Innovation Fund

Expert Group Meeting

17 December 2020

Agenda

▶	10.00 **Welcome**
💡	10.05 **Statistics on the applications for the large scale projects call**
💬	10.20 **Q&A**
🔄	10.30 **Results of the questionnaire on the application process – large scale projects call**
💬	10.45 **Q&A**

🔄	11.00 **Linking Member States and applicants**
💬	11.10 **Q&A Sli.do Poll**
🔄	11.20 **Planning of 2021 calls for proposals**
💬	11.30 **Q&A Sli.do Poll**
⏭	12.00 **Closure**

How to... **Slido**!

During the event, you can use Slido to submit your questions and comments

to join

1. **Take out your smartphone, tablet or computer and open your browser**

2. Go to **Slido.com** and enter the event code **#IFEG**.
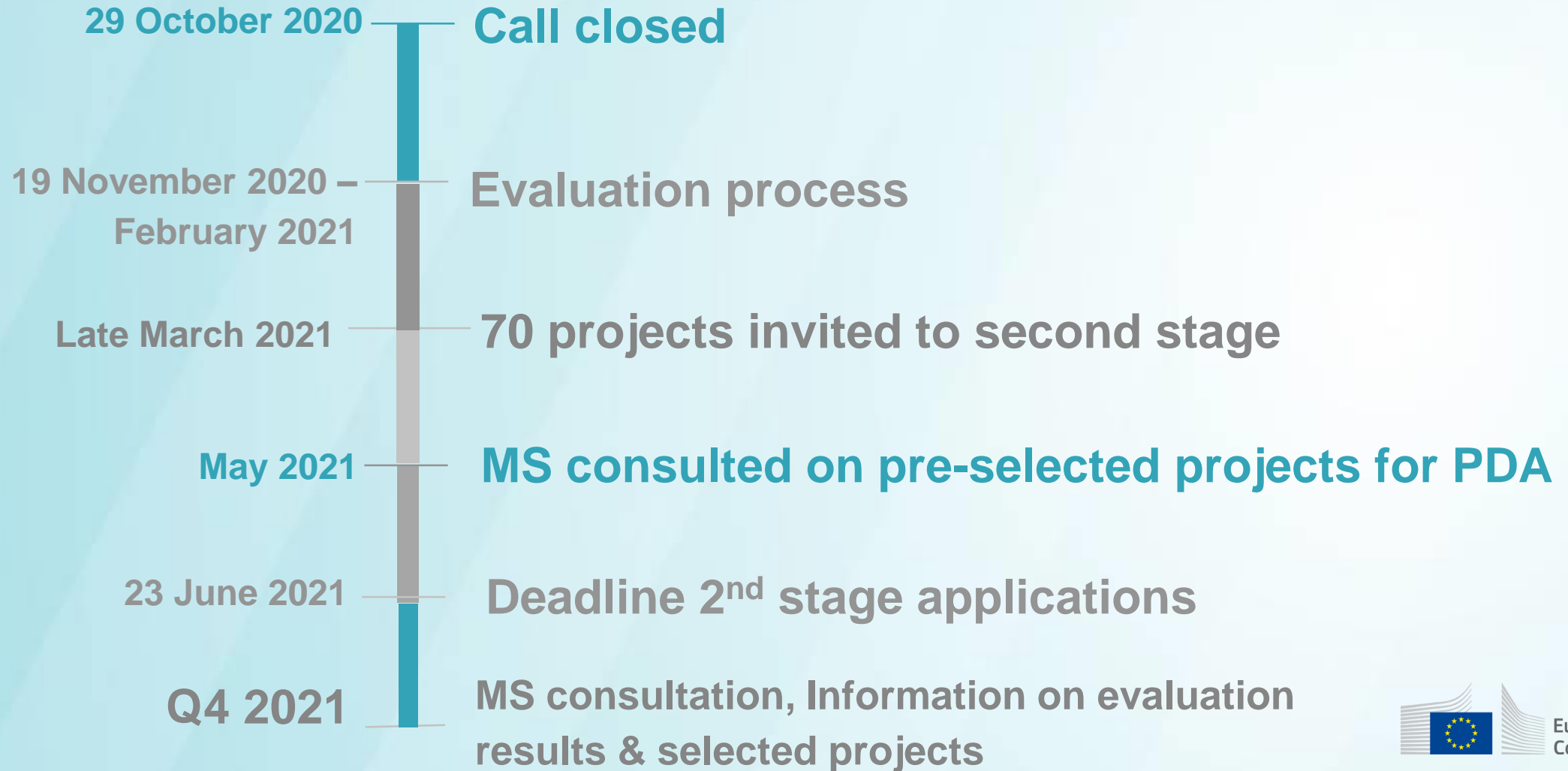
3. You can now post comments or like comments.

4. Identify yourself when posting comments. These comments will be considered with priority.

European Commission

Large Scale Call - Progress update & next steps

29 October 2020 — **Call closed**

19 November 2020 – February 2021 — Evaluation process

Late March 2021 — **70 projects invited to second stage**

May 2021 — **MS consulted on pre-selected projects for PDA**

23 June 2021 — **Deadline 2nd stage applications**

Q4 2021 — **MS consultation, Information on evaluation results & selected projects**

European Commission

Small Scale Call - Progress update & next steps

1 December 2020 — **Call launched**

10 March 2021 — **Deadline for submission of applications**

July/August 2021 — **MS consulted on pre-selected projects**

August 2021 — **Information on evaluation results, and invitation for grant preparation**

September 2021 — **MS consulted on pre-selected projects for PDA**

European Commission

Update of benchmark values for EIIs

- Benchmark regulation updated for 2021-2025

- New benchmark values for 52 product benchmarks, heat and fuel

- Currently in public consultation

  [https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12792-Commission-Decision-determining-the-benchmarks-values-for-free-allocation-in-the-period-2021-2025]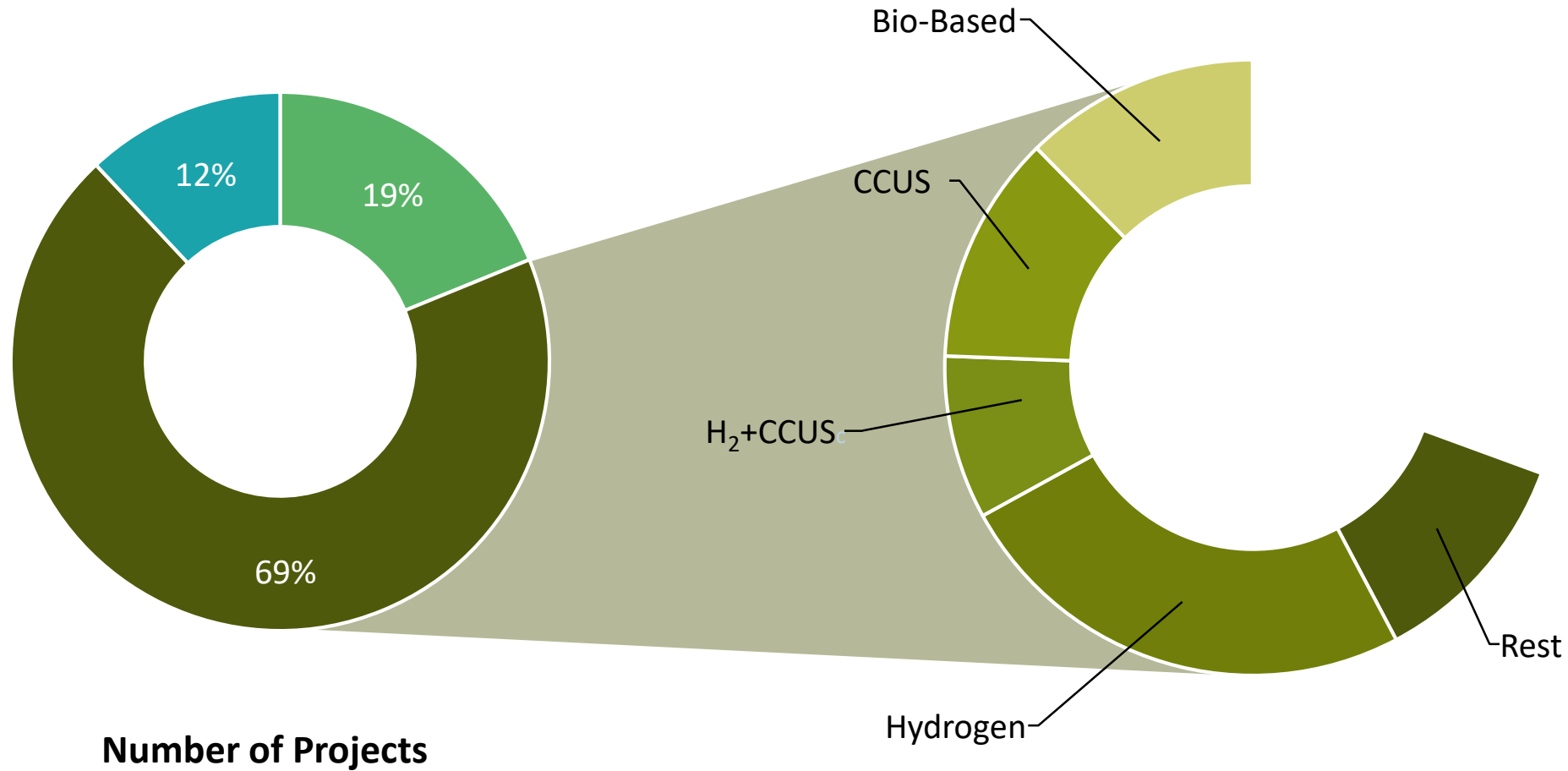(https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12792-Commission-Decision-determining-the-benchmarks-values-for-free-allocation-in-the-period-2021-2025)

- To be finalised in February 2021

European Commission

311 proposals were submitted requesting in total **€21.7 billion** with the potential to avoid **1.2 GtCO$_2$e**.
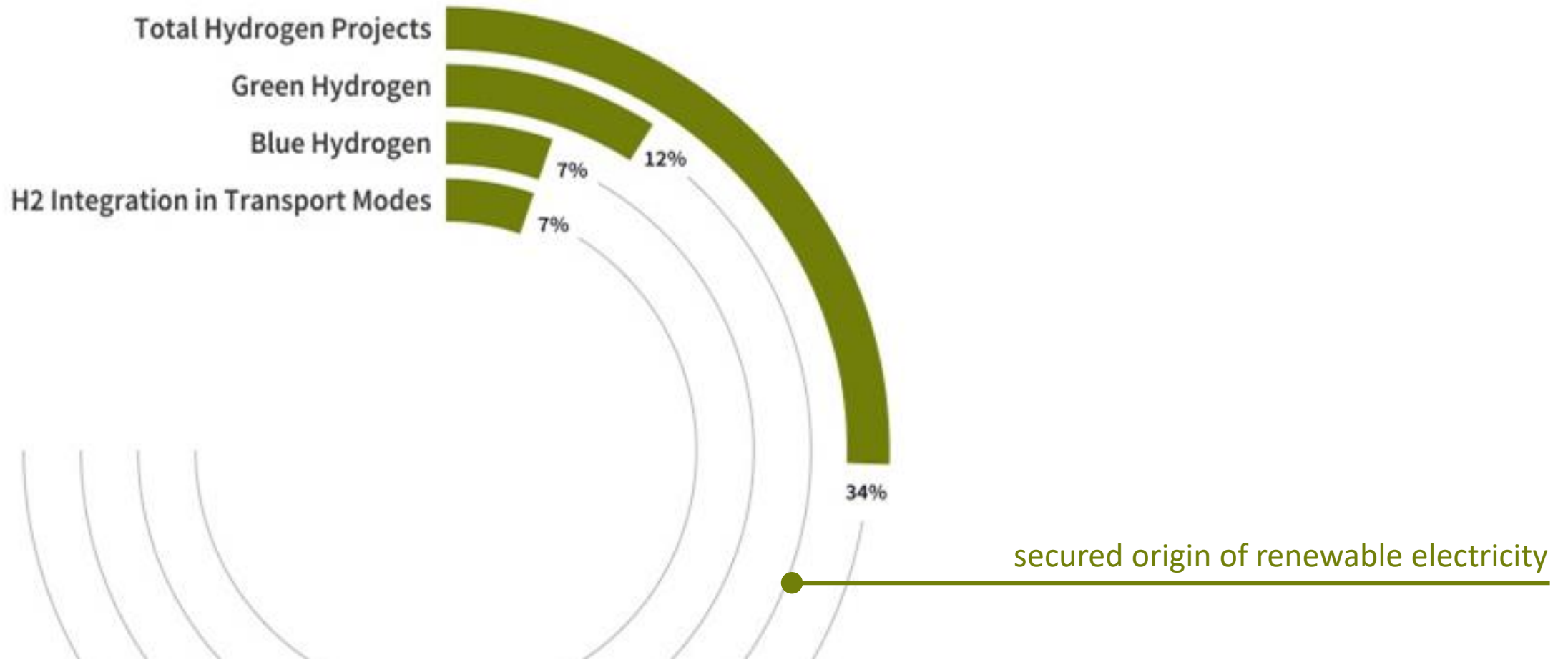
European Commission

