Innovation Fund 2024 Calls Info Day

The event will start at 09:30 CET

Join us on Slido

#IF24Call

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Disclaimer

The recording of this Info Day as well as the presentation support materials, are made public to provide potential applicants with general guidance to help them complete their proposals.

If there is any conflict between:

- the information provided during the Info Day session itself, its recording, the Financial Information File tutorial recording, and the presentation support materials on the one hand, and
- the provisions set out in the official Innovation Fund call text as well as the related FAQ posted on the Funding and Tender portal on the other,

➢ ***the latter two documents take precedence over the materials from the Info Day and act as the text of reference for the Innovation Fund Call 2024.***

Welcome

Maria ALFAYATE, *Deputy Head of Unit*
CINEA - Innovation Fund Unit

European Commission

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Agenda – 17 December 2024

MORNING

- 09:30 Introduction & Policy Context
- 10:00 IF24 Call features
- 10:20 IF24 Battery call features
- 10:35 Q&A
- 11:05 General Provisions
- 11:20 GHG calculation and methodology
- 11:40 Relevant cost calculation and FiF
- 12:05 Q&A
- 12:30 Lunch break

AFTERNOON

- 13:30 Introduction
- 13:40 Award criteria for IF24 Call & lessons learned
- 15:05 Q&A
- 15:25 Award criteria for IF24 Call & lessons learned, mandatory milestones
- 16:10 Q&A
- 16:30 Closing

Recordings will be available on CINEA website

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How to use Slido

During the event you can submit comments and questions through Slido.

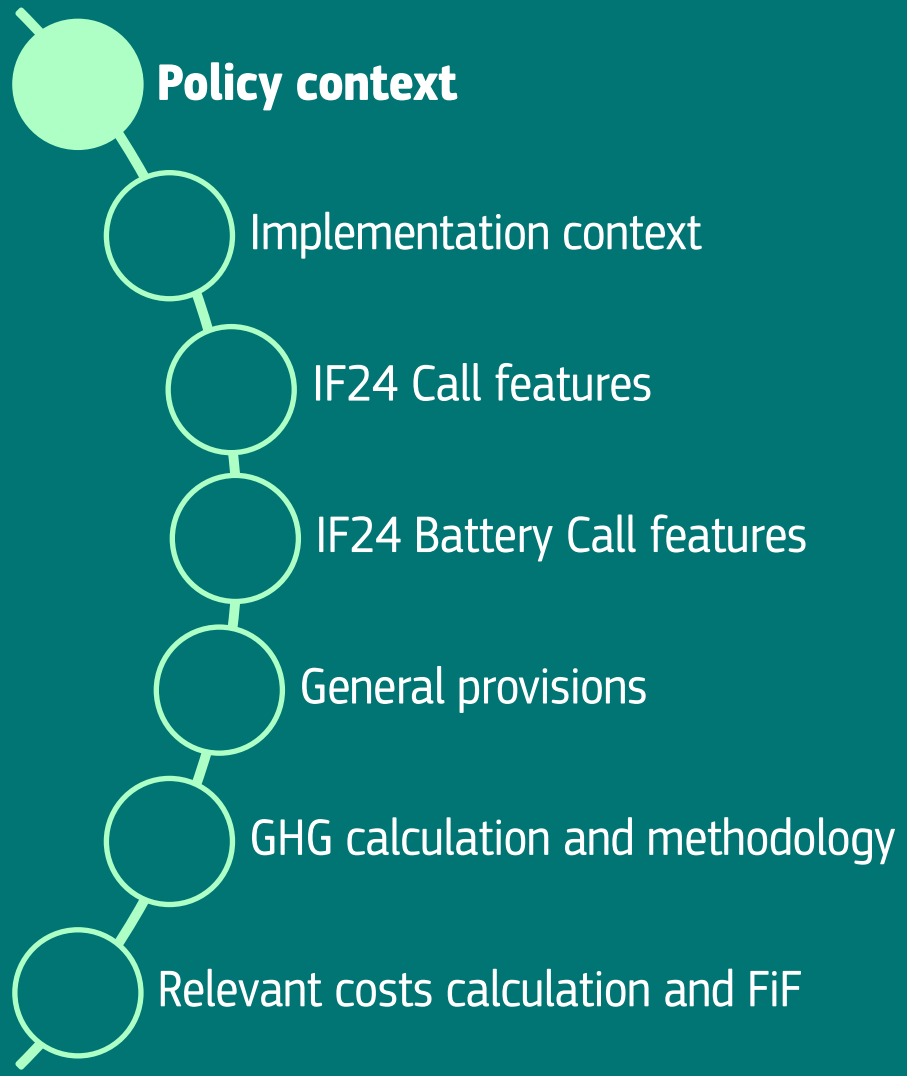
To join:

- Take out your smartphone, tablet, or computer and open your browser
- Go to **Slido.com** and enter the event code **#IF24Call**
- You can now post comments and questions.

Or scan me

Policy context

Alexandre PAQUOT, *Director*
DG CLIMA – Innovation for a Low Carbon, Resilient Economy



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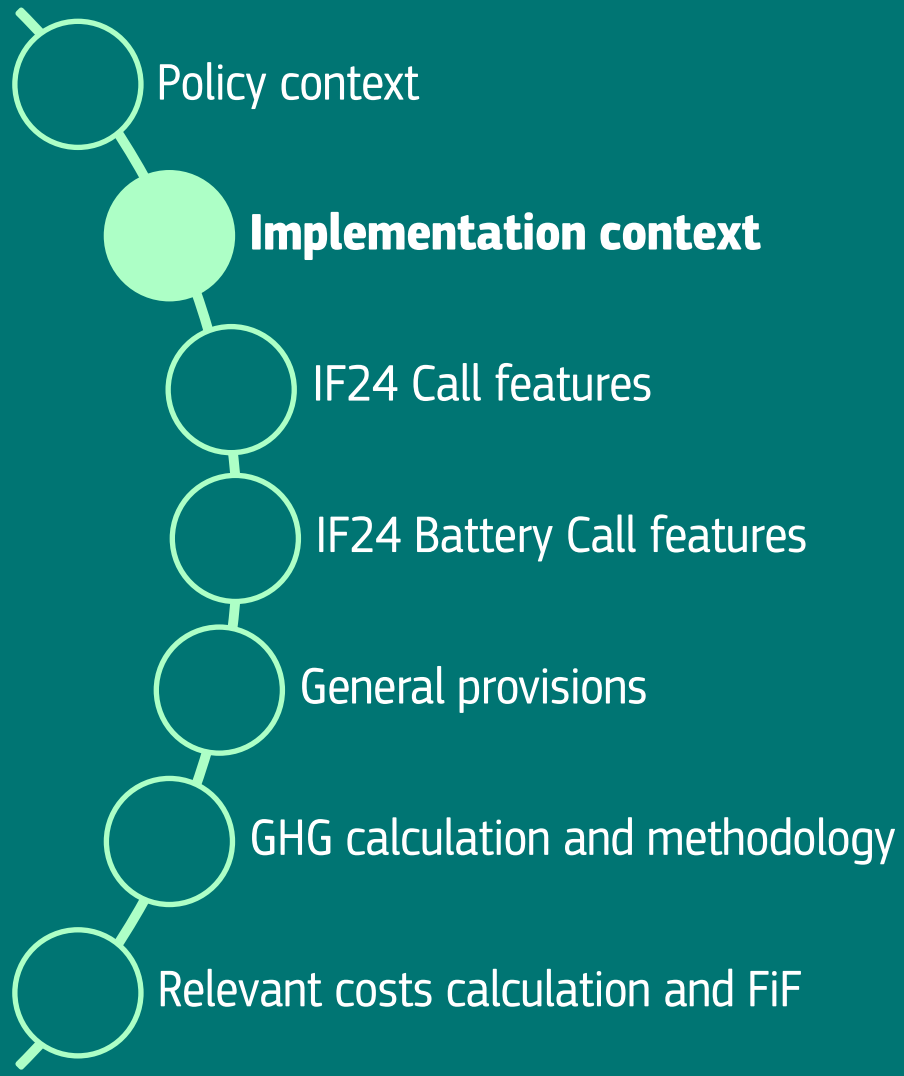
Implementation context

Paloma ABA GARROTE, *Director*
CINEA



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CINEA in a nutshell

> **€65 billion** for 2021-2027

> **7 EU Programmes**

from **3700 projects** managed (2024) to
> **4000+** by 2027

> **600 staff** by 2027

Policy feedback
as an essential part of
funding activities

Expertise in managing the
complete lifecycle of projects,
at the service of beneficiaries

Exploitation of **synergies** &
dynamic ways to work **across**
programmes

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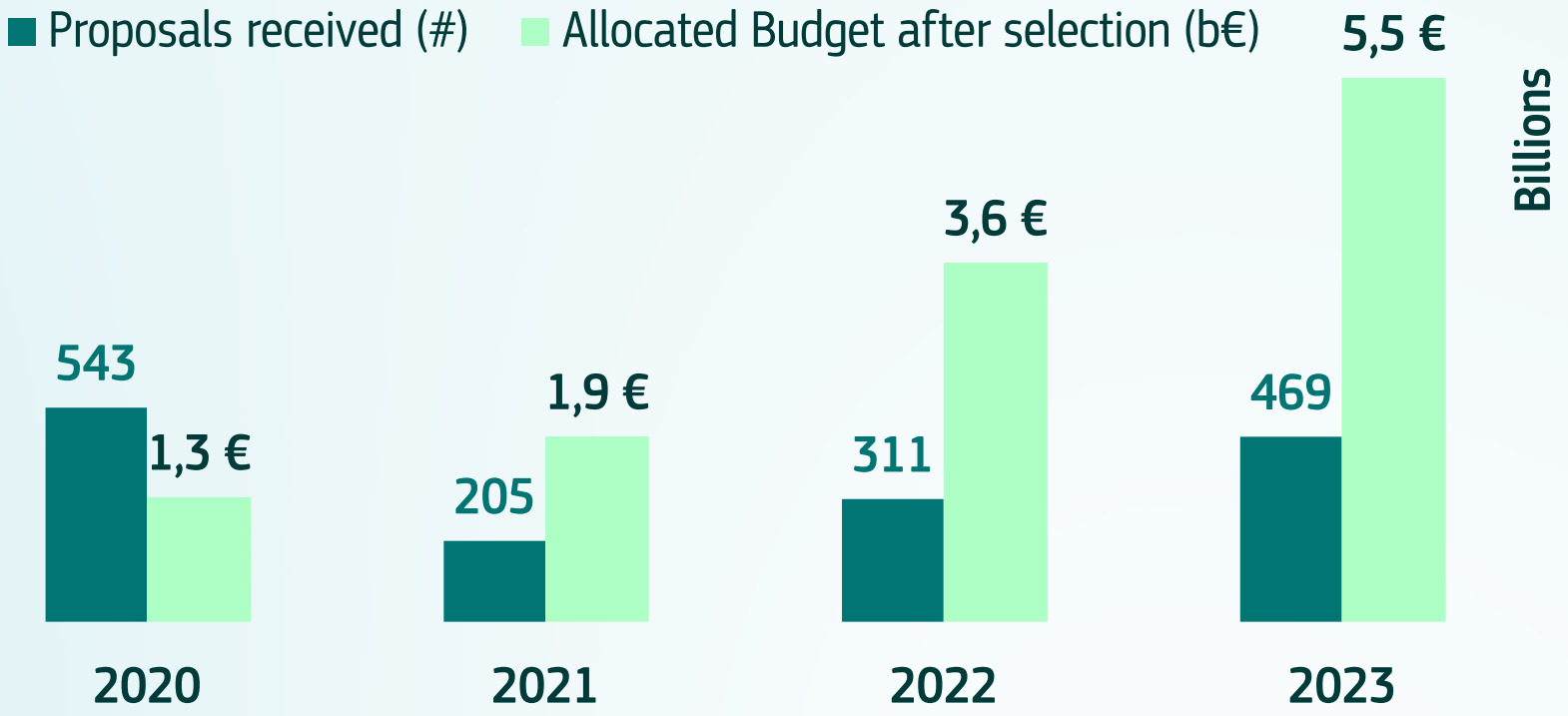
Innovation Fund calls evolution

Over 1500 proposals received, more than €12 billion allocated to selected projects



Innovation Fund portfolio

208 projects
123 ongoing
*85 under GAP**

€12.04 billion
granted +
*under GAP**

~929 Mt CO_2eq
to be avoided**

26 countries

*Grant Agreement Preparation
**estimated based on 10 years of operations

Statistics based on data from the end of Q3-2024 + IF23 selected projects

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2024 funding opportunities

IF24 Auction

RFNBO Hydrogen
3 Dec 2024 – 20 Feb 2025
Budget: €1.2 billion

IF24 Call

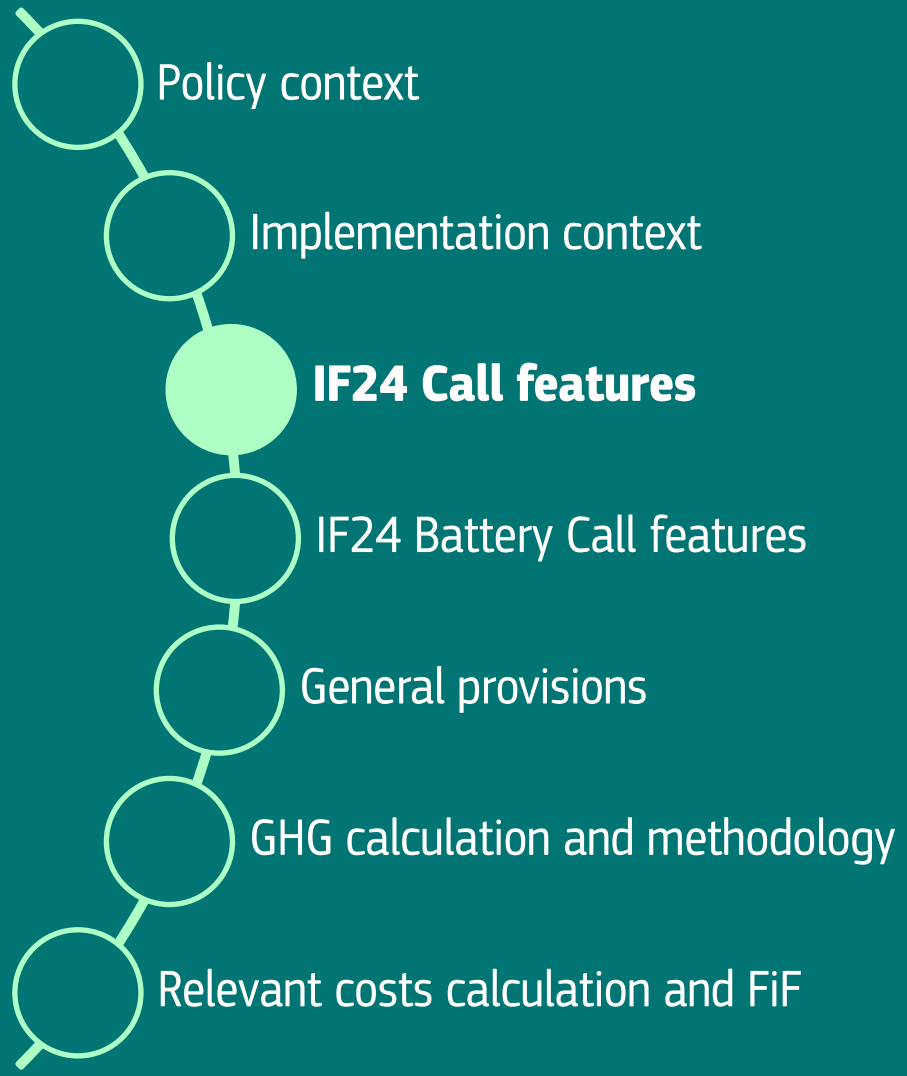
General, Clean-tech, Pilots
3 Dec 2024 – 24 April 2025
Budget: €2.4 billion

IF24 Batteries

Manufacturing of electric vehicle battery cell
3 Dec 2024 – 24 April 2025
Budget: €1 billion

IF24 Call features

Joao SERRANO GOMES, *Policy Officer*
DG CLIMA, Low Carbon Solutions (II): Research & Low Carbon Technology Deployment CINEA



European Commission

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IF24 Call in a nutshell

Launch 3 Dec. 2024
Deadline 24 April 2025
Results Q4 2025

€2.4 billion for grants
+
Project Development Assistance
+
STEP Seal
+
Possibility of "Grants-as-a-Service"

New

Five topics

AWARD CRITERIA

- Degree of innovation
- GHG emission avoidance potential
- Project maturity
- Replicability
- Cost efficiency

Bonus points: Net Carbon Removals, Other GHG savings, electricity from additional RES, projects in the maritime sector

GRANT DISTRIBUTION

LUMP-SUM contribution grant up to 60% of relevant costs

- up to 40% of grant at financial close
- remaining amount of at least 60% after financial close
- generally, at least 10% after entry into operation

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Grants-as-a-Service (GaaS)

- **Growing pool of decarbonisation projects** that meet Innovation Fund criteria but cannot be funded due to budget limitations
- GaaS schemes will **increase the reach and impact of the Innovation Fund** by delivering a number of decarbonisation projects faster
- **Member States** and **companies benefit from an EU-level competition, less administrative effort, well-established selection process at the EU level** and **faster State aid clearance**
- Member States can express their interest for IF24 Call within 3 months from opening of the call

Strategic Technologies for Europe Platform (STEP) Seal

- Benefits per programme:
  - **Cohesion policy funds (ERDF, CF, ESF+, JTF):** Possibility for Managing Authority to fast-track project (ERDF, ESF+) and grant combined support
  - **Recovery and Resilience Facility (RRF):** Project to be considered as a priority for funding under national Recovery and Resilience Plans
  - **Modernisation Fund:** Project may be considered as a priority for funding
  - **InvestEU:** To be taken into account by Commission in its 'policy check', and project to be examined by implementing partners
  - **Other Union funds or programmes:** Project could be granted (combined) support

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IF24 Call – Topics

Topic	Capital Expenditure	Topic budget	Sectors covered
Large-scale projects	above € 100 million	€ 1 200 million	• Annex I and Annex III to the EU ETS Directive 2003/87, including CCU • CCS • Renewable energy and energy storage technologies • Maritime and aviation
Medium-scale projects	between € 20 million and € 100 million	€ 200 million	
Small-scale projects	between € 2.5 million and € 20 million	€ 100 million	
Clean-tech manufacturing for components	above €2.5 million	€ 700 million	• Components for renewable energy installations • Electrolysers and fuel cells • Energy storage solutions • Heat pumps
Pilot projects	above €2.5 million	€ 200 million	Validating, testing and optimising highly innovative, deep decarbonisation solutions in all sectors eligible for Innovation Fund support

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IF24 Call award criteria

Degree of Innovation	GHG emissions avoidance potential	Project maturity	Replicability	Cost efficiency
Innovation beyond state of the art at European level (except SSP – European or national level) ! Consider ongoing IF projects !	Absolute emissions avoidance Relative emissions avoidance Quality of calculation and minimum requirements	Technical maturity Financial maturity Operational maturity	Efficiency gains and multiple environmental impacts Further deployment potential and technology transfer Europe's industrial leadership and competitiveness	Cost efficiency ratio (different formula for Pilot projects) Quality of the relevant cost calculation and minimum requirements

New

Bonus points:
1) Net Carbon Removals
2) Other GHG savings
3) Electricity from additional RES or use of RFNBOs
4) Maritime sector projects

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General Decarbonisation Topic(s)

Objectives:

- Accelerate the decarbonisation of **sectors covered under the EU Emissions Trading System (EU ETS)**
- Promote **sustainable development and technological leadership** within Europe

Activities that can be funded:

- Innovation in low-carbon technologies and processes, including **products substituting carbon-intensive ones**
- Safe capture and geological storage or utilisation of CO_2 **(CCS)**
- Innovative **renewable energy** and **energy storage technologies**

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General Decarbonisation Topic(s)

Some eligibility aspects:

- Carbon capture and utilisation (CCU) can be funded if the captured CO_2 is from activities in Annex I of the EU ETS Directive, or if the utilisation of CO_2 results in products substituting carbon-intensive ones from the sectors listed in Annex I to the EU ETS Directive
- Hydrogen use in industry (i.e., hydrogen use as an energy carrier, reducing agent, or feedstock) and hydrogen production projects with a demonstrated sufficient degree of innovation can be funded
- Installation and operation of mature electrolyser technologies without additional relevant innovation are advised to apply to the **IF24 Auction for RFNBO Hydrogen**
- Support **to maritime** and **aviation** can be provided for innovative technologies, including **innovative infrastructure** in the maritime sector, notably for EU container transshipment ports
- Production and installation of new or retrofitted innovative technology into a ship or plane is eligible for funding provided that the manufacturing and/or installation is done in EU/EEA

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General Decarbonisation Topic(s)

Important aspects:

- Projects must **operate at least 5 years** after entry into operation or **at least 3 years** if small-scale or pilot
- Contribution to **building EU industrial capacity, technology leadership, supply chain resilience, and strategic autonomy**
  - assessed under Replicability award criterion
- **Relative GHG emission avoidance:** at least **50%**
- **Cost efficiency ratio:** max **€200/t CO_2eq**
- **Simplification for small-scale projects**: degree of innovation can be at national level

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General Decarbonisation topic(s)

IF23 Call General Decarbonisation projects:

- **HERMES (LSP):** a hybrid electric regional aircraft in France
- **AdriatiCO2 (MSP):** permanent geological storage of CO_2 captured from a steel plant in Italy
- **FELIX (SSP):** fully electric furnace for production of high-quality perfumery glass in Spain

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General Decarbonisation Topic(s)

Award criteria	Minimum pass score	Maximum score
Degree of innovation	9	15
GHG emission avoidance potential		
• Absolute GHG emission avoidance	n/a	2
• Relative GHG emission avoidance	n/a	5
• Quality of the GHG emission avoidance calculation and minimum requirements	3	5
Total GHG emission avoidance potential	n/a	12
Project maturity		
• Technical maturity	3	5
• Financial maturity	3	5
• Operational maturity	3	5
Total Project maturity	n/a	15

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General Decarbonisation Topic(s)

New

Award criteria	Minimum pass score	Maximum score
Replicability		
• Replicability in terms of efficiency gains and of multiple environmental impacts	n/a	5
• Replicability in terms of further deployment	n/a	5
• Contribution to Europe's industrial leadership and competitiveness	n/a	5
Total Replicability	n/a	15
Cost efficiency		
• Cost efficiency ratio	n/a	12
• Quality of the cost calculation and minimum requirements	1.5	3
Total Cost efficiency	n/a	15
Total (without bonus)	n/a	72
• Bonus point 1	n/a	1
• Bonus point 2	n/a	1
• Bonus point 3	n/a	1
• Bonus point 4	n/a	1
Total (with bonus)	n/a	76

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Clean-tech Manufacturing Topic

Objectives:

- Foster **innovative manufacturing in Clean-tech** for hydrogen production/consumption, renewable energy, and energy storage
- Build industrial capacity, technology leadership, and supply chain resilience within the EU

Activities that can be funded:

- Production of **components** for:
  - **Renewable energy** installations (e.g., wind, solar, geothermal)
  - **Electrolysers** and **fuel cells**
  - **Energy storage** solutions for stationary and mobile use for intra-day and long duration storage
  - **Heat pumps** for various uses

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Clean-tech Manufacturing Topic

Important aspects

- Components: **the final equipment** such as wind turbines, solar panels, batteries, heat pumps or electrolysers, as well as **sub-components** like nacelles or blades for wind turbines
- Targeting **components and materials (except mining activities) that are a significant factor** in the performance and/or cost of the final equipment
- **Recycling or reusing critical materials** used in the mentioned equipment or components is encouraged
- Components can be sold on the EU market and in third countries
- **Excluded activities**: demonstration of use of innovative components (including the final equipment) in power/heat generation/energy storage/production & consumption of hydrogen (submit those in General or Pilot topics)

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Clean-tech Manufacturing Topic

Important aspects (cont.)

