

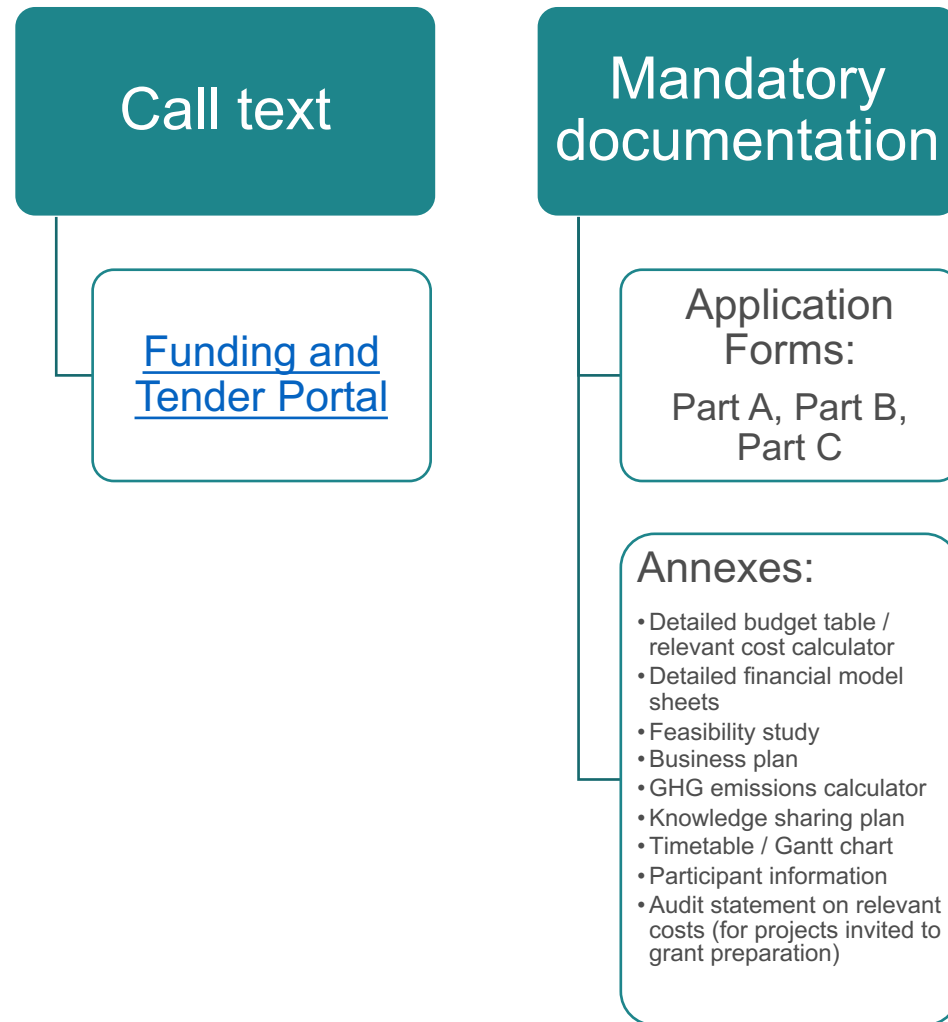
Innovation Fund

Award Criteria & Lessons Learnt

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Call Text & Mandatory Documentation

Please find more information on the mandatory documents and how to apply in the [following tutorial](#) and in the [CINEA website](#)



Award Criteria

1. DEGREE OF INNOVATION

Innovation beyond state of the art (see Annex 1 of call text) at European level

* **NEW**: consider the ongoing InnovFund projects

2. GHG EMISSIONS AVOIDANCE

- **Absolute** emissions avoidance (*compared to sector depending on median avoidance*)
- **Relative** emissions avoidance
- **Quality and credibility** of the calculation and minimum requirements*

* **NEW**: additional minimum requirement for PILOT projects

3. PROJECT MATURITY

- Technical maturity
- Financial maturity
- Operational maturity

4. SCALABILITY

***NEW** : one criterion looking at

- Scalability in terms of efficiency gains
- Scalability in terms of further technology or solutions deployment
- Quality and extent of the knowledge sharing

