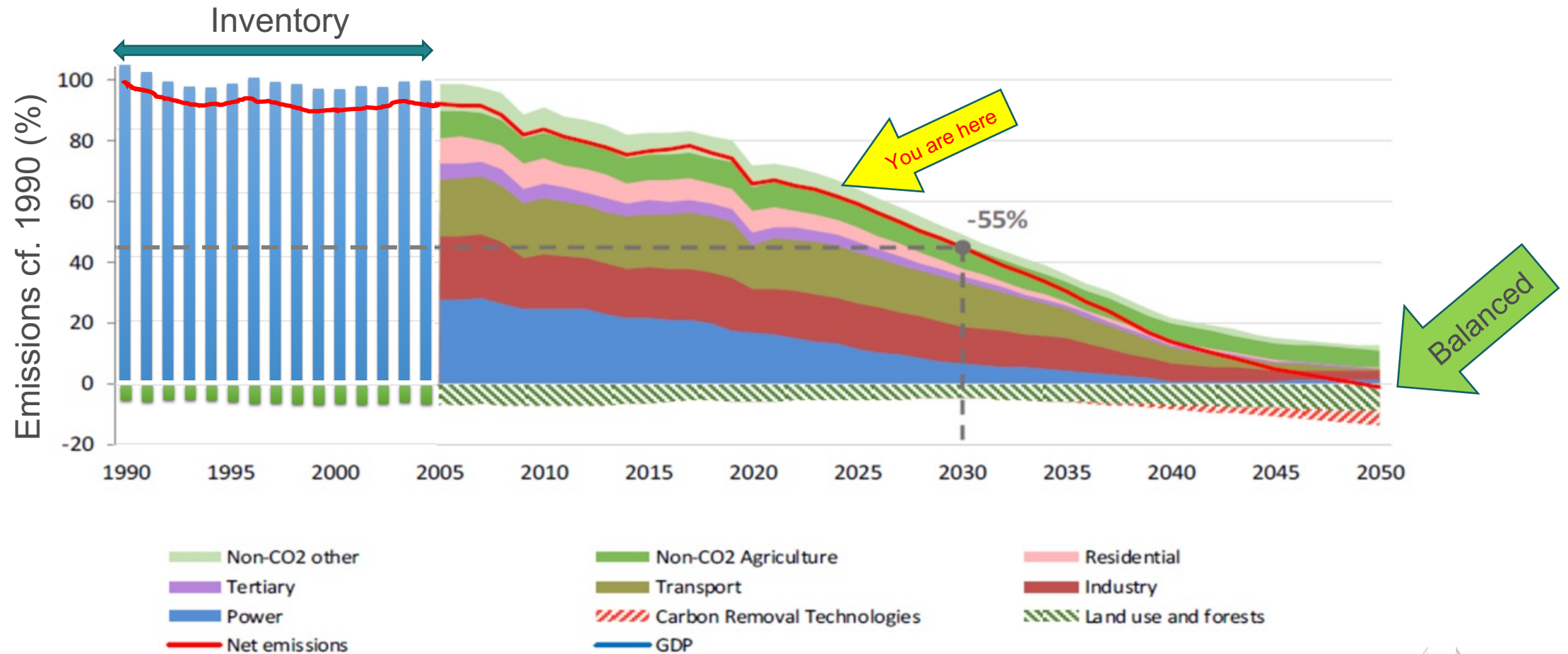


Innovation Fund

General Overview & Policy Context

Maria VELKOVA – Acting Head of Unit, DG CLIMA C.2

Pathway to Climate Neutrality



Innovation Fund

Contribution to the European Green Deal



Cleaning our Energy system



Making transport sustainable for all



Renovating buildings



Transforming our economies and societies



Working with nature to protect our planet and health



Leading the third industrial revolution



Boosting global climate action

- The Innovation Fund focuses on **highly innovative technologies** and **flagship large-scale demonstration or first-of-a-kind projects** within EU, in NO and IC that can deliver significant GHG emission reductions.
- **Innovative technologies in “hard to abate” sectors** are needed to reach carbon neutrality.
- The Innovation Fund has awarded projects for green hydrogen, CC(U)S, PtX, negative emissions, etc. that **must be demonstrated by 2030** so that they can be **mainstreamed by 2050**.
- **Around 200 Mt CO₂eq of GHG abatement** expected under combined 1st and 2nd Large Scale Calls

Innovation Fund Eligible Sectors

Production and use of
Renewable energy

*including manufacturing plants for
components*

Carbon Capture Use
and Storage

Scaling up clean tech

Energy-intensive
industries

including substitute products

Energy storage

*including manufacturing plants for
components*

**New:
Maritime
Aviation**

Innovation Fund

Key Features

Volume of about **EUR 40 billion** until 2030 (at EUR 75 carbon price)

Support of up to **60% of additional costs** related to innovative technology

Up to 40% of grant disbursed at or before financial close

**New:
Competitive
bidding**

Financed from the revenues of the **EU Emissions Trading System**

Support of additional capital **and** operating costs (up to 10 years) – Small scale: **ONLY CAPEX**

