INNOVATION FUND
Large-scale call statistics

Update after the evaluation of proposals

2021 Call

European Commission

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1. Overall results

Overall results from the 2nd large-scale call for proposals

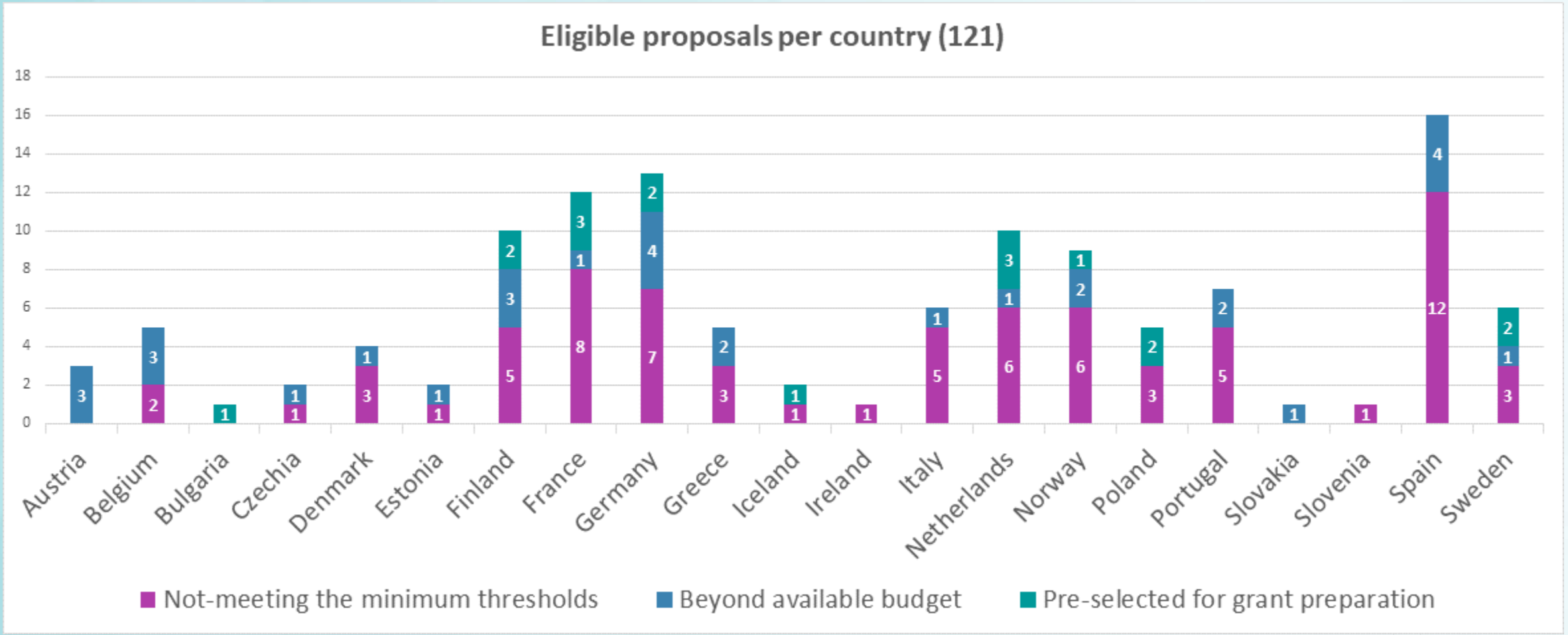
- 139 proposals were submitted by 3 March 2022
  2 withdrew

  121 proposals were eligible and evaluated
  48 were above minimum requirements

  17 top-ranked proposals were pre-selected for a grant
  requesting over €1.8 billion in total
  with potential to avoid 140 MtCO2eq over the first 10 years of operation

OVERALL RESULTS: Results by country

COUNTRY COVERAGE WAS HIGH (21 OUT OF 29 COUNTRIES)



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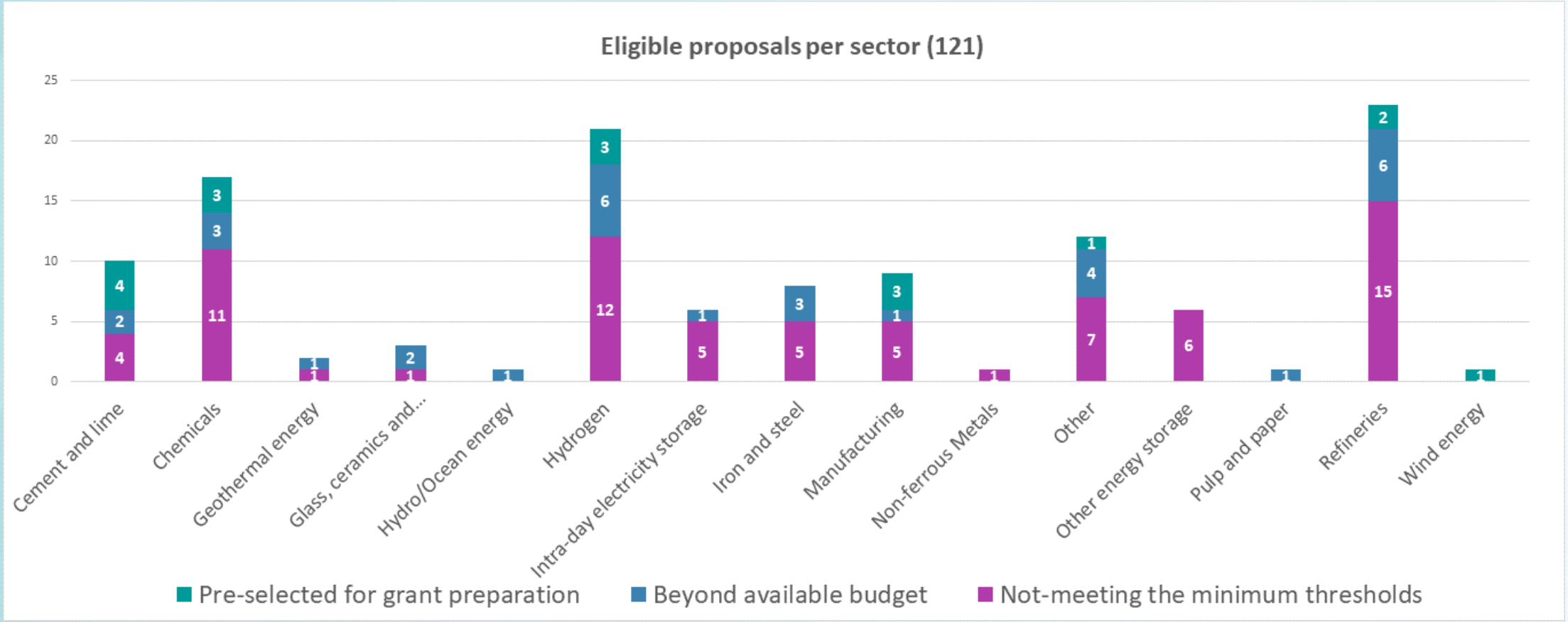
OVERALL RESULTS: Results by sector

SECTOR COVERAGE WAS GOOD WITH BIG REPRESENTATION OF 3 SECTORS (CHEMICALS, H_2 & REFINERIES)



