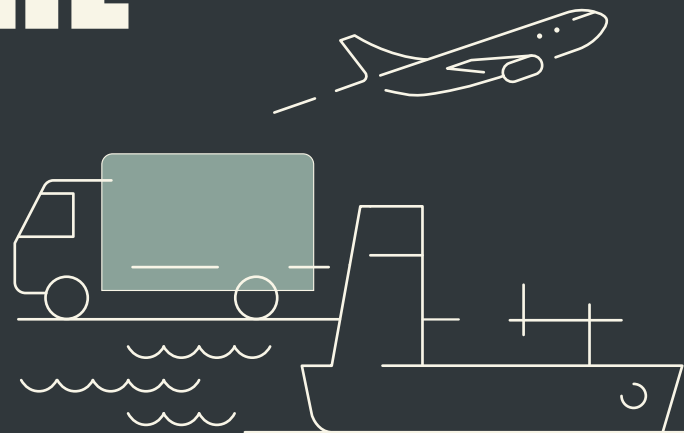


# FINANCING CLEAN TECH PROJECTS THROUGH THE EU INNOVATION FUND



4<sup>th</sup> European Conference – Future of Biofuels

19-20 October 2022



Confidential

# HELLO, WE'RE IMPLEMENT

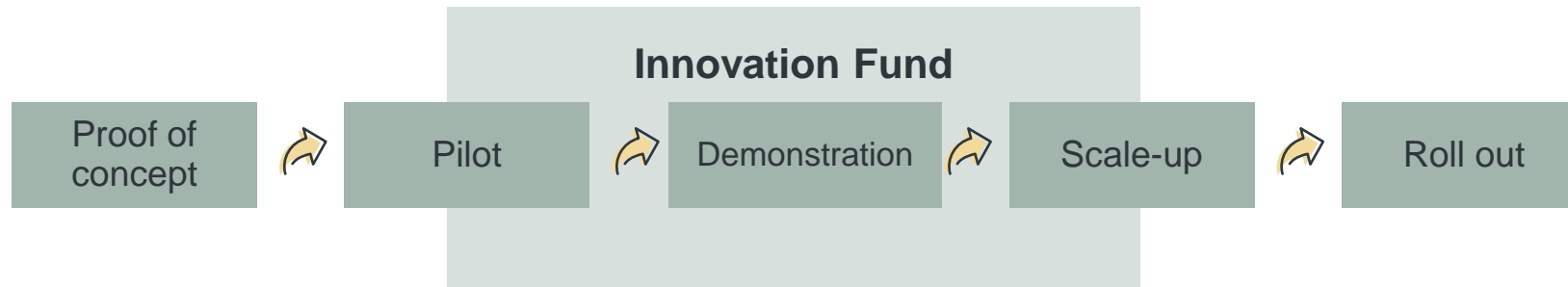
Helping organisations  
get fit for humans and fit  
for future



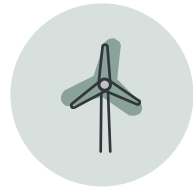
# EU Innovation Fund



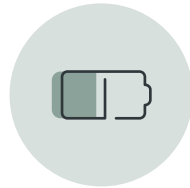
# The EU Innovation Fund supports highly innovative technologies and industrial solutions to the market for decarbonizing Europe



