

Innovation Fund 2025 calls National

Info day Czech Republic

19 January 2026

Roman Doubrava, Head of Unit, CINEA



Disclaimer

The event and its eventual recording as well as the presentation support materials, are made public to provide potential applicants with general guidance to help them complete their proposals.

If there is any conflict between:

- the information provided during the Info day session itself, its recording, the Financial Information File tutorial recording, and the presentation support materials on the one hand, and the provisions set out in the **official call text** for the Innovation Fund calls for Industrial Heat Decarbonisation Auction, Hydrogen Auction and Net Zero Technologies as well as the **related FAQs** posted on the EU Funding & Tenders portal on the other,

*the latter two documents **take precedence** over the materials from the Info day and act as the text of reference for the IF25 Industrial Heat Decarbonisation Auction, the IF25 Hydrogen Auction and the IF25 Net Zero Technologies calls.*

The information provided at the Info Day is not of a binding nature and without prejudice to the assessment of the submitted proposal(s).

Evolution of the Innovation Fund

Adapting to an evolving industrial and political context

2020 - 2022

- Two calls per year
 - Small- & Large-call

Since 2023

- Net-zero call (5 topics)
 - Large, medium and small-scale projects
 - Dedicated budget for clean-tech manufacturing and for **pilots**
 - Raised CAPEX for Small-scale (€20M)
- RFNBO-H₂ auction call
→ EU H₂ bank

2024

- Net-zero call (5 topics)
- RFNBO-H₂ auction
 - Topic dedicated maritime
- Battery manufacturing call

2025

- Net-zero call (5 topics)
- Hydrogen Auction
 - For both RFNBO and low carbon H₂
 - Topic dedicated to maritime and *aviation*
- Heat Auction (**new**)

Innovation Fund portfolio

Ongoing projects + Projects from IF24 calls*



276 projects

197 ongoing +
79 under GAP



~€15.8 billion

€11.8 billion allocated
+ €4 billion under GAP



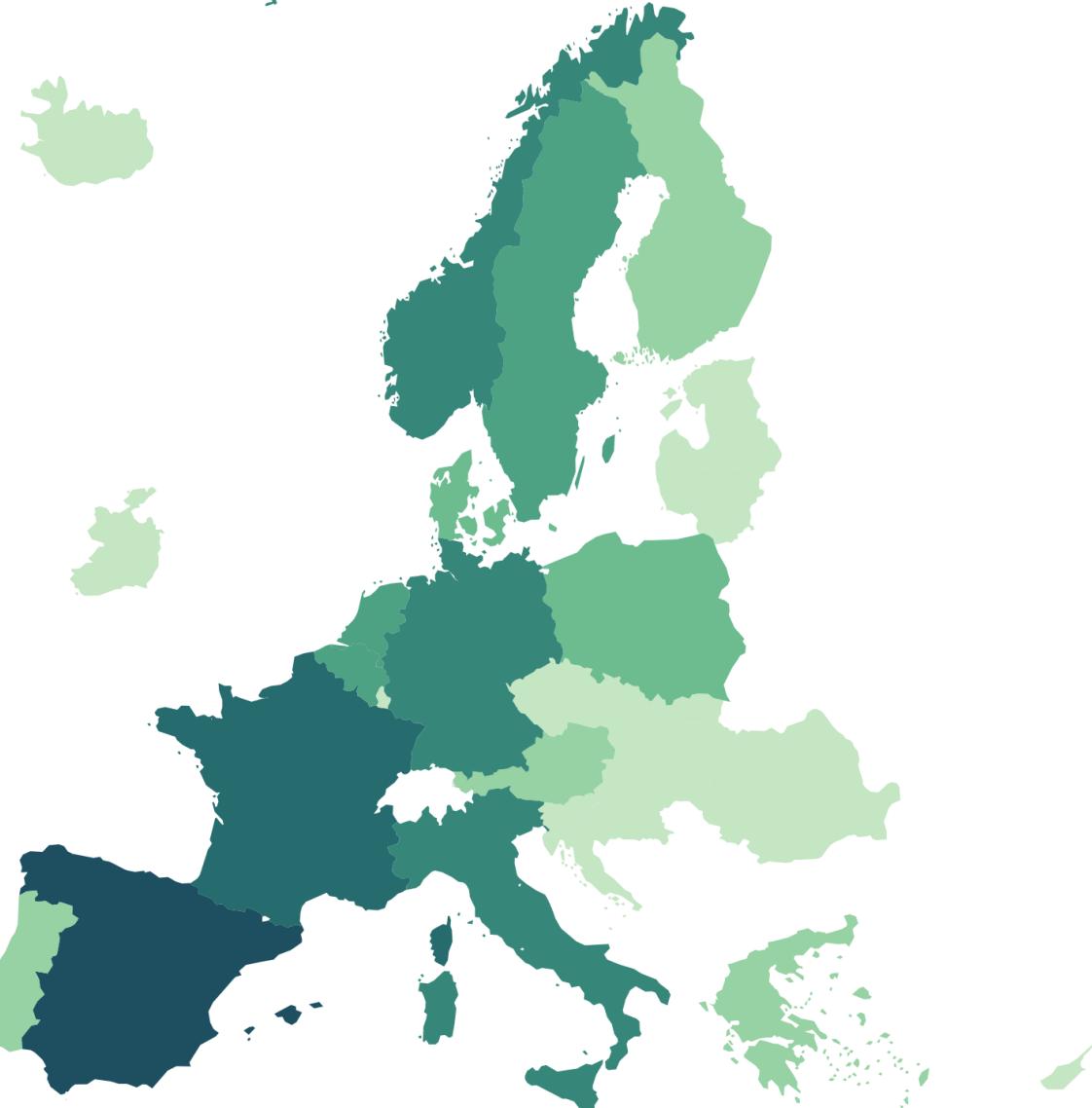
~1 160 MtCO₂e

to be avoided



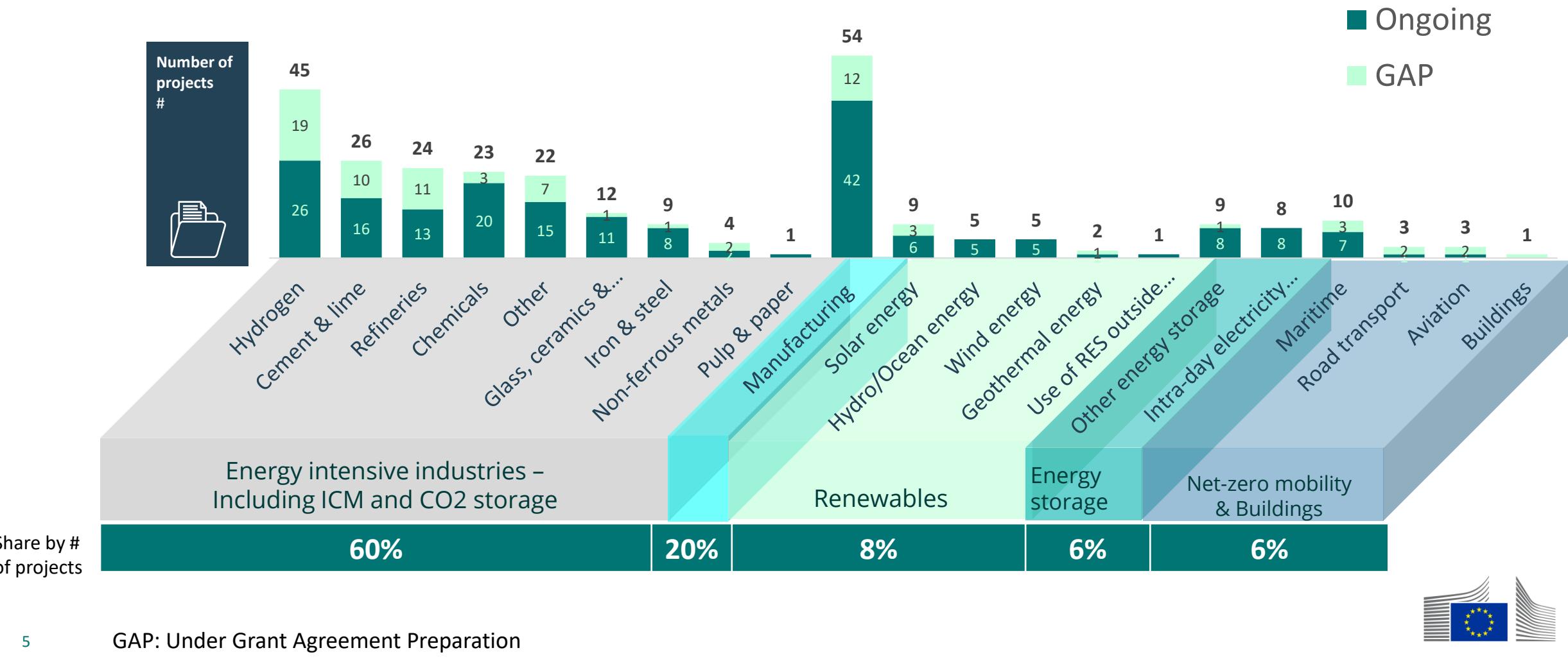
28
countries

New country in portfolio: Romania



5 10 15 20 30 40 50
Number of projects

Innovation Fund Portfolio by sector



Innovation Fund – Overview of ongoing projects + projects selected from IF24 calls

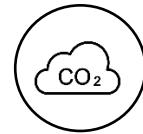
Czechia



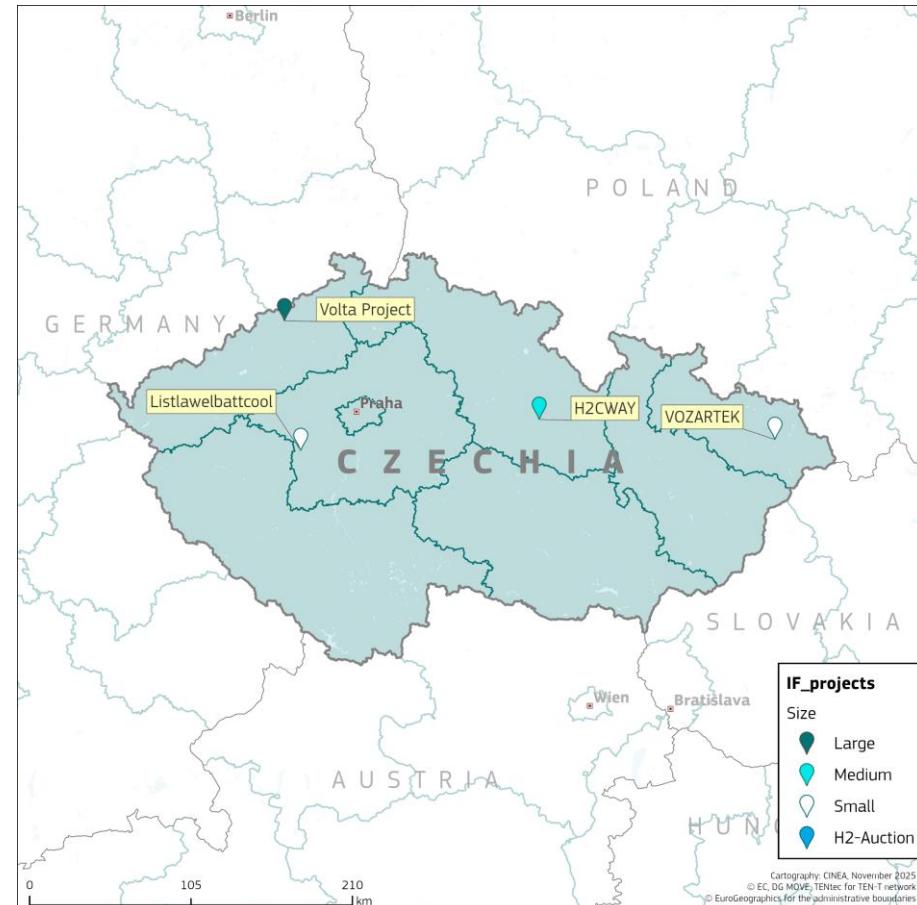
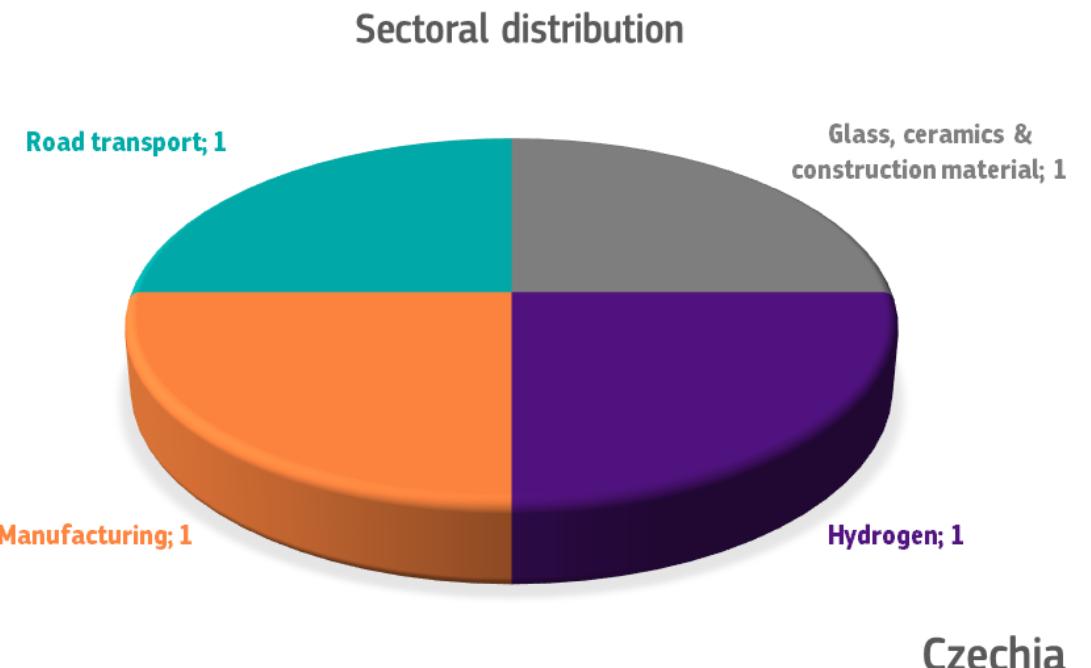
4
Projects¹



€51.5 million
EU contribution



2.9 MtCO₂eq first
10 years



Czechia

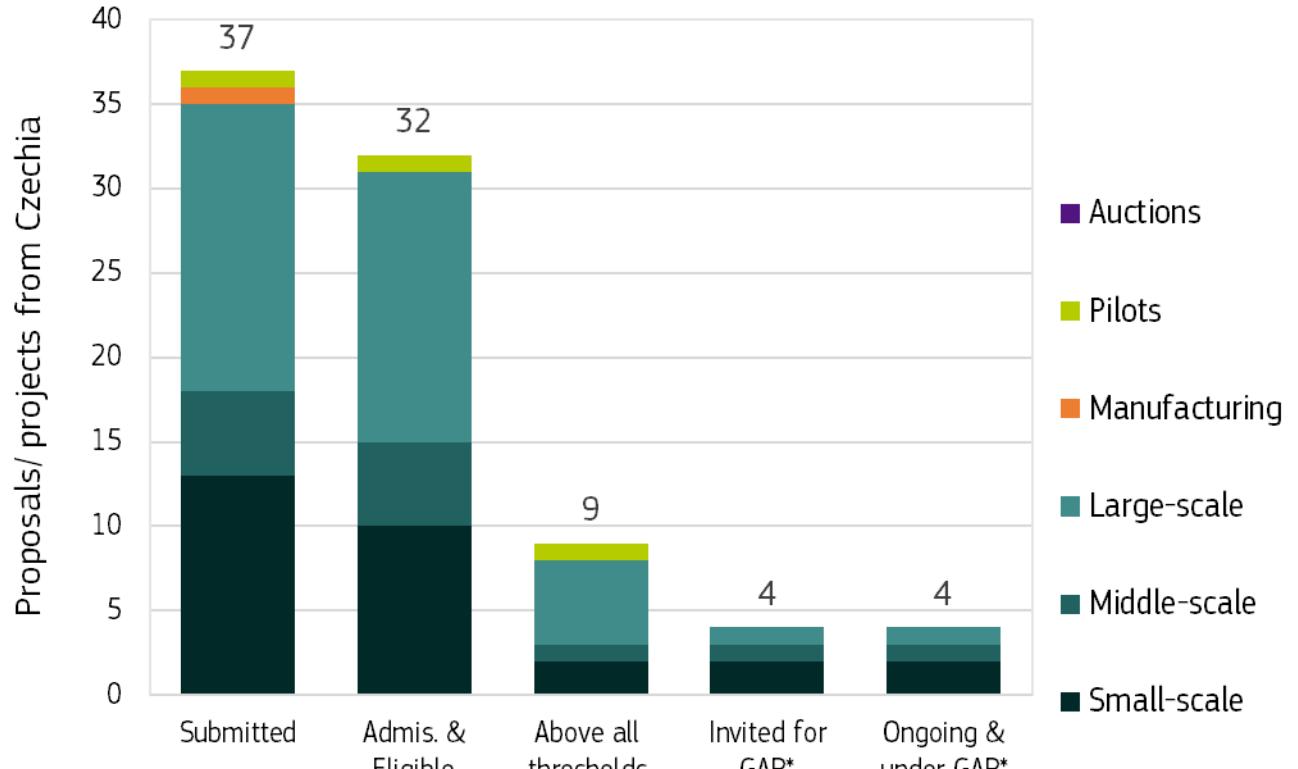
Performance through Innovation Fund calls



11% success rate



4 projects with
STEP seal¹



If applicable, IF24-Batt projects are aggregated as manufacturing projects

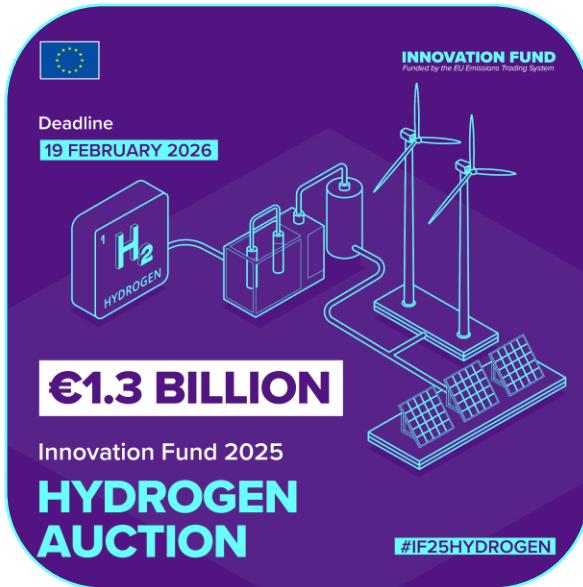
The STEP seal has been awarded to proposals passing the evaluation process for the NZT-2023, NZT2024 and IF24 Battery call

*GAP: Grant Agreement Preparation

1 Based on ongoing projects by 30/09/2025 + projects from IF24 Calls



Which call should you apply for?



IF25 Hydrogen Auction

- RFNBO hydrogen production
- RFNBO and/or low-carbon **electrolytic** hydrogen production
- RFNBO and/or low-carbon **electrolytic** hydrogen production for **maritime** and **aviation** sectors

[Info day recording and presentation](#)

[Q&A](#)

[Funding and tenders portal](#)

IF25 Industrial Heat Auction

- 100-400°C - thermal capacity 3-5MW
- 100-400°C - thermal capacity > 5MW
- > 400°C - thermal capacity > 3 MW

[Info day recording and presentation](#)

[Q&A](#)

[Funding and tenders portal](#)

IF25 NZT Call

Innovative commercialisation, demonstration, pilot plant or scale up of technologies, business models and processes that reduce GHG emissions

[Info day recording and presentation](#)

[Q&A](#)

[Funding and tenders portal](#)



IF25 Net Zero Technology Call

Roman Doubrava, Head of Unit, Innovation Fund, CINEA

IF25 NZT call in a nutshell



Launch 4 Dec. 2025

Deadline 23 April 2026

Results Q4 2026



- **€2.9 billion for grants**
- **Project Development Assistance**
- **STEP Seal**
- **Possibility of “Grants-as-a-Service”**



Five topics

AWARD CRITERIA

- Degree of innovation
- GHG emission avoidance potential
- Project maturity
- Replicability
- Cost efficiency

Bonus points: Net Carbon Removals, SMEs, Projects in the Maritime Sector

GRANT DISTRIBUTION

LUMP-SUM contribution grant up to 60% of relevant costs

- up to 40% of grant at financial close
- remaining amount of at least 60% after financial close
- generally, at least 10% after entry into operation

IF25 NZT call – Topics

Topic	Capital Expenditure	Topic budget	Sectors covered
Large-scale projects	above €100 million	€1 200 million	<ul style="list-style-type: none"> Annex I and Annex III to the EU ETS Directive <u>2003/87</u>, including CCU and development of substitute products
Medium-scale projects	between €20 million and €100 million	€300 million	<ul style="list-style-type: none"> Carbon Capture and Storage (CCS) Renewable energy and energy storage technologies Maritime and aviation
Small-scale projects	between €2.5 million and €20 million	€100 million	
Clean-tech manufacturing for components*	above €2.5 million	€1 000 million	<ul style="list-style-type: none"> Renewable energy Electrolysers and fuel cells Energy storage solutions Heat pumps
Pilot projects	above €2.5 million	€300 million	Validating, testing and optimising highly innovative, deep decarbonisation solutions in all sectors eligible for Innovation Fund support

Limited changes compared to IF24 NZT call

DNSH compliance

Project activities need to comply with the “do not significant harm” principle. DNSH alignment is assessed during proposal evaluation.

