentiality arrangements between the beneficiaries. The internal arrangements must not contain any provision contrary to this Agreement.”</p>

Eligibility

<i>Question n°</i>	<i>NZT</i>	<i>BATT</i>	<i>Q&A</i>
1.	X	X	<p><i>Are projects implemented in Overseas Countries and Territories (OCTs) eligible for funding?</i></p> <p>Projects implemented in Overseas Countries and Territories (OCTs) are not eligible for funding, as they do not form part of the EU territory.</p>
2.	X		<p><i>What if the applicant is not an EU ETS installation/operator?</i></p> <p>The eligibility of a proposal does not depend on whether the applicant is an EU ETS installation/operator or not. Instead, eligibility is determined by whether the proposed project involves activities listed in section 2 of the call text and meets the eligibility conditions outlined in the call text. Eligibility is assessed on a case-by-case basis based on the information provided in the application forms and supporting documents.</p>
3.	X		<p><i>I am considering submitting a proposal for a project that aims to reduce energy consumption and greenhouse gas emissions through general decarbonisation efforts, but it does not target the sectors listed in Annex I or III to the EU ETS Directive. Is my project eligible for funding under the Innovation 2024 calls for proposals?</i></p> <p>Your project is not eligible for funding under the Innovation 2024 calls for proposals if it is focused on general decarbonisation efforts, without specifically targeting the sectors listed in Annex I and Annex III of the EU ETS Directive. The Innovation Fund is specifically designed to support projects that reduce greenhouse gas emissions in these sectors, and therefore, projects with a broader focus on general decarbonisation efforts are not within the scope of the fund.</p>
4.	X		<p><i>Are projects in sectors listed in Annex I and III to the EU ETS Directive eligible for the Innovation Fund, and what should applicants consider when choosing a topic for their project?</i></p> <p>Yes, projects in sectors listed in Annex I and Annex III of the EU ETS Directive are eligible to apply for the Innovation Fund. Additionally, projects involving renewable energy, carbon capture, utilisation and storage (CCUS), and energy storage are also eligible. When selecting a topic for their project, applicants should consider the specific activity or type of project they are proposing. The scope for each topic is detailed in section 2 of the call document, which provides crucial guidance to ensure the project aligns with the Innovation Fund's objectives and requirements.</p>
5.	X		<p><i>What are the guidelines regarding feedstock origin for projects under the Innovation Fund, and can imported methanol be used for producing sustainable aviation fuel within the EU?</i></p> <p>The Innovation Fund places no restrictions on the origin of feedstock for funded projects except for bio-economy projects which must ensure that the used biomass meets the sustainability requirements of the Renewable Energy Directive (as detailed in the call text). Therefore, importing derivatives such as methanol from outside the EU for producing sustainable aviation fuel (SAF) within the EU is permissible. More</p>

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			generally, projects involving the refining of hydrogen-derived methanol are eligible for funding, irrespective of the methanol's origin. However, the eligibility of any specific project is contingent upon the details furnished in the application, and the Agency will evaluate each submission on an individual basis to ensure compliance with Innovation Fund call text.
6.	X		<p><i>What criteria must a project meet to be eligible under the Maritime sector / Mobility category of the Innovation Fund?</i></p> <p>To qualify as a Maritime sector project under the Mobility category of the Innovation Fund, the project must focus on decarbonising the maritime sector and/or refer to port infrastructure improvements which explicitly include initiatives aimed at reducing GHG emissions from maritime operations. Such projects should for example aim to develop more efficient vessels and their components or fuel switch from the use of fossil fuel. Furthermore, depending on whether the project refers to investments on ships and/or in port infrastructure, there are specific requirements in terms of the geographical location and the usage of the vessel, as indicated in the call text.</p>
7.	X		<p><i>I am planning to submit a proposal for an innovative ship refurbishment project, but the ship size is only 3,000 GT, which is below the 5,000 GT threshold. Can I still apply for funding, and if so, what do I need to provide to justify my application?</i></p> <p>Yes, you can still apply for funding, but you will need to provide a substantiated justification on how the technology used in your project can be scaled up to ships above the 5,000 GT threshold. This justification should be included in the application form part B and supporting documents. Please note that eligibility will be checked on a case-by-case basis, and the evaluation process involves external evaluators, so this initial assessment cannot preclude any decision taken during the evaluation.</p>
8.	X		<p><i>Are projects with a production or operational capacity below the threshold mentioned in Annex I to the EU ETS Directive eligible to apply for funding under the Innovation Fund?</i></p> <p>Yes, projects with a production or operational capacity below the thresholds of Annex I are eligible to apply for funding under the Innovation Fund, as long as they aim to reduce GHG emissions, comply with the eligibility conditions outlined in the call text, and demonstrate how the technology can be scaled up to reach the relevant activity thresholds.</p>
9.	X		<p><i>What are the location requirements for projects that include shipbuilding under the Innovation Fund call, and can projects involving non-EU countries still qualify?</i></p> <p>To be eligible for funding under the Innovation Fund, projects must be located within the EEA. This requirement for the maritime sector projects means that constructing a new vessel in a non-EU country is not eligible for funding, even if EU companies order, operate, and finance</p>

Eligibility

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			the vessel, and it is employed in EU waters. However, projects involving the installation of environmentally friendly technical features, such as for example a new engine or sailing rig, can qualify for funding if these installations occur in an EU/EEA country. Additionally, projects that include the vessel operation must carry a flag of an EU/EEA country and call ports under the jurisdiction of an EU/EEA country at least 15% of their calls on ports, or where not carrying an EU/EEA flag, call ports under the jurisdiction of an EU/EEA country at least 30% of their calls on ports, or alternatively perform service or support activities in ports under the jurisdiction of an EU/EEA country
<i>10.</i>	<i>X</i>		<p><i>What requirement must maritime and aviation infrastructure projects meet to be eligible for the IF24 Call?</i></p> <p>For maritime and aviation infrastructure projects to be eligible under the IF24 Call of the Innovation Fund, they must contribute to the decarbonisation of their respective sectors. This means that the project's scope must encompass a reduction in greenhouse gas (GHG) emissions from maritime or aviation transport, meeting a relative GHG emission reduction threshold of 50% or 75% depending on which topic you apply to. It is crucial for projects to integrate significant decarbonisation measures to qualify for funding.</p>
<i>11.</i>	<i>X</i>	<i>X</i>	<p><i>I am planning to submit a proposal for a project under the Innovation Fund, but I am concerned about the financial requirements and whether my organization has the necessary resources to implement the project. What are the key factors that I need to demonstrate in terms of financial and operational maturity to be considered eligible for funding?</i></p> <p>You need to demonstrate that your organisation has stable and sufficient resources to successfully implement the project and contribute your share of the costs. This includes not only having the necessary funding to cover your share of the capital expenditures and potential negative operational cash-flows in the first year, but also having the required development, management, market, and operational experience, as well as sufficient personnel. Additionally, you should be aware that the Innovation Fund grant may cover up to 60% of the Relevant Cost, which takes into account not only capital expenditures but also other elements such as Project Revenues, Operational expenditures, and Maintenance CAPEX, and you should be prepared to contribute the remaining percentage of the costs.</p>
<i>12.</i>	<i>X</i>		<p><i>If a project aims at the electrification of O&G field operations, is the project eligible for the EU Innovation Fund?</i></p> <p>Projects supporting the extraction of non-renewable energy carriers may result in limited greenhouse gas emissions avoidance. The Innovation Fund aims to support projects demonstrating highly innovative technologies, processes, business models, or products and services that are sufficiently mature and have a significant potential to reduce greenhouse gas emissions.</p>
<i>13.</i>	<i>X</i>		<p><i>Are projects involving mature electrolyzer technologies eligible for</i></p>

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			<p><i>the IF24 NZT call under the Innovation Fund?</i></p> <p>The advice for mature electrolyser technologies to consider the Innovation Fund auction for RFNBO Hydrogen does not necessarily apply if the project demonstrates substantial innovation in other areas. Projects involving the installation and operation of electrolysers can be eligible under the IF24 NZT call of the Innovation Fund, provided they incorporate additional innovative elements. The innovation does not necessarily need to apply to the hydrogen use itself but can be in various areas such as for example the heat usage of the electrolyzer, the implementation of large-scale heat pumps, upcycling of power plant components, or innovative operational concepts. Consequently, even if the electrolyzer technology is mature, projects with significant innovation aspects are encouraged to apply.</p>
<i>14.</i>	<i>X</i>		<p><i>Can projects that use natural gas as a primary energy source be eligible for funding under the Innovation Fund, and what conditions must they meet to receive support?</i></p> <p>Projects that use natural gas as a primary energy source can be eligible for funding under the Innovation Fund, but only if the natural gas is used as a necessary energy source in a transition phase, and the project's innovative aspects result in a significant reduction of greenhouse gases, which would not be achieved without the Innovation Fund's support.</p>
<i>15.</i>	<i>X</i>	<i>X</i>	<p><i>Are small businesses eligible to apply for funding under the Innovation Fund, and what process will their applications undergo?</i></p> <p>Yes, small businesses are eligible to apply for funding under the Innovation Fund, provided their project meets the eligibility conditions outlined in the call text. As for all applications, the proposal will be subject to a check for admissibility and eligibility, and will also undergo evaluation by external evaluators.</p>
<i>16.</i>	<i>X</i>		<p><i>Can projects that involve carbon capture and utilisation (CCU) be eligible for funding under the Innovation Fund, and what specific conditions must they meet to qualify for support?</i></p> <p>Yes, projects that involve CCU can be eligible for funding under the Innovation Fund, provided they meet specific conditions: either the CO₂ capture must occur within an activity listed in Annex I of the EU ETS Directive, or the utilisation of CO₂ must result in products that substitute carbon-intensive ones from sectors listed in Annex I, even if the carbon capture takes place outside those activities.</p>
<i>17.</i>	<i>X</i>		<p><i>Can projects involving direct air capture (DAC) and CO₂ storage apply for the Innovation Fund, and what are the specific eligibility conditions?</i></p> <p>Yes, projects involving direct air capture (DAC) and CO₂ storage can apply for the Innovation Fund. To qualify, the project must capture CO₂ directly from the air, and the captured CO₂ should be stored in a geological formation or used in a product that replaces a carbon-intensive alternative. Additionally, the project must adhere to certain eligibility criteria, such as being situated in an EU Member State or EEA country.</p>

