



# Innovation Fund

First call for small-scale projects

19 November 2020



# 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 **#IFSS**.
3. You can now post comments or like comments.
4. Identify yourself when posting comments. These comments will be considered with priority.

# Agenda

10.00 **Opening remarks** - Keynote *“Innovation Fund: main features of the small-scale call”* - Christian Holzleitner, Head of Unit, DG CLIMA

10.15 **Panel session** - Roundtable *“How can the Innovation Fund foster innovative clean tech small-scale projects?”*

**Diego Pavía, CEO, InnoEnergy**

**Nicola Rega, Climate and Energy Manager, European pulp and paper industry association**

**Nicolas Stephan, Investment Director, ADEME Investissement**

**Rob van der Meij, Partner, Capricorn Partners**

**Alessandro Boschi, Head of Division Renewable Energy, European Investment Bank**

11.10 **Panel session** - Q&A

11.30 **Closing of virtual conference**

# Innovation Fund

Production and use of  
**Renewable energy**  
*including manufacturing plants for  
components*

**Carbon Capture  
Use and Storage**

**Scaling up clean tech**

**Energy-intensive  
industries**  
*including substitute products*

**Energy storage**  
*including manufacturing plants for  
components*

# INNOVATION FUND SMALL-SCALE CALL: MAIN FEATURES

Focus on innovative projects close to market

## CALL VOLUME

- EUR 100 million (grants)
- Project development assistance

## PROJECT SIZE

- Capital expenditure below EUR 7,5 million

## ELIGIBLE SECTORS

- Renewables
- Energy-intensive
- Industries and substitute products
- Carbon capture and storage
- Energy storage

## GRANT SIZE

- Maximum 60% of capital expenditure

## TIMELINE

- Call open 1 December 2020, apply by 10 March 2021!

# INNOVATION FUND SMALL-SCALE CALL: AWARD CRITERIA AND FOCUS

## AWARD CRITERIA

- Greenhouse gas emission avoidance
  - Degree of innovation
  - Project maturity
    - Scalability
  - Cost efficiency

## GRANT DISBURSEMENT

- Up to 40% before or at financial close
- Remaining 60% over 3 year reporting period

## FOCUS

- First sale of new technology to pioneer customers



# Innovative small-scale projects ready for the market



## Pioneer Customer(s)

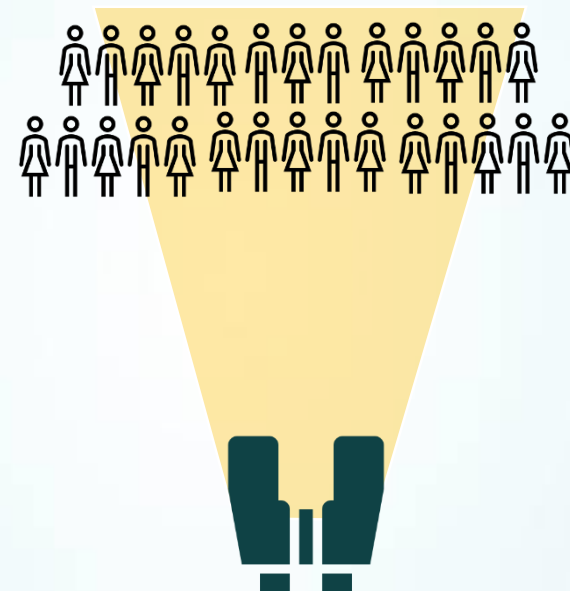
Installation of an innovation in a new “pioneer” market with a “pioneer” customer.

- *You have an exciting new technology but need a market*
- *Include the customer(s) in your application*

