Questions and Answers: Launch of the Innovation Fund 2025 Net-Zero Technologies Call

Brussels, 4 November 2025

What kind of projects will be covered under the Net-Zero Technologies Call?

The Net-Zero Technologies Call (IF25 NZT) offers up to €2.9 billion in grants and is aimed at projects that have significant potential to reduce greenhouse gas emissions across different industrial sectors of the economy.

Innovative projects can be proposed in the following categories:

- Energy-intensive industries
- Renewable energy
- Energy storage
- Industrial carbon management
- Net-zero mobility (including maritime, aviation and road transport) and buildings.

There are **five topics** that interested applicants must apply to under the categories mentioned above:

Three **general decarbonisation** topics differentiated by project size:

  - Large-scale - €1.2 billion available for projects with CAPEX above €100 million
  - Medium-scale- €300 million available for projects with CAPEX between €20 million and €100 million
  - Small-scale - €100 million available for projects with CAPEX between €2.5 million and €20 million

- **Cleantech manufacturing** - €1 billion available for projects with CAPEX above €2.5 million focusing on the manufacturing of components for renewable energy, energy storage, heat pumps, and hydrogen production, including electric-vehicle batteries.

- **Pilot** - €300 million available for projects with CAPEX above €2.5 million targeting highly innovative technologies focused on deep decarbonisation of sectors listed in Annex I and III to the EU ETS Directive 2003/87, including carbon capture and utilisation, and products substituting carbon-intensive ones produced in sectors listed in Annex I to the Directive.

What's new in the IF25 NZT Call compared to the 2024 Call?

This year, the Net-Zero technologies call has a budget of €2.9 billion, compared to a €2.4 billion budget in the 2024 Call, with the most notable budget increase of €300 million for the cleantech manufacturing topic.

To ensure predictability and clarity for applicants, only minimal adjustments were made compared with the IF24 NZT Call. The two most significant changes are:

A. 'Do No Significant Harm' (DNSH) Compliance

For the first time under Innovation Fund Calls, the DNSH criterion will be implemented. Therefore, all proposals submitted to the Innovation Fund Auction and Grants calls will be assessed for their compliance with the DNSH Technical Screening Criteria, set in Commission Delegated Regulations (EU) 2021/2139 ('Climate Delegated Act') and (EU) 2023/2486 ('Environment Delegated Act').

The DNSH principle was first legislated through the EU Sustainable Finance framework, specifically via Regulation (EU) 2020/852 ('Taxonomy Regulation'). There is a total of six environmental objectives established in Article 9 of the Taxonomy Regulation:

1. Climate change mitigation
2. Climate change adaptation
3. Protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control regarding use and presence of chemicals
6. Protection and restoration of biodiversity and ecosystems.

Within the European Union policy framework, the DNSH principle aims to ensure that EU initiatives (e.g. policies, regulations, funding programs) do not negatively impact the EU's climate and environmental objectives. This principle is increasingly used by European and national authorities to mainstream climate and environmental considerations across public initiatives during their design, implementation, and evaluation phases.

B. A new bonus point for small and –medium-sized enterprises (SMEs)

SMEs are recognised as the backbone of the European economy. They represent 99% of all European businesses and are crucial drivers of economic growth, job creation, and innovation.

The Fund's flexibility allows participation from both SMEs and large enterprises, focusing on the innovative and decarbonisation aspects of the proposed solutions, rather than the size of the applicant. Nevertheless, SMEs have significant opportunities for growth within the Fund's portfolio of projects.

Therefore, the IF25 NZT Call has created a dedicated bonus point for projects coordinated and implemented only by SMEs. Its aim is to attract more applications from innovative SMEs and increase the chances of success for their high-impact decarbonisation projects across all topics of the net-zero technologies call (large, medium, small-projects, cleantech manufacturing and pilots).

How does the “Grants-as-a-Service" scheme work?

The ‘Grants-as-a-Service' feature allows Member States to benefit from the Innovation Fund's evaluation process to identify and support promising projects from their national budgets in case they were not selected for funding from the Innovation Fund due to budgetary limitations. Participation is voluntary on the side of the Member States, is considered state aid and has to be approved as such by the Commission.

Thanks to close alignment between the evaluation under the Innovation Fund and the state aid assessment, the approval of the Commission can be streamlined and accelerated provided that Member States fulfil the required conditions. Project developers must express their interest in using the ‘Grants-as-a-Service' in their application to the Innovation Fund to be eligible for selection under this scheme. Interested Member States must get in touch with the Commission.

Find the concept note here.

How will the Net-Zero Technologies Call boost the resilience and competitiveness of European companies?

To better align the Innovation Fund calls with the goals of the Net-Zero Industry Act (NZIA), the relevant award criteria have been strengthened, showing the Commission’s commitment to drive decarbonisation, while building resilient value chains.

Project proposals are required to demonstrate their contribution to EU industrial leadership and competitiveness. For example, projects can score points by contributing to the creation of new industrial ecosystems or to the development of energy infrastructure in the EU. Other examples can be the development of new technology or intellectual property rights in Europe, cooperation with universities in the European Economic Area, training, and other actions to develop knowledge in Europe during the project’s operation.

The Call includes resilience award criteria, better streamlining and aligning with NZIA the criteria already present in the 2024 Innovation Fund Net-Zero technologies Call (IF24 Call).

The assessment will also take into account projects’ potential to increase resilience and due diligence across the supply chain. For this last aspect, the assessment will also

consider whether a project can reduce the sourcing of critical raw materials or components from countries on which the EU has dependency.

Will the STEP (Strategic Technologies for Europe Platform) Seal be awarded to projects that apply to the IF25 NZT Call?