## SECTORS



Renewable energies



Energy storage

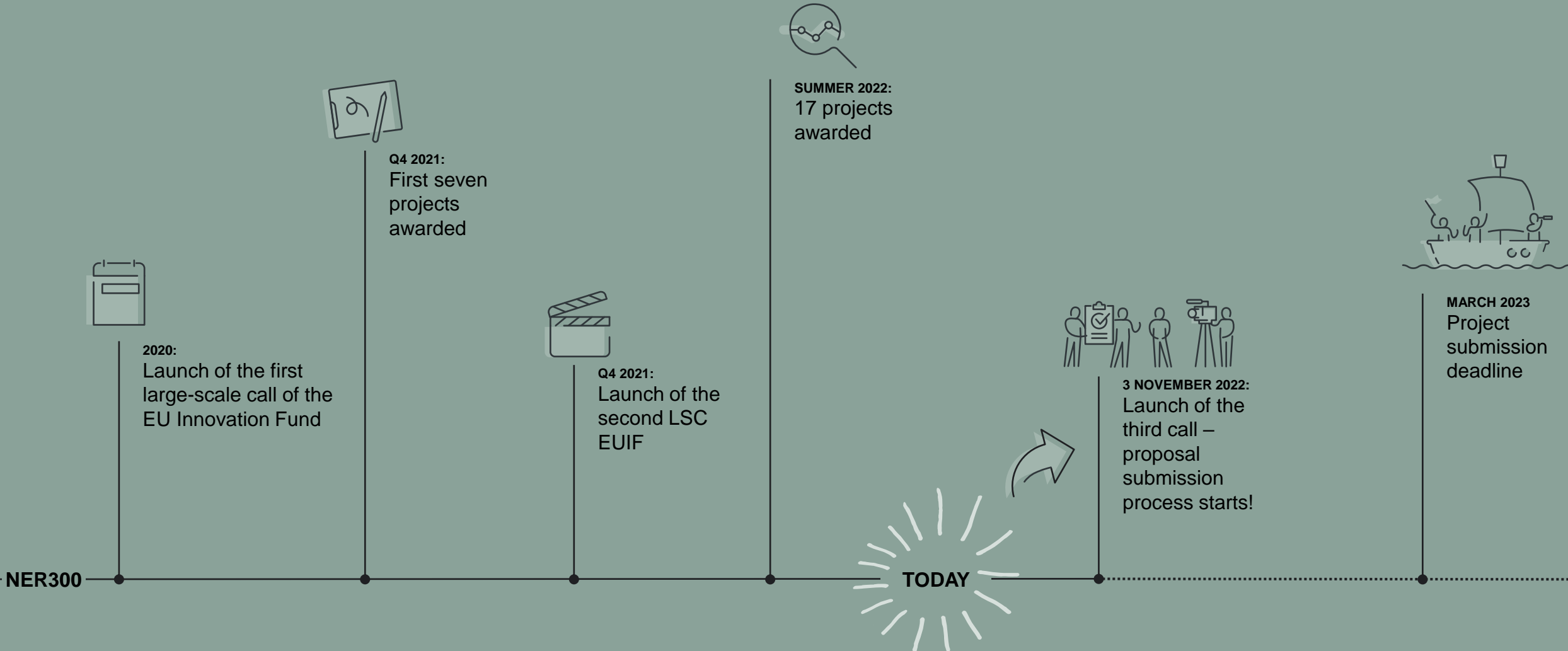


CCU/CCS



Low-carbon technologies in energy-intensive industries

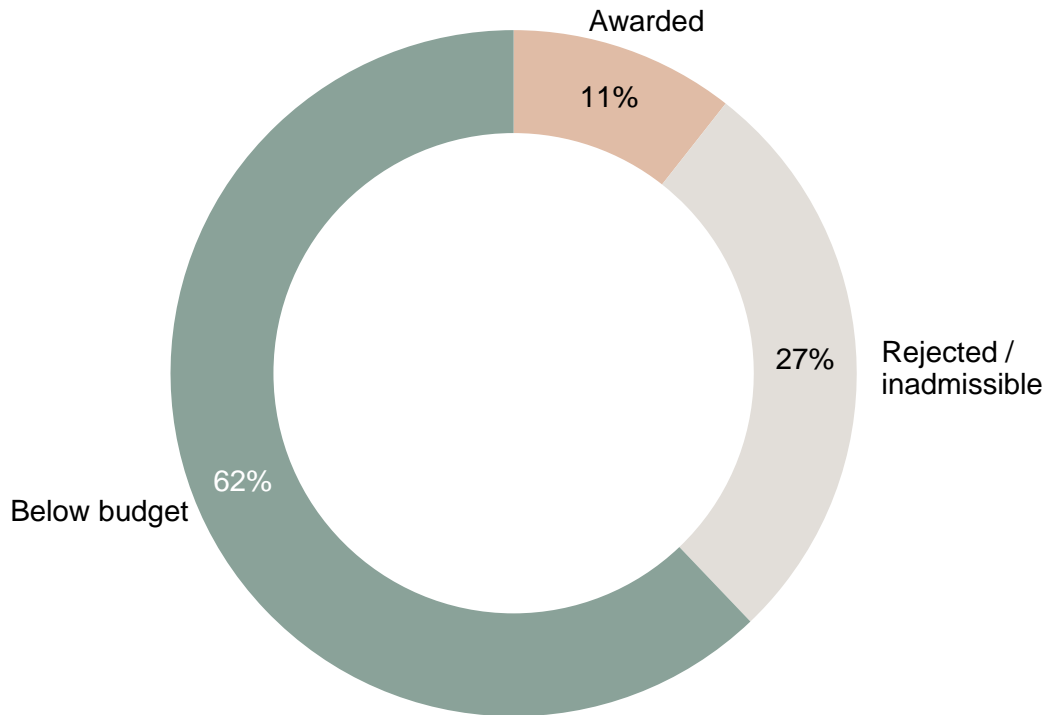
# The next round opens soon with a total pool of 3.6 billion euros