ZOOM-IN

Number of Projects

European Commission

Renewable Energy   Energy Intensive Industries   Energy Storage

HYDROGEN

Total Hydrogen Projects — 34%
Green Hydrogen — 12%
Blue Hydrogen — 7%
H2 Integration in Transport Modes — 7%

secured origin of renewable electricity
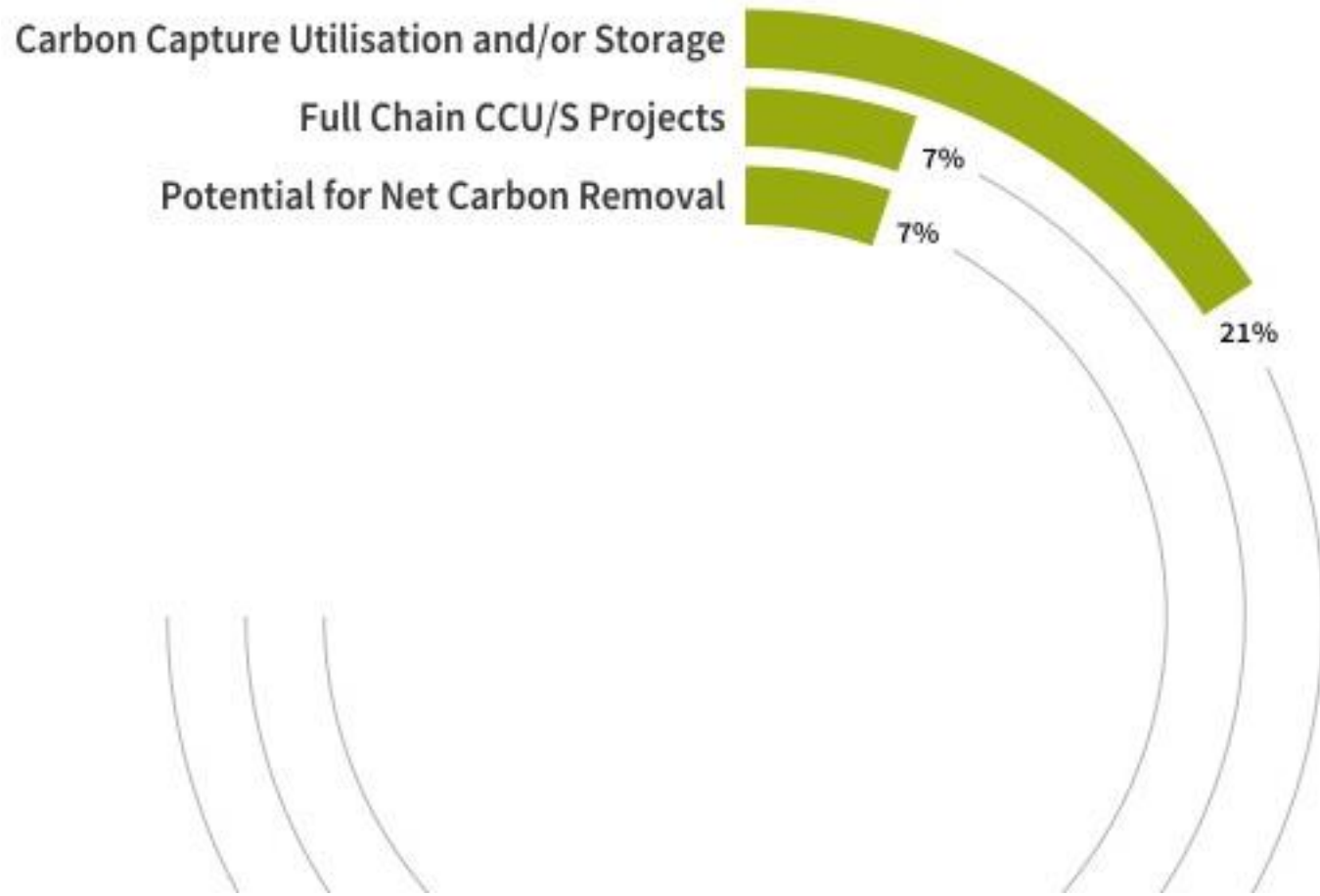
Legend: Percentage based on total number of proposals received. High-level screening of applied technological pathways. Classification of projects can be overlapping.

CARBON CAPTURE TECHNOLOGIES

Carbon Capture Utilisation and/or Storage **21%**

Full Chain CCU/S Projects **7%**

Potential for Net Carbon Removal **7%**

captured from
- biogenic
- steel & cement
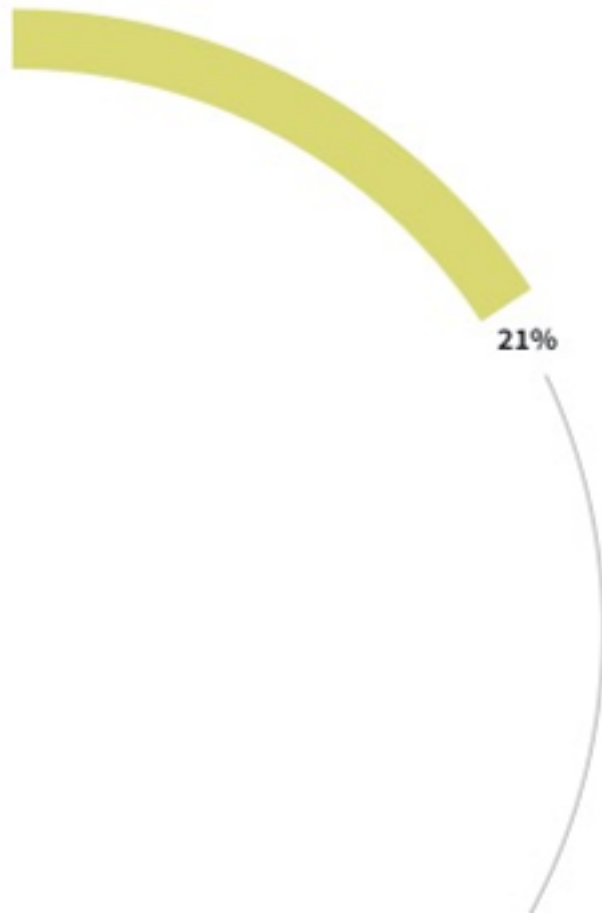- CHP
- chemicals
- refineries
- air
- paper

utilised into
- hydrogen
- fuels
- chemicals
- construction materials

Legend: Percentage based on total number of proposals received. High-level screening of applied technological pathways. Classification of projects can be overlapping.
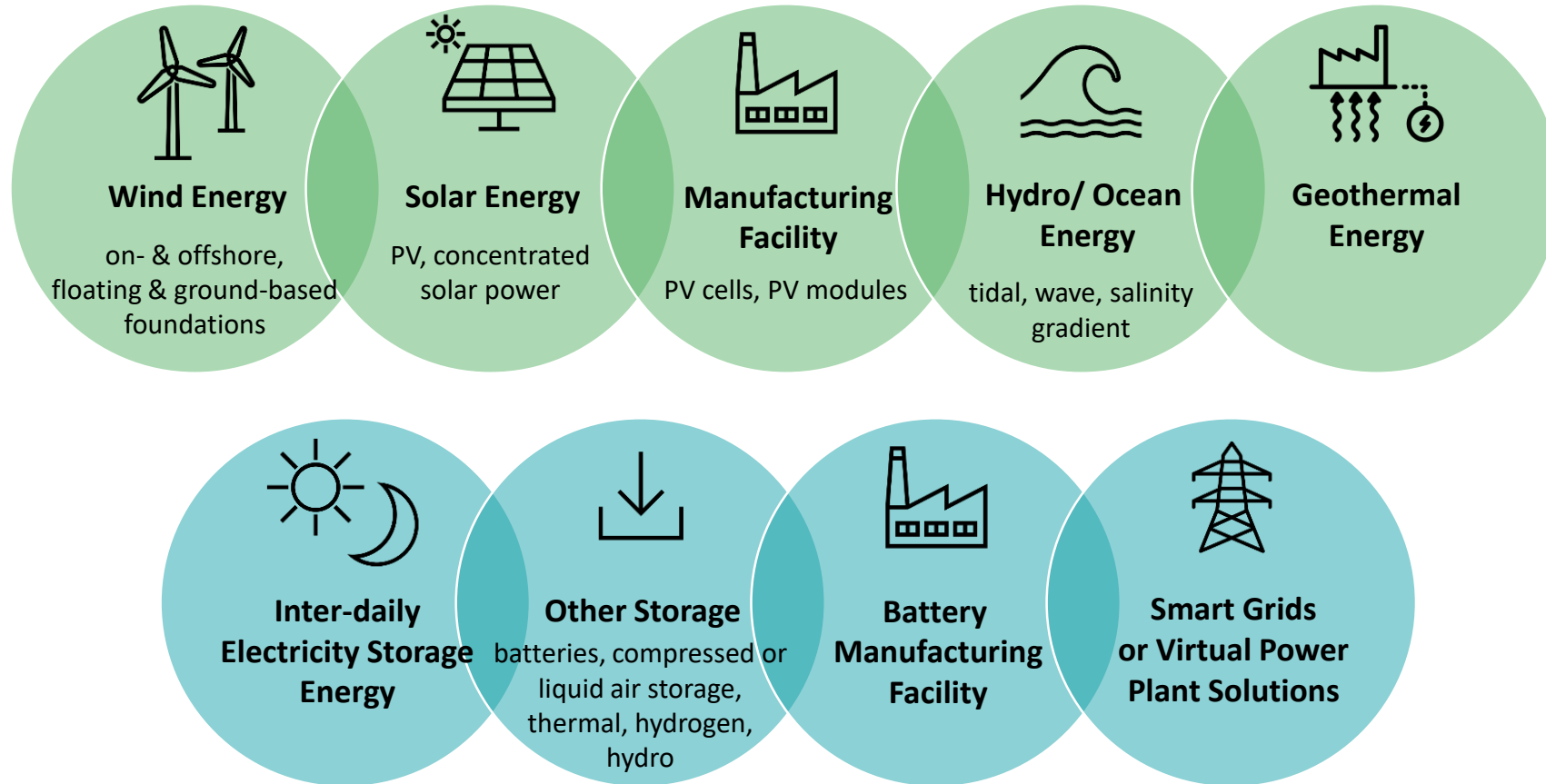
BIO-BASED PROJECTS

Use of Various Biomass Feedstock
(mostly waste & residues)

21%

producing

- biofuels (e.g. aviation fuel, methanol)
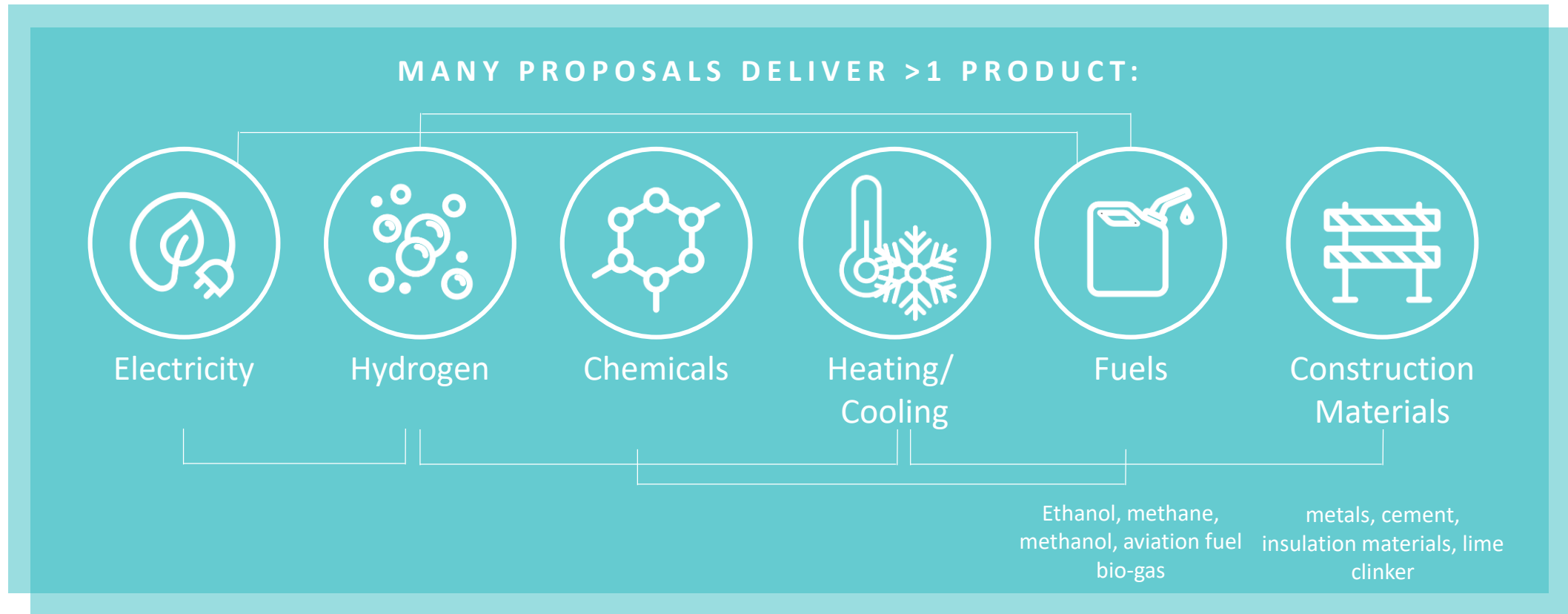- bio-based chemicals
- electricity & heat

Legend: Percentage based on total number of proposals received. High-level screening of applied technological pathways.