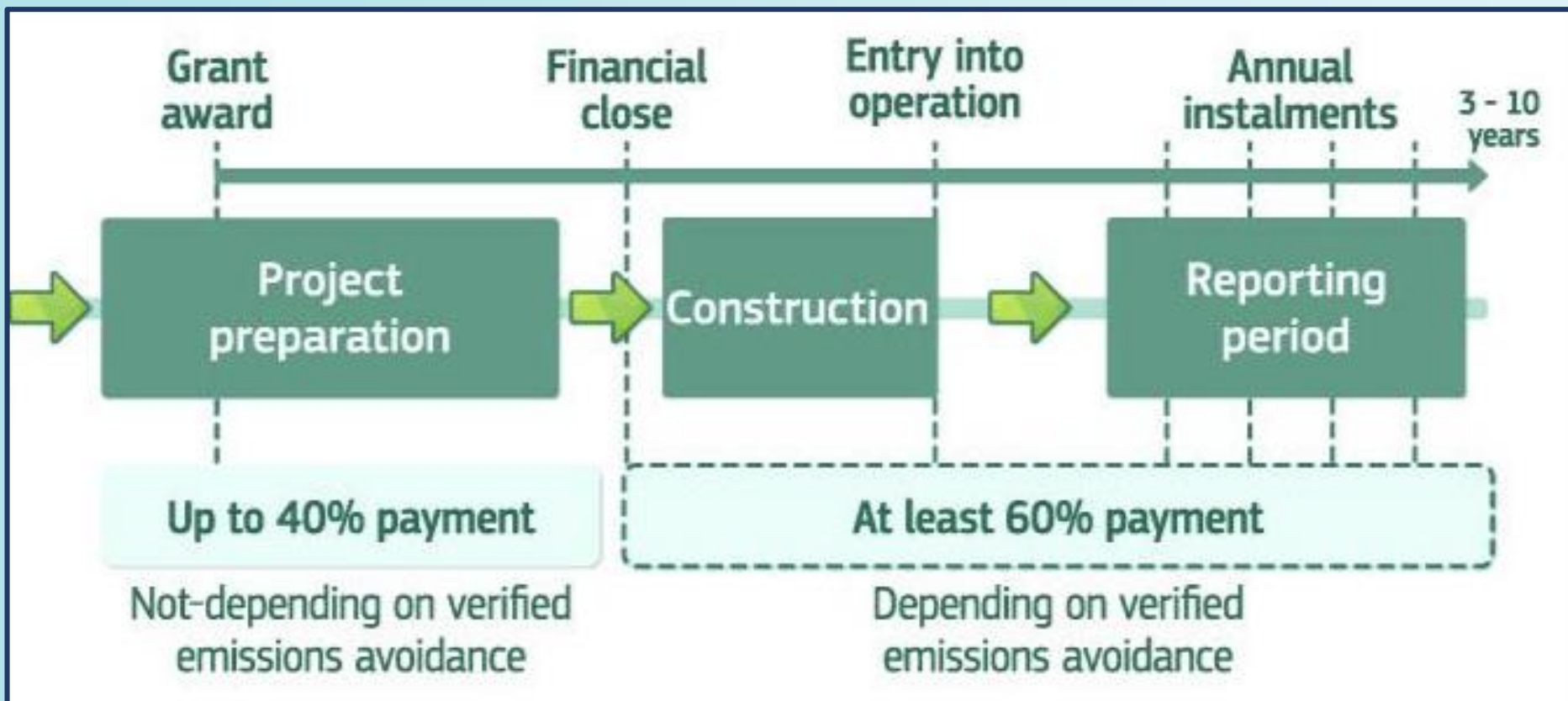
think of

- *Battery solutions*
- *Hydrogen fuel cells powered data centres*
- *climate neutral public buildings: renewable energy, energy storage and substitute materials pilot buildings*

examples



# GRANT DISBURSEMENT





# INNOVATION FUND SMALL-SCALE CALL: AWARD CRITERIA

## GHG EMISSIONS AVOIDANCE

- Absolute and relative emissions
- Below ETS benchmark
- Biomass sustainability



Simplified methodologies

## INNOVATION

- Beyond state-of-the-art
- Beyond incremental innovation



Encouragement of specific activities

## PROJECT MATURITY

- Implementation maturity
- Financial maturity



Fewer requirements on documentation

## SCALABILITY

- Project and regional level
- Sector level
- Economy wide



No knowledge sharing plan

## COST EFFICIENCY

- Relevant cost = total project CAPEX
- EU contribution requested per tCO<sub>2</sub> avoided



Simpler calculations

**SIMPLIFICATIONS COMPARED TO LARGE-SCALE CALL**



European  
Commission

# GHG EMISSION AVOIDANCE

<b>Sub-criteria</b>	<b>Description</b>
<b>Absolute GHG emission avoidance</b>	The difference between the expected GHG emissions of the project and the GHG emissions in the reference scenario during 10 years after entry into operation.
<b>Relative GHG emission avoidance</b>	The absolute GHG emission avoidance of the project divided by the GHG emissions in the reference scenario.