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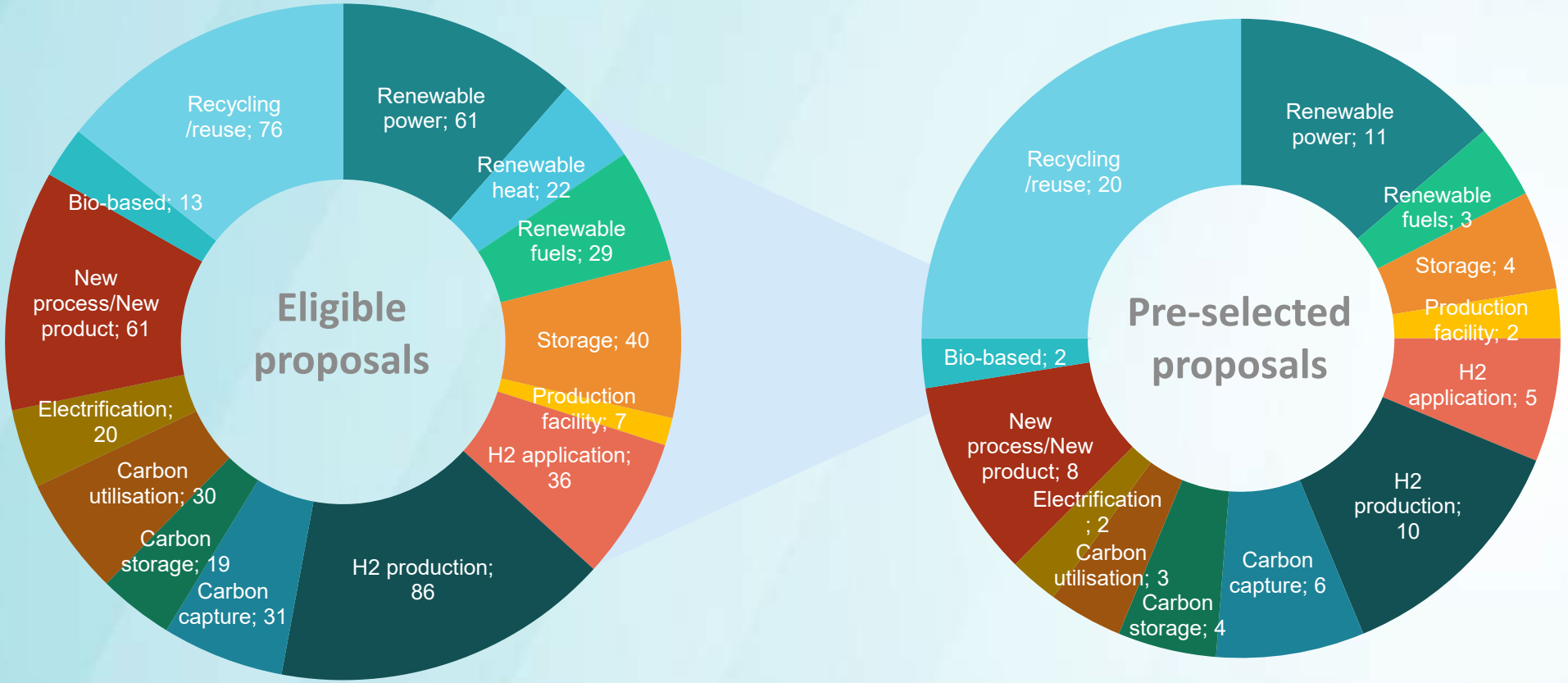
OVERALL RESULTS: PROPOSALS BY MITIGATION PATHWAYS

"MITIGATION PATHWAYS" COVERED BY PROPOSALS



- The graphs shows the number of "climate mitigation pathways" from projects included in all eligible and pre-selected proposals.
- The climate mitigation pathways describes the technology of the project that leads to the GHG emissions avoidance. A project can have one or several pathways.

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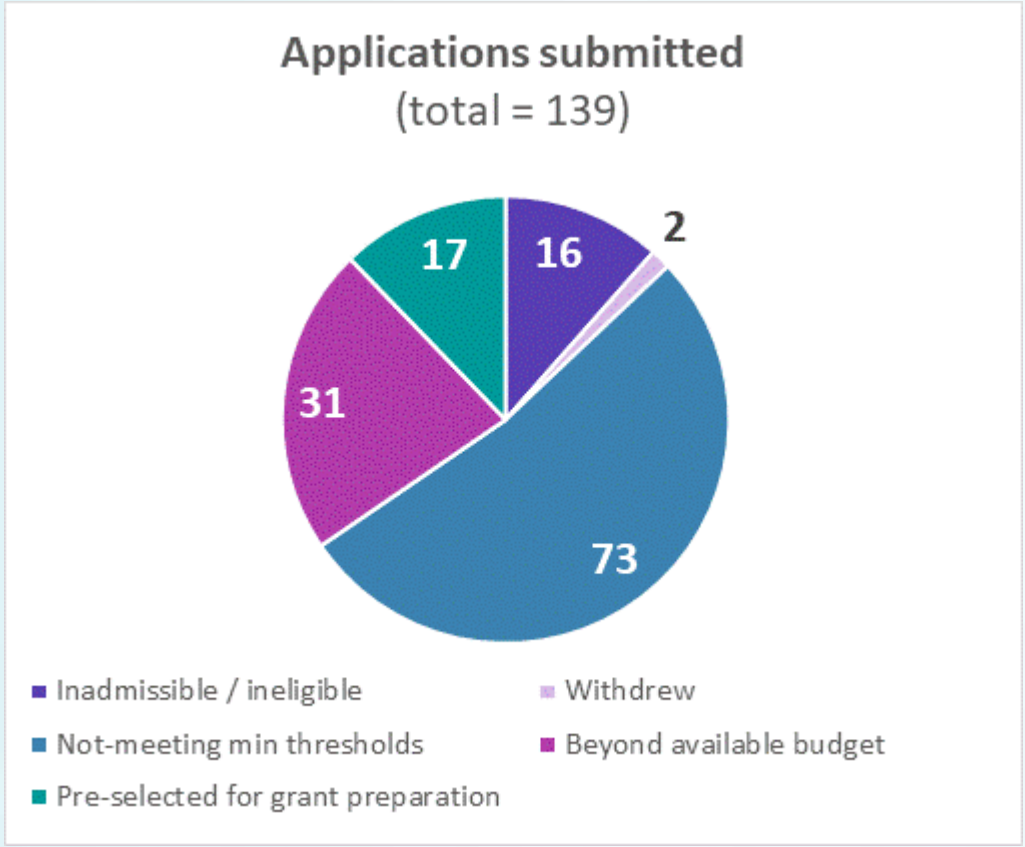
2. Overview of the applications received

OVERVIEW OF THE APPLICATIONS RECEIVED

MANY HIGH-QUALITY PROPOSALS WERE RECEIVED

- **17** best scoring proposals that fitted the available budget were **pre-selected** for grant preparation.
- A further **31** proposals met all requirements but could not be funded due to budget constrains (**beyond available budget**).
- **73** proposals did not pass all evaluation thresholds or included manifest errors (**not meeting min thresholds**).
- **16** proposals were **inadmissible or ineligible**, and **2** proposals were **withdrawn**.
- **18 proposals** were proposed by evaluators for **project development assistance**, results to be public in mid-December 2022 following EIB review