The STEP Seal is the EU's quality label and is awarded to high-quality projects submitted under STEP-relevant calls for proposals, which includes calls of the Innovation Fund. The purpose of the STEP Seal is to help excellent projects attract public and private funding by certifying their quality and contribution to the STEP objectives.

The Commission will award the Seal to project proposals that pass the evaluation and meet all criteria in relevant calls, helping both projects that receive funding and projects that do not secure funding due to lack of sufficient budget.

No separate application is required to obtain the STEP Seal. A project applying to the Innovation Fund automatically is considered for the Seal and will receive it if it passes the evaluation of the respective call. Projects awarded the STEP Seal will receive a certificate and a leaflet to explain what can be expected and are listed on the STEP Portal, upon agreement with the project promoters of non-funded projects.

In the last Innovation Fund call for Net-Zero Technologies (IF24 Call), there was a total 161 projects that scored above all Innovation Fund evaluation thresholds and these projects have been awarded a STEP Seal. In addition to the 61 projects selected for an Innovation Fund grant, this sum includes an additional 100 projects which were not selected for funding but met all criteria.

Does the Commission provide Project Development Assistance?

The European Investment Bank (EIB), through EIB Advisory, and the European Commission offer Project Development Assistance (PDA) to facilitate access to funding for innovative projects that have applied to or fall into the scope of the Innovation Fund.

This service is designed to help projects improve their investment readiness through increased financial or technical maturity and prepare for Innovation Fund calls for proposals. Up to 250 projects will be selected for PDA by June 2028.

Projects that have not yet applied to an Innovation Fund call but fall into its scope and wish to improve their maturity in view of a future application can apply for Open PDA by submitting an application to the EIB here. In addition, projects that have applied to an Innovation Fund Call (not competitive bidding) that meet all evaluation criteria and are not

selected for funding may be eligible for PDA. After evaluation, and subject to their prior approval, these projects will be transmitted to the EIB for further assessment.

More information about project development assistance can be found on the DG CLIMA website or the EIB's dedicated page.

What measures are there to ensure geographical balance for these calls?

The Innovation Fund allocates its resources through competitive calls for proposals, applying the main award criteria described in the Delegated Regulation for the operation of the Innovation Fund, the Financing Decision and previous call texts.

These criteria are the degree of innovation, greenhouse gas emission avoidance potential, project maturity, replicability, and cost efficiency. The projects are selected based on the highest scores across all award criteria. The projects that score the highest in the evaluation process in each category are selected within the available budget, irrespective of the sector or location.

The Innovation Fund's legal basis allows for the application of specific criteria to ensure geographical balance. However, as projects supported under the Innovation Fund are currently located in 28 Member States and their geographical distribution is becoming increasingly widespread, applying specific geographic criteria is not deemed necessary at this stage.

To stimulate this broader geographical balance, there are already major initiatives in place to support Member States in their efforts to develop a high-quality national innovative project pipeline:

- The revision of the EU ETS Directive introduced 'Technical Assistance for Member States with low effective participation' – aiming to increase the overall quality of the Innovation Fund applications.
- The Technical Support Instrument (TSI) Training sessions for Member States National Contact Points, outreach, and communication.
- The new Contribution Agreement with the European Investment Bank on project development assistance will include geographical and sectoral balance Key Performance Indicators (KPIs).

What call timeline can applicants expect?

Project promoters have until **23 April 2026 17:00 (CET)** to apply via the EU Funding & Tenders Portal. It is strongly recommended that applicants to write to the dedicated help

desk for any questions on their applications, as well as consult the Frequently Asked Questions (FAQ) section, both found on the EU Funding & Tenders Portal.

Applicants are strongly encouraged to attend the **IF25 Net-Zero Technologies Call Info Day,** which will take place online on 16 December 2025. This event is an opportunity to learn best application practices and will include opportunities for Questions and Answers (Q&A) with the European Climate, Infrastructure and Environment Executive Agency (CINEA) and the Directorate General for Climate Action (DG CLIMA). Innovation Fund National Contact Points also organise dedicated Info Days in several Member States.

When can these innovative projects be expected to reach the market?

Applicants should be informed about evaluation results in the fourth quarter of 2026. Successful applicants are expected to sign grant agreements in the first quarter of 2027.The selected projects must reach financial close within four years after grant signature. Pilot and clean-tech manufacturing projects are especially encouraged to achieve financial close within two years and enter into operation within four years after grant agreement signature.

What are the policy objectives the projects funded under this call are expected to contribute to?

- The EU's climate-neutrality objective by 2050.
- The 55 % net greenhouse-gas reduction target by 2030 compared with 1990 levels, as set out in the European Climate Law and the European Green Deal.
- Implementation of the Net Zero Industry Act (Regulation 2024/1735), which strengthens Europe's net-zero technology manufacturing ecosystem.
- The REPowerEU Plan targets on renewables, energy efficiency, and renewable hydrogen.
- The Clean Industrial Deal by enhancing the competitiveness and resilience of European industry, reducing strategic dependencies, and promoting scalable clean-tech solutions.

How does the Innovation Fund support policy priorities?

The Innovation Fund uses revenues from the auctioning of allowances under the EU Emissions Trading System (ETS) to invest in Europe's clean industrial transition. This is at the heart of Europe's climate policies, driving down emissions in a fair and economically efficient way, while stimulating the transition to clean energy, technologies, and industries.

In 2023, the revision of the EU Emissions Trading System Directive strengthened the Innovation Fund to lead the way in clean tech investments and set the example on a global stage to contribute to the goals of the European Green Deal by increasing its budget and introducing new auctioning tools. The Fund is one of the key tools of the European Green Deal and the Clean Industrial Deal.