# DEGREE OF INNOVATION

Project goes beyond state of the art

- First-of-a-kind commercialisation or commercial size demonstration of processes

Project goes beyond incremental innovation

- Proposed technology or product or business model goes beyond minor changes made to existing products, processes or business models

**Specific activities encouraged**

- **Direct air capture**
- **Net carbon removals**
- **Substitute products**

# PROJECT MATURITY

## Implementation maturity

- Technical feasibility
- Credibility of implementation planning
- Project team
- Permitting procedure
- Contracts or MoU with customers

## Financial maturity

- Viability of financial plan and bankability
- Soundness of financial model

# SCALABILITY

## Project and regional level

- Expansion at project site and possible transfer to other sites
- Cooperation with other actors of the regional economy

## Sector level

- Extent to which the technology of the project can be applied within the sector
- Expected cost reductions and resource constraints

## Economy-wide

- Extent to which the technology of the project can be applied across the economy

# COST EFFICIENCY

Relevant costs less contribution by  
project applicant  
*Max 60% of relevant costs*

=

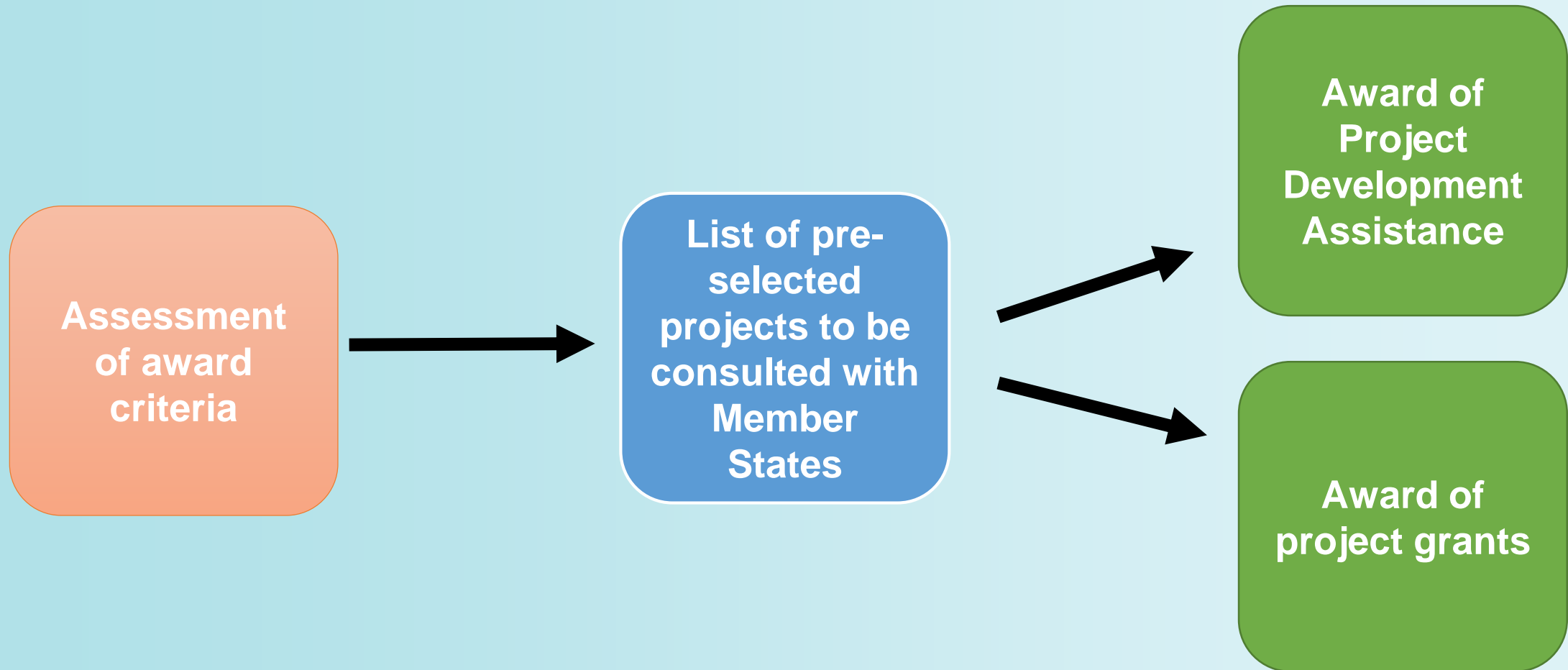
**Absolute GHG emission avoidance**  
During 10 years after entry into operation

**Relevant costs = total capital expenditure (CAPEX) of the project**  
(eg. construction costs, site infrastructure; development costs; Intangible assets)

- **Maximum of €7.5M CAPEX**
- **CAPEX to be certified by independent auditor**



# SELECTION PROCEDURE



# PROJECT DEVELOPMENT ASSISTANCE

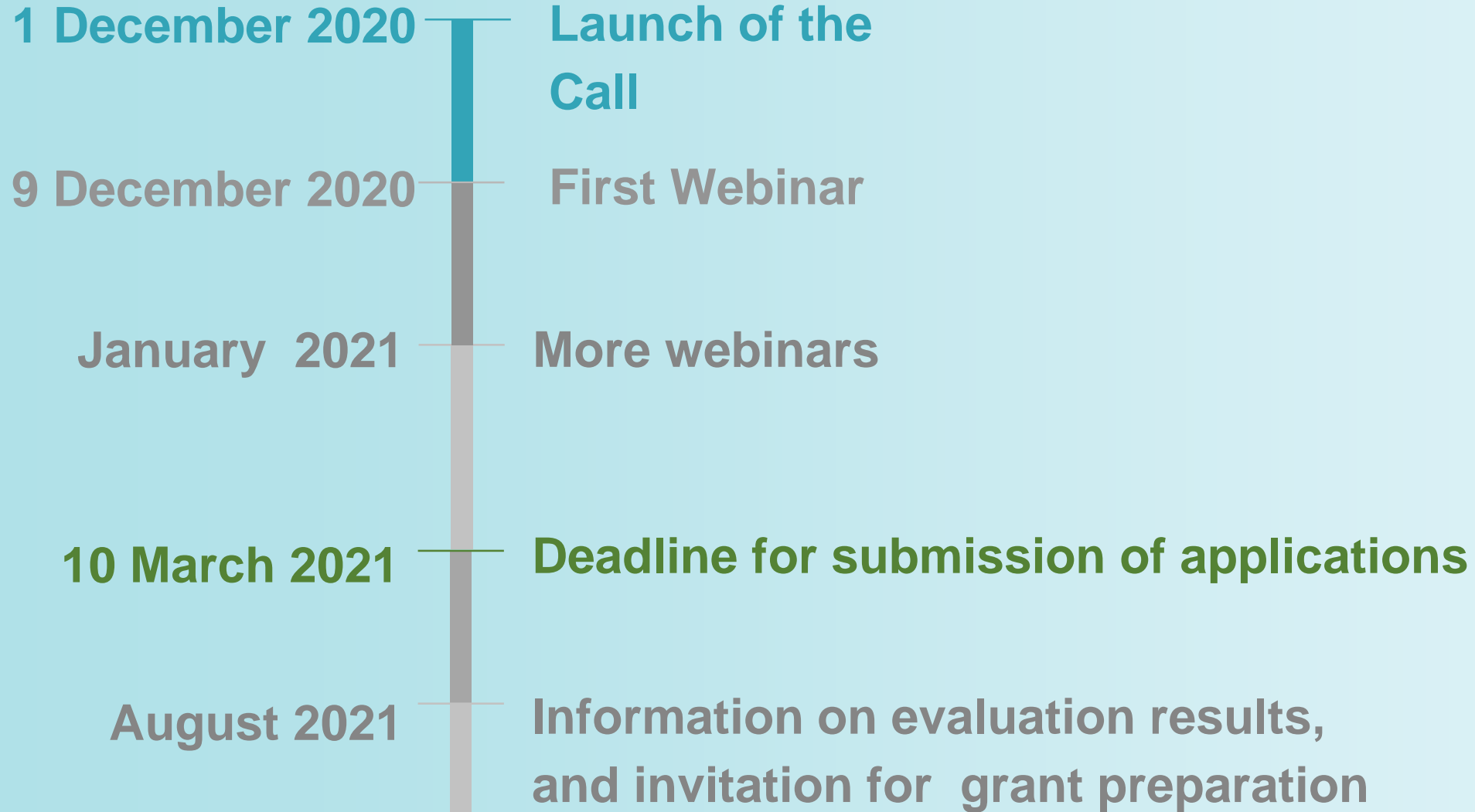
Which projects can benefit from PDA?

- Rejected projects that
  - Meet certain minimum requirements
  - Are considered by evaluators as having potential to improve their maturity with PDA
  - Are confirmed by the EIB as shortlisted projects for the PDA

How does it work?

- The PDA support consists of the **EIB expert services** for further development of projects
- Managed separately under project - specific contract with the EIB
- **Ca 20 projects** could benefit from the PDA in this call

# TIMELINE



# JOIN AS PROJECT EVALUATOR



**Technical experts**



**Expertise on Life  
Cycle Assessment**



**Financial experts**



**Legal experts**

*Check INEA website for the  
application process!*

- **Individual** evaluation
  - 5 working days
  - 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
- Up to € 5000 compensation OR pro-bono
- **Confidentiality and conflict of interest rules apply**

# HOW TO FOLLOW US:



[https://ec.europa.eu/clima/policies/innovation-fund\\_en](https://ec.europa.eu/clima/policies/innovation-fund_en)



EUClimateAction



EUClimateAction



EUClimateAction