# The programme has shown to be highly competitive – in terms of quality and volume of applications...

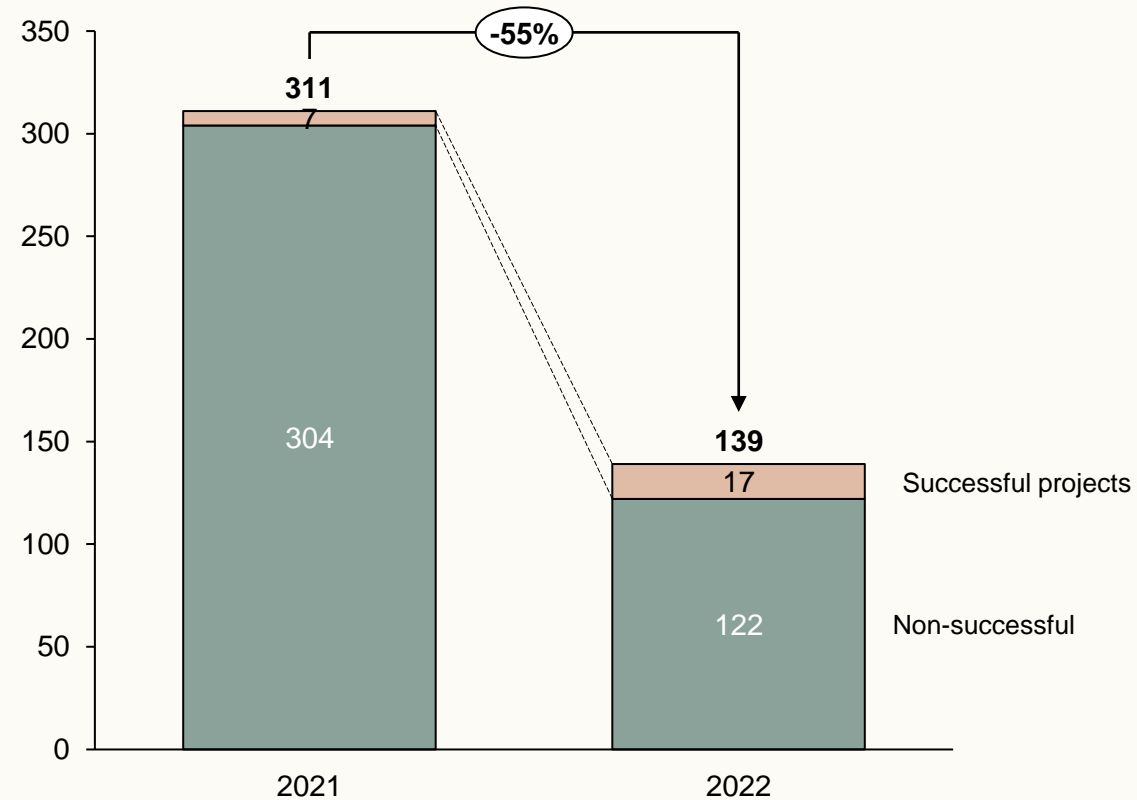
Applications are of high quality but the EUIF budget constraints have been a key limiting factor...

Breakdown of second-stage applications of the first call of the EUIF (2021)



...yet, we have seen a drop in applications in the second call of the EUIF

Applications received and granted in the first two calls of the EUIF (2021-2022)



...leading to an increase in the hit rate from 2% to 12%



...and the 2023 round will likely remain competitive but with high(er) prospects of success

*hypotheses*

#1

The number of applications will **likely increase** due to the attractive budget and the increase in energy prices



#2

The competitive field may be **closer to 300 applications**



#3

The success rate will **likely remain above 10%** - even if project grants are likely to get bigger



#4

The number of re-submissions will likely be high leading to a **more mature competitive playing field**