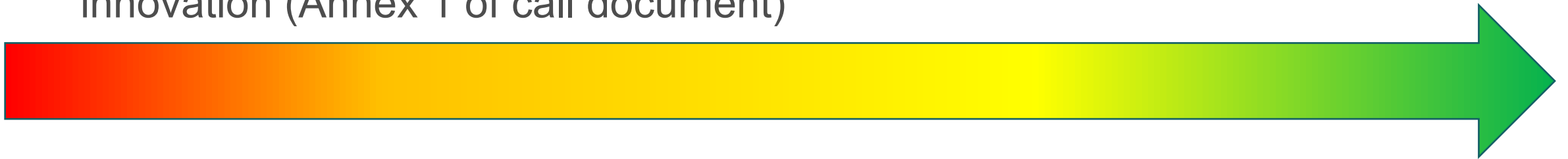
5. COST EFFICIENCY

- Cost efficiency ratio (i.e. the EU contribution requested per tCO₂ avoided)*
- Quality and credibility of the cost calculation

* **NEW**: different formula for PILOT projects

1. Degree of Innovation

The Innovation Fund aims to support projects that go beyond incremental innovation (Annex 1 of call document)



Incremental innovation, the degree of innovation is very low since only minor changes or improvements are made to existing products, processes or business models, projects which will deliver only incremental innovation **will not be retained.**

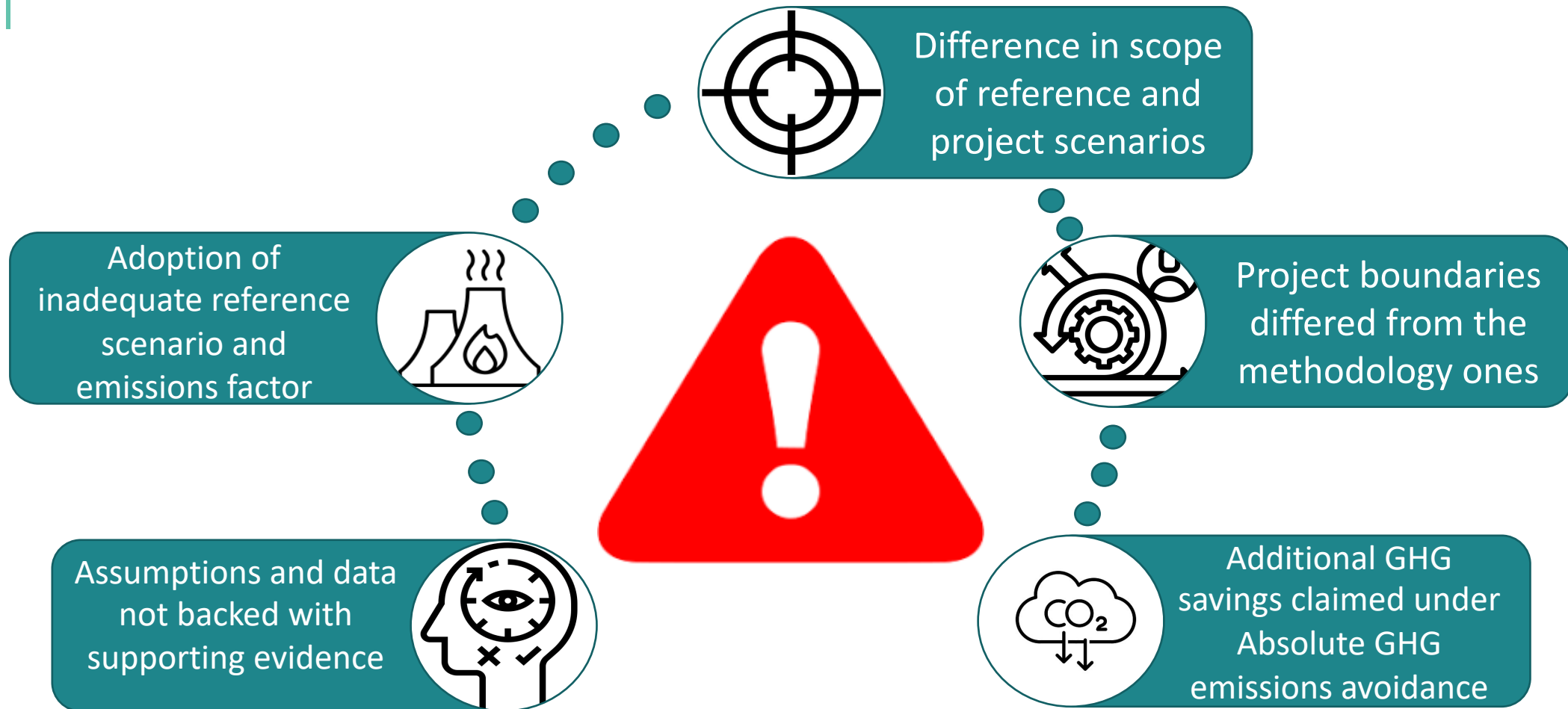
Intermediate or strong degree of innovation is present in new or considerably changed technologies or processes or business models for the production or delivery of existing or new products or services