Eligibility

<i>Question n°</i>	<i>NZT</i>	<i>BATT</i>	<i>Q&A</i>
18.	X	X	<p><i>Are projects located outside the EU eligible to apply for the Innovation Fund, and what are the location-specific eligibility criteria?</i></p> <p>Projects located outside the EU are not eligible for the Innovation Fund. To be considered, projects must be situated in EU Member States or EEA countries, such as Norway, Iceland, or Liechtenstein. Additionally, projects in Northern Ireland can apply, provided they are related to the generation, transmission, distribution, or supply of electricity. Consequently, projects outside these specified areas do not meet the location eligibility criteria for the Innovation Fund.</p>
19.	X		<p><i>Can projects focused on grid stability and renewable energy integration qualify for the Innovation Fund's call?</i></p> <p>Yes, projects aimed at demonstrating utility-scale grid stability solutions within the context of high renewable power penetration can qualify for the general topics under the IF24 Call, i.e. INNOVFUND-2024-NZT-LSP/MSP/SSP/Pilots. Such projects must involve innovative elements, like combining large-scale battery storage with grid-forming technology to stabilize the grid under challenging conditions (e.g. weak grids and a high density of power electronics), thus supporting a higher integration of renewable energies. The call explicitly supports the construction and operation of innovative energy storage solutions. Eligibility is determined on a case-by-case basis, evaluated via the details provided in the Application Form and accompanying documents, and must align with the call's specific eligibility conditions.</p>
20.	X		<p><i>Are thermal energy storage solutions eligible for the Innovation Fund?</i></p> <p>Yes, thermal energy storage solutions are eligible for funding under the Innovation Fund, provided they meet the applicable eligibility requirements.</p>
21.	X		<p><i>How should an applicant decide between applying under General decarbonization or Pilot topics?</i></p> <p>Applicants should decide between these topics based on the maturity of their technology and the specific conditions outlined in the call text. The Pilot topic is designed for projects that aim to validate, test, and optimize highly innovative, deep decarbonization solutions. Therefore, projects with a strong focus on innovation and experimental validation might consider applying under the Pilot topic to align with its objectives.</p> <p>Applicants shall also consider that while for the general decarbonization topics, the relative GHG emission avoidance must be at least 50%, this threshold is increased to 75% for projects applying under the Pilot topic.</p>
22.	X		<p><i>Can projects involving Small Modular Reactors (SMRs) be considered for funding under the Innovation Fund?</i></p> <p>Yes, projects involving nuclear power technologies, including Small</p>

Eligibility

<i>Question n°</i>	<i>NZT</i>	<i>BATT</i>	<i>Q&A</i>
			Modular Reactors (SMRs), are eligible for funding under the Innovation Fund. Their eligibility is contingent upon their ability to substitute carbon-intensive products listed in Annex I of the EU ETS Directive, such as electricity/and or heat.
23.	<i>X</i>	<i>X</i>	<p><i>Can a company based outside the EU/EEA be a beneficiary of a project funded by the Innovation Fund, and what are the location requirements for the project itself?</i></p> <p>Yes, a company based in any country worldwide can be a beneficiary of a project funded by the Innovation Fund. However, it's crucial that the project itself is situated in an EU Member State or an EEA country. This ensures that the projects supported by the fund contribute to the decarbonisation and innovation goals of the EEA.</p> <p>Special rules apply for entities subject to EU restrictive measures under Article 29 of the Treaty on the European Union (TEU) and Article 215 of the Treaty on the Functioning of the EU (TFEU). Such entities are not eligible to participate in any capacity, including as beneficiaries, affiliated entities, associated partners, subcontractors or recipients of financial support to third parties (if any).</p> <p>Special rules apply for entities subject to measures adopted on the basis of EU Regulation 2020/2092. Such entities are not eligible to participate in any funded role (beneficiaries, affiliated entities, subcontractors, recipients of financial support to third parties, etc). Currently such measures are in place for Hungarian public interest trusts established under the Hungarian Act IX of 2021 or any entity they maintain</p>
24.	<i>X</i>		<p><i>Are fuel cells and factories manufacturing clean technologies eligible for the Innovation Fund, and under which topic should they apply?</i></p> <p>Yes, fuel cells, fuel cell systems, and factories involved in the manufacturing of clean technologies are eligible for funding under the INNOVFUND-2024-NZT-CLEAN-TECH-MANUFACTURING topic. Eligible activities include the construction and operation of manufacturing facilities to produce specific components for electrolysers and fuel cells. This topic supports the development and expansion of clean technology manufacturing capabilities, focusing on innovative solutions and sustainable production.</p>
25.	<i>X</i>		<p><i>Are projects focused on software or service applications eligible for the Innovation Fund, and what conditions determine their eligibility?</i></p> <p>Projects that primarily focus on software or service applications for the efficient use of products listed in EU ETS Annex I and Annex III are not eligible for the Innovation Fund. However, projects that include software or service components aimed at improving the production processes of such products are generally eligible. The eligibility of these projects is assessed on a case-by-case basis, using the information provided in the Application Form and accompanying documents to ensure compliance with the fund's requirements and objectives.</p>
26.	<i>X</i>		<p><i>Is a maintenance vessel for wind energy farms eligible for the Innovation Fund, and what criteria must it meet?</i></p> <p>Yes, a maintenance vessel for wind energy farms can be eligible for the Innovation Fund, provided it fulfils certain criteria. The vessel must be</p>

Eligibility

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			built or refurbished within the EU/EEA and should regularly call at ports under the jurisdiction of an EU Member State or EEA country. Additionally, the project must demonstrate significant greenhouse gas emissions savings and justify the level of innovation involved.
27.	X		<p><i>Is a project focused on manufacturing components for vehicles eligible for the Innovation Fund, and under which sector should it apply?</i></p> <p>A project that manufactures components for vehicles designed to save energy or GHG emissions during their use phase can qualify for the Innovation Fund. Additionally, it must adhere to the relevant GHG emission avoidance thresholds, achieving at least a 50% for LSP/MSP/SSP or 75% reduction for Pilots as required by the specific topics in the call text.</p>
28.		X	<p><i>Would a project working on assembling an electric vehicle battery solution rather than working only on the battery cell technology fit the scope criteria of the INNOVFUND-2024-BATT-EV-CELLS call?</i></p> <p>No, in section 6 “Eligibility”, under the header “eligible activities” in page 12 of the call it is clearly stated that “activities related to the assembly of electric vehicle battery cells in modules or packs.” are not considered eligible for funding. According to the call text, “Projects must produce battery cells”.</p> <p>You could consider having these activities as a separate project by themselves, but submitted to the INNOVFUND-2024-NZT call</p>
29.		X	<p><i>Would a project producing components such as anode active material (AAM) and cathode active material (CAM) for electric vehicle battery cells be eligible for funding under the INNOVFUND-2024-BATT-EV-CELLS call?</i></p> <p>The call text in page 7 states that "Optionally, the project (i.e. in case of horizontally integrated projects) may also include the additional production of upstream components" and it then mentions a non-exhaustive list of examples amongst which are “cathode active material (CAM)”, “anode active material (AAM)”, “cathode precursor material (pCAM)”, “electrolyte”, “separator” and “battery” or “battery material” recycling activities.</p> <p>These activities, as standalone and by themselves are not eligible for this call, since they would not cover the main scope of the call which is "Manufacturing of cells that can be used in electric vehicle batteries". They would only be eligible for the INNOVFUND-2024-BATT-EV-CELLS call insofar as they are part of a horizontally integrated project targeting the manufacture of battery cells for vehicles. Therefore, if you wish to include them, they should be submitted as part of a single integrated project proposal.</p> <p>You could also choose to have the AAM and CAM activities as a separate project by themselves, but in the INNOVFUND-2024-NZT call. Any project focusing on battery-related activities but that does not</p>

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			have as end product battery cells for electric vehicles, would be better submitted to the INNOVFUND-2024-NZT call.
30.		<i>X</i>	<p><i>Would a project that produces innovative battery cells for an off taker looking to use these cells for stationary storage be eligible for the INNOVFUND-2024-BATT-EV-CELLS call?</i></p> <p>The INNOVFUND-2024-BATT call supports projects focusing on electric vehicle (EV) battery cell manufacturing. The scope of the call (see section 2 of the call text) covers “manufacturing of cells that can be used in electric vehicle batteries, as defined in the Battery Regulation (EU) 2023/1542.” These are specifically described in page 7 of the call text. If the battery cells that are manufactured can be used for “a battery that is specifically designed to provide electric power for traction in hybrid or electric vehicles of category L as provided for in Regulation (EU) No 168/2013, that weighs more than 25 kg, or a battery that is specifically designed to provide electric power for traction in hybrid or electric vehicles of categories M, N or O as provided for in Regulation (EU) 2018/858.” then those activities would be in scope.</p> <p>If the battery cells that you will produce can be used in electric vehicles, you may apply to the INNOVFUND-2024-BATT. If the battery cells that you will produce cannot be used in electric vehicle batteries, you should consider applying instead to the INNOVFUND-2024-NZT call.</p> <p>As long as the cells that are produced can be used in EV’s, you would not be penalised if they are ultimately (partially) sold to non-EV applications such as stationary storage.</p> <p>Please check the eligible activities section, page 12 of the Innovation Fund Battery Call https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/innovfund/wp-call/2024/call-fiche_innovfund-2024-batt_en.pdf</p>
31.		<i>X</i>	<p><i>How would sourcing of battery materials from China affect the score of the proposal?</i></p> <p>Sourcing material from China would have an impact in the criterion “Security of supply and countering dependency”. Regarding this, the less CAM and AAM the project will source from China, the better it can score, as indicated in the call text page 21.</p> <p>https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/innovfund/wp-call/2024/call-fiche_innovfund-2024-batt_en.pdf</p>
32.	<i>X</i>		<p><i>How does CAPEX influence the project size under the Innovation Fund, and what should applicants consider in terms of project innovation and boundaries?</i></p> <p>In the context of the Innovation Fund, the project size is determined by its capital expenditures (CAPEX), which are closely linked to the project’s innovation and boundaries. CAPEX serves as the key determining factor for the size of the project. Applicants must ensure</p>