#5

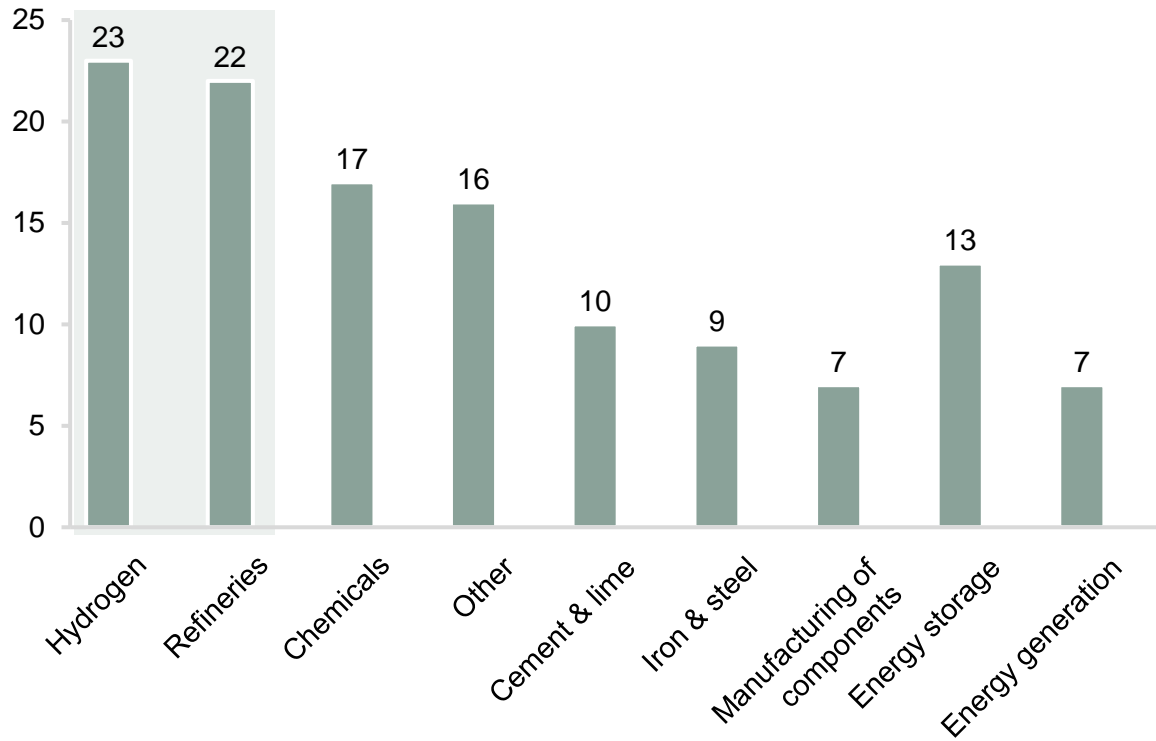
The applications will likely **go beyond the 24 projects that have already been funded**



# The EU Innovation Fund has attracted projects building the **future of fuels**

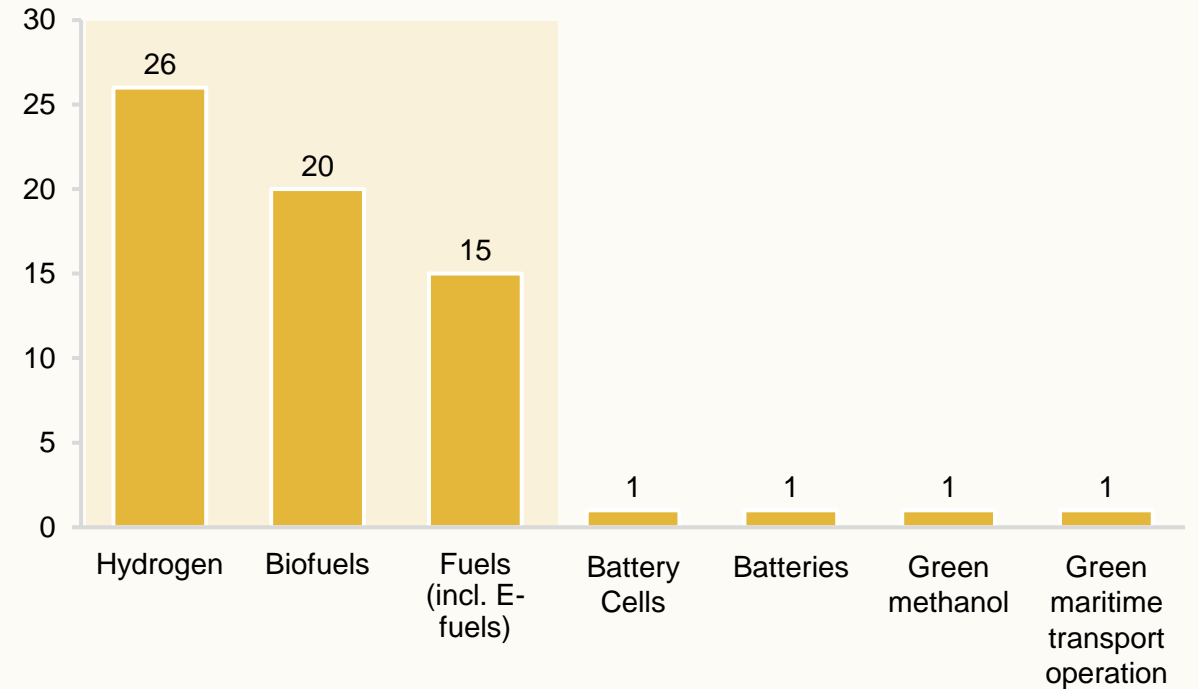
Across 124 eligible projects, 36% were submitted in the hydrogen and refineries sectors