Changes in eligibility criteria

Manufacturing of EV battery cells now eligible. Activities primarily aimed at electricity generation from non-recycled fossil fuels, as well as activities for fossil fuel production based on non-recycled fossil feedstocks are not eligible.

Rationalising access of hydrogen production projects to IF funding

Hydrogen production projects eligible for the IF25 H2 Auction are excluded from the Large and Medium-scale Projects Topics, but are still eligible under the Pilot and Small-scale Projects Topic.

Changes in the Bonus Points – New Bonus Point for SMEs

New bonus point for projects coordinated and implemented only by SMEs. Replacing previous bonus points for (a) other GHG savings, and (b) electricity from additional RES or to use RFNBOs.

Refinements and clarifications

Improved call text clarity, most notably on: (a) scope of Pilot topic and its evaluation under DoI, (b) refinement of Replicability award criterion, (c) clarifications on required supporting documents.

General Decarbonisation Topic(s)

Some eligibility aspects:

- **Carbon capture and utilisation (CCU)** can be funded if the captured CO₂ is from activities in Annex I of the EU ETS Directive, or if the utilisation of CO₂ results in products substituting carbon-intensive ones from the sectors listed in Annex I to the EU ETS Directive.
- **Hydrogen use in industry** (i.e., hydrogen use as an energy carrier, reducing agent, or feedstock) and hydrogen production projects with a demonstrated sufficient degree of innovation can be funded under these topics.
- Projects whose principal product is RFNBO hydrogen or electrolytic low carbon hydrogen (so are eligible under the Innovation Fund auction call for Hydrogen) are **only eligible under the SSP (or Pilots) topic**.
- Support to **maritime** and **aviation** can be provided for innovative technologies, including **innovative infrastructure** in the maritime sector, notably for EU container transhipment ports.
- Production and installation of **new or retrofitted innovative technology on a ship or plane** is eligible for funding provided that the manufacturing and/or installation is done in EU/EEA.



General Decarbonisation Topic(s)

Important aspects:

- Projects must **operate at least 5 years** after entry into operation or **at least 3 years** if small-scale project
- Contribution to **building EU industrial capacity, technology leadership and supply chain resilience**
 - assessed under Replicability award criterion
- **Simplification for small-scale projects:** degree of innovation can be at national level
- Minimum thresholds that need to be fulfilled:
 - **Relative GHG emission avoidance:** at least **50%**
 - **Cost efficiency ratio:** max **€200/t CO₂eq**

Cleantech Manufacturing Topic

Objectives:

- Foster **innovative manufacturing in cleantech** for renewable energy, energy storage, hydrogen production/consumption and heat pumps
- Build industrial capacity, technology leadership, and supply chain resilience within the EU

Activities that can be funded:

- Production of **components** (including final equipment) for:
 - **Renewable energy** installations (e.g., wind, solar, geothermal)
 - **Electrolysers and fuel cells**
 - **Energy storage** solutions for stationary and mobile use for intra-day and long duration storage
 - **Heat pumps** for various uses



Cleantech Manufacturing Topic

Important aspects (cont.):

- **Included activity:** Manufacturing of EV battery cells that can be used in electric vehicles, which in 2024 was covered by the dedicated 2024 Battery call
- **Excluded activities:** demonstration of use of innovative components (including the final equipment) in power/heat generation/energy storage/production & consumption of hydrogen (submit those in General or Pilot topics)
- Emphasis on **degree of innovation, project maturity and contribution to Europe's industrial leadership and competitiveness**
- Innovation possible in **manufacturing/production processes and/or components or final products**

Cleantech Manufacturing Topic

Important aspects (cont.):

- **Financial close within two (2) years and entry into operation within four (4) years** may earn a higher score in project maturity
- Projects must **operate at least 5 years** after entry into operation
- Minimum thresholds that need to be fulfilled:
 - **Relative GHG emission avoidance: min 50%**
 - **Cost efficiency ratio: max 200 €/t CO₂-eq**

Pilot Projects Topic

Important aspects:

- **Highly innovative, disruptive or breakthrough technologies**, higher degree of innovation is expected (Degree of Innovation points have a weight of two)
- **Appropriate scale** required, adequate to demonstrate the intended innovation at a pre-commercial stage
- Possibility to addressing technical risks linked to the innovative technologies, such as **optimising process and operational parameters**, and **enhance final product characteristics**
- Prove an **innovative technology at pilot scale** in an operational environment, but **must not yet reach** large-scale demonstration or commercial production
- **Limited production/operation** for testing purposes is possible, including delivery to/from potential customers for validation



Pilot Projects Topic

Important aspects (cont.):

- **Full-scale and commercial deployment projects should not apply to this topic**
- Demonstrate **Project viability** rather than project profitability
- Typically projects with **limited life-time (3-5 years)** but illustrating a strategy for the technology to progress to large-scale demonstration or first-of-a-kind commercial production, after demonstration at pilot scale
 - To be demonstrated under the replicability award criterion
- Potential to be fully compatible with a 2050 climate neutrality objective, i.e., pilot installations should have minimal residual emissions or result in net carbon removals



Pilot Projects Topic

Important aspects (cont.):

- **Financial close within two (2) years and entry into operation within four (4) years** may earn a higher score in project maturity
- Minimum operation: **three (3) years after entry into operation**
- Minimum thresholds that need to be fulfilled:
 - **Relative GHG emission avoidance: min 75%**
 - Less stringent requirements for **cost efficiency: max 2000 €/t CO₂eq**
 - Maximum grant: **€40 million**



Innovation Fund Self-check Questionnaire

- Provide an early high-level orientation on potential fit and readiness of project ideas for the Innovation Fund
- Entirely independent from the official Innovation Fund application and evaluation process

➤ Available [here](#)

General provisions

Call text and mandatory documentation

IF25 NZT Call text on Funding and Tenders Portal

Application form A	Application form B	Part C	Mandatory annexes and supporting documents
<ul style="list-style-type: none">• Administrative information• Summarised budget	<ul style="list-style-type: none">• Technical description• Up to 70 pages	<ul style="list-style-type: none">• Project's contribution to EU programme KPIs	<ul style="list-style-type: none">• Detailed budget table/relevant cost calculator• Participant information• Timetable/Gantt chart• GHG emission avoidance calculator• Feasibility study• Business plan• Detailed financial model• Project shareholders' financial resources• Support to project• Terms of supply• Extended Part C form

How to apply?

Tutorials

CINEA produces a series of **tutorials** to help you throughout the application process.

Application procedure	How to fill in PART C
The extra file for data collection (Extended PART C)	Financial Information File (FIF)
Introduction to Business Plan and lessons learned on financial maturity	

GHG methodology

Find here a set of videos on the overview and guidance on the GHG calculations for each project category.

Main principles and step-by-step of the GHG calculation	Energy storage (ES)
Energy intensive industry (EII)	Carbon capture utilisation and storage (CCUS)
Mobility including maritime, road transport and aviation (MOB)	Renewable energy sources (RES)

GHG calculation

Find here a set of videos explaining how to perform calculations for a selection of examples.

RES - Manufacturing of components (wind blades)	ES - Reactive services
EII - Production of methanol	MOB - Aviation plus modal switch

Additional supporting material

To complete the GHG Methodology tutorial and help you with your proposal, templates and examples of **GHG calculations** are available through the [following link](#).

As in previous years to support project promoters in understanding the objectives, scope and key requirements of the Innovation Fund, you can use the ["self-check questionnaire"](#) to assess if your project idea fits the IF25 NZT call.

Check out the [Q&A document](#). If you still need further assistance, don't hesitate to contact the [Innovation Fund Helpdesk](#).

Check all relevant information to apply

- [Funding and Tenders Portal link](#)
- [CINEA website](#)
 - [Tutorials:](#)
 - Application process
 - How to fill in PART C and the extended Part C form
 - Financial Information File tutorial
 - Introduction to Business Plan & Lessons Learned on Financial Maturity
 - GHG methodology
 - GHG calculation
 - [Info Day recording and slides](#) (available after the event)
 - [Additional supporting material](#)
 - Frequently Asked Questions
 - Helpdesk

Guidance for PART A, Abstract

- CINEA and the European Commission will use the abstract (Part A) to **extract key information**
- Evaluators rely on it to understand your proposed work
- **Do not insert confidential or sensitive information**

4 short paragraphs

- **objective(s)/key advantage(s)/key features of the technology**
- Explain what makes your project innovative? Describe how your project goes beyond the state of the art and explain the innovation(s) in terms of technologies, size, commercialisation, etc.
- Highlight the **contribution** of your project to the **key policy areas**
- Describe the **impact** of your project with specific references to the contributions to local and/or regional economy, job creation,...

Admissibility and eligibility criteria

Admissibility:

- Submitted **before** call deadline **23 April 2026, 17.00**, electronically and using forms in the Submission System
- **Complete** all the application forms and **include all mandatory annexes** and supporting documents
- Your application must be **readable, accessible and printable** (please check carefully the layout of the documents uploaded). **Respect the page limit** indicated in the call.

Eligibility:

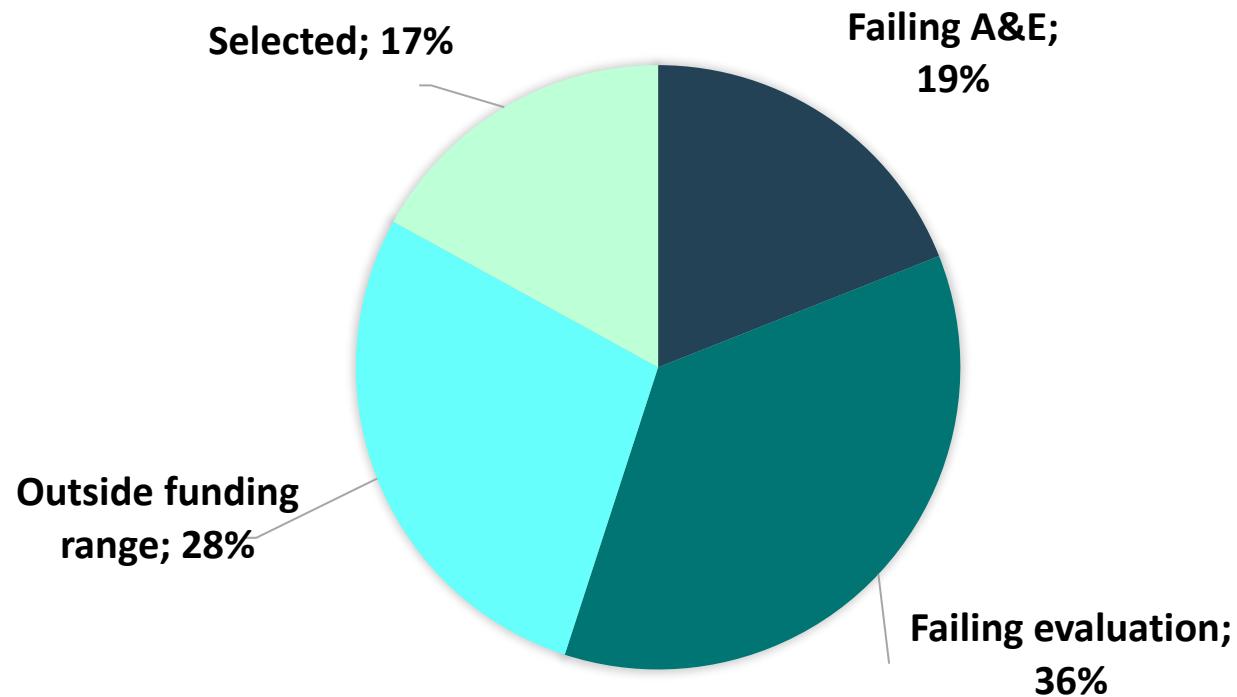
- Participants have to be legal entities; can be established anywhere in the world
- Projects must be located in the EEA (EU Member States and Iceland, Liechtenstein, and Norway)
- The project must:
 - Reach **financial close within four years** after grant signature (maximum time to financial close)
 - **Operate at least** (minimum GHG emission avoidance monitoring period) **five years** after entry into operation (except PILOTS and SSP)
- SSP and PILOTS – operate at least **three** years after entry into operation
- Project budget: the maximum grant amount must not exceed **60% of the relevant costs**
- Your project must relate to **eligible activities**



Lessons learned from IF24 Net-Zero Technologies call

IF24 NZT Call Results

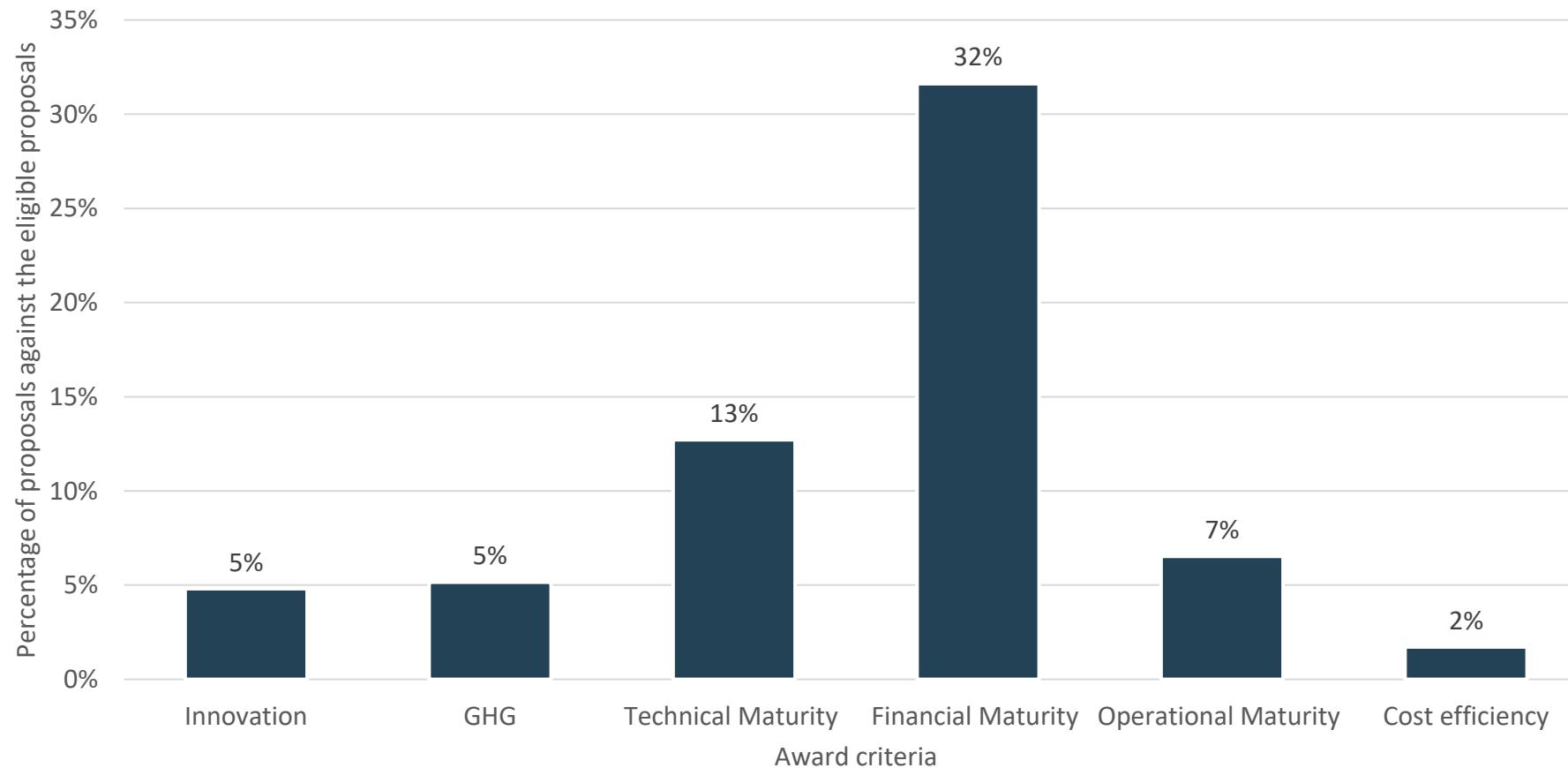
CALL RESULTS AS PERCENTAGE OF THE SUBMITTED PROPOSALS



- **359** received proposals
- **291** proposals were A&E
- **100** resubmissions
- **61** invited for Grant Agreement Preparation;
- **55%** of the evaluated proposals passed all evaluation criteria

IF24 NZT Call results: Failure rate per award criterion

Proposals failed against the eligible proposals (291)

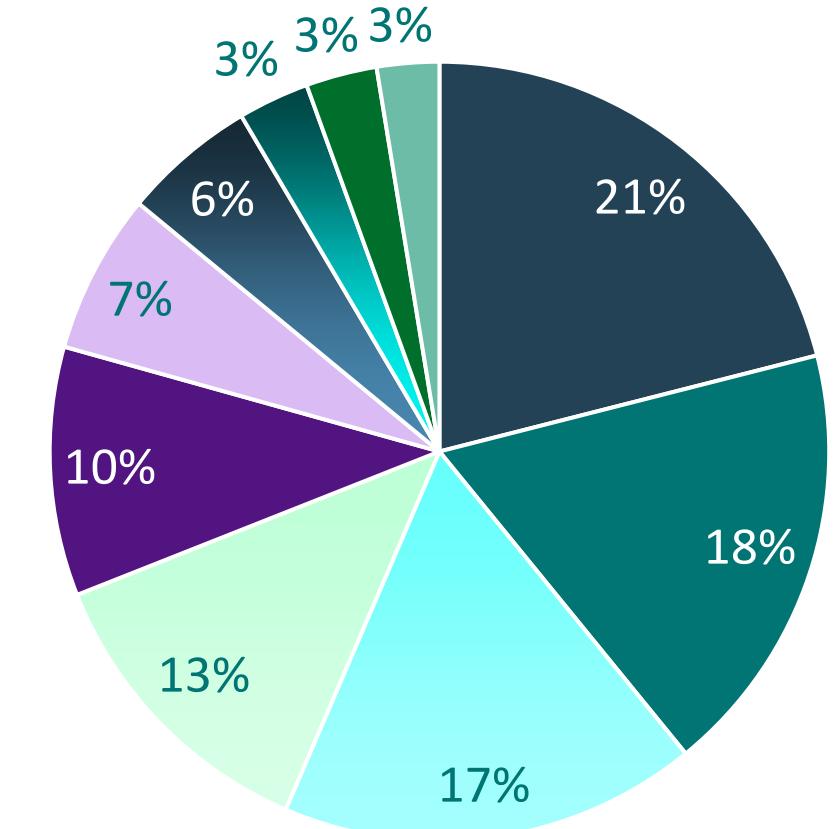


**Some proposals failed under more than one criterion*

IF24 NZT Call results: Admissibility and Eligibility (A&E)

Main reasons for not passing A&E*

- Incomplete or missing financial documents (*submitted business plan or financial model does not follow the required template and does not contain the required minimum information*)
- Incomplete or missing technical documents (*e.g. part B does not use the required template; feasibility study does not contain the required minimum information; the Gantt chart is missing*)
- Budget > 60% Relevant Costs
- Minimum operation duration not respected
- Incorrect CAPEX
- Ineligible activities (not in scope)
- Financial close after 4 years after GA signature
- Ineligible country of implementation
- Ineligible applicant
- Not readable, accessible, and printable set of documents



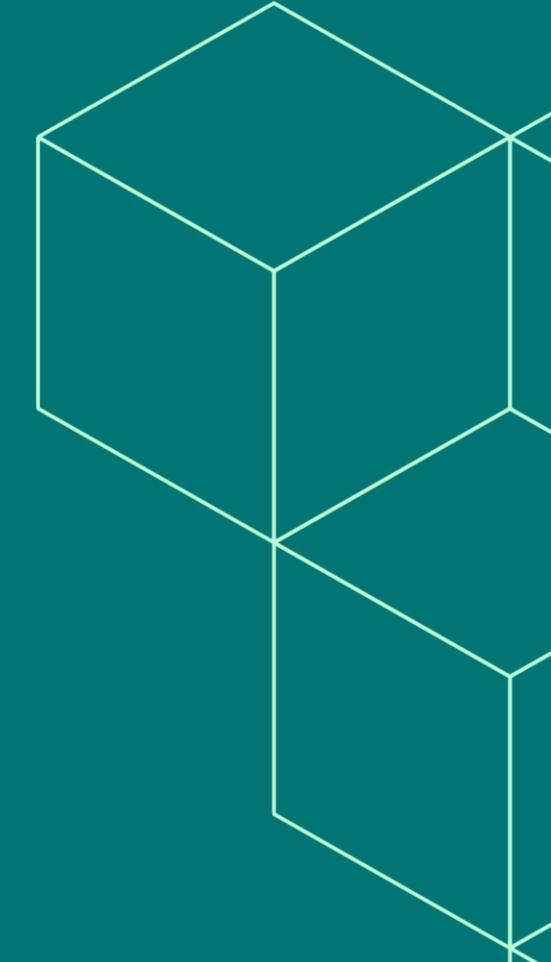
Lessons learned: Admissibility & Eligibility

Follow the call text guidance precisely

- Use the official Innovation Fund **templates** for the proposal, budget, and annexes
- **Respect page limits**, file formats, font and formatting rules
- Provide **all requested documents** to be admissible
- **Make sure that the information is complete**
- **Watch budget limits and submission deadline**
- **Be consistent across the call documents**
- **Be realistic and conservative**

Innovation Fund 2025 Net-Zero Technologies Call

Award Criteria



IF25 NZT call award criteria

Degree of Innovation

Innovation beyond state of the art at European level (except SSP – European or national level)

! Consider ongoing IF projects !

GHG emission avoidance potential

Absolute emission avoidance

Relative emission avoidance

Quality of calculation and minimum requirements

Project maturity

Technical maturity

Financial maturity

Operational maturity

Replicability

Efficiency gains and multiple environmental impacts (including DNSH)

Contribution to Europe's industrial leadership and competitiveness

Cost efficiency

Cost efficiency ratio (different formula for Pilot projects)

Quality of the relevant cost calculation and minimum requirements

Bonus points:

- 1) Net Carbon Removals
- 2) Projects coordinated and implemented by SMEs
- 3) Maritime sector projects

Degree of Innovation

Degree of Innovation



Application form, Part B



Section 1: Degree of innovation

Innovation in relation to the state of the art

Innovation beyond the state of the art



Feasibility study (mandatory document)

A template for the Feasibility study is available in the Submission System (under "Part B templates").

Template recommended to be used!

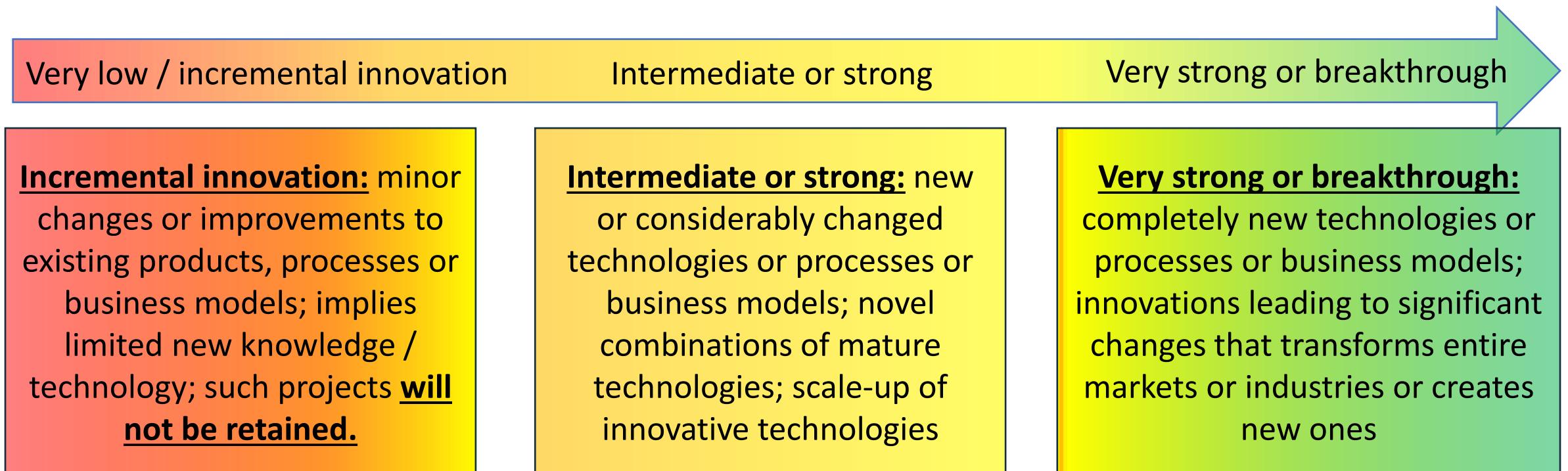


Any due diligence report (if any)



Degree of Innovation

The Innovation Fund aims at supporting projects beyond incremental innovation on a scale from intermediate to breakthrough, including scaling-up, considering the European level as reference point (for SSP topic the European or national level)



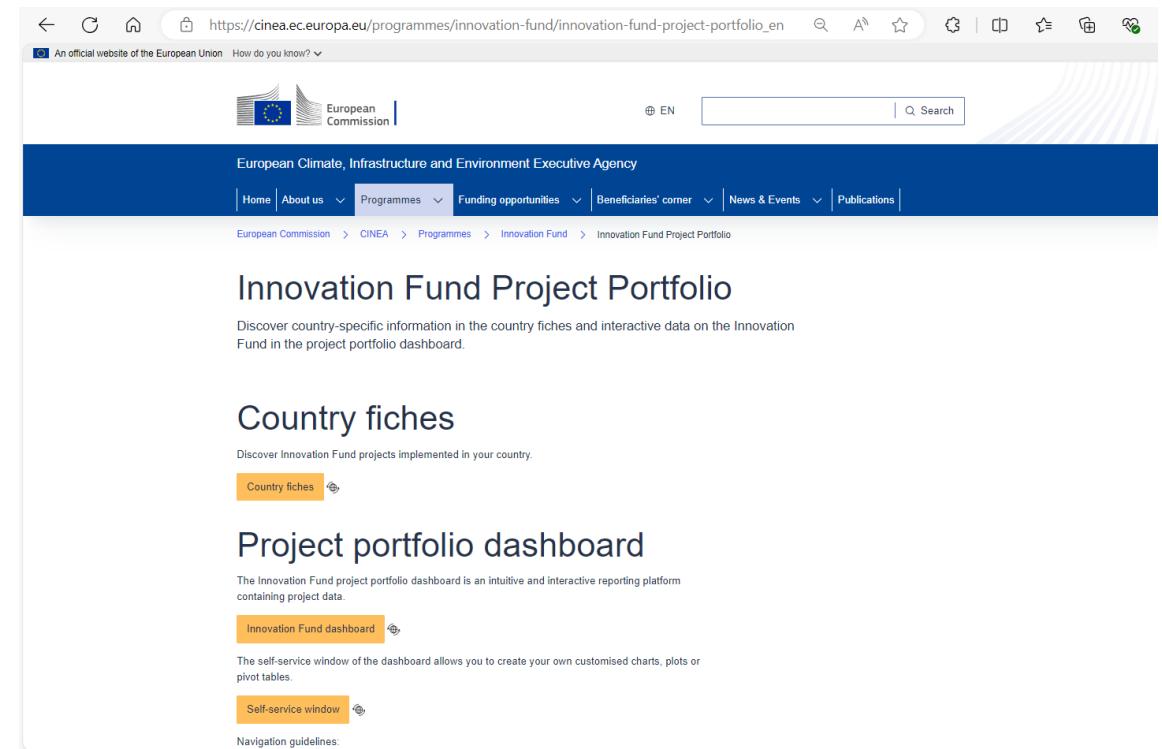
Degree of Innovation: types of innovative actions

The Innovation Fund aims to support technologies, business models and processes that are not yet commercially available:

- **First-of-a-kind commercialisation or large-scale commercial size demonstration** of technologies, processes or business models previously proven at pilot or smaller scale, or large-scale demonstration plants
- A **second or more of a kind commercialisation**, under certain conditions. In particular, where the relevant costs remain a significant share of total costs that prohibit commercialisation without further public support. Innovation beyond incremental must still be demonstrated.
- **Innovative smaller demonstrations or pilot plants**, especially if this is the right scale at which technology needs to be proven before moving to a larger scale demonstration
- Projects aimed at demonstrated **scaling up** of innovative techniques, processes and technologies for their broad roll-out, which contribute significantly to the decarbonisation of the IF sectors

References to Innovation Fund projects

- Proposals focusing on innovations similar to the ones of ongoing Innovation Fund projects, must clearly justify where the new innovative elements lie
- Such projects may receive a lower score
- Consult the list of funded Innovation Fund projects ([Innovation Fund Project Portfolio Dashboard](#))



Degree of Innovation for topic General - SSP

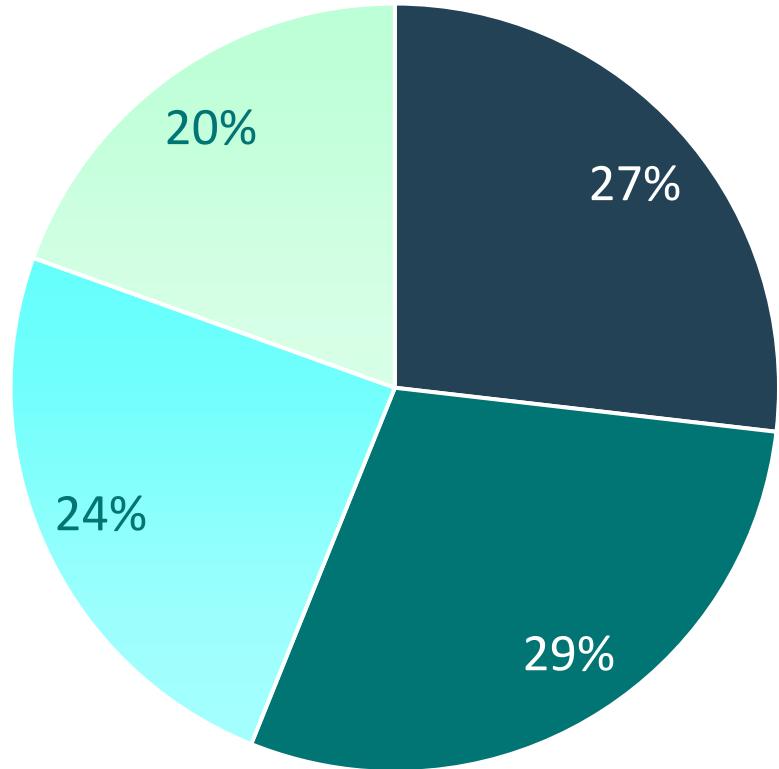
Innovation at national level:

- For **small-scale projects** (INNOVFUND-2025-NZT-GENERAL-SSP), the reference point can be at **European or national level**
- For **innovations at national level**: the geographical reference of the **state of the art must be the country where the project will be implemented**. The proposal should demonstrate how it goes beyond this national state-of-the-art
- Proposals going beyond state of the art at national level can meet the minimum threshold of this criterion; however, if a proposal is also going beyond the state of the art at European level, it may receive a higher score



IF24 NZT Call results: Degree of Innovation

14 proposals out of 291 failed under Degree of Innovation



- The progress beyond the state-of-the-art (commercial and technological) of the proposed solution (or of the combination of its individual elements) is not sufficiently substantiated with evidence and reference
- The credibility of the claimed innovations and improvement of performance are not supported by quantified data
- The benchmark state of the art is not adequately identified/described
- Similar ongoing IF projects are not (appropriately) identified and/or a relevant analysis is not provided

Lessons learned: Degree of Innovation

Describe

- Describe relevant state of the art
- Include both technological & commercial aspects
- Provide quantitative inputs and evidence for:
 - Costs
 - Technical characteristics & performance
 - TRL/SRL

Identify

How does your innovation go beyond state of the art?

- Compare with previous & ongoing EU and IF projects
- Provide geographical reference point

Consider barriers: for scaling up & for technology integration

Evidence

- Compare key performance data vs state of the art
- Relevant parameters
- Consider also energy efficiency and circularity
- Provide patent data (when relevant)
- Consider how will the innovation be implemented or integrated?

GHG emission avoidance

GHG emission avoidance potential



Purpose

Critical criterion in awarding funding, prioritising projects that demonstrate substantial, measurable, and verifiable reductions.

Incentivises adoption of innovative technologies and practices that deliver emissions reductions beyond business-as-usual scenarios



Part B, sections:

Section 2: GHG emission avoidance potential

- 2.1 Absolute GHG emission avoidance
- 2.2 Relative GHG emission avoidance
- 2.3 Minimum requirements



GHG emission avoidance calculator (mandatory annex)

GHG methodology overview

Purpose

- Provides a standardised framework to quantify greenhouse gas (GHG) emission reductions achieved by projects.
- It is an IF programme-specific accounting method to compare a project with a counterfactual reference. It borrows concepts from life-cycle assessment, but its scope, purpose, and reference choices are tailored to Innovation Fund calls and differ from RED, CRCF and other policy methodologies.

Methodology Components

- Comparison of project and reference scenarios over a 10-year operational period.
- Inclusion of direct and selected lifecycle emissions for comprehensive assessment.
- Sector-specific calculation guidelines for consistency and transparency.

Key Requirements

- Monitoring, reporting, and verification to ensure credible and measurable GHG reductions.

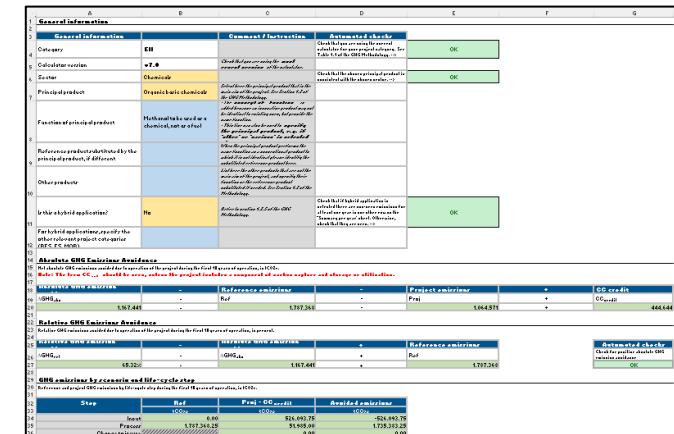
GHG emission avoidance potential

Emission Avoidance

- Absolute GHG emission avoidance:** difference between the expected GHG emissions of the proposed project and the GHG emissions in the reference scenario during 10 years after entry into operation
- Relative GHG emission avoidance:** absolute GHG emission avoidance divided by the GHG emissions in the reference scenario over the same 10 years period

The calculation must be done:

- using the relevant GHG emission avoidance calculator
- following the [Methodology for GHG Emission Avoidance Calculation](#)



The table is a screenshot of a Microsoft Excel spreadsheet used for GHG emission avoidance calculations. It includes sections for General Information, Project Overview, and detailed GHG emissions data. The Project Overview section shows a comparison between the proposed project (Proj) and the reference scenario (Ref), with values for GHG emissions in tonnes CO2 equivalent (tCO2eq) and tonnes CO2.

General Information		Comments / Instructions		Information & Links	
Category:	EU	Check the box to indicate the project is located in the EU. This is required for the EU Innovation Fund.	Check the box to indicate the project is located in the EU. This is required for the EU Innovation Fund.	OK	
Calculator version:	v7.0	Check the box to indicate the version number of the calculator used.	Check the box to indicate the version number of the calculator used.	OK	
Owner:	Chemical	Check the box to indicate the owner of the project.	Check the box to indicate the owner of the project.	OK	
Product/Service:	Organic chemicals	Check the box to indicate the product or service is organic.	Check the box to indicate the product or service is organic.	OK	
Function of principal product:	Mark available to use for chemical, petro or oil	Check the box to indicate the function of the principal product is to mark available to use for chemical, petro or oil.	Check the box to indicate the function of the principal product is to mark available to use for chemical, petro or oil.	OK	
Reference scenario/absolute by the principal function/Project	Ref	Check the box to indicate the reference scenario/absolute by the principal function/Project.	Check the box to indicate the reference scenario/absolute by the principal function/Project.	OK	
Other products:		Check the box to indicate there are other products.	Check the box to indicate there are other products.	OK	
Unintended applications?	None	Check the box to indicate there are no unintended applications.	Check the box to indicate there are no unintended applications.	OK	
Further information provided the other relevant project categories (e.g. energy)		Check the box to indicate there is further information provided the other relevant project categories (e.g. energy).	Check the box to indicate there is further information provided the other relevant project categories (e.g. energy).	OK	
Absolute GHG Emission Avoidance					
GHG emissions avoided due to the reduction of emissions during the first 10 years of operation (tCO2eq)	Ref	Project emissions	Ref	CC ₂₀₂₀	EE ₂₀₂₀
GHG _{Ref}	1,167,344	GHG _{Proj}	1,167,344	GHG _{Ref}	1,164,871
Relative GHG Emission Avoidance					
GHG emissions avoided due to the reduction of emissions during the first 10 years of operation (tCO2eq)	Ref	Project emissions	Ref	CC ₂₀₂₀	EE ₂₀₂₀
GHG _{Ref}	1,167,344	GHG _{Proj}	1,167,344	GHG _{Ref}	1,167,344
GHG emissions by 2 scenarios and life-cycle step					
Step	Ref	Proj	Ref	CC ₂₀₂₀	EE ₂₀₂₀
Input	4,600	4,600	525,167,79	-525,165,79	1,167,344,25
Process	1,167,344,25	35,059,39	35,059,39	0,00	0,00
Outputs	0,00	0,00	0,00	0,00	0,00



GHG emission avoidance potential

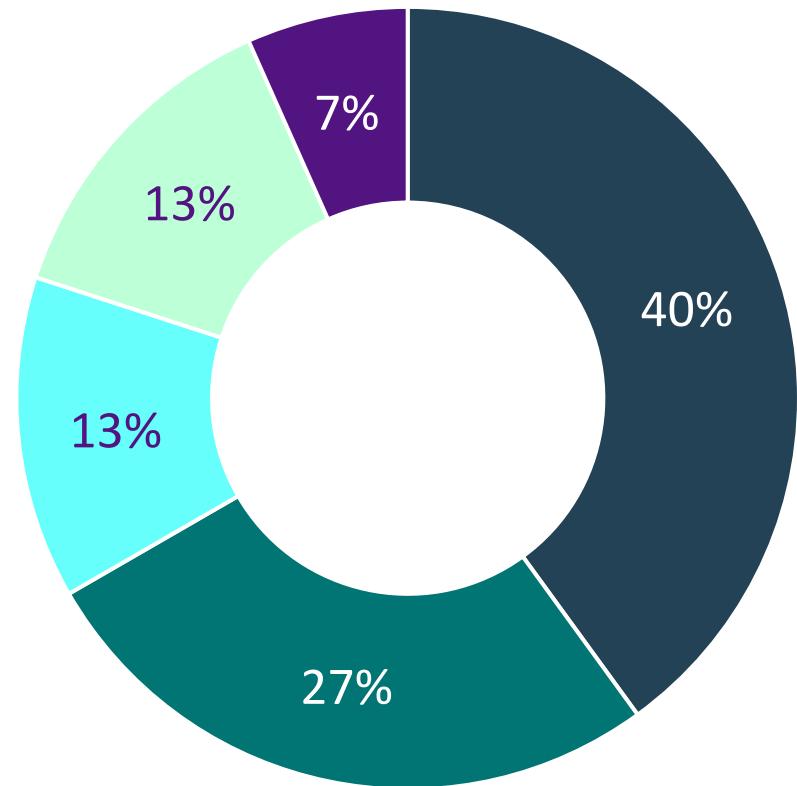
Minimum Requirements

- **When relevant, the proposal should demonstrate whether the proposed project meets or not the minimum requirements:**
 - For projects producing products with an EU ETS benchmark: the process emissions of the project per unit of product must be below the EU ETS benchmark(s) applicable at the call deadline
 - For projects using biomass feedstocks: the biomass used will at least meet the sustainability requirements of the Renewable Energy Directive
- **All projects must demonstrate compliance with the DNSH principle for the environmental objective 'climate change mitigation'.**
- For all projects: the relative GHG emission avoidance must be:
 - for all topics except INNOVFUND-2024-NZT-PILOTS: at least 50%
 - for INNOVFUND-2024-NZT-PILOTS topic: at least 75%
- **Proposals not meeting minimum requirements will be rejected!**



IF24 NZT Call results: GHG emission avoidance calculation and methodology

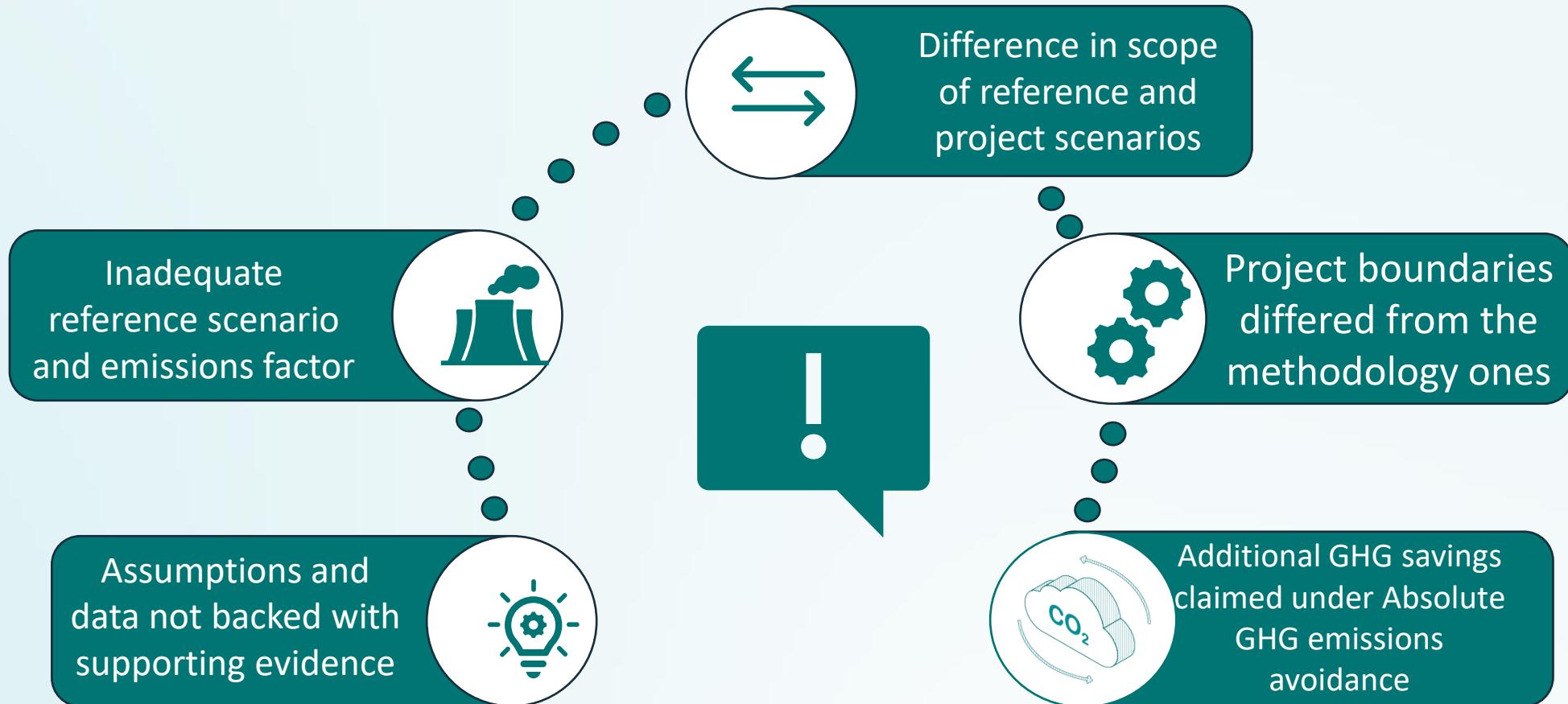
15 proposals (out of 291 proposals passing A&E) failed under GHG criterion



Main reasons for failures under GHG emission avoidance*

- Wrong assumptions, data not provided, or not backed with supporting evidence
- Errors in the definition of the reference scenario
- Issues with the system boundaries or time boundaries of the GHG calculations
- Wrong application of a specific provision of the GHG Methodology
- Minimum requirement for relative GHG emission avoidance not met

Main mistakes on GHG emissions avoidance



Lessons learned: GHG Emission avoidance potential

GHG Methodology

Follow the IF GHG emission methodology for calculation and reporting:

- Identify **principal product(s)**, select sector, reference scenario and methodology accordingly
- Use correct **emissions factor(s)**

Explain

Justify choices made in the application of the GHG emission avoidance methodology, when relevant

Assumptions must be robust and properly justified

Evidence

Back all assumptions and claims with the necessary supporting evidence

Recordings available with overview and guidance on the GHG calculations for each project category

- Main principles and step-by-step of the GHG calculation
- Section 2: Energy Intensive Industries (EII)
- Section 3: Renewable Energy Sources (RES)
- Section 4: Energy Storage (ES)
- Section 5: Mobility (MOB)
- Section 6: Credit for carbon capture and storage (CCS) or utilisation (CCU)

GHG methodology

Find here a set of videos on the overview and guidance on the GHG calculations for each project category.

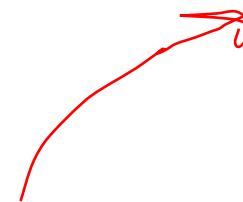
Main principles and step-by-step of the GHG calculation	Energy storage (ES)
Energy intensive industry (EII)	Carbon capture utilisation and storage (CCUS)
Mobility including maritime, road transport and aviation (MOB)	Renewable energy sources (RES)

Additional resources

GHG calculation

Find here a set of videos explaining how to perform calculations for a selection of examples.

RES - Manufacturing of components (wind blades) ↗	ES - Reactive services ↗
EII - Production of methanol ↗	MOB – Aviation plus modal switch ↗



Video tutorials on how to fill in the GHG Calculator:

https://cinea.ec.europa.eu/funding-opportunities/calls-proposals/innovation-fund-2025-net-zero-technologies-call_en

Excel examples on the use of the GHG Calculators:

https://cinea.ec.europa.eu/programmes/innovation-fund/tools-and-guidance_en

Support for applicants

Tools and Guidelines

Calculate the greenhouse gas emission avoidance potential.

National Info Days

Upcoming Innovation Fund info days in EU countries.

Project Development Assistance

Tailor-made support from the EIB to improve project maturity.

National Contact Points

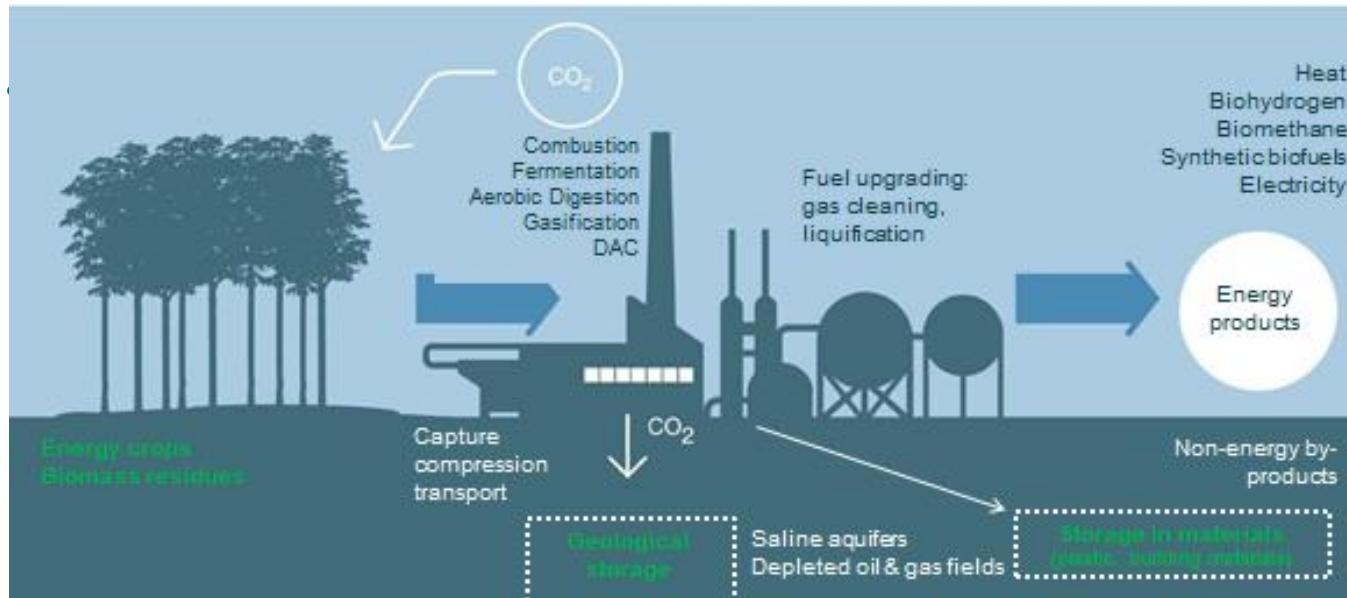
Get personal support in your country.

CINEA Newsletter

News, funding opportunities and more going straight into your inbox.



Bonus Point 1: net carbon removal



- Application form, Part B, Section 6

- The **total project emissions should be negative**
- For EII projects, negative emissions can only be claimed **excluding any credit for timed operation**
- For EII projects: the non-principal products are **not allowed to be the only source** of negative emissions in the projects

Project Maturity

Technical maturity

Financial maturity

Operational maturity

Technical Maturity

Technical Maturity



Application form, Part B, sections:



Section 0: Technical characteristics and scope and Technology scope



3.1 Technical maturity



Feasibility study (mandatory annex)



Any due diligence report (if any)



Technical Maturity: technical feasibility

Explain the degree of technology readiness of the proposed solution and the technical feasibility of delivering the expected output (e.g. in terms of quality and volume of the products):

- Has the technology already been proven in a pilot scale demonstration?
- Are the characteristics of the proposed plant credible and in line with basic engineering principles?
- Are the technical assumptions realistic and conform with the state of technology development?
- Provide robust and credible assumptions used for operational characteristics of the plant and estimation of the expected outputs
- Provide clear reference to relevant parts of the Feasibility study and other supporting documents
- For maritime sector projects: the description of the existing vessel(s) (if applicable) and details on the operational area, shipbuilding location and servicing network

Technical feasibility

Provide a summary of the following information provided in the feasibility study annex:

- project description, including:
 - block flow diagrams (if applicable)
 - technical and operational requirements
 - for maritime sector projects: the description of the existing vessel(s) (if applicable) and details on the operational area, shipbuilding location and servicing network
- technical maturity, including:
 - assumptions used for operational characteristics
 - technology readiness level
 - process flow diagram(s)
 - schematic (preliminary) layout(s) and design(s) (including capacities)
 - mass and energy balances (including before and after the project, if applicable)
 - volume of the final product(s)
 - technical assumptions and figures used for the estimation of the GHG emissions avoidance.



Feasibility study

- Template available in the Submission System (under "Part B templates")
- If the template is not used make sure that you submit at least the same level of detail and information to ensure a proper assessment.
- The feasibility study should include:
 - Project description
 - Background information (existing situation)
 - Location analysis and strategic approach
 - Objectives
 - Resources and feedstock availability
 - Technical assessment
 - Expected project output
 - Techno-economic analysis

EU Grants: Feasibility Study (INNOVFUND): V1.0 – 15.11.2024

FEASIBILITY STUDY

(To be uploaded in the Portal Submission System as part of the application)

⚠ This template is recommended but not mandatory. If you do not use it, please make sure that you submit at least the same level of detail and information to ensure a proper assessment. In case you consider a section not applicable, please mark it and explain why.

PROJECT

Project name and acronym:

[project title] — [acronym]

FEASIBILITY STUDY

Project description

Provide a high-level description of the project (e.g. technologies, products and/or services). It is important that this description captures the most important aspects of the technologies to be used, products and/or services that you are considering, as well as how they may benefit customers and the project itself.

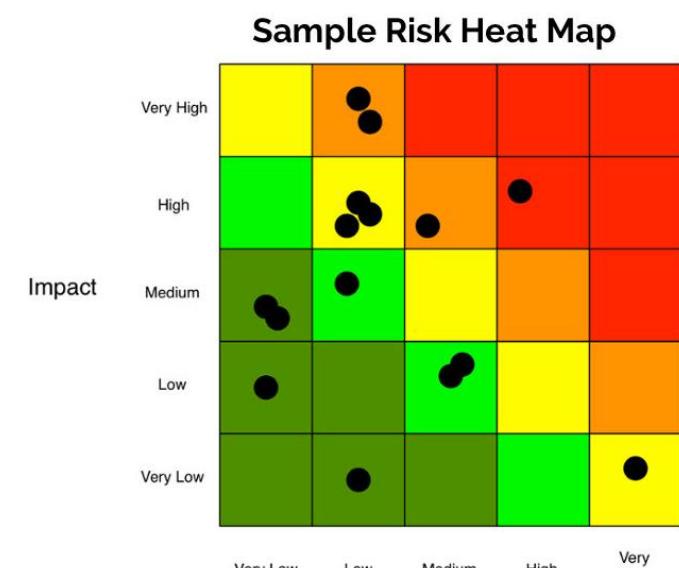
Please include the relevant graphical representation of the project as block flow diagram(s).

Insert text

Risk analysis and management

Risks are included **only** in the Feasibility Study (mandatory annex) which must:

- Describe key risks that could impact the technical feasibility of the proposed technology/process
- Describe the impact if the risk materializes and the proposed risk mitigation measures and explain why they are suitable
- Summarize your analysis in a table (see template)
- Provide a risk heat map

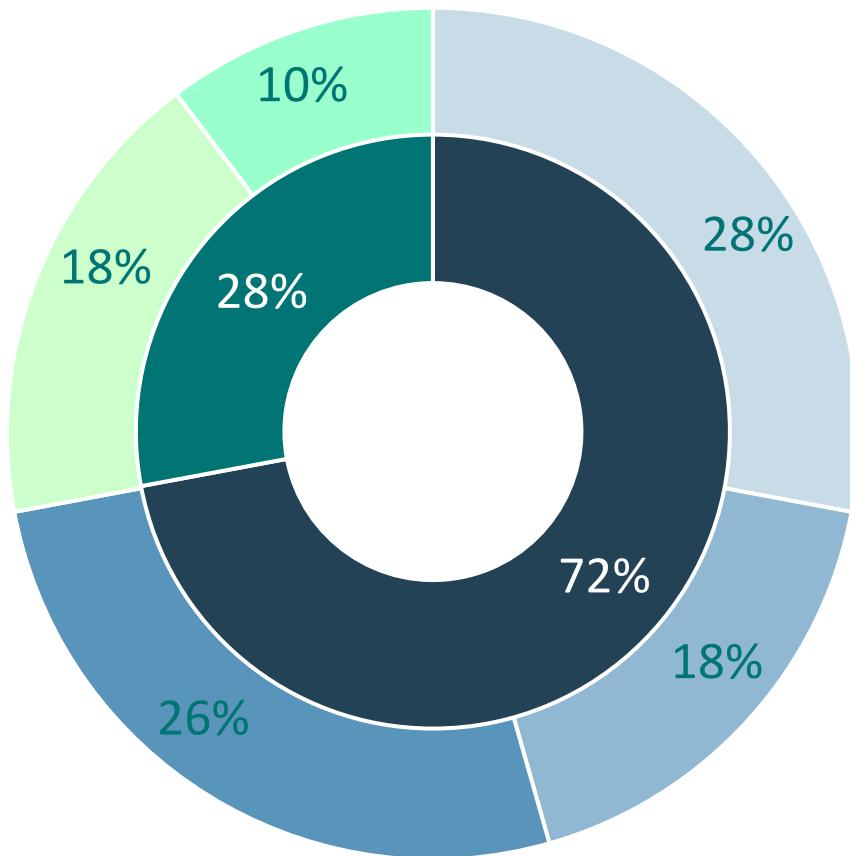


Source: RiskLens

Likelihood

IF24 NZT Call results: Technical Maturity

37 proposals (out of 291 proposals passing A&E) failed under Technical Maturity



- Technical feasibility of achieving the expected project outputs
 - The proposed technology has not been sufficiently/convincingly proven in a pilot scale demonstration
 - The technology readiness of the project is not substantiated with sound data
 - Characteristics of the proposed plant are not in line with basic engineering principles
- Technical risks and proposed risk mitigation measures
 - Failure to identify risks
 - Failure to provide risk mitigation measures

Lessons learned: Technical Maturity

Ensure **full consistency** between documents: Feasibility study, business plan, GHG calculations

Readiness level

Describe actual readiness level of your technology based on credible data:

- Be concise
- Be realistic
- Provide **key facts and figures**

Identify

Relevant data – from your previous stages: pilots / projects
Include all relevant **critical risks** and **mitigation** strategies

Evidence

Due diligence report
Procurement quotes
MoU
Signed letters of intents/ support

Resubmissions are welcome, especially when TRL is improving!

Financial Maturity

Financial Maturity award criterion

Objective: assess the project's ability to reach Financial Close as soon as possible and no later than 48 months after GA signature



Business plan

Credibility of the business model and plan
Robustness of cash flow projections and viability



Financing plan

Soundness of the financing plan
Solidity and commitment of project funders



Risks

Understanding of business and financial risks
Mitigation measures

Financial Maturity - key documents (1/2)

Relevant proposal sections and mandatory annexes to be provided

- **Business plan (mandatory annex)** - IF template highly recommended
- **Application Form Part B** - Financial maturity (section 4.2)
- **Financial Information File ('FIF')** - **(mandatory annex)** - To be filled with projections over expected project lifetime - includes the Relevant costs calculation, the grant disbursement schedule and the cost efficiency ratio calculation
- **Applicant's detailed Financial Model (mandatory annex)** - Project assumptions (i.e. with use of formulas, no hard coded figures, nor macros); funding sources and uses; forecasted P&L, cash flow and balance sheet statements, sensitivity analysis

Financial Maturity - key documents (2/2)

Relevant proposal sections and mandatory annexes to be provided

- **Project shareholders' financial resources (mandatory annex)** - Financial statements over last 3 years – further guidance in Annex 3
- **Project funding support (mandatory annex)** - Minimum requirements in call text Annex 3
- **Project contract terms (mandatory annex)** - Minimum requirements in call text Annex 3
- **Any existing due diligence report (optional - supporting document)**



6 Golden Rules of Financial Maturity



Financial Maturity

Credibility of the business model and business plan

- Describe the **proposed project business model**, including the project scope, competitive advantage, targeted market(s) and products, barriers to entry and how it addresses market gaps
- Fully **describe and substantiate the main revenues and cost assumptions (CAPEX, OPEX, Maintenance CAPEX)** – provide detailed breakdown, justification of prices / volumes assumed and contingencies (include evidence on the project contract terms - see call Annex 3)
- Describe the **strategy to secure key contracts** with off-takers, key suppliers, construction contractors. Provide in annexes contractual evidence, for example letters of support, indicative terms from MoU's or LoI's (see call text Annex 3)

Financial Maturity

Robustness of the cash flow projections and project profitability

- Ensure that the financial projections in the **FIF and the detailed Financial Model are realistic and coherent** with the assumptions of the business plan and across the other application documents (in particular, with evidence on indicative terms of contracts included in annexes).
- Describe **project returns over the entire expected project lifetime** with and without the grant and compare it to the WACC (ensure WACC complies with RC methodology)
- Will the project be profitable with the Innovation Fund grant (i.e. IRR > project WACC)? **Unprofitable projects must demonstrate solid commitment from their funders**

Financial Maturity

Soundness of financing plan

- Demonstrate **financial viability of your project** – ensure that the financing plan covers construction costs and any potential negative operational cash flows
- Describe **how the project will be funded and how the funding sources will be secured**
 - Is the project developed and financed in a SPV or on balance sheet of the applicant/parent company?
 - What is the strategy to secure external equity and debt?
- If your financing plan includes **external debt**: describe / justify
 - at which entity level the debt will be raised (will it be recourse/non-recourse?),
 - the key terms envisaged in the financial projections and how they are in line with market standards and the risk profile of the project, provide letters from banks substantiating the conditions
- Make sure that **grant disbursement plan is in line with the call text**



Financial Maturity

Commitment of project funders

- Describe the **nature, level and conditions of support** provided by project funders
- Provide **evidence on the commitment of project sponsors** (in particular for projects with low profitability): include LoS from shareholders, debt providers and public authorities (with indicative amounts, terms and conditions - see call text Annex 3)
- Demonstrate that **project sponsors are able to provide the required funding** – provide financial statement to substantiate their ability to finance the project (see call text Annex 3)
- Demonstrate the **ability to mobilize other sources required** (State aid or other market mechanisms) – provide evidence and when relevant, mitigation measures in case other sources are not secured yet

Financial Maturity

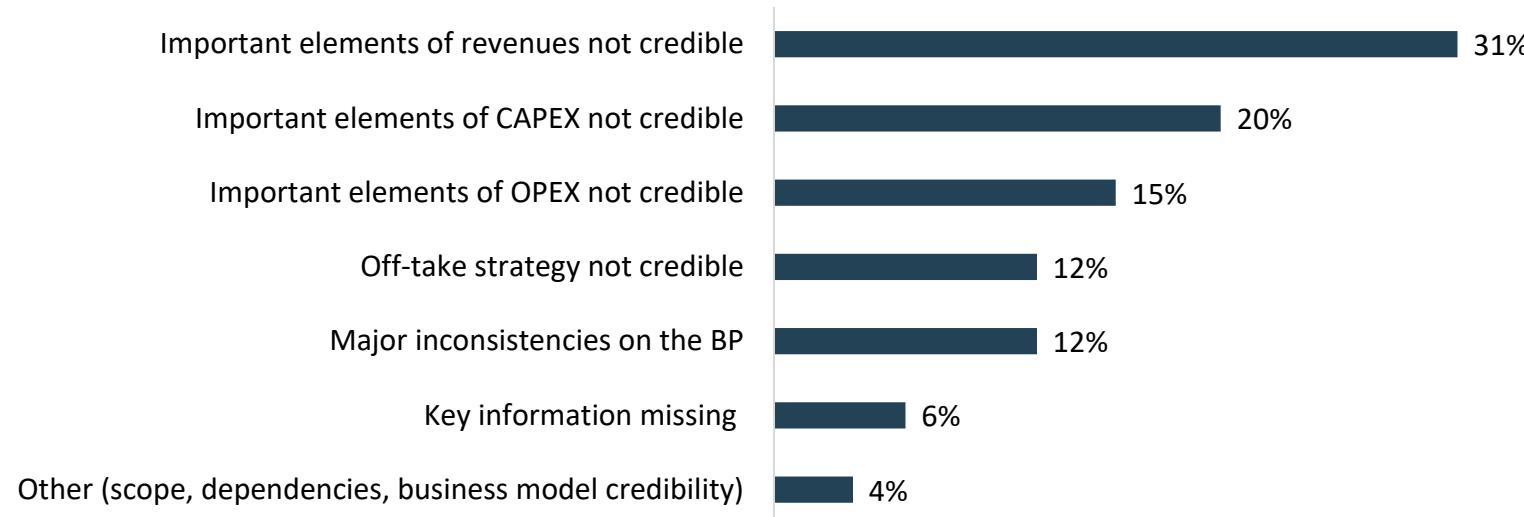
Business and financial risks

- Risks are included **only** in the Business Plan (mandatory annex)
- Provide a description of the **main business and financial risks with the appropriate mitigation measures** as well as a sensitivity analysis and a risk heat map
- Describe **contingency plan/funding to cover downside scenarios** like lower green price premium, sales growth or lower than anticipated, price increase, higher construction cost, absence of additional grant (if any)
- Address **critical risks stemming from potential dependencies** on other projects falling outside the boundaries of the project, where relevant

Lessons Learned IF24 Call

92 proposals (out of 291 proposals passing A&E) failed under Financial Maturity with 53 proposals failing on FM only (18% of evaluated proposals)

Main issues related to the lack of credibility of the Business Plan

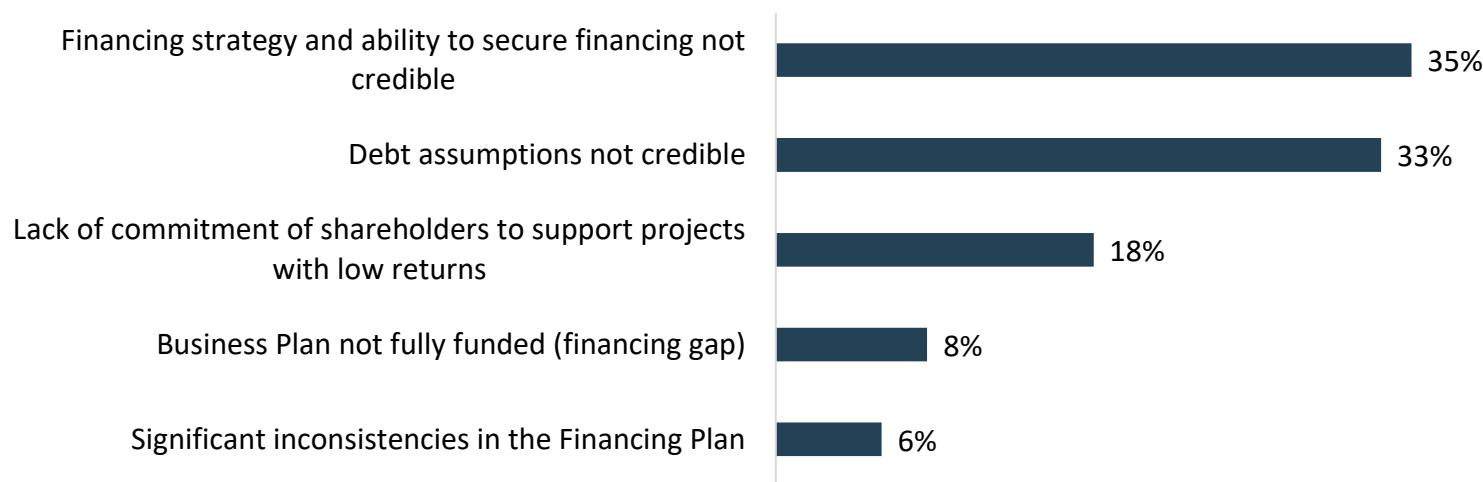


- Fully describe, substantiate and evidence the main revenues, CAPEX and OPEX assumptions and include a detailed breakdown for all assumption of the Business Plan
- See Annex 3 of call text for minimum requirements on project contract terms

Lessons Learned IF24 Call

92 proposals (out of 291 proposals passing A&E) failed under Financial Maturity with 53 proposals failing on FM only (18% of evaluated proposals)

Main issues related to the lack of credibility of the Financing Plan



- Clearly **identify all funding sources** with their terms and conditions and the progress made in defining and/or negotiating them with funding counterparts.
- Provide **financial statements of the shareholder entities** and **evidence for debt assumptions**
- See **Annex 3** of call text for minimum requirements on project funding support

Operational Maturity

Project Maturity: Operational Maturity



Application form, Part B, sections:

3.3 - Operational maturity

7.1 - Work Plan

7.2 – Work Packages, activities, resources and timing



Timetable-Gantt chart (mandatory document)



Participant information, including CVs and previous projects, if any (mandatory document)



Feasibility Study (mandatory document)



Due diligence report (if any)



Permits, licences, authorisations (if any)

Operational Maturity

Credibility and level of detail of the project implementation plan covering all project milestones & related deliverables

- Project milestones must include at least financial close, entry into operation and annual reporting after the entry into operation (guidance provided in the call text and application form Part B)
- Provide a clear timeline from signature of the grant agreement up to the end of the operation period; ensure consistency between the text in the application form Part B and the Gantt chart (mandatory annex)
- Key aspects: strategy to reach financial close and entry into operation; ensure adequate timing of planned activities during plant construction; regular operation of the technology during operation period
- The project implementation plan must be consistent with work packages, milestones and deliverables described in section 9 of the application form Part B
- Ability to reach entry into operation in line with market standards in the sector or faster



Operational Maturity

State of play and credibility of the plan for obtaining required permits, rights or licences, and other regulatory procedures

Included a summary of the key information provided in the project description section of the feasibility study:

- Key aspects to be covered: detailed analysis of the regulatory framework; any intellectual property rights or licence; other relevant regulatory procedures; relevant permitting processes needed (including permits related to environmental impacts)
- State of play: description of permits already obtained and still needed and the plan for obtaining them, including timeline indicating the relevant permit application dates, expected reception dates and measures planned to ensure timely granting

Operational Maturity

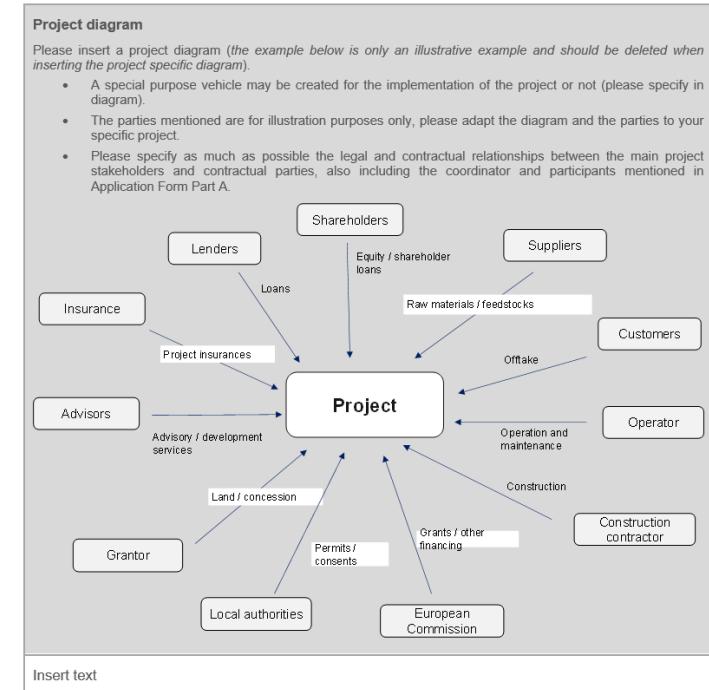
Soundness of the public acceptance strategy

- Detailed description of all environmental impacts expected throughout the whole project life-cycle (from construction to operation to decommissioning), and associated mitigation measures
- Degree of public acceptance of the technology and the project
- Clear and specific steps planned to ensure public acceptance (please do not limit to generic explanations of the issue)

Operational Maturity

Relevance & track record of the project management team and soundness of the project organisation

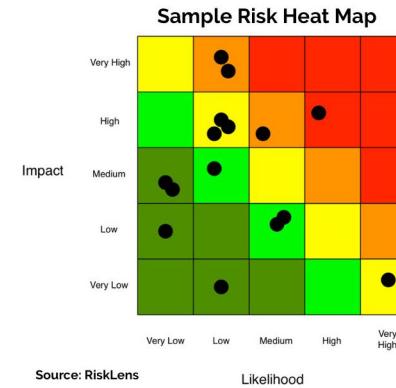
- Project management team, e.g.: key qualifications and track record; sufficient coverage of all necessary skills; provide justifications on the need for additional outside resources
- Project organisation, e.g. project management structure; governance, responsibilities and decision-making mechanisms and processes within the consortium; quality management, health and safety
- Provide a project diagram visualising the involved actors and organisation of the project



Operational Maturity

Operational risks and credibility of proposed mitigation measures

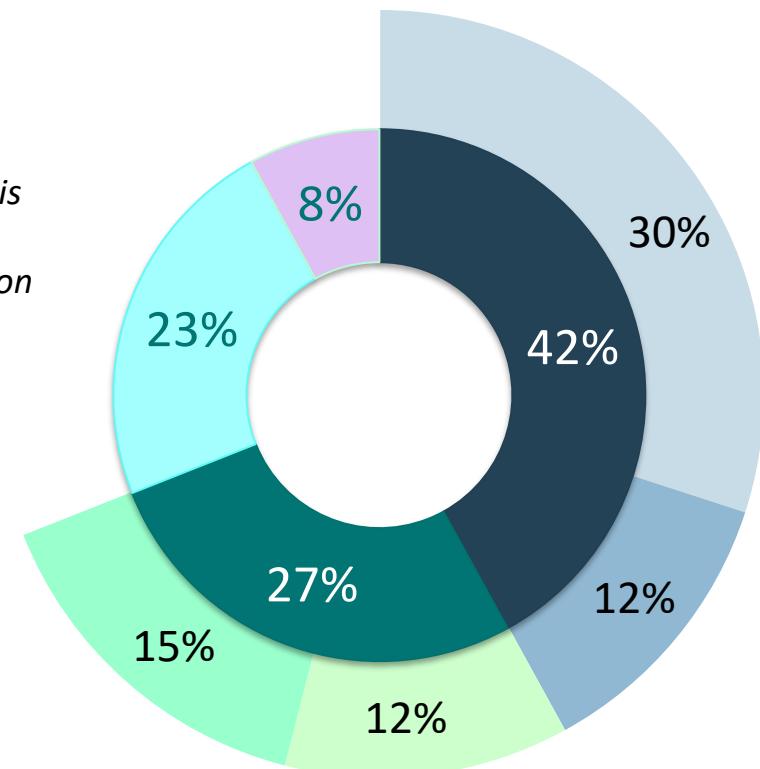
- Risks are included **only** in the Feasibility Study and Business plan (mandatory documents) which must:
 - Describe the main operational risks associated with the construction (for example timing), project design, operation (for example weather conditions) and decommissioning, or risks stemming from dependencies from other projects relevant to the project
 - Describe the impact if the risk materializes and the proposed risk mitigation measures and explain why they are suitable
 - Summarize your analysis in a table (see template)
 - Include a Risk heat map



IF24 NZT Call results: Operational Maturity

19 proposals (out of 291 proposals passing A&E) failed under Operational Maturity

- Project implementation plan
 - **Work plan:** *Work package description does not cover all necessary engineering tasks for successful project implementation*
 - **Timeline:** *The timing and duration of critical work packages are not compliant with the Call text, e.g. achievement of financial close before entry into operation is not considered; The Gantt Chart does not appropriately indicate the timeline for the tasks and there are inconsistencies regarding the timing of entry into operation*
- Project management team and project organization
 - **Project management team:** *The proposal does not demonstrate that the project management team has all the necessary skills to deliver the project*
 - **Project organization:** *The project management structure is not convincing*
- Permits, rights, licences and regulatory procedures and public acceptance
- Operational risks and proposed mitigation measures



Lessons Learned: Operational Maturity

Operations

Define solid **Work Packages** and tasks

Set clear and realistic **deliverables, milestones** and **means of verification**

Include relevant **operational risk** assessment in the Feasibility Study

Ensure availability of necessary know-how in the team

Timeline

Ensure consistency between **Gantt** & tasks/ WPs (interdependencies)/ FiF

Consider realistic timing for:

- Construction and supply
- Obtaining permits, rights and licences
- Ensuring public acceptance
- Potential delays

Clear Strategy

Clearly identify project parties and responsibilities

Clear Role distribution

Link Work Packages and corresponding financial costs

Set a clear strategy for:

- Construction, considering targets/ deadlines & needs
- Obtaining permits, rights and licenses for a defined location

Provide contractual evidence: letters of support, MoUs, indicative terms of agreement, agreements, key suppliers, quotes from vendors, EPC parties

Ensuring off-take
Ensuring public acceptance



Replicability

Replicability

Application form, Part B, sections:

- 4.1 – Replicability
 - Replicability in terms of efficiency gains and multiple environmental impacts
 - Compliance with DNSH TSC criteria for environmental objectives other than 'climate change mitigation'
 - Contribution to Europe's industrial leadership and competitiveness
- 4.2 - Knowledge sharing – Communication, dissemination and visibility



Updated

Efficiency gains and environmental impacts

- Explain how the project addresses possible resource constraints through:
 - efficient use of resources
 - reduction in consumption of critical raw materials
 - sustainable biomass and other scarce resources
 - or other ways to address resource constraints in terms of efficiency, circularity, recycling and recyclability of such resources
- Describe the potential or the proposed solution to address multiple environmental impacts (for example, increasing biodiversity protection, reducing land, air and water pollution)

Compliance with DNSH TSC criteria for environmental objectives other than ‘climate change mitigation’



- Explain how compliance with the ‘do no significant harm’ technical screening criteria (TSC) set out in Annex II to Delegated Regulations 2021/2139 and/or 2023/2486 will be ensured for the environmental objectives other than ‘climate change mitigation’ and provide an outline of the plan how these criteria will be fulfilled (see Annex 4 of the Call document)
- **Note:** Compliance with the objective ‘climate change mitigation’ must be described in section 2.3 in part B

Contribution to Europe's industrial leadership and competitiveness

- Contribution to new industrial ecosystems (e.g.: clusters, working with the European suppliers) and/or integration with strategic energy infrastructure (e.g.: projects connected to PCIs)
- Building the European know-how: creation and retention of intellectual property (IP) and technologies within the EU/EEA; cooperation with EU/EEA-based universities, research institutions and industry actors, capacity-building activities (e.g., trainings), knowledge sharing plan outline, demonstrated efforts on due diligence on the supply chain.

Contribution to Europe's industrial leadership and competitiveness

- Where relevant:
 - mitigating critical dependencies and diversifying the sourcing of critical raw materials;
 - mitigating critical dependencies on final products or their main specific components from the third countries on which the EU has an identified dependency as identified in the Commission Communication (C/2025/3236) linked to the Net Zero Industry Act.
- For maritime sector projects, ability to strengthen the EU's maritime transport value chain, including port activities, increased competitiveness and job creation in the EU maritime sector, demonstrated coordination on the development of Green Corridors (see Glossary in call text)

Knowledge sharing

Communication, dissemination and visibility



Knowledge sharing goals:



De-risking innovative low-carbon technologies with regard to wide-scale commercialisation



Acceleration of deployment



Increasing the undertaking of, and confidence in these technologies by the wider public



Maintenance of a competitive market for the post-demonstration deployment of the technologies

Guidance for Completing the Knowledge Sharing Section

Check thoroughly Call text Annex 2

- Outline activities, content, tools, channels and target groups for knowledge-sharing that go beyond the mandatory knowledge-sharing requirements (such as reporting and participation in knowledge-sharing events organised by the granting authority). For example:
 - participation and organisation of technical and scientific events, trainings, lectures
 - participation in working groups and discussion fora
 - organisation of site visits, construction of a visitors centre, etc.
- Describe how the visibility of EU funding will be ensured
- Quality, soundness and reliability of the information should be provided

NOTE:

1. *For successful projects, a detailed knowledge sharing plan has to be provided as deliverable in month 1 (see section 10 of the Call document)*
2. *Please refer to the “Knowledge Sharing report template” available on the Funding & Tenders portal for information only at submission stage to better understand the information to be provided during project implementation*



Cost efficiency / Relevant costs calculation

Cost efficiency award criterion

- Cost efficiency is split in two sub-criteria:
 - Cost efficiency ratio – automatic score
 - Qualitative assessment on the computation of Relevant costs and the Cost Efficiency ratio
- Cost efficiency ratio level has **minimum requirements**

(a) for all topics (except Pilots):

If cost efficiency ratio is *lower than or equal to* **€200/tCO₂eq**, score will be based on formula

$$12 - (12 \times (\text{cost efficiency ratio}/200))$$

If cost efficiency ratio is *higher than* **€200/tCO₂eq**, proposal will be **rejected** under 'Quality of the cost calculation and min requirements'

(b) for Pilots:

If cost efficiency ratio is lower than or equal to **€2000/tCO₂eq**, score will be based on formula

$$12 - (12 \times (\text{cost efficiency ratio}/2000))$$

If cost efficiency ratio is higher than **€2000/tCO₂eq**, proposal gets **zero score** under 'Quality of the cost calculation and min requirements' but is **NOT rejected**

Cost efficiency criterion- key documents

Relevant proposal sections and mandatory annexes to be provided

Please use to the **Relevant Costs methodology** as reference document

- **Application Form Part B**- Relevant cost and cost efficiency ratio (section 7.1)
- **Financial Information File ('FIF') / detailed financial model**
- **Other annexes (see section 5 of the call text)** - Only for projects using 'reference plant' calculation methodology for relevant costs

Cost efficiency ratio

**Requested Innovation Fund grant
+ other public support**

=

Absolute GHG emission avoidance
During 10 years after entry into operation

Maximum requested IF grant
is 60% of total relevant costs

Applicants choosing not to
apply for the maximum
grant will be more
competitive when ranked
against other applicants in
'Cost Efficiency ratio'

Relevant Costs: Definitions

Relevant costs (“RC”) = The Relevant Costs shall be the net extra costs that are borne by the project proponent as a result of the application of the innovative technology related to the reduction or avoidance of the GHG emissions.

