



Innovation Fund - Key statistics from the first Call for Small-Scale Projects

Innovation Fund - Key statistics from the first Call for Small-Scale Projects

EUROPEAN COMMISSION

Directorate-General for Climate Action
Directorate C — Innovation for a Low Carbon, Resilient Economy
Unit C2 Low Carbon Solutions (II): Research & Low Carbon Technology Deployment

Contact: Innovation Fund team

E-mail: CLIMA-IF-EXPERTGROUP@ec.europa.eu

*European Commission
B-1049 Brussels*

LEGAL NOTICE

This document has been prepared for the European Commission however it reflects the views only of the authors, and the European Commission is not liable for any consequence stemming from the reuse of this publication. More information on the European Union is available on the Internet (<http://www.europa.eu>).

The reuse policy of European Commission documents is implemented by the Commission Decision 2011/833/EU of 12 December 2011 on the reuse of Commission documents (OJ L 330, 14.12.2011, p. 39). Except otherwise noted, the reuse of this document is authorised under a Creative Commons Attribution 4.0 International (CC-BY 4.0) licence (<https://creativecommons.org/licenses/by/4.0/>). This means that reuse is allowed provided appropriate credit is given and any changes are indicated.

For any use or reproduction of elements that are not owned by the European Union, permission may need to be sought directly from the respective rightholders.

Table of Contents

1. Introduction	6
2. Statistics on overall results	6
2.1. Overall results on the first Call for Small-Scale Proposals	6
2.2. Proposals per technological pathway for climate mitigation	8
2.3. Proposals per country	8
2.4. Proposals per sectors	10
3. Statistics on award criteria	11
3.1. Introduction	11
3.2. Total Score	12
3.3. Degree of Innovation	13
3.3.1. Scores on Degree of Innovation	13
3.4. GHG Emission Avoidance	14
3.4.1. Scores on GHG Emission Avoidance	14
3.4.2. Scores on Absolute and Relative GHG Emission Avoidance	15
3.5. Project Maturity	15
3.5.1. Scores on overall Project Maturity	16
3.5.2. Scores on Financial and Implementation Maturity	16
3.6. Scalability	17
3.6.1. Scores on Scalability	17
3.7. Cost Efficiency	18
3.7.1. Scores on Cost Efficiency	18

1. Introduction

The Innovation Fund (the Fund) supports new investments in the next generation of technologies needed for the EU's transition to climate neutrality, empowering companies with a first-mover advantage to become global clean technology leaders and supporting innovative zero and near zero-carbon technologies in all Member States to be successfully demonstrated and reach the market, enabling widespread replication.

The objective of this paper is to consolidate the most relevant statistics on proposals from the first Call for Small-Scale Projects (referred to as “Small-Scale Call” hereinafter) to inform future applicants and other stakeholders of the Fund. The statistics will be updated based on the results of future calls.

Section 2 provides an overview of the proposals that signed a grant agreement, including details on geographical coverage and technological pathways.

Section 3 includes statistics on the scores achieved by the proposals that were invited for grant preparation in relation to the five award criteria of the Small-Scale Call, and their respective sub-criteria.

DISCLAIMER: It is important to note that the statistics included in this paper are based on the proposals submitted by applicants under the 2020 Innovation Fund Call for Small-Scale Projects. The results therefore need to be interpreted in relation to the related call text and criteria and might not reflect some updates applicable for the 2022 Call for Small-Scale Projects (planned to be launched in March 2022).

2. Statistics on overall results

2.1. Overall results on the first Call for Small-Scale Proposals

Overall results from the first Call for Small-Scale Projects

232 proposals were submitted

175 proposals were deemed admissible and eligible
38 proposals passed all thresholds