Distribution of eligible applications across sectors



>60 (by)products have a potential transport application

Count of products and by-products with potential transport application





# The EU Innovation Fund is technology agnostic with a focus on solutions not commercially mature today

KEY PROJECT CHARACTERISTICS*		
	2021	2022
<b>Average grant request</b>	157,1M€	105,8M€
<b>Average CO2 avoidance (first 10 years)</b>	10,4MtCO <sub>2e</sub>	8MtCO <sub>2e</sub>
<b>Cost efficiency</b>	15,1€ grant per tCO <sub>2</sub>	13,2€ grant per tCO <sub>2</sub>

## EXAMPLES OF FUNDED PROJECTS



**SHARC: Sustainable Hydrogen and Recovery of Carbon**

EUIF grant: 88M€

GHG emissions avoidance: 4Mt CO<sub>2e</sub>

**PULSE: Pretreatment and upgrading of liquefied waste plastic to scale up the circular economy**

EUIF grant: 135M€

GHG emissions avoidance: 4Mt CO<sub>2e</sub>

**BIOZIN: Conversion of waste and residue biomass from Norwegian forestry and sawmills to advanced low carbon fuels for zero emission transportation industry**

EUIF grant: 75M€

GHG emissions avoidance: 2,57Mt CO<sub>2e</sub>

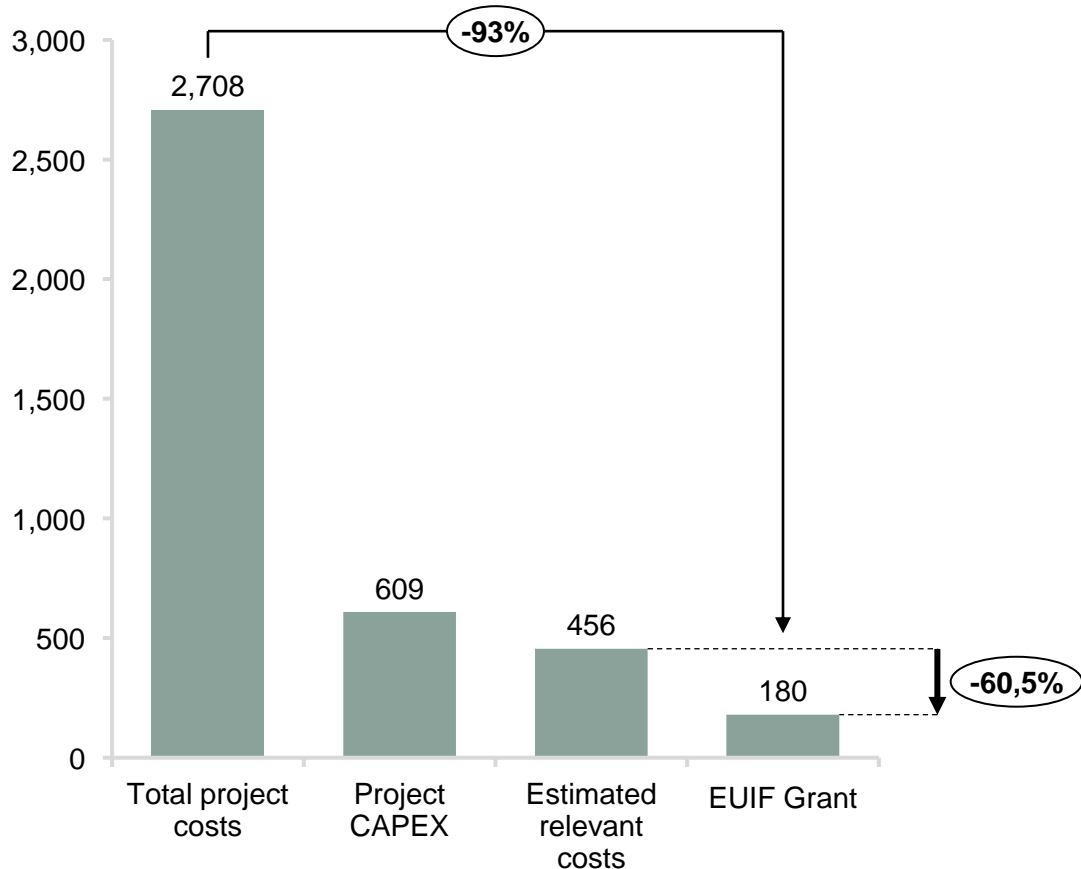
\* CINEA data – based on selected projects in the first two rounds

# The grant covers the additional costs associated with the highly innovative and risky nature of the project investments – on average 100M€ per project