Eligibility

<i>Question n°</i>	<i>NZT</i>	<i>BATT</i>	<i>Q&A</i>
			<p>their project meets the required CAPEX thresholds to be deemed eligible under this call. For the topic of INNOVFUND-2024-NZT-GENERAL-LSP, projects must have a CAPEX above EUR 100,000,000. For INNOVFUND-2024-NZT-GENERAL-MSP, projects must have a CAPEX above EUR 20,000,000 and up to EUR 100,000,000. For INNOVFUND-2024-NZT-GENERAL-SSP, the CAPEX should be above EUR 2,500,000 and up to EUR 20,000,000. Projects under INNOVFUND-2024-NZT-CLEAN-TECH MANUFACTURING and INNOVFUND-2024-NZT-PILOTS must have a CAPEX above EUR 2,500,000. It is essential for applicants to consider how their project's innovation and defined boundaries align with these financial requirements to adequately meet the funding criteria. Understanding the relationship between CAPEX, project size, and innovation is crucial for submitting a successful application.</p>
33.	<i>X</i>	<i>X</i>	<p><i>How are capital expenditures (CAPEX) categorized and treated in terms of eligibility under the Innovation Fund?</i></p> <p>Under the Innovation Fund, capital expenditures (CAPEX) are differentiated based on the project's phase. CAPEX refers to costs incurred in connection with the development and construction of the project up until the point when the entire project becomes operational. These costs are considered CAPEX and are not subject to discounting when computing the Relevant Cost. Once the project is operational, costs incurred for maintenance, such as key equipment replacement, periodic system updates, or significant one-time purchases expected to occur throughout the project's lifetime, are categorized separately as Maintenance CAPEX. These expenses are discounted along with operational expenses (OPEX). In cases where the project involves system upgrades intended to enhance productivity or process lower-quality feedstocks, these can be classified under Maintenance CAPEX. However, if upgrades involve replicating the plant to increase capacity on the same site, this could be classified as a new project, potentially eligible for consideration in future calls of the Innovation Fund.</p>
34.	<i>X</i>		<p><i>What are the IF 24 eligibility criteria for projects under the building sector?</i></p> <p>The Innovation Fund aims to support innovation in low- and zero-carbon technologies and processes addressing fuel consumption in buildings. Eligible projects might include the development of energy efficiency technologies, renewable energy integration, or low-carbon construction materials. While cooling devices are not explicitly mentioned as an eligible activity, energy efficiency technologies, which include such systems, are eligible since they represent a form of energy-consumption equipment used in buildings. It is important to note that eligibility is assessed on a case-by-case basis, with consideration given to the details provided in the Application Form and supporting documents. Therefore, applicants should ensure that their zero-emission building projects align with the Innovation Fund's goals and thoroughly document their compliance with eligibility requirements in their application.</p>

Cumulation

<i>Question n°</i>	<i>NZT</i>	<i>BATT</i>	<i>Q&A</i>
1.	X	X	<p><i>What is the case of combined public support (also called cumulation) and what should be checked by the applicant?</i></p> <p>An IF grant alone should normally be sufficient to enable the project to be carried out. In some cases, however, projects need additional public support in the form of a contribution from other EU funding programme (e.g. Horizon Europe) or a national contribution in form of State aid to cover the remaining funding gap. These are the cases of combined public support. Combining public support from other EU or national funding sources and the IF grant must be carefully planned in order to avoid overcompensation and to ensure compliance with the applicable legal frameworks.</p> <p>A project may be split into different, non-overlapping parts or stages, (with different and not overlapping costs). In this case, each part or stage can receive public support from different sources and there should be no specific legal obstacles regarding combination of support.</p> <p>A project that is not split into different parts or stages may also be co-financed by the IF grant and other sources of public support. Two sources of public support can contribute to the same project or to two projects with overlapping costs. In both those cases (support for the same project or projects with overlapping costs), applicants must, however, comply with the applicable rules:</p> <ul style="list-style-type: none"> - On combination of the support from different EU programmes or - On combination of support from EU programme with State aid - Both set of rules in case the EU programme is also State aid (e.g. some Cohesion Policy funding instruments or the Recovery and Resilience Facility) <p>Granting authorities of EU programmes/State aid competent authorities are also concerned to make sure the rules are complied with and applicants should get in touch with them.</p> <p>These rules differ between the different types of public support – see questions below.</p> <p>In case of combined support with the State aid: if a project is pre-selected for the IF grant award, the project coordinator must inform the competent State aid authority about the addition of an Innovation Fund grant alongside existing State aid. The State aid authority will verify compliance with State aid cumulation rules by the project's financial close. If the cumulation of aid is found to be excessive, adjustments may be required to either the State aid or the Innovation Fund grant.</p> <p>In case of combined support with other EU funding programme: if a project is pre-selected for the IF grant award, the project coordinator must inform the granting authority of the other EU funding programme.</p>

Cumulation

<i>Question n°</i>	<i>NZT</i>	<i>BATT</i>	<i>Q&A</i>
			The rules on combined support from different EU programmes will be checked.
2.	X	X	<p><i>How should applicants handle other public support (State aid or other EU funding) in their financial information file when applying for the Innovation Fund?</i></p> <p>Combination of support with public funding has to be explained by the applicant in the application to the IF and it will be considered in the evaluation.</p> <p>The evaluation process under the IF does not change in case of combined support.</p> <p>Other public support does not enter the relevant costs calculation (except for State aid measures granted in the form of direct cost reductions, for example via reduced electricity levies or taxes, categorised as ‘operational benefits’).</p> <p>If other public support (not in form of ‘operational benefits’) is part of the project’s financial model, this must be reflected in the cost-efficiency and financial maturity criteria - as would any other source of funding.</p> <p>In practice, applicants preparing their financial information file (FIF) for the Innovation Fund application should include any other public funding that has been approved or is very likely to be approved.</p> <p>If there is an intention to apply for other public funding but no approval has been received yet, applicants must assess the probability of obtaining this support and decide if they include it in their financing plan and model or not. If they include not secured public support in their financing plan and model, they should also propose mitigation measures if the support is not approved.</p> <p>Additionally, applicants must incorporate any public support that is included in their financial model (be it in form of grants for CAPEX only or grants for CAPEX and OPEX, contracts for difference, or feed-in tariffs, received or expected), into the numerator of the Cost Efficiency ratio.</p> <p>Please note that public support during the operational period should also be accounted for in the financial model as "other OPEX subsidies" in the appropriate section, on a non-discounted basis.</p>
3.	X	X	<p>What are the conditions on combining IF grant with programmes Horizon Europe, LIFE, CEF?</p> <p>Where combined support involves Horizon Europe, LIFE or CEF programme the ‘no double-funding’ principle means that combined EU funding cannot exceed 100% of the eligible costs, which is ensured by limiting the combined funding rates from the two programmes to 100%. The funding rate is the percentage of eligible or relevant costs covered by the respective programmes (for example, a 60% funding rate in the case of the IF means a maximum of 40% funding rate for the other programme).</p> <p>It is important to note that, for the same project, there can be a difference</p>

Cumulation

<i>Question n°</i>	<i>NZT</i>	<i>BATT</i>	<i>Q&A</i>
			<p>in the timing of the award of the IF grant and the support from the other EU programme. Applicants must follow the steps below in the respective situations:</p> <p>(I) If the IF grant is awarded before other EU funding, for the purposes of the IF, the project promoter must inform CINEA immediately when the situation of combined funding occurs but in any case no later than by the project's Financial Close:</p> <ol style="list-style-type: none"> (1) if project applied for combined support and with which programme, (2) the name of the granting authority of the programme, and whether it is informed about the combination with the IF grant, (3) the relevant funding rate of the other programme and whether the combination of support is excessive (i.e., exceeds 100% combined funding rate). <p>(II) If the IF grant is awarded after other EU funding, the applicant should assess if there are overlapping costs between the Grant Agreement already signed and the project set out in the application for the Innovation Fund. If there are overlapping costs, the applicant should not declare in their application costs that are already covered by the grant already signed, as relevant costs under the Innovation Fund. This will ensure there is no risk of double funding of the same costs. If overlapping costs are included in the relevant costs under the Innovation Fund, CINEA will, by before the signature of the IF Grant Agreement:</p> <ol style="list-style-type: none"> (1) ensure that there is no double-funding by verifying that the award of the IF grant in addition to funding from the other EU programme does not result in combined funding rate exceeding 100%, (2) if the combined funding rate exceeds 100%, lower the IF funding accordingly, (3) <i>inform the granting authority for the other EU funding programme of the combined support.</i> It is also duty of applicant to inform the granting authority for the other EU funding programme of the combined support.
4.	X	X	<p>What are the conditions on combining IF grant with the InvestEU Fund support?</p> <p>The InvestEU Fund is a central component of the InvestEU Programme, which is designed to stimulate investment, innovation, and job creation in the European Union.</p> <p>Under the InvestEU Fund an investment project may receive a guarantee or a loan of up to 50% of total project costs with the aim of crowding-in additional private or public investors. The project promoter is normally required to prove the availability of sufficient financing sources for the entire project (shareholders' funds and/or external private or public support as subsidies or external debt). The combined support from EU programmes (e.g. InvestEU and IF) cannot exceed the project's eligible costs, which in the InvestEU are defined as the total project costs. Consequently, the combined IF grant and InvestEU loan/guarantee cannot exceed the total project costs as defined in the InvestEU. Moreover, an InvestEU loan cannot be used to pre-finance a grant from Union programmes and a grant from an EU programme cannot be used</p>