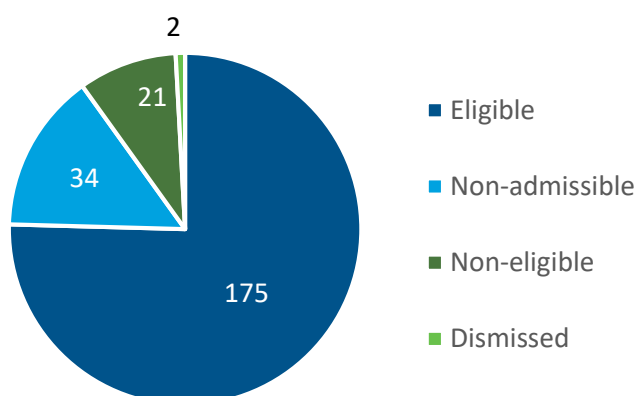
30 proposals have signed the grant agreement
requesting €109 million

with potential to avoid 4.5 MtCO₂e over 10 years

The Small-Scale Call of the Innovation Fund was launched on 1 December 2020 for projects with total capital costs between EUR 2.5 and 7.5 million. In March 2021, 232 proposals were submitted and evaluated. At the end of the evaluations, 32 proposals that fell in the available budget were invited for grant preparation. By 10 December 2021, 30 of signed a grant agreement with CINEA. These 30 proposals overall requested EUR 109.5 million with potential to avoid more than 4.5¹ MtCO₂e over 10 years of operation.

Among the submitted proposals, three quarters were eligible, corresponding to 175 proposals, with the remaining part being either non-admissible, due to the incompleteness of their application, or non-eligible, due to failure to meet all call conditions/requirements. Most non-admissible proposals had either an incorrect or missing feasibility study and/or business plan, others also had either missing or incorrect detailed calculations of GHG emission avoidance or of relevant costs and cost efficiency. Most non-eligible proposals indicated a shorter monitoring & reporting period, set at three years; some were out of the Innovation Fund's investment scope; while some others fell outside the total capital expenditure limits, being between EUR 2.5 - 7.5 million. Overall, only two applications, whose submission was incomplete, were dismissed (see Figure 2.1).

Figure 2.1. Overview of submitted projects to the 1st Call for Small-Scale Proposals



Out of the 175 eligible applications, 38 met all the criteria thresholds and the 32 top-ranked proposals (whose grant fell into the available budget) were pre-selected and invited for grant preparation. As highlighted above, at the end of the grant preparation process, 30 proposals signed a grant agreement and were awarded funding.

In addition to the pre-selected proposals, project development assistance was awarded to ten proposals that did not meet all maturity thresholds but were considered by the evaluators to have the potential to improve their maturity. The project development assistance is provided by the European Investment Bank (EIB).

Overall, the first Small-Scale Call of Proposals had:

- 232 proposals submitted
- 175 eligible proposals

¹ One project which expects to avoid 36,9 Mt CO₂e over 10 years of operation (as calculated based on the Methodology for calculating GHG emission avoidance for the specific call for proposals) is to be considered an outlier for statistical purposes and is thus excluded from the main indicator.

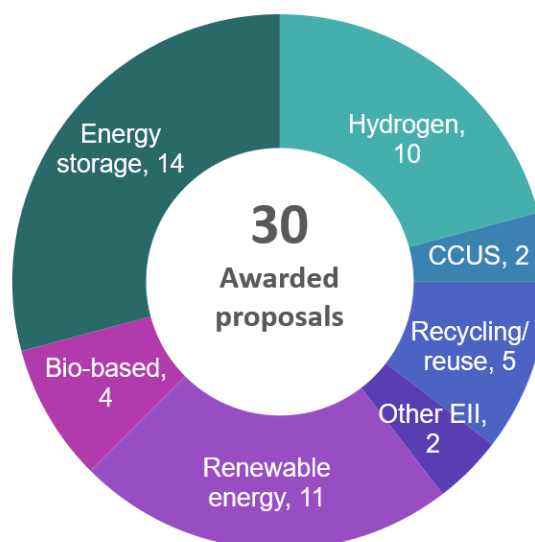
- 38 proposals meeting all the thresholds
- 32 proposals invited for grant preparation
- 30 proposals awarded and signed a grant
- 10 proposals invited for project development assistance

2.2. Proposals per technological pathway for climate mitigation

Technological pathways for climate mitigation indicate the main decarbonisation routes to be developed by each project. The labelling of technologies presented here was developed based on the information available in the project applications. Figure 2.2 shows the number of awarded proposals that are planning to implement one or several of the Fund's technological pathways. The classification of proposals can be overlapping as one project could apply multiple pathways.