Relevant costs =

best estimate of CAPEX and NPV of OPEX, Maintenance CAPEX net of Revenues and Operational Benefits of the project over a 10-year period



The estimation of relevant costs should not include (examples):

- Expansion Capex incurred after entry into operation
- Terminal Value
- Any costs incurred prior to Innovation Fund grant submission
- Depreciation

*Please refer to the **RC methodology** for full list of non-eligible items*

Relevant Costs - what has changed?

- Clarification based on FAQ in the Helpdesk - for instance:
 - the duration of the financial projections – over expected project lifetime
 - rules on lease financing - applicable to all projects
 - treatment of revenue arising from decommissioning – if any during first 10 years of operation
- Additional guidance on boundaries for Relevant Costs calculation and revenue/cost assumptions for integrated projects
- Update of the list of other excluded items – for example:
 - Acquisition of producing assets/facilities commissioned and under operation before submission
 - In-kind contributions
- Update of definitions in Glossary definition (i.e. CAPEX, Lease, Operational Benefit, OPEX, Project lifetime)
- Simplification of the WACC computation
- Update on rules related to cumulation with other public support

Weighted Average Cost of Capital (WACC)



- **Cost of equity:**

$$Re = Rf + (\beta * ERP) + IP$$

- Rf = risk free rate
- β = beta of the project
- ERP = equity risk premium
- IP = innovation premium

- **Cost of debt:**

$$Rd = \text{base rate} + \text{credit spread}$$

Estimation

- **Rf:** use values in the RC methodology (appendix 2)
- **Beta :** fixed value of 1
- **ERP:** default value of 6% should be applied, with the potential for a +/- 2% adjustment if properly justified by applicants (lack of justification may be penalized)
- **Innovation premium:** default value of 2.5% should be applied, with the potential to increase to 3% upon justification for highly innovative projects (lack of justification may be penalized)

- Base rate: swap rates consistent with average debt maturity
- Credit spread: based on terms expected by debt providers, in line with market standards



If and how is 'other public support' included in RC/CE?

(3) If public support is included in the **project's financial model** → it has to be included in CE, cumulation rules might apply.

- secured public support needs to be in the financial model and CE
- otherwise: applicant's choice.

(4) Where to include it:

Support in the form of **grants** (CAPEX or OPEX), for which the **amount received can be estimated with certainty** at the moment of application

- included in the numerator of the CE ratio
- excluded from RC calculation

Support in the form of **fiscal or parafiscal measures** or **tariff reduction** resulting in lower operating costs (e.g. exemption of payment of levy/tax on power prices), **contracts for difference, feed-in tariffs and indirect cost compensation**

- included in the RC calculation
- not included in the numerator of the CE ratio



Must be included as
“other public CAPEX subsidies” or
“other public OPEX subsidies” on a non-
discounted basis, in the “Financial Model
Summary Inputs” sheet of the FIF



Must be included as Revenues, Operational
Benefit or Other Revenues/OPEX Savings in
the “Financial Model Summary Inputs” sheet
of the FIF

Bonus points 2 and 3

Bonus point 2: SMEs

- Only for projects **coordinated and implemented by small and medium-sized enterprises (SMEs)**⁴⁴ as defined in the EU SME Recommendation 2003/361
- Application form, Part B, Section 6



Bonus point 3: Maritime sector projects

Only for projects in the maritime sector!

- Application form, Part B, Section 6
- Projects that have a demonstrated potential for decarbonising the maritime sector and reducing its climate impacts.

Evaluation timeline



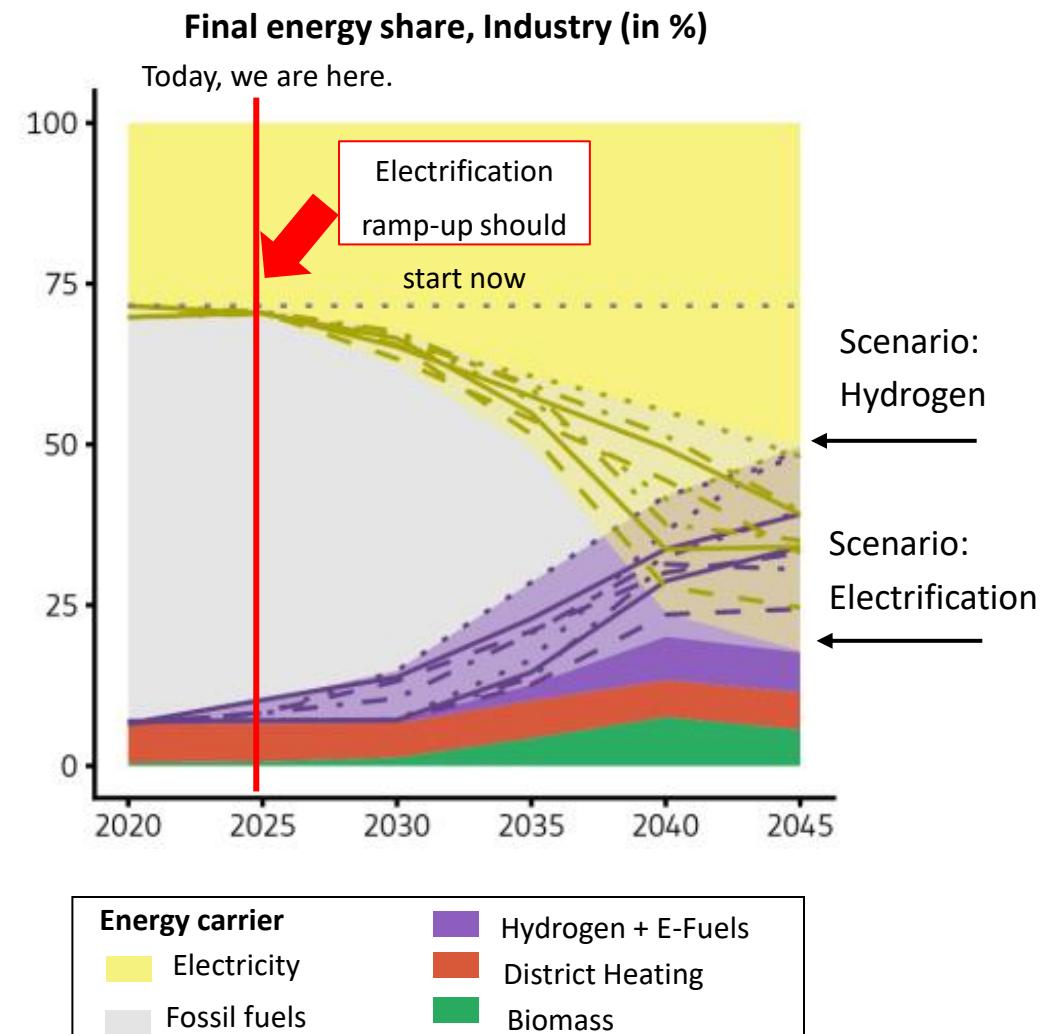
Innovation Fund 2025

Heat Auction



Why decarbonisation of industrial process heat?

- Electrification: **main vector of industry decarbonisation by 2030** and beyond
- Industrial process heat today **is largely fossil fuels based**, only 4% of industry's energy needs for process heat are electrified
- **Cost gaps** compared with fossil-fuels-based technologies **hinder market ramp-up**
- Type of projects **underrepresented in IF portfolio**
- With such a large potential across the EU, applications are possible by companies of **all sizes, in all industrial sectors** and in **all EEA countries**



Data: Falko Ueckerdt et al. (2021): *Taking off despite uncertainties: Key points of an adaptable hydrogen strategy. How policymakers can find hydrogen pathways to climate neutrality by 2045*. Ariadne policy brief

Auction Topics and eligible activities

Medium Temperature Small Scale

- € 150 Million + Spanish AaaS of € 30 Million
- $\geq 3 < 5 \text{ MW}_{\text{th}}$
- 100-400 °C
- €100 Million max grant amount

Medium Temperature Larger Scale

- € 350 Million + Spanish AaaS of € 20 Million
- $\geq 5 \text{ MW}_{\text{th}}$
- 100-400 °C
- €100 Million max grant amount

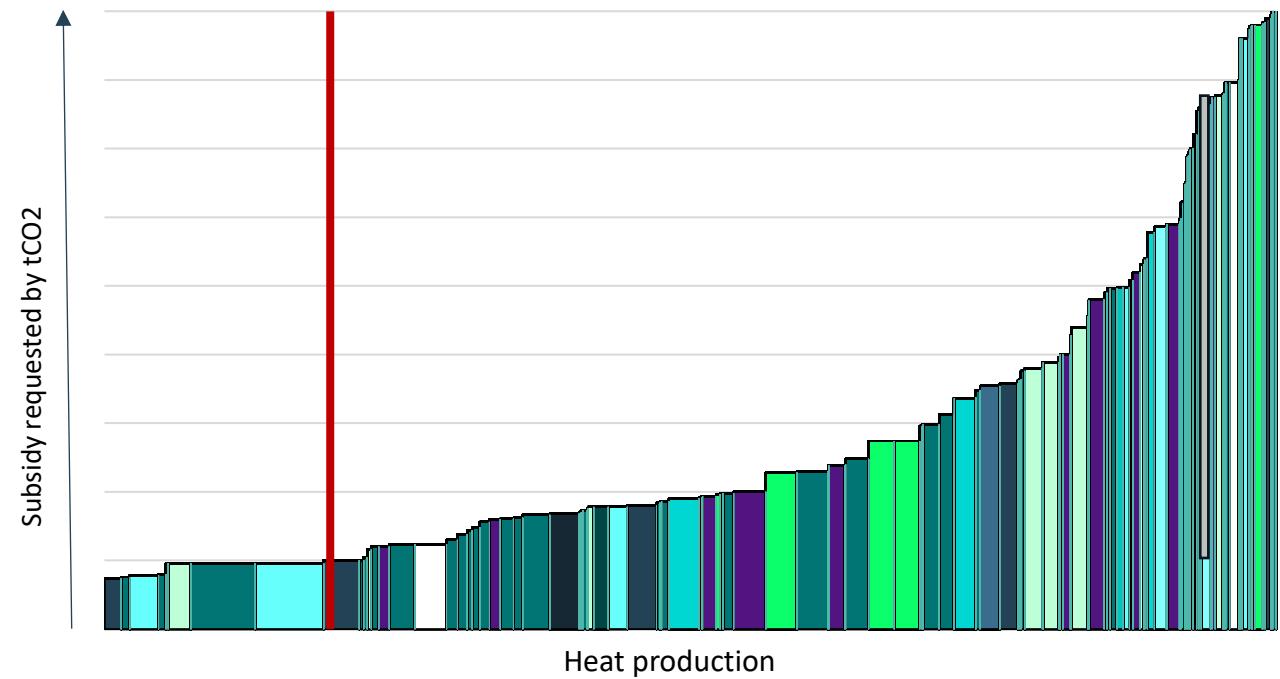
High Temperature

- € 500 Million
- $\geq 3 \text{ MW}_{\text{th}}$
- $> 400 \text{ }^{\circ}\text{C}$
- €250 Million max grant amount

Bid ranking

- The heat auction has a **total budget of EUR 1 billion** ('constraining value' of the auction)
- Bids will be ranked on price forming a **bidding/merit order curve**
- Bids also need to pass **qualification requirements**
- The auction will be cleared where the budget is exhausted (**clearing price**)
- The **number** of projects and **volume** of heat supported is thus a function of the available budget and the size and prize of submitted bids within given topics.

Example of an auction bidding curve



How to think about bid definition

- Bidders request a **fixed-premium** in EUR/tonne of CO₂ abated through electrified or direct renewable process heat technologies.
- The subsidy need (=the bid) is **determined by the bidder**. There are no restrictions on the level of the bid (i.e. no specific IRR or NPV; applicant's choice which costs to price in).
- A rational bidding strategy is to base the bid on the **gap between costs and revenues**.
- It is the responsibility of the bidder to submit a bid that is **competitive**, but **as high as needed to make the project financially viable**, given the completion guarantee, and rules on cumulation of support.
- There is **no automatic indexation of support**. Inflation, potential cost increases, foregone other public support etc. should be factored into the bidding strategy.
- The **bid defines the support that will be received** once project enters into operation

Bid definition: Subsidy for GHG Abatement

Project Input:
€/MWh

Automatic Conversion with
applicants choosing either:

1. the **phase 4 ETS heat benchmark** (default) or
2. the **emissions factor** of the fuel replaced in the installation

Bid:
€/tCO₂

- Incentivises decommissioning of fossil fuel installations
- Choice of bidders
- Bidders must provide proof of decommissioning if selecting option #2

Natural gas	0.202 tCO ₂ /MWh
Hard coal	0.341 tCO ₂ /MWh
Lignite	0.364 tCO ₂ /MWh
Heating oil	0.264 tCO ₂ /MWh

Main technology eligibility requirements

Eligible

- **Industrial process heat electrification technologies, e.g.:**
 - Heat pumps
 - Direct and indirect resistance heating
 - Electromagnetic and dielectric heating
 - Plasma heating
- **Direct renewable heat technologies** (solar-thermal or geothermal)
- **Combination** of the above

Not Eligible

- Non-heat processes in industry
- Heat production for space heating or sale to district heating
- **Electric arc furnaces** for steel-making
- **Electrolysis processes** (e.g. in the aluminium sector)
- **Biomass or hydrogen** use
- Projects that involve **new fossil fuel-fired capacity** (except glass furnaces or where technical/safety restrictions exist)
- Heat pumps can reuse waste heat from (existing) industrial processes **but not from power generation, district heating, waste incineration**
- Activities which do not comply with **Do No Significant Harm** principle

Obligations

Max time to reach Financial Close

- **2 years** after signing the Grant Agreement
- Demonstrating that all contracts are signed and conditions in them fulfilled
- To be **approved by the granting authority**
- **Sanctions:** the grant agreement terminated, calling the completion guarantee

Max time to reach Entry into Operation

- **4 years** after signing the grant agreement.
- **Demonstrating as operational a nameplate thermal capacity** (and eligible temperature levels) for the equipment of at least 100% of that expressed in the bid.
- To be **approved by the granting authority**.
- Sanctions: the grant agreement terminated, calling the completion guarantee

Reporting every 6 months after EiO

- **Direct or indirect measurement of industrial process heat volume and temperatures** according to ISO 50001 management system
- Automatic formula will translate it into the **GHG abatement**
- **Level of output should not decrease below 30% of expected annual volume (for 3 years in a row)**

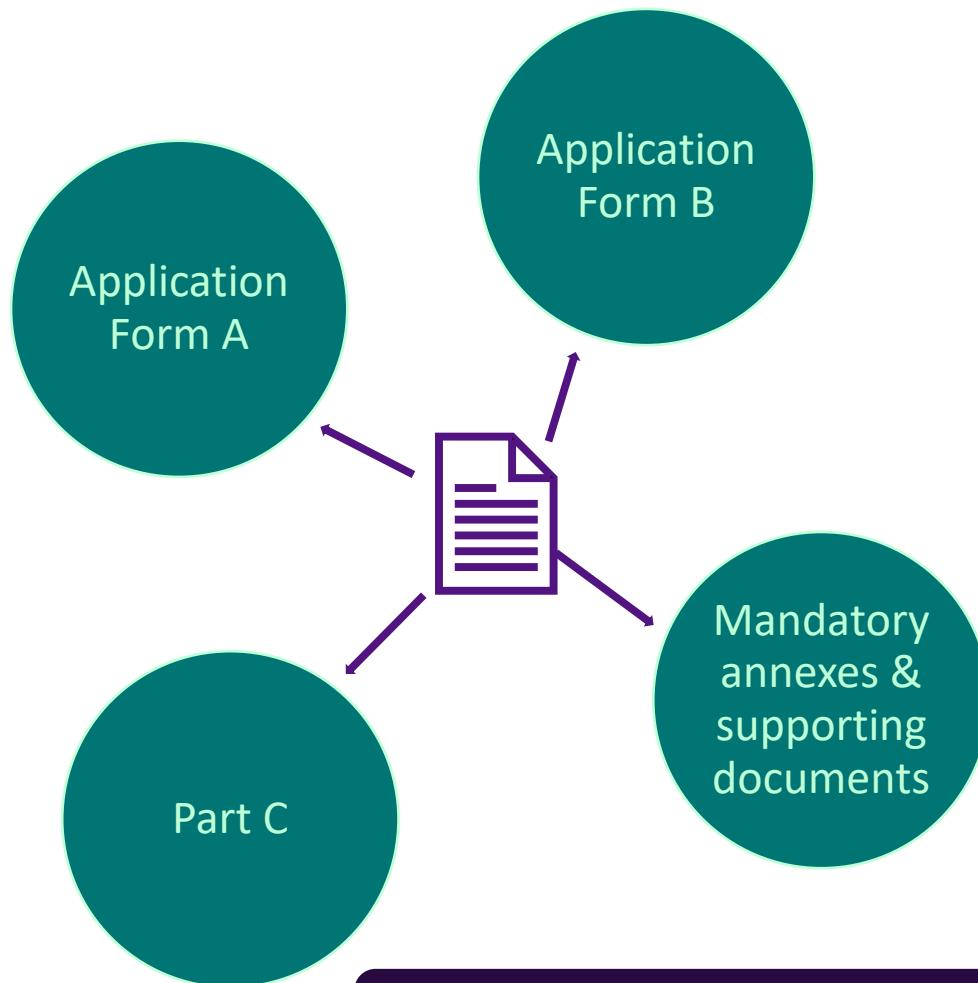
The completion guarantee

- **Letter of Intent** for completion guarantee to be submitted with the proposal
- **6% of the maximum grant amount** in EUR
- **Guarantee** to be issued two months after receiving the evaluation results
- **Both** issued by a bank or financial institution established in the European Economic Area (EEA) and authorised by the competent national authorities, with a minimum rating from at least one of the following agencies: BBB- (S&P or Fitch), Baa3 (Moody's), BBB(low) (DBRS), or A- (A.M. Best)
 - The guarantee shall be valid from the date of issuance until **6 months after the maximum time to EiO**
- For LoI and the guarantee itself, a **template is available and is mandatory**
- If EiO is reached earlier, the guarantee can be released earlier

- When **will** the **completion guarantee** be **called** by the granting authority?
 - if the project does not reach entry into operation within 4 years (after signing the grant agreement)

The Guarantee **may be called** if the project does not reach financial close within 2 years

Application process – *Compulsory documents*



Provide all mandatory annexes!