RENEWABLE ENERGY & ENERGY STORAGE

Wind Energy

on- & offshore, floating & ground-based foundations

Solar Energy

PV, concentrated solar power

Manufacturing Facility

PV cells, PV modules

Hydro/ Ocean Energy

tidal, wave, salinity gradient

Geothermal Energy

Inter-daily Electricity Storage Energy

Other Storage batteries, compressed or liquid air storage, thermal, hydrogen, hydro

Battery Manufacturing Facility

Smart Grids or Virtual Power Plant Solutions

Legend: High-level screening of applied technological pathways.

FINAL PRODUCTS

MANY PROPOSALS DELIVER >1 PRODUCT:

Electricity	Hydrogen	Chemicals	Heating/Cooling	Fuels	Construction Materials
				Ethanol, methane, methanol, aviation fuel bio-gas	metals, cement, insulation materials, lime clinker

PROJECT LOCATION OF THE PROPOSALS

European Commission
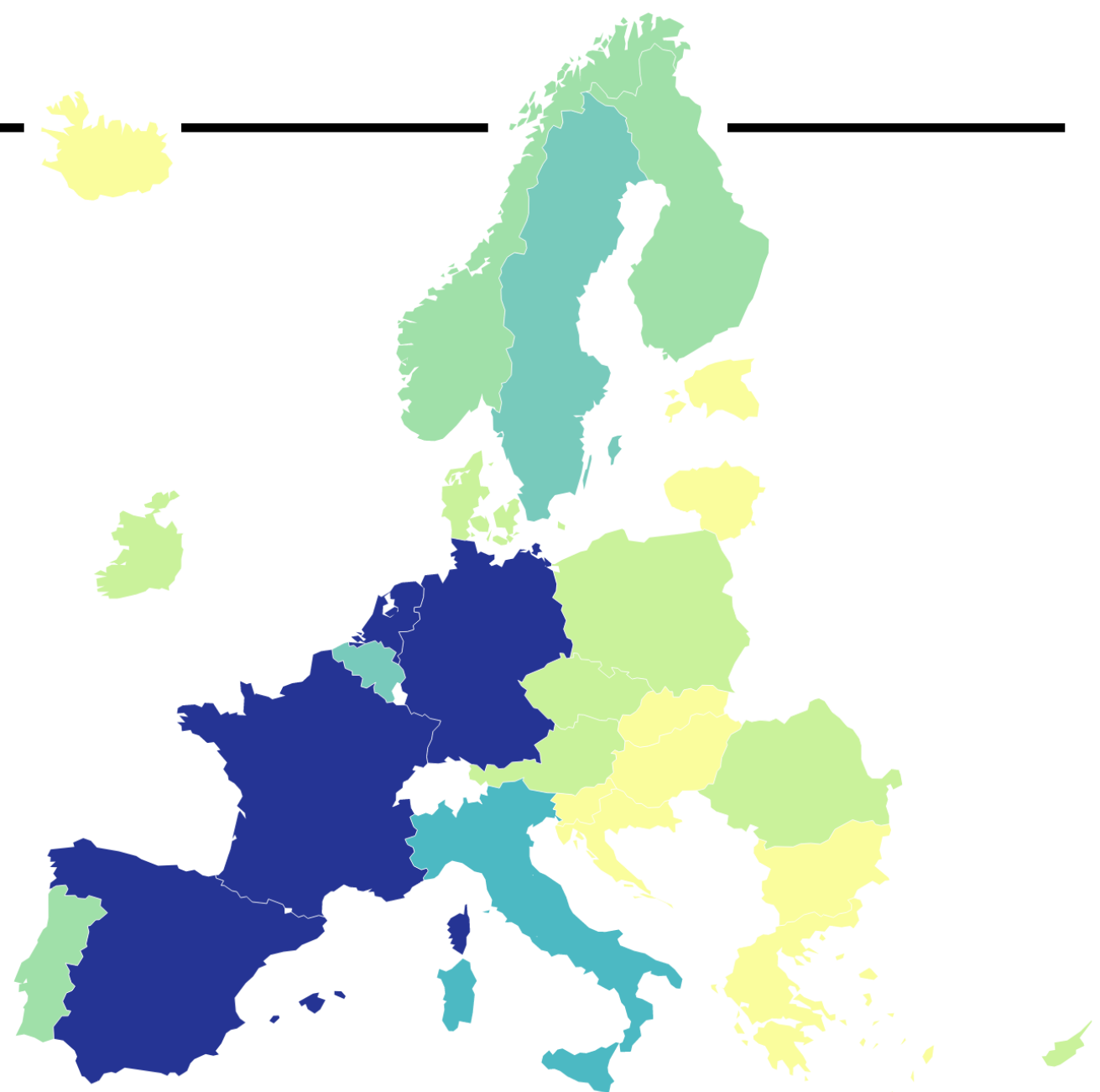
PROJECT LOCATION OF THE **HYDROGEN** PROPOSALS

H_2 PROJECT PROPOSALS SUGGEST LOCATIONS IN ALMOST ALL MEMBER STATES, WITH THE MAJORITY SITED IN GERMANY, NETHERLANDS, FRANCE & SPAIN.
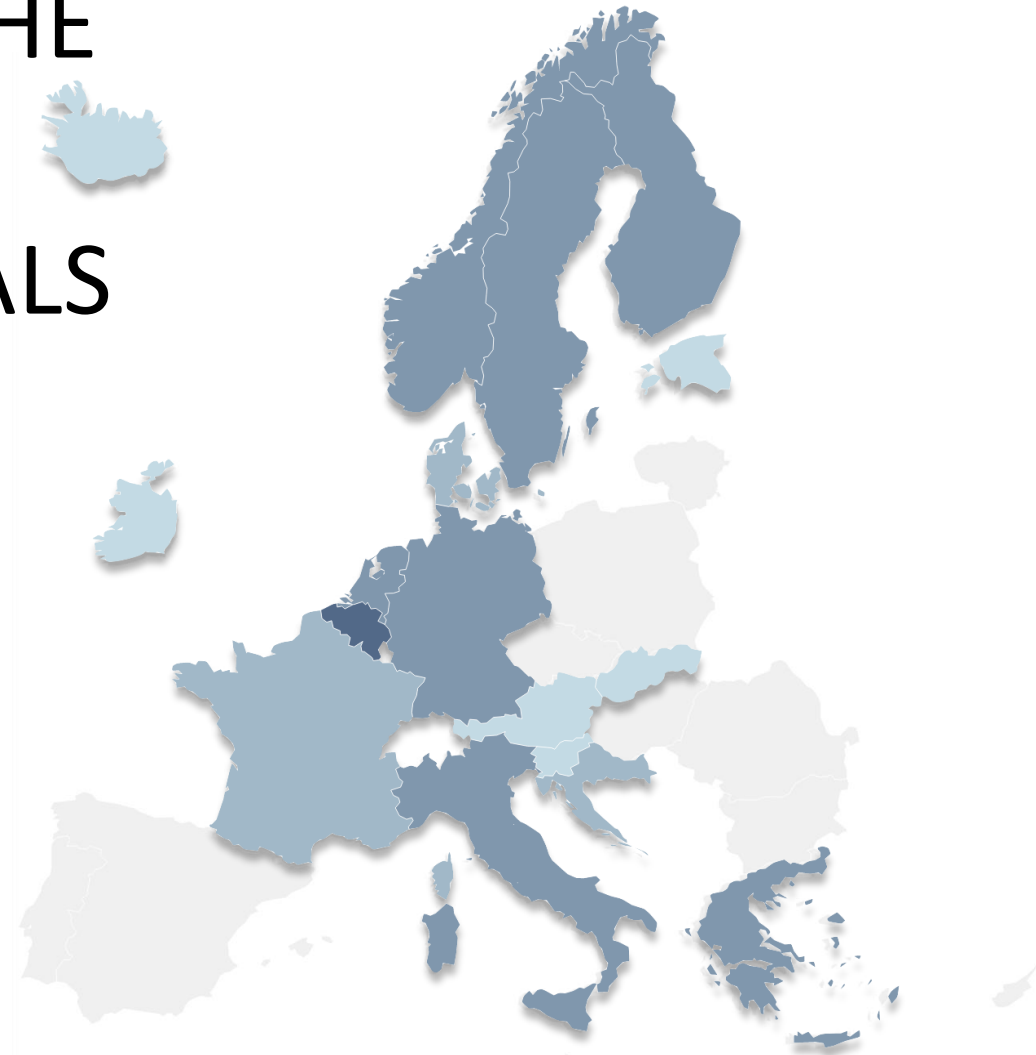
European Commission

5 10 15
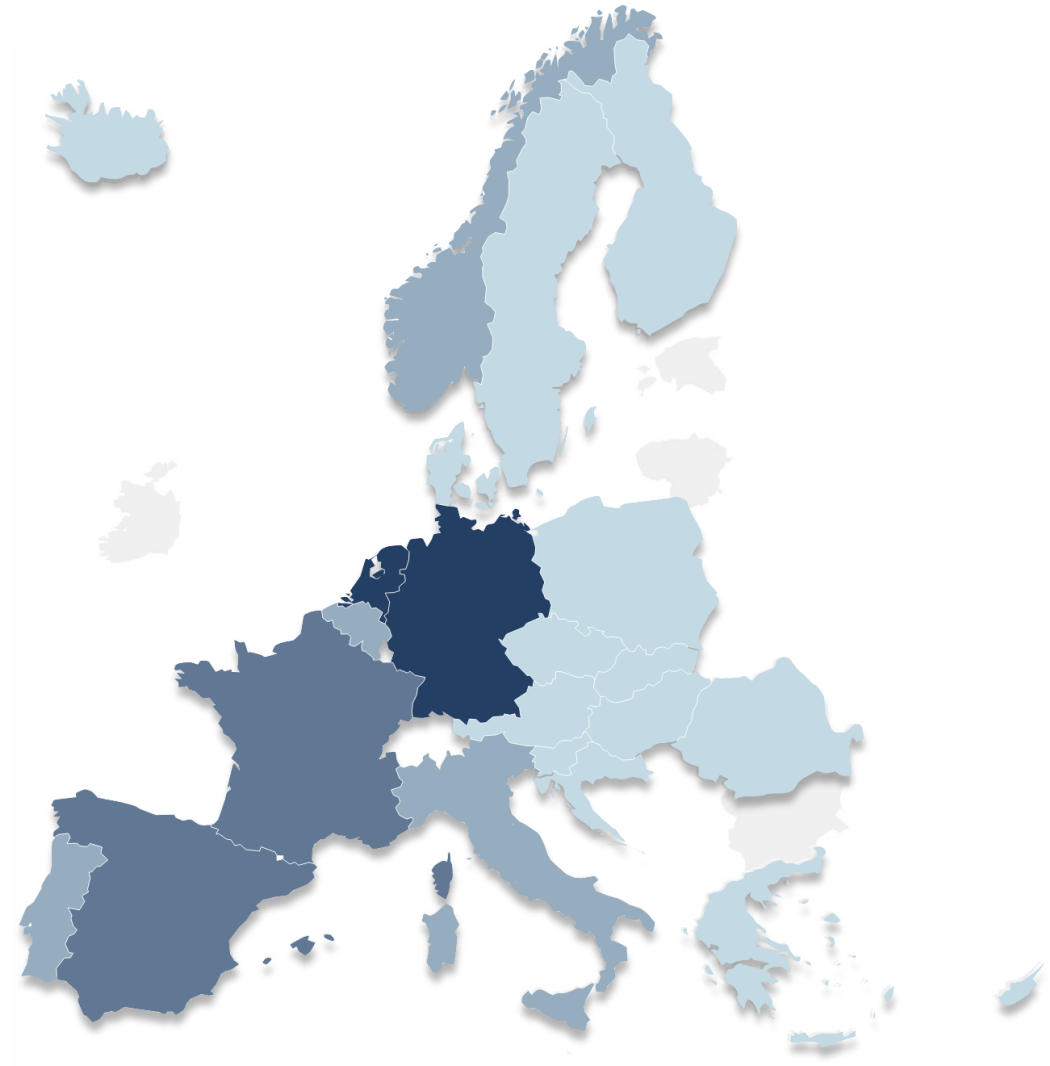
# PROJECT LOCATION OF THE **CARBON CAPTURE TECHNOLOGY*** PROPOSALS

*projects that capture CO_2 for use **and/or** storage

WHILE THE MAJORITY OF THE CCUS PROJECTS ARE LOCATED AROUND THE NORTH SEA, SOME OF THEM ARE ALSO SITED WITHIN THE MEDITERRANEAN REGION.