- Emphasis on **degree of innovation, project maturity and contribution to Europe's industrial leadership** and **competitiveness**
- Innovation possible in **manufacturing/production processes** and/or **components or final products**
- **Financial close within two (2) years** and **entry into operation within four (4) years** may earn a higher score in project maturity
- Relative **GHG emission avoidance: min 50%**
- **Cost efficiency ratio: max 200 €/t CO_2-eq**

Innovative Clean-tech manufacturing

IF23 Call manufacturing projects:

- **CircularSteam:** modular manufacturing plant to produce industrial high-temperature heat pumps

- **GRAND PIANO:** manufacture components for Proton Exchange Membrane and Anion Exchange Membrane electrolysis

- **HSS-Gen2:** plug & drive hydrogen storage system for commercial vehicles

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Clean-tech Manufacturing Topic

Award criteria	Minimum pass score	Maximum score	Weight
Degree of innovation	9	15	2
GHG emission avoidance potential			
• Absolute GHG emission avoidance	n/a	2	1
• Relative GHG emission avoidance	n/a	5	1
• Quality of the GHG emission avoidance calculation and minimum requirements	3	5	1
Total GHG emission avoidance potential	n/a	12	1
Project maturity			
• Technical maturity	3	5	2
• Financial maturity	3	5	2
• Operational maturity	3	5	2
Total Project maturity	n/a	30	n/a

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Clean-tech Manufacturing Topic

New

Award criteria	Minimum pass score	Maximum score	Weight
Replicability			
• Replicability in terms of efficiency gains and of multiple environmental impacts	n/a	5	1
• Replicability in terms of further deployment	n/a	5	1
• Contribution to Europe's industrial leadership and competitiveness	n/a	5	2
Total Replicability	n/a	20	n/a
Cost efficiency			
• Cost efficiency ratio	n/a	12	1
• Quality of the cost calculation and minimum requirements	1.5	3	1
Total Cost efficiency	n/a	15	1
Total (without bonus points)	n/a	107	n/a
• Bonus point 1	n/a	1	1
• Bonus point 2	n/a	1	1
• Bonus point 3	n/a	1	1
• Bonus point 4	n/a	1	1
Total (with bonus points)	n/a	111	n/a

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Pilot Projects Topic

Objectives:

- **Highly innovative, disruptive or breakthrough technologies** for deep decarbonisation needed for achieving the climate neutrality goal

Activities that can be funded:

- Innovation in sectors listed in Annex I and Annex III to the EU ETS Directive 2003/87, including environmentally safe carbon capture and utilisation (**CCU**)
- **Products substituting carbon-intensive ones** produced in sectors listed in Annex I to the EU ETS
- Construction and operation of innovative **energy storage, CO_2 storage** and **renewable energy installations**, including electricity/heat grid connections

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Pilot Projects Topic

Important aspects:

- **Higher degree of innovation** is expected
  - Degree of Innovation: points are doubled
- Possibility to addressing technical risks linked to the innovative technologies, such as **optimising process and operational parameters,** and **enhance final product characteristics**
- Prove an **innovative technology** in an operational environment but are not expected yet to reach large-scale demonstration or commercial production
- **Limited production/operation** for testing purposes is possible but not required, including delivery to/from potential customers for validation

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Pilot Projects Topic

Important aspects (cont.):

- Demonstrate **Project viability** rather than project profitability
- Typically projects with **limited life-time (3-5 years)** and the technology should then move to large-scale demonstration or fist-of-a-kind commercial production
  - To be demonstrated under the replicability award criterion
- Potential to be fully compatible with a 2050 climate neutrality objective, i.e., pilot installations should have minimal residual emissions or result in net carbon removals
  - **Relative GHG emission avoidance: min 75%**

Pilot Projects Topic

Important aspects (cont.):

- **Financial close within two (2) years** and **entry into operation within four (4) years** may earn a higher score in project maturity
- Maximum grant: **€40 million**
- Min operation: **three (3) years after entry into operation**
- Less stringent requirements for **cost efficiency: max 2000 €/t CO_2eq**

Pilot Projects Topic

2023 call Pilot projects:

- **EO2**: build the first low-emission commercial cargo ship fuelled by RNFBO liquid hydrogen
- **eReform**: develop a novel electrified steam methane reforming plant to produce methanol from biogas
- **FloWatt**: build a tidal stream energy farm

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Pilot Projects Topic

Award criteria	Minimum pass score	Maximum score	Weight
Degree of innovation	9	15	2
GHG emission avoidance potential			
• Absolute GHG emission avoidance	n/a	2	1
• Relative GHG emission avoidance	n/a	5	1
• Quality of the GHG emission avoidance calculation and minimum requirements	3	5	1
Total GHG emission avoidance potential	n/a	12	n/a
Project maturity			
• Technical maturity	3	5	1
• Financial maturity	3	5	1
• Operational maturity	3	5	1
Total Project maturity	n/a	15	n/a

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Pilot Projects Topic

New

Award criteria	Minimum pass score	Maximum score	Weight
Replicability			
Replicability in terms of efficiency gains and of multiple environmental impacts	n/a	5	1
Replicability in terms of further deployment	n/a	5	1
Contribution to Europe's industrial leadership and competitiveness	n/a	5	1
Total Replicability	n/a	15	n/a
Cost efficiency			
Cost efficiency ratio	n/a	12	1
Quality of the cost calculation and minimum requirements	1.5	3	1
Total Cost efficiency	n/a	15	n/a
Total (without bonus points)	n/a	87	n/a
Bonus point 1	n/a	1	1
Bonus point 2	n/a	1	1
Bonus point 3	n/a	1	1
Bonus point 4	n/a	1	1
Total (with bonus points)	n/a	91	n/a

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IF Self-check Questionnaire

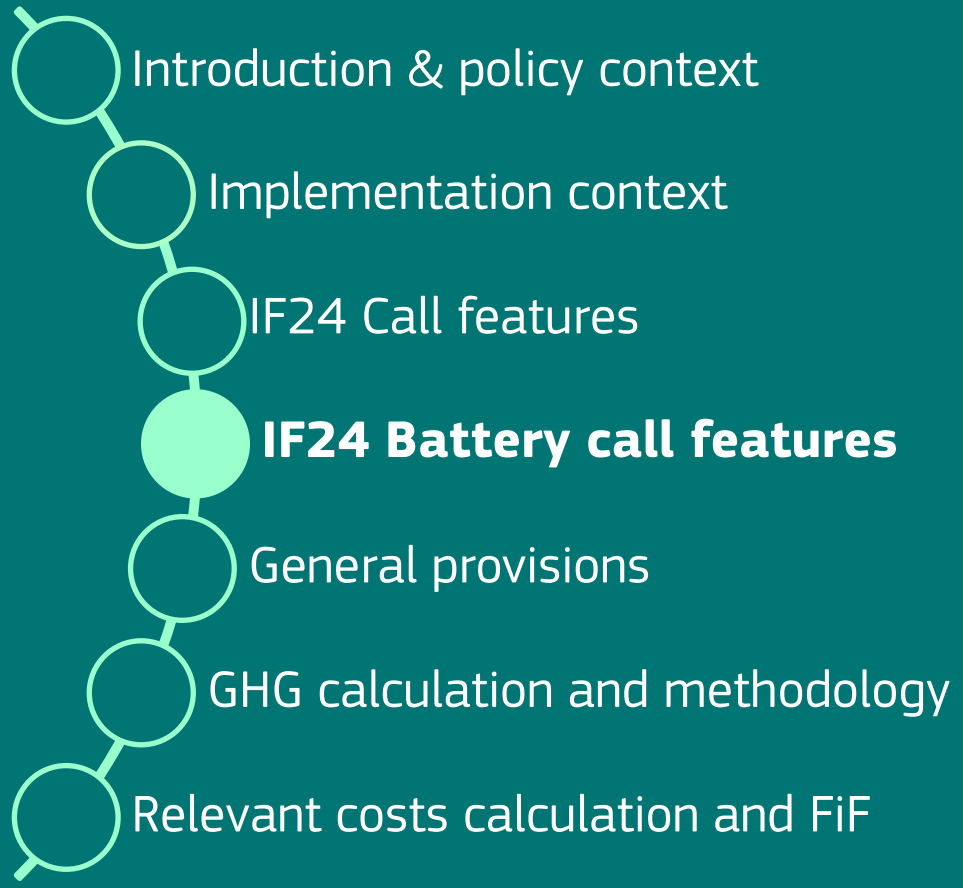
- Provide an early high-level orientation on potential fit and readiness of project ideas for the Innovation Fund

- Entirely independent from the official Innovation Fund application and evaluation process

➢ Available here

IF24 Battery call features

Ewelina DANIEL, ***Policy Officer***
DG CLIMA, Low Carbon Solutions (II):
Research & Low Carbon Technology Deployment



European Commission

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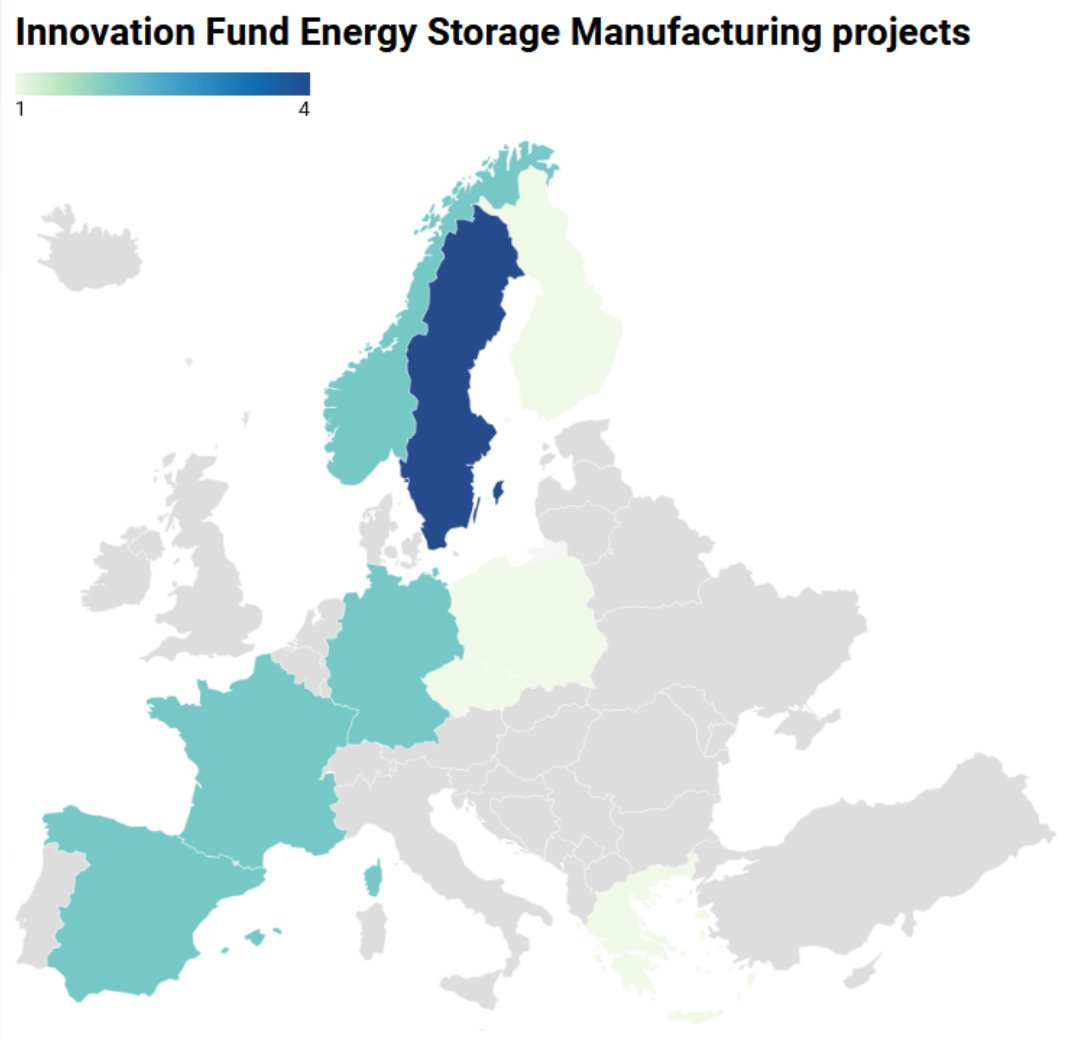
Energy Storage projects

Already an impressive portfolio:

- 9 energy storage manufacturing projects already part of the IF portfolio
- 7 more selected in the IF23 call and preparing grant agreements
- Projects in Czechia, Finland, France, Germany, Greece, Norway, Poland, Spain, and Sweden
- Cover almost the entire battery value chain: components, cell &pack manufacturing, recycling



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Political context

- The Commission will support manufacturing of the “most sustainable [EV] batteries in Member States” through “a **dedicated instrument** under the **Innovation Fund** […]” with “up to **€3 billion** for the next three years”*
- **Difficult situation** of the battery manufacturing sector in Europe and **risk of dependency** on foreign imports
- Implementation of the **Battery Regulation**
- Stakeholders largely in favour of “regular” grants with more flexible payment schedule & possibility of combined support
- Strong interest in additional lending & venture debt possibilities
- Indication of solid project pipelines during consultation (79 battery manufacturing projects, 35 on cells manufacturing)

**EVP Šefčovič announcement relating the EU-UK Trade and Cooperation Agreement), Dec 2023*

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IF24 Battery Call in a nutshell

Launch 3 Dec. 2024
Deadline 24 April 2025
Results Q4 2025 or earlier

€1 billion for grants
+
Project Development Assistance (PDA)
+
STEP Seal

Manufacturing of electric vehicle battery cell

AWARD CRITERIA

- Degree of innovation
- GHG emission avoidance
- **(NEW)** Manufacturing carbon footprint
- Project maturity
- Replicability
- **(NEW)** Security of supply and countering dependency
- Cost efficiency

GRANT DISTRIBUTION

LUMP-SUM contribution grant up to 60% of relevant costs

- up to 40% of grant at financial close
- remaining amount of at least 60% after financial close
- generally, at least 10% after entry into operation

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Scope and budget

- **EV batteries cell manufacturing (cells <u>can</u> be used in EVs)**
  - V **Possibility of integrated projects** (cell manufacturing incl. upstream components manufacturing or recycling but not exceeding 100% of the project's cell production capacity)
  - X Pure assembly projects (e.g. battery pack or module assembly), as well as EV manufacturing & other battery applications excluded
  - X Remaining value chain will remain eligible in the IF24 Call
- Only **projects that have not yet reached Financial Close** at the time of grant application can be funded, already incurred costs at application stage not are eligible.
- **Budget: €1 billion for the dedicated call for proposals in 2024**

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EV batteries definition

The Battery Regulation [Article 3(1)14] defines EV batteries as follows:

"'electric vehicle battery' means 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"

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Demarcation between IF24 Call and IF24 Battery

Battery Call (IF24 Battery)

V Battery cell manufacturing
V Battery cell manufacturing including production of upstream components(*)
V Battery cell manufacturing including recycling activities(*)

X Batteries for stationary storage
X Batteries applications (e.g., EV production)
X Assembly projects (e.g., battery packs or modules)
X (standalone) Batteries components manufacturing
X (standalone) Batteries recycling activities
X Mining activities

Net Zero Technologies Call (IF24 Call)

X Battery cell manufacturing
X Battery cell manufacturing including production of upstream components(*)
X Battery cell manufacturing including recycling activities (*)

V Batteries for stationary storage
V Batteries applications (e.g., EV production)
V Assembly projects (e.g., battery packs or modules)
V (standalone) Batteries components manufacturing
V (standalone) Batteries Recycling activities
X Mining activities

(*) not exceeding 100% of cell production output

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Award criteria

1) Degree of Innovation	2) GHG emissions avoidance	4) Project maturity	5) Replicability	7) Cost efficiency
Beyond state-of-the art (including scaling up of innovative technologies)	Absolute emissions avoidance Relative emissions avoidance (with min thresholds) Quality of calculation	Technical maturity Financial maturity Operational maturity	Efficiency gains and multiple environmental impacts Further deployment potential and technology transfer Europe's industrial leadership and competitiveness	Cost efficiency ratio (different formula for Pilot projects) Quality of the relevant cost calculation and minimum requirements

Specific for batteries call

3) Manufacturing carbon footprint reduction

6) Security of supply and countering dependency

Degree of Innovation (DoI)
addressing scale-up challenges

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Scaling-up of existing technologies explicitly encouraged:

- Lower scoring weight on DoI than in IF24 Call
- Cell manufacturing does not need to be “first-of-a-kind”
- Range of options to show innovation beyond new battery chemistries, e.g.:
  - Product performance
  - Manufacturing process
  - Reduced use of raw materials / increased circularity

Resilience requirements

(Both in NZT Call and in Battery Call) under "Replicability criterion": the dedicated sub-criterion: **"Contribution to EU industrial leadership and competitiveness"**

Battery Call also includes a new award criterion: **"Security of supply and countering dependency"**, aiming to reduce sourcing of anode and cathode active material from China.

Requirement on patents: New patents originating from the project*, during the project's duration must be registered in an EU Member State or EEA country

** i.e. results within the meaning of Article 16 of the Grant Agreement*

Reporting requirements at Financial Close, at Entry into Operation, in annual reports and reporting at the end of the monitoring period.
Penalties apply if requirements are not fulfilled.

Additional lending to battery value chain projects

New InvestEU top-up for additional EIB lending to battery value chain projects:

- In addition to the planned €1bn call for grants for EV cell manufacturing, the IF will provide a €200m loan guarantee to the EIB (thematic top-up under **Invest EU**)
- Lending under the top-up will be **open to battery manufacturing projects (beyond EV)** along the value chain, excluding mining and pure assembly projects
- **Loan facility** to complement the calls and leverage EIB and private financing
- The facility will support innovative projects with venture debt
- Assessment on a rolling basis
- More information is available here

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Q&A session

Go to Slido.com

Enter the code #IF24Call

Ask your question or vote for an existing one!

Or scan me

Recording will be available on CINEA website

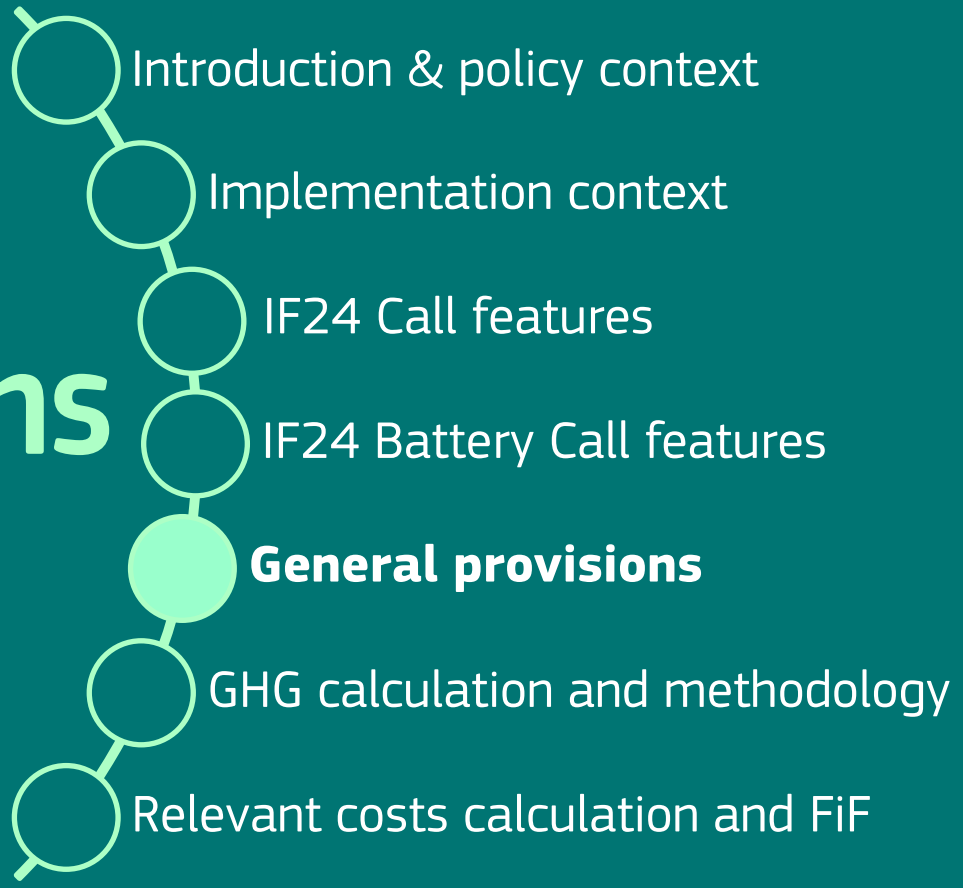
Short break

We are back in 10 minutes

European Commission

General provisions

Maria ALFAYATE, ***Deputy Head of Unit***
CINEA - Innovation Fund



European Commission

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Which call should you apply for?