Cumulation

<i>Question n°</i>	<i>NZT</i>	<i>BATT</i>	<i>Q&A</i>
			<p>to repay an InvestEU loan.</p> <p>A financial product supported by the InvestEU Fund may contain State aid if it is implemented by a Member State under the InvestEU Member State compartment or by a national promotional bank acting as an implementing partner or acting as a financial intermediary under InvestEU. Specific State aid cumulation rules apply (see other questions on combined support with State aid).</p>
5.	<i>X</i>	<i>X</i>	<p>What are the conditions on combining IF grant with the Recovery and Resilience Facility?</p> <p>Recovery and Resilience Facility (RRF) is a temporary funding instrument at the centre of NextGenerationEU - the EU's plan for the economic recovery after the COVID-19 pandemic.</p> <p>The Recovery and Resilience Facility (RRF) is a performance-based instrument under which Union financing is granted to Member States and disbursed in instalments upon the satisfactory fulfilment of a set of milestones and targets. Because the RRF is a performance-based instrument operating on the basis of financing not linked to cost, payments under the RRF are not subject to controls of the actual costs of the measures. As a consequence, the concept of eligible costs incurred is not applicable. There is no direct link between the RRF payments to the Member State and the costs incurred by the Member State in specific projects, and there is no assignment of costs to individual milestones and targets.</p> <p>For these reasons, it is necessary for projects receiving funding under the RRF, and which also wish to apply for funding under the IF, to ensure that there is a clear demarcation between activities or projects funded by RRF and IF. However, in exceptional cases where it is established that an ex-ante cost delineation is not feasible or excessively burdensome, combining support from the RRF and the IF on a pro-rata basis (i.e. combined support for the same project) is possible as a last resort under certain strict conditions. One of these conditions is that the combined support (i.e. IF grant + RRF Grant) does not exceed the relevant costs identified under the IF.</p> <p>See full guidance in Commission notice Guidance on recovery and resilience plans, C/2024/4618, OJ C, C/2024/4618, 22.7.2024, available in https://eur-lex.europa.eu/eli/C/2024/4618/oj</p> <p>Since funds from the RRF are disbursed to the Member State, which in turn can use them to finance national policy initiatives, State aid rules also apply to the measures funded by those funds (see other questions on combined support with State aid).</p>
6.	<i>X</i>	<i>X</i>	<p>What are the general conditions on combining IF grant with State aid?</p> <p>In general, the combination of IF grants with State aid is possible under the following rules:</p> <ol style="list-style-type: none"> (1) For support covered by the de minimis Regulation, combination of support is typically not problematic. (2) For aid covered by the General Block Exemption Regulation, if

Cumulation

<i>Question n°</i>	<i>NZT</i>	<i>BATT</i>	<i>Q&A</i>
			<p>the combination of aid with IF grants complies with the rules set out in the GBER. Otherwise, the State aid measure needs to be notified to the Commission.</p> <p>(3) For individual aid granted under approved aid schemes, if the combination of State aid with IF grants complies with the applicable conditions on the combination of public support set out in the Commission decision authorising the aid scheme.</p> <p>In other situations, State aid will need to be notified by the Member State to the Commission and will be assessed under the relevant State aid guidelines, or if no specific guidelines apply to the aid measure, directly under Article 107 (3) of the Treaty. Rules on combination of support are set out in the Commission decision authorising the aid, in line with the applicable State aid guidelines; adherence to the rules on combination of public support has to be ensured by the Member State (in cooperation with the beneficiary).</p> <p>(4) Where the aid granted under a Commission decision is calculated to cover the full funding gap of the project, i.e. the aid amount is calibrated to ensure that the project becomes economically viable, such projects should not require any further public support on top of what is reflected in the funding gap analysis.</p> <p>In general, for combined support of an IF grant with State aid, additional calculations are necessary to verify the share of the same eligible costs covered by the IF grant and State aid and to check whether the maximum aid intensities/ceilings are respected. The rules on combined public support may result in the obligation to reduce the total public support. This can be achieved by reducing either the State aid or the IF grant. The rules on combined public support apply independently of the sequencing of the granting of IF grant and State aid. Sequencing does not affect the overall amount of permitted public support.</p> <p>If the IF grant is awarded before State aid, for the purposes of the IF, CINEA needs to be informed by the project promoters immediately when the situation of combined funding occurs but, in any case no later than by the project's Financial Close:</p> <ol style="list-style-type: none"> (1) that such combination of support happens and from what source (2) that competent State aid authorities are informed about the combination with the IF grant (3) whether combination of support is excessive. <p>If the IF grant is awarded after State aid, the project promoter must ensure that the combination of State aid with IF grant is allowed under the State aid measure (scheme or ad hoc aid) by interacting with competent State aid national authorities and with CINEA.</p> <p>Awarded State aid must be included in the IF application documents.</p>
7.	<i>X</i>	<i>X</i>	<p>What are the conditions on combining IF grant with State aid covered by the General Block Exemption Regulation (GBER)?</p>

Cumulation

<i>Question n°</i>	<i>NZT</i>	<i>BATT</i>	<i>Q&A</i>
			<p>The GBER sets out the conditions under which certain categories of aid may be exempted from the notification requirement. Under the GBER, State aid does not have to be notified if it</p> <ul style="list-style-type: none"> (i) does not exceed a notification threshold expressed in the form of a maximum aid amount and (ii) complies with all relevant general and specific GBER provisions including any additional limit to the maximum level of aid, which may be expressed as a percentage of the eligible costs of the project (maximum aid intensity) or in other ways. <p>Many different categories of aid are exempted from the notification obligation under the GBER. For instance, it may depend on the activity concerned, the size of the aid beneficiary or the project's location. For State aid combined with the IF, the main categories are mostly aid measures under Section 7 on Aid for environmental protection, which as a rule allows for aid to be granted up to EUR 30 million per undertaking per project (up to EUR 25 million for investments in dedicated infrastructure; or up to EUR 70 million for investments in energy infrastructure).</p> <p>When combining aid under the GBER with centrally managed EU funding such as IF grants, it needs to be ensured that the total amount of public funding granted in relation to the same eligible costs does not exceed the most favourable funding rate laid down in the applicable rules of EU law. That means that for the same project, the total amount of public support (in this case, State aid and IF grant) shall not exceed the highest amount between (i) 60% of the relevant costs as calculated under the IF rules, and (ii) the maximum amount of aid that can be granted for that specific project under the GBER.</p> <p>Exceeding the combination of support limits under GBER leads to the need for the Member State to notify new State aid to the Commission being mandatory.</p>
8.	X	X	<p>What are the conditions on combining IF grant with State aid covered by the Climate, Energy and Environment State aid Guidelines?</p> <p>State aid for energy and environmental protection which exceeds the ceilings provided for in the GBER needs to be notified for <i>ex-ante</i> approval to the Commission. In particular, State aid for investments supported by the IF may be granted under the CEEAG, which set out the conditions under which State aid in the fields of climate, environmental protection and energy is considered compatible with the internal market.</p> <p>Aid can be notified under the CEEAG both in the form of schemes and, in exceptional circumstances, in the form of ad hoc aid to one or more identified beneficiaries.</p> <p>Point 57 of CEEAG states that aid can be combined with support from centrally managed EU funds such as IF grants provided that the total amount of public funding granted for the same eligible costs does not lead to overcompensation. Therefore, it must be ensured that the combined level of State aid and the IF grant do not exceed the net extra</p>

Cumulation

<i>Question n°</i>	<i>NZT</i>	<i>BATT</i>	<i>Q&A</i>
			<p>cost (funding gap) of the project.</p> <p>Different approaches apply in practice depending on whether the maximum aid amount allowed under Section 4.1 CEEAG is quantified administratively based on a calculation of the funding gap or through a competitive bidding process.</p> <ul style="list-style-type: none"> - For State aid quantified based on a calculation the funding gap: <ul style="list-style-type: none"> ○ If an IF grant is awarded before State aid, the Member State must ensure that IF grants or any additional public funding granted for the project are taken into account in calculating the funding gap, e.g. as part of the project's positive cash flows. This means that support from IF grants reduces the funding gap calculated for a project, and State aid can only cover the residual funding gap, if any. ○ If an IF grant is awarded after State aid, the IF grant and State aid combined should not exceed the funding gap as calculated for the purpose of State aid. If combination of aid with an IF grant results in the funding gap being exceeded, the State aid and/or the IF grant would have to be reduced. - For State aid quantified based on a competitive bidding procedure, it is assumed that the aid amount requested as part of the competitive bidding procedure corresponds to the minimum aid amount necessary to carry out the project. This means that: <ul style="list-style-type: none"> ○ If an IF grant is awarded before State aid is awarded, funding available under IF reduces the amount of other public support necessary for a project. Hence, State aid can <i>at most</i> cover the residual amount necessary to carry out the aided project. The competitive bidding mechanism can be trusted to provide a reliable estimate of the minimum amount of State aid required to carry out the project when it is designed to avoid overcompensation from combined public funding (i.e., State aid and IF-grants or other public resources), and to ensure effective competition. ○ If an IF grant is awarded after State aid, any additional public support for the same project must be deducted from the overall amount of public funding to ensure that the amount requested in the competitive bidding procedure by undertakings is not exceeded.
9.	X	X	<p><i>What are the conditions on combining IF grant with State aid covered by the Communication on aid for important projects of common European interest (IPCEI Communication)?</i></p> <p>The Communication on <i>aid for the execution of important projects of common European interest</i> (the IPCEI Communication) sets out conditions under which State aid for such cross-border integrated projects can be considered compatible with the internal market.</p> <p>In general, an IPCEI can concern projects for research, development and innovation as well as first industrial deployment when they entail significant research and innovation (points 22, 23 and 24 of the IPCEI Communication), or infrastructure projects in the environmental, energy,</p>

