

**Innovation Fund
Expert Group meeting
18 December 2019**

Agenda

Innovation Fund
Tour 2019

Basics

Project selection

Governance

How to calculate
GHG emissions
avoidance












How to calculate
relevant costs
and cost
efficiency

**How to co-
finance
projects**

Preview of next
meetings

EU Programmes beyond 2021

EU Energy Transition Funds: From Lab to Market (2021-2027)

	Proof of concept	Pilot	Demo	Scale up	Roll out
Target Beneficiary  Start-ups  SMEs  Large companies  Public bodies	Horizon Europe ●●● ○European Research Council (Proof of Concept) ○European Innovation Council ○Pillar II: Climate Energy and Mobility; Digital and Industry ○EIT: InnoEnergy, Climate KIC, KIC Raw Materials ○Breakthrough Energy Ventures Europe 				
	Innovation Fund ●● ○CCUS ○Energy Intensive Industries ○Renewables ○Storage and Grid 				
	CEF Energy & Transport Infrastructure  ●				
	Invest EU ●●●● ○Sustainable Infrastructure ○Research, Innovation and Digitalisation ○SMEs ○Social Investment and Skills 				
Type of funding ● Loan ● Grant ● Equity ● Advisory	LIFE Mitigation Projects  ●				
	ERDF & Cohesion Fund A greener, carbon free Europe  ●				

How to co-finance Innovation Fund projects

InnovFin EDP

Innovative demonstration projects at (pre-)commercial scale

- Scope**
- Renewable energy
 - Smart energy systems
 - Energy storage
 - Carbon Capture Utilisation & Use

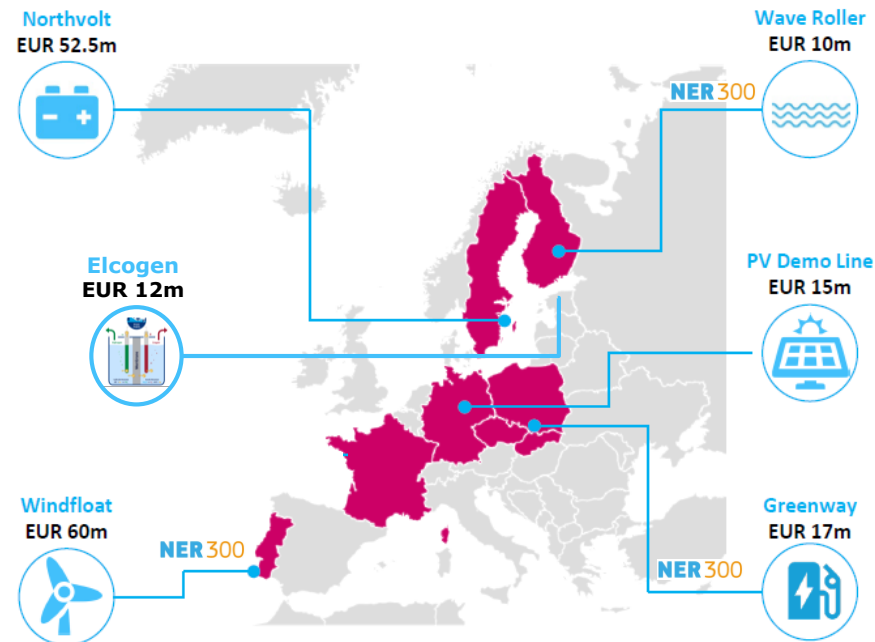
Incl. manufacturing plants

- Portfolio**
- 6 projects
 - €171m EU support (loan/equity-type)
 - €353m project costs