IF24 Auction: Fixed premium auction for

- RFNBO hydrogen production
- RFNBO hydrogen production for the maritime sector

IF24 Call: Lump sum call for Net-Zero Technologies

- Innovative commercialisation, demonstration, pilot plant or scale up of technologies, business models and processes that reduce GHG emissions

IF24 Battery: Lump sum call for

- Manufacturing of electric vehicle battery cell

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Call text and mandatory documentation

IF24 Call and IF24 Battery call texts on
Funding and Tenders Portal

Application form A

- Administrative information
- Summarised budget

Application form B

- Technical description
- Up to 70 pages

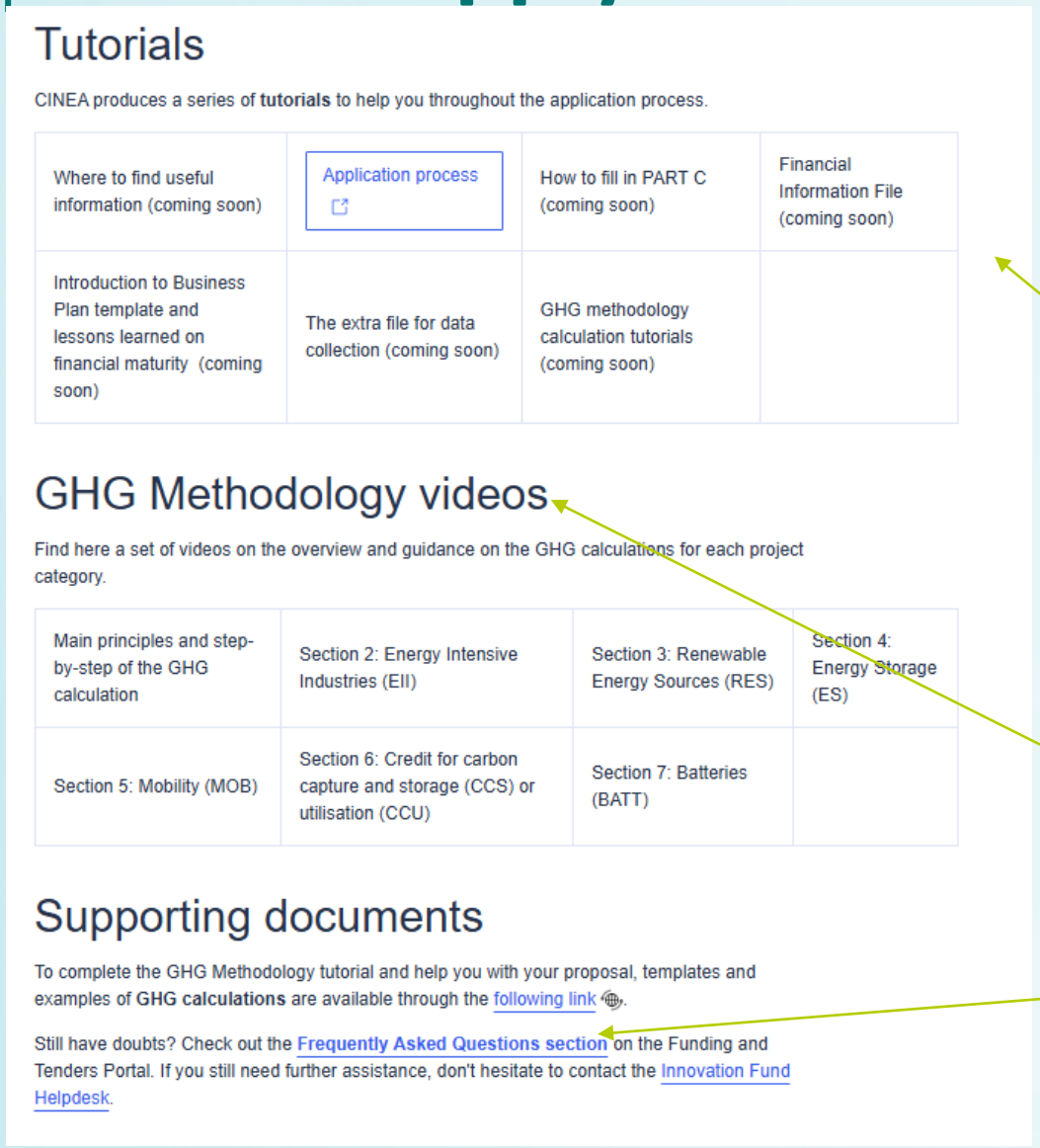
Part C

- Project's contribution to EU programme KPIs

Mandatory annexes and supporting documents

- Detailed budget table/relevant cost calculator
- Participant information
- Timetable/Gantt chart
- GHG emission avoidance calculator
- Feasibility study
- Business plan
- Detailed financial model
- Project shareholders' financial resources
- Extended Part C form

How to apply?



Tutorials

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

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

GHG Methodology videos

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

Main principles and step-by-step of the GHG calculation	Section 2: Energy Intensive Industries (EII)	Section 3: Renewable Energy Sources (RES)	Section 4: Energy Storage (ES)
Section 5: Mobility (MOB)	Section 6: Credit for carbon capture and storage (CCS) or utilisation (CCU)	Section 7: Batteries (BATT)	

Supporting documents

To complete the GHG Methodology tutorial and help you with your proposal, templates and examples of **GHG calculations** are available through the following link.

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

Check all relevant information to apply

- Funding and Tenders Portal link
- CINEA website: https://cinea.ec.europa.eu/funding-opportunities/calls-proposals/innovation-fund-2024-call-and-battery-calls_en
  - Where to find useful information tutorial (coming soon)
  - Application process tutorial (available)
  - How to fill in PART C and the extended Part C form (coming soon)
  - Financial Information File tutorial (coming soon)
  - Introduction to Business Plan template & Lessons Learned on Financial Maturity (coming soon)
  - GHG methodology calculation: tutorials (coming soon)
  - GHG methodology: videos
- Info Day recording and slides (available after the event)
- Frequently Asked Questions
- Helpdesk

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Admissibility and eligibility criteria

Admissibility:

- Submitted **before** call **deadline**, electronically and using forms in the Submission System
- Complete all the application forms and include mandatory annexes and supporting documents

Eligibility:

- Participants have to be legal entities; can be established anywhere in the world
- Projects must be located in the EEA (EU Member States and Iceland, Liechtenstein, and Norway)
- The project must:
  - Reach financial close within four years after grant signature (maximum time to financial close)
  - Operate at least (minimum GHG emission avoidance monitoring period) five years after entry into operation (except PILOTS and SSP)
- SSP and PILOTS – operate at least three years after entry into operation
- Project budget: the maximum grant amount must not exceed 60% of the relevant costs
- Eligible activities

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Geographical location for maritime projects

- When the projects concern investments on ships, those **ships must**:
  - Carry a flag of an EU Member States or an EEA country* and call ports under the jurisdiction of an EU Member State or EEA country at least 15% of their calls on ports over two years
  - Or must call ports under the jurisdiction of an EU Member State or EEA country at least 30% of their calls on ports over two years
  - Or perform service or support activities in ports under the jurisdiction of an EU Member State or EEA country
- When the **projects concern investments in ports infrastructure or perform services or support activities**, the ports must be under the jurisdiction of **an EU Member States or an EEA country***
- Some examples: renewable alternative fuel bunkering infrastructures in ports, including container transshipment ports

(see the list in the call text)

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Cascade approach

1. Check **eligibility** and **admissibility**

(if all requirements are not met, the evaluation is stopped)

2. Assess **Degree of Innovation** criterion

(if the score is below threshold, the evaluation is stopped)

3. Assess **GHG Emissions Avoidance** and **Project Maturity** criteria *(if GHG minimum requirements are not met or score in any of the sub-criteria is below threshold, the evaluation is stopped)*

4. Assess **Cost efficiency** sub-criterion (if the score for 'Quality of the cost calculation and min. requirement' *is below threshold, the evaluation is stopped)*

5. Assess **Replicability** criterion and **Bonus points**

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Simplifications compared to IF23 Call

- **Detailed Knowledge Sharing Plan no longer required** at submission. Knowledge sharing plan outline still mandatory in Application form B and assessed under Replicability award criterion
- **Number of pages** for Application form B (Technical Description) **reduced** to 70
- **Annex 3 to the call document on Minimum requirements** for documentation of project funding support and project contract terms added to guide applicants
- **Feasibility study (FS) template** — available in the Submission System (under "Part B templates") - FS is mandatory, if template not used ensure at least the same level of detail and information
- **Business plan (BP) template** — available in the Submission System (under "Part B templates") - BP is mandatory, if template not used ensure at least the same level of detail and information
- Technical, financial and operational **risks and mitigation measures**: no longer needed to in the Application form B, information must be **included in the Feasibility** Study (technical and operational) **and** in the **Business Plan** (financial)

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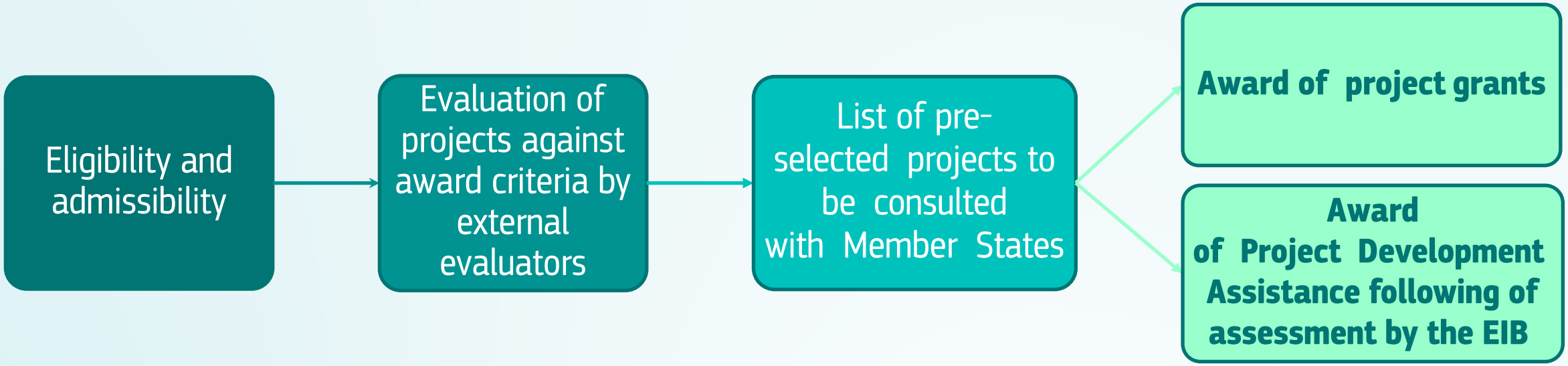
Selection Procedure



Lessons learned from IF23 Net-Zero Technologies call - (IF23 Call)

Maria ALFAYATE, *Deputy Head of Unit*
CINEA - Innovation Fund

European Commission

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IF23 Call

- **337** received proposals
- **95** resubmissions
- **283*** admissible & eligible
- **85** invited for Grant Agreement Preparation
- **149** STEP Seal projects

Topic**	Received proposals	Eligible proposals
GENERAL-LSP	139	132 (95%)
GENERAL-MSP	50	38 (76%)
GENERAL-SSP	42	22 (52%)
MANUFACTURING	56	52 (91%)
PILOTS	50	39 (78%)

**2 proposals withdrew during the evaluation*

***LSP = Large-scale projects ; MSP = Medium-scale projects ; SSP = Small-scale projects*

IF23 Call Results per topic

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Full overview including all proposals

General large-scale projects

High quality: 58% of proposals passed the evaluation

<5% failed Admissibility & Eligibility (A&E)

General medium-scale projects

> 30% passed the evaluation:

All projects passing the evaluation were selected

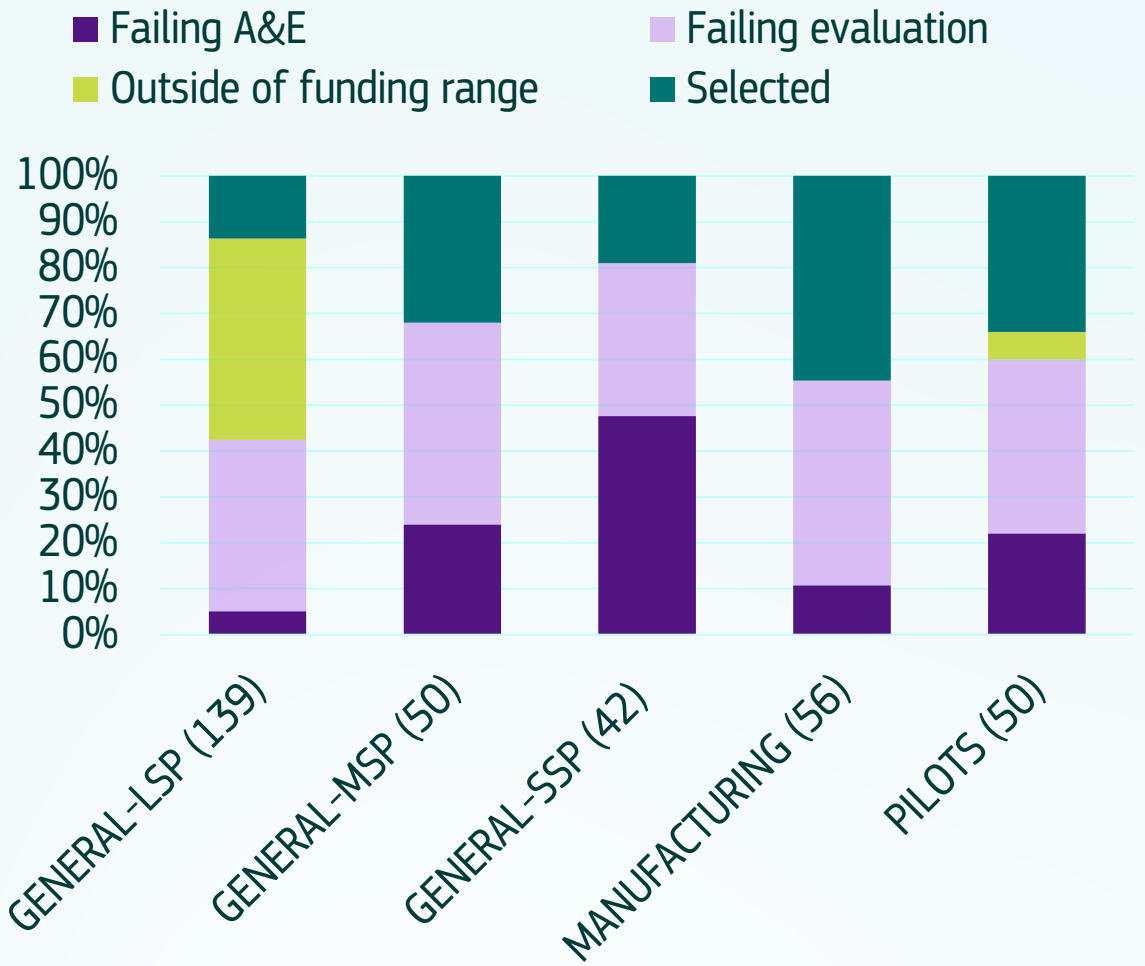
24% failed A&E

General small-scale projects

Low quality: less than 20% passed the evaluation

48% failed A&E

Results of all 337 proposals per topic*



*LSP = Large-scale projects ; MSP = Medium-scale projects ; SSP = Small-scale projects

IF23 Call Results per topic

Full overview including all proposals

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Manufacturing

45% passed the evaluation

All projects passing the evaluation were selected

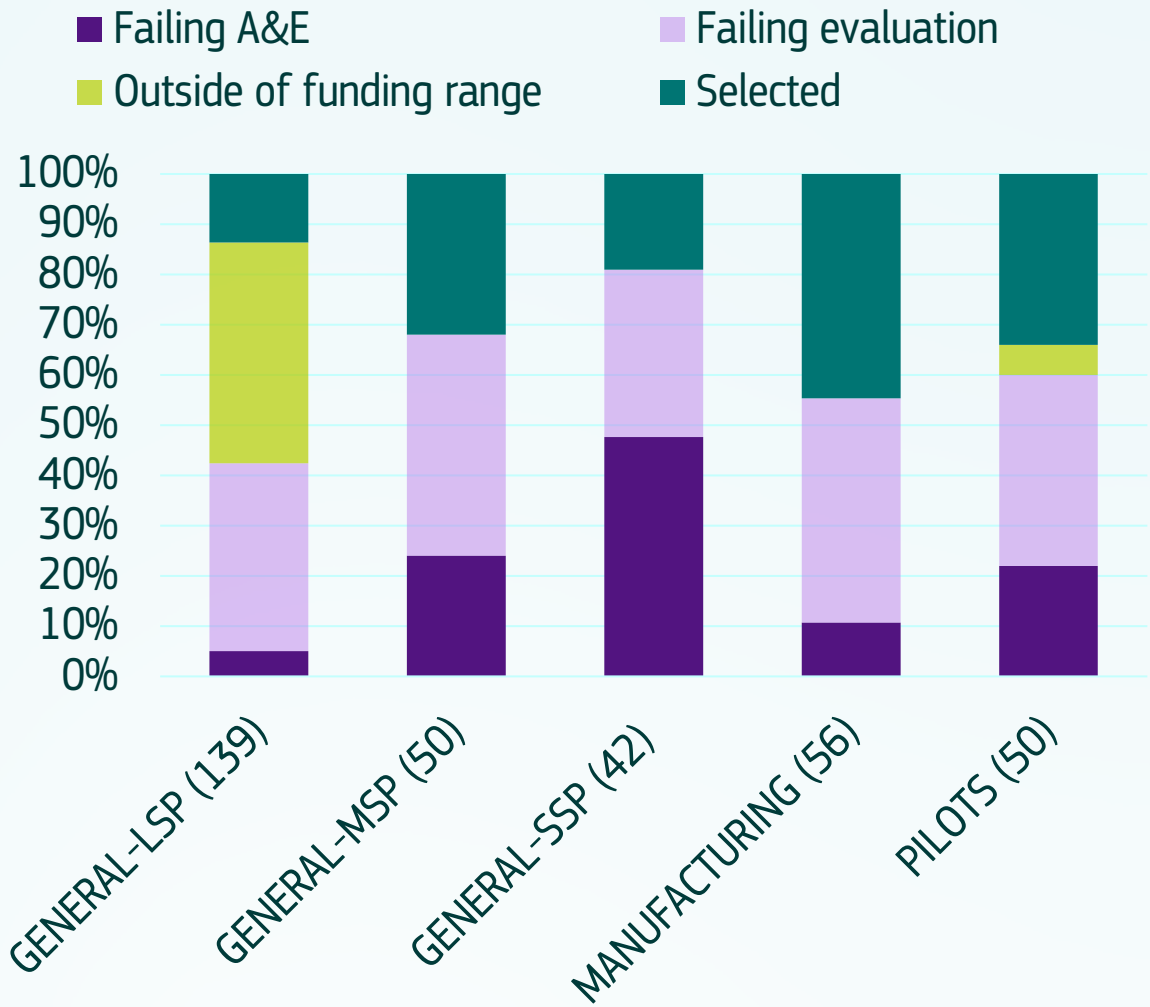
~10% failed A&E

Pilots

40% passed the evaluation

22% failed A&E

Results of all 337 proposals per topic*



*LSP = Large-scale projects ; MSP = Medium-scale projects ; SSP = Small-scale projects

Admissibility and Eligibility (A&E)

IF23 Call

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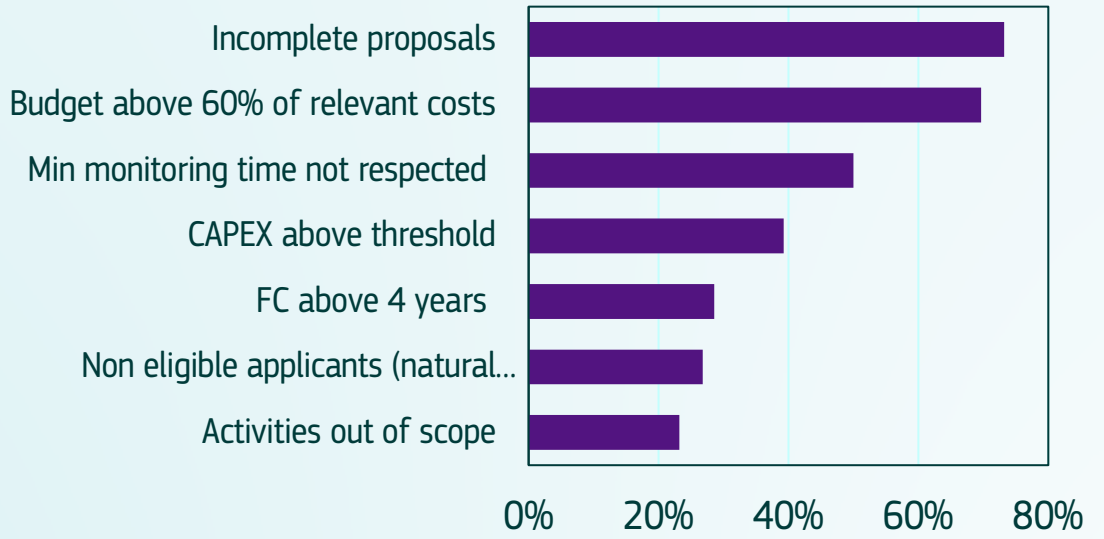
Why are proposals failing A&E?