Very strong or breakthrough degree of innovation is present in completely new technologies or processes or business models or completely new products or services, which substitute existing products or business models

1. Degree of Innovation - lessons learned

- Clearly **describe the innovation** in the individual elements of the proposed solution and, if relevant, of their combination and their respective degrees of innovation
- Clearly **describe the state of the art** as a benchmark against which the assessment of the innovation(s) is made (include geographical reference point)
- Evaluators need to be convinced by the application, so substantiate well the performance advancements compared to state-of-the-art solution, provide credible performance data. Consideration of innovation needs to take into account at least plant design; operating approach; construction; performance; reliability & availability; maintenance and economics.

2. GHG emissions avoidance – main mistakes



IF calculation tools must be used - examples are available

3.1 Technical Maturity

How mature is your technology: **Describe the actual readiness level of your technology/solution**

Ensure consistency between project implementation plan, feasibility study, business plan and GHG calculations

1 Provide a thorough analysis and technical description

- Be concise and focus on key facts and figures

2 Justify and provide evidence for the claimed expected output, e.g.:

- Evidence and performance data from previous stage/site/pilot
- Third party confirmations, quotes from vendors or suppliers, signed letters of agreements or head of terms

3 Analysis of technical risks and their mitigation is required

- Use due diligence report when available

3.2 Financial Maturity

1. Clearly outline project scope, **legal structure** (*) and potential interdependencies with other projects

7. **Assess market**, competitive landscape and commercialisation

6. Substantiate and justify your **business assumptions**



5. Give evidence of preliminary **contracts**

2. Identify & provide effective mitigation measures for key business and financial **risks**

3. Ensure your business plan is fully funded and provide evidence of **funding commitment**

4. Follow our guidance on how to calculate your project **WACC**

3.3 Operational Maturity

Justify the likelihood of your project deployment as planned