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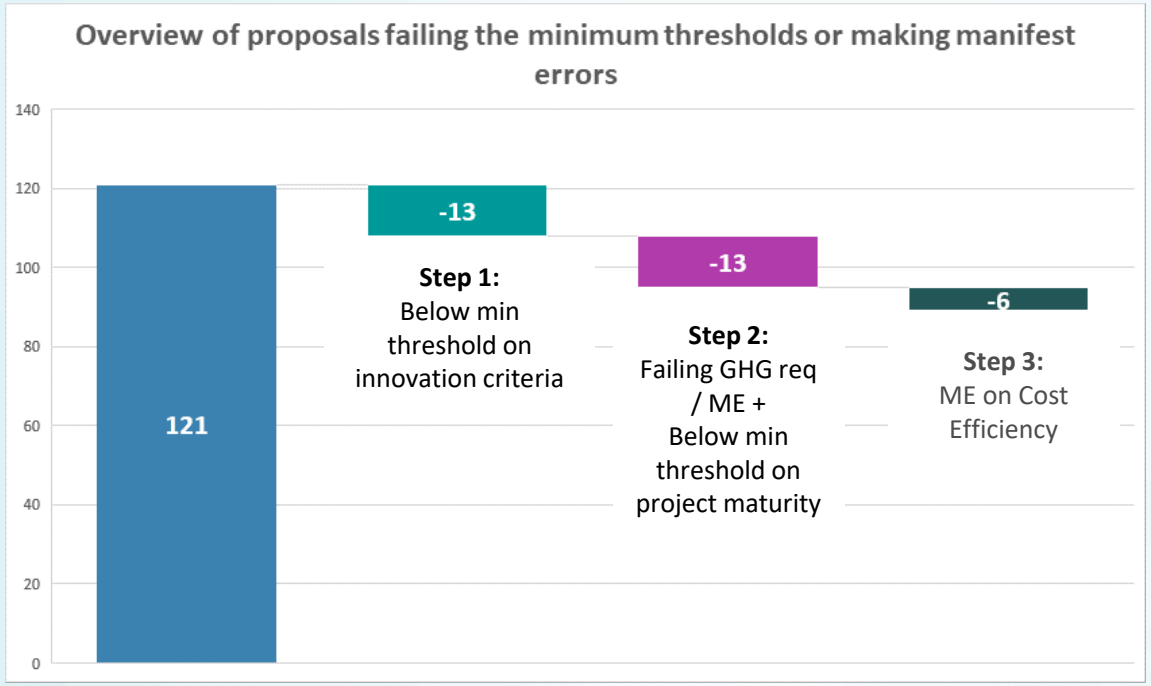
OVERVIEW OF THE APPLICATIONS RECEIVED

PROPOSAL THAT DID NOT MEET MINIMUM THRESHOLDS ON SPECIFIC CRITERIA WERE NOT FURTHER EVALUATED (EVALUATION CASCADE)

- 121 eligible and admissible proposals were evaluated.
- Evaluation step 1: 13 proposals did not meet the minimum thresholds on **Degree of Innovation**, leaving 108 proposals for further evaluation.
- Evaluation step 2:
  - 5 proposals failed the **GHG Avoidance** requirements or made a Manifest Error, and,
  - 8 proposals did not meet the minimum, thresholds on overall **Project Maturity,**
  - leaving 95 proposals for further evaluation.
- Evaluation step 3: 6 proposals made a Manifest Error on **Cost Efficiency.**

➢ **89 proposals were evaluated on all criteria**



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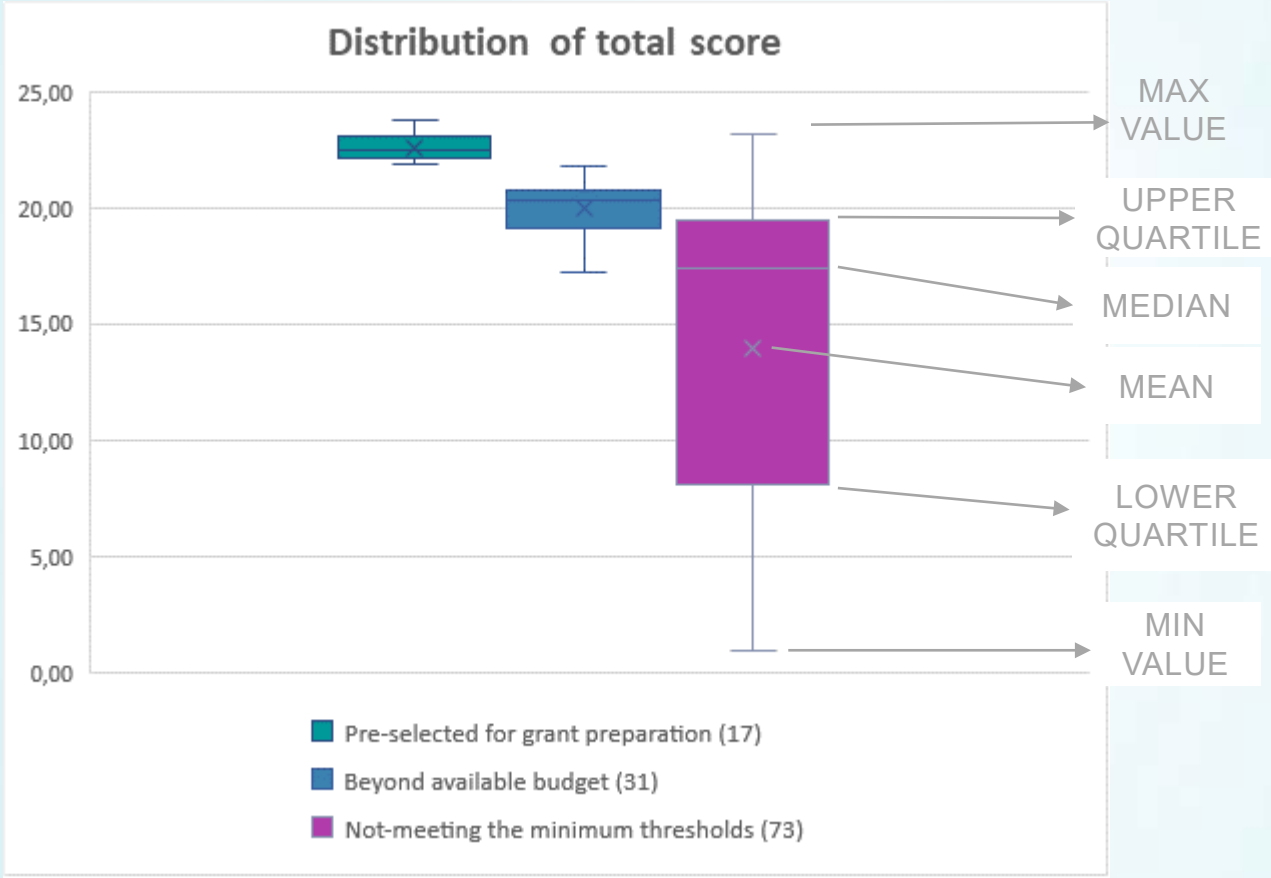
3. Learnings from the results

LEARNINGS FROM RESULTS – TOTAL SCORE

THE BEST SCORING PROPOSALS WERE PRE-SELECTED

- The 17 pre-selected proposals presented **high and homogenous quality levels** and scored high on all criteria.
- Many pre-selected proposals were **resubmissions** from the 2020 LSC call.
- Most of the proposals which fell below the budget threshold also performed very well. These proposals have the **opportunity to improve their application** and potentially become successful in future IF calls, except for proposals with a relatively low degree of innovation.



