



Brussels, 19.10.2021
C(2021) 7404 final

COMMISSION DECISION

of 19.10.2021

**on the activities related to the Innovation Fund, serving as the financing decision for
2021 and as a decision launching the second calls for proposals**

(Text with EEA relevance)

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(Text with EEA relevance)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012¹, and in particular Article 110 thereof,

Having regard to Commission Delegated Regulation (EU) 2019/856 of 26 February 2019 supplementing Directive 2003/87/EC of the European Parliament and of the Council with regard to the operation of the Innovation Fund², and in particular Article 9 thereof,

Whereas:

- (1) The Innovation Fund, established by Article 10a(8) of Directive 2003/87/EC of the European Parliament and of the Council³, is one of the key Union financing programmes contributing to the achievement of the objectives of the European Green Deal⁴ and particularly of the European Climate Law⁵, committing the Union to the achievement of climate neutrality by 2050. The Innovation Fund aims to bring closer to the market highly innovative technologies, processes and products that are sufficiently mature and have a significant potential to reduce greenhouse gas emissions in sectors listed in Annex I to Directive 2003/87/EC. The Innovation Fund is to be financed from the revenues resulting from the auctioning of the allowances under the system for greenhouse gas emission allowance trading within the Union as well as from the non-disbursed revenues of the predecessor NER300 Programme. The Innovation Fund revenues are therefore becoming available on a gradual basis.
- (2) Article 19(3) of Delegated Regulation (EU) 2019/856 provides for the revenues of the Innovation Fund to constitute external assigned revenue within the meaning of Article 21, paragraphs 1 and 5 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council where the Commission implements the Innovation Fund in direct management, including through an executive agency.

¹ OJ L 193, 30.7.2018, p.1.

² OJ L 140, 28.5.2019, p. 6.

³ OJ L 275, 25.10.2003, p. 32.

⁴ COM (2019) 640 final.

⁵ Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 (OJ L 243, 9.7.2021, p. 1).

- (3) The Commission entrusted the Innovation and Networks Executive Agency ('INEA')⁶ with the implementation of the Innovation Fund by Implementing Decision (EU) 2013/801/EU⁷, and by Commission Decision C(2013)9235⁸, as amended by Commission Decision C(2020)3147⁹, delegated to INEA certain tasks related to the overall management of the first calls for proposals.
- (4) In order to ensure the implementation of the Innovation Fund, it is necessary to adopt an annual financing decision for 2021. Article 110 of Regulation (EU, Euratom) 2018/1046 ('the Financial Regulation') establishes detailed rules on financing decisions.
- (5) This decision should therefore enable the financing of the preparation for the launch of the second calls for proposals and the calls for proposals themselves: the call for the large-scale projects is envisaged to be published still in 2021, the call for the small-scale projects in 2022. Moreover, this decision should specify the modalities for the launch of both second calls, for large-scale and small-scale proposals. In addition, this financing decision covers for a first time contributions to blending operations under the Union investment support instrument InvestEU.
- (6) In order to ensure effectiveness, it is necessary to use indirect management for the implementation of the project development assistance. The European Investment Bank (the EIB) has proven experience in providing project development assistance under other Union financing programmes and was therefore entrusted, on the basis of an agreement between the EIB and the Commission, with the implementation of the project development assistance task in accordance with Article 18, point (e) of Delegated Regulation (EU) 2019/856. Moreover, for similar reasons the EIB was entrusted with indirect management of the blending operations as referred to in Article 14 of that Regulation.
- (7) It is necessary to allow for the payment of interest due for late payment on the basis of Article 116(5) of Regulation (EU, Euratom) 2018/1046.
- (8) The envisaged assistance is to comply with the conditions and procedures set out by the restrictive measures adopted pursuant to Article 215 TFEU.
- (9) In order to allow the flexibility in the implementation of the Innovation Fund, it is appropriate to allow changes, which should not be considered substantial for the purposes of Article 110(5) of Regulation (EU, Euratom) 2018/1046.

⁶ As of 1 April 2021, INEA was succeeded and replaced by the European Climate, Infrastructure and Environment Executive Agency ('CINEA') in accordance with Articles 15(1) and 15(2) of Commission Implementing Decision (EU) 2021/173 of 12 February 2021 establishing the European Climate, Infrastructure and Environment Executive Agency, the European Health and Digital Executive Agency, the European Research Executive Agency, the European Innovation Council and SMEs Executive Agency, the European Research Council Executive Agency, and the European Education and Culture Executive Agency and repealing Implementing Decisions 2013/801/EU, 2013/771/EU, 2013/778/EU, 2013/779/EU, 2013/776/EU and 2013/770/EU (OL L50,15.2.2021, p. 9).

⁷ Commission Implementing Decision 2013/801/EU of 23 December 2013 establishing the Innovation and Networks Executive Agency and repealing Decision 2007/60/EC as amended by Decision 2008/593/EC (OJ L 352, 24.12.2013, p. 65).

⁸ Commission Decision C(2013)9235 of 23 December 2013 delegating powers to the Innovation and Networks Executive Agency with a view to the performance of tasks linked to the implementation of Union programmes in the field of transport, energy and telecommunications infrastructure and in the field of transport and energy research and innovation comprising, in particular, implementation of appropriations entered in the general budget of the Union.

⁹ Commission Decision C(2020)3147 of 18 May 2020 amending Decision C(2013)9235 as regards the implementation of the Innovation Fund.

- (10) Given the uncertainty as regards the volume of the Innovation Fund revenues, it is important to enable the authorising officer to enter legal commitments subject to availability of that revenue.
- (11) Member States have been consulted as provided for in Article 9(1), Article 14(2) and Article 21(2), point (b) of Delegated Regulation (EU) 2019/856,

HAS DECIDED AS FOLLOWS:

Article 1
Scope

The decision for the financing of the activities related to the Innovation Fund for the year 2021 and the launching of the calls for proposals for the Innovation Fund support, in accordance with the modalities set out in the Annex, is adopted.

Article 2
Global budgetary envelope

The estimated maximum budgetary envelope for the implementation of the Innovation Fund for the year 2021 is set at EUR 1 721 000 000, and it shall be financed by the revenues from the auctioning of the allowances destined for the Innovation Fund and by any non-disbursed revenues from the NER300 programme, entered as external assigned revenue in the general budget of the Union:

budget line 16.03.01: EUR 1 721 000 000

The appropriations provided for in the first paragraph may also cover interest due for late payment.

The implementation of this Decision is subject to the availability of the appropriations at the time of entering into legal commitments by the authorising officer.

Article 3
Methods of implementation and entrusted entities

The implementation of the activities carried out by way of indirect management, as set out in the Annex, shall be entrusted to the European Investment Bank.

Article 4
Flexibility clause

Cumulated changes to the allocations to different activities, as set out in the Annex, not exceeding 20% of the maximum budgetary envelope set in the first paragraph of Article 2 of this Decision shall not be considered to be substantial for the purposes of Article 110(5) of Regulation (EU, Euratom) 2018/1046, where those changes do not significantly affect the nature of the activities and the objectives of the Innovation Fund.

The maximum budgetary envelope set in the first paragraph of Article 2 may be adjusted to the amount of appropriations resulting from the auctioning of the Innovation Fund allowances prior to entering into individual legal commitments, provided that the change does not exceed 20%.

The authorising officer responsible may apply the changes referred to in the first and second paragraphs. Those changes shall be applied in accordance with the principles of sound financial management and proportionality.

Done at Brussels, 19.10.2021

For the Commission
Frans TIMMERMANS
Executive Vice-President