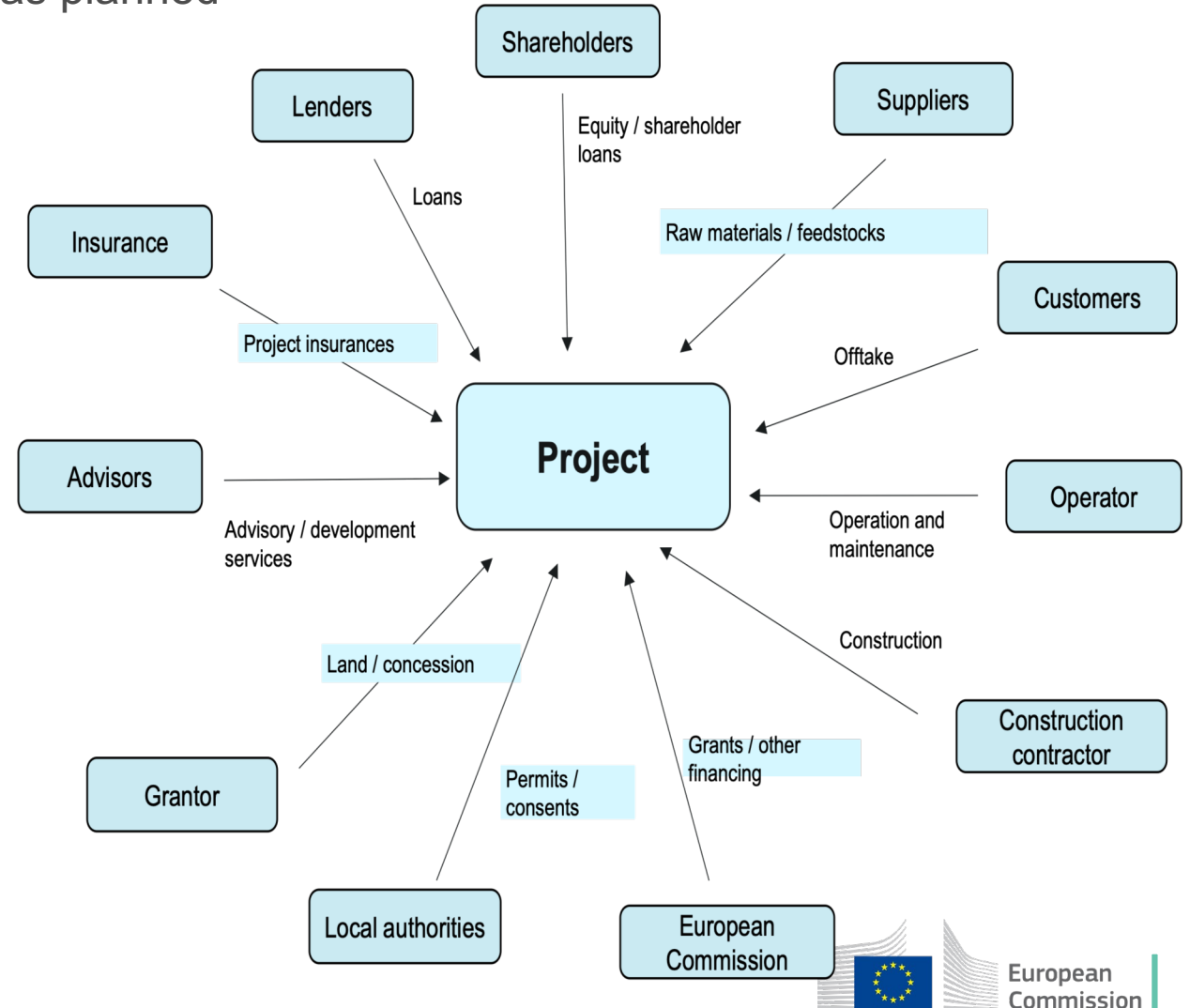
Have a **defined strategy** for off-take agreements in place

Have a strategy for **construction and supply contracts** in place

Ensure your project **parties, partners and contracts** are well-defined and sufficiency explained

Provide a **clear and realistic timeline** of key project deliverables and milestones

Provide a **sound analysis of operational risks and their mitigants**



4. Scalability

Demonstrate your growth potential

Plan for technology uptake in other sites

Provide detailed assumptions on expected cost reductions, raw material efficiency and describe any impediments to scaling up

Underpin your claims with evidence and calculations (GHG calculator)

Present how IPR and licensing issues will be handled, e.g. technology transfer at sector level

Avoid unsubstantiated, generic claims related to EU green deal and REPowerEU objectives

Clear and comprehensive communication & dissemination strategy

5. Cost Efficiency

Cost Efficiency
Is now automated in the "Financial Information File "

Main attention points

- 1 Do not change or alter the file and the cells
- 2 Follow the instructions mentioned in the file and the online tutorial (for large scale projects)
- 3 Do not forget to add the GHG emission reductions
- 4 Fill the file completely
- 5 **BE CONSISTENT** – Business Plan / FIF / Detailed financial model



Full application: Ensure consistency, clarity and reliability



Ensure consistency

- Clarity of information is more important than quantity
- Cross-reference to annexes clearly
- Use requested font size and template
- Respect page limits



Be realistic



Be clear on the proposed legal and organizational structure of the project

- E.g. the possibility to include or create an SPV and present a solid strategy and timeline



Make sure everyone is onboard

- Entities and parties upon which the project implementation depends need to be fully in line with the proposal and provide explicit and solid support.
- E.g. permits, buy-back rights, licenses, commitment for additional funding clearly stating the amounts and dates of injection of fund etc.

It's always a good idea to have **someone** (that's not involved in the preparation of the proposal) **checking the proposal documents**

Thank you



https://cinea.ec.europa.eu/programmes/innovation-fund_en



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