56 projects did not pass A&E

Most common mistakes from **incomplete proposals**:

- *Relevant cost calculator* missing
- *Part B* not fully completed
- *Detailed financial model* missing
- *Business plan* missing
- *GHG calculator* missing
- *Feasibility study* missing
- *Gantt chart* missing
- *Knowledge sharing plan* missing

Follow the call text guidance precisely

- Provide all requested documents to be admissible
- Watch budget limits

Results per evaluation criterion

IF23 Call

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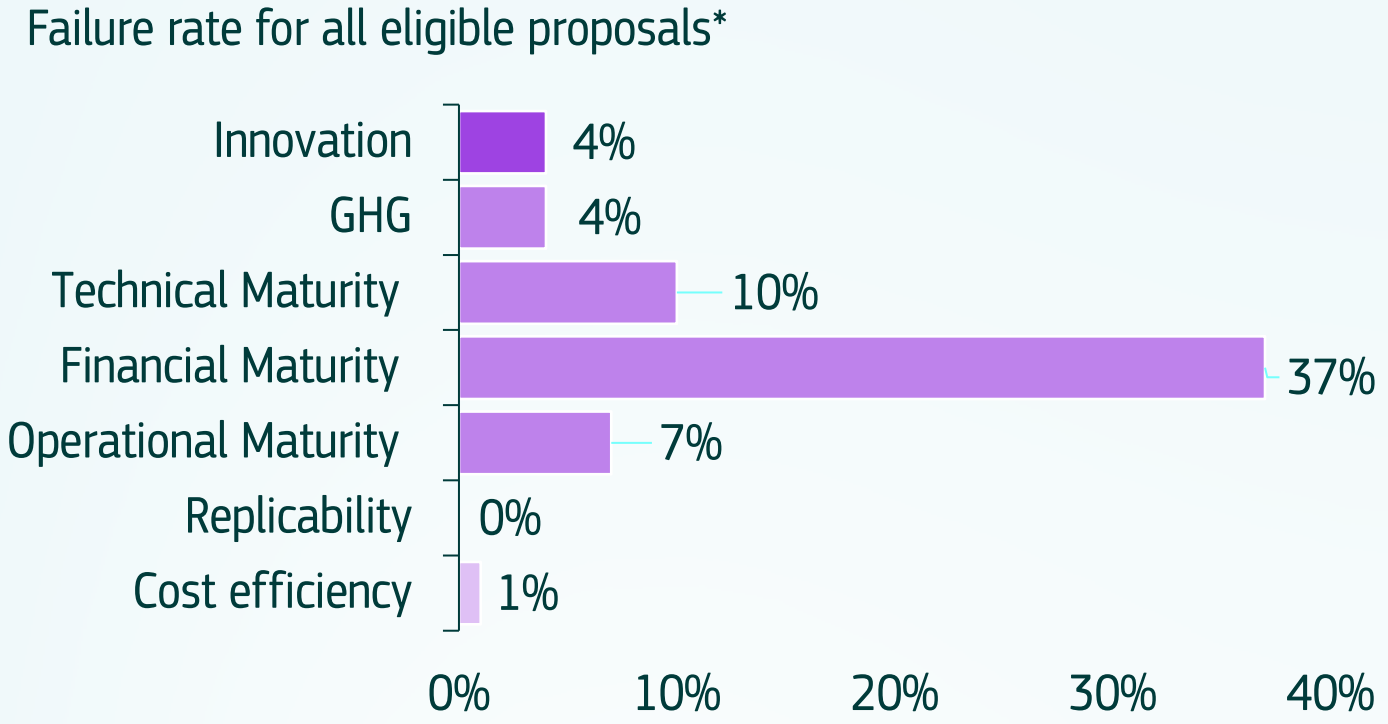
Out of 281 evaluated proposals, 85 were pre-selected for funding, 64 additional projects cannot be funded due to lack of budget

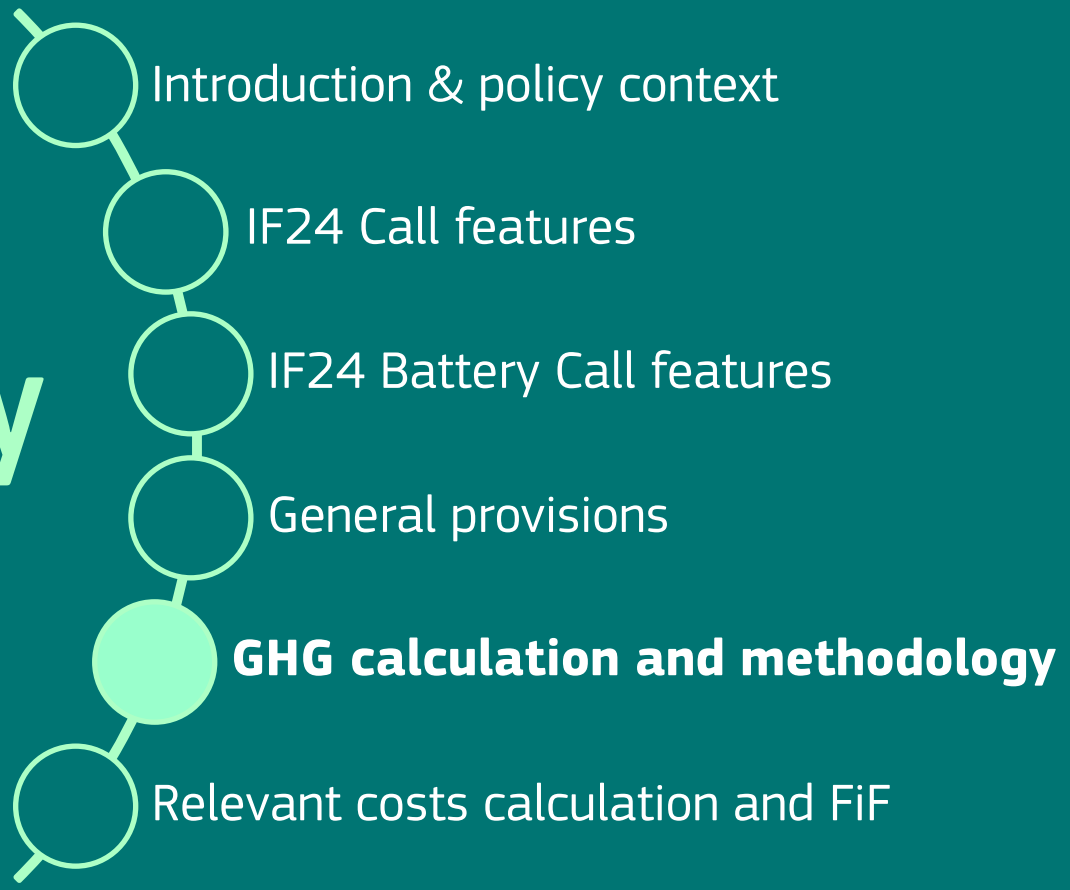
- Demonstrating financial maturity is the most challenging step of the evaluation process
- All proposals that reached the replicability assessment passed it



* Some proposals failed various criteria simultaneously

GHG calculation and methodology

Joao SERRANO GOMES, *Policy Officer*
DG CLIMA - Low Carbon Solutions (II):
Research & Low Carbon Technology Deployment



European Commission

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GHG methodology overview

Purpose:

- GHG impact forms a critical criterion in awarding funding, prioritising projects that demonstrate substantial, measurable, and verifiable reductions
- It incentivises the adoption of innovative technologies and practices that deliver emissions reductions beyond business-as-usual scenarios
- Provides a standardised framework to quantify greenhouse gas (GHG) emission reductions achieved by projects

Core Concepts:

- **Absolute Emission Avoidance**: Total GHG reduction achieved by a project compared to a baseline
- **Relative Emission Avoidance**: GHG reduction as a percentage of emissions in a reference scenario

GHG methodology overview (cont.)

Methodology Components:

- Comparison of project and reference scenarios over a 10-year operational period
- Inclusion of direct and lifecycle emissions for comprehensive assessment
- Sector-specific calculation guidelines for consistency and transparency

Key Requirements:

- Monitoring, reporting, and verification to ensure credible and measurable GHG reductions

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Evolution of the GHG methodology

1st large-scale call open
3 July 2020

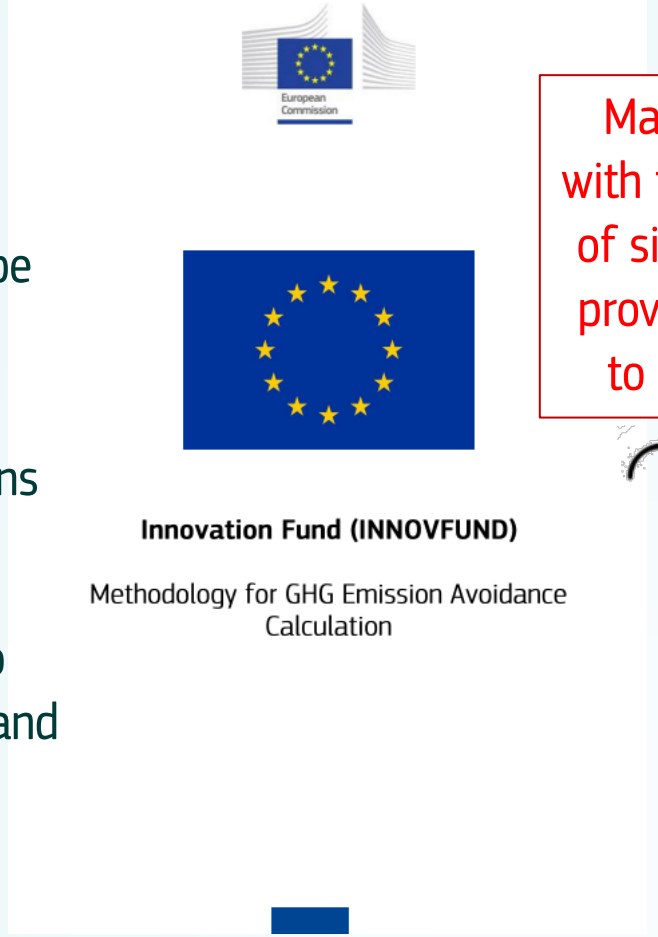
Corrections

Additions – evolving scope

Improvement based on Lessons learned

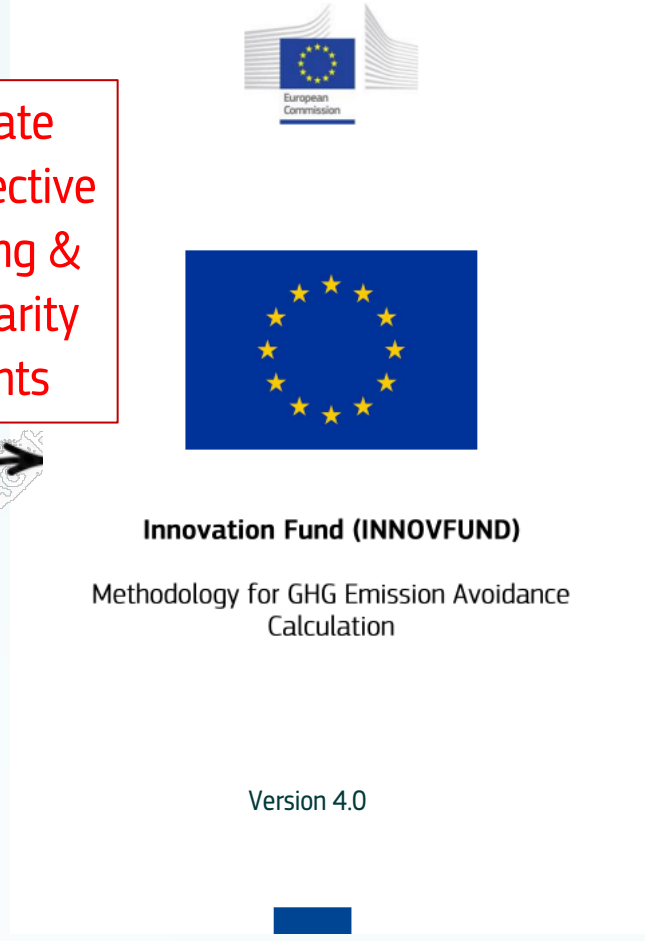
Updates to benchmarks and EFs

From small-scale call 2020 to IF23 Call



Major update with the objective of simplifying & providing clarity to applicants

5th call (IF24 Call) open
3 December 2024



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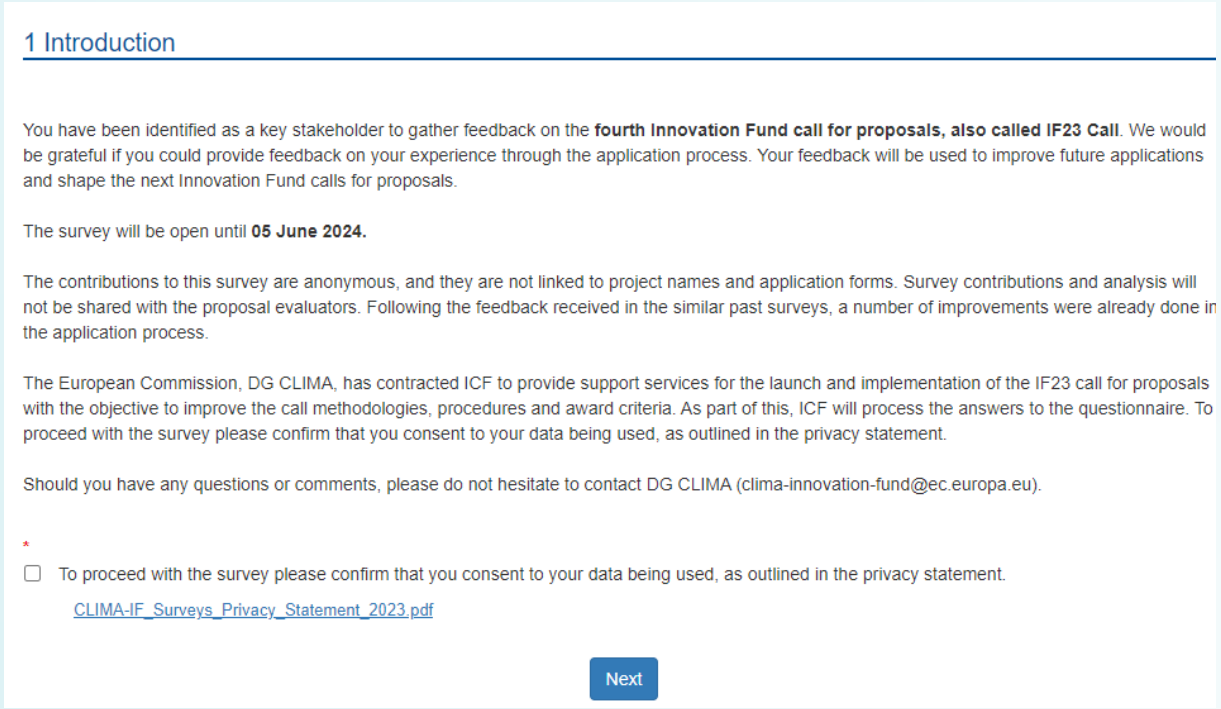
Stakeholder input

Survey on the application process

May-June 2024



1 Introduction

You have been identified as a key stakeholder to gather feedback on the **fourth Innovation Fund call for proposals, also called IF23 Call**. We would be grateful if you could provide feedback on your experience through the application process. Your feedback will be used to improve future applications and shape the next Innovation Fund calls for proposals.

The survey will be open until **05 June 2024.**

The contributions to this survey are anonymous, and they are not linked to project names and application forms. Survey contributions and analysis will not be shared with the proposal evaluators. Following the feedback received in the similar past surveys, a number of improvements were already done in the application process.

The European Commission, DG CLIMA, has contracted ICF to provide support services for the launch and implementation of the IF23 call for proposals with the objective to improve the call methodologies, procedures and award criteria. As part of this, ICF will process the answers to the questionnaire. To proceed with the survey please confirm that you consent to your data being used, as outlined in the privacy statement.

Should you have any questions or comments, please do not hesitate to contact DG CLIMA (clima-innovation-fund@ec.europa.eu).

*

☐ To proceed with the survey please confirm that you consent to your data being used, as outlined in the privacy statement.

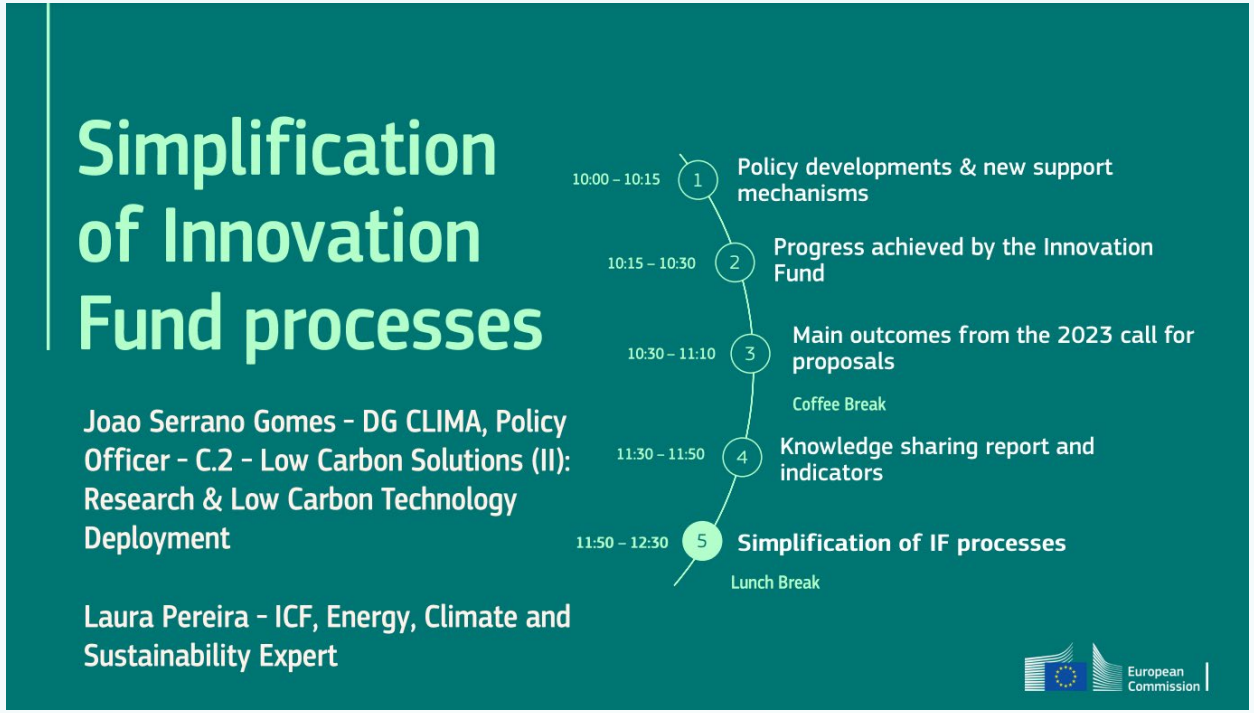
CLIMA-IF_Surveys_Privacy_Statement_2023.pdf

Next

The survey included fields for suggestions on major simplification of the application process.
Open for contributions between 31 May and 14 June 2023

Stakeholder consultation

11 June 2024



Feedback received on the day through Slido and opened for 2 weeks following the event

Improvements & simplifications to the GHG methodology

Highlights

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General:

- A list of “Key steps for the calculation of the GHG emissions avoidance” has been added
- An explicit term has been added for the carbon capture credit, which was previously integrated into the term Proj
- A bioenergy sector has been created under the RES category, and bioenergy projects shall no longer apply under the EII category
- Clarification on the choice of sectors when a principal product replace more than one reference product; and for CCU/S projects
- Rules for projects manufacturing innovative technologies and their components have been clarified for all project categories

Improvements & simplifications to the GHG methodology

Highlights

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General (cont.):

- Improved equations, rules and requirements for all project categories
- Guidance has been added relating to the emission factors to be used for heat and hydrogen as project inputs
- Guidance on the treatment of biomass-derived fuels and materials has been added
- A dedicated section for mobility projects was created, replacing former sections for aviation and maritime projects
- New section specific to the IF24 Battery, which is not applicable for IF24 Call applications

GHG emissions avoidance criteria *- Principles & scope*

The GHG methodology forms the **basis for scoring the "GHG emissions avoidance potential" criterion.** It informs applicants on how to estimate GHG emissions avoidance over their project's first 10 years of operation.

Net Absolute GHG emissions avoidance

$$\Delta GHG_{abs} = \sum_{y=1}^{10} (Ref_y - Proj_y + CC_{credit_y})$$

in tonnes CO_2eq

Relative GHG emissions avoidance

$$\Delta GHG_{rel} = \frac{\Delta GHG_{abs}}{\sum_{y=1}^{10} (Ref_y)}$$

in %

Where:

- Ref_y = GHG emissions that would occur in the absence of the project in year y
- Proj_y = GHG emissions in the project scenario in year y
- CC_credit_y = credit for storage or utilisation of captured CO_2
- y = year of the operation of the project

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Step-by-step of the GHG calculation

1. Understand your project
2. Classify your project and identify your methodology
3. Understand GHG emissions covered & boundaries of the GHG calculation
4. Identify the reference scenario for your project
5. Complete the GHG Calculators
6. Upload the GHG Calculators to Portal

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Project categories

The IF24 Call includes two new project categories:

- **Section 2: Energy-intensive industries**, manufacturing of electrolysers and their components
- **Section 3:** Production and use of **renewable electricity, heat and cooling**, including manufacturing of RES components
- **Section 4: Energy storage** including manufacturing of ES components
- **Section 5: Mobility,** including provision of transportation services and manufacturing of aircrafts, maritime vessels, and road transport vehicles and their components
- **Section 6: Credit for Carbon Capture and Storage or Utilisation**
- **Section 7:** Methodology for the IF24 Battery, not relevant for projects applying to the IF24 Call

Two new project categories (cont.)

The GHG methodology includes a dedicated section for each project category, which includes:

- Scope
- System boundaries
- Instructions on how to calculate the reference and project emissions for use in the calculation of absolute and relative GHG emissions avoidance
- Data and parameters: default values to be used, and data to be monitored for disbursement
- Additional resources: GHG Calculators, examples and video tutorials

How to determine the category

To identify the category, applicants must **choose the sector** under which the project falls. This choice may influence the score of sub-criterion “Absolute GHG emission avoidance”, as projects are compared to other projects in the same sector.

The sector is determined based on the function of the principal product or service that is the main aim of the project.