Budget
Up to € 700 million

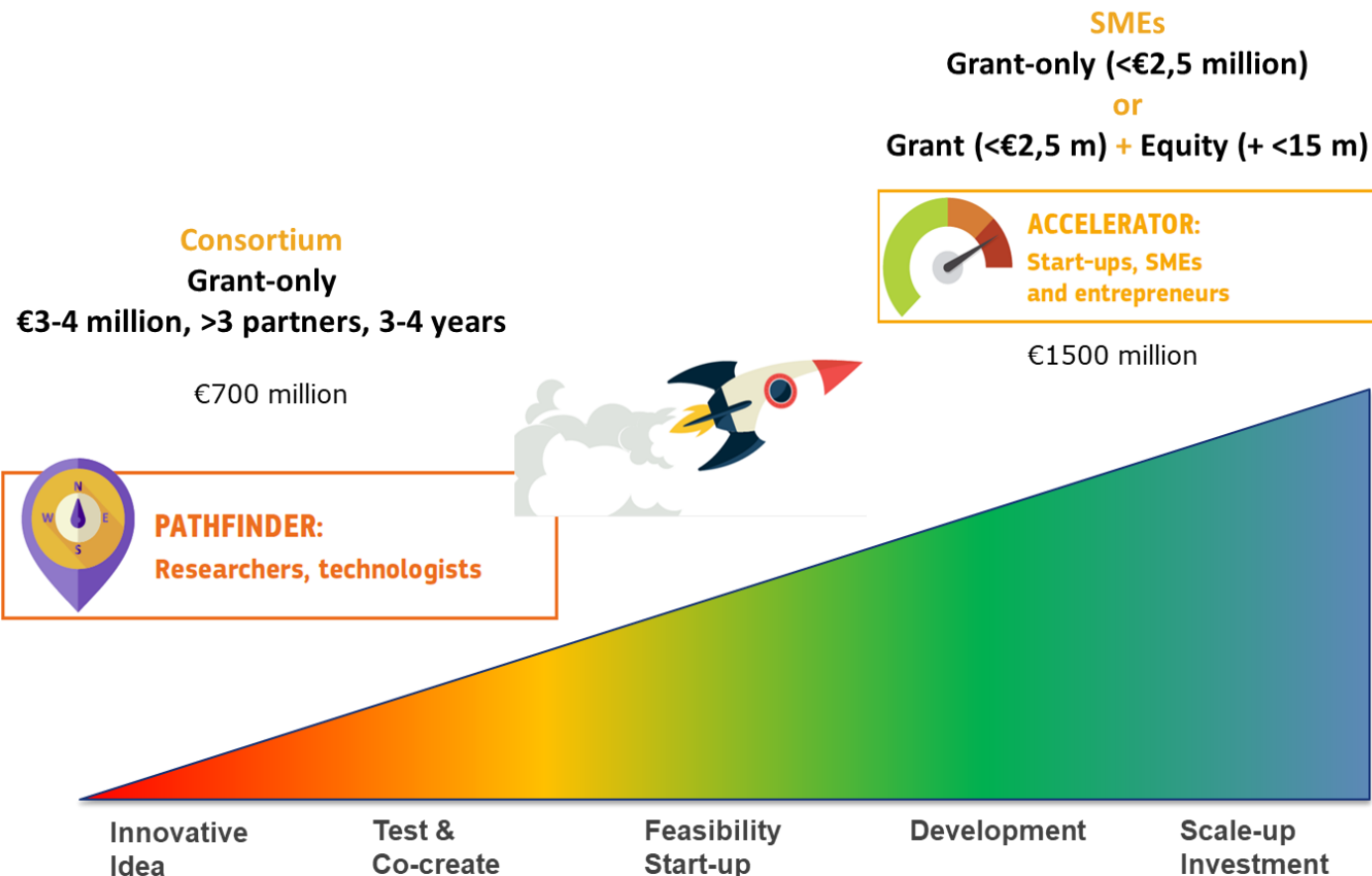
InnovFin Energy Demo Projects

NER300
Use of unspent NER300 funds



How to co-finance Innovation Fund projects

European Innovation Council



Coaching, mentoring and business acceleration services for all SMEs

How to co-finance Innovation Fund projects

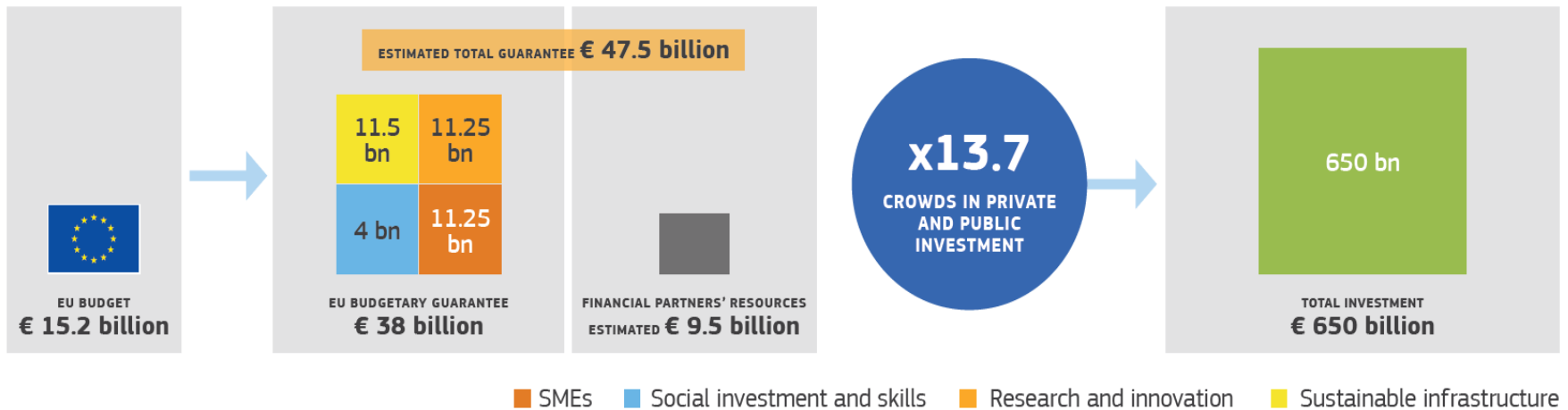
Breakthrough Energy Ventures

- €100 million fund
 - 50+50 *pari passu* between the Commission and BEV
- Targets European companies developing breakthrough **innovations on climate mitigation**
- Sectors: energy, transport, buildings, industry, agriculture