European Commission

2   4   6   8

17

PROJECT LOCATION OF THE **BIO-BASED** PROPOSALS

MANY PROJECTS ARE BIO-BASED AND ARE FAIRLY SPREAD ACROSS THE EU WITH A NUMBER OF THEM IN SPAIN AND THE NETHERLANDS.

European Commission

2 4 6 8

18

Q&A

icf.com
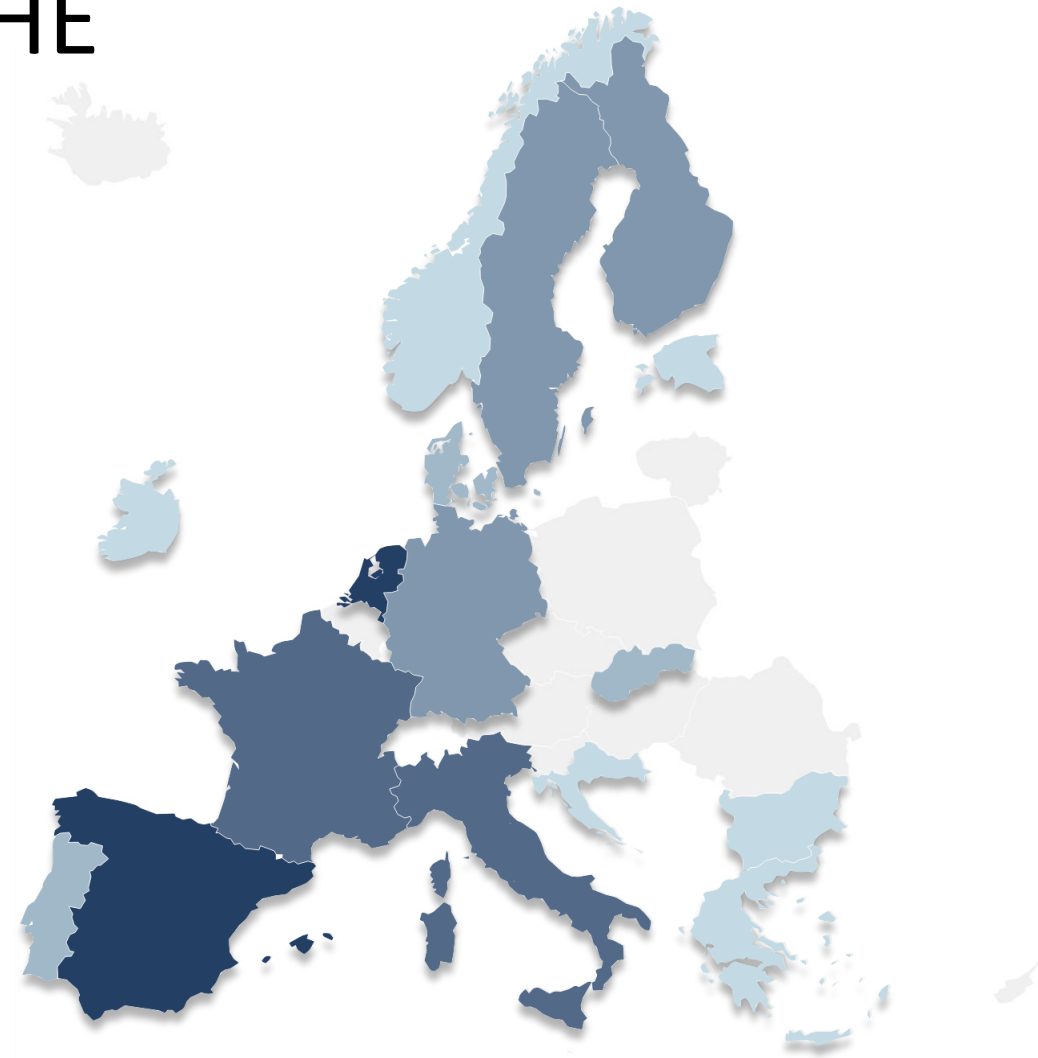
we are ICF

Fraunhofer
ISI

Support for the management of the Innovation Fund calls for proposals
- Initial results of large-scale call applicant survey

Ralitsa Donkova, ICF
Jonathan Lonsdale, ICF

Agenda

1. **Findings from the survey on the application process for the First-Stage Large-Scale Call**
   - Information on respondents
   - Support through Helpdesk and webinars
   - Application process
2. **Initial recommendations**

Survey on large-scale call application process

Objective

- To identify key challenges applicants faced with the call process and to provide recommendations for how forms, procedures, applied methodologies and guidance could be improved in the future.
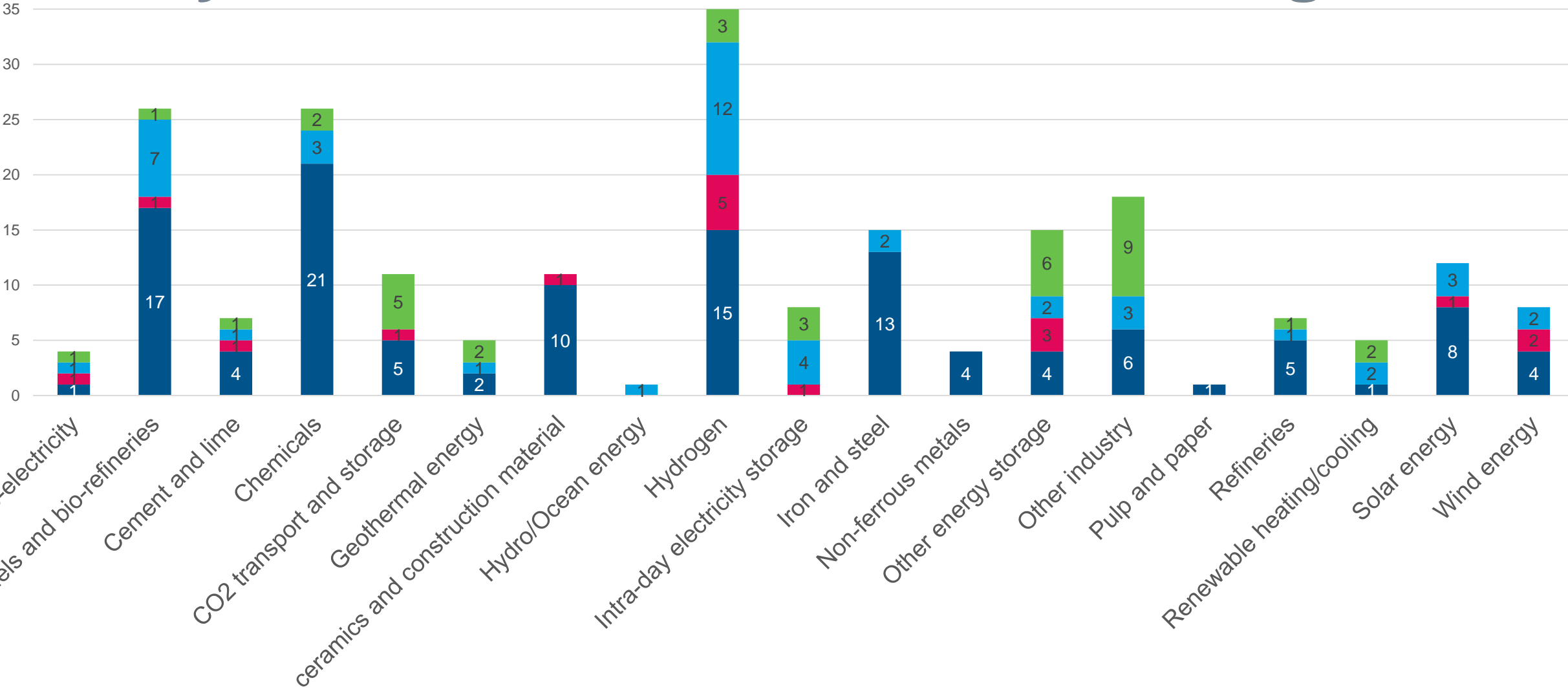
Process

- Implemented via EU Survey
- Sent via email to all applicants, all Helpdesk users and the IFEG
- Opened 19 November → 2 December 2020
- 225 responses

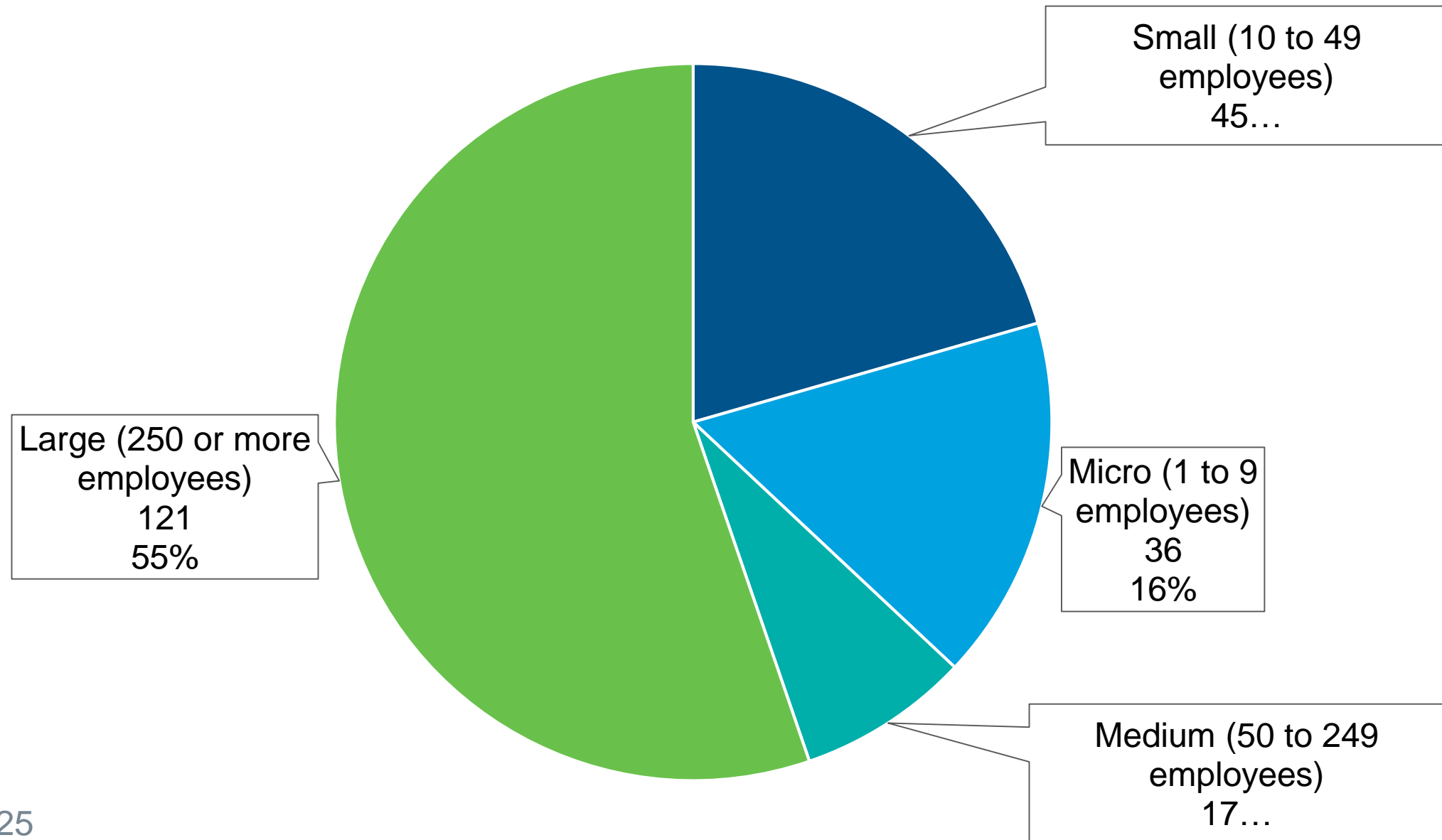# Background of survey respondents

Survey achieved broad sectoral coverage

Legend: Large (250 or more employees) · Medium (50 to 249 employees) · Small (10 to 49 employees) · Micro (1 to 9 employees)