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How to determine the category

Category	Energy Intensive Industries (**EII**), incl. carbon capture and storage (CCS) and utilisation (CCU) Renewable energy (**RES**) Energy storage (**ES**) Mobility (**MOB**) Buildings (**BIL**)	
Sector	**EII** → chemicals, hydrogen, manufacturing of components, etc. **RES** → wind, solar, manufacturing of components, etc. **ES** → intra-day electricity, other energy storage, manufacturing of components **MOB** → aviation, maritime, road transport **BIL** → buildings	**Examples for selected categories**
Product/ Service	Chemicals → organic chemicals, inorganic chemicals, etc. Solar → dispatchable electricity, heating, cooling Other energy storage → hydrogen-based storage Aviation → transportation of goods and passengers	**Examples for selected sectors**

Please refer to the Section 1.2, Table 1.1 of GHG methodology for full list of sectors and products/services

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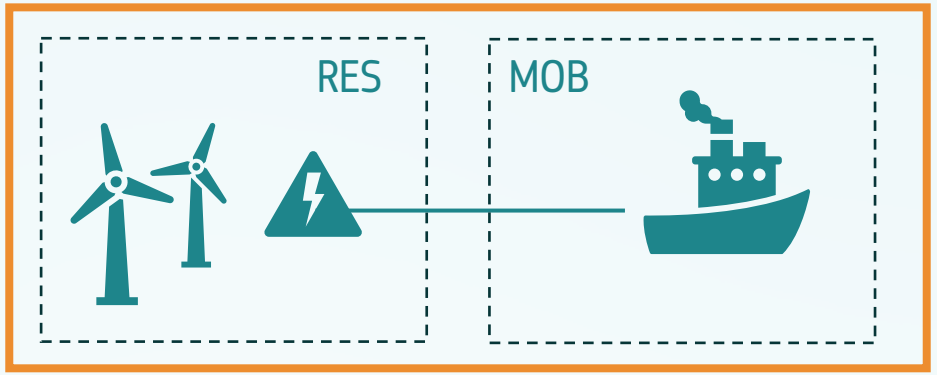
How to determine the category

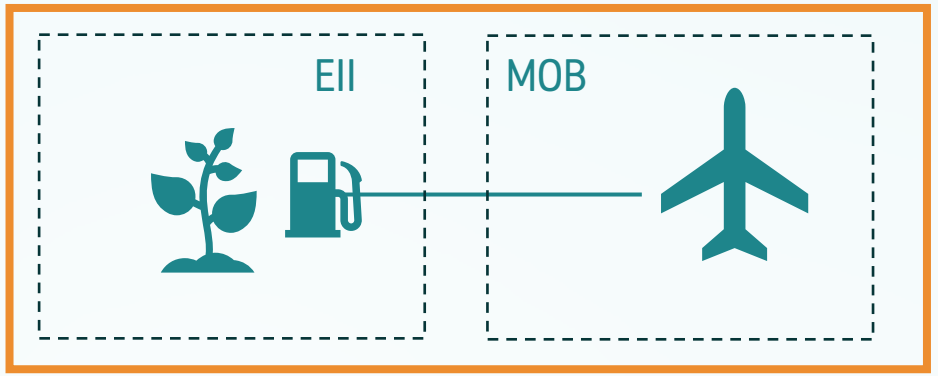
Some projects will comprise activities in more than one IF category:

- When a project combines activities related to more than one category, such as EII, RES, ES, MOB, this will be considered a hybrid project
- In such cases, the applicant shall still choose a main sector and associated principal product that best corresponds to the main aim of the project
- Specific guidance is provided in the GHG methodology for the calculation of absolute and relative emissions avoidance for such cases

Example of Hybrid Project 1



Example of Hybrid Project 2



Most common mistakes on GHG emissions avoidance calculations

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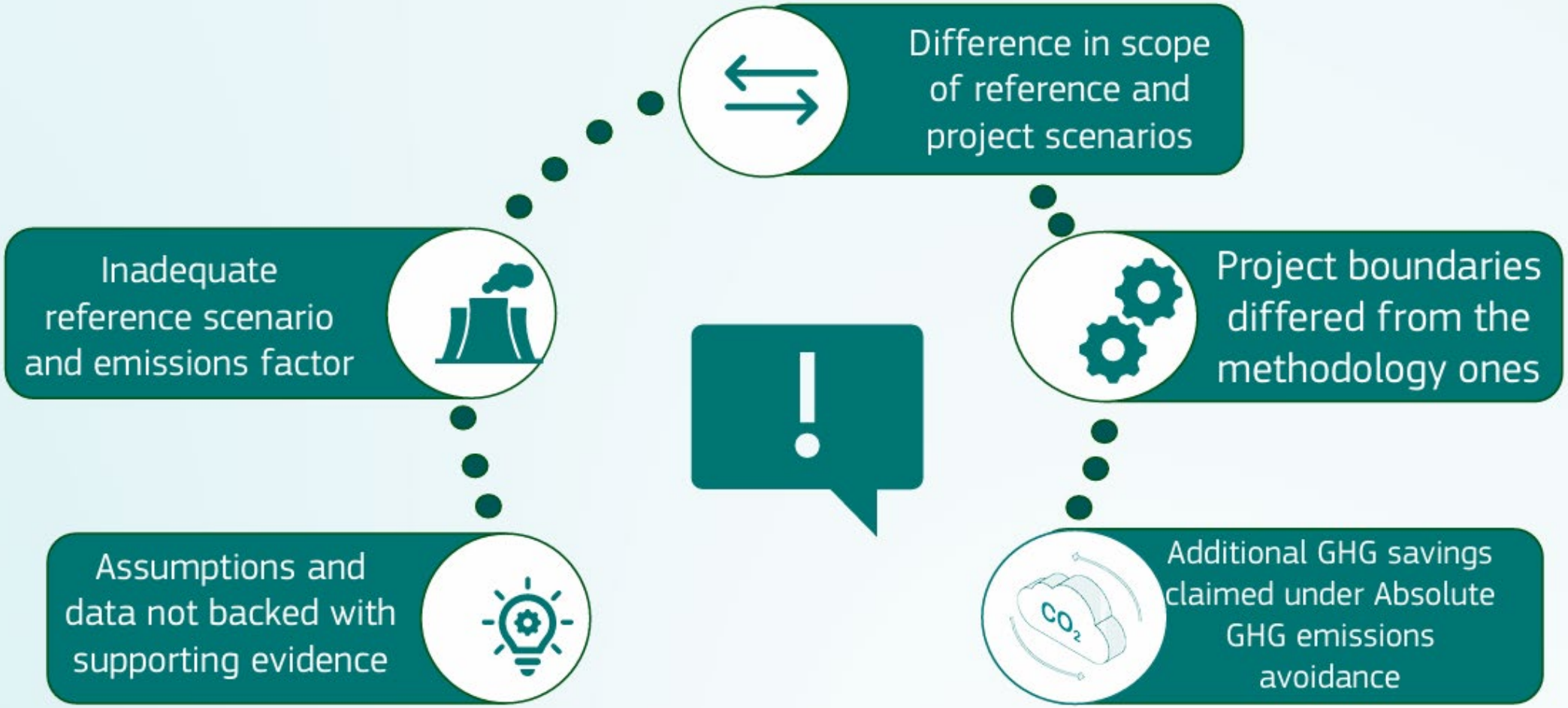

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Useful material

Recordings available with overview and guidance on the GHG calculations for each project category:

- Main principles and step-by-step of the GHG calculation
- Section 2: Energy Intensive Industries (EII)
- Section 3: Renewable Energy Sources (RES)
- Section 4: Energy Storage (ES)
- Section 5: Mobility (MOB)
- Section 6: Credit for carbon capture and storage (CCS) or utilisation (CCU)
- Section 7: Batteries (BATT)

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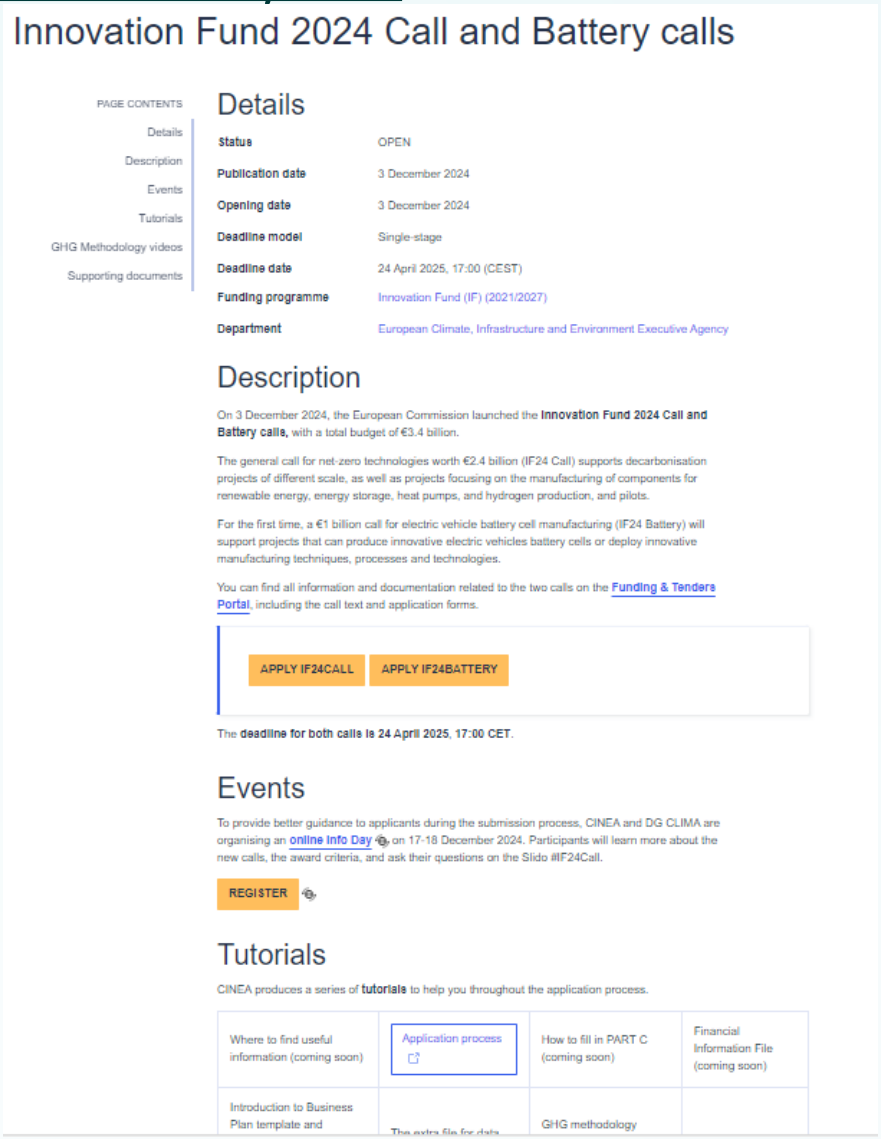
Additional resources

Excel examples on the use of the GHG Calculators:
https://cinea.ec.europa.eu/programmes/innovation-fund/tools-and-guidance_en

Video tutorials on how to fill in the GHG Calculator:
(Available soon)
https://cinea.ec.europa.eu/funding-opportunities/calls-proposals/innovation-fund-2024-call-and-battery-calls_en#tutorials

Where to find: Innovation Fund 2024 Call and Battery calls



Monitoring, reporting and verification of performance

- **When submitting their proposal**, include a detailed monitoring plan - complete and transparent documentation of the parameters used in the GHG calculations and data sources
- **During project operation,** all measurements should be conducted with calibrated measurement equipment according to industry standards and in line with relevant EU ETS requirements, as applicable
- **At the reporting stage,** a report verified by an independent GHG verifier of the GHG emission avoidance achieved over the entire monitoring period must be provided

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Frequently Asked Questions

- **Is an independent third-party verification of GHG calculation necessary at the application stage?** Although not mandatory at the application stage, a third-party verification will be required at the end of the last year of operation of a project, and will cover the emission avoidance achieved by the project

- **Under which category shall SAF producers apply: a EII or MOB (Sector Aviation)?** Applicants that intend to produce fuel that could be used in aviation, but not limited to it should apply as a EII project. Under this category, the absolute GHG emissions avoidance for SAF production are based on the savings during the use phase. To be classified as an MOB project, the user of the SAF (e.g., the airline company) should be part of the project. In such case, the applicant would also be able to claim reductions of non-CO_2 emissions

- **If the GHG methodology can be applied to my project, does it mean that I am eligible for the IF24 Call?** The call eligibility is defined by the call text, the GHG methodology does not define a project eligibility. Should your project be eligible based in the call text its GHG calculation should follow the principles and rules defined in the GHG methodology.

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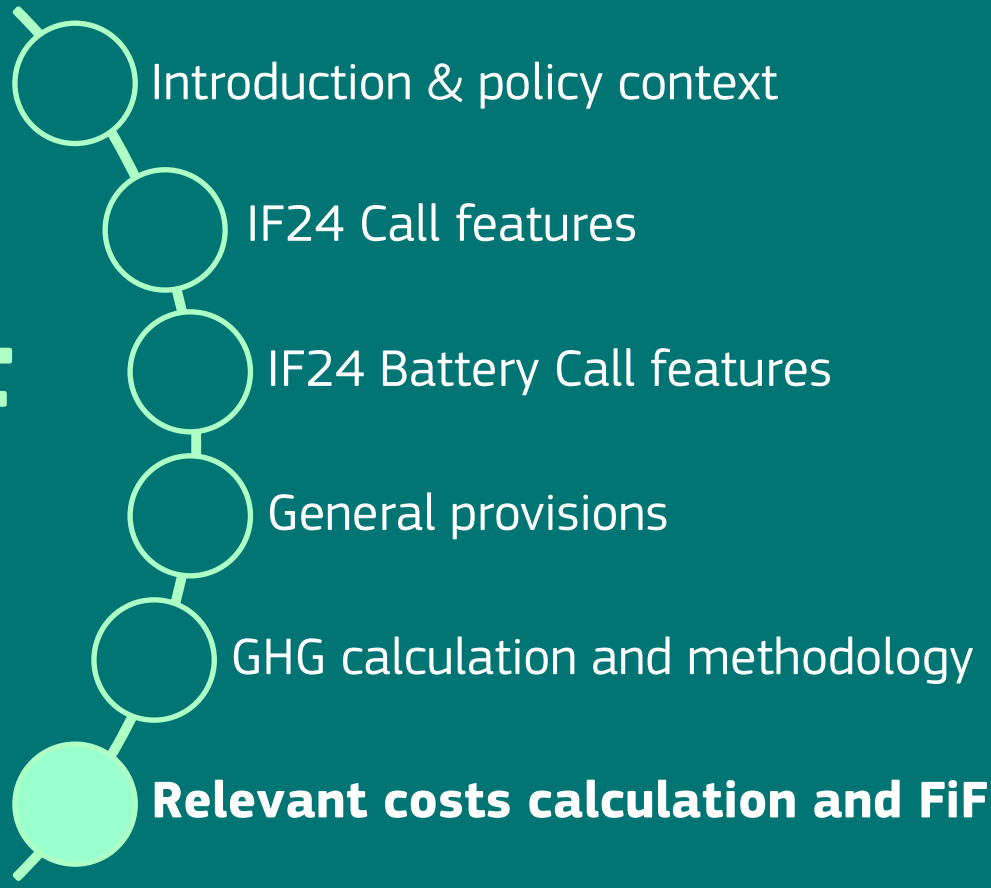
Important reminders

- Read the GHG Methodology carefully, consult the examples of the application of the GHG Calculation Tools available, and the tutorials
- Questions can be sent to the **helpdesk**, throughout the call window.
  - The purpose of the helpdesk is to clarify doubts related to the methodology, not to confirm if your calculation is correct
  - When addressing the helpdesk:
    - include only one question
    - no conditional questions
    - limit to 2000 characters
  - Estimated response time: 7-15 working days from receipt

Relevant cost calculation and FiF

Alexandre COBBAERT, *Senior Financial Engineer*
CINEA - Financial Engineering, Business Intelligence & IT Unit



European Commission

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Relevant Cost: What has changed since the IF23 Call?

- Further guidance specific to maritime and aviation projects
  - Two examples in the RC methodology guidance for projects which produce or install innovative technology (e.g., engine or equipment) into a new or retrofitted ship or plane
  - Projects using financial leases to fund the construction of newbuilt ships or planes
- Clarification on maintenance CAPEX
- Clarification on possibility to combine sheets from detailed financial model and Financial information File (FIF)
- Clarification on the calculation of Relevant Costs if entry into operation date does not coincide with the start of a calendar year
- Update of Appendix with support data materials for the WACC calculation

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Key principles: Definitions

Relevant costs ("RC") = *The Relevant Costs shall be the net extra costs that are borne by the project proponent as a result of the application of the innovative technology related to the reduction or avoidance of the greenhouse gas emissions.*

CAPEX	Construction costs, site infrastructure costs, development costs and intangible assets of the project (please refer to glossary in RC guidance document) - not discounted
OPEX	Operation and Maintenance cost, decommissioning costs (if in the first 10 years), they do not include depreciation cost of CAPEX! - discounted
Operational benefits	Any revenue received by the project from the sale of EU ETS free allowances for reductions in CO_2 emissions, sale of CO_2 as final product, or monetization of CO_2 certificates due to reduction of CO_2 - discounted
Discount rate	Discount rate used for NPV calculations is the Weighted Average Cost of Capital (WACC) of the project

Key principles: Which methodology should applicants use?

No reference plant: default methodology, recommended for all projects

Reference plant: "fall-back" option if the project fulfils the following conditions:

- The project relates to the construction of a completely new plant/unit. Add-ons to existing **or new** installations must use the No Reference Plant Methodology
- The reference plant has the similar characteristics (output, capacity) as the Project plant
- The reference plant complies with the European Union environmental standards and with EU legislation, including the EU ETS benchmark for industrial products where relevant
- Applicants must provide documents necessary to assess the credibility of the financial and technical data of the reference plant, such as: proof of planning of such a (reference) plant/unit as an alternative to the project, formal board documents, financial reports, internal business plans or studies
- A complete and detailed set of verifiable financial projections is added to the Applicant's detailed financial model (mandatory)

Key principles:
General assumptions applicable to all methodologies (1)

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Carbon price and OPEX inflation

- **Carbon price:** applicants are asked to justify the carbon prices that they consider appropriate over the entire project lifetime
- **OPEX inflation:** applicants are free to provide their best estimate of OPEX taking account of inflation with the justification for the assumptions taken

The projections should be consistent across all application documents

Non-eligible costs (non-exhaustive)

- **Financial cost :** interest expenses during construction, bank fees
- Costs incurred **before the date of submission of the application**
- **Terminal value:** no value beyond the asset useful lifetime
- **Stranded assets:** write down of assets related to existing technologies are excluded
- **Decommissioning costs:** acceptable if during first ten years (e.g., for demo projects)

Key principles:
General assumptions applicable to all methodologies (2)

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CAPEX

- Only CAPEX incurred **before entry into operation** are included in the relevant cost computation and are **undiscounted**

Clarified

- Any expansion CAPEX incurred **after** the date of entry into operation is considered to fall outside the scope of the IF project and should be excluded from the FIF

Maintenance CAPEX

Clarified

Maintenance CAPEX can be included if solely related to maintaining the Project's operational capacity, only if it is incurred **after** the date of entry into operation

- Maintenance CAPEX **will be discounted**

Methodology

1 No reference plant

Approach:

- **Default** methodology
- Compulsory for add-on projects (for example carbon capture)

Formula:

RC = best estimate of CAPEX and NPV of OPEX, Maintenance CAPEX net of Revenues and Operational Benefits of the project over a 10-year period

$$Relevant\ costs = CAPEX + PV\ OPEX + PV\ Maintenance\ CAPEX - PV\ Operational\ Benefits - PV\ Revenues$$

Methodology

2 Reference plant (*)

Approach

- Establish the reference plant based on the product produced, not sector
- Check if the reference plant complies with the conditions mentioned in the Relevant Cost Guidance and notably with the European Union environmental standards and with EU legislation, including the EU ETS benchmark for industrial products where relevant
- Prepare carefully all mandatory documents including the Other annexes mentioned in the call text

(*) Fall-back methodology when conditions presented above are met

Methodology

2 Reference plant (*)

Formula

Relevant Cost for the Reference Plant = A- B, where:

$$\text{A = Project } CAPEX + PV\ Project\ OPEX + PV\ Project\ Maintenance\ CAPEX\ - PV\ Project\ Operational\ Benefits\ - PV\ Project\ Revenues$$

$$\text{And B = Ref Plant } CAPEX + PV\ Ref\ plant\ OPEX + PV\ Ref\ Plant\ Maitenance\ CAPEX\ - PV\ Ref\ Plant\ Operational\ Benefits\ - PV\ Ref\ Plant\ Revenues$$

A is actually equal to the **Relevant cost** using the default methodology with the PV computed using the project WACC.

The **PV** in **B** is computed with the **Project WACC** without the project innovation risk premium and with the same leverage as the Project, cost of debt should be in line with the ones generally used in the sector.

Projects with the component B equal or extremely close to 0 may use the default methodology.

(*) Fall-back methodology when conditions presented above are met

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Relevant Cost – General tips

- Compute the relevant cost as early as possible, using the right methodology to see if your project can get a grant
- Contingencies should always be justified
- Read carefully which costs are eligible and which are not
- Pay attention that entry into operation is based on the last phase of your project
- Ensure the coherence of data between the FIF, your own financial model and the business plan

Relevant Cost – More specific tips

- Incremental / 'add-on' projects: add sheets to your own detailed financial model to demonstrate the financial viability of the aggregated process/installation after integration of the IF Project
- Combine sheets of the FIF with detailed financial model: adding and merging sheets from FIF and detailed financial model is possible, but applicants must still **submit FIF and detailed financial model as two distinct mandatory documents**
- Small update to RC calculation formula in FIF: if entry into operation does not coincide with start of calendar year, FIF will automatically take the pro rata share of OPEX, revenues, and operational benefits for the 10th year of operation to ensure that a full 10-year period of operations is included

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Weighted Average Cost of Capital (WACC)

Key principles

- WACC is applied to discount future revenue income and cost streams over the project lifetime to make them comparable
- Applicants should calculate a project WACC based on the project's cost of equity and cost of debt
- They should not use their corporate WACC

Formula

$$WACC = E/V * Re + D/V * Rd * (1-Td)$$

Re = cost of equity
Rd = cost of debt
E/V = equity portion of total capital (Equity over total Value)
D/V = debt portion of total capital (Debt over total Value)
Td = Tax rate

- For the WACC computation, shareholders loans should be counted as equity as they carry exactly the same risks

Weighted Average Cost of Capital (WACC)

Approach

- **Cost of equity:**

  *Re = Rf + (β * ERP)+ IP*

  - Rf = risk free rate
  - *β* = beta of the project
  - ERP = equity risk premium
  - IP = innovation premium

- **Cost of debt:**

  Rd = base rate + credit spread

Estimation

- Rf: applicants are required to use the Appendix 2 of guidance document
- Beta : proposed default value of 1 (compulsory for sectors not in the table in Appendix 2 of the RC guidance)
- ERP: proposed default value of 6%
- Innovation premium: if innovation leads to risks that go beyond the conventional sector. As default, a value of 3% should be applied, with the potential to increase it to 4% or lower it to 2% upon due justification
- Base rate: swap rates consistent with average debt maturity
- Credit spread: based on terms expected by debt providers, in line with market standards

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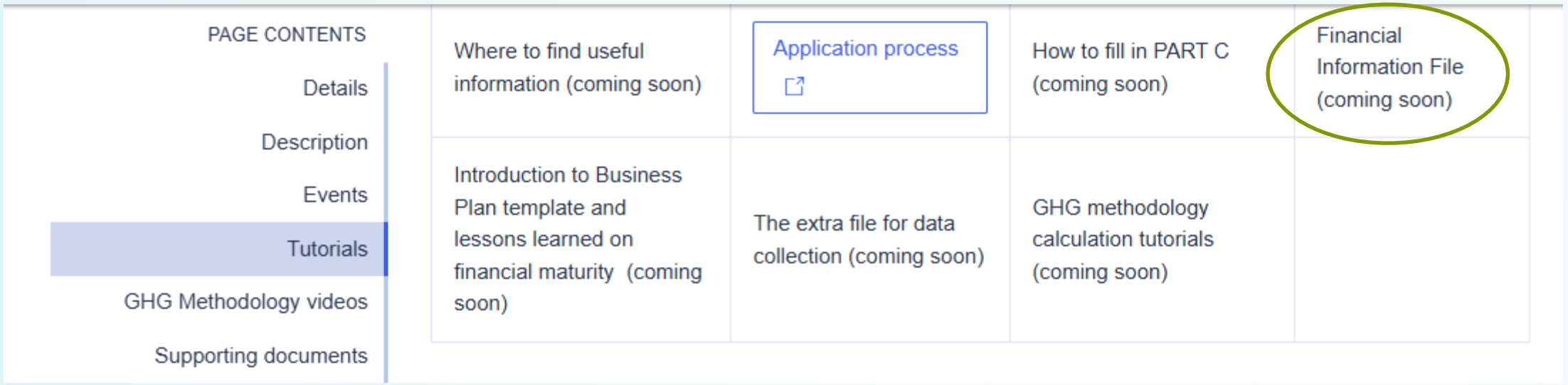
FIF tutorial (coming soon)



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

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Q&A session

Go to Slido.com

Enter the code #IF24Call

Ask your question or vote for an existing one!

Or scan me

Recording will be available on CINEA website

Morning session’s closure

Maria ALFAYATE, *Deputy Head of Unit*
CINEA C4, Innovation Fund

European Commission

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Some Recommendations (1)

- **Read carefully the call documents** and understand well the call(s) requirements (including the admissibility and eligibility ones). Pay due attention to resilience criteria
- **Get familiar with and follow methodologies and guidance** (GHG avoidance and Relevant Costs), watch the tutorials and carefully read the FAQs. If remaining questions – use Helpdesk
- Before submitting, **triple check full consistency** of your claims, timing, figures and explanations within the different application parts and documents

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Some Recommendations (2)

- **Avoid vague statements** as evaluators will be asked whether the claims you made are credible:
  - provide well-founded quantifications, based on reliable and **well evidenced data and assumptions**
  - underpin your claims with **strong evidence and analysis**, use documents that confirm your claims (quotes from suppliers, MoU/LoI with off-takers, clear commitment letters from funders etc.)
  - **be realistic** in your expectations and timing, consider the full project and market/regulatory context (permits, supply chain delays, contingencies for costs, financing and off-take contracts maturity), be conservative

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Agenda – 17 December 2024

AFTERNOON

- 13:30 Introduction
- 13:40 Award criteria for IF24 Call & lessons learned
- 15:05 Q&A
- 15:25 Award criteria for IF24 Call & lessons learned, mandatory milestones
- 16:10 Q&A
- 16:30 Closing

Recordings will be available on CINEA website

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Join as project evaluator for Innovation Fund

- Technical expert
- Financial expert
- GHG expert
- Rapporteur

Sign up as an Expert (europa.eu)

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Feedback

Help us improve future events!

Take your mobile device

Go to slido.com

Enter the code **#IF24Call**

Reply to the questions (less than 5 minutes)

Thank you!

Lunch Break

We are back at 13:30 CET

European Commission

Innovation Fund 2024 Calls Info Day

The event will start again at 13:30 CET

Join us on Slido

#IF24Call

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How to use Slido

- During the event you can submit comments and questions through Slido.
- To join:
  - Take out your smartphone, tablet or computer and open your browser
  - Go to **Slido.com** and enter the event code **#IF24Call**
  - You can now post comments and questions

Or scan me

Recordings will be available on CINEA website

Award criteria
Best practices

European Commission

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Award Criteria and Lessons Learned

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

Degree of Innovation

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

European Commission

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Degree of Innovation

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

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

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

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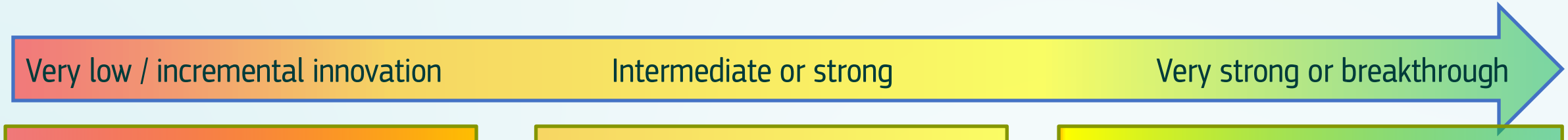
Degree of Innovation

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



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

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

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

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Degree of Innovation: types of innovative actions

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

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

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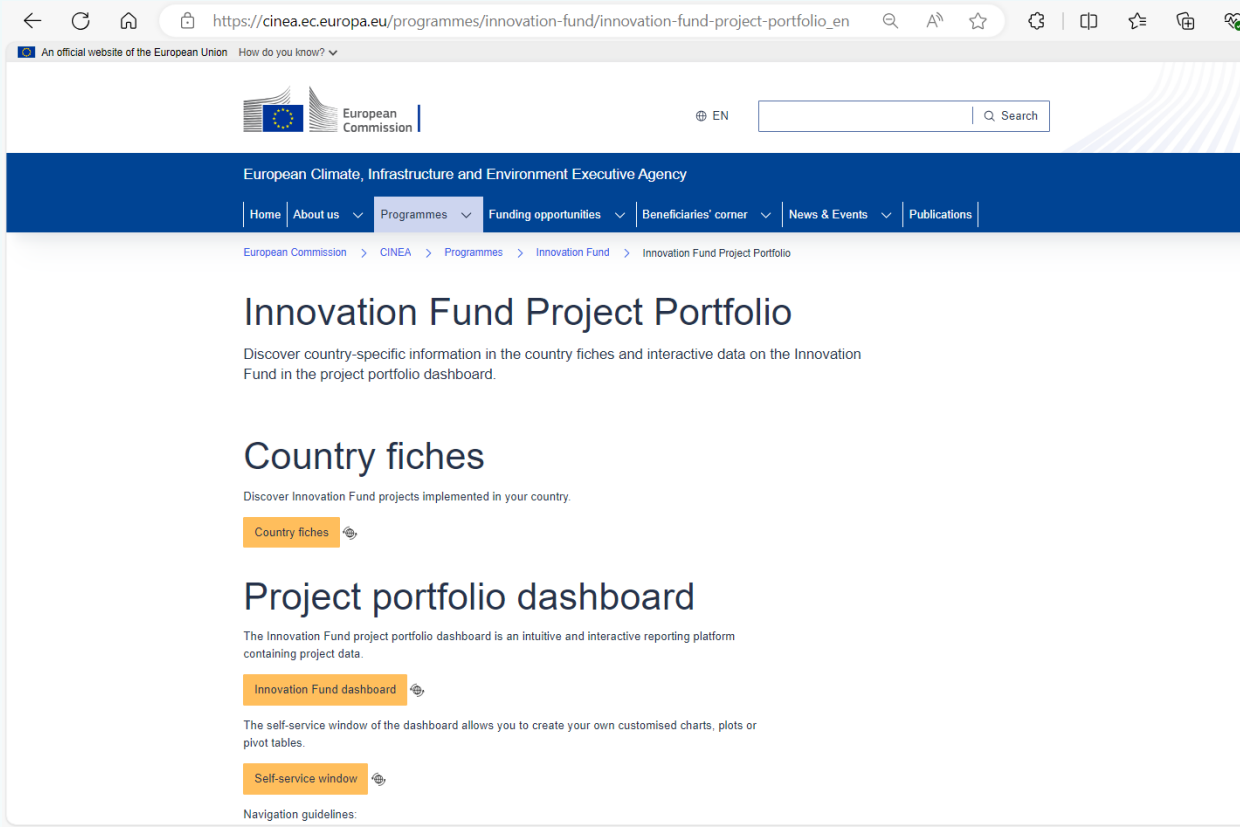
References to Innovation Fund projects

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



Degree of Innovation for topic General - SSP

Innovation at national level:

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

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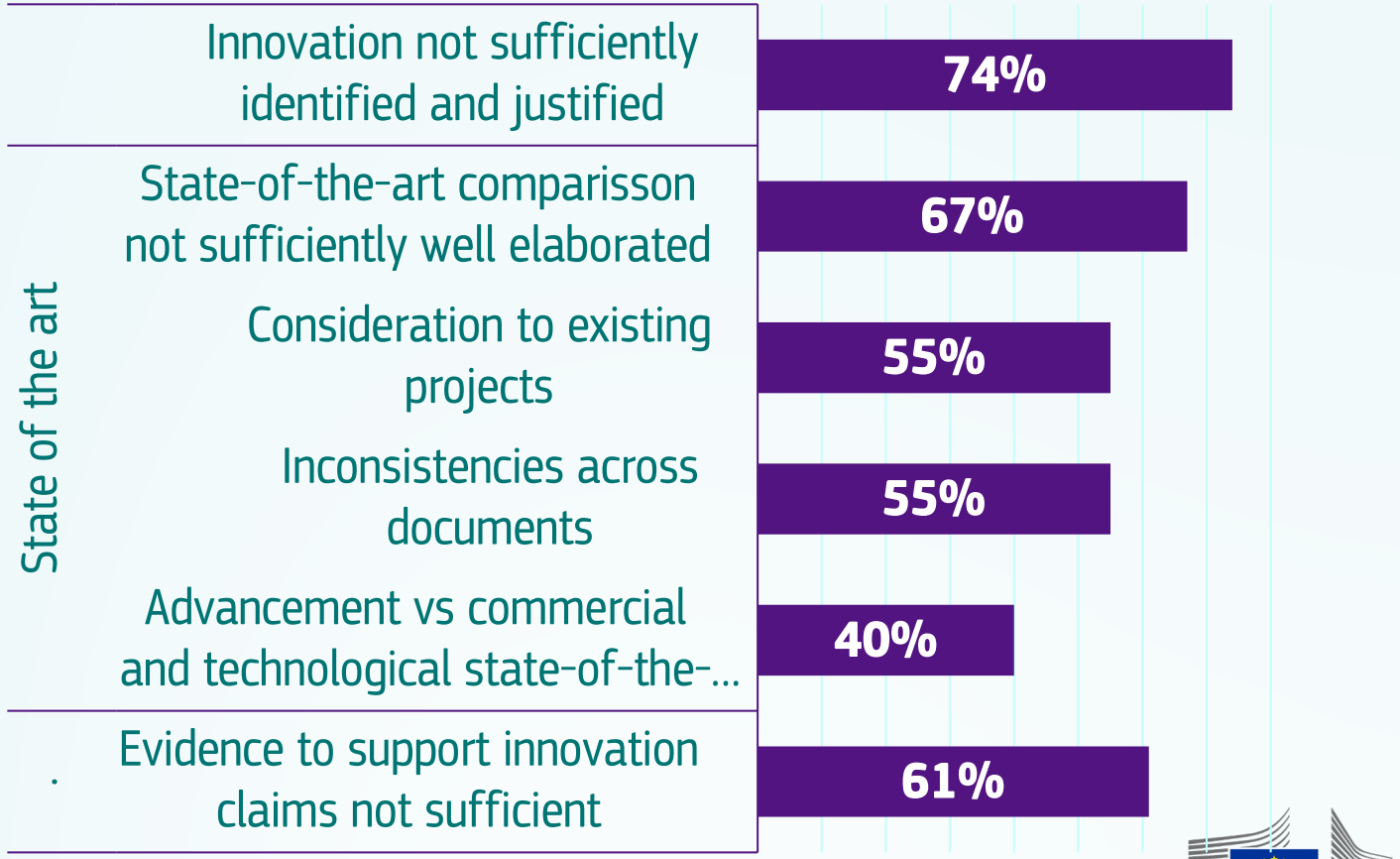
Degree of Innovation: Lessons Learned IF23 Call

Key reasons for failure:

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

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



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Best practice - Degree of Innovation

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

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Best practice - Degree of Innovation (cont.)

1 Describe

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

2 Identify

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

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

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

GHG emission avoidance potential

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

European Commission

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Best practice - Degree of Innovation (cont.)

1 Describe

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

2 Identify

- How does your innovation go beyond state of the art?
  - Compare with previous & ongoing EU and IF projects
  - Provide geographical reference point
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3 Provide evidence ->Feasibility study, GHG calc., other

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

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GHG emission avoidance potential

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

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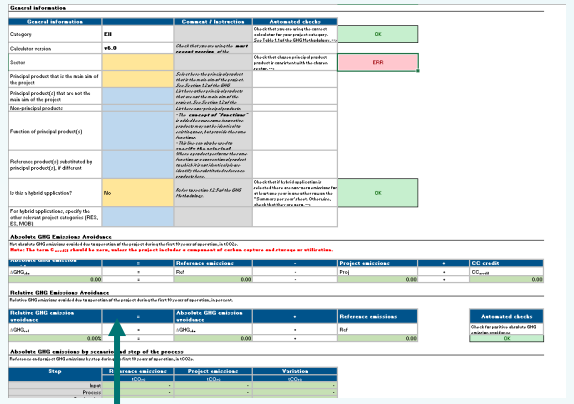
GHG emission avoidance potential (1)

- **Absolute GHG emission avoidance**: difference between the expected GHG emissions of the proposed project and the GHG emissions in the reference scenario during 10 years after entry into operation

- **Relative GHG emission avoidance**: absolute GHG emission avoidance divided by the GHG emissions in the reference scenario over the same 10 years period

The calculation must be done:

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



GHG emission avoidance potential (2)

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

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GHG emission avoidance potential (3)

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

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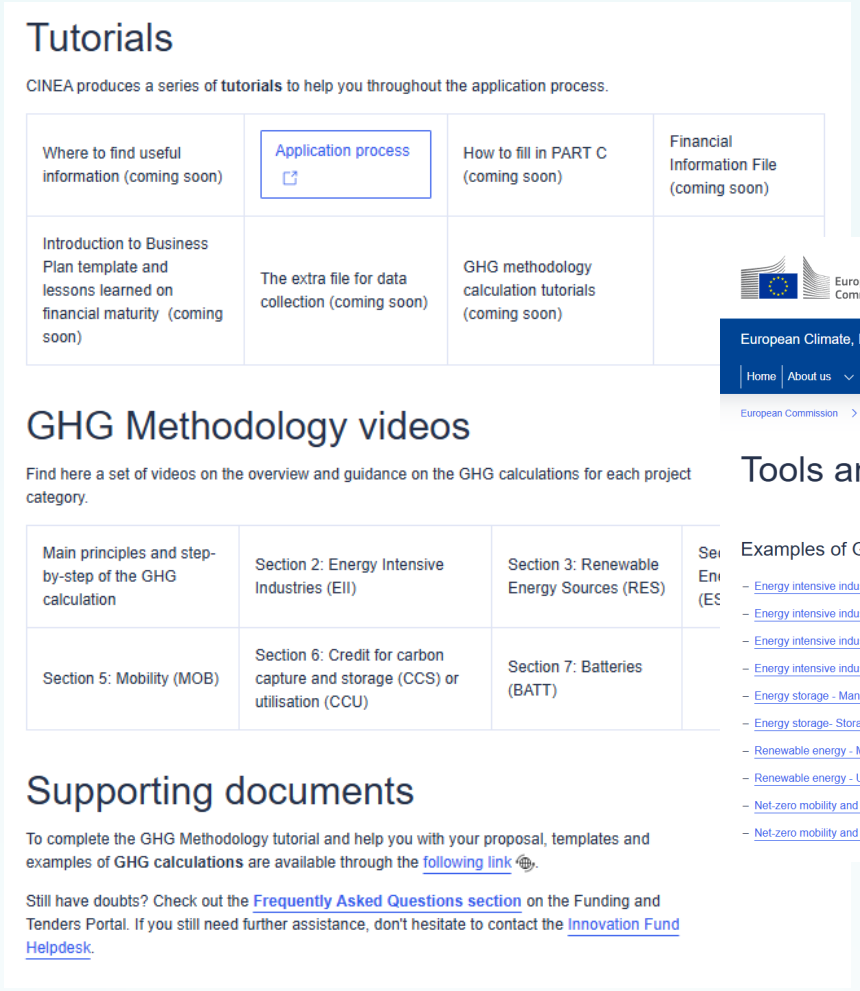
Guidelines and support for GHG Calculation

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



Tutorials

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

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

GHG Methodology videos

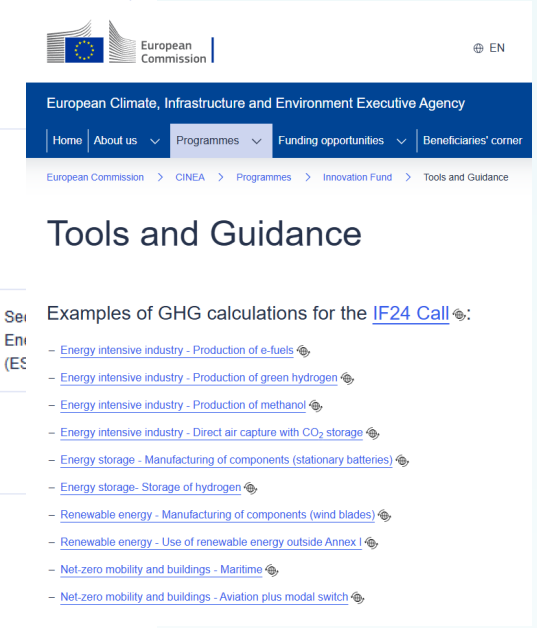
Find here a set of videos on the overview and guidance on the GHG calculations for each project category.

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

Supporting documents

To complete the GHG Methodology tutorial and help you with your proposal, templates and examples of **GHG calculations** are available through the following link.

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



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European Commission > CINEA > Programmes > Innovation Fund > Tools and Guidance

Tools and Guidance

Examples of GHG calculations for the IF24 Call:

- Energy intensive industry - Production of e-fuels
- Energy intensive industry - Production of green hydrogen
- Energy intensive industry - Production of methanol
- Energy intensive industry - Direct air capture with CO_2 storage
- Energy storage - Manufacturing of components (stationary batteries)
- Energy storage- Storage of hydrogen
- Renewable energy - Manufacturing of components (wind blades)
- Renewable energy - Use of renewable energy outside Annex I
- Net-zero mobility and buildings - Maritime
- Net-zero mobility and buildings - Aviation plus modal switch

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Lessons learned IF23 Call

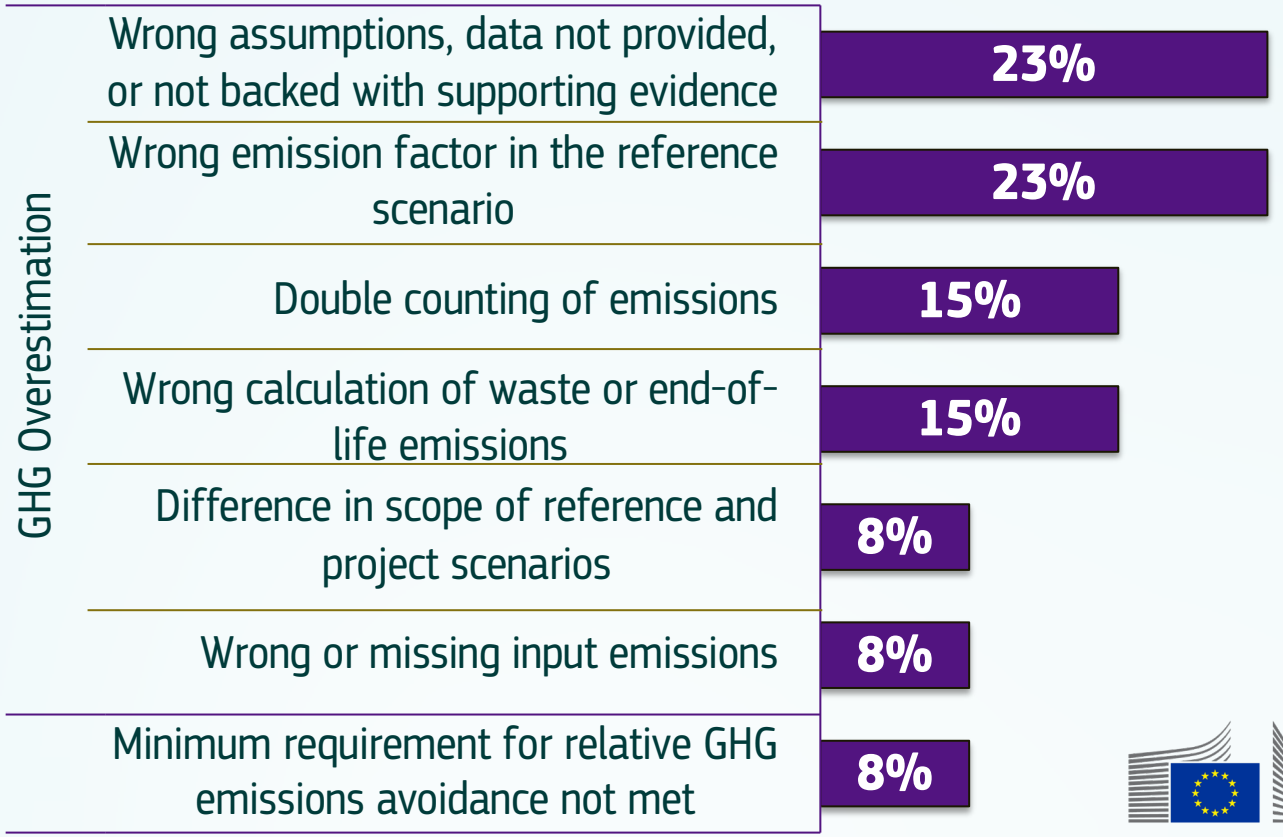
Quality of GHG calculation and min. requirements

Main mistakes on GHG emissions avoidance quality

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

Resulting in overestimations of GHG emissions avoidance

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



Best practice - GHG Emissions avoidance potential

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

Project Maturity

Technical maturity

Financial maturity

Operational maturity

European Commission

Technical Maturity

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

European Commission

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Technical Maturity

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

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Technical Maturity: technical feasibility

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

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Feasibility study

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

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

FEASIBILITY STUDY

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

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

PROJECT	
Project name and acronym:	[project title] — [acronym]

FEASIBILITY STUDY
Project description *Provide a high-level description of the project (e.g. technologies, products and/or services). It is important that this description captures the most important aspects of the technologies to be used, products and/or services that you are considering, as well as how they may benefit customers and the project itself.* *Please include the relevant graphical representation of the project as block flow diagram(s).*
Insert text

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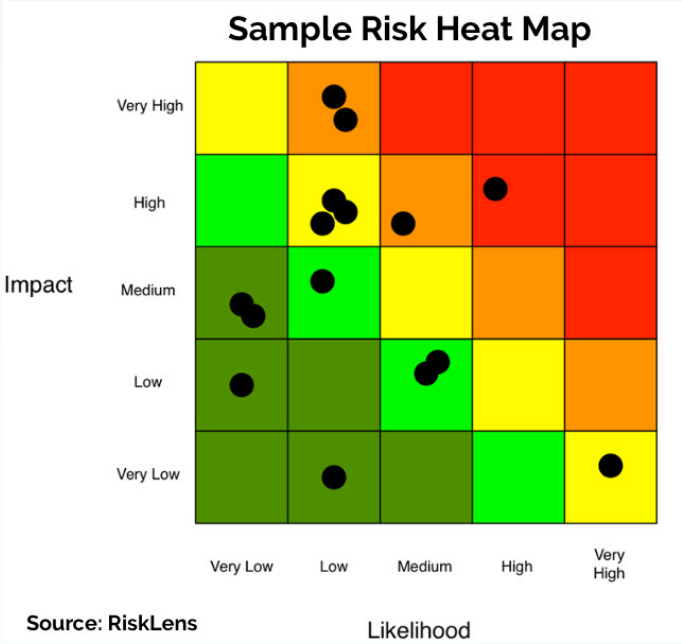
Risk analysis and management

