



Brussels, 22.11.2023
C(2023) 7827 final

COMMISSION DECISION

of 22.11.2023

**on the financing of actions under the Innovation Fund, serving as the financing decision
for 2023 and as a decision launching 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 Fund, and in particular Article 9, 13, 13b and 13g thereof,

Whereas:

- (1) The Innovation Fund, established by Article 10a(8) of Directive 2003/87/EC of the European Parliament and of the Council², is one of the key Union financing programmes contributing to the achievement of the objectives of the European Green Deal³ and, in particular, of Regulation (EU) 2021/1119 of the European Parliament and of the Council⁴, which commits the Union to achieving climate neutrality by 2050.
- (2) In order to ensure the implementation of the Innovation Fund, it is necessary to adopt an annual financing decision for 2023.
- (3) This decision should enable the commitment of the necessary appropriations to launch a call for proposals in November 2023 for the award of grants to small, medium and large-scale projects, following on from the calls for proposals organised each year from 2020 to 2022 under the Innovation Fund. This decision should specify the modalities of the call for proposals, in accordance with Article 9 of Commission Delegated Regulation (EU) 2019/856⁵.

¹ OJ L 193, 30.7.2018, p.1.

² OJ L 275, 25.10.2003, p. 32.

³ COM (2019) 640 final of 11 December 2019.

⁴ 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).

⁵ 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 Fund (OJ L 140, 28.5.2019, p. 6).

- (4) This decision should also enable the commitment of the necessary funds to launch the first competitive bidding procedure in November 2023 to support the production of renewable hydrogen in Europe, in line with the objectives set out in the Commission Communications of 1 February 2023 ‘A Green Deal Industrial Plan for the Net-Zero Age’⁶ and of 16 March 2023 on the ‘European Hydrogen Bank’⁷. This decision should set out the modalities of that competitive bidding procedure, in accordance with Article 13b of Delegated Regulation (EU) 2019/856.
- (5) This decision should also specify the maximum amount of Innovation Fund support available for project development assistance, in accordance with Article 13 of Delegated Regulation (EU) 2019/856. In order to ensure the highest quality of assistance to project proponents and to capitalise on the experience gained in recent years, the provision of project development assistance should be implemented through indirect management, in accordance with Article 62(1) of Regulation (EU, Euratom) 2018/1046 (the ‘Financial Regulation’).
- (6) In accordance with Article 13g(2) of Delegated Regulation (EU) 2019/856, this decision should also specify the maximum amount of Innovation Fund support available for technical assistance to Member States with low effective participation in the Innovation Fund, as well as the list of Member States eligible for such technical assistance.
- (7) The Commission should ensure a level of protection of the financial interests of the Union with regards to entities and persons entrusted with the implementation of Union funds by indirect management as provided for in Article 154(3) of the Financial Regulation. To this end, such entities and persons are subject to an assessment of their systems and procedures in accordance with Article 154(4) of the Financial Regulation and, if necessary, to appropriate supervisory measures in accordance with Article 154(5) of the Financial Regulation before a contribution agreement can be signed.
- (8) It is necessary to allow for the payment of interest due for late payment on the basis of Article 116(5) of the Financial Regulation.
- (9) The financing of the activities under the Innovation Fund is to comply with the conditions and procedures set out by the restrictive measures adopted pursuant to Article 215 of the Treaty.
- (10) In order to allow the flexibility in the implementation of the activities related to the Innovation Fund, it is appropriate to allow changes, which should not be considered substantial for the purposes of Article 110(5) of the Financial Regulation.
- (11) 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.
- (12) Member States have been consulted on this decision as provided for in Articles 9(1), 13(1), 13b(2), 13g(2) and 21(2) of Delegated Regulation (EU) 2019/856,

⁶ Communication from the Commission to the European Parliament, the European Council, the Council, the European and Social Committee and the Committee of the Regions: A Green Deal Industrial Plan for the Net-Zero Age, Brussels, COM(2023) 62 final, 1.2.2023.

⁷ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the European Hydrogen Bank, Brussels, COM(2023) 156 final, 16.3.2023.

HAS DECIDED AS FOLLOWS:

Article 1
Scope

The financing decision for the implementation of the Innovation Fund for 2023, as set out in the Annex, is adopted.

Article 2
Union contribution

The maximum Union contribution for the implementation of the Innovation Fund for the year 2023 is set at EUR 4 920 000 000, and 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 4 920 000 000.

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 specific activities, as set out in the Annex, not exceeding 20% of the maximum Union contribution set in Article 2, first paragraph, 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 Union contribution set in Article 2, first paragraph, may be adjusted in line the amount of appropriations received from the auctioning of the Innovation Fund allowances prior to adoption of the award decision, 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, 22.11.2023

*For the Commission
Wopke HOEKSTRA
Member of the Commission*