- Possibly open to additional investors after first closing
- Expected launch: Q1 2020



How to co-finance Innovation Fund projects

InvestEU – how does it work



- EUR 38 bn EU budgetary guarantee to be used for debt and equity financing for bankable investments
- Four thematic policy windows
- Specific financing products geared to level of risk
- Up to 95% FLP coverage possible for very risky projects, in justified cases possible to start with 100% coverage

Windfloat project

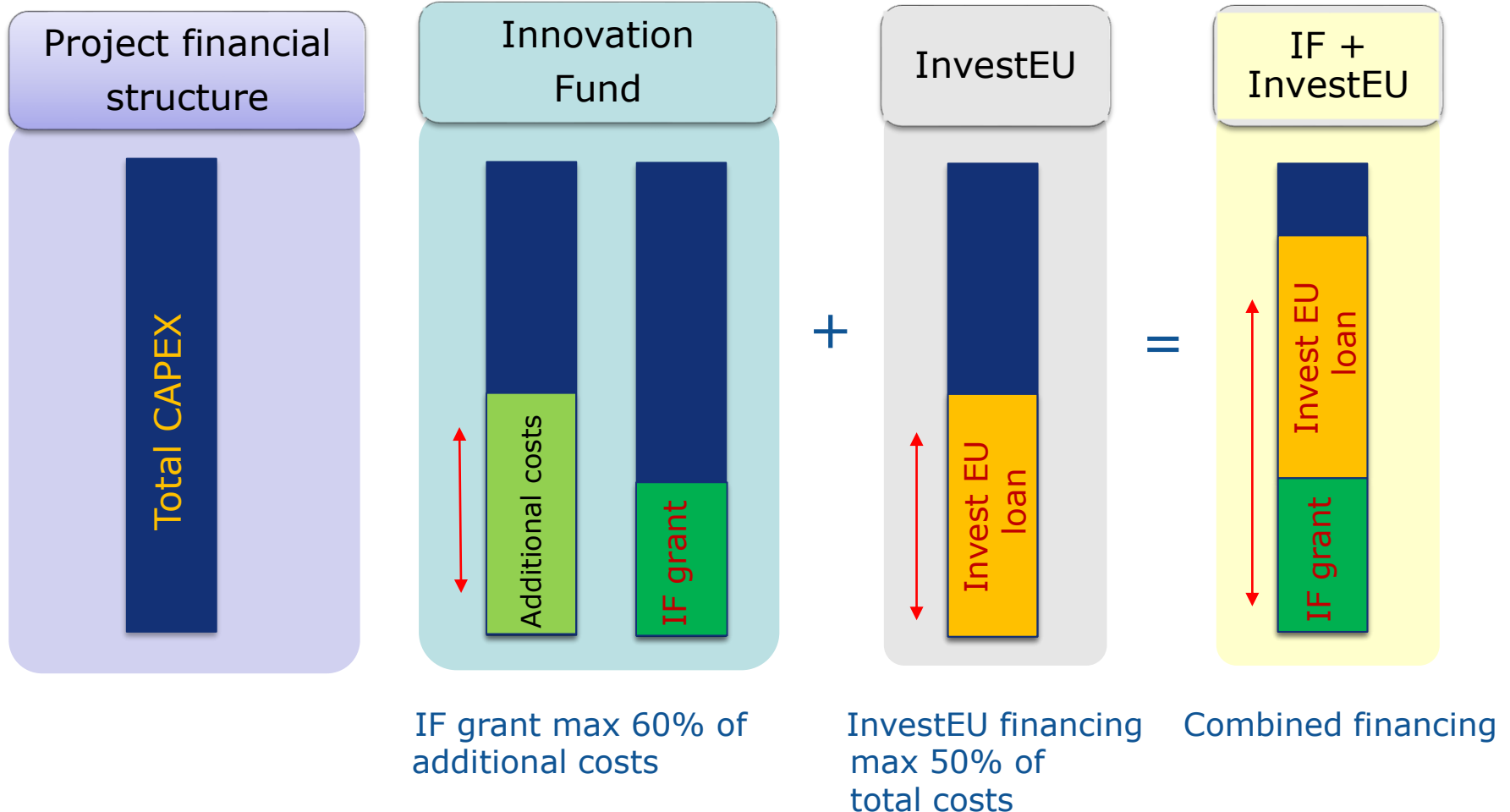
Combination of NER300 grant and InnovFin EDP loan