## The grant covers only a fraction of the total project costs...

Breakdown of the funding structure for project BECCS

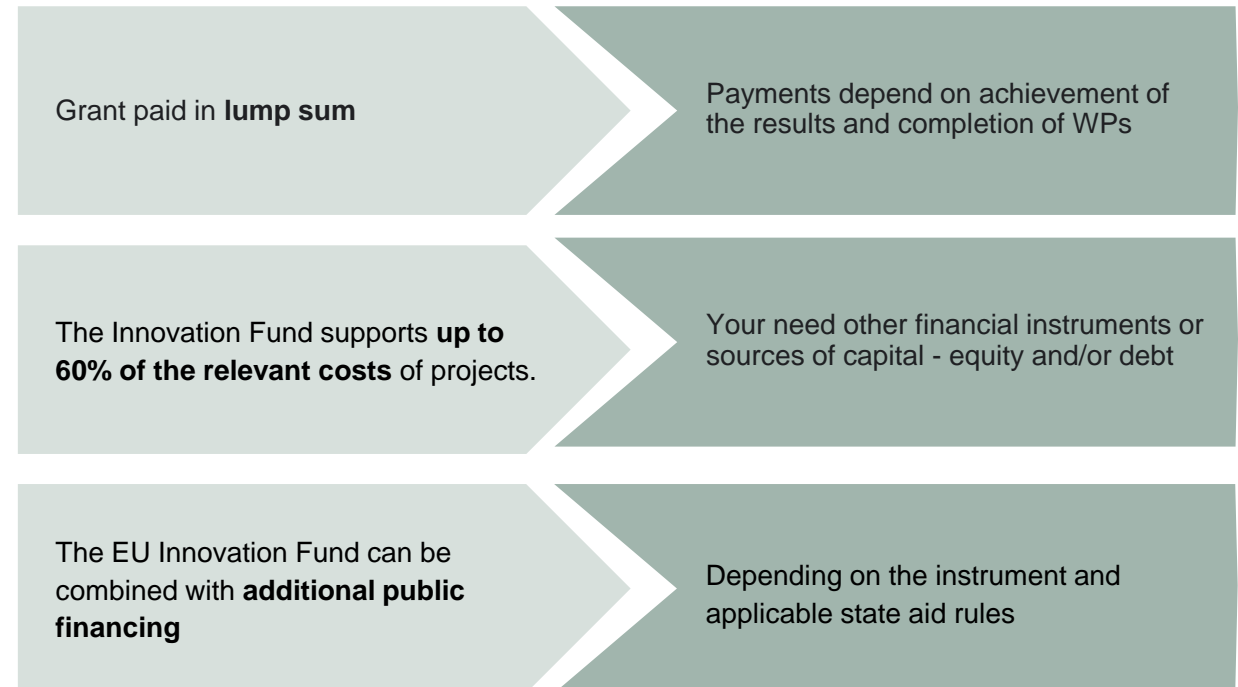
Million €



## ...and is defined based on the relevant cost basis

“The relevant costs shall be the additional costs that are borne by the applicant as a result of the application of the innovative technology related to GHG emissions avoidance.

They shall be calculated as the difference between the best estimate of the total CAPEX, the NPV of OPEX and benefits arising during 10 years after the entry of operation of the project compared to the result of the same calculation for a conventional production with the same capacity in terms of effective production of the respective final product.”



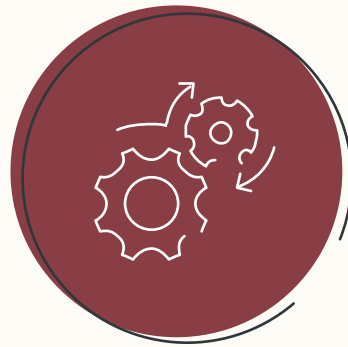
To have a shot at the grant, projects need to perform across five award criteria