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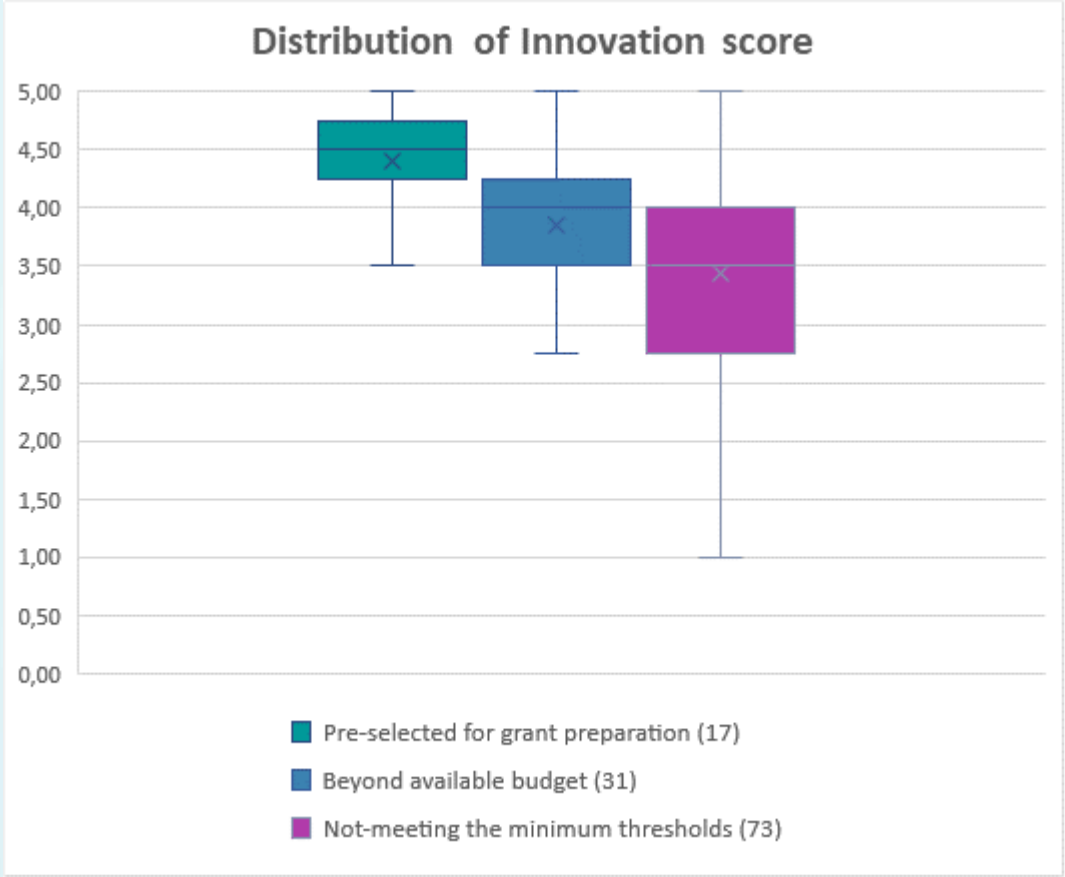
3.1 Degree of Innovation

LEARNINGS FROM RESULTS – DEGREE OF INNOVATION CRITERION

MANY PROPOSALS ACHIEVED A HIGH OR VERY HIGH SCORE ON DEGREE OF INNOVATION

- Proposals in general presented a **high degree of innovation** (average of all applications >3.5).
- More than 75% of **pre-selected proposals** achieved a **score of 4 or higher**.
- 50% of **proposals beyond available budget** also achieved a **score of 4 or higher,** showing an opportunity for resubmission in the future if they improve on other criteria.
- The **chemicals sector** had the most proposals of any sector reaching a score of 5, whereas the **hydrogen projects** scored on average lower than the rest of the proposals.



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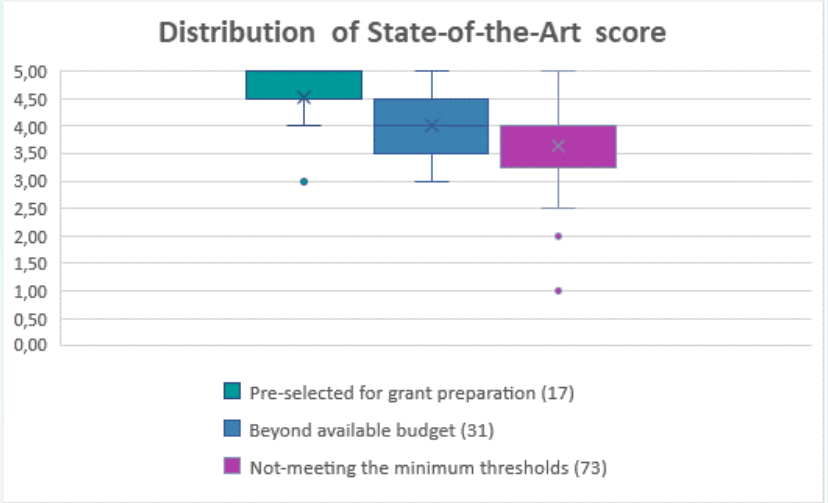
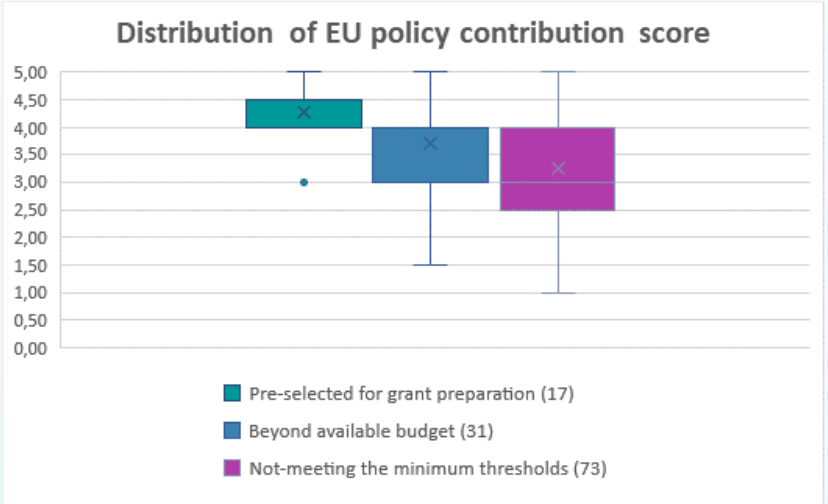
LEARNINGS FROM RESULTS – DEGREE OF INNOVATION SUB-CRITERIA

NEARLY ALL PRE-SELECTED PROPOSALS ACHIEVED HIGH SCORES IN BOTH SUB-CRITERIA

- Degree of Innovation Sub-Criteria are "**State-of-the-Art" and "EU Policy contribution".**
- Most pre-selected proposals achieved a very high score on going beyond the **State-of-the-Art** sub-criterion (mean at 4.5).
- 25% of the proposals that met all thresholds, but were beyond the available budget, also scored 4.5 or above.
- **13 proposals did not meet the minimum threshold** for going beyond the State-of-the-Art sub-criterion.
- The difference between pre-selected proposals and others is important on the **EU Policy contribution** sub-criterion, with nearly all pre-selected proposals achieving a score of 4 or above – this was not seen in non-selected proposals.