<https://www.youtube.com/watch?v=PiKa6steniw>

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- A large offshore wind turbine with a yellow floating platform in the ocean. The turbine has three white blades and a white tower. The platform is yellow and has a complex structure with several legs. The ocean is blue and the sky is clear. In the background, a coastline with buildings and hills is visible.
- NER300 grant: EUR 30 million
 - InnovFin EDP loan: EUR 60 million
 - Portuguese carbon fund: EUR 6 million
 - Additional FIT/state aid

25MW floating offshore wind farm around 20km off the coast of Portugal in 85-100m water depth

Innovation Fund grant + InvestEU loan (stylized example)



Questions

First ideas

Your views
please

What additional type of funding would you seek to financially close your project?

Would you need specific assistance with financial structuring of your investment? Any other assistance needed?

How could Member States help best?

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**Preview of
next meetings**

Next meetings

Workshop

5-6 February

- **Deep dive on calculations**
 - GHG emissions avoidance
 - Cost efficiency

**Technical
experts**

Workshop

2nd week
March

- **Deep dive on project selection, co-financing, and grant management**

**Financial
experts**

Expert group

April

- **Summary of technical work**

Deep dive on calculations

Workshop 5-6 February

Topics

- GHG emissions avoidance
- Relevant costs and cost efficiency
- Exemplary calculations for projects

In-depth discussions in break-out groups with technical experts

- Concept paper to be published two weeks in advance
- Each stakeholder should nominate at max two technical experts

Plenary session

- Open through web-streaming and Slido to all – no limit of participation
- Report back from break-out groups
- Q&A session

Deep dive on project selection

Workshop in 2nd week of March

Project selection

- How to evaluate technical, business, and financial viability?
- What is the value of a due diligence report?
- How to best check the criteria of innovation and scalability?

Co-financing and reaching out to financial institutions

- How do public and private investors evaluate projects?
- How to best team up with other investors and public authorities?

Grant management

- Definition of milestones for grant disbursement
- Knowledge sharing

Please support us to mobilize ...

Technical
experts

Workshop
"Deep dive on
calculations"

5 and 6
February

Financial
experts and
institutions

Workshop
"Deep dive" on
project
selection, co-
financing, and
grant
management"

2nd week of
March

Technical and
financial experts

Experts for
project
evaluation

Project
managers at
INEA