n = 225

Good balance achieved across firm sizes

Small (10 to 49 employees)
45…

Micro (1 to 9 employees)
36
16%

Large (250 or more employees)
121
55%

Medium (50 to 249 employees)
17…

n = 225

Good geographical spread of respondents

Location of company headquarters
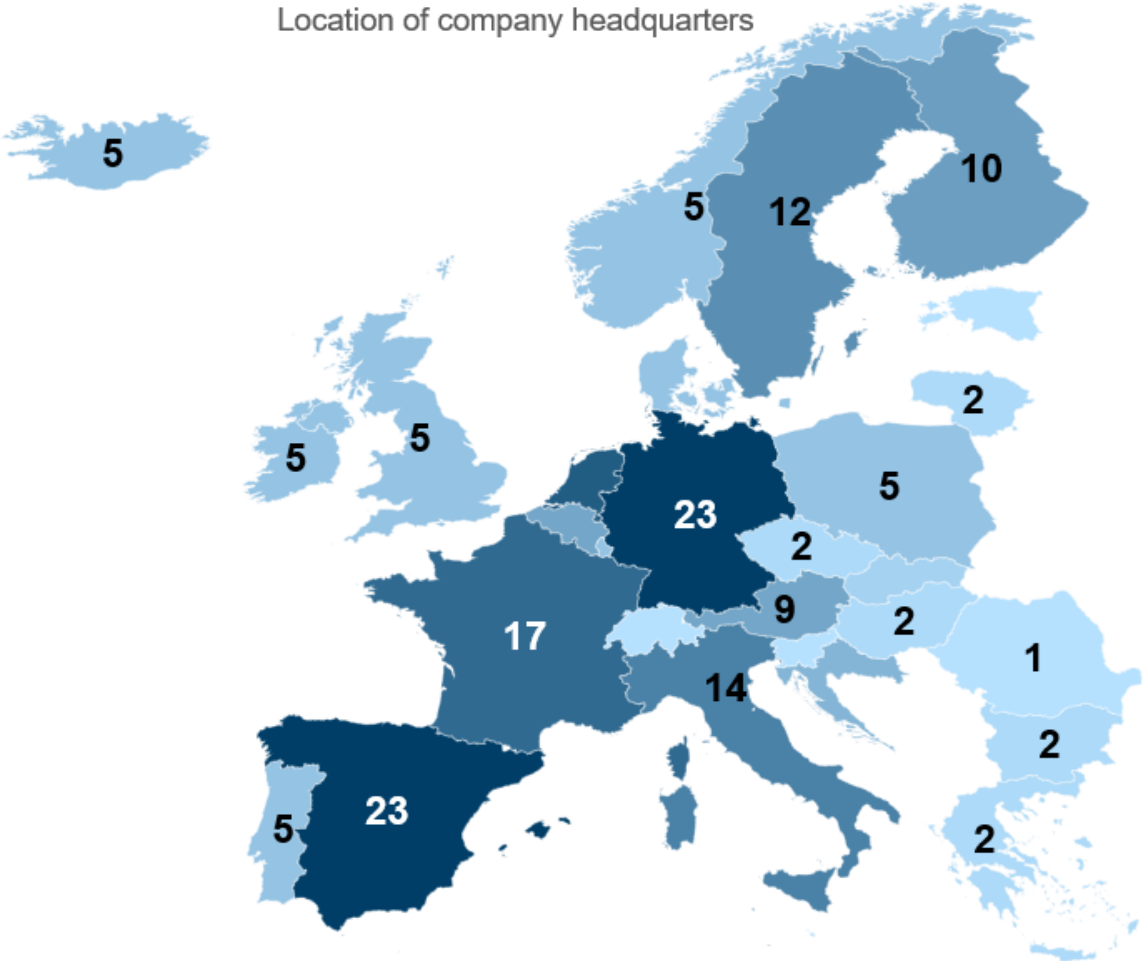
Not shown:

Colombia, Costa Rica, Liberia & Uganda

n = 224

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Applicants did not report facing regulatory barriers or Covid-19 challenges

- **Of the 31 who did not submit an application, half (15) intended to apply but did not due to:**
  - Timing of application (6)
  - Maturity of project (3)
  - Unable to meet documentation requirements (4)

- **Only 4% of all respondents reported facing regulatory barriers**

- **11% say the Covid-19 crisis affected their company's decision to apply**
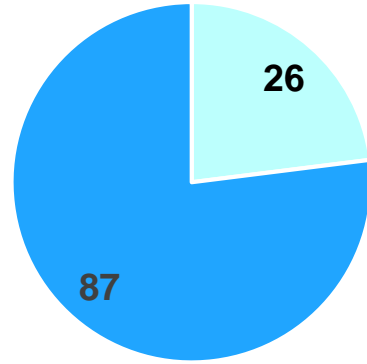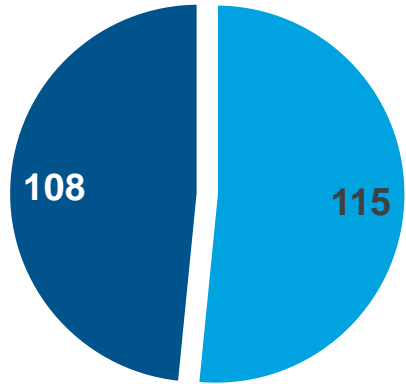
15 **16**

Did not intend to submit an application

Intended to submit an application

31

194

■ Did not submit application   ■ Submitted application
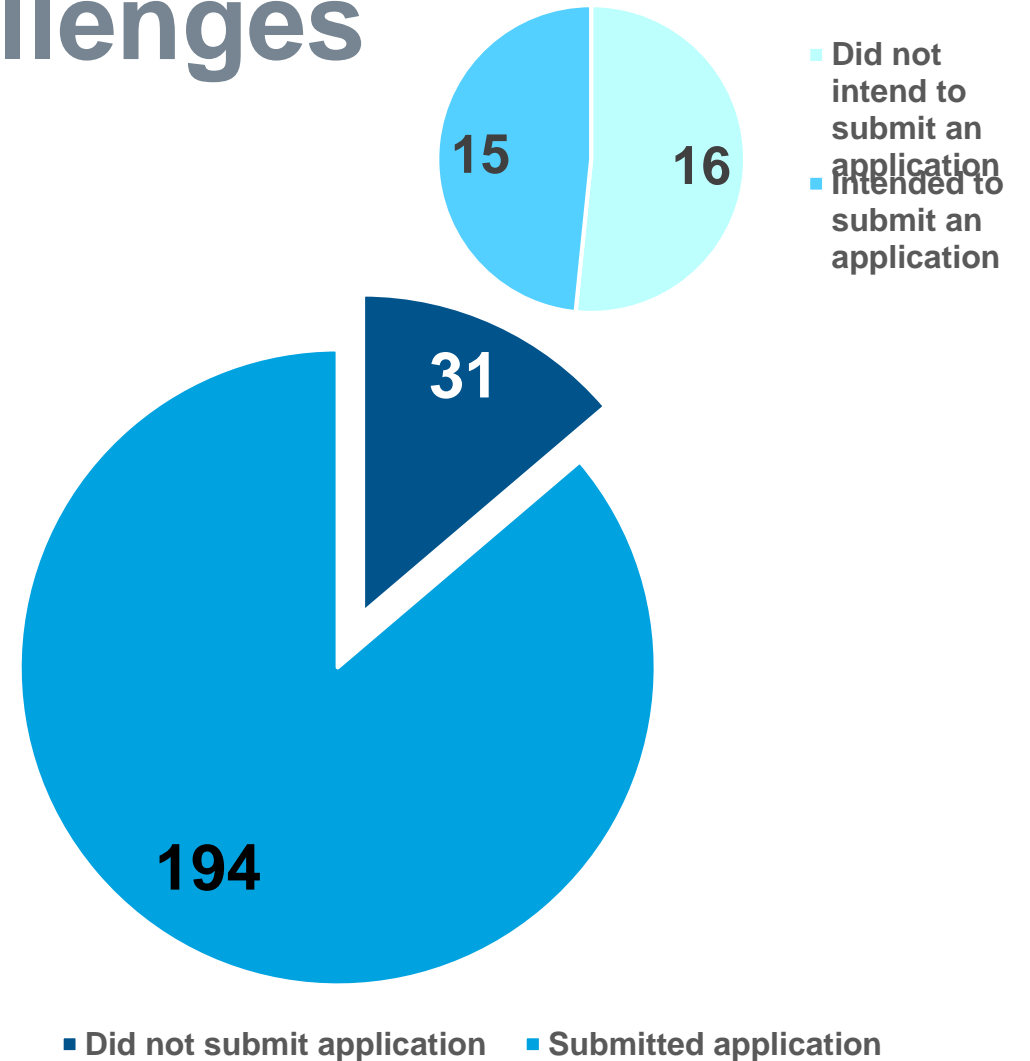
Support for applicants

Helpdesk and webinars

Helpdesk support

108 / **115**

- Submitted a Helpdesk question
- Did not submit a Helpdesk question

26 / **87**

- Answer did not help complete the application

- More than half of respondents submitted a helpdesk question

- Vast majority of respondents report that the answer to their Helpdesk question helped them complete the application

- Applicants say that the time to receive responses was sometimes too long to be useful

- Some applicants say the answers were too generic

n = 115
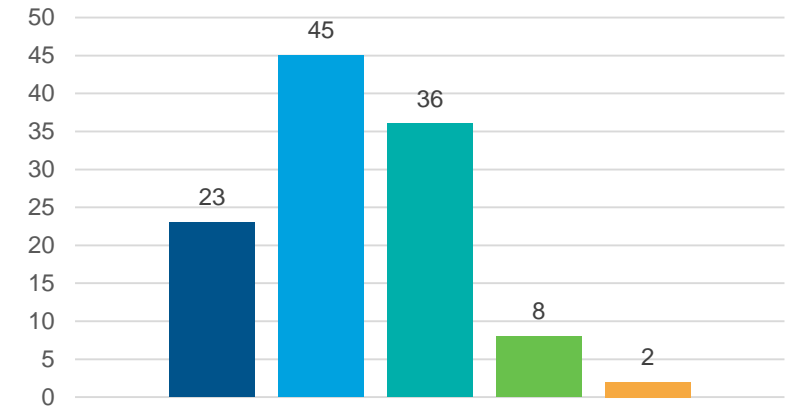
Ease of submitting a question

23 | 45 | 36 | 8 | 2

- Excellent
- Very good
- Good
- Fair
- Poor

Response time

6 | 14 | 30 | 33 | 29
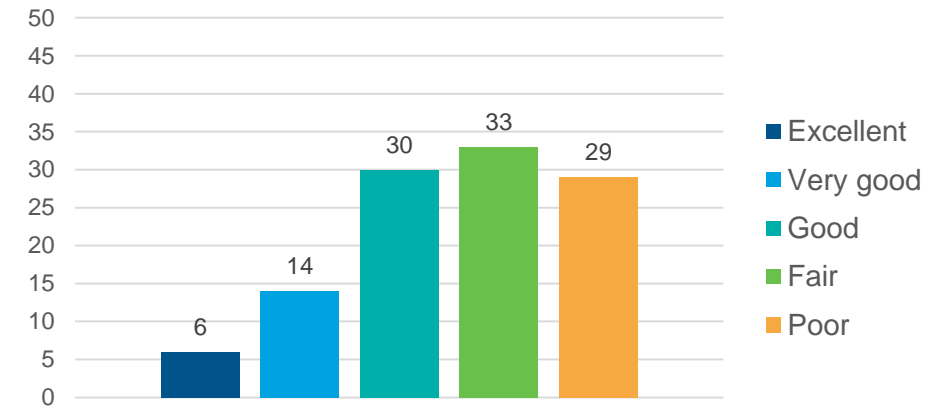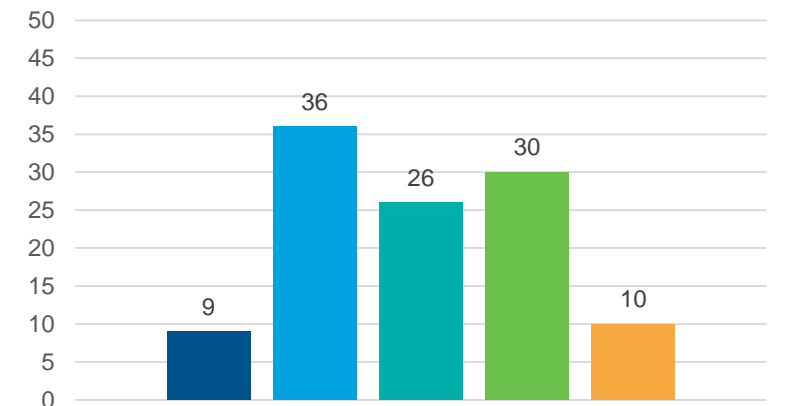
Usefulness of response