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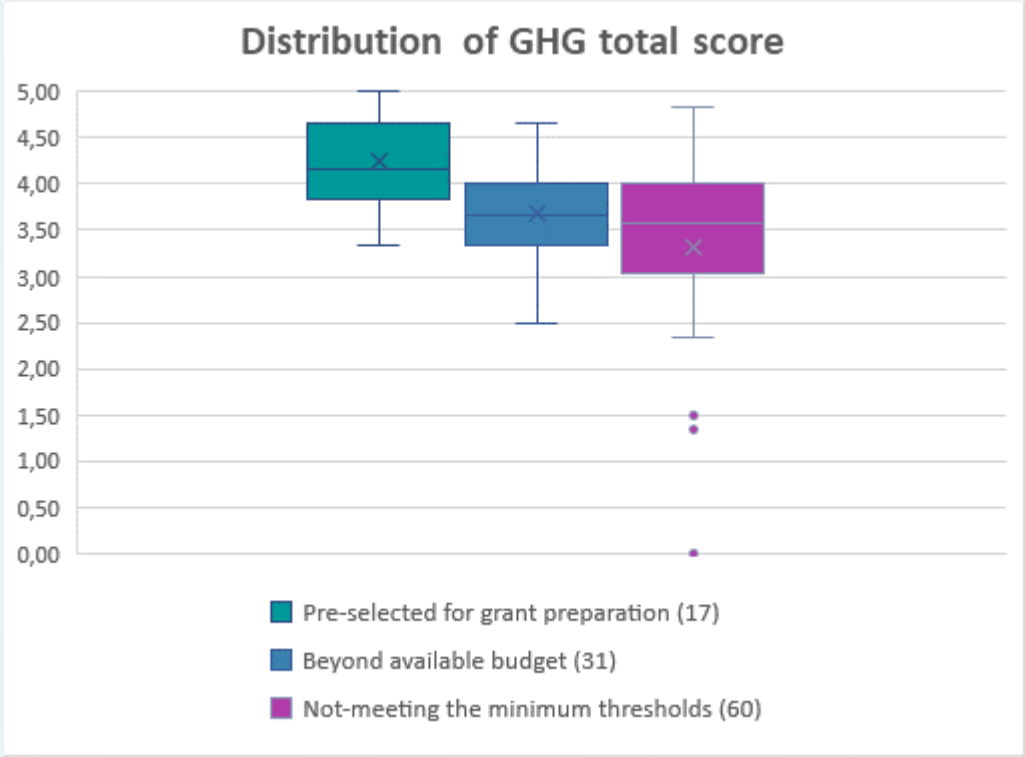
3.2 GHG emissions and project maturity

LEARNINGS FROM RESULTS – GHG EMISSIONS AVOIDANCE CRITERION

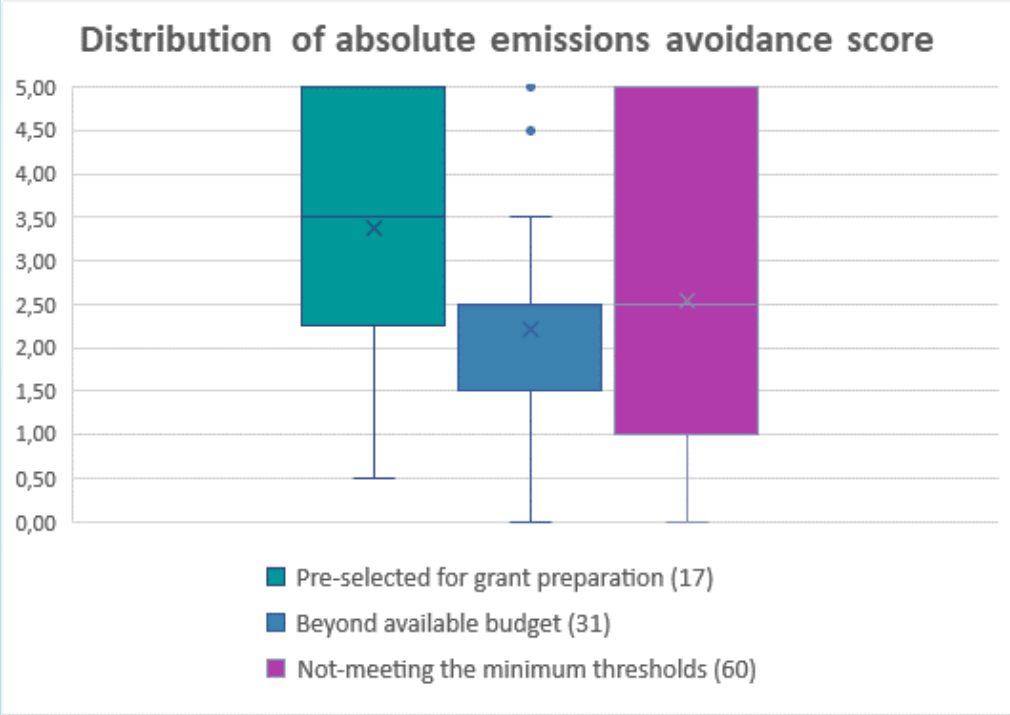
THE SPREAD OF SCORES ON GHG EMISSIONS AVOIDANCE WAS QUITE LARGE

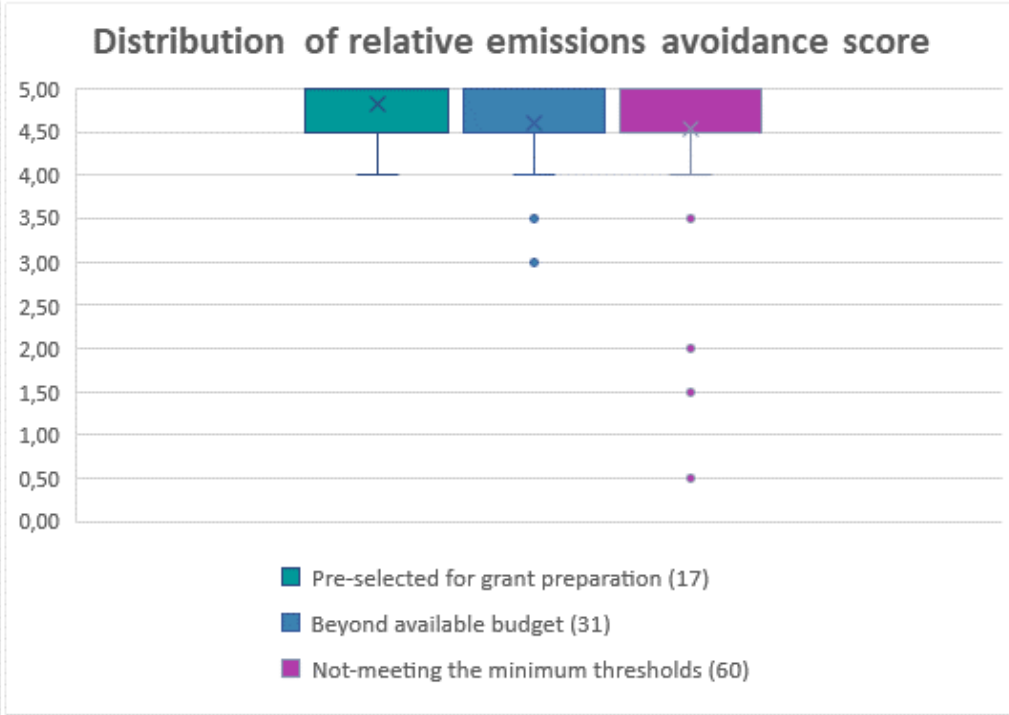
- Most pre-selected proposals achieved high scores on GHG emissions avoidance (75% achieved 4 or above).
- Spread of scores was quite large for proposals that were not pre-selected, with many proposals achieving high scores (25% scoring 4 or above).
- 5 proposals failed on meeting the GHG emissions avoidance minimum requirements or presented manifest errors (lower than in previous calls).