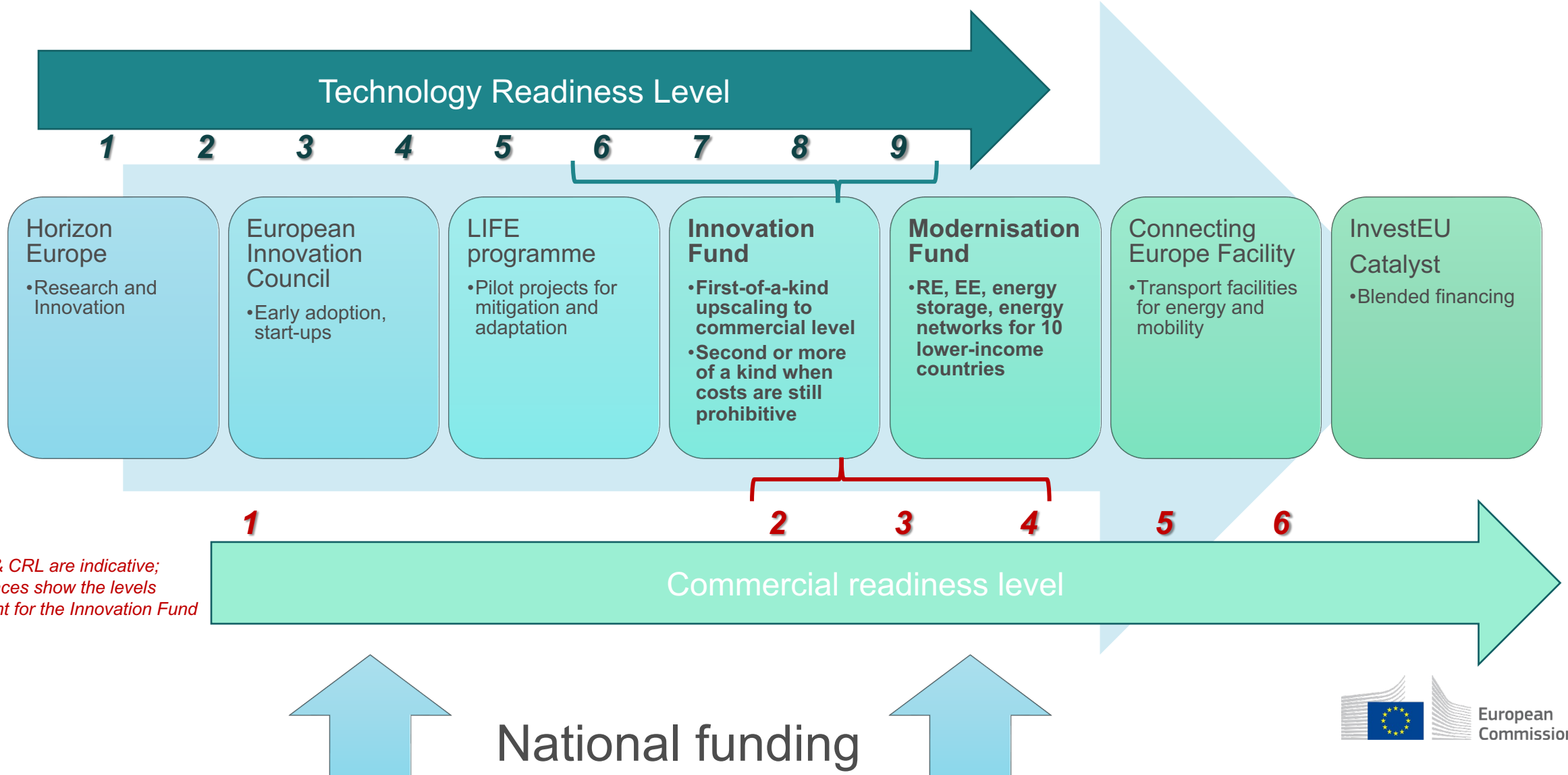
60% of grant disbursed during 10-years operating period against GHG emission avoidance

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

Single applicant **or** consortium

Project development assistance by **EIB**

Innovation Fund vis à vis other EU Funding Programmes



**TRL & CRL are indicative; the braces show the levels relevant for the Innovation Fund only*

Innovation Fund Award Criteria

DEGREE OF INNOVATION

- Beyond state-of-the art

GHG EMISSIONS AVOIDANCE*

- Absolute emissions avoidance
- Relative emissions avoidance
- Quality of calculation

PROJECT MATURITY*

- Technical maturity
- Operational maturity
- Financial maturity

SCALABILITY*

- Efficiency gains
- Further technology deployment
- Knowledge sharing

COST EFFICIENCY

- EU contribution requested per tCO₂ avoided
- Quality of calculation

Bonus points:
Net carbon removals
Other GHG savings
Renewable electricity

Min criteria: beyond incremental innovation, below ETS benchmarks, sustainable biomass feedstocks, sufficiently mature and scalable