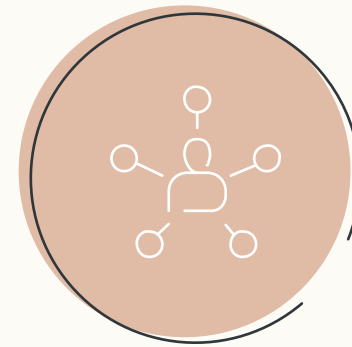
**GHG emissions avoidance**



**Degree of innovation**



**Maturity**

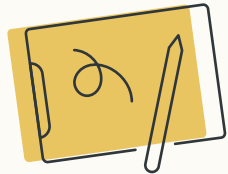


**Scalability**

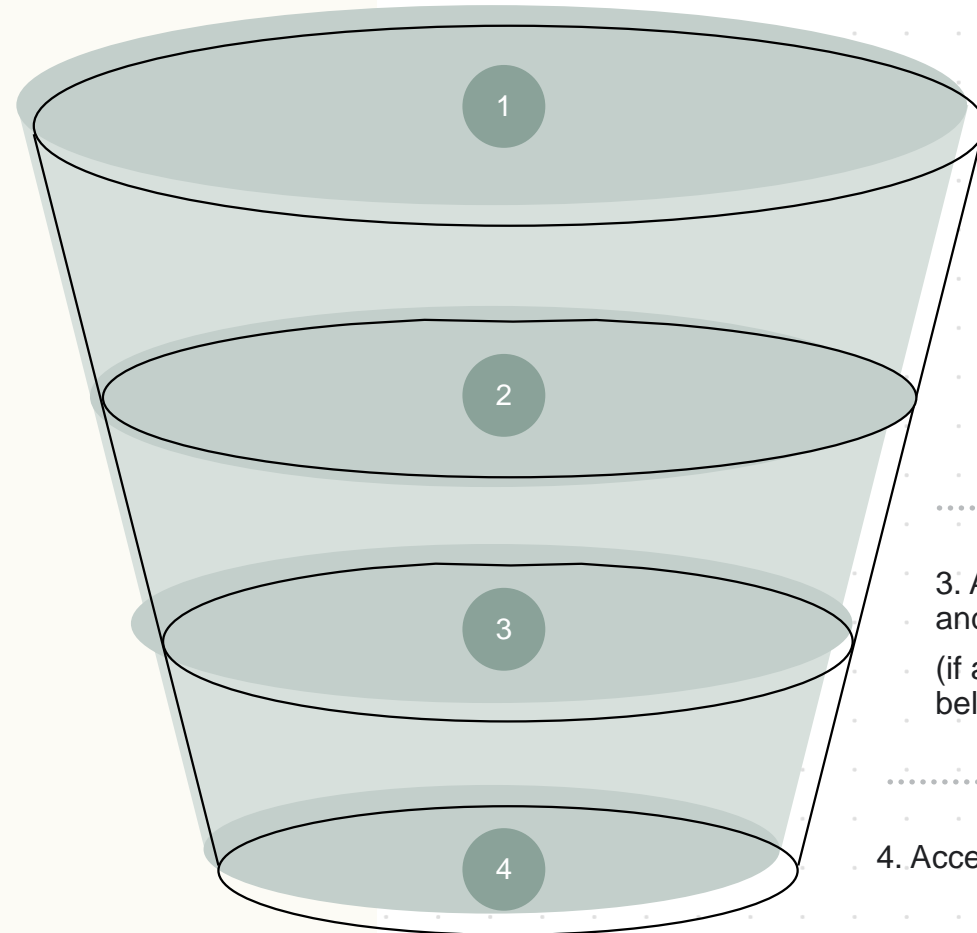


**Funding efficiency**

# The evaluation process is done through a cascading approach



Cascade approach entails that projects that fail in some of the early criteria will not be fully evaluated



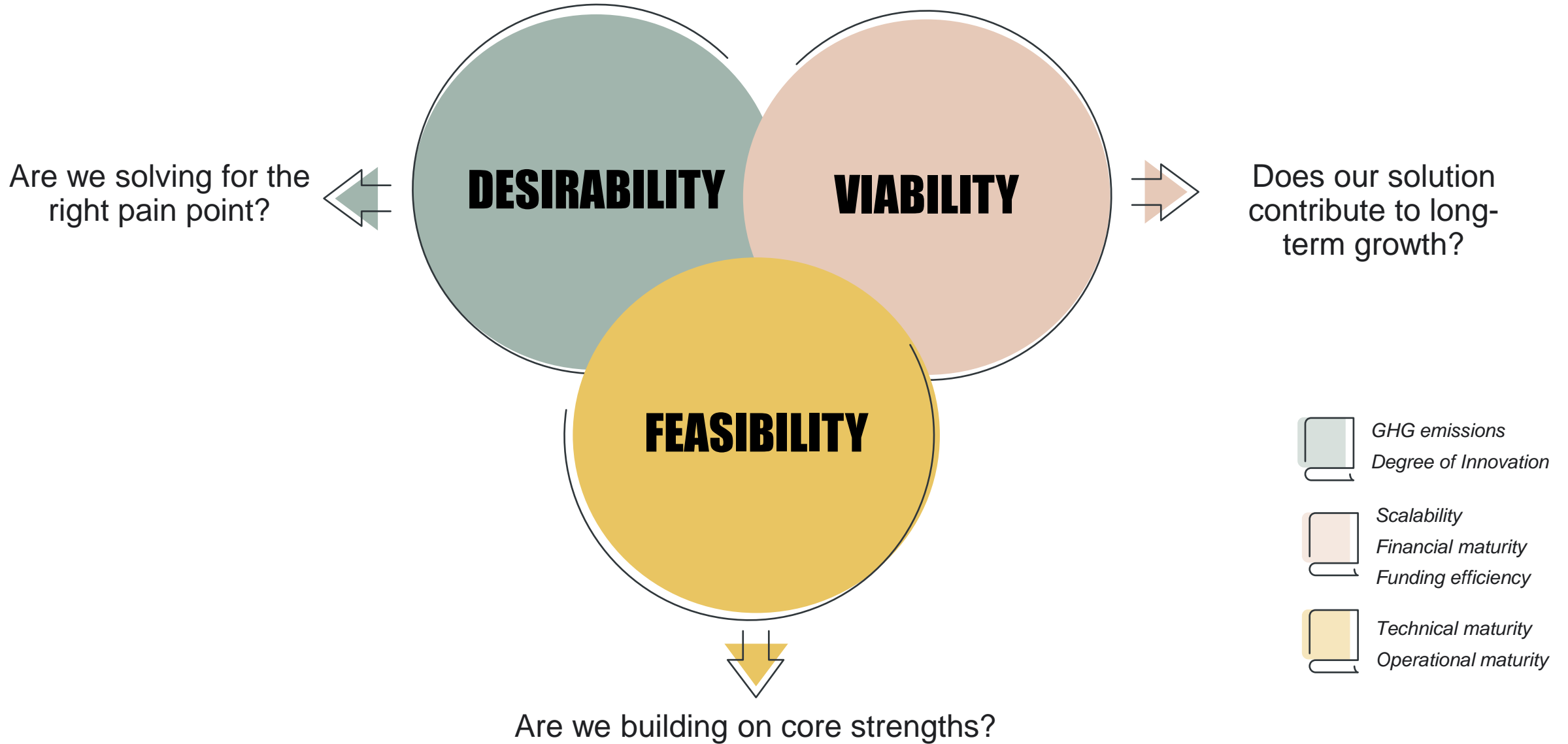
1. Check **eligibility** and **admissibility**  
(if all requirements are not met, the evaluation is stopped)