- detailed budget table/calculator
- participant information
- timetable/Gantt chart
- feasibility study
- electricity sourcing supporting evidence
- off-take supporting evidence
- equipment procurement supporting evidence
- *equity supporting evidence*
- permits, licenses, authorisations, etc.
- completion guarantee letter of intent (at proposal) and completion guarantee (during GAP)
- extended Part C form
- other annexes only for projects that deviates for the Default ETS heat benchmark

Templates to be downloaded from the Portal Submission System, completed, assembled and re-uploaded

Application process – *Recommendations*

- **Read carefully** the call text, **follow the tutorials** and **FAQs**
- Make sure that you **apply for the right call/topic**
- Make sure the activities covered by your project are **eligible**
- Ensure the proposal is **complete** and **contain all the requested information** (Application Forms A, B, and C) and **all required annexes and supporting documents**. Missing mandatory document **leads to inadmissibility and rejection!**
- Use the mandatory forms and templates provided and **do not modify them!**
- Ensure your application is **readable, accessible and printable**
- Ensure the application is filled correctly, with **all requested information and data!**

Call & Assessment structure

RELEVANCE

(Pass/Fail)

- Contribution to **objectives of the call**
- **To reduce direct GHG emissions** by cost-effectively supporting the market uptake of **electrified** and **direct-renewable** industrial process heat

QUALITY

(Pass/Fail)

- Technical maturity
- Financial maturity
- Operational quality

RANKING



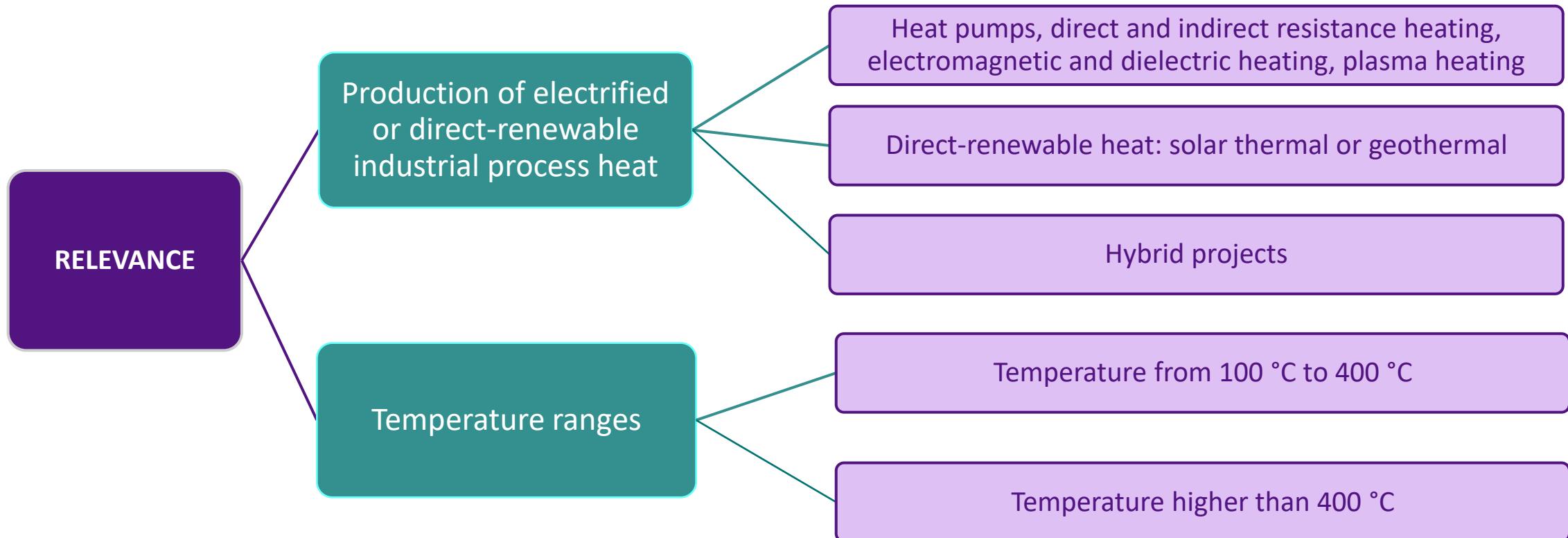
- according to the bid price (EUR/t_CO₂)
- within the limits of the available budget

APPLICATION DOCUMENTS

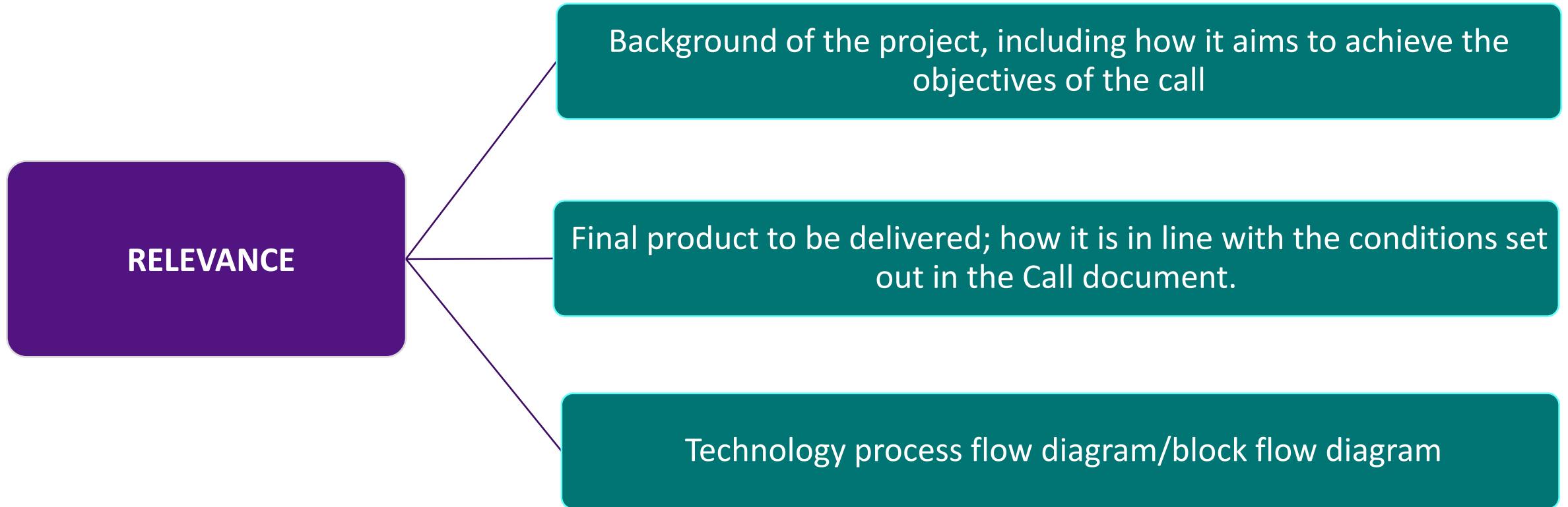
*Application Form A, B, C
+ Mandatory annexes*

1. *Detailed budget table (FIF)*
2. *Participants information*
3. *Timetable/Gantt chart*
4. *Feasibility study*
5. *Electricity sourcing strategy*
6. *Heat Off-take strategy*
7. *Equipment procurement strategy*
8. *Equity financing supporting evidence*
9. *Environmental permits – strategy to receive relevant permits*
10. *Grid connection permits –evidence of initiated process*
11. *Completion guarantee letter of intent*
12. *Extended Part C form*
13. *for projects deviating from default ETS heat benchmark: proof of the to-be-replaced fossil fuel-fired heat production unit*

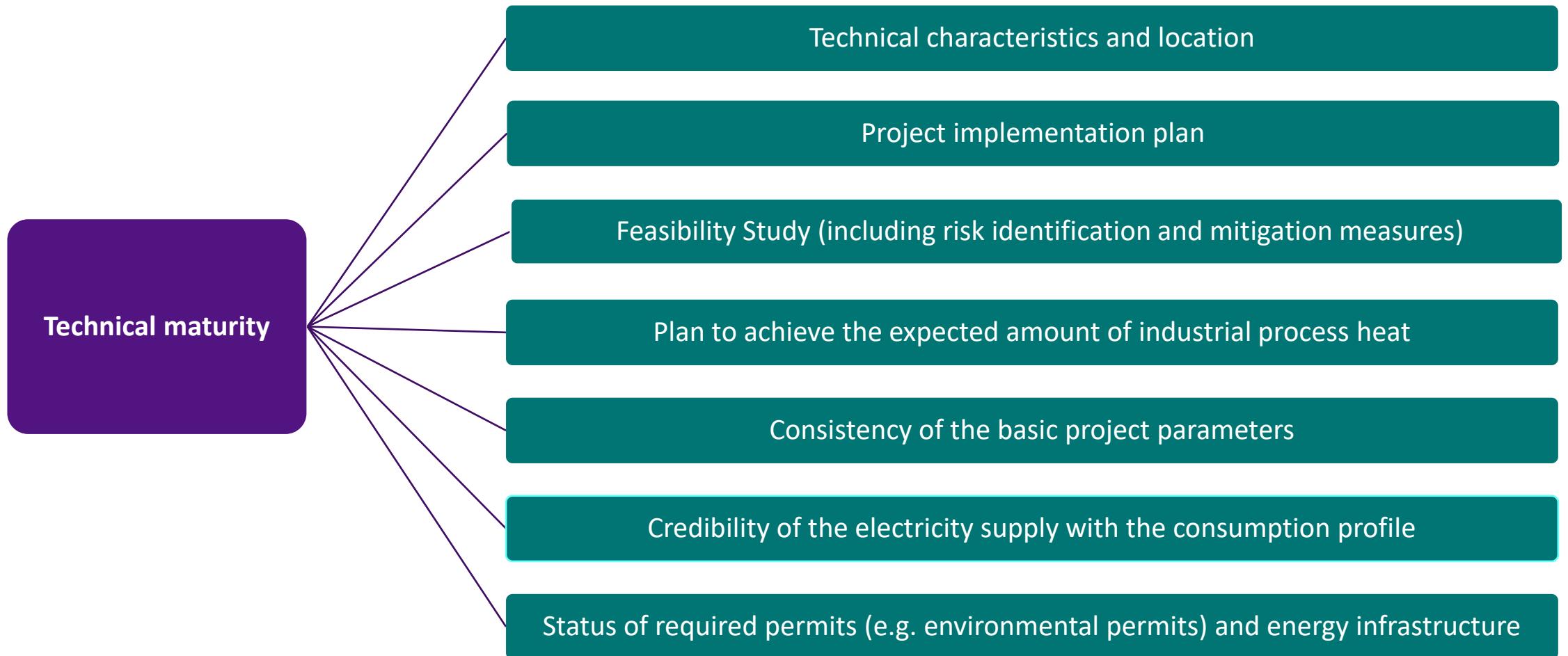
Award criteria – Relevance



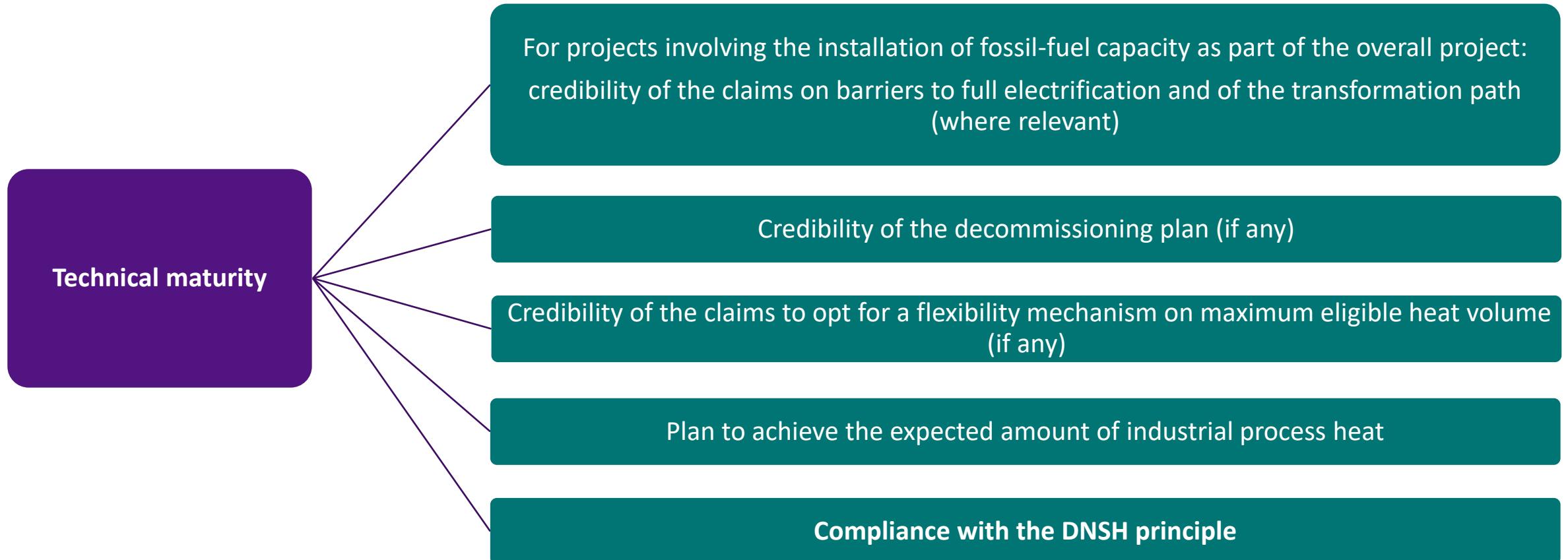
Award criteria - Relevance (cont'd)



Award criteria – Quality – Technical maturity (1/2)



Award criteria – Quality – Technical maturity (2/2)



Award criteria – Quality – Financial maturity

Objective: assess the project's readiness to reach Financial Close within 2 years after signature of the grant agreement

Credibility of the business plan

Credibility of the financing plan

Fulfilment of minimum documentation requirements

Understanding of the main business and financing risks

Award criteria – Quality – Financial maturity 3/10

1. Credibility of the business plan: project scope and business model

Project scope

- Clearly define the boundaries and scope of the investment
- Must include production of industrial process heat
- Additional investments may include:
 - Necessary modifications or upgrades to the existing end-product plant
 - Construction of a new installation integrating the heat process
 - Installation of new power generation capacity to support heat production
 - Installation of electricity or thermal storage

Business model

- Clearly define whether heat will be sold externally or consumed internally within the applicant's plant
- Clearly define the contractual framework (e.g. heat purchase agreements, heat-as-a-service agreements) and how it determines revenue and OPEX



Clear definition of project economics, contractual framework, designated industrial site, and customer(s) is essential

Award criteria – Quality – Financial maturity 4/10

1. Credibility of the business plan: cash flow projections

Financial projections

- Complete the 'FIF Inputs' sheet of the Financial Information File (FIF) and ensure consistency across all application documents
- Fully describe and substantiate all assumptions used in the financial projections, including detailed breakdowns of expected revenues, CAPEX and OPEX

Revenues, CAPEX and OPEX

- Justify CAPEX assumptions, including contingencies, based on indications from equipment providers and construction contractors
- Justify revenues and OPEX assumptions using volumes and prices from heat off-takers and electricity providers. Reference key terms from the Heads of Terms submitted in mandatory annexes

! For projects involving the transformation of an existing installation to incorporate electrified/direct renewable heat, include only incremental revenues (e.g. end-product price premium), incremental OPEX, and OPEX savings resulting from the project's implementation



Award criteria - Quality – Financial maturity 5/10

2. Credibility of the financing plan: funding sources

Funding sources

- Describe all expected funding sources required to implement the project
- Identify all funding providers (such as existing shareholders, external investors, banks, other financial institutions, and public authorities)
- Specify:
 - Amounts provided by each funding provider
 - Form of funding (equity, debt, shareholder loan, public funding)
 - Status / progress in securing each funding source

! Demonstrate the project's financial viability, ensuring that the financing plan credibly covers full construction costs and any potential negative operational cash flows

Award criteria – Quality – Financial maturity 6/10

2. Credibility of the financing plan: equity and debt financing

Equity financing

- Describe the ability of each existing shareholder and/or external investor to contribute their share of the required equity
- Refer to the Letters of Intent from equity providers submitted in the mandatory annexes

Debt financing

- Describe the debt structure, including total debt amount, contributions from each debt provider, debt type, gearing ratio, DSCR, and expected tenor
- Explain whether debt will be raised at the corporate level or at the project level, and specify the legal entities involved
- Specify the level of recourse to shareholders



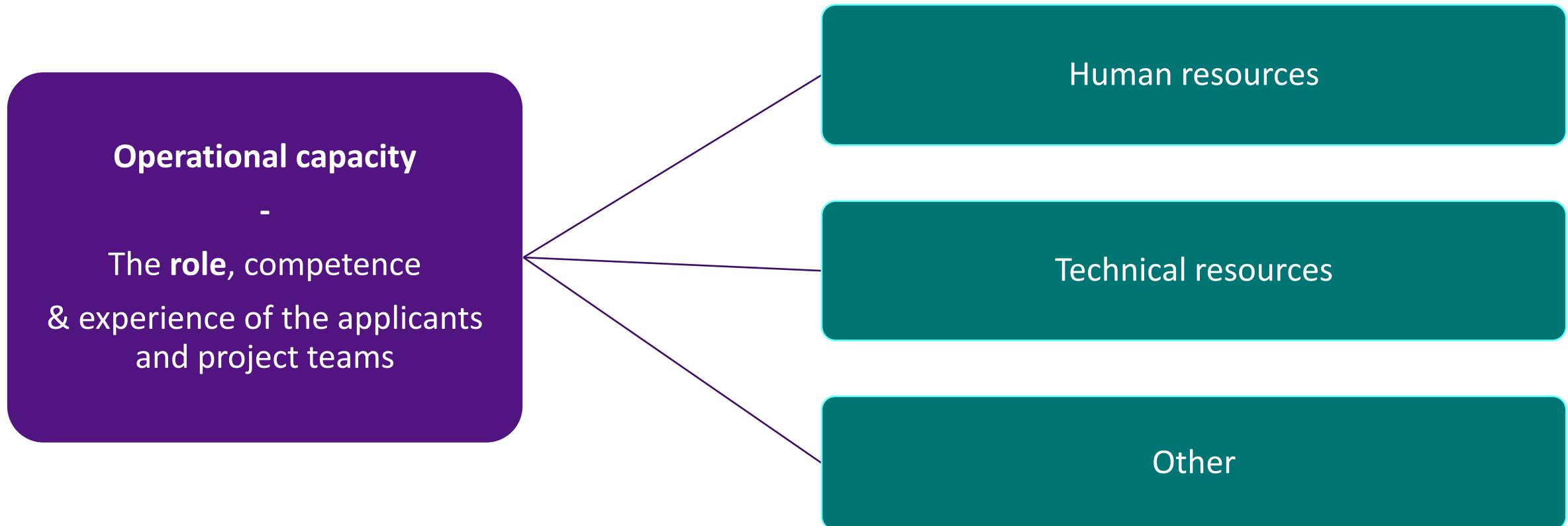
Justify the assumptions, timeline, and process for securing both equity and debt financing

Award criteria – Quality – Financial maturity

Relevant proposal sections and mandatory annexes to be provided

- Application Form Part B - Financial Maturity (section 2.2)
- Financial Information File
- Electricity sourcing: Heads of Terms
- Off-take: Heads of Terms
- Equipment procurement: Heads of Terms
- Equity support: Memoranda of Understanding (MoU's) /Letters of Intent (LoI's) from equity providers

Award criteria - Quality

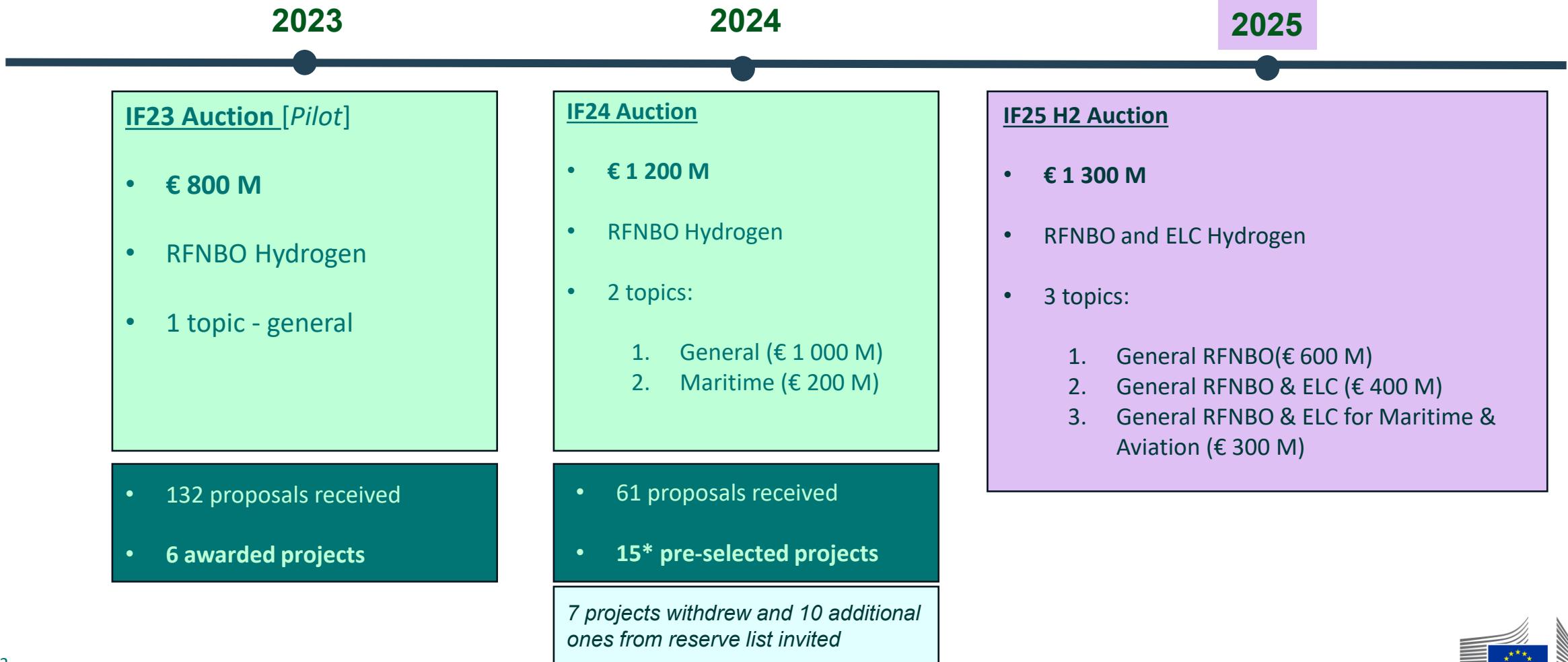


Innovation Fund 2025

Hydrogen Auction



IF H2 Auctions so far



General eligibility conditions

- Location of the project: **within the EU/EEA** (no virtual production)
- Installed capacity: **min. 5 MWe, new capacity, single location** (no virtual capacity pooling)
- Projects must limit the sourcing of electrolyzers and its components from China
- Off-takers: **restrictions depending on the topic**
- Bid ceiling price: **€ 4 / kg RFNBO or Electrolytic Low Carbon Hydrogen (ELC)**
- Maximum size of the grant: **Topic budget for all topics**