The awarded proposals covered seven different technological pathways, with most projects covering energy storage, renewable energy and hydrogen pathways.

Figure 2.2. Technological pathways of the 30 awarded proposals



Note: Results are based on selected technological pathways by applicants in Form C and further aggregation as necessary. The illustrative outcome gives equal weight to each pathway, whereas their actual relative importance in the projects might differ and would require much deeper analysis.

2.3. Proposals per country

The scope of the Small-Scale Call covered all EU Member States, Iceland and Norway. Figure 2.3 shows the geographical distribution of the awarded proposals and the proposals invited for project development assistance (PDA).

The 30 awarded proposals are located in 13 countries including 11 EU Member States, Norway and Iceland, with Spain and France having the highest numbers (7 and 5 proposals respectively). The 10 proposals invited for project development assistance are located in nine European Member States: Belgium, Finland, France, Germany, Italy, Latvia, Portugal, Spain, and Sweden.

Figure 2.3. Map of successful small-scale projects from the 2020 call for proposals

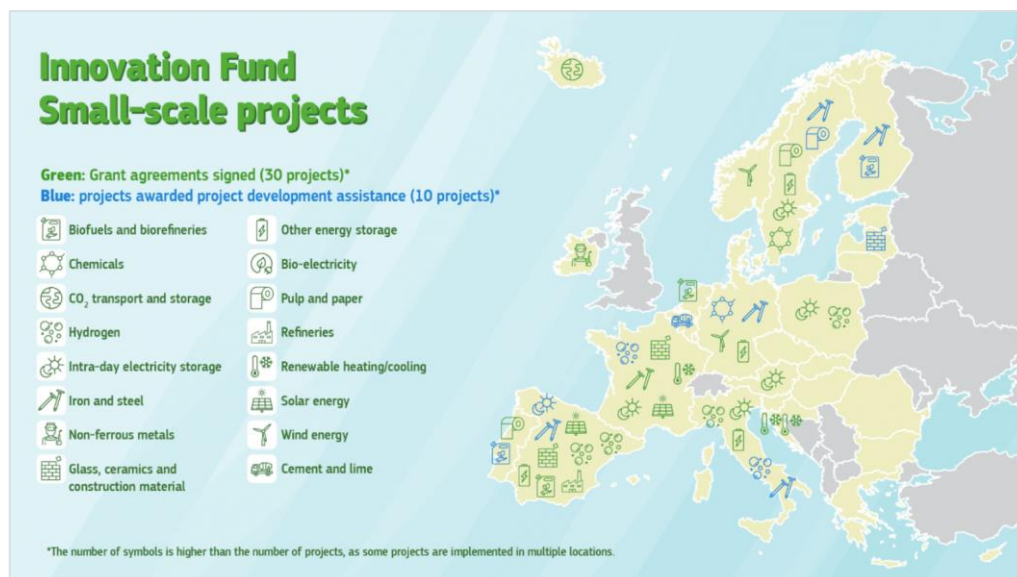
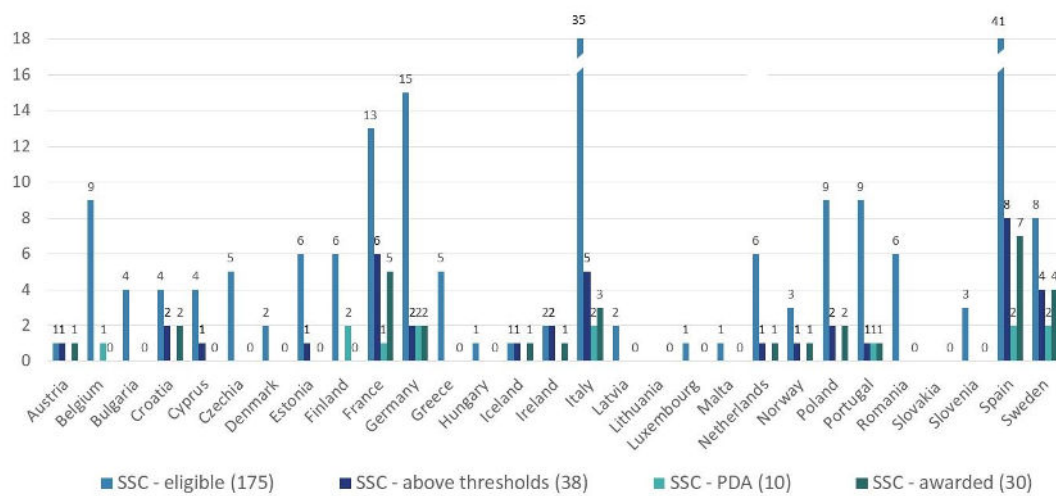