LEARNINGS FROM RESULTS – GHG EMISSIONS AVOIDANCE CRITERION

RESULTS ON ABSOLUTE GHG AVOIDANCE REFLECT THE DIVERSITY OF SIZE OF PROPOSALS INCLUDING IN THE PRE-SELECTED



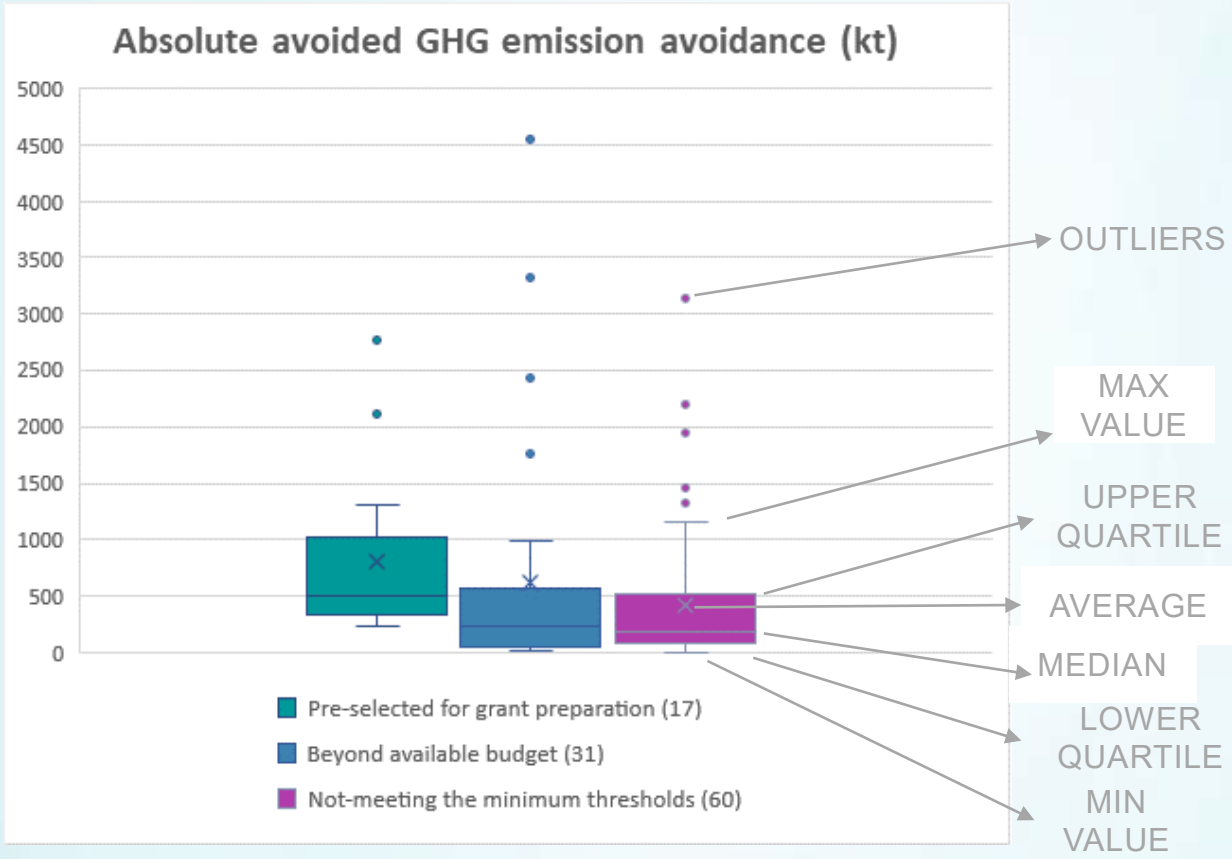


- Similar to previous calls for proposals, the spread of scores on absolute emissions avoidance was very large but the spread for relative emission avoidance is very narrow (also due to the scoring approach).

LEARNINGS FROM RESULTS – GHG EMISSIONS AVOIDANCE CRITERION

PRE-SELECTED PROPOSALS INCLUDE LARGE BUT ALSO SMALLER PROJECTS

- Absolute avoided GHG emissions in the 17 proposals pre-selected for grant preparation (calculated over 10 years):
  - 2 proposals > 2,000 kt
  - 3 proposals < 2,000 kt and > 1,000 kt
  - 4 proposals < 1,000 kt and > 500 kt
- In general, pre-selected proposals had higher levels of absolute avoided GHG emissions than other proposals (average = 800kt).
- Some of the pre-selected proposals still had low level absolute avoided GHG emissions (score between 0.5 and 2) but could compensate with high score on other criteria.
- A large number of pre-selected proposals address highly emitting sectors: chemicals, cement & lime, refineries.



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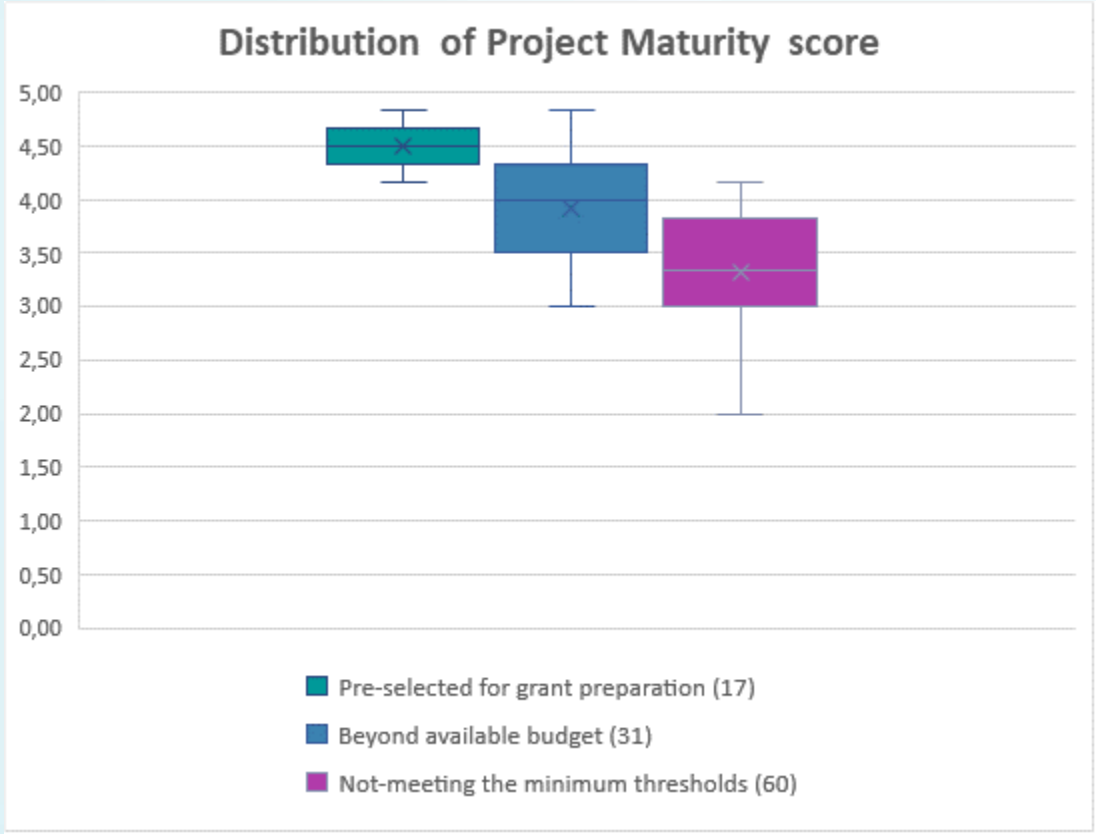
LEARNINGS FROM RESULTS – MATURITY CRITERION