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

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



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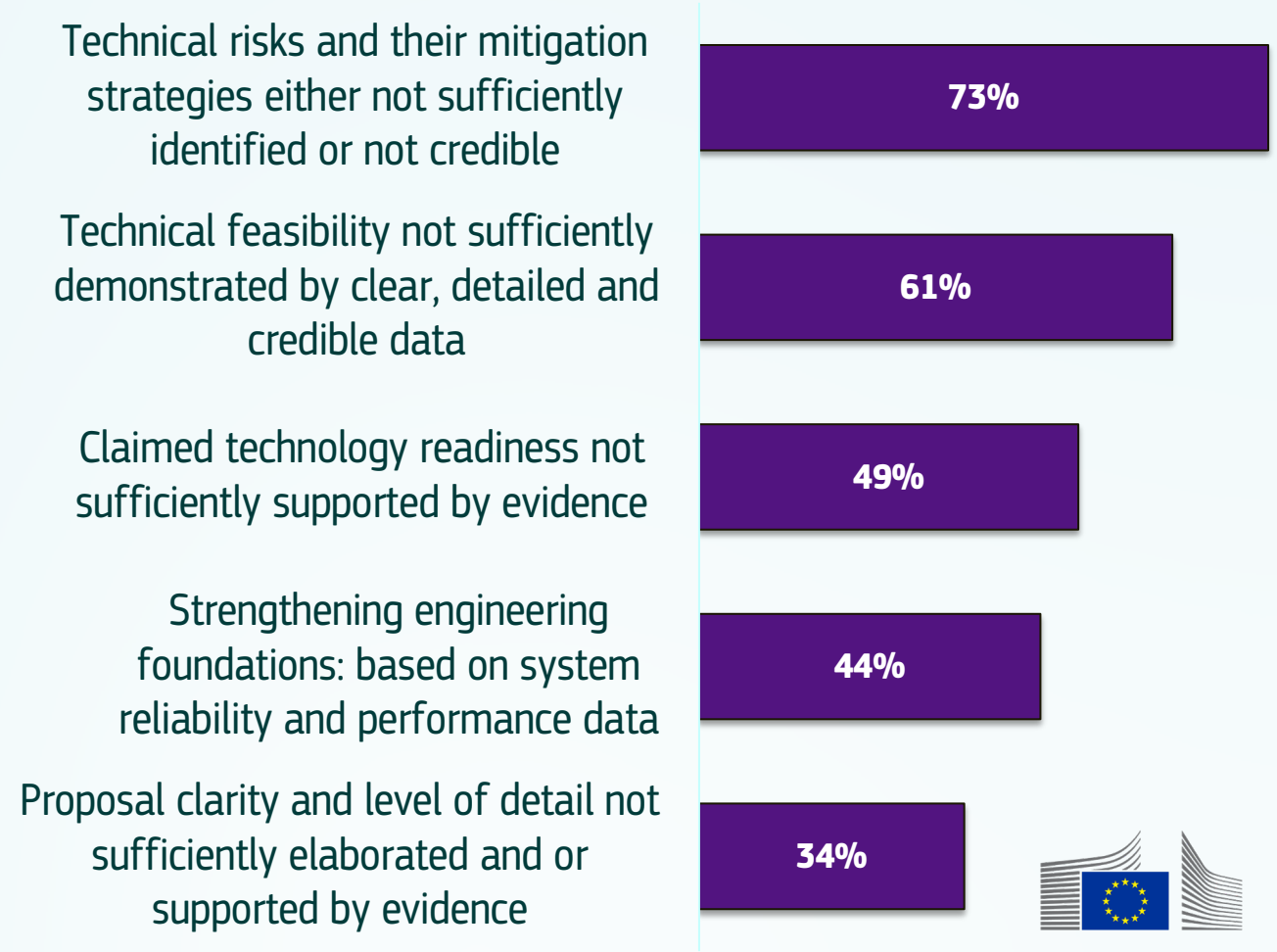
Technical Maturity: Lessons Learned IF23 Call

Key reasons for failure:

Technical feasibility claims not sufficiently supported by:

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

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



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Best practice – Technical Maturity

1 Describe readiness level

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

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

2 Identify

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

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

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

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

Resubmissions are welcome, especially when TRL is improving

Financial Maturity

Alexandre COBBAERT, *Senior Financial Engineer*
CINEA - Financial Engineering, Business Intelligence & IT Unit

European Commission

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Financial Maturity: Key points

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

- **Project business plan and profitability**
- **Soundness of the financing plan**
- **Commitment of project funders**
- **Understanding of project business and financial risks**

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

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Financial Maturity: Key points

Objective: ability to reach Financial Close within 4 years

- **Business plan (mandatory annex)**

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

  If not used, provide the same level detail and information

- **Application Form Part B**

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

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

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

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

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

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Financial Maturity: Key points

Objective: ability to reach Financial Close within 4 years

- **Project shareholders' financial resources**
  Financial statements of project shareholders over last 3 years (if available)

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

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

- **Project contract terms (supporting documents)**
  Minimum requirements in call text Annex 3

Any existing due diligence report (optional)

Business plan template:

PROJECT BUSINESS PLAN

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Financial Maturity

Business model/concept => Business plan

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

Business plan template:

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DETAILED CASH FLOW PROJECTIONS AND PROJECT PROFITABILITY

Financial Maturity

Business Plan => Financial model

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

Business plan template:

FINANCING PLAN

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Financial Maturity

Soundness of financing plan

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

Business plan template:

PROJECT FUNDERS AND INVESTORS COMMITMENT

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Financial Maturity

Commitment of project funders

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

Business plan template:

RISK ANALYSIS AND MANAGEMENT

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Financial Maturity

Business and financial risks

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

Main issues with the Business Plan

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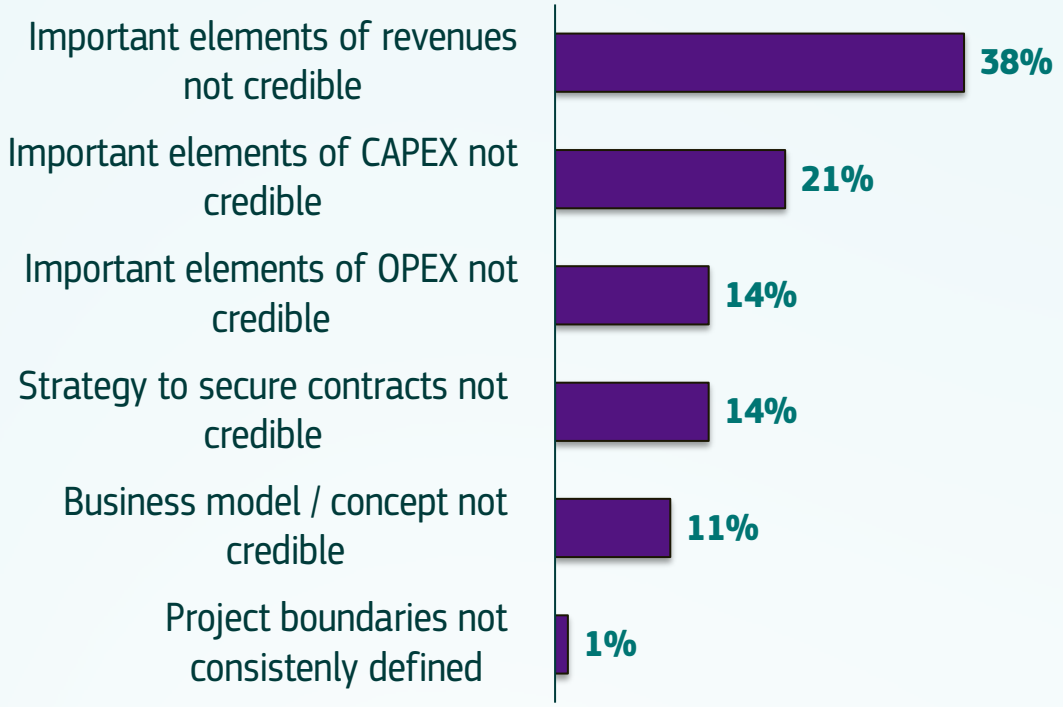
Lessons Learned IF23 Call

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

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

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



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

Main issues with the Financing Plan:

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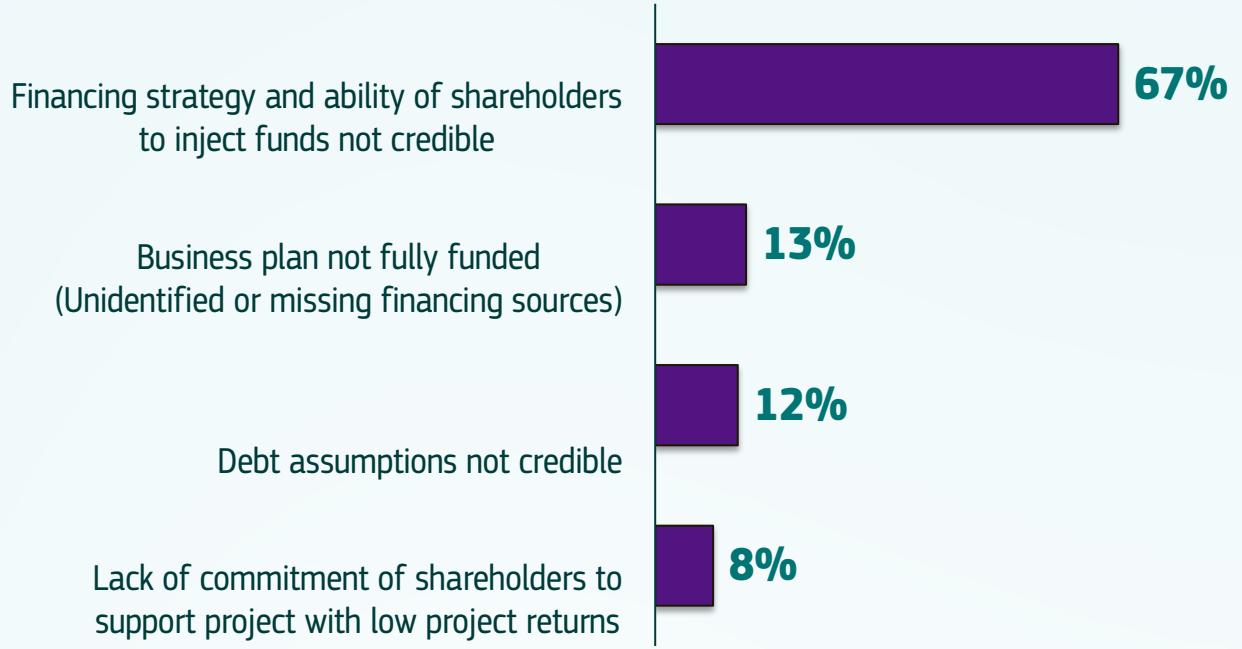
Lessons Learned IF23 Call

Main issues with **financing strategy**

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

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



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

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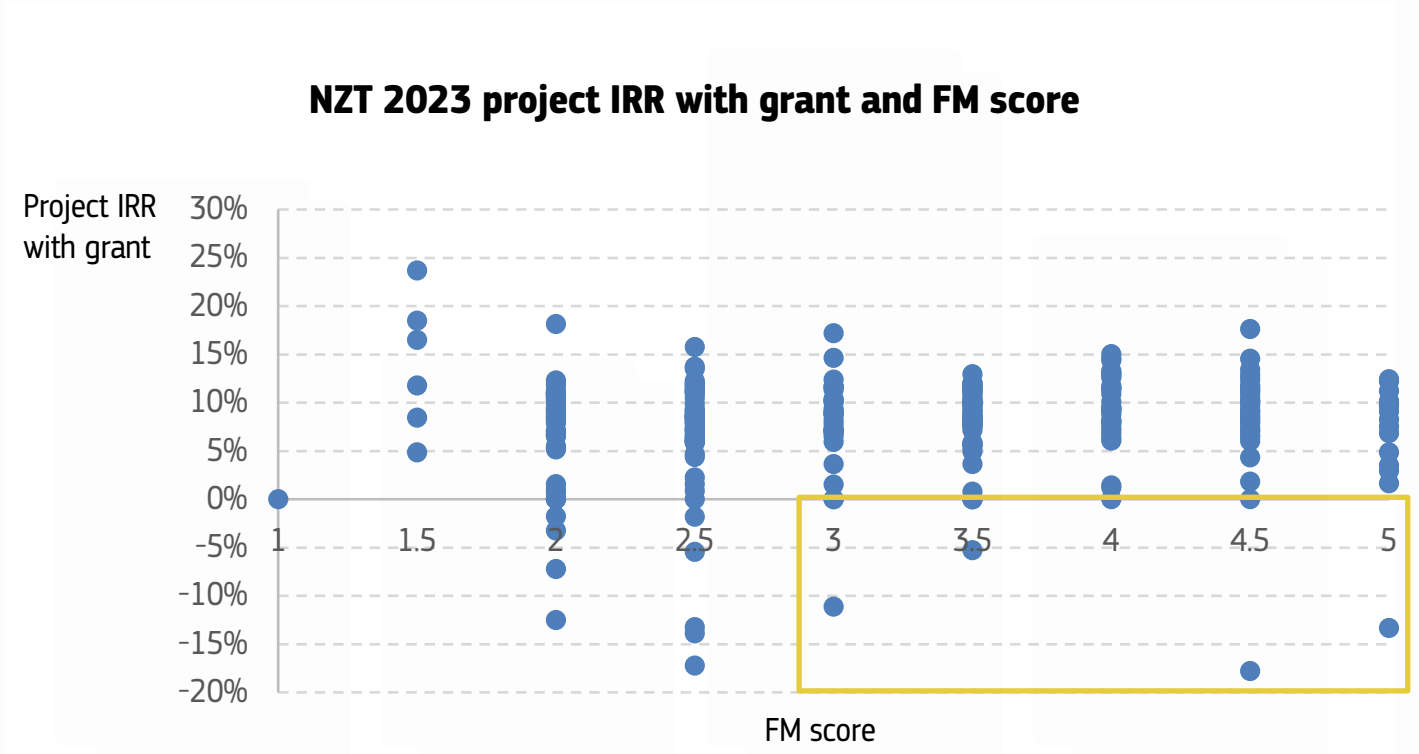
Funders commitment is important



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

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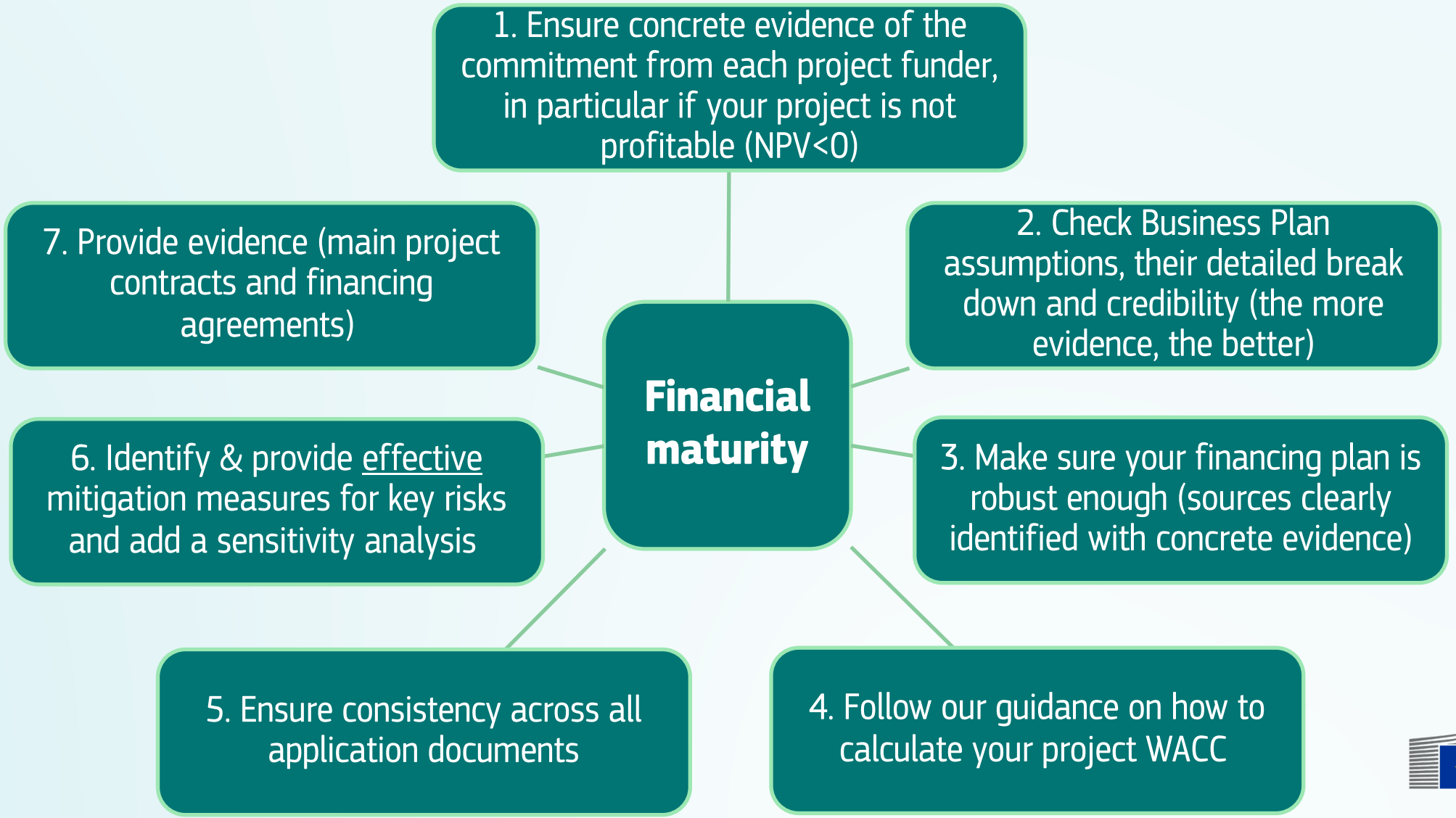
7 Golden Rules of Financial Maturity



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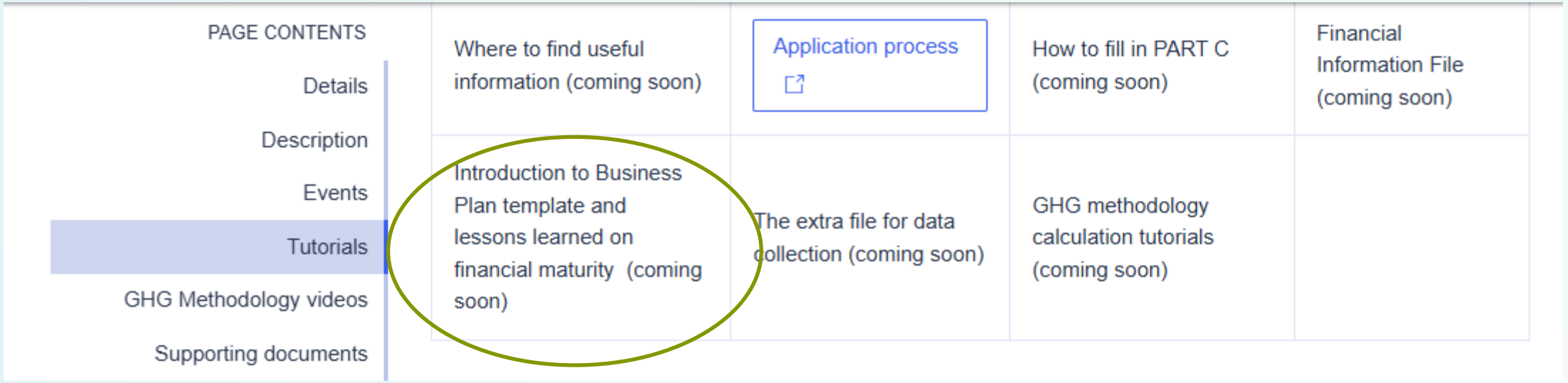
Financial Maturity tutorials (coming soon)



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

Cost efficiency

Alexandre COBBAERT, *Senior Financial Engineer*
CINEA - Financial Engineering, Business Intelligence & IT Unit

European Commission

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Cost efficiency: key points

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

- **Application Form Part B**
  Relevant cost and cost efficiency ratio (section 7.1)
- **Financial Information File ('FIF') / detailed financial model**
  To be filled completely – includes the Relevant cost calculator, the financial model Summary Sheet, the grant drawdown schedule **and the cost efficiency calculation**, Applicant's Financial Model (xls)
- **Other annexes** (see page 12 of call text)
  Only for projects using 'reference plant' calculation methodology for relevant costs

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Cost efficiency: key points

- **Cost efficiency is split in two sub-criteria:**
  - Cost efficiency ratio – based automatic score
  - Qualitative assessment on how the computation of Cost Efficiency ratio was made

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

  (a) for all topics except Pilots:

  - If cost efficiency ratio is *lower than or equal to* €200/tCO_2eq, score will be based on formula

    12 – (12 x (cost efficiency ratio/200)

  - If cost efficiency ratio is *higher than* €200/tCO_2eq, **proposal will be rejected (i.e. not considered for funding)**

  (b) for Pilots

  - If cost efficiency ratio is *lower than or equal to* €2000/tCO_2eq, score will be based on formula

    12 – (12 x (cost efficiency ratio/2000)

  - If cost efficiency ratio is *higher than* €2000/tCO_2eq, proposal gets zero score but is **NOT rejected**

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Cost efficiency

$$\text{Cost efficiency} = \frac{\text{Requested Innovation Fund grant + other public support (*)}}{\text{Absolute GHG emission avoidance}}$$