Figure 2.4 shows an overview of proposals per country, focussing on the following categories:

- The proposals deemed eligible (175)
- The proposals that met all thresholds (38)
- The proposals that were awarded and signed a grant agreement (30)
- The proposals that were selected for project development assistance - PDA (10)

The countries with the highest number of eligible projects are Spain and Italy, with respectively 41 and 35 eligible proposals, followed by Germany and France, with 15 and 13 eligible proposals. Spain, France and Italy are also the countries with the highest number of proposals meeting all the thresholds, being respectively eight, six and five proposals. Proposals invited for PDA are located in various countries including Spain, Italy, Germany and France (the countries with the highest number of eligible projects) but also Belgium, Portugal and Sweden. Sweden is also the country with the highest success rate, with 8 proposals being eligible, and 5 being either awarded or invited for PDA. There are no eligible proposals from only two countries, Lithuania and Slovakia.

Figure 2.4 Distribution of 2020 Small-Scale Proposals per European country

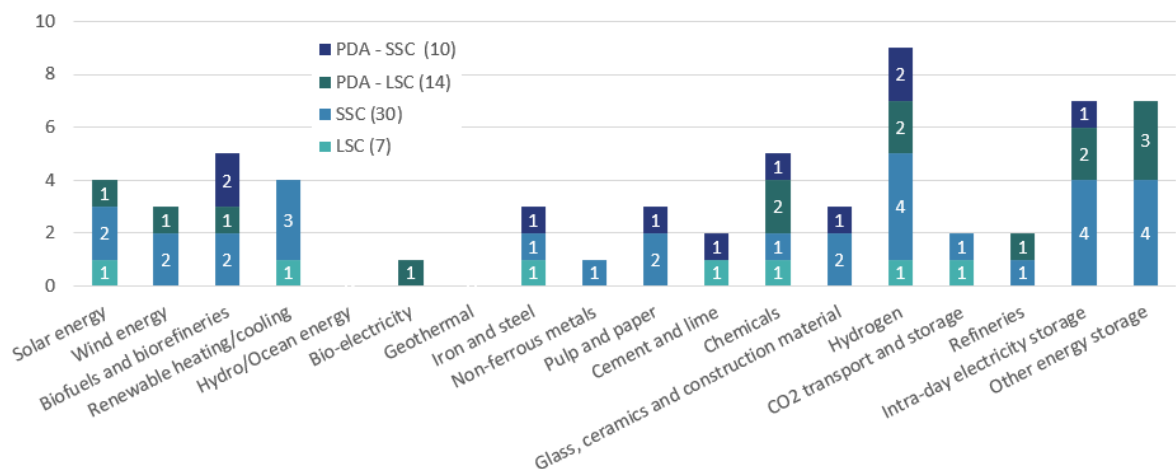


Note: Some proposals are located in more than one country. Results are based on countries for implementation selected by applicants in Form C, adapted as necessary.

2.4. Proposals per sectors

Each proposal is allocated to one of the eighteen sectors in the scope of the Fund. Figure 2.5 presents an overview of sectors covered by pre-selected and awarded proposals and proposals selected for PDA in the 2020 calls for Large- and Small-Scale Projects. The proposals cover 16 different sectors (out of the 18 sectors included in the scope of the 2020 calls). Most projects are from the Hydrogen sector, followed by Intra-day electricity storage sector and Other energy storage sector. There are neither awarded nor PDA proposals covering the Hydro/Ocean energy sector and the Geothermal sector.