9 | 36 | 26 | 30 | 10

Webinar attendance

Publicity for webinar (bar chart)
- 17
- 49
- 59
- 26
- 9
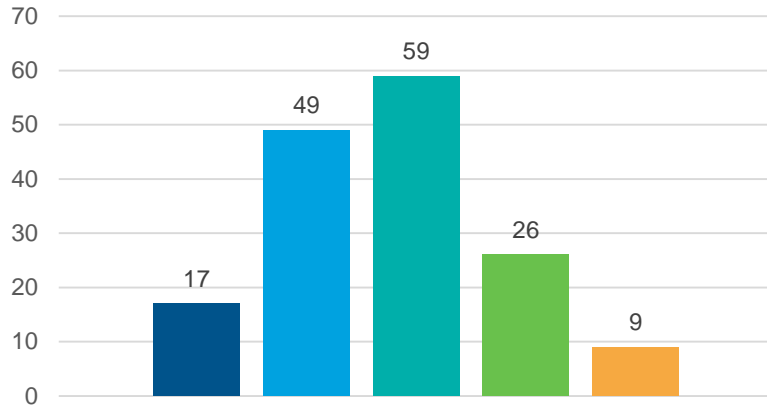
Legend:
- Excellent
- Very good
- Good
- Fair
- Poor
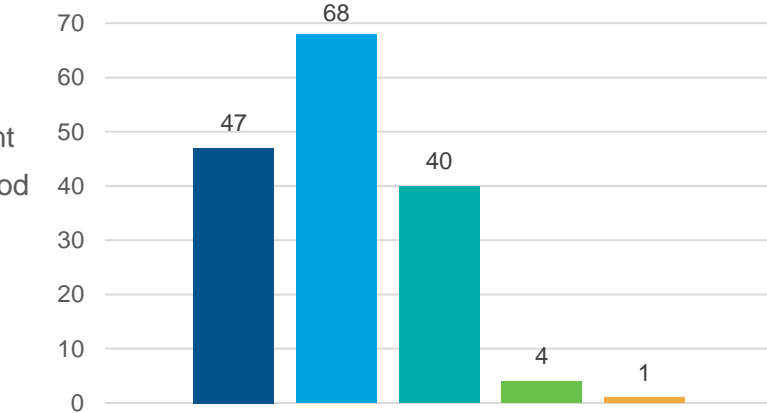
Ease of connecting (bar chart)
- 47
- 68
- 40
- 4
- 1
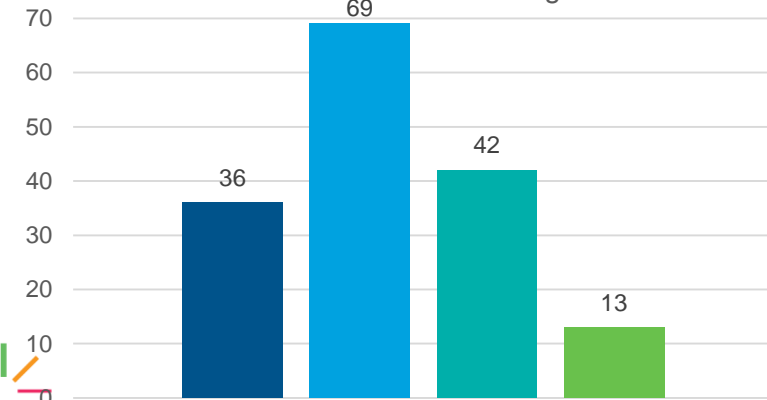
Usefulness of information (bar chart)
- 36
- 69
- 42
- 13

Pie chart
- 58
- 165
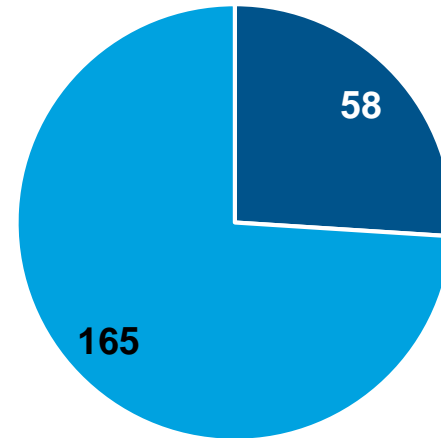
■ **Did not attend a webinar**
■ **Attended a webinar**

Mode of publicity (horizontal bar chart)
- Other — 24
- Professional contacts — 88
- IFEG network email — 8
- INEA's website — 51
- DG CLIMA's website — 55
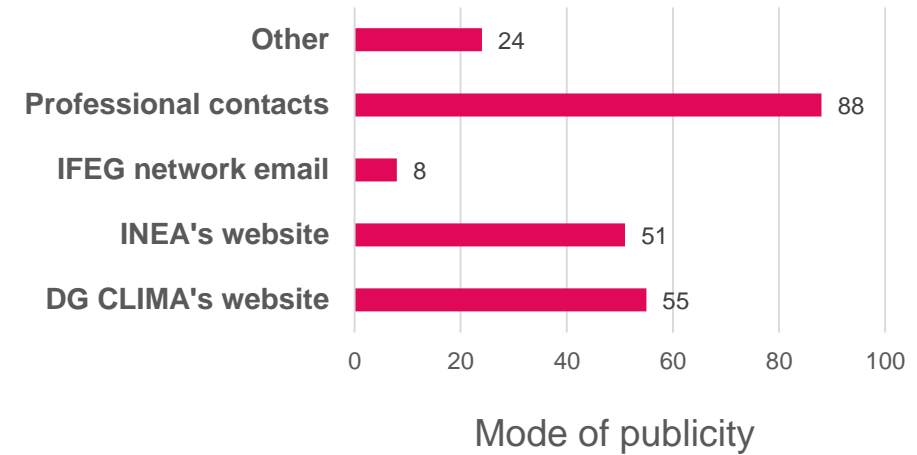
- High webinar attendance – 74% of respondents

- Respondents request more time for Q&A and more complex/ specific examples

- Webinars should be publicised earlier and through a more structured publicity campaign

n = 160

ICF

Application process

Logistics & availability of data

- **82% of respondents found the allotted time for completing the application to be sufficient**
  - Average time to prepare application was 9 weeks
  - Most common time was 12 weeks

- **86% found the Funding & Tenders portal easy to navigate**

- **75% report that it was easy to decide on the principal product**

- **86% had sufficient data to allow them to write their application**

	Large (250 or more employees)	Medium (50 to 249 employees)	Small (10 to 49 employees)	Micro (1 to 9 employees)
Sufficient time	84%	64%	83%	79%
Not sufficient time	16%	36%	18%	21%

■ **Not sufficient time**　■ **Sufficient time**

n = 224
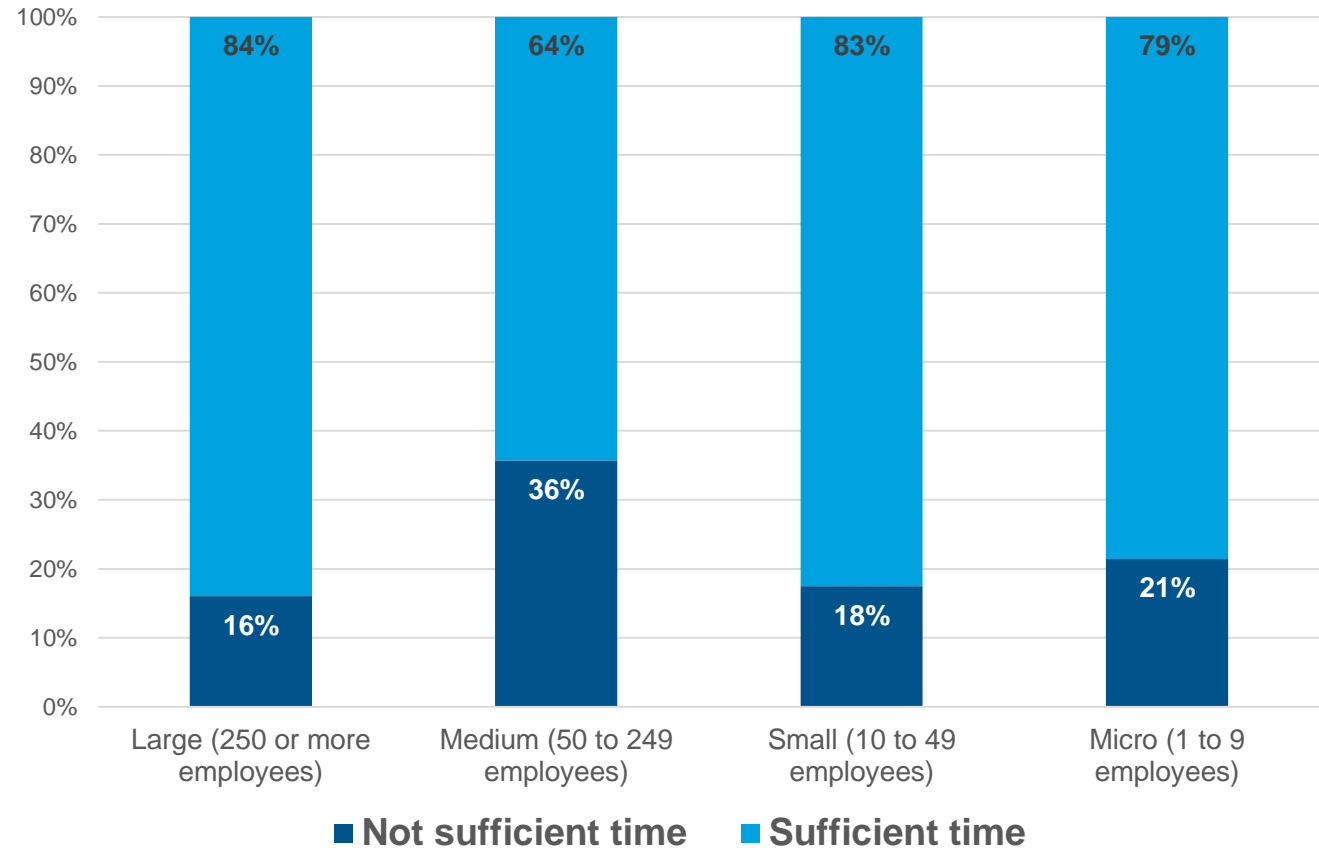
Ability to meet mandatory document requirements and stick to page limits

▪ **Around half of respondents (55%) report the mandatory documents were not challenging to produce**

▪ However, a greater share of medium-sized companies did not find it challenging
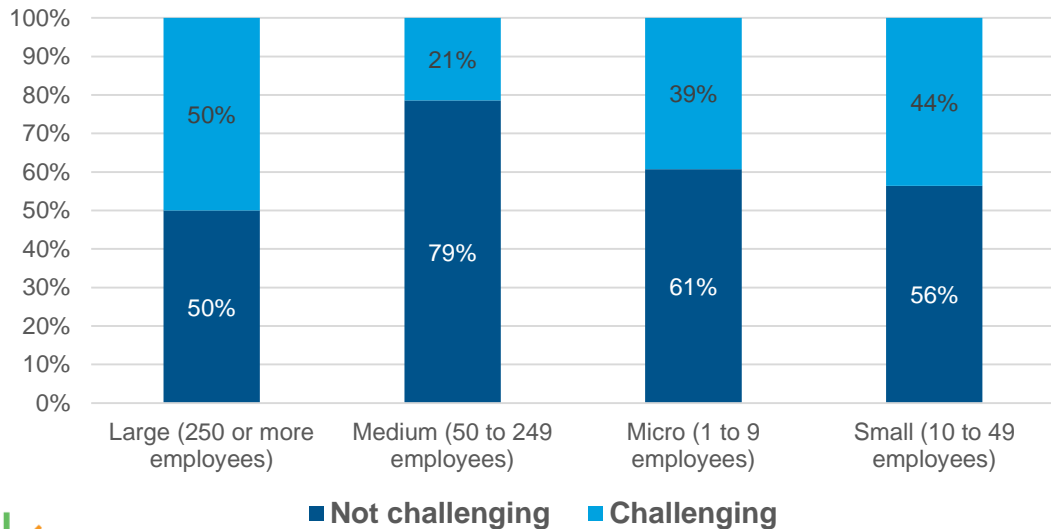
▪ **Almost all respondents found the page limits for different elements of the application to be sufficient**