Key implementation arrangements

- Financial close: **within 2.5 years** after signing Grant Agreement
- Entry into Operation (EiO): **within 5 years** after signing Grant Agreement
- Completion guarantee: **8%** of the requested grant - *covers reaching Financial Close & EiO under the call requirements*
- Payments: **no payments before EiO**; then, **biannual** basis - €/kg of Hydrogen produced, **certified & verified (RFNBO and/or ELC)** for a maximum period of **10 years**

Key implementation arrangements 2/2

- Production requirements: semi-annual production may be increased to **up to 140%** of planned. Total grant amount cannot be increased. Production of volumes that are part of the bid **cannot fall < 30%** of planned production for more than 3 rolling consecutive years
- Compliance with the criteria during implementation: for Topic#3, monitoring of aviation-maritime off-takers, resilience criteria, and certification of 70% GHG savings on overall production
- Cumulation with other public funding: limitations apply

New: Electrolytic Low Carbon Hydrogen

- *The adoption of the Delegated Act (EU) 2025/2359 now provides a clear methodology to certify and verify the production of low carbon hydrogen. For the IF25 H2 Auction, eligibility is limited to low carbon hydrogen that is produced from an electrolyser.*
- This product will only be eligible for projects applying into **Topics 2 and 3**. Projects applying to Topic 1 can still produce non-RFNBO H2, but will receive no payments for it.
- Definition of Low Carbon Hydrogen (DIR(EU) 2024/1788): “means hydrogen the energy content of which is derived **from non-renewable sources**, which meets the **greenhouse gas emission reduction threshold of 70 %** compared to the fossil fuel comparator for renewable fuels of non-biological origin set out in the methodology for assessing greenhouse gas emissions savings from renewable fuels of non-biological origin and from recycled carbon fuels, adopted pursuant to Article 29a(3) of Directive (EU) 2018/2001”

New: Electrolytic Low Carbon Hydrogen

- There will be a **single bidding price** covering ELC and RFNBO hydrogen volumes
- At application stage, the **electricity sourcing strategy** will need to demonstrate that the project will be able to produce electrolytic low carbon hydrogen with the installed capacity of the electrolyser that will comply with the minimum emissions thresholds of the definition of Directive 2024/1788 and following the GHG calculation methodology of its Delegated Act.
- During implementations, **sub-volumes of ELC and RFNBO hydrogen** may vary, as long as the total volume of hydrogen produced respects the production requirements.
- Payments will only be received upon **certified and verified volumes**. Voluntary Schemes for low carbon fuels are expected to be ready during 2026.

New: Resilience Criteria

The adoption of NZIA Implementing Act (REG (EU) 2025/1176 creates reference pre-qualification and award criteria for auctions for the deployment of energy from renewable sources, including resilience contribution criteria for electrolysers. The IF25 H2 Auction is now fully aligned with NZIA requirements.

- At least **75% of the electrolysers** included in the project must originate in a country different than China.
For those at least 75% of the electrolysers:
 - **stacks** must originate in a country different than China
 - no more than **two of main specific components** may originate in China (stacks cannot count for these two components).
- Simplification: In IF25 H2 Auction, **no ISO standards** are required anymore and the information requested from the electrolyser manufacturer has also been simplified (e.g no information CRM content)

New: Resilience Criteria

- **Cybersecurity requirements:** are now fully aligned with NZIA's IA.
 - Project to explain how it will comply with **security by design** requirements
 - **Operational control of the installation established in the EEA:** the operational control of the electrolyser must be carried out by an entity established in the EEA.
 - **Data stored and processed within the EEA:** the project's data is stored and processed either on the project/company own server in their premise in EEA or on the cloud but, in this case, the data centre serving this cloud has to be in the EEA.
- Reminder of existing rules under **the Foreign Subsidy Regulation (FRS), State aid and Trade Defence Instruments (TDI)**
 - **FRS:** Investigations to companies established in the EU that might have received foreign subsidies, which could distort the competition in the internal market
 - **TDI:** Investigations to unfair trade practices focusing on companies established outside the EU (e.g. subsidy schemes, dumping practices affecting all sector etc.)

New: Aviation and Maritime topic

The Sustainable Transport Investment Plan (STIP) adopted in November 2025, announced that the Innovation Fund would open under its European Hydrogen Auctions a dedicated EUR 300M topic to hydrogen producers supplying to aviation and maritime off-takers.

- Projects applying to **Topic 3** must supply **at least 60% of the expected total volume** of hydrogen production that is part of the bid to **off-takers** belonging **either** to the **maritime or aviation sector**.
- At application stage, the off-take strategy must credibly demonstrate that the project will comply with this requirement. The required **Head of Terms with off-takers** must include a **self-declaration** from the off-taker confirming that they belong to the maritime or aviation sector together with documentation supporting it.
- **Monitored throughout the project's operation**

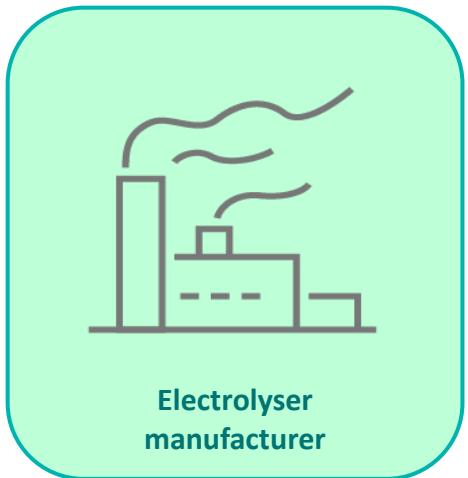
New: Financial Maturity requirements

Based on the experience of previous auctions, we want to ensure higher levels of information concerning the financial maturity of the projects at application stage.

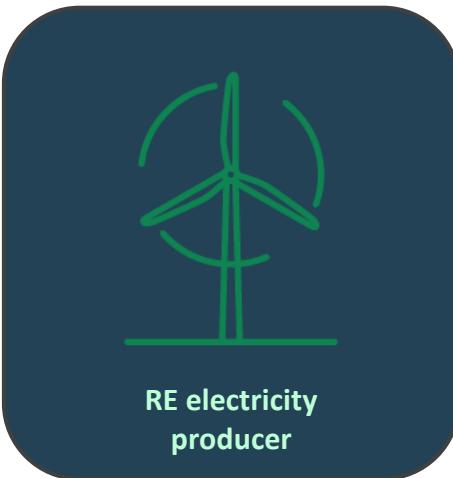
- More substantiated information for the **progress financing and business plan**.
- More detailed information about **understanding of risks of credible mitigation measures**, particularly concerning infrastructure the project may be dependent on.
- commitment from main project sponsors - through **MoU/Letter of Intent from Equity Providers**

Combination with other public support

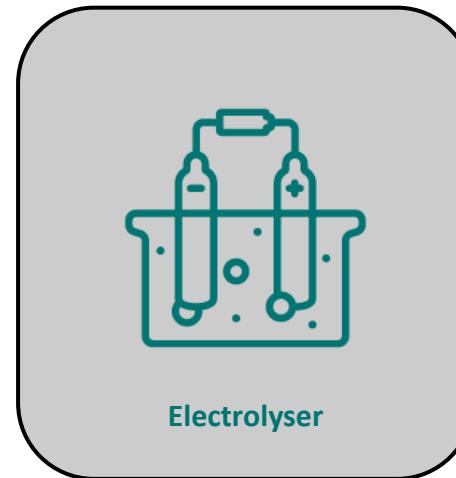
As general rule: strict prohibition of double funding from the EU budget. Any given action may receive only one grant from the EU budget.



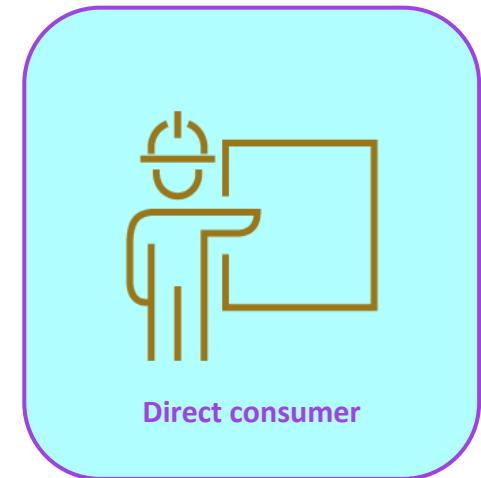
✓ Allowed



Rules for public support
spelled out in RFNBO
Delegated Act

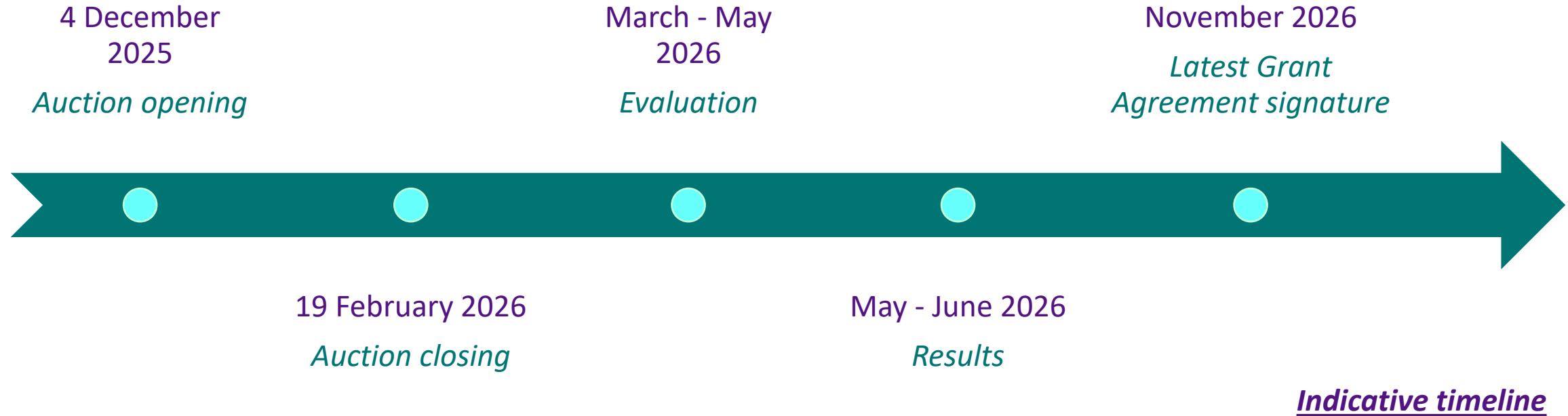


✗ In general not allowed
✓ Some exceptions to this
rule



✓ Allowed for CAPEX or non-
dedicated infrastructure
Direct consumers of the output of
IF auction projects may receive EU
funding for operational cost

Application process – *Scope & indicative deadlines*



Call & assessment structure

RELEVANCE (pass/fail)

- Contribution to **objectives of the call**
- Achieving **security of supply of essential goods & contribution to Europe's industrial leadership & competitiveness**

QUALITY (pass/fail)

- Technical maturity
- Financial maturity
- Operational maturity

RANKING

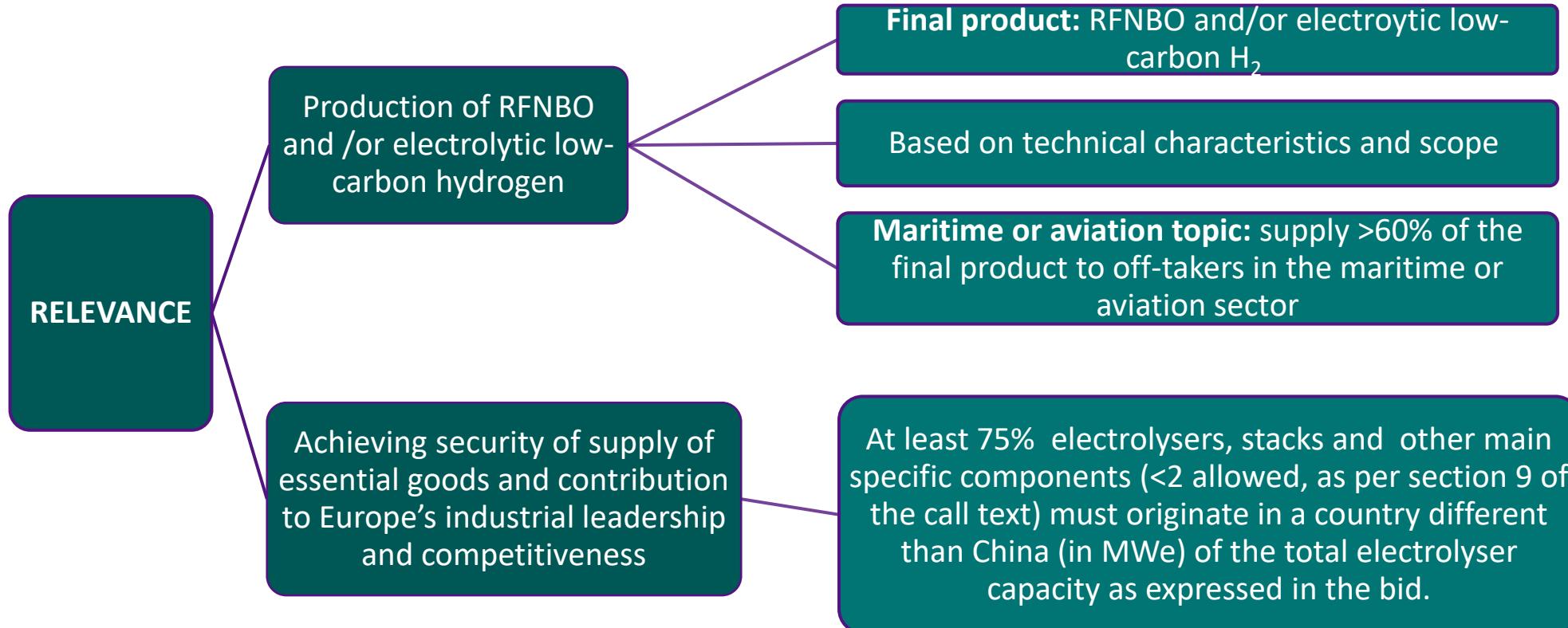


- according to the bid price (€/Kg H₂)
- within the limits of the available budget

Mandatory annexes

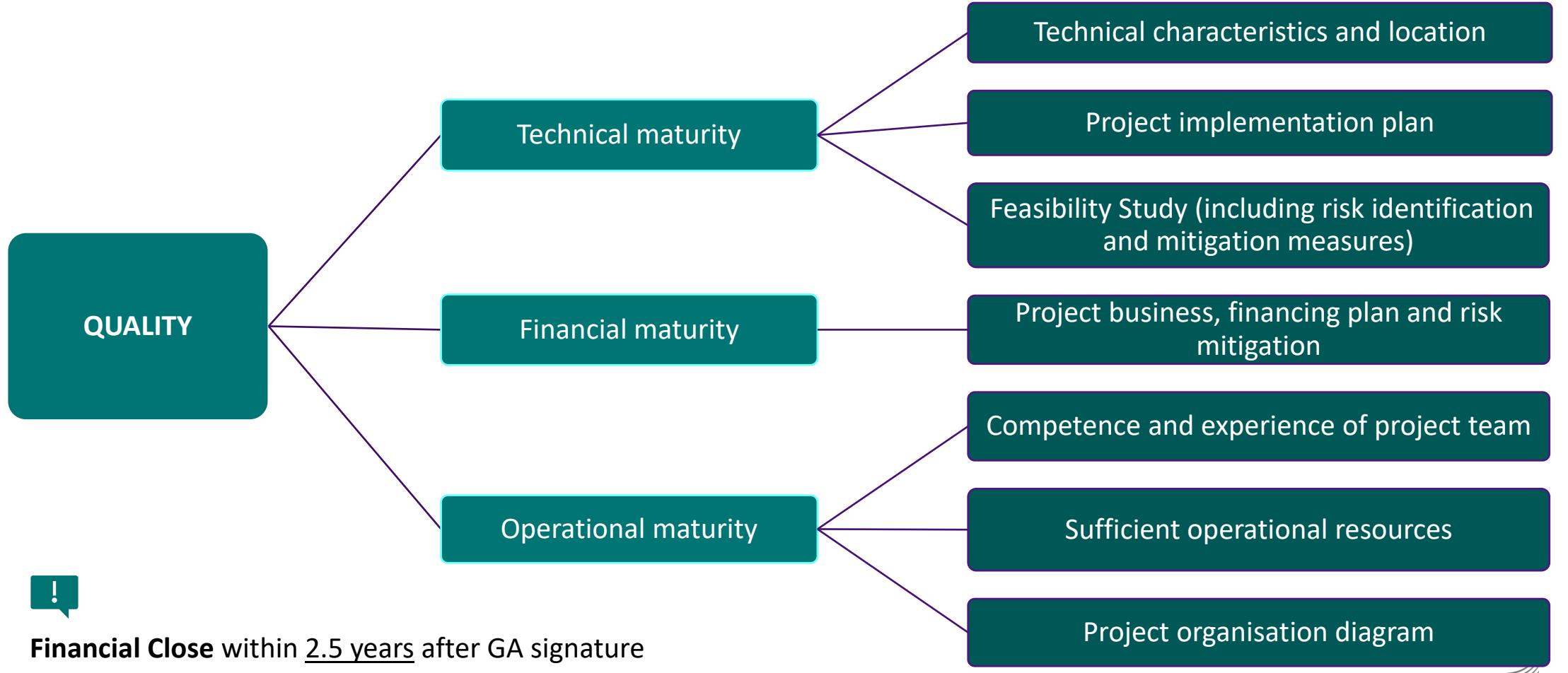
1. *Detailed budget table/ calculator*
2. *Participant information*
3. *Timetable/ Gantt chart*
4. *Feasibility Study*
5. *Sourcing strategy - Electricity sourcing supporting evidence*
6. *Off-take strategy - Hydrogen off-take supporting evidence*
7. *Procurement strategy - Electrolyser procurement supporting evidence*
8. *Support to project - Equity supporting evidence*
9. *Environmental permits –evidence of initiated process*
10. *Grid connection permits –evidence of initiated process*
11. *Completion guarantee letter of intent*
12. *Extended part C form*

Award criteria – *Relevance 1/2*



NEW!

Award criteria – *Quality*



Do No Significant Harm Principle

‘Do No Significant Harm’ (DNSH) in the IF

Requirements

- Innovation Fund must ensure¹ that all projects (both auctions and regular grants) meet “do no significant harm” criteria from IF25 onwards
- Screening must be done against the **Technical Screening Criteria (TSC)** listed in the Climate Delegated Regulation and Environment Delegated Regulation supplementing the EU Taxonomy Regulation

Environmental Objectives

Climate
Change
Mitigation

Climate
Change
Adaptation

Water and
Marine
Resources

Circular
Economy

Pollution
Prevention
and Control

Biodiversity
and
Ecosystems

Key Points

- Not all EU Taxonomy obligations apply (e.g. no need for ‘significant contribution’)
- **All previously eligible sectors remain eligible** to the Innovation Fund, with conditions



DNSH Assessment & Compliance Process

Application

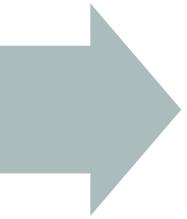
DNSH Compliance Plan



Evaluation of DNSH
Compliance Plan



Additional monitoring and
verification may be added
during the Grant Agreement
Preparation Phase



End of Operation

DNSH Compliance Report



Report demonstrating DNSH Compliance
throughout the project lifetime

Preparing the DNSH Compliance Plan

Step 1

- Select relevant economic activity(ies)

Step 2

- Find Technical Screening Criteria (TSC) for those activities
- Assess compliance and identify necessary actions

Step 3

- Prepare the DNSH Compliance Plan for Application Form Part B

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