Cumulation

<i>Question n°</i>	<i>NZT</i>	<i>BATT</i>	<i>Q&A</i>
			<p>transport, health or digital sectors which are of great importance for the environmental, climate, energy (including security of energy supply), transport, health, industrial or digital strategies of the EU or that contribute significantly to the internal market (point 25). Several IPCEIs have been approved.</p> <p>Under the IPCEI Communication, the maximum aid amount is calculated with regard to the identified funding gap in relation to the eligible costs.</p> <p>To define combination of support with other State aid or EU funding, the IPCEI Communication provides that <i>‘State aid to promote the execution of IPCEIs may be cumulated with Union funding or other State aid, provided that the total amount of public funding granted in relation to the same eligible costs does not exceed the most favourable funding rate laid down in the applicable rules of Union law’</i> (point 35). This means that the IF grant and State aid, combined, cannot exceed the highest amount among (i) 60 % of the relevant costs as calculated under the IF rules and (ii) the maximum aid amount calculated under the IPCEI Communication (i.e. taking into account the project’s funding gap – including the funds available from the IF grant – based on eligible costs).</p>
10.	X	X	<p><i>What are the conditions on combining IF grant with State aid covered by the Temporary Crisis and Transition Framework (TCTF), section 2.5?</i></p> <p>In 2022, the Commission adopted the <i>Temporary Crisis Framework for State Aid measures to support the economy following the aggression against Ukraine by Russia</i> (TCF). In 2023, this Framework was revised to foster support measures in sectors that are key for the transition to a net-zero economy, in line with the Green Deal Industrial Plan and it was renamed the <i>Temporary Crisis and Transition Framework</i> (TCTF).</p> <p>The TCTF includes three main categories of aid that could be relevant for projects participating in IF calls.</p> <p>First category (covered by Section 2.5) covers support for renewable energy generation facilities, and certain types of energy storage. Aid must be granted on the basis of a scheme. As a general rule, aid is determined through competitive bidding procedures, but less mature technologies can benefit from administratively set aid. For investment aid this translates in an aid intensity of 45% of the total investment costs (which can be increased in case of investments by SMEs). For operating aid, where aid is not granted in a competitive bidding procedure, the energy regulatory authority is required to determine the strike price for a two-way contract for difference on the basis of the expected net costs of the project.</p> <p>Both investment and operating aid granted under this Section can be combined with an IF grant. In particular:</p> <ul style="list-style-type: none"> - for investment aid, total public support cannot exceed the applicable aid intensity; - for operating aid, total public support cannot exceed 100% of the expected net costs.

Cumulation

Question n°	NZT	BATT	Q&A
11.	X	X	<p>What are the conditions on combining IF grant with State aid covered by the Temporary Crisis and Transition Framework (TCTF), section 2.6?</p> <p>In 2022, the Commission adopted the <i>Temporary Crisis Framework for State Aid measures to support the economy following the aggression against Ukraine by Russia</i> (TCF). In 2023, this Framework was revised to foster support measures in sectors that are key for the transition to a net-zero economy, in line with the Green Deal Industrial Plan and it was renamed the <i>Temporary Crisis and Transition Framework</i> (TCTF).</p> <p>The TCTF includes three main categories of aid that could be relevant for projects participating in IF calls.</p> <p>Second category (covered by Section 2.6) covers investments for the decarbonisation of industrial activities at existing industrial installations, such as switching to the use of hydrogen or electrification, and for energy efficiency measures in industry.</p> <p>Under Section 2.6 TCTF, aid must be granted based on a scheme. Other than in exceptional circumstances, aid granted for any project under the scheme cannot account for more than 10% of the total budget nor exceed EUR 200 million.</p> <p>There are three alternative methodologies to calculate the aid amount under Section 2.6 TCTF:</p> <ul style="list-style-type: none"> - Option 1 - Eligible costs are calculated on the basis of estimated costs and revenues of the project, decreased by the project's additional revenues (e.g., from 'green premiums') and cost savings (e.g., reduced EU ETS costs) compared to a counterfactual scenario, to which a maximum aid intensity of 40%, plus bonuses applies; - Option 2 - Eligible costs are the project's investment costs (i.e. costs of equipment, machinery, installations), to which a maximum aid intensity of 60% applies (for projects involving the use of hydrogen or renewable hydrogen-derived fuels) and 30% (for projects involving electrification and energy efficiency); - Option 3 - The aid can be awarded under a competitive bidding process. In that case, the maximum aid amount is the amount of the winning bids resulting from the competitive bidding process. <p>Aid under Section 2.6 can be combined with an IF grant for the same eligible costs, under different conditions, depending on the methodology used for the quantification of the aid amount:</p> <ul style="list-style-type: none"> - if the aid has been calculated on the basis of Option 1, the funding available under the IF reduces the financing gap, and State aid can only cover the residual amount; - if the aid has been calculated on the basis of Option 2, combined support with an IF grant is possible provided that (i) the highest aid intensity and/or aid amount applicable under the EU fund rules and under Option 2 is not exceeded and (ii) the total amount of public support does not exceed 100% of the investment costs; - if the aid has been granted on the basis of Option 3, combined

Cumulation

<i>Question n°</i>	<i>NZT</i>	<i>BATT</i>	<i>Q&A</i>
			support with an IF grant is possible up to the amount of the bid, resulting from the competitive bidding process.
12.	X	X	<p><i>What are the conditions on combining IF grant with State aid covered by the Temporary Crisis and Transition Framework (TCTF), section 2.8?</i></p> <p>In 2022, the Commission adopted the <i>Temporary Crisis Framework for State Aid measures to support the economy following the aggression against Ukraine by Russia</i> (TCF). In 2023, this Framework was revised to foster support measures in sectors that are key for the transition to a net-zero economy, in line with the Green Deal Industrial Plan and it was renamed the <i>Temporary Crisis and Transition Framework</i> (TCTF).</p> <p>The TCTF includes three main categories of aid that could be relevant for projects participating in IF calls.</p> <p>Third category (covered by Section 2.8) covers support for the manufacturing of strategic equipment, (namely batteries, solar panels, wind turbines, heat-pumps, electrolysers and carbon capture usage and storage) as well as for production of key components and for producing and recycling of related critical raw materials. For the aid covered in the first paragraph of Section 2.8, maximum aid intensities (calculated as percentages based on eligible costs – i.e. investment costs) and maximum aid amounts per undertaking are to be respected. These thresholds depend on the location of the project, the size of the beneficiary and the aid instrument used.</p> <p>Combined support for projects submitted and selected under the Innovation Fund is expressly foreseen and the combined support must not exceed 100% of the eligible (investment) costs as defined under the State aid rules to avoid overcompensation.</p>

Grant disbursement

<i>Question n°</i>	<i>NZT</i>	<i>BATT</i>	<i>Q&A</i>
1.	X	X	<p><i>How will the grant be disbursed?</i></p> <p>The grant disbursements will happen in the form of a lump sums when specific milestones are reached and when the work-packages established in the Grant Agreement are successfully completed.</p> <p>Up to 40% of the total amount of the grant will be disbursed upon financial close or upon completing a work package preceding financial close where such milestones are embedded in the Grant Agreement. The remaining amount of at least 60% of the grant will be disbursed after the financial close. Payments for each work package will be proportional to the activities covered by that work package.</p> <p>The portion of the grant amount budgeted after entry into operation should amount to at least 10% of the maximum grant amount. All disbursements will happen in the form of lump-sums when specific milestones are reached, and work-packages are completed. Specific requirements for documentation or other evidence to be provided in order to trigger the payment will be detailed in the Grant Agreement.</p>
2.	X	X	<p><i>Is the full Innovation grant disbursement linked to the demonstration of GHG emissions avoidance?</i></p> <p>No. Up to 40% of the grant amount (the exact percentage will be established in the Grant Agreement) is linked to the project reaching financial close (within 48 months after grant signature) or upon reaching a specific milestone preceding financial close in accordance with the financial needs and milestones of the project as described in the work packages. There is no verification of GHG emissions avoidance for this part of the grant.</p> <p>Only the proportion of the grant disbursed after financial close (minimum 60% of the total grant amount) is dependent on the demonstration of GHG emissions avoidance, on the basis of the verified GHG emissions report (required as deliverable at the end of the project).</p> <p>If less than 75% of the targeted amount of GHG emissions avoidance is reached at the end of the project, the amount of the grant paid after the financial close will be proportionally reduced. If the project fails to enter into operation or the beneficiary fails to demonstrate any real avoidance of GHG emissions, the grant may terminated and the full grant amount after financial close will be recovered.</p>
3.	X	X	<p><i>Could the maximum grant amount be disbursed before the end of the monitoring and reporting period, for example once 75% of the GHG emissions avoidance are reached?</i></p> <p>No. In addition to reaching at least 75% of the GHG emissions avoidance for a full grant disbursement, the beneficiary must also complete all the work packages set up in Annex 1 to the Grant Agreement in order to receive the entire grant amount, each work package being associated with a share of the lump sum contribution. Work packages cover the entire duration of the project, including the monitoring and reporting period. The portion of the grant amount budgeted after entry into operation should amount to at least 10% of the maximum grant amount (see Section 10 of the call text for details).</p>

Grant disbursement

<i>Question n°</i>	<i>NZT</i>	<i>BATT</i>	<i>Q&A</i>
4.	X	X	<p><i>In a consortium, which beneficiary would receive the funds?</i></p> <p><i>Can some participants in a consortium, e.g. small companies or research organisations, have their full costs covered?</i></p> <p>In case of an application by a consortium of legal entities, the funding is awarded to the consortium, which is responsible for delivering the project. For multi-beneficiary Grant Agreements, it is always the coordinator who receives the EU funds for the entire consortium and has the obligation to distribute the payments received from the granting authority to the other beneficiaries without unjustified delay (see Article 7 of the model Grant Agreement). The entities participating in the consortium will have to sign a consortium agreement among themselves – establishing their internal arrangements and designating a project coordinator – before signing the Grant Agreement. See also Section 13 of the call text.</p> <p>The Innovation Fund grant covers up to 60% of project relevant costs, regardless of the participant's status in the consortium. For multi-beneficiary Grant Agreements, the consortium decides how to allocate the grant amount among its members.</p>
5.	X	X	<p><i>Can applicants request a grant lower than the maximum funding rate under the Innovation Fund, and if so, what should they consider when doing this?</i></p> <p>Applicants have the option to request an Innovation Fund grant that is lower than the maximum allowable funding rate of 60% of the Relevant Costs. While opting for a lower grant amount could potentially enhance the cost efficiency ratio, it is important that applicants provide a clear justification for their grant request. This rationale must be well-aligned with the project's objectives, demonstrating how the reduced funding still supports achieving the desired outcomes efficiently and effectively.</p>
6.	X		<p><i>What are the deadlines and requirements for grant disbursement under the Innovation Fund, and how can applicants potentially enhance their project maturity score?</i></p> <p>Under the Innovation Fund, projects must achieve Financial Close within 4 years of signing the Grant Agreement. Pilots and manufacturing projects that can demonstrate the capability to reach Financial Close within 2 years and achieve Entry into Operation within 4 years of grant signing may receive a higher score in the Project Maturity criteria. Grant disbursement will be executed in the form of lump sums, which should be proportionate to the activities and capital expenditures (CAPEX) outlined in each work package. Meeting these timelines and demonstrating a clear plan for Financial Close and Entry into Operation can be beneficial for improving the project's evaluation score.</p>

Degree of Innovation

<i>Question n°</i>	<i>NZT</i>	<i>BATT</i>	<i>Q&A</i>
<i>1.</i>	<i>X</i>	<i>X</i>	<p><i>I am preparing to submit a proposal for a project that builds upon a production process that has already been awarded funding by the Innovation Fund. How can I demonstrate that my project is still innovative and worthy of funding, despite the similarities with an existing project?</i></p> <p>You can demonstrate the innovation of your project by clearly identifying and justifying the new innovative elements that differentiate it from the existing project. This justification should be based on publicly available information about the innovative elements and details of the ongoing Innovation Fund projects. You should provide this information in the Application Form and supporting documents, as the evaluation process will assess the degree of innovation on a case-by-case basis, taking into account the details you provide.</p>

GHG Methodology

<i>Question n°</i>	<i>NZT</i>	<i>BATT</i>	<i>Q&A</i>
1.	X		<p><i>How should "the net amount of energy that is delivered by the project for external usage" be calculated in the case of projects manufacturing consumer products such as solar panels or heat pumps?</i></p> <p>In such cases, the net amount of energy delivered should be understood as the net quantity of energy delivered from the consumer product for use by the household or business that is using the product, i.e. the gross amount of energy output of each type (electricity, heating, cooling) by the consumer product minus any energy of the same type consumed in the operation of the consumer product.</p>
2.	X		<p><i>Section 2.2.6 includes an exception to the normal rules for inputs that reads, "In cases where solid materials are reshaped, reformed or assembled into a product by the project but remain largely unchanged in their chemical composition or structure they may not be treated as inputs. Such cases need to be well justified by the applicant." In this exception, how should the phrase "they may not be treated as inputs" be understood?</i></p> <p>The phrase "they may not be treated as inputs" in this part of the methodology should be read as meaning that in such a case the applicant may choose, with justification, not to treat the materials as inputs. It should not be understood as meaning that in such a case the applicant is not permitted to treat the materials as inputs.</p>
3.	X		<p><i>How to calculate the black carbon emissions from the use of the maritime reference fuel in the reference scenario?</i></p> <p>As stated in Section 5 of the Methodology for calculation of GHG emission avoidance, the Fourth IMO GHG Study 2020 should be used as reference for the calculation of black carbon emissions. However, the study does not provide an individual emission factor for the maritime reference fuel. Therefore, applicants are advised to apply the black carbon emissions factors for marine diesel oil (MDO) in Table 63 of the Fourth IMO GHG Study 2020, considering the type(s) of vessel(s) being replaced and/or modified in the project scenario.</p>
4.	X		<p><i>In section 2.2.4.3 it is stated that "Projects that add carbon capture units to existing installations without changing the products from those installations must be treated as modifications to the existing system", but also states that "If the CAPEX associated with a project is more than a third of the CAPEX that would be required to develop a whole new production facility, then the project cannot be treated as a modification of an existing system." How should I apply if the CAPEX associated with a carbon capture project accounts for more than a third of the value of a new facility?</i></p> <p>The requirement to treat projects that add carbon capture units to existing installations without changing the products from those installations as modifications to the existing system supersedes the subsequent rule that sets the CAPEX threshold. Projects that add carbon capture units to existing installations without changing the products from those installations must be treated as modifications to existing</p>

GHG Methodology

<i>Question n°</i>	<i>NZT</i>	<i>BATT</i>	<i>Q&A</i>
			systems even if the associated CAPEX is more than a third of the CAPEX for a new facility. If, however, the installation of a carbon capture unit is accompanied by additional changes to the system that results in significant changes to the output products, then the first rule is not relevant and therefore the CAPEX test must be applied.
5.		<i>X</i>	<p><i>Can a project produce several cell technologies that have a different bill of materials?</i></p> <p>Yes, a project can also produce different cell technologies. The bill of materials (BoM) to be specified in the methodology must include all cell technologies. Since the BoM data must be provided in kg per kWh, an effective bill of materials is required. This is made up of the sum of the relevant component weights (for pCAM, CAM, AAM, Separator, Electrolyte) of all cell technologies (e.g. tech A and tech B), divided by the sum of all production volumes in MWh (e.g. production of A and production of B).</p>
6.		<i>X</i>	<p><i>How should one proceed if materials are purchased from different suppliers that have different levels of emissions during material production?</i></p> <p>If the methodology intends to use several customized emission factors for materials or components provided by suppliers, these must be combined into an effective emission factor. The individual emission factors, e.g. for components from manufacturer A and manufacturer B, must be weighted according to the volume (kg) with which they are used in cell production, and then added up.</p>
7.		<i>X</i>	<p><i>Can a project both buy and produce materials and components?</i></p> <p>Yes, this case is explicitly provided for. In the methodology for the manufacturing carbon footprint, the proportion of in-house production of components and materials and the proportion of purchased components and materials must be indicated. This proportion must be calculated as a percentage by weight.</p>
8.		<i>X</i>	<p><i>My project has a special supplier for the lithium precursor. Why can't the emission factors for raw materials be adapted to specific projects?</i></p> <p>The manufacturing carbon footprint describes the production emissions from the perspective of cell production. In line with the scope of the BATT2024 call, the methodology should be used to identify differentiations between projects that result from the cell production processes or the directly upstream steps. This particularly concerns innovations in the area of processes and material and cell design, as well as the integration of green energy generation technologies. The selection of specific raw material suppliers is explicitly not a degree of freedom in the differentiation of the manufacturing carbon footprint. Aspects of the supply chain are considered in other assessment criteria of the call.</p>
9.		<i>X</i>	<p><i>My project purchases electrode foils from external suppliers and does not produce them itself. How should this be handled with regard to the manufacturing carbon footprint?</i></p> <p>Unfortunately, without electrode production, the project does not cover the scope of the call (see call text and input-output criteria in the GHG</p>

GHG Methodology

<i>Question n°</i>	<i>NZT</i>	<i>BATT</i>	<i>Q&A</i>
			methodology document), so this special case cannot be taken into account by the manufacturing carbon footprint. One option would be to cooperate with a manufacturer of electrode foils. As a consortium, the project would be covered by the call and the methodology for the manufacturing carbon footprint. In this case, the production emissions would have to be considered as the sum of the consortium.
<i>10.</i>		<i>X</i>	<p><i>My project plans to produce EV battery cells that will be used in much larger batteries than specified in the call. Can I get credit for this?</i></p> <p>No. We make a standard assumption about the size of the battery in the reference vehicle. This allows us to compare all battery cell projects on the same basis.</p>

Technical maturity

<i>Question n°</i>	<i>NZT</i>	<i>BATT</i>	<i>Q&A</i>
<i>1.</i>	<i>X</i>	<i>X</i>	<p><i>At what Technology Readiness Level (TRL) should the project be at the moment of the application? Are there any differences per topic?</i></p> <p>There is no requested starting or to be achieved TRL for any of the topics of the call. The call text Annex I explains the type of projects the Innovation Fund can support:</p> <ul style="list-style-type: none"> - first-of-a-kind commercialisation or large-scale commercial size demonstration of processes previously proven at pilot, smaller scale or large-scale demonstration plants; - a second or more of a kind commercialisation where the relevant costs remain a significant share of total costs that prohibit commercialisation without further public support; - 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. <p>Specifically for topic PILOTS, a higher degree of innovation is expected than in the other topics and please note that degree of innovation criterion has a higher weight than in other topics (Section 9 of the call text). Consequently, the activities that can be funded are those that tackle technical risks linked to the innovative technologies and solutions, e.g. optimising process and operational parameters of the innovation, and/or improving the characteristics of the final products produced. Pilot projects should prove an innovative, deep decarbonisation or net carbon removal technology or solution in an operational environment, but are not expected yet to reach large scale demonstration or commercial production. Nevertheless, the project can entail limited production/operation for testing purposes, including delivery to/from potential customers for validation. If the project is successful, the proposed technology should move to the next stage of a large-scale demonstration or first-of-a-kind commercial production.</p>
<i>2.</i>	<i>X</i>	<i>X</i>	<p><i>Is it possible to change the technology used in a project after applying for the Innovation Fund, and what are the conditions for such changes?</i></p> <p>Yes, it may be possible to change the technology used in a project after the Grant Agreement is signed. Any modifications must not undermine the evaluation results, challenge the initial decision to award the grant, or violate the principle of equal treatment of applicants. Changes can only be implemented through amendments to the Grant Agreement, ensuring that the core principles and outcomes of the original project are maintained.</p>

Financial maturity (Business plan / Financial model)

<i>Question n°</i>	<i>NZT</i>	<i>BATT</i>	<i>Q&A</i>
<i>1.</i>	<i>X</i>	<i>X</i>	<p><i>My project is not profitable under current market conditions. Do we have some freedom to predict market evolution, like increase in CO₂ prices or inflation?</i></p> <p>The Innovation Fund does not provide guidelines on assumptions that the applicants must take to elaborate their business plan. Revenues assumptions proposed by the applicants must be credible and justified. For example, applicants could justify their assumption by including indicative offers, letters of intent, details on the historical prices, due diligence studies and additional analysis. During the evaluation, independent experts will assess the soundness and credibility of the market predictions used by applicants based on current market consensus and trend your assumptions. An important element is also the applicants' capacity and commitment to cover potential funding gaps should less favourable projections materialise compared to projections made in the proposal in order to keep the project alive. The project's risk analysis should reflect such situations and provide credible mitigation measures.</p>
<i>2.</i>	<i>X</i>	<i>X</i>	<p><i>Is there any support available for applicants to help them understand and use the Relevant Cost Calculator, and where can they find additional guidance on the Innovation Fund's call requirements?</i></p> <p>A tutorial on the Relevant Cost Calculator is available on CINEA's webpage (https://cinea.ec.europa.eu/funding-opportunities/calls-proposals/innovation-fund-2024-call-and-battery-calls_en), which provides additional information on the call requirements and guides applicants on how to use the calculator correctly to calculate the relevant costs of their projects and ensure they meet the eligibility criteria of the Innovation Fund. Refer to the section Tutorials.</p>
<i>3.</i>	<i>X</i>	<i>X</i>	<p><i>What level of detail is expected on financial information provided under project maturity and in the business plan?</i></p> <p>Applicants are expected to provide well detailed and justified financial information, including estimates of revenues, operational expenses, and capital expenditures, as well as underlying assumptions on volumes, prices, and costs. This information should be included in the Business Plan and be coherent with the detailed financial model and the Financial Information File (FIF). The financial projections should be broken down into operating, investing, and financing cash flows and be consistent with the applicant's internal rate of return estimate. Additionally, the financing plan should include details of each funding source and use, as well as potential contingencies.</p> <p>A business plan template is provided, and applicants are recommended to use it. 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.</p>
<i>4.</i>	<i>X</i>	<i>X</i>	<p><i>How should applicants handle the Relevant Cost Calculator - Financial Info File when preparing their application for the Innovation Fund?</i></p> <p>Applicants must adhere to the restrictions of the Relevant Cost</p>

Financial maturity (Business plan / Financial model)

<i>Question n°</i>	<i>NZT</i>	<i>BATT</i>	<i>Q&A</i>
			<p>Calculator - Financial Info File, which has sheet protection to prevent modifications in certain cells. Altering the file itself is not permitted and could lead to penalties during the proposal evaluation. Instead, applicants are encouraged to develop their own detailed financial model, which is a required component of the application package. This model should be completed accurately and consistently reflect the assumptions and details outlined in the other accompanying documents in the application. Consistency across all documents is crucial for a successful evaluation of the proposal.</p>
5.	X	X	<p><i>What are the considerations for including equipment leasing costs as eligible expenses under the Innovation Fund call for proposals?</i></p> <p>When applying to the Innovation Fund, leasing equipment with a commitment to purchase at the end of the lease term can be recognized as an eligible cost. Both acquisition and rental costs associated with the equipment can be included, provided that applicants apply the accounting standards relevant to their country and thoroughly explain these in their application. For projects involving newbuilt ships or planes, finance lease expenses may be counted as OPEX within the Relevant Costs calculation. Applicants must identify the financing company (lessor) and submit indicative contract terms, covering the length, schedule, and expected payments of the lease. Furthermore, if there is a reasonable certainty about exercising the purchase option at the end of the lease, this cost can be reflected in the financial projections, supported by indicative contract terms. Applicants should provide financial projections for the lease over the entire project lifetime; however, only payments occurring within the first ten years of the project's operation will be automatically included in the Relevant Costs calculation by the FIF.</p>
6.	X	X	<p><i>How advanced should the contract situation be? Is it mandatory to have Terms of supply already defined as opposed to letters of support from customers to enter negotiations for our product?</i></p> <p>The type of documents to be provided at application stage depends on the progress of your project. Applicants must provide as much evidence as possible to convince evaluators on the maturity of their project and to support the assumptions detailed in the project Business Plan and used in the Financial Information File (FIF) and their own financial model. A business plan template is available in the Submission System (under "Part B templates") it is recommended but not mandatory, if not used ensure at least the same level of detail and information as in the template.</p> <p>Please refer to section 5 of the call text for further guidance on supporting documents, as well as annex 3 of the call text which specifies minimum requirements for documentation on project funding support and project contract terms.</p>
7.	X		<p><i>How should sales of excess CO₂ allowances and cost savings from avoiding the purchase of ETS allowances be considered in the relevant cost calculations for the Innovation Fund?</i></p>

Financial maturity (Business plan / Financial model)

<i>Question n°</i>	<i>NZT</i>	<i>BATT</i>	<i>Q&A</i>
			Sales of excess CO ₂ allowances should be included as operational benefits in the calculation of relevant costs for an Innovation Fund project. Additionally, any cost savings from avoiding the purchase of ETS allowances must be factored into the calculations if relevant. This approach ensures a comprehensive financial assessment by considering both the operational benefits and cost savings associated with emissions trading as part of the project's overall economic impact.
8.	X	X	<p><i>What is expected from the project at financial close?</i></p> <p>At financial close, irrespective if the project intends to raise external or internal financing, the project is expected to meet all conditions required in the financing agreements of all funding sources i.e. from all investors, lenders and sponsors (public or private), including its own resources, for the full capital expenditure of the project, as the Innovation Fund Delegated Regulation 2019/856 defines financial close as “the moment in the project development cycle where all the project and financing agreements have been signed and all the required conditions contained in them have been met”. In practice, it means that all contracts supporting the financing of the project (e.g. loans, equity) are signed, support from public budget appropriation confirmed, etc., so that there is concrete evidence that all necessary funds shall be available to the beneficiary. Other conditions include the signing of the major supply, construction contracts or off-take contracts and obtaining all necessary permits. It also means that the project shareholders have all received Final Investment Decision which can be evidenced by minutes of meetings. As stated in section 6 of the call document, the project must reach financial close within four years (48 months) after grant signature. In case a project is planned to be executed in phases, the concept of Financial Close is to be intended as comprehensive of all the phases.</p>
9.	X	X	<p><i>What data should be included in the Relevant Cost calculation for our project proposal under the Innovation Fund call?</i></p> <p>The Relevant Cost calculation for your project proposal should include data from the construction period of the project and the first 10 years of operations. Your project's financial forecast must encompass the entire project lifetime, ensuring it also covers the expected period of profitability to provide a comprehensive view of the project's financial trajectory.</p>
10.	X	X	<p><i>Which is the default methodology to use to calculate the relevant costs? What are the requirements for using the "Reference Plant Methodology" to compute Relevant Costs under the Innovation Fund?</i></p> <p>The default method for calculating Relevant Costs is the "No reference plant" methodology, and we strongly advise applicant to use this methodology.</p> <p>Applicants meeting some specific criteria have the option to use the "Reference Plant Methodology" as an alternative.</p> <p>To use the "Reference Plant Methodology" for computing Relevant Costs under the Innovation Fund, applicants must meet specific conditions outlined in section 2.1.2 of the Relevant Cost methodology.</p>

Financial maturity (Business plan / Financial model)

<i>Question n°</i>	<i>NZT</i>	<i>BATT</i>	<i>Q&A</i>
			Additionally, they need to provide the mandatory documents listed in section 5 (Admissibility) of the Call Text, under "Other annexes". The reference plant itself must adhere to European Union environmental standards and comply with EU legislation, such as the EU ETS benchmark for industrial products when applicable.
<i>11.</i>	<i>X</i>	<i>X</i>	<p><i>How are royalty payments and intangible assets treated in the calculation of Relevant Costs under the Innovation Fund?</i></p> <p>In the calculation of Relevant Costs for the Innovation Fund, royalty payments made to project shareholders are explicitly excluded. This means that any royalties paid to shareholders cannot be included as eligible costs in the computation. In contrast, other intangible assets may be incorporated into the CAPEX portion of the Relevant Cost calculation, according to the Relevant Cost Guidance document, and can be included as eligible costs; however, it is crucial to consult the document to fully understand the specific types of intangible assets that are eligible. This distinction ensures that applicants accurately categorize their costs in accordance with the Fund's eligibility criteria.</p>
<i>12.</i>	<i>X</i>		<p><i>How should applicants consider the financial aspects related to carbon capture and ETS allowances for their Innovation Fund projects?</i></p> <p>The capital expenditure (CAPEX) will encompass the investment cost associated with the carbon capture unit and any directly related equipment. Operating costs should include all expenses linked to the operation of this capture unit. In terms of revenues, applicants should consider the following: any green premium on the main product, revenue from the sale of received free ETS (Emissions Trading System) allowances, cost savings arising from a reduced need to purchase ETS allowances, and the monetisation of value-added or certificates gained from GHG emissions reductions that are not already accounted for elsewhere.</p>
<i>13.</i>	<i>X</i>	<i>X</i>	<p><i>How does the entry into operation affect the financial assessment for multi-phase projects in the Innovation Fund application process?</i></p> <p>For projects with multiple phases, the entry into operation is considered as the moment when the last phase of the project becomes operational. Applicants must incorporate any costs or revenues generated before this point into their financial model (FIF). These pre-operation financial elements must also be included in the calculation of the Relevant Costs. This ensures that all financial aspects are accurately reflected and assessed in the application process.</p>
<i>14.</i>	<i>X</i>	<i>X</i>	<p><i>How should applicants address contingencies in their CAPEX forecast for the Innovation Fund projects, and what are the requirements for their inclusion?</i></p> <p>Applicants are permitted to incorporate contingencies in their CAPEX forecast, which can be included in the relevant cost computation for their Innovation Fund projects. However, a robust justification is</p>

Financial maturity (Business plan / Financial model)

<i>Question n°</i>	<i>NZT</i>	<i>BATT</i>	<i>Q&A</i>
			<p>required to support the inclusion of these contingencies. This justification should explain why the contingencies are necessary, the rationale behind the chosen contingency levels, and the method of allocation. Additionally, an audit of the CAPEX computation is mandatory at the Entry into Operation stage, which will assess the actual spending on CAPEX up to that point. This audit ensures that the forecasted contingencies are justified and appropriately utilised throughout the project's development.</p>
15.			<p><i>What documentation is necessary to demonstrate financial support and financial maturity for a project under the Innovation Fund?</i></p> <p>Applicants to the Innovation Fund must provide specific documentation to demonstrate financial support and maturity effectively. A letter of comfort from the principal shareholder is required, detailing the commitment to equity financing, including the precise amount of funding and its timeline. Letters of support from project funders are also essential, and these should clarify the investors' awareness of the project's low return potential and their readiness to fund it regardless of this condition, if the proposal is expected to have low profitability.</p> <p>In cases where the project may have low profitability, it's imperative to provide confirmation of funding support from shareholders, ensuring that this support will cover both construction costs and any negative operational cash flows, even if the project's Net Present Value is low or negative. Additionally, a comprehensive explanation of the project's legal ownership structure must be included, along with proof of the applicant's or shareholders' capability to inject the necessary equity. These elements are crucial for assessing the financial maturity of the project proposal.</p>
16.	X	X	<p><i>The call document mentions that the project duration normally ranges between 3 to 15 years. Does it mean that I must present a business plan and a financial model of maximum 15 years even if my project will be operational for 20 years?</i></p> <p>Your business plan, own detailed financial model and the "detailed budget table/relevant cost calculator" (also called the Financial Information File - FIF), should reflect the real expected operational lifetime of your project. It is not allowed to limit your project to 10 or 15 years if the expected project operational lifetime is more than this. The FIF will calculate automatically the relevant costs based on the data entered in the input sheets (in BLUE), according to the Relevant Costs Methodology.</p> <p>Please note that the definition of project duration for Innovation Fund grants corresponds to the "Period of time during which the project benefits from Innovation Fund support" (see glossary on the call document) and it normally ranges between 3 and 15 years (see section 6 of the call document). This should not be confused with the expected lifetime of your project.</p>

Knowledge sharing

<i>Question n°</i>	<i>NZT</i>	<i>BATT</i>	<i>Q&A</i>
<i>1.</i>	<i>X</i>	<i>X</i>	<p><i>How much detail should the knowledge sharing plan contain in terms of duration or scope of the activities?</i></p> <p>The knowledge sharing plan is an essential component of the Innovation Fund proposal, and it should contain the knowledge-sharing activities that go beyond the mandatory knowledge-sharing requirements.</p> <p>The Knowledge Sharing Plan is no longer a mandatory document in the proposal, however a knowledge sharing plan outline must be included in the Application Form part B. It should outline the activities, content, tools, channels and target groups for knowledge sharing that go beyond the mandatory knowledge sharing requirements (i.e. reporting and participation in knowledge sharing events organised by the granting authority). The proposal’s knowledge sharing aspects are assessed under the criterion of “Replicability in terms of further deployment”. Experts will determine the “quality and extent of the knowledge sharing, communication and dissemination activities initiated by the project at the various project stages”.</p> <p>The successful projects will have to provide a detailed knowledge sharing plan as deliverable in month 1 of the project (see section 10 of the Call document).</p>
<i>2.</i>	<i>X</i>	<i>X</i>	<p><i>Regarding Knowledge Sharing obligations, how should companies proceed with information that may be IP or commercially sensitive, or bound by non-disclosure agreements with contractors or third parties and could not be reported?</i></p> <p>Companies will not be obliged to disclose information to the extent that (and only for so long as) the disclosure of such information would: (1) enable the reverse-engineering of the applicant’s technology; or (2) prejudice the applicant’s ability to obtain patent or other registered intellectual property right protection. Relevant knowledge to be shared includes the knowledge of the applicant and the knowledge of all project operators, consortium members, suppliers and subcontractors under the project. The applicant shall ensure that all relevant agreements with any such party shall include an obligation on such party to provide such information to the applicant for the purpose of these knowledge sharing requirements. Otherwise, there is a risk for the applicant not being able to satisfy the knowledge sharing requirements of the Innovation Fund.</p>

Replicability

<i>Question n°</i>	<i>NZT</i>	<i>BATT</i>	<i>Q&A</i>
<i>1.</i>	<i>X</i>	<i>X</i>	<p><i>How should applicants demonstrate replicability and cost reduction for their Innovation Fund projects, and what additional factors contribute to competitiveness and industrial leadership?</i></p> <p>In their applications for the Innovation Fund, projects must clearly demonstrate replicability and cost reduction by showing how their project achieves cost efficiencies compared to a reference technology or process. This involves presenting cost reductions and efficiency gains alongside potential for replicating the project or technology at other sites, whether regionally, across the EU/EEA, or globally. This replicability is assessed on plans for technology transfer beyond the sector, expected additional emission avoidance, and the quality and reliability of information provided. Furthermore, under the sub-criterion for Europe's industrial leadership and competitiveness (5 points), applicants should demonstrate the project's contribution to new industrial ecosystems or energy infrastructure development, the creation of new technology or intellectual property within the EU/EEA, and collaborations with EU/EEA universities. Additional points are given for developing know-how in Europe and ensuring resilience and due diligence in the supply chain, especially concerning the responsible sourcing of raw materials. This includes reducing dependency on critical raw materials sourced from countries outside the EU, such as photovoltaic components from China. For projects within the maritime sector, applicants should also emphasize the European added value and sector resilience as specified in the Glossary. Quality and soundness of the information provided will be critical factors in assessing the proposal's impact and potential.</p>

Bonus point

<i>Question n°</i>	<i>NZT</i>	<i>BATT</i>	<i>Q&A</i>
1.	X		<p><i>Can projects focused on e-fuel production receive a bonus point for Maritime projects under the Innovation Fund, and which projects are eligible for this bonus?</i></p> <p>Projects specifically focusing on the production of e-fuels without including the use phase within the project boundaries are not eligible for the maritime bonus point under the Innovation Fund. Only projects that are submitted under the maritime sector can qualify for the bonus point. This distinction ensures that projects benefiting from this additional recognition align closely with the specific objectives and priorities of the maritime sector within the Innovation Fund framework.</p> <p>In addition to qualify for the Maritime sector bonus point, the project must demonstrate potential to decarbonize the maritime sector and reduce its climate impacts. This requires showcasing the development and adoption of low-carbon or zero-emission technologies in the sector.</p> <p>The bonus point is limited to maritime sector projects, which means that the project should include maritime transport GHG emissions savings resulting from the investment.</p>
2.	X		<p><i>What are the criteria for projects to receive Bonus Point 3 under the Innovation Fund, and how should they demonstrate compliance?</i></p> <p>Projects can qualify for Bonus 3, which awards up to one additional point, if their main innovation relies on electricity use (such as in electric arc furnaces, electrolysers, or CO₂ capture and utilisation using electricity) or the consumption of renewable fuels of non-biological origin (RFNBOs), such as in the production of sustainable transport fuels. For electricity-based innovations, projects must demonstrate the use of electricity from additional renewable sources, either generated by the project's own installations or procured via the grid through Power Purchase Agreements or similar agreements. Compliance with the Commission Delegated Regulation 2023/1184, specifically Article 5, under the Renewable Energy Directive 2018/2001, is required to prove the use of "additional renewable electricity". For the award of the bonus point, the renewable energy supplied to the H₂ production (for example) needs to be additional, even if the project is in a bidding zone exempt from the additionality criteria.</p> <p>Similarly, projects consuming RFNBOs must demonstrate that the fuels meet the definitions outlined in the Renewable Energy Directive 2018/2001 and its Delegated Regulations on RFNBO methodology. By aligning with these criteria, projects can showcase their commitment to sustainability and innovation, thereby qualifying for the bonus point.</p>