Chart 1: Challenging to produce by company size

Company size	Not challenging	Challenging
Large (250 or more employees)	50%	50%
Medium (50 to 249 employees)	79%	21%
Micro (1 to 9 employees)	61%	39%
Small (10 to 49 employees)	56%	44%

■ Not challenging ■ Challenging

Chart 2: Page limit sufficiency

Element	Page limit not sufficient	Page limit sufficient
Application form Part B	8,29	91,71
Feasability Study	10,88	89,12
Business plan	7,77	92,23
Project implementation plan	10,36	89,64

■ **Page limit not sufficient** ■ **Page limit sufficient**

Clarity of application documents

- **Vast majority of respondents found the clarity of the documents to be *good* or better**

- **Fewer than 10% of respondents found the documents to be *poor***

- **GHG methodologies are least clear**

	Application process overall	Application form (Parts A and B)	GHG methodologies	Guidance on Degree of Innovation criterion	Guidance on project maturity criterion
Poor	1	2	9	4	5
Fair	10	11	26	16	15
Good	35	34	33	48	44
Very good	41	43	29	27	31
Excellent	14	11	4	4	5

Excellent ■ **Very good** ■ **Good** ■ **Fair** ■ **Poor**
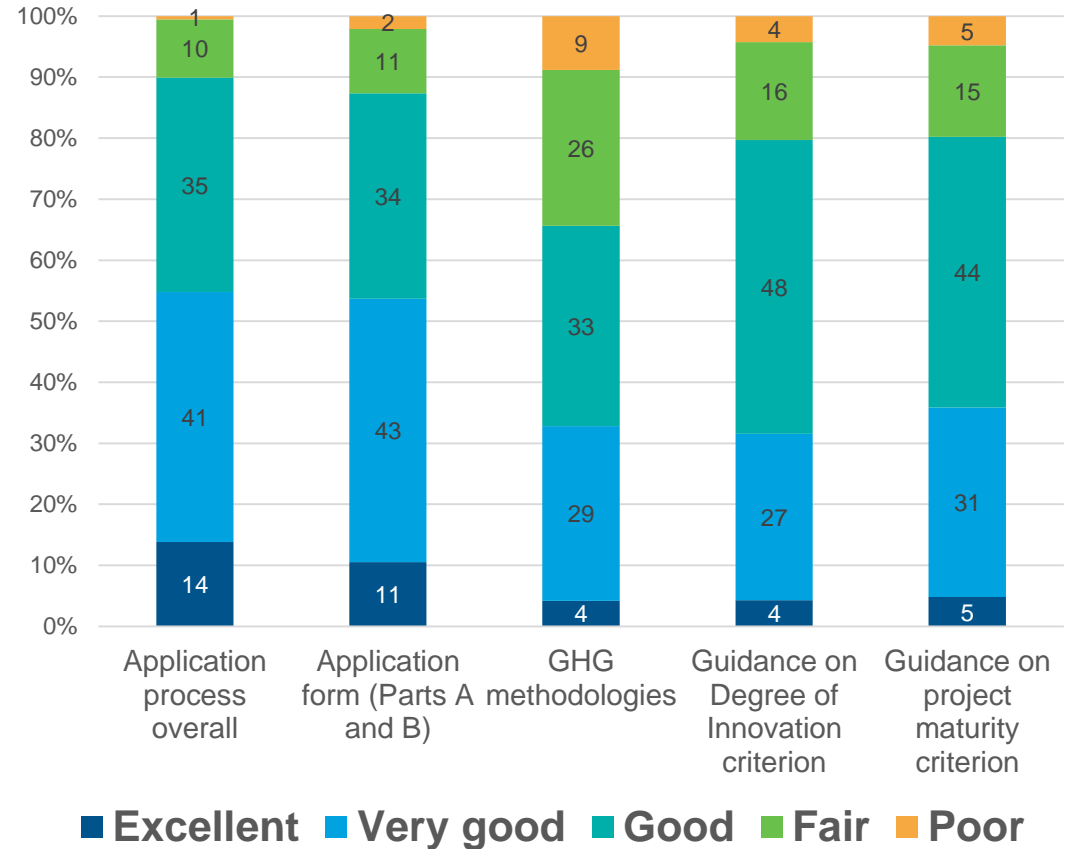
Evaluation criteria & GHG tools

- GHG emissions avoidance criterion was the most challenging element to complete, followed by Project Maturity & Degree of Innovation
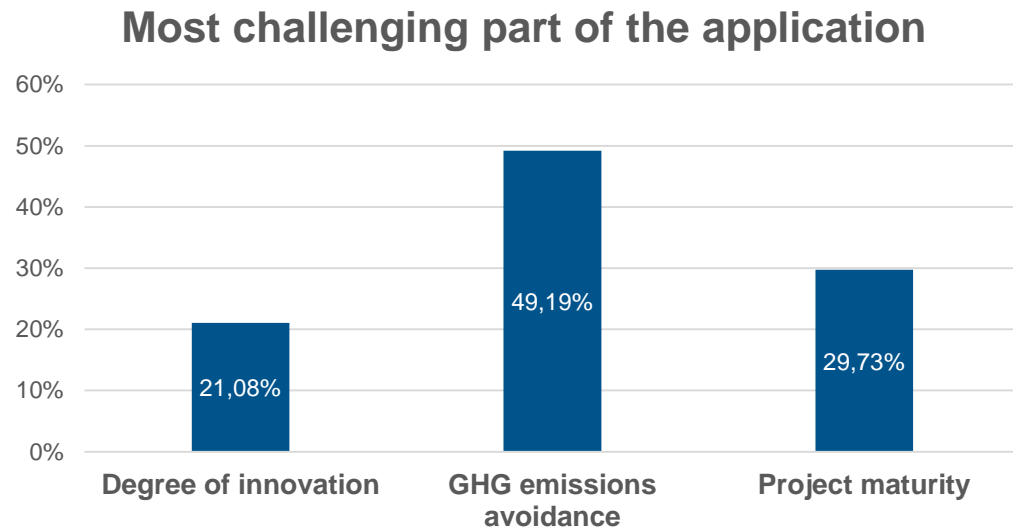
- **More than half of respondents (57%) rate the ease of working with the GHG calculation tools as good, very good or excellent**

Most challenging part of the application

Category	Value
Degree of innovation	21,08%
GHG emissions avoidance	49,19%
Project maturity	29,73%

Rating	Value
Excellent	3,70%
Very good	6,40%
Good	37,57%
Fair	26,46%
Poor	5,87%
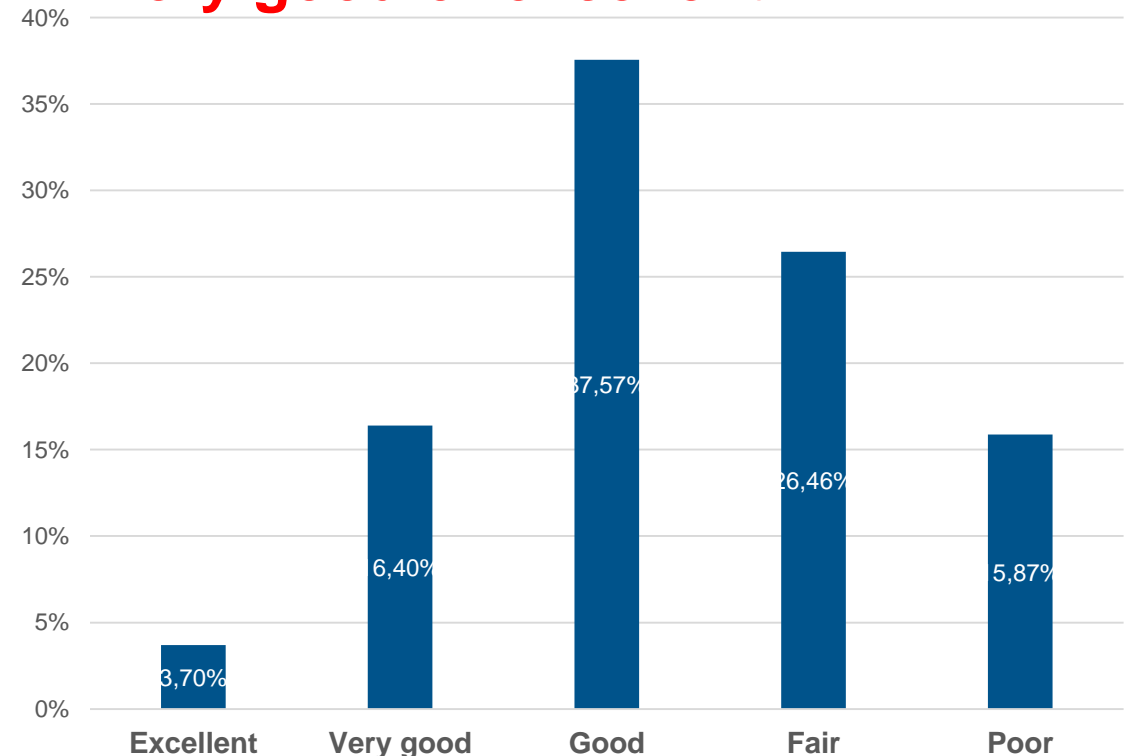
Use of consulting services to help applicants

- **Use of consulting services is common to support and/or complete most of the application**
- **Usage greatly varies across company size:**
  - Only 12% of large-sized companies were *not* supported by a consulting firm
  - Only 17% of micro-sized companies were supported by a consulting firm

Chart data:

	Large (250 or more employees)	Medium (50 to 249 employees)	Small (10 to 49 employees)	Micro (1 to 9 employees)
Yes - we were partially supported in our application	68,22%	42,86%	50,00%	13,79%
Yes - a consulting firm completed most of the application on our behalf	19,63%	7,14%	7,50%	3,45%
No	12,15%	50,00%	42,50%	82,76%
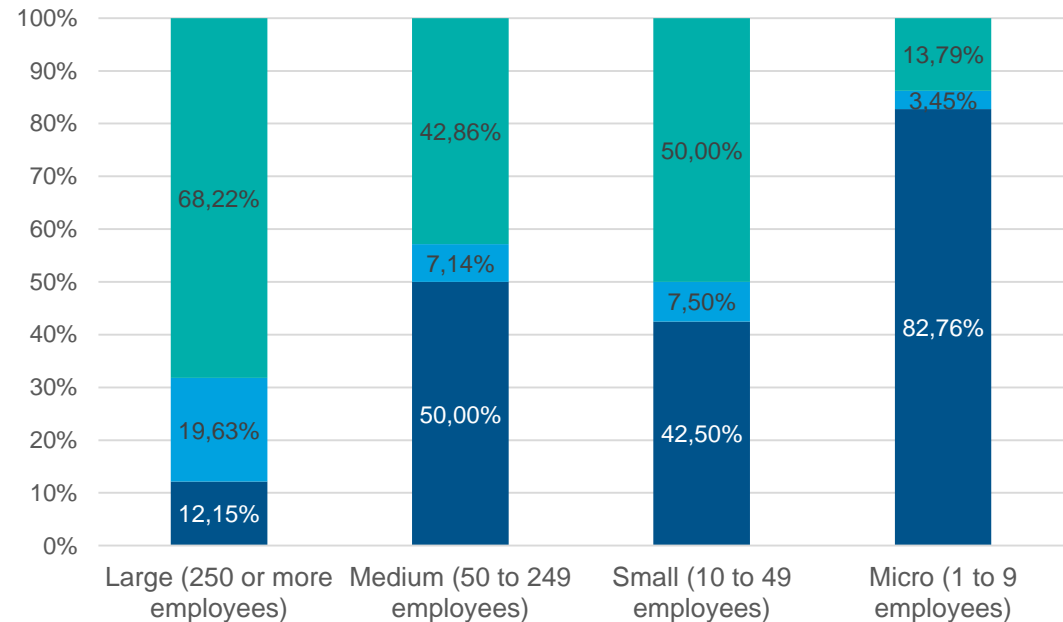
- Yes - we were partially supported in our application
- Yes - a consulting firm completed most of the application on our behalf
- No