2. Access **Degree of Innovation** criterion  
(if the score is below threshold, the evaluation is stopped)

3. Access **GHG Emissions Avoidance** and **Project Maturity** criteria  
(if all requirements are not met or score is below threshold, the evaluation is stopped)

4. Access **Scalability** and **Cost efficiency** criteria

You should see the application as your extensive “sales pitch”...



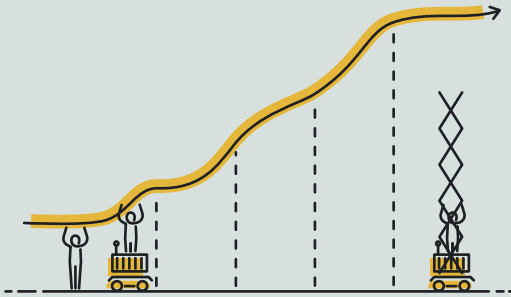
...but also as a thorough 'due diligence'

		EVALUATION CRITERIA						
		GHG emissions avoidance potential	Degree of innovation	Maturity			Scalability	Funding efficiency
				Technical	Financial	Operational		
DELIVERABLES	Part B (70 pages)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Knowledge Sharing Plan (~30 pages)						<input checked="" type="checkbox"/>	
	Business Plan (~50 pages)				<input checked="" type="checkbox"/>			
	Detailed calculations of relevant costs (+ audit)							<input checked="" type="checkbox"/>
	Financial model summary sheet (+ detailed financial model sheets)				<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>
	Feasibility Study (~70 pages)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
	Detailed calculations of GHG emissions avoidance potential (+ third party verification)	<input checked="" type="checkbox"/>					<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Project Implementation Plan (~50 pages)					<input checked="" type="checkbox"/>		
	Operational capacity of the application					<input checked="" type="checkbox"/>		
	Existing due diligence reports	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		



# What would have to be true for your project to be among the selected few of the next EUIF round?

inspiration



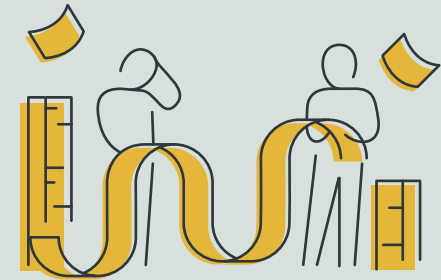
Your project is **ambitious, strategic and sets a new standard in your sector.**

The EU Innovation Fund looks for pioneer projects, with potential to create a snowball effect.



Your project has a **well-defined business case** – and a **solid financing plan.**

The EU Innovation Fund grant closes the funding gap for projects otherwise not profitable – but it is not the panacea.



You have a **committed team, time, patience and resources** to put together an excellent EUIF application.

The application is an investment in itself – you need to see the value in the process – even if the grant is not awarded.

# IT'S TIME FOR QUESTIONS



## For further information



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