Figure 2.5 Overall results of the 2020 calls by sector



3. Statistics on award criteria

3.1. Introduction

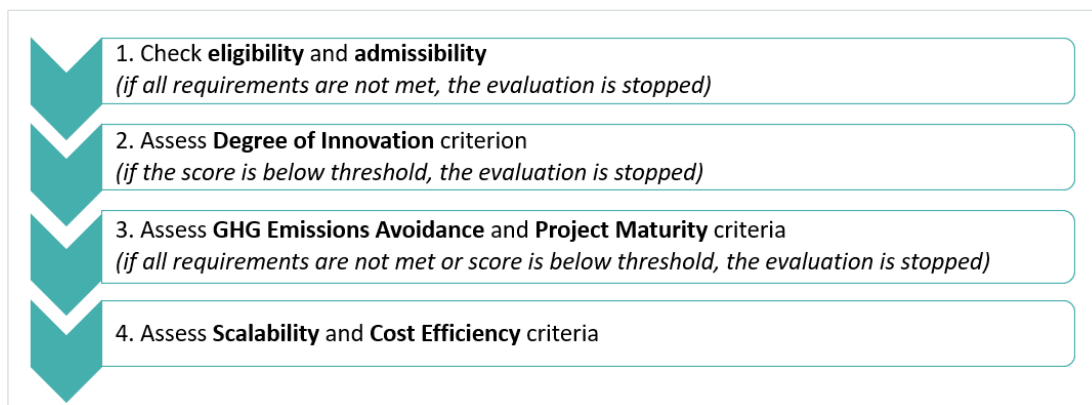
In accordance with the 2020 [call text](#), five criteria have been set to select the best projects to reach the objectives set for the Fund (note that for small-scale projects, the selection criteria are simplified compared to the Large-Scale Call). The projects were assessed on their ability to:

- ✓ demonstrate highly innovative technologies, processes or products;
- ✓ significantly reduce or avoid greenhouse gas emissions;
- ✓ guarantee sufficient maturity;
- ✓ demonstrate high scalability potential; and,
- ✓ present high cost-efficiency.

The scoring of the proposals in the Small-Scale Call was based on those five award criteria. The assignment of scores followed a cascade approach, based on specific thresholds and requirements (summarized in Figure 3.1).

After the submission of proposals, eligible and admissible proposals were first assessed on Degree of Innovation. If the score on this criterion was below the threshold, the evaluation process of the proposal was stopped. Those proposals that were above the Degree of Innovation threshold were assessed on the GHG Emission Avoidance criterion and Project Maturity criterion that also had minimum requirements. Last, all projects meeting the previous thresholds were assessed on the Scalability and Cost Efficiency criteria.