Initial recommendations

Recommendations from first analysis of applicant feedback

- Avoid launching call during summer holidays
- Achieve faster response times on Helpdesk questions
- Clearly stated response time expectations for Helpdesk
- Provide more time for Q&A at webinars
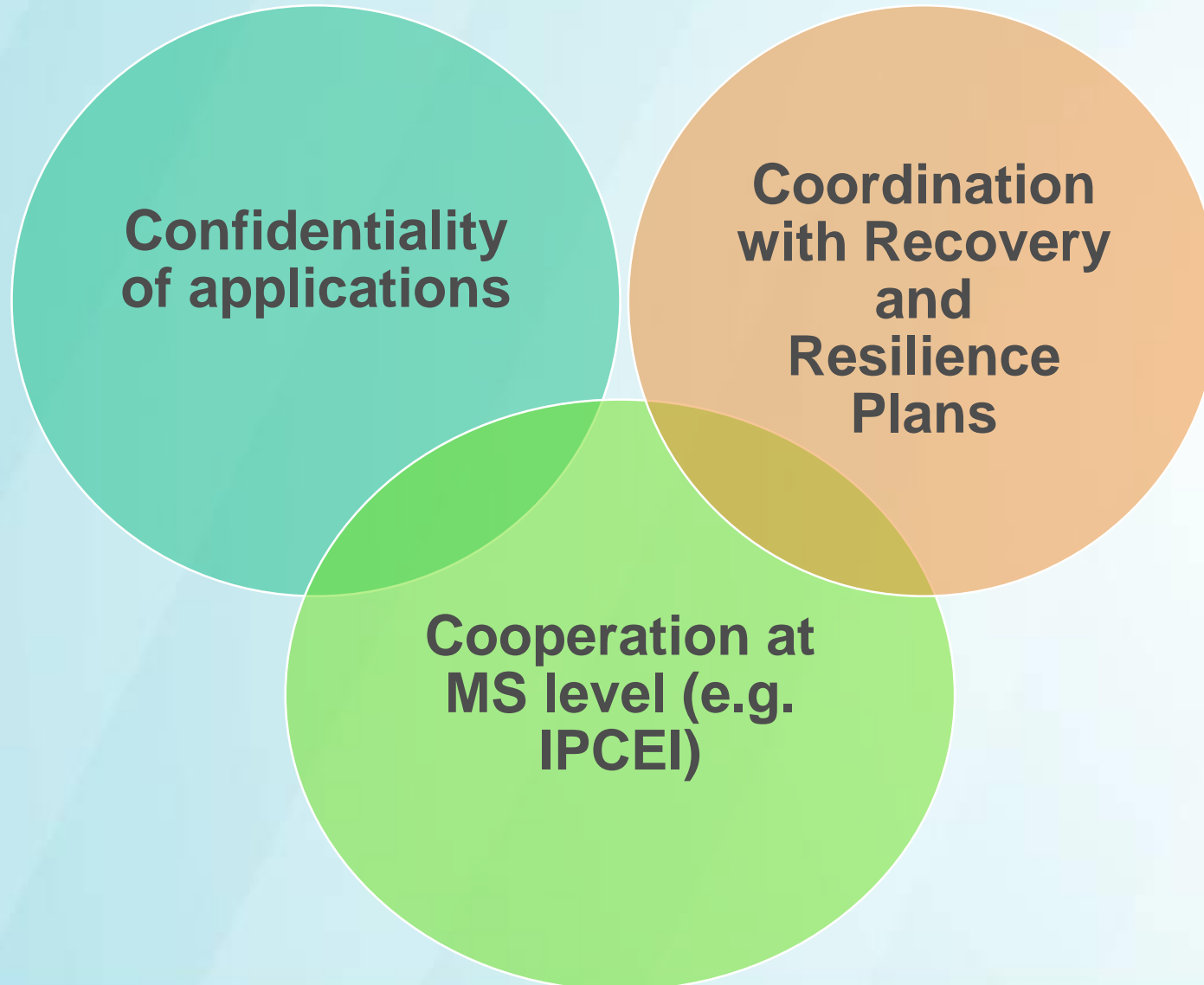- Develop more specific examples in both templates and webinars

→ *Further analysis of responses is currently being undertaken with the objective to integrate into a first 'Lessons Learned' report.*

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Q&A

Linking Member States and applicants

Linking Member States and applicants

MS representatives in IFEG

Establish network of National Contact Points (NCP)

Put NCP contact details online

European Commission

Q&A   Sli.do   #IFEG

Would you consider a network of National Contact Points helpful?

❑ *Yes*
❑ *No*

European Commission

Planning of calls in 2021
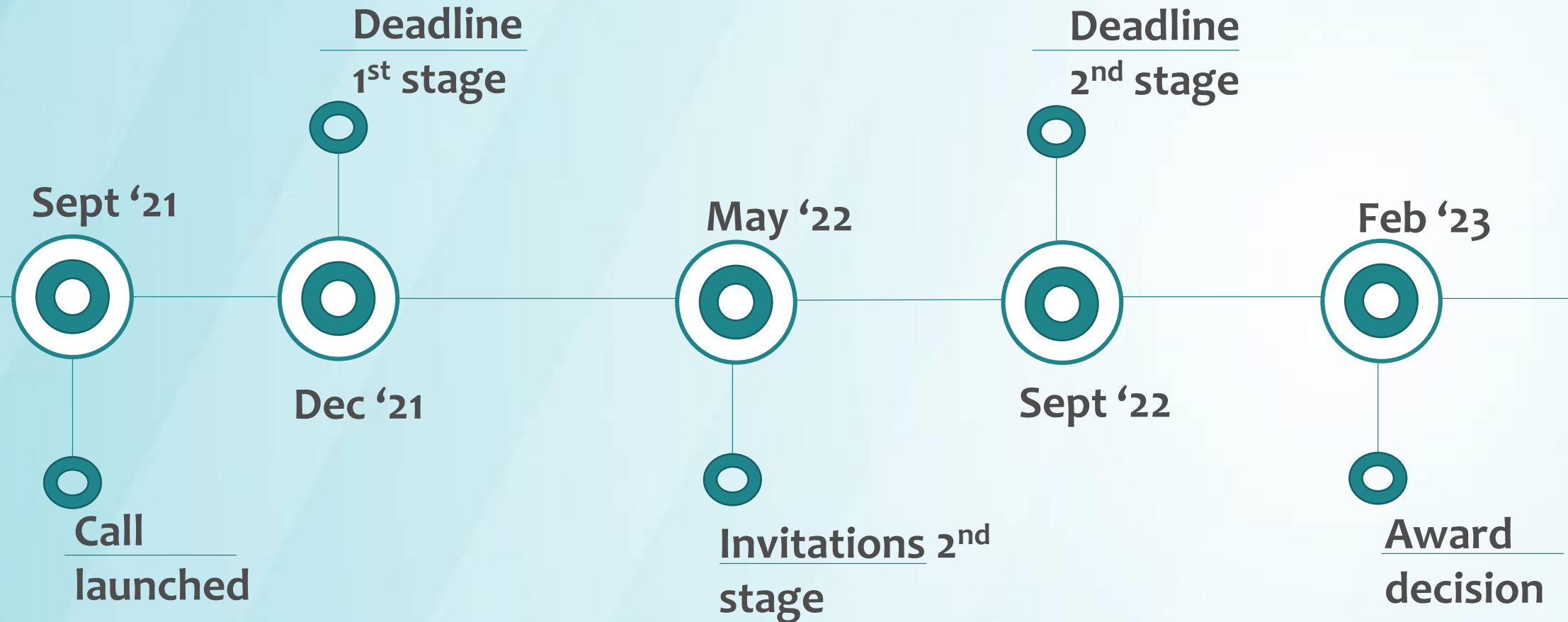
Call for large-scale projects

- Two-stage call from September 2021 to February 2023

- *Consider alternatively one-stage call from September 2021 to May 2022*

Call for small-scale projects

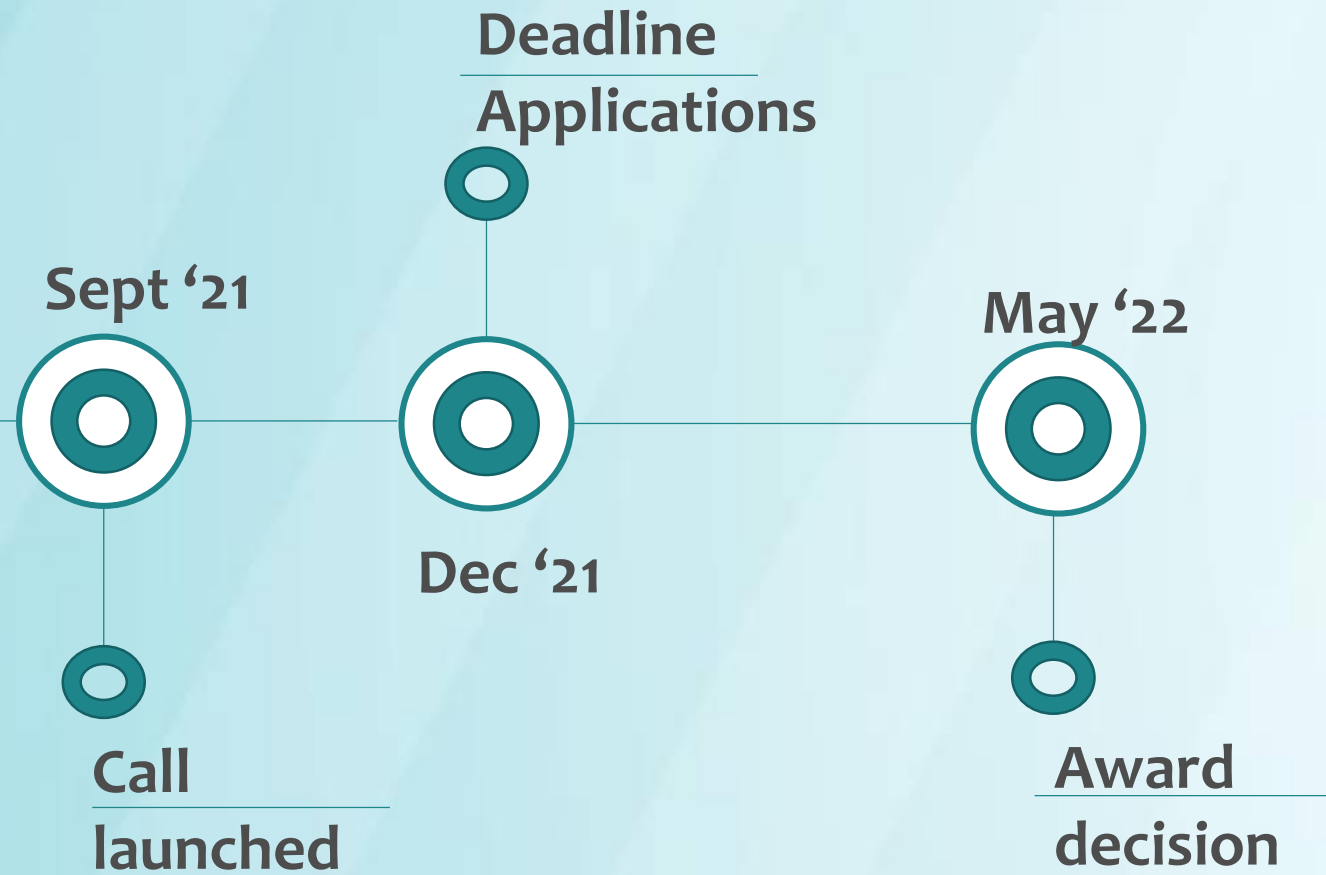- One-stage call from December 2021 to September 2022

European Commission

One-stage call for large-scale projects
September 2021 to May 2022 (9 months)

Deadline
Applications

Sept '21

May '22

Dec '21

Call
launched

Award
decision

Faster implementation of existing project pipeline

Higher requirements related to full application

Change of delegated regulation needed

European Commission

Call for small-scale projects
December 2021 to September 2022 (9 months)

Call
launched

Award
decision

April '22

Dec '21

Sept '22

Deadline
Applications

Same timing as for first call
for small-scale projects

European
Commission

How to enable more flexibility for calls for large-scale projects

Delegated regulation currently foresees two-stage application procedure

Delegated regulation could be amended

- To allow Commission to decide in consultation with expert group
- Whether one- or two-stage application procedure should be applied for next call
- As a function of project pipeline from previous call

Legislative procedure for amendment would take around 8 months

- Would need to be started in January for being applicable for next call in September 2021

European Commission

Q&A

Sli.do **#IFEG**

Would you be in favour of an amendment of the delegated regulation to enable a choice between a one-stage or two-stage application procedure for the next large-scale call (e.g. depending on the available project pipeline from the first call)?

- *Yes*
- *No*

European Commission

Join us as a project evaluator!

WE ARE LOOKING FOR

⊕ Technical Experts

⊕ Expertise on Life Cycle Assessment

⊕ Financial Experts

⊕ Legal Experts

Check INEA website for the application process!

- **Individual** evaluation
  - 5 working days or more
  - To be organized fully remotely from your office or home
  - Can be performed during weekends and evenings
- **Consensus group**
  - Full week of discussion with other fellow evaluators
  - Either in Brussels or virtually
- € 5000 compensation or more <u>OR</u> pro-bono
- **Confidentiality and conflict of interest rules apply**

European Commission

Thank you

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EUClimateAction

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European Commission