Innovation Fund

3rd Large Scale Call & REPowerEU

REPowerEU chapter in revised recovery and resilience plans

Synergies and complementarities with **cohesion policy**

New call under **Connecting Europe Facility**

Enhanced transfer possibility of cohesion policy and EAFRD to RRF

Innovation Fund

- 1) **accelerating the deployment,**
- 2) **dedicated REPower topics**
- 3) **new tool of C(C)fD**

Innovation Fund

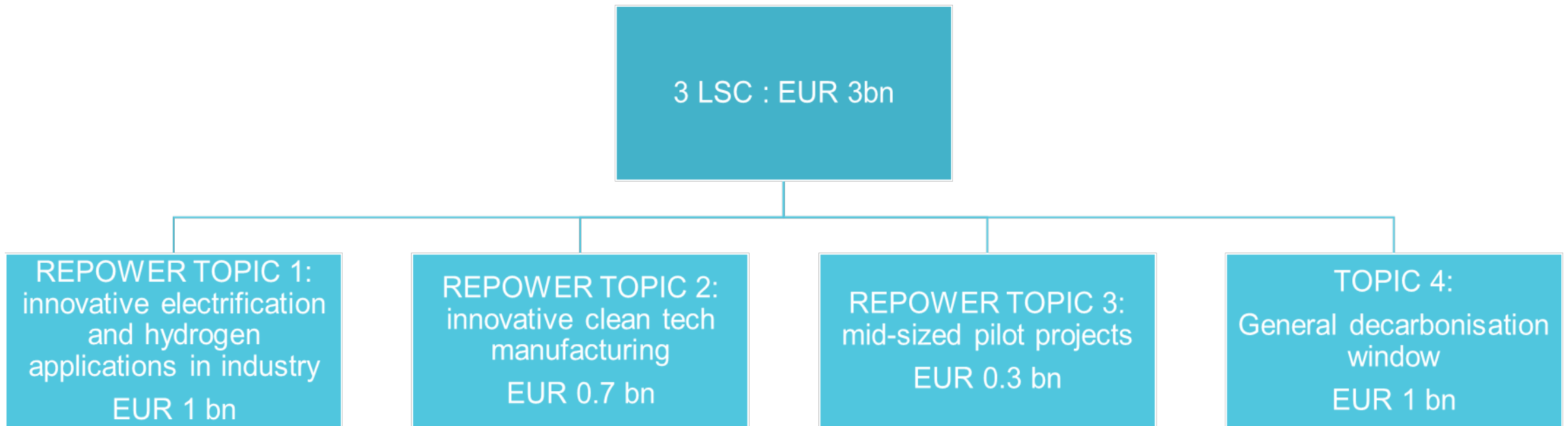
3rd Large Scale Call & REPowerEU

- In the 3rd LSC, thanks to increased budget & REPowerEU priorities, the Innovation Fund has become **more focused** by creating **3 dedicated topics** for:
 - innovative [Electrification & Hydrogen Applications in Industry](#)
 - innovative [Clean Tech Manufacturing](#) (such as electrolysers and fuel cells, innovative renewable equipment, energy storage or heat pumps)
 - [Mid-Sized Pilot Projects](#) that focus on validating, testing and optimising highly innovative solutions.
- **Fully bottom-up approach** is preserved in the [General Decarbonisation topic](#) to serve existing project pipeline that covers all areas eligible under IF, as defined in ETS Directive
- [3rd LSC is now open until 16 Mar 2023](#) - [Search Funding & Tenders \(europa.eu\)](#)

Innovation Fund

3rd Large Scale Call & REPowerEU

- Budget made available for **3rd LSC: EUR 3bn** + 20% flexibility reserve
- Topics have a budget reserved for them; budget reserved, but not spent on a given topic, can be used for other topics (“**waterfalls approach**”)



2023 Small-Scale Call

2023 Small-Scale
Call



Open on 30 March

Deadline 19
September 2023



Call text similar to
2022 SSC to
encourage
resubmissions +
clarifications and
examples



July 2023
In-depth workshop
on how to write a
successful proposal



Strategic promotion
of the call in less
represented countri
es and sectors



Breakthrough Energy Catalyst (BEC)

Partnership on Green Premium in Low-Carbon Tech

Combining Public & Private Expertise and Specialisation

- Partners are EU Commission, EIB and Breakthrough Energy Catalyst Europe
- EIB using InvestEU rules will deploy matching funding from HE Cluster 5 and Innovation Fund for combined investments of up to EUR 1 billion
- Accelerate the **reduction of the green premium for low carbon tech**, as seen in Wind, PV or batteries
- Transformative and innovative technologies in i) **Renewable Hydrogen** ii) **Sust. Aviation Fuels** iii) **Long Duration Energy Storage** and iv) **Direct Air Capture (DAC)**
- Continuously open call **2021-27** to entities investing in EU MS / NO and IC
- Non-reimbursable contributions, quasi-equity and/or equity, and/or mobilise contract project revenue support through the sale and purchase of project output (the “Contract Offtakes”)[approx. **EUR 40-100 M**]

Further info: [Breakthrough Energy Catalyst | Breakthrough Energy](#)

Thank you



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