MATURITY SCORES HAVE IMPROVED COMPARED TO PREVIOUS CALL RESULTS

- The results of the Project Maturity criterion have increased compared to the previous call.
- Maturity scores from previous pre-selected proposals ranged from 3.2 to 4.5 (the lowest level among all criteria). In the current round, pre-selected proposals achieved maturity score from 4.1 to 4.8.
- Pre-selected proposals with the highest maturity scores are from the hydrogen sector.



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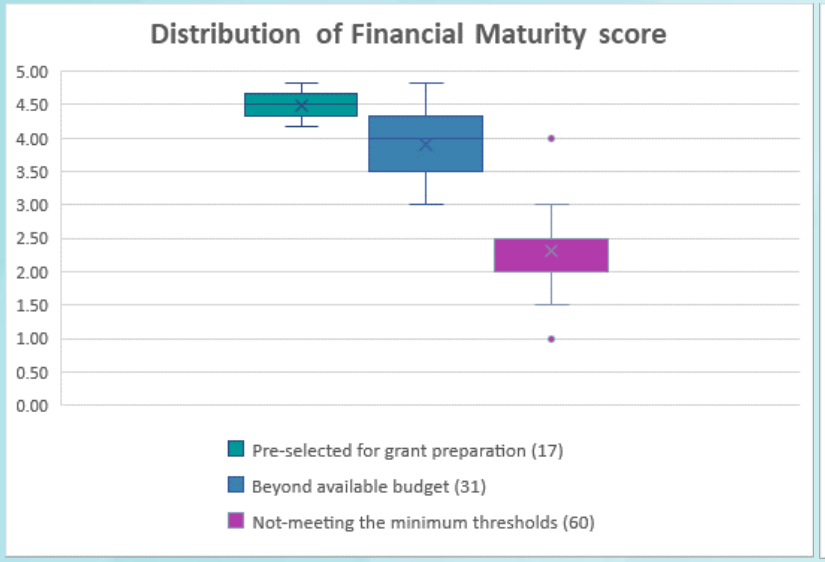
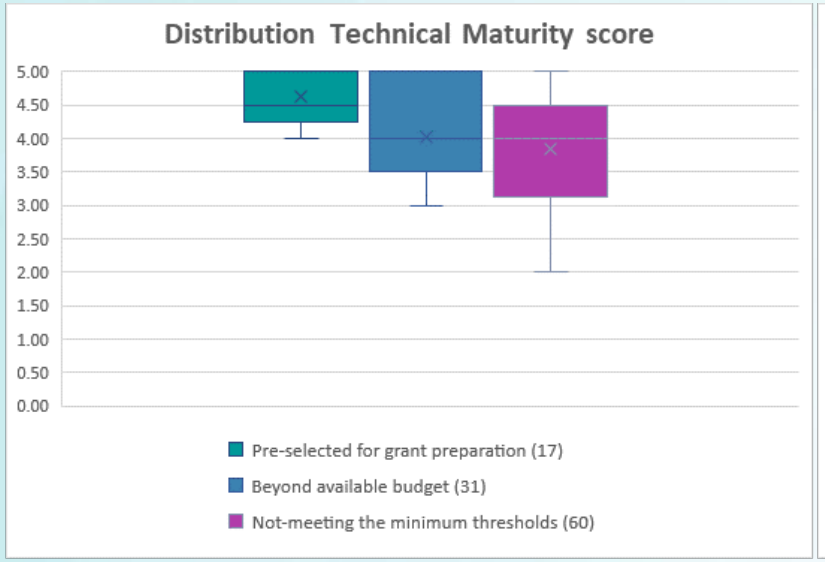
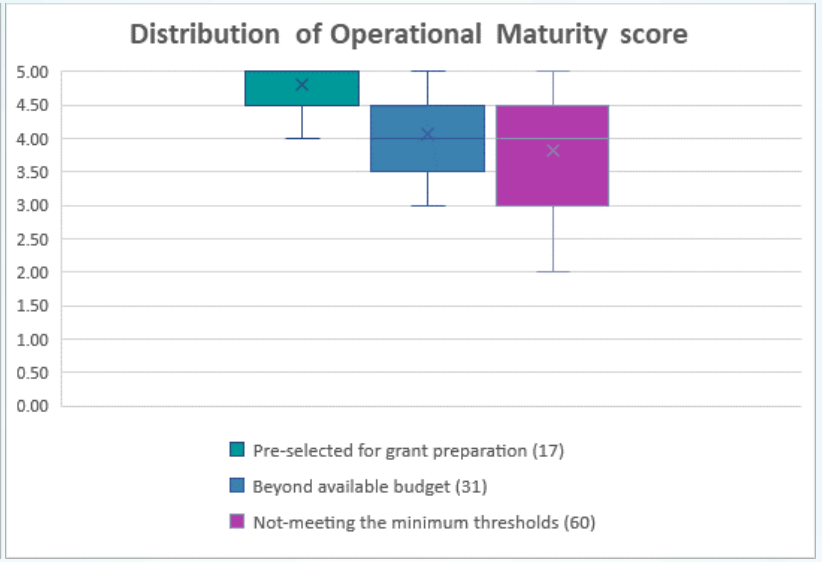
LEARNINGS FROM RESULTS – MATURITY CRITERION

FINANCIAL MATURITY WAS THE SUB-CRITERION FAILED BY THE LARGEST NUMBER OF PROPOSALS







- Similar to previous calls for proposals, **financial maturity** was the differentiating sub-criterion, as the minimum threshold was failed by 52 proposals (2.5 or below).
- 11 proposals failed **technical maturity** minimum threshold (2.5 or below) and 10 failed **operational maturity** minimum threshold (2.5 or below).

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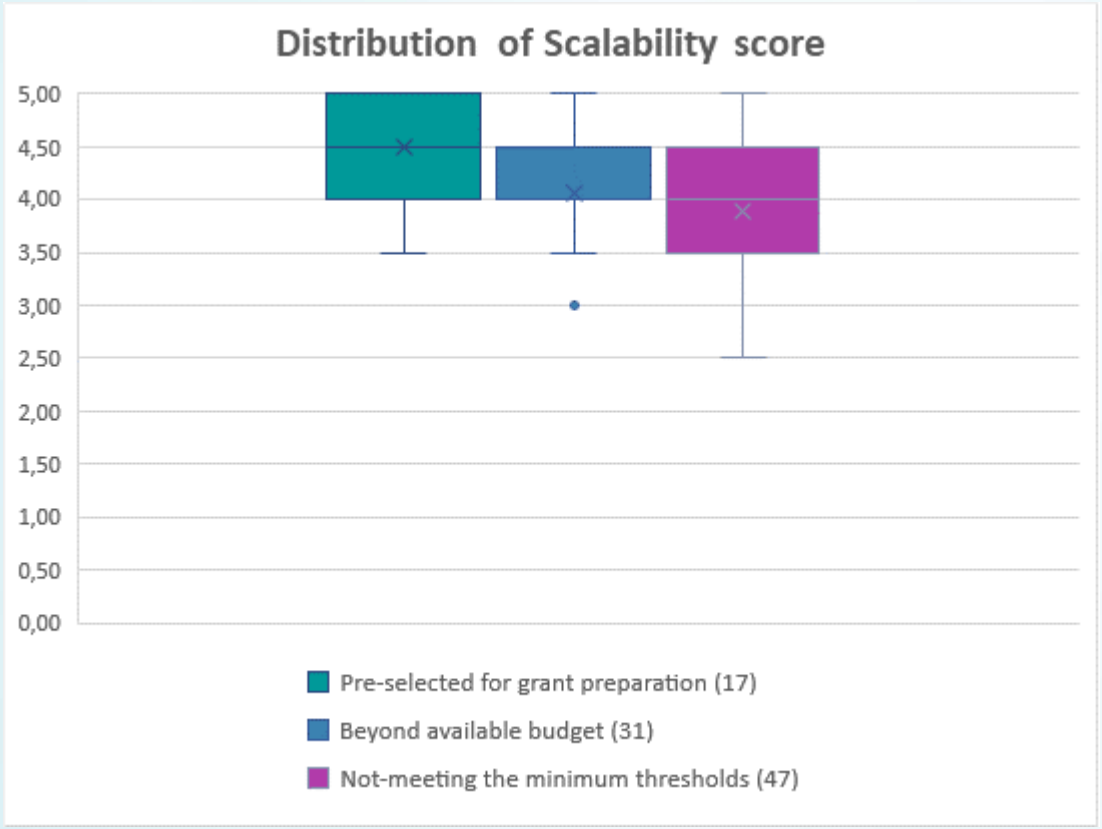
3.3 Scalability and cost efficiency

LEARNINGS FROM RESULTS – SCALABILITY CRITERION

MOST PROPOSALS ACHIEVED A HIGH SCORE ON THE SCALABILITY CRITERION

- Pre-selected proposals achieved scalability scores of between 3.5 and 5, with 75% scoring 4 or above
- Proposals beyond the available budget also scored high (only 1 proposal <3.5). 1 failed the scalability criteria.
- The spread of scores across the 95 proposals was low, projects tended to be considered very scalable across the board.



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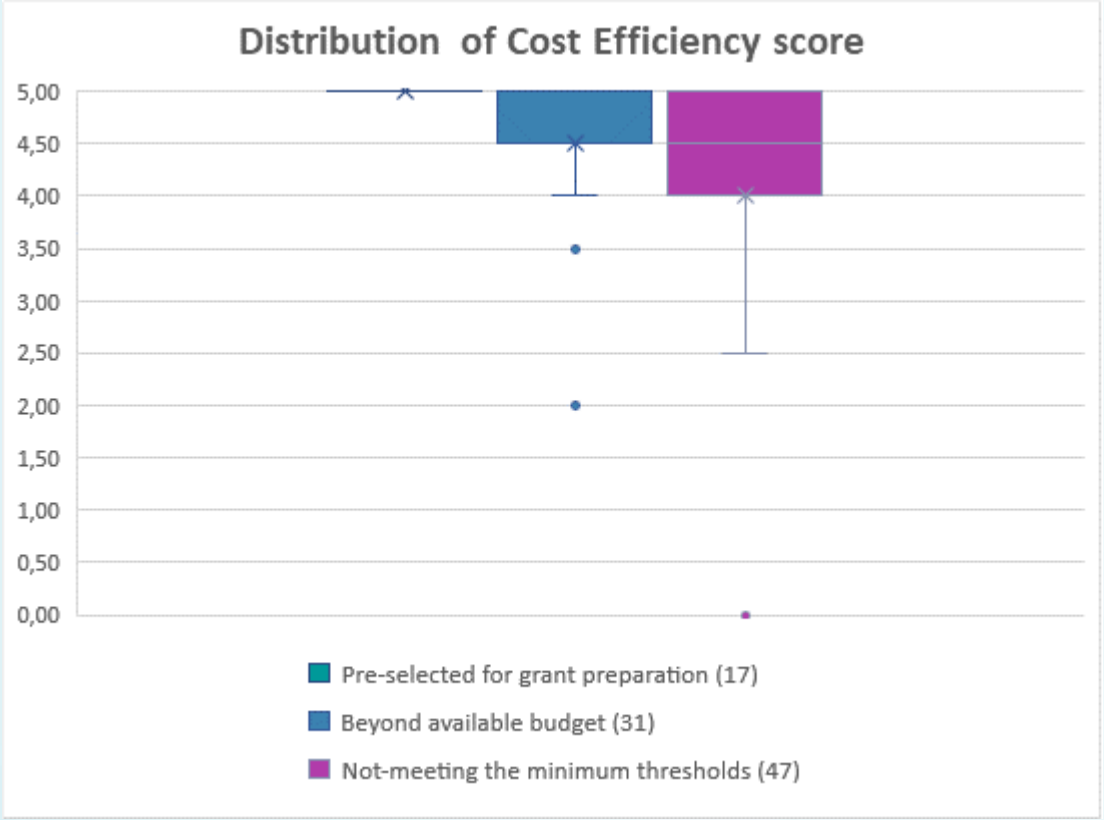
LEARNINGS FROM RESULTS – COST EFFICIENCY CRITERION

ALL PRE-SELECTED PROPOSALS ACHIEVED THE HIGHEST SCORE ON COST EFFICIENCY

- All pre-selected proposals scored 5 on Cost Efficiency.
- Proposals beyond the available budget also achieved high cost efficiency scores (only 2 proposals had <4).
- 6 proposals scored 0 on Cost Efficiency because of manifest errors (lower than in previous call).



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4. CONCLUSION

LEARNINGS FROM RESULTS – CONCLUSION

WHAT WERE THE MAIN WEAKNESSES OF ELIGIBLE PROPOSALS?

- The number of proposals that failed GHG requirements or made Manifest Errors on GHG / Cost Efficiency was lower than in previous Large-Scale Call.
- 52 proposals (>40% of eligible proposals) failed the **Financial Maturity** sub-criterion, underlying that this is the main weakness on which project promoters can improve for future calls.
- On average, only less than 10% of eligible proposals failed other criteria.