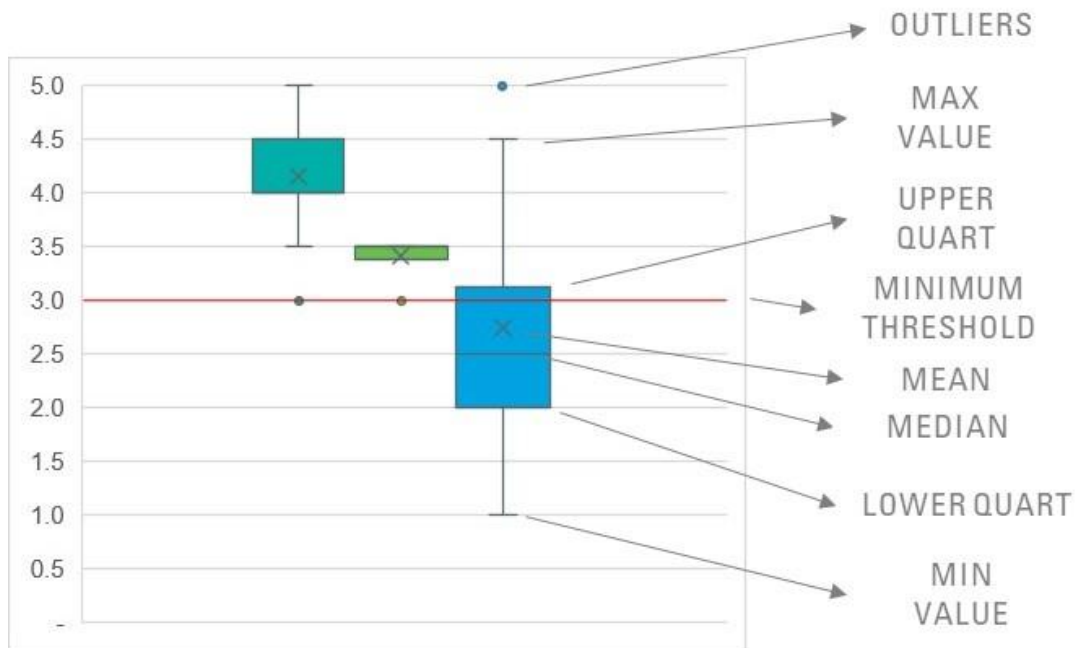
Figure 3.1 Overview of criteria and sub-criteria for the 2020 Small-Scale Call



Each award criterion was evaluated assigning a score ranging from 0 to 5 points to the submitted proposals. All scores assigned for each award criterion were then considered together for the final rank, giving a double weight to the Degree of Innovation and the Project Maturity scores.

The sub-sections below present the scores received by: 1) proposals invited for grant preparation; 2) proposals that met all the requirements but were beyond the available budget threshold and 3) eligible and admissible proposals which were not selected because of not meeting all thresholds and requirements. The figures in the sub-sections show a comparison of the distribution of the scores received by proposals in each of these three categories. Figure 3.2 illustrates how to read a graph showing the distribution of scores and how to interpret the results.

Figure 3.2. Example illustration of data distribution graphs



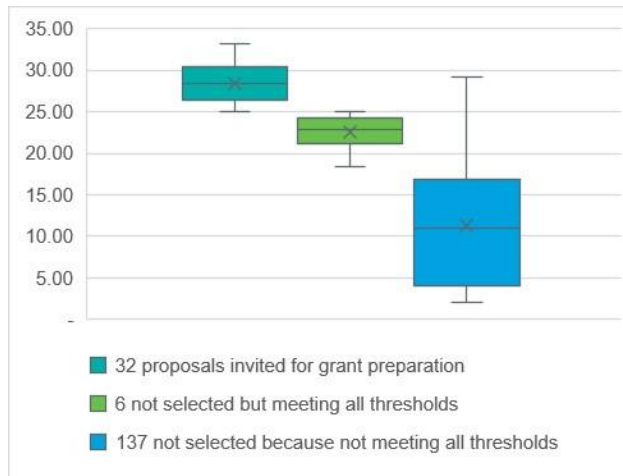
3.2. Total Score

The Total Score was given by the sum of points received for all the award criteria, assigning a higher weight on scores received on the Degree of Innovation and Project Maturity criteria. These two criteria were given double weight in the overall scoring.

The average Total Score achieved by the proposals invited for grant preparation, is 28.4 points, with a minimum of 25 and a maximum of 33 points (Figure 3.3). The results show that none of the proposals invited for grant preparation achieved the highest score in all award criteria.

Proposals that did not reach the threshold in all criteria have a broad spread of scores, ranging from a bit more than 0 to almost 30 points. Nonetheless, some proposals that did not meet all the thresholds still achieved scores in the range of the proposals invited for grant preparation. This means that if they had met all thresholds, they would have had the potential to be selected.

