INNOVATION FUND

Lessons learnt from the first call for large-scale projects

13 January 2022 – 10:00 CET | Online event

#InnovationFund

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LARGE SCALE CALL STATISTICS

Update after proposals evaluation

2ND STAGE

Deep dive

311 proposals were submitted for the 1st stage call in October 2020

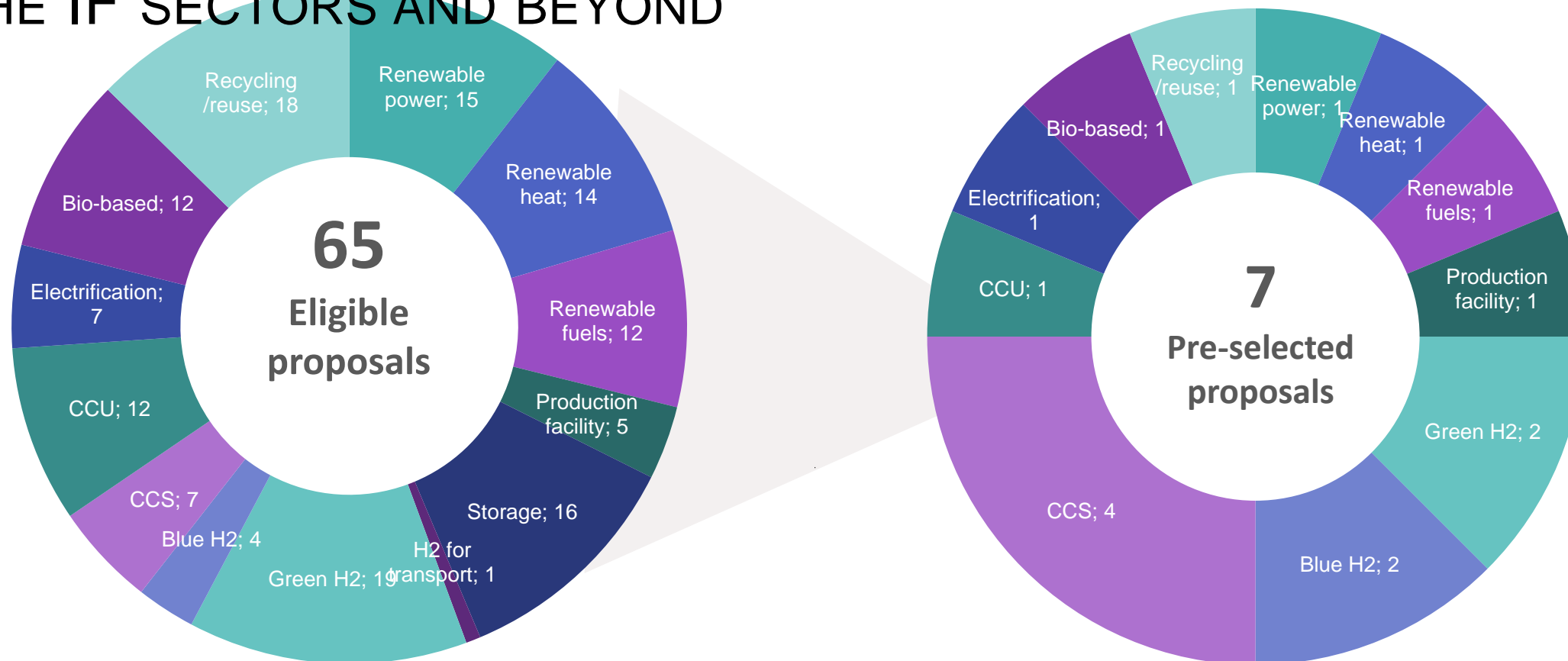**70 best-ranked proposals** were invited to the 2nd stage in March 2021

66 proposals were submitted in June 2021, **65** were eligible

7 top-ranked proposals were pre-selected for a grant requesting over **€1.1 billion**

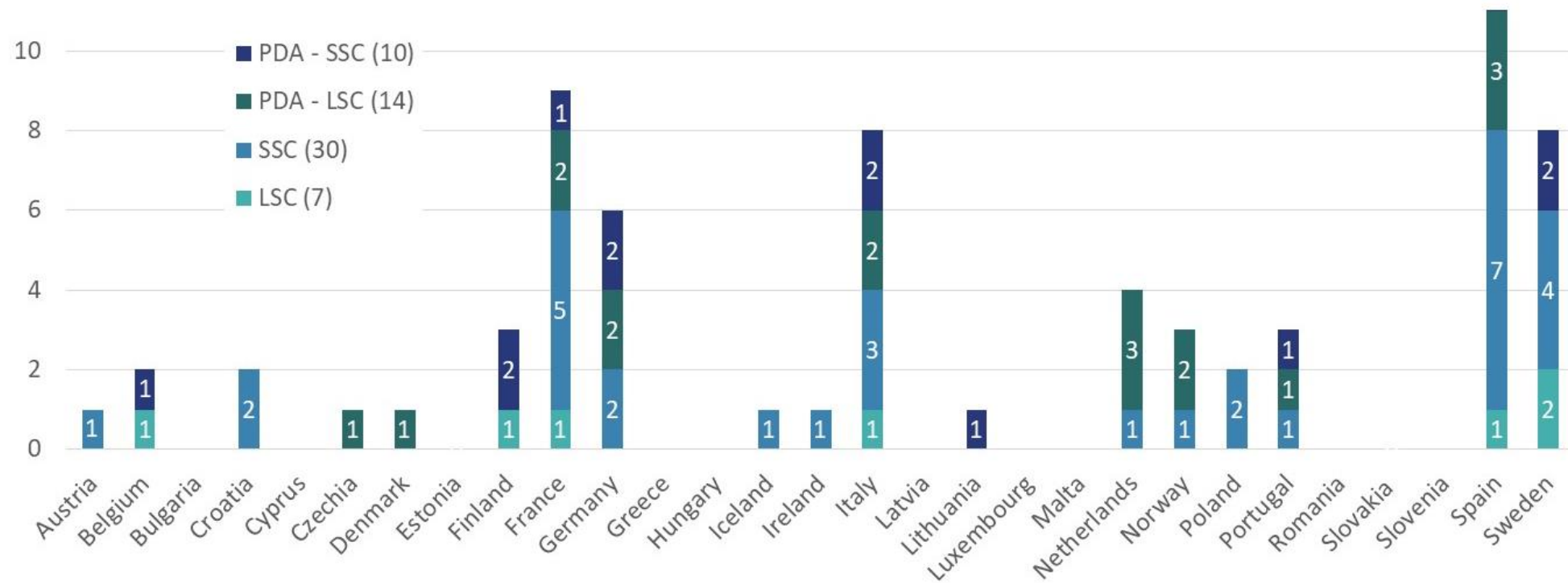with potential to avoid **72.8 MtCO$_2$e** over the first 10 years of operation

EACH PROPOSAL CAN COVER MULTIPLE TECHNOLOGICAL PATHWAYS. THEY SHOW HIGH POTENTIAL TO REDUCE EMISSIONS IN THE IF SECTORS AND BEYOND

65 Eligible proposals
- Recycling/reuse; 18
- Renewable power; 15
- Renewable heat; 14
- Renewable fuels; 12
- Production facility; 5
- Storage; 16
- H2 for transport; 1
- Green H2; 19
- Blue H2; 4
- CCS; 7
- CCU; 12
- Electrification; 7
- Bio-based; 12

7 Pre-selected proposals
- Recycling/reuse; 1
- Renewable power; 1
- Renewable heat; 1
- Renewable fuels; 1
- Production facility; 1
- Green H2; 2
- Blue H2; 2
- CCS; 4
- CCU; 1
- Electrification; 1
- Bio-based; 1

Legend: Based on Form C. Classification of proposals can be overlapping.
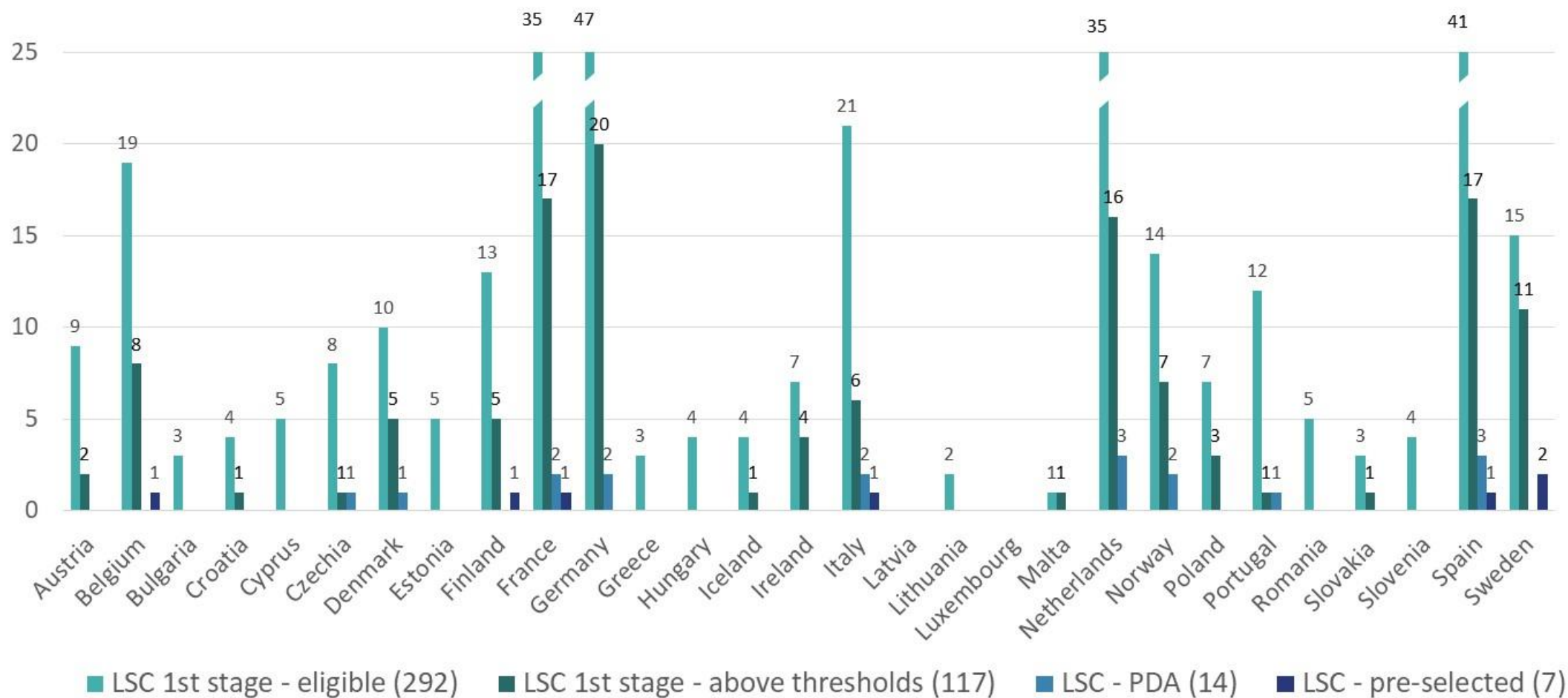
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OVERALL IF PROGRAMME IMPACT BY LOCATION

(Pre-) Selected proposals per European country*

*Some proposals are located in more than one country
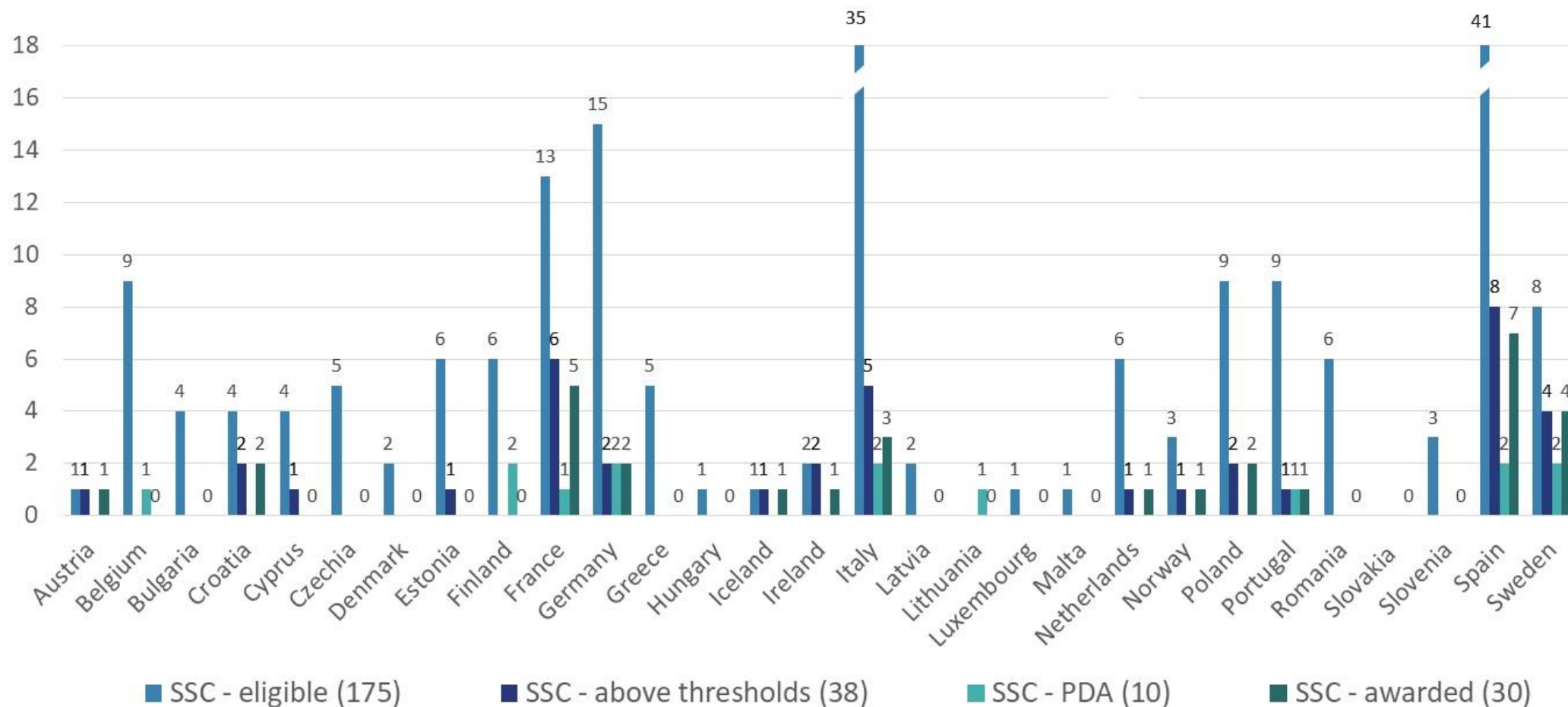
Large-scale call proposals per European country*

*Some proposals are located in more than one country
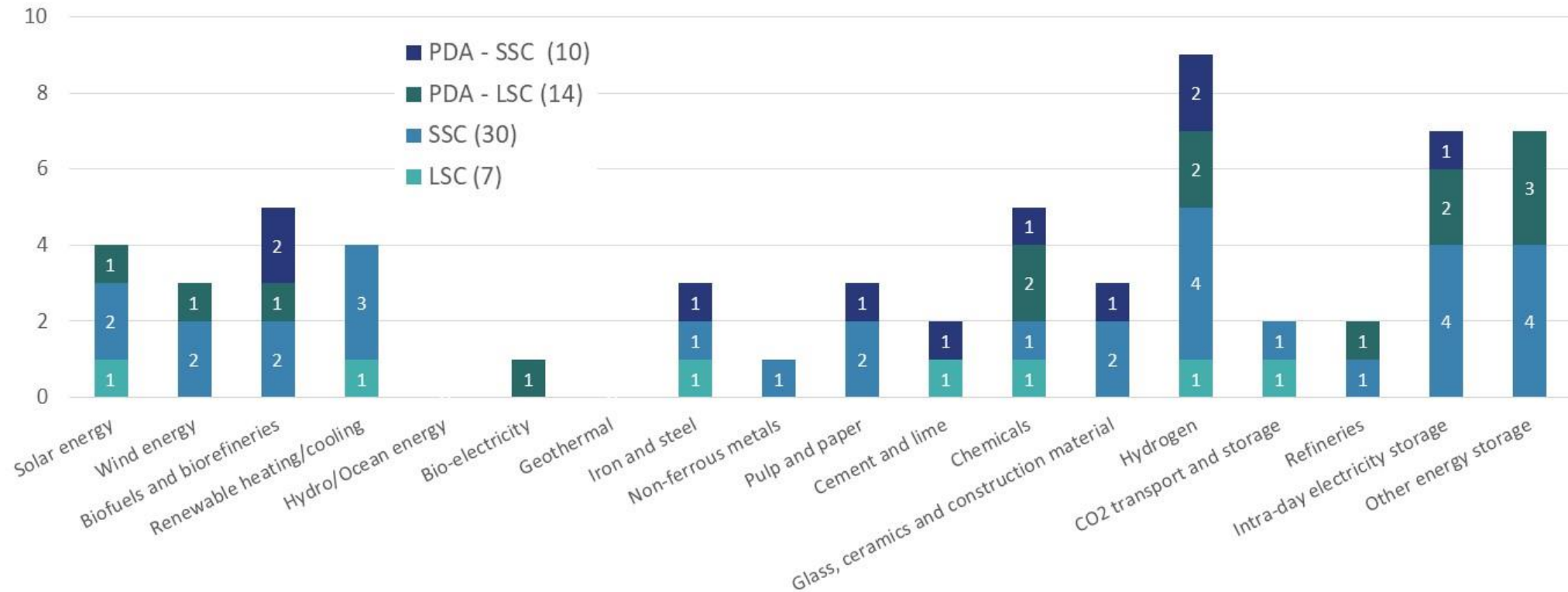
Small-scale call proposals per European country*

Legend:
- SSC - eligible (175)
- SSC - above thresholds (38)
- SSC - PDA (10)
- SSC - awarded (30)

*Some proposals are located in more than one country

European Commission

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PRE-SELECTED PROPOSALS ARE SPREAD ACROSS MOST SECTORS
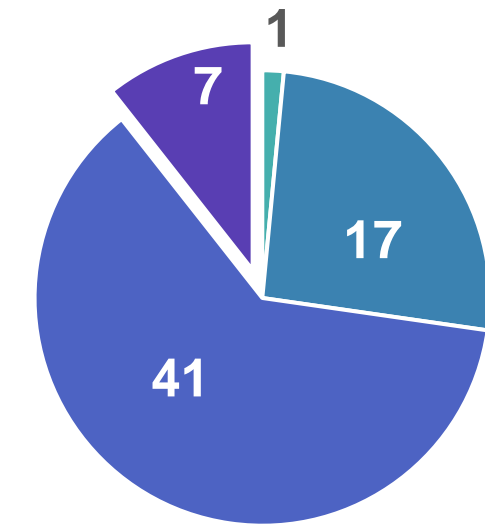
Selected proposals per sector*

*Based only on sectors indicated in application

HIGH NUMBER OF PROMISING PROJECTS

- **7** best scoring proposals that fitted the available budget **of €1.1 billion** were **pre-selected** for grant preparation

- A further **41** proposals met all requirements but could not be funded as they were **beyond the available budget**

- **17** proposals were **rejected** because of manifest errors

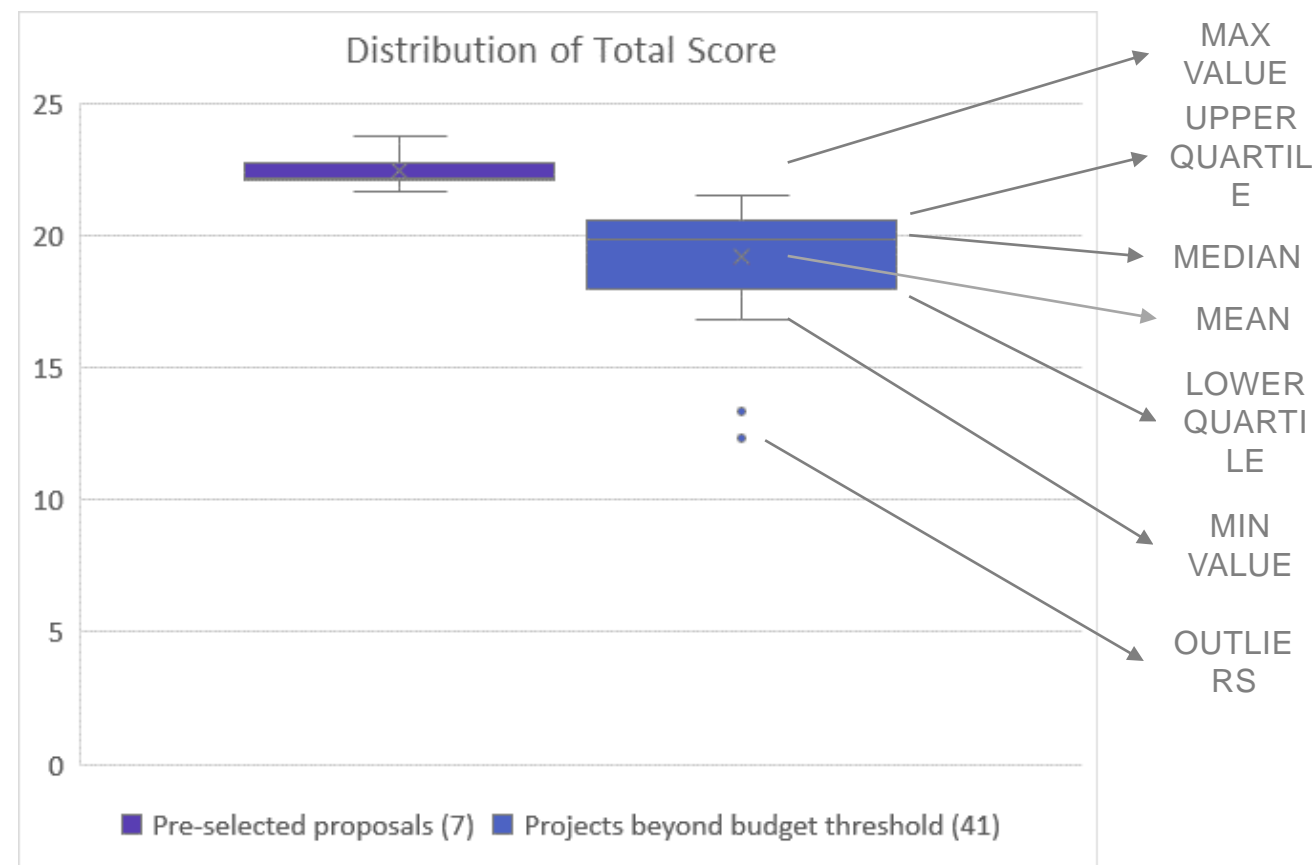- Only **1** proposal was **inadmissible** at 2nd stage due to significant changes compared to 1st stage

Applications submitted

1
7
17
41

- Inadmissible
- Rejected
- Beyond available budget
- Pre-selected for grant preparation
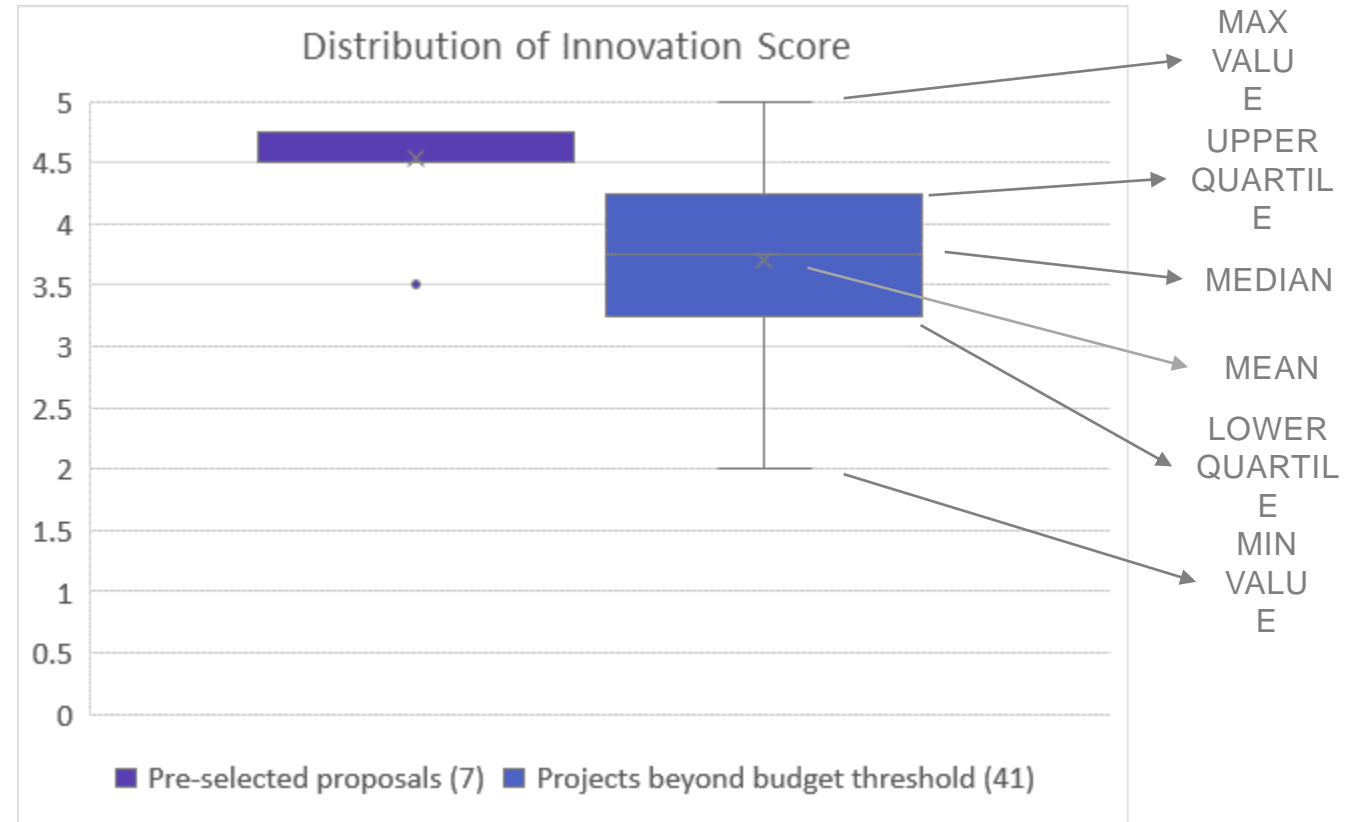
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THE PRE-SELECTED PROPOSALS SCORED HIGH OVERALL

- All pre-selected proposals showed high quality consistency and scored high on most award criteria

- Many proposals which fell beyond the budget threshold actually performed well, demonstrating an opportunity to improve their application and potentially be successful in future IF calls

- Proposals with manifest errors are not included in the presentation, but results on non-failed criteria show the potential for proposals to be improved and for applicants to consider resubmission in future calls
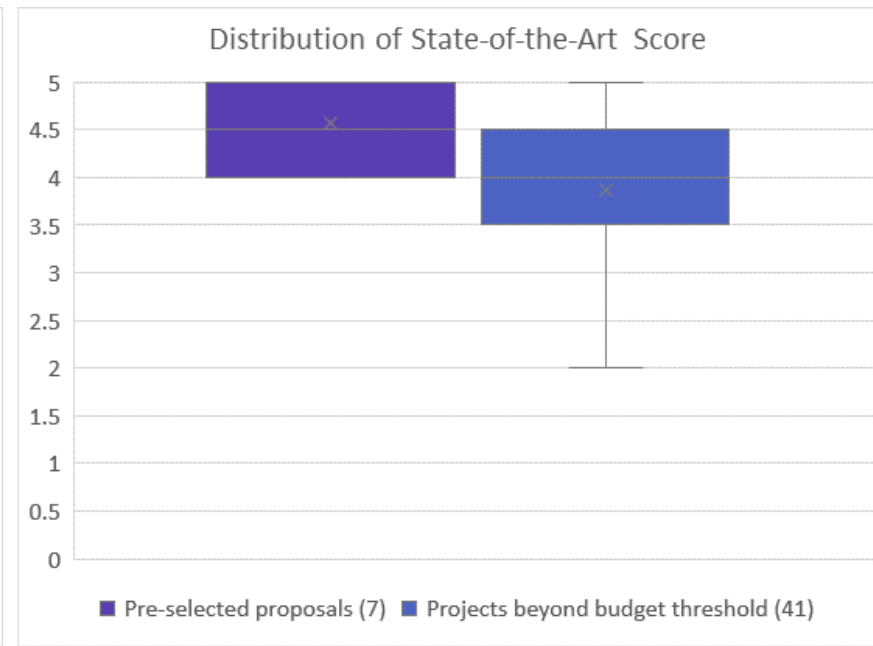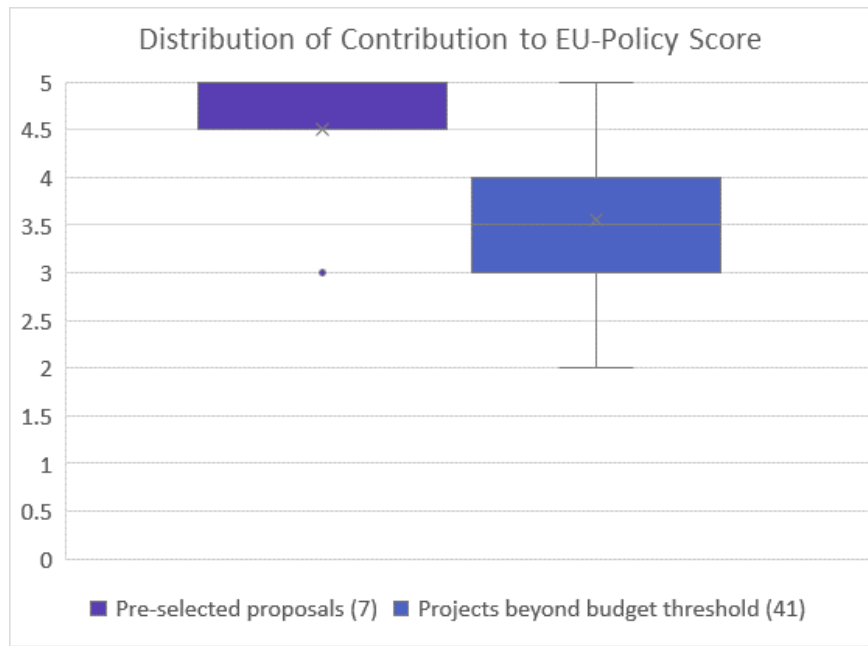

Distribution of Total Score

MAX VALUE
UPPER QUARTILE
MEDIAN
MEAN
LOWER QUARTILE
MIN VALUE
OUTLIERS

Pre-selected proposals (7)   Projects beyond budget threshold (41)

*Rejected because of manifest errors in one or more criteria

MOST PRE-SELECTED PROPOSALS SCORED VERY HIGH ON DEGREE OF INNOVATION

- Most pre-selected proposals scored 4.5 or above (high quality consistency)*

- Many proposals which fell beyond budget threshold also demonstrated strong degree of innovation (those falling into the upper quartile)

Distribution of Innovation Score

MAX VALUE
UPPER QUARTILE
MEDIAN
MEAN
LOWER QUARTILE
MIN VALUE

■ Pre-selected proposals (7)   ■ Projects beyond budget threshold (41)

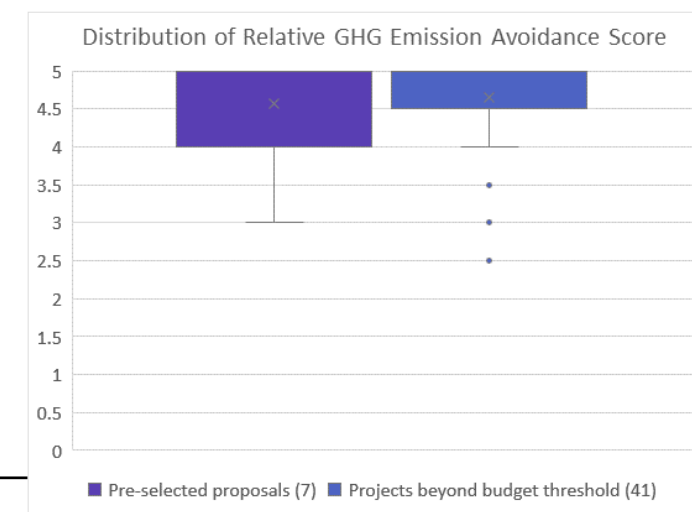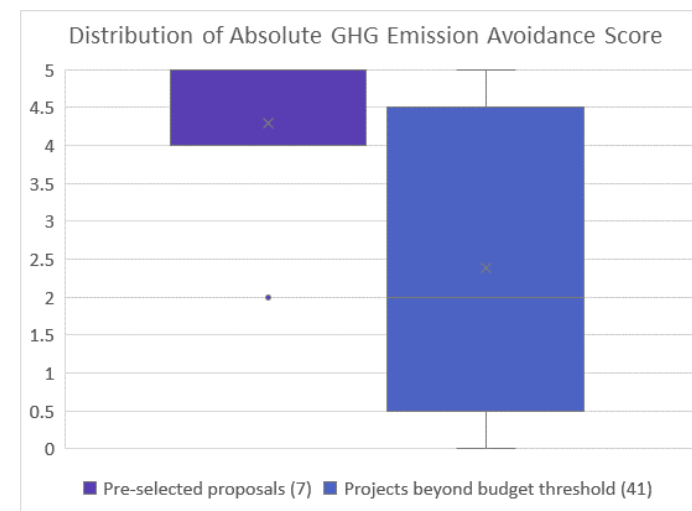European Commission

*One outlier at 3.5

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PRE-SELECTED PROPOSALS SHOWED A HIGH CONTRIBUTION TO EU POLICY OBJECTIVES

- Most pre-selected proposals achieved very high scores on **contribution to EU policy** (4.5 or above)

- Larger overlap in the distribution of advancement over the **state-of-the-art** criteria across all eligible proposals

Distribution of Contribution to EU-Policy Score

■ Pre-selected proposals (7) ■ Projects beyond budget threshold (41)

Distribution of State-of-the-Art Score

■ Pre-selected proposals (7) ■ Projects beyond budget threshold (41)
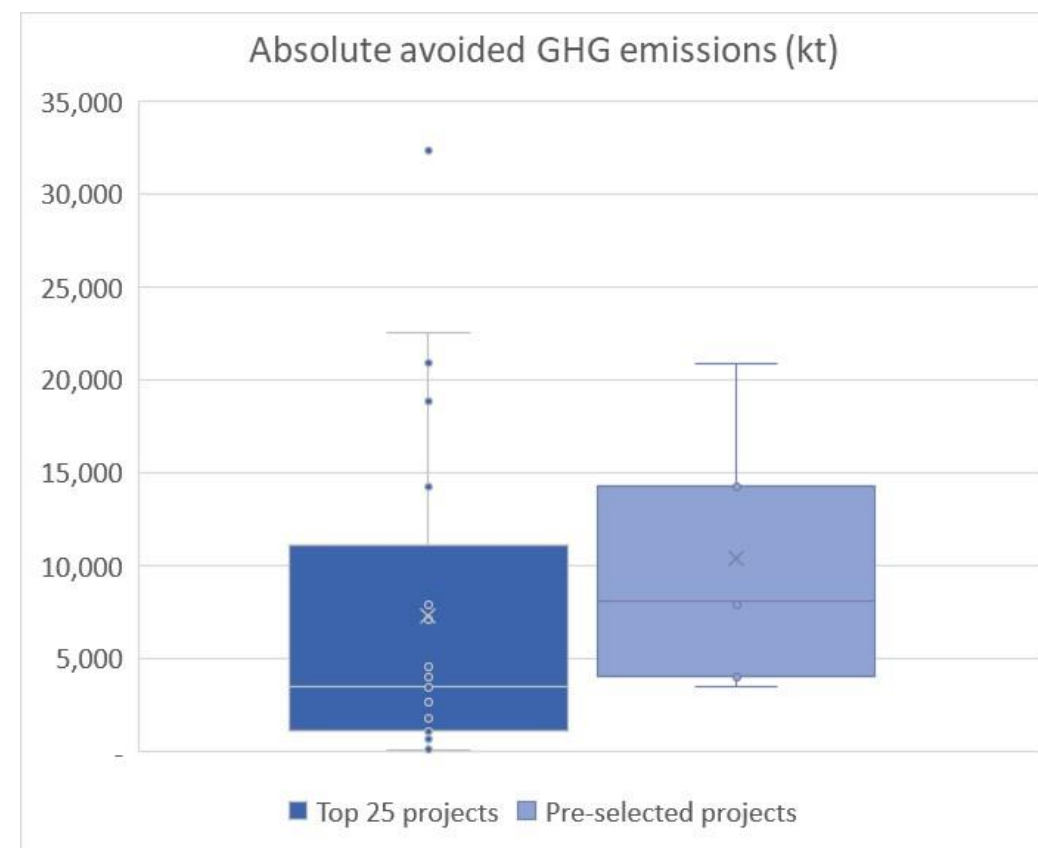
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PRE-SELECTED PROPOSALS DEMONSTRATED HIGH LEVEL OF ABSOLUTE AVOIDED GHG EMISSIONS

- Most pre-selected proposals achieved relatively high scores on absolute emissions avoidance (4 or above)

- Absolute GHG score depended to a large extent on the sector spread

- Proposals beyond budget threshold have bigger spread on absolute emissions avoidance

- Both pre-selected and beyond budget achieved relatively high scored on relative emissions avoidance

Distribution of Absolute GHG Emission Avoidance Score

■ Pre-selected proposals (7) ■ Projects beyond budget threshold (41)

Distribution of Relative GHG Emission Avoidance Score

■ Pre-selected proposals (7) ■ Projects beyond budget threshold (41)

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MANY PROPOSALS WITH LOWER LEVELS OF ABSOLUTE AVOIDED GHG EMISSIONS MADE IT INTO THE TOP 25

- Absolute avoided GHG emissions in the 25 top-ranked proposals:
  - 3 proposal > 1,000 kt and < 2,000 kt
  - 2 proposals > 300 kt and < 1,000 kt
  - 3 proposals < 300 kt

- Smaller projects would have also been funded if the LSC had had a larger budget

- 6 additional sectors in the top-25: Wind, Other energy storage, Biofuels&biorefineries, Glass, ceramics and construction material, Hydro/Ocean energy, Geothermal energy
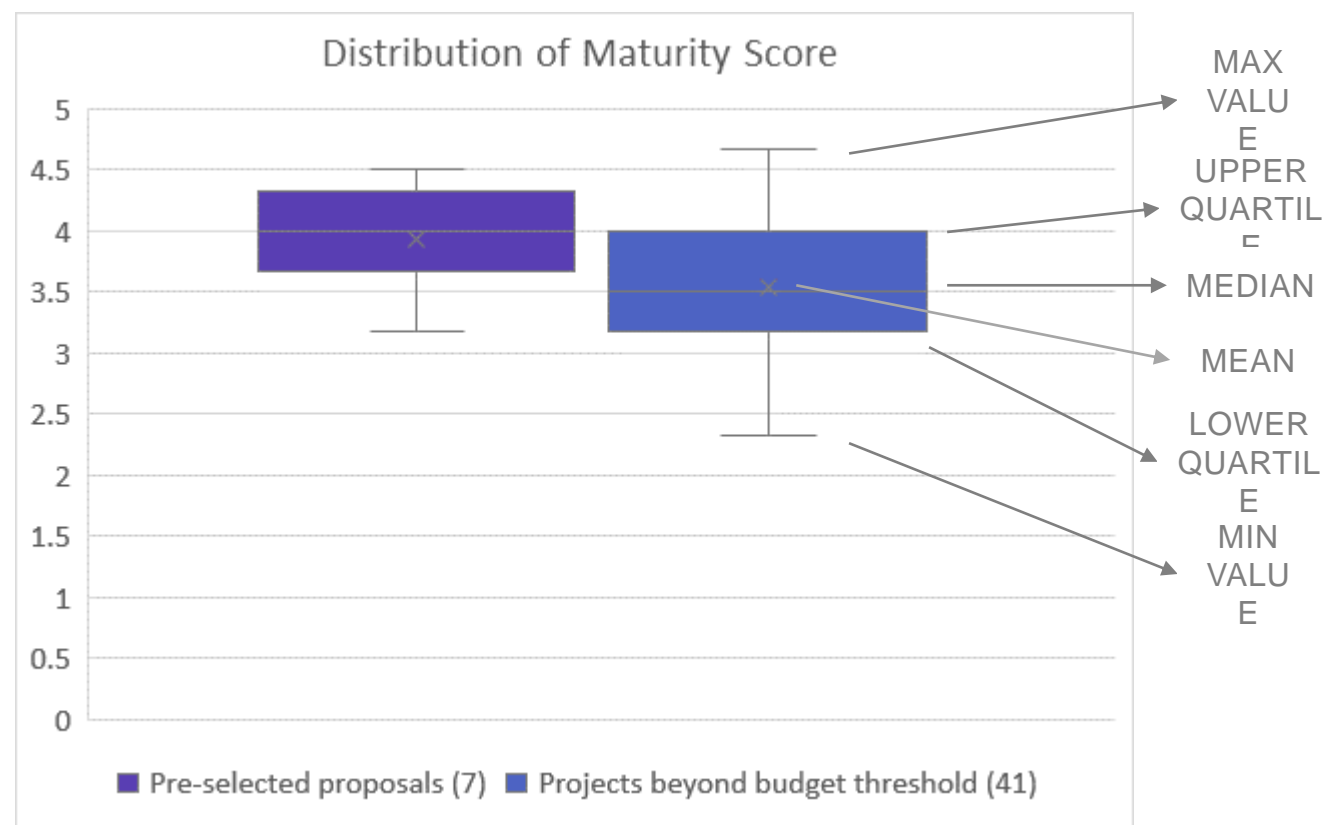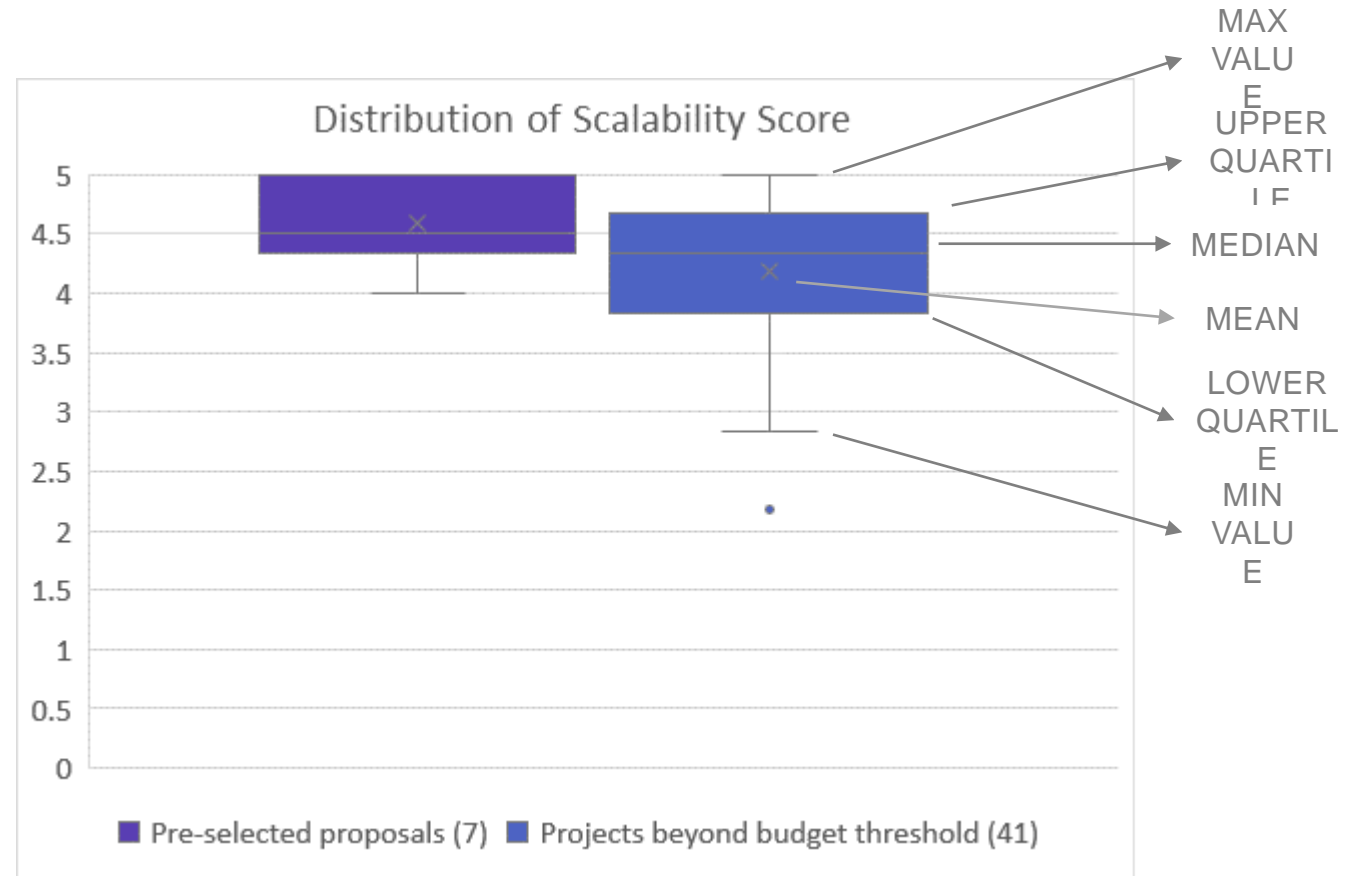

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OVERALL, THE LEVEL OF THE MATURITY SCORE IS THE LOWEST AMONG ALL CRITERIA ACROSS ALL PROPOSALS

- No proposal received top marks (5 points out of 5), even within pre-selected proposals

- Pre-selected proposals achieved maturity score from 3.2 to 4.5 (the lowest level among all criteria, demonstrating big room for improvement)

- Spread of scores is also wide across proposals beyond budget threshold
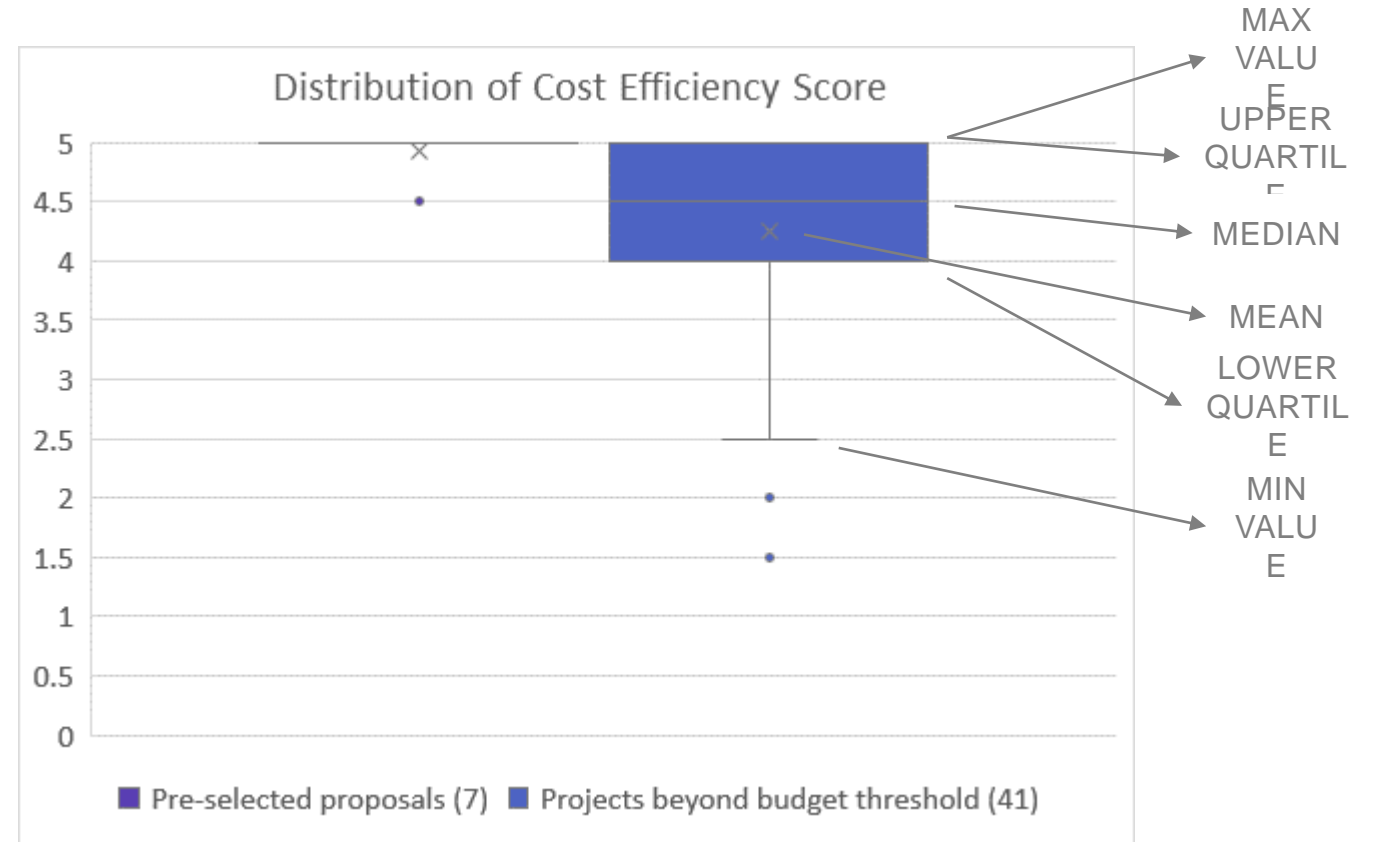

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Pre-selected proposals demonstrated high potential for scalability

- Pre-selected proposals achieved scalability score from 4 to 5

- Many proposals beyond budget threshold also demonstrated high potential for scalability (those falling over the lower quartile)

Distribution of Scalability Score

■ Pre-selected proposals (7)   ■ Projects beyond budget threshold (41)

MAX VALUE
UPPER QUARTILE
MEDIAN
MEAN
LOWER QUARTILE
MIN VALUE

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ALL PRE-SELECTED PROPOSALS ACHIEVED TOP MARKS IN COST EFFICIENCY

- Most pre-selected proposals achieved cost efficiency score of 5

- Spread in cost efficiency score for proposals beyond budget threshold is relatively low, with a few proposals that scored below 3

Distribution of Cost Efficiency Score

MAX VALUE
UPPER QUARTILE
MEDIAN
MEAN
LOWER QUARTILE
MIN VALUE

■ Pre-selected proposals (7) ■ Projects beyond budget threshold (41)

SOME REASONS BEHIND THE MANIFEST ERRORS (LEADING TO REJECTION OF THE PROPOSAL)

17 proposals did not meet the minimum requirements since they included manifest errors on the GHG Emissions Avoidance or Cost Efficiency criteria (or both):

- **10 proposals included manifest errors in their GHG emissions calculations**

(e.g., wrong product reference, wrong emission factor, inclusion of negative emissions, failure to use EU ETS Benchmark)

- **9 proposals had manifest errors in their Cost Efficiency calculation**

(e.g., inclusion of project costs beyond ten years of plant operations, wrong methodology without proper justification, wrong CAPEX included in the reference, inconsistent assumptions, inclusion of a terminal value, omission of price premia)

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Where to find 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://europa.eu/!rx34Dt

Innovation Fund – YouTube

https://bit.ly/2WxK8w7

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