During 10 years after entry into operation

Maximum requested IF grant is 60% of total relevant costs

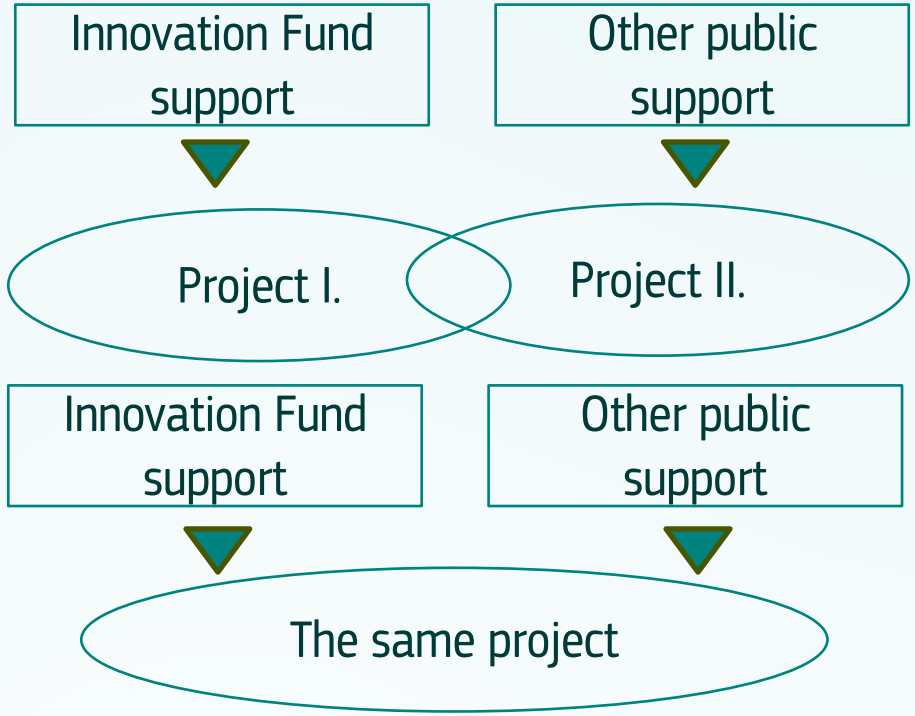
Applicants choosing not to apply for the maximum grant will be more competitive when ranked against other applicants in 'cost per unit performance' metric

(*)

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

When “other public support” is relevant

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



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What type of “other public support” is relevant

My project might receive other **PUBLIC SUPPORT**

- This public support is EU funding (e.g., LIFE, Horizon Europe, CEF) (*)
- This public support is national support
  - It is a general measure → No State aid ⟶ no need to include in CE
  - It is State aid, notified or not (*)
  - I don’t know if it is State aid or general measure → Ask your competent national authority, check the DG COMP registry: *https://competition-cases.ec.europa.eu/search*
- Free Allowances under ETS → Not State aid ⟶ no need to include in CE

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

Operational Maturity

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

European Commission

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Project Maturity: Operational Maturity

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

Operational Maturity

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

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

Operational Maturity

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

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

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

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Operational Maturity

Soundness of the public acceptance strategy

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

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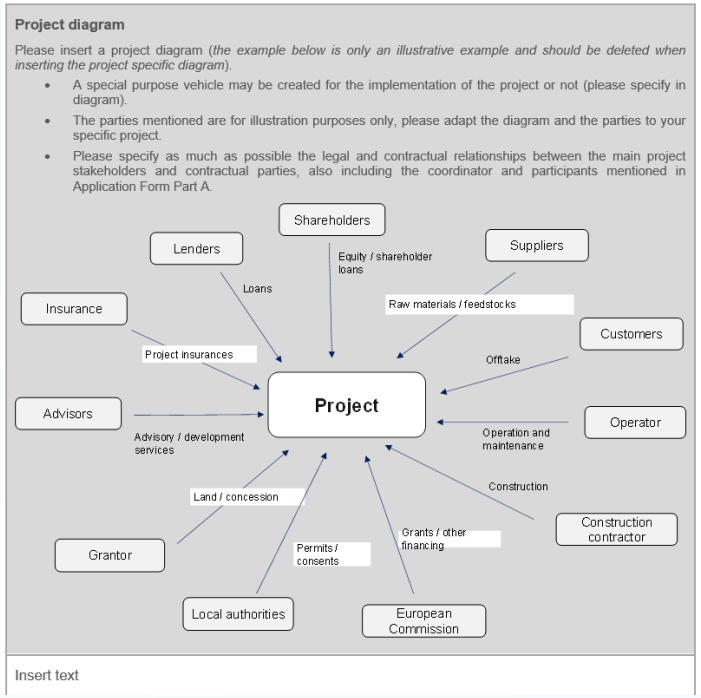
Operational Maturity

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

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



Operational Maturity

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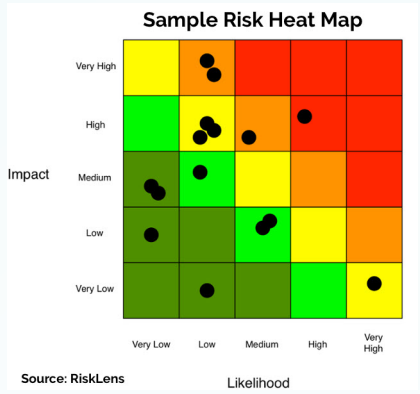
Operational risks and credibility of proposed mitigation measures

New

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

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



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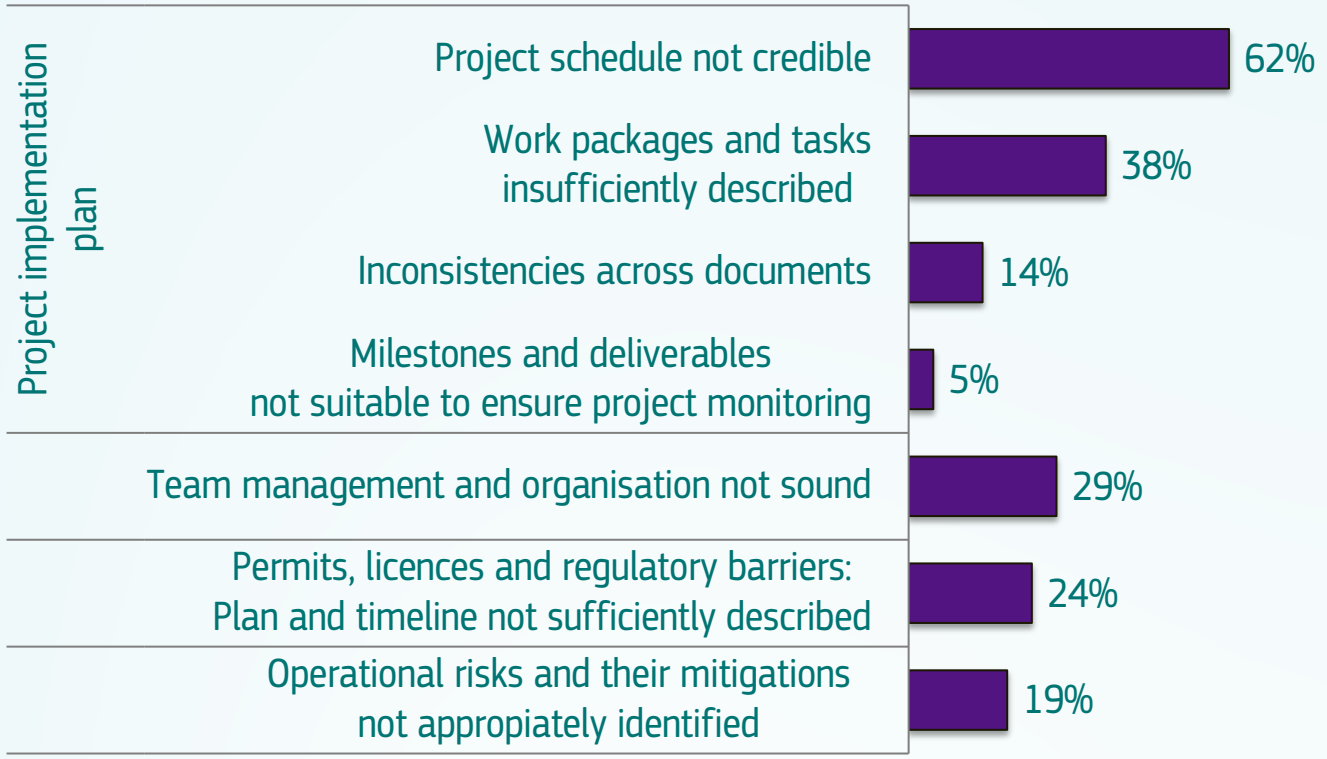
Operational Maturity: Lessons Learned IF23 Call

Key reasons for failure:

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

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



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Best practice – Operational Maturity

Operations

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

Timeline

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

Clear strategy

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

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

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Q&A session

Go to Slido.com

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Ask your question or vote for an existing one!

Or scan me

Recording will be available on CINEA website

Short break

We are back in 10 minutes

European Commission

Replicability

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

European Commission

Replicability

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- **Application form, Part B, sections:**
  - 5.1 - Replicability
  - 5.2 - Knowledge sharing — Communication, dissemination and visibility

The project proposals will be assessed based on quality, soundness and reliability of the information provided

Replicability

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Now split into 3 sub-criteria:

- Replicability in terms of efficiency gains and multiple environmental impacts
- Replicability in terms of further deployment
- Contribution to Europe's industrial leadership and competitiveness

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Efficiency gains and environmental impacts

- Explain how the project addresses possible resource constraints through:
  - efficient use of resources
  - reduction in consumption of critical raw materials
  - sustainable biomass and other scarce resources
  - or other ways to address resource constraints in terms of efficiency, circularity, recycling and recyclability of such resources
- Describe the potential or the proposed solution to address multiple environmental impacts (for example, increasing biodiversity protection, reducing land, air and water pollution)

Further deployment

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- Describe the potential of the proposed solution to be replicated in other sites:
  - Plans of transfer to other sites, regionally or across the EU/EEA economy or globally where relevant
  - Potential transfer beyond the sector, where relevant

  ➡ Substantiate the claimed potential, by providing data estimations on locations, budget allocation, products & production capacities, potential commercial activities and market share opportunities, sector coupling, cooperation with other actors of the regional economy and/or beyond.
- Provide an estimation of the related expected contribution to emissions avoidance
  - For example, number of potential replicable installations and resulting emissions avoidance; underpin your estimations with reliable and well substantiated assumptions
- Knowledge Sharing plan outline

Contribution to Europe's industrial leadership and competitiveness

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- Contribution to new industrial ecosystems (for example, clusters) or contribution to energy infrastructure development (i.e., projects connected to PCIs)
- Development of new technology/IP rights in EEA, cooperation with EEA universities, trainings and other actions to develop know-how in Europe during project's operation

Contribution to Europe's industrial leadership and competitiveness

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- Resilience and due diligence on the supply chain with reference to responsible sourcing of raw materials (namely: on governance, conflict risk, human and social rights, environmental performance and water risk):
  - Where relevant, describe how the project will reduce sourcing of final products or their components or critical raw materials from countries on which EU has dependency
- For maritime sector projects, ability to strengthen the EU's maritime transport value chain, including port activities, increased competitiveness and job creation in the EU maritime sector, demonstrated coordination on the development of Green Corridors (see Glossary in call text)

Contribution to Europe's industrial leadership and competitiveness - examples

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Good practice - evidence

V Project will work suppliers, which are part of the same industrial cluster – evidenced by a MoU/LoI already signed

V Suppliers are named in the application

V Projects will be connected to PCIs, European hydrogen backbone

V Partnership with university will be put in place – evidenced by a MoU/LoI already signed

V Clearly described training programme for workers is a dedicated work-package

V Training programme for workers will be put in place providing certification scheme (scheme is briefly described in the application)

Ambiguous claims - to avoid

X "Project aims to work with local suppliers and can mobilise new partnerships"

X Claims on possible future suppliers are not substantiated

X "Project aims to support R&D in the sector and will invest part of its profits into technology development"

Contribution to Europe's industrial leadership and competitiveness - examples

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New

Good practice - evidence

V Project/consortium members participate in voluntary initiatives on due diligence, e.g. Initiative for Responsible Mining Assurance (IRMA), Responsible Minerals Initiative (RMI), International RBC Agreement for the Renewable Energy Sector

V Project has signed a MoU with a recycling partner for the critical raw materials used

Project has dedicated risk mitigation measures (described in the application) to ensure resilience of supply chains.

V Project will reduce sourcing of final products/components from countries that EU has dependency (e.g. in solar industry, for permanent magnets) – evidenced by MoUs signed

Ambiguous claims - to avoid

X "Project will create many jobs for running the installation"

X "Project will provide training opportunities for the employees"

X Project will be part of annual corporate report on Corporate Social Responsibility

X "Project will pay necessary attention to resilience of supply chains"

X "Project will contribute to Net Zero Industry Act benchmarks for clean-tech"

Knowledge sharing
Communication, dissemination and visibility

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New

Knowledge sharing plan no longer mandatory annex, **outline** mandatory in Application Form Part B (5.2).

Knowledge sharing goals:

- De-risking innovative low-carbon technologies with regard to wide-scale commercialisation
- Acceleration of deployment
- Increasing the undertaking of, and confidence in these technologies by the wider public
- Maintenance of a competitive market for the post-demonstration deployment of the technologies

Guideline:

- Check thoroughly **Annex 2** in call document
- Please refer to the "**Knowledge Sharing report template**" available on the Funding & Tenders portal **for information only at submission stage** to better understand the information to be provided during project implementation
- Confidentiality will be ensured!

Knowledge sharing

Communication, dissemination and visibility

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- Outline activities, content, tools, channels and target groups for knowledge-sharing that go beyond the mandatory knowledge-sharing requirements (such as reporting and participation in knowledge-sharing events organised by the granting authority). For example:
  - participation and organisation of technical and scientific events, trainings, lectures
  - participation in working groups and discussion forums
  - organisation of site visits, construction of a visitors centre, etc.
- Describe how the visibility of EU funding will be ensured
- Quality, soundness and reliability of the information should be provided

NOTE: For successful projects, a detailed knowledge sharing plan has to be provided as deliverable in month 1 (see section 10 of the Call document)

Bonus points

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

European Commission

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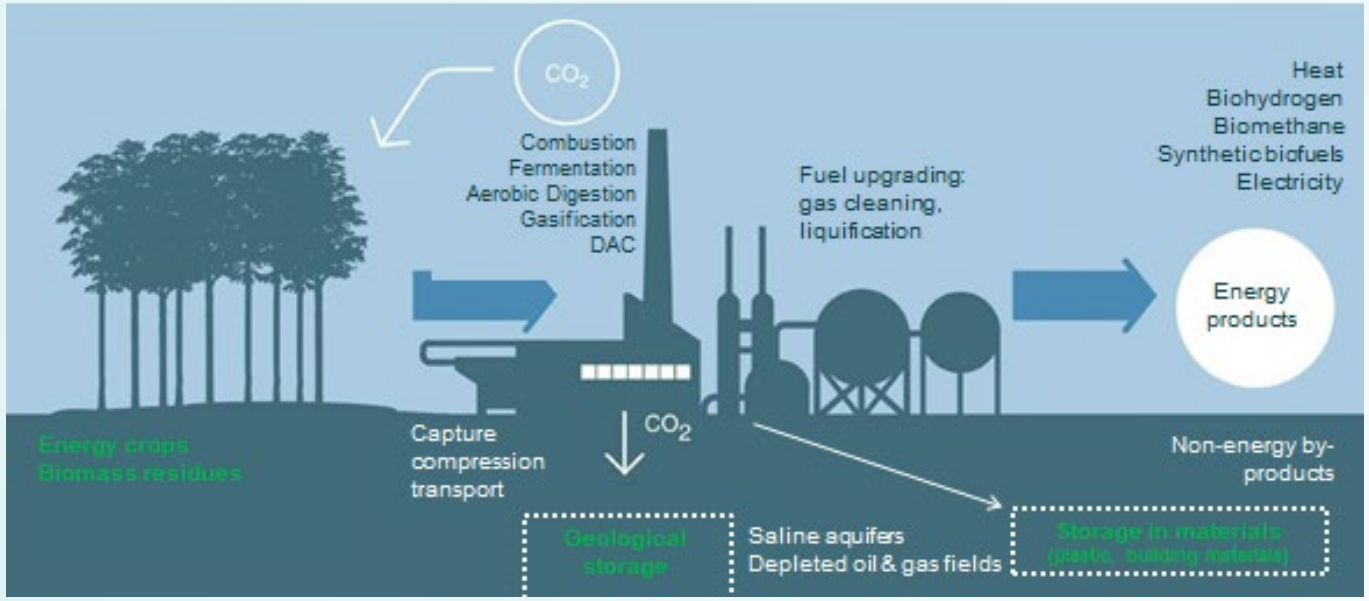
Bonus Point 1: net carbon removal



- Application form, Part B, Section 8
- Template GHG emission Calculator
  Tab "Net carbon removals"

- The **total project emissions should be negative**
- For EII projects, negative emissions can only be claimed **excluding any credit for timed operation**
- For EII projects: the non-principal products are **not allowed to be the only source** of negative emissions in the projects

Bonus Point 2: other GHG emission savings

Other GHG savings from emissions sources that go **beyond** the boundaries established in the Innovation Fund GHG calculation methodology for the given sector, such as:

- Emissions due to transportation of raw materials or finished products,
- Waste management,
- Upstream emissions of fuels, etc.

- Application form, Part B, Section 8
- Template GHG emission Calculator Tab "Other GHG savings"

Bonus point 3: use electricity from additional renewable sources or use of RFNBOs

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- Application form, Part B, Section 8

Only for projects where the main innovation relies on electricity use or RFNBOs consumption.

Commitment to use electricity from additional renewable sources or to use RFNBOs:

- Projects implementing innovative technologies on electricity consumption that demonstrate the use of electricity of renewable origin from additional sources*, either
  - coming from project's own installation or
  - procured via the grid, e.g. via Power Purchasing Agreements (or MoUs or LoIs for such PPAs).
- Projects that propose to consume **RFNBOs** as defined in the Renewable Energy Directive 2018/2001 and its Delegated Regulations on methodology for RFNBOs.

* Alignment with the Commission delegated regulation 2023/1184 of 10 February 2023 to the Renewable Energy Directive 2018/2001 on the definitions of "additional renewable electricity" (see Article 5) must be demonstrated.

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Bonus point 4: maritime sector projects

Only for projects in the maritime sector!

- Projects that have a demonstrated potential for decarbonising the maritime sector and reducing its climate impacts.

- Application form, Part B, Section 8

Mandatory milestones and deliverables

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

European Commission

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Mandatory milestones and deliverables

- **Application form, Part B, sections:**
  - 9.1 - Work Plan
  - 9.2 – Work Packages, activities, resources and timing
- **Timetable-Gantt chart** (mandatory document)

Work plan (overview of work packages, milestones and deliverables)

Provide a brief description of the overall structure of the work plan (list of work packages or graphical presentation (Pert chart or similar)).

List the work packages, their duration (from Month YX to month YX, relative to the starting date of the InnovFund project, e.g., Month 01 is the starting month of the project, etc.), and related deliverables and milestones for each work package below. These should be consistent with the detailed work package descriptions in section 9.2.

More work packages, deliverables and milestones can be added by adding rows to the table. Add to each milestone the means of verification of its achievement.

Work package	**Duration**	**Deliverable** (continuous numbering linked to WP)	**Milestones** (continuous numbering not linked to WP) and their means of their verification
Work package 1: [name of the work package]	YX - YX	D1.1, D1.2 ….	MS1, MS2 ……
		…	
Work package 2: [name of the work package]	YX - YX	D2.1, D2.2 ……	MSX, MSX+1 …….
…			

Work Package 1:
Up to Financial Close

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Milestones	Deliverables (mandatory)	Timeline
• Milestone 1: Project planning approved (indicative) • Milestone 2: Project authorisation granted, including permits (indicative) • Milestone 3: Main project contracting closed (indicative) • Milestone 4: Project financing means granted and available (indicative) • Milestone 4: Financial Close (**mandatory**)	Detailed project management plan	Month 1
	Final version of the financial model	Month 1
	Knowledge sharing plan	Month 1
	Knowledge sharing report	Month 1
	Updated Knowledge sharing report	At financial close
	Progress reports	Every 6 months, except when there is an interim payment
	First update to the detailed project management plan	At financial close
	All key documents necessary to verify achievement of financial close	At the latest at financial close

Work Package 2:
From Financial Close to Entry into Operation

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Milestones	Deliverables (mandatory)	Timeline
• Milestone 4: Site preparation (indicative) • Milestone 5: Construction (indicative) • Milestone 6: Pre-commissioning (indicative) • Milestone 7: Signing of operation and maintenance agreements (indicative) • Milestone 8: Commissioning, start-up and testing (indicative) • Milestone 9: Entry into Operation (mandatory)	Annual progress reports	Every year, except when there is an interim payment
	Statement by independent auditor on correctness of the relevant cost calculation	At least 2 months before entry into operation
	Operational readiness and completion certificate	At entry into operation
	Updated Knowledge sharing report	At entry into operation
	Updated Knowledge sharing plan	At entry into operation
	GHG monitoring plan	At entry into operation
	Second update to the detailed project management plan	At entry into operation

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Work Packages after Entry into Operation

Milestones	Deliverables (mandatory)	Timeline
	WP 3: Year 1 of Operation	
Milestone 10: End of first year of operation (**mandatory**)	Annual GHG emissions report	At the end of the year of operation
	• Updated Knowledge sharing report • Knowledge sharing plan	At the end of the first year of operation and then every two years
	WP 4: Year 2 of Operation	
Milestone 11: End of second year of operation (**mandatory**)	Annual GHG emissions report	Mandatory deliverable at the end of the second year of operation

Work Packages after Entry into Operation (cont.)

Milestones	Deliverables (mandatory)	Timeline
	WP N: Last year of operation	
Milestone X: end of last year of operation (**mandatory**)	• Annual GHG emissions report • Verified GHG emissions report covering the entire monitoring period • Updated Knowledge sharing plan • Updated Knowledge sharing report • Final report on the fulfilment of 'Degree of Innovation' and 'Replicability' claims • for CLEAN-TECH-MANUFACTURING topic only: declaration on equipment/components EEA-originating content	Mandatory deliverables at the end of last year of operation

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Q&A session

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Recording will be available on CINEA website

Closing remarks

Maria ALFAYATE, *Deputy Head of Unit*
CINEA - Innovation Fund Unit

European Commission

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Join as project evaluator for Innovation Fund

- Technical expert
- Financial expert
- GHG expert
- Rapporteur

Sign up as an Expert (europa.eu)

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Reply to the questions (less than 5 minutes)

Thank you!

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More information

All (past) call documents available on the Funding and Tenders Portal including:

- ✓ Guidance and calculation tools on GHG emissions and relevant costs
- ✓ Frequently asked questions

https://europa.eu/!QB67by

Further info, planning of new calls, recorded webinars and videos available on the IF Website:

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

And more videos available on YouTube:

https://youtube.com/playlist?list=PLrp3luGqStFA2fAgz86AsmVp8dXp5kPIG&si=h2W68TyCZJKemcjH

Sli.do #IF24Call

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Thank you