Figure 3.3 Distribution of Total Scores



Key messages

- Most of the 32 proposals invited for grant preparation received high marks in all award criteria
- 6 proposals met all thresholds but received lower overall score
- 137 projects failed at least one award criterion, demonstrating significant room for improvement

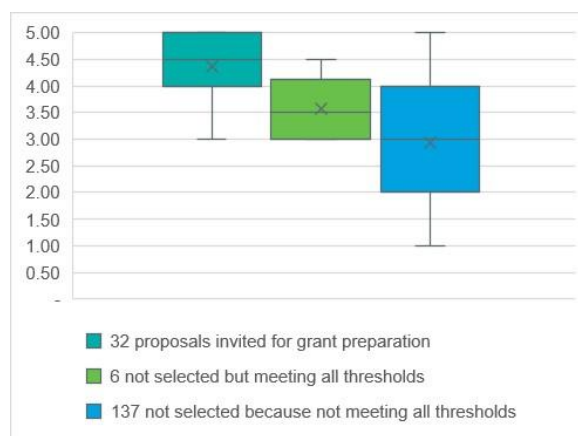
3.3. Degree of Innovation

The Fund supports projects that bring innovation in relation to the state-of-the-art. The Degree of Innovation criterion assesses the degree to which the proposed actions (technologies and products) are **innovative compared to the state-of-the-art** and the extent to which the proposed actions go **beyond incremental innovation**. The scoring for this criterion also takes into account the quality, soundness and reliability of the information provided. Proposals were assigned scores ranging from 0 to 5 points on the Degree of Innovation and had to achieve a minimum of 3 points to be considered for ranking.

3.3.1. Scores on Degree of Innovation

Eligible proposals achieved overall high scores on Degree of Innovation. More than half of the proposals (around 60%) scored above the minimum threshold (3 points). Considering the proposals invited for grant preparation, three quarters of them scored 4 points or more under this criterion (80% of the maximum score), with an average score for these proposals being almost 4.5 points (Figure 3.4).

Figure 3.4. Distribution of Degree of Innovation Scores



Key messages

- More than 60% of eligible proposals scored above the minimum threshold
- 75% of proposals invited for grant preparation scored very high on the Degree of Innovation (4 or more points)

3.4. GHG Emission Avoidance

In accordance with the [call text](#), admissible and eligible projects that scored at least 3 points on the Degree of Innovation criterion were assessed on the two GHG Emission Avoidance sub-criteria: (1) Absolute GHG Emission Avoidance, and (2) Relative GHG Emission Avoidance.

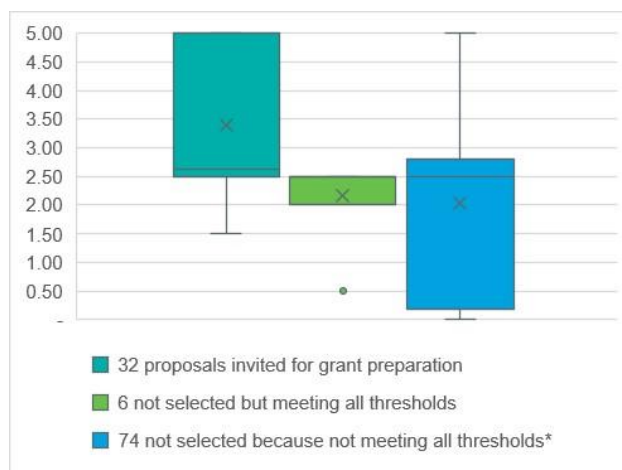
Applicants had to carry out two calculations according to the methodology for calculation of GHG emission avoidance provided in the Methodology for GHG emission avoidance calculation in the [call text](#):

1. The **Absolute GHG Emission Avoidance**, calculated as the difference between the expected GHG emissions of the reference and the GHG emissions in the project scenario during the first 10 years after entry into operation; and,
2. The **Relative GHG Emission Avoidance**, which equals the Absolute GHG Emission Avoidance of the project divided by the GHG emissions in the reference scenario. If the project activities took place across several sectors, the denominator had to only include the reference GHG emissions that were related to the activities within the specified sector.

3.4.1. Scores on GHG Emission Avoidance

The range of scores achieved on the GHG Emission Avoidance criterion is overall very wide, ranging from 0 to 5 points (see Figure 3.5). This result reflects the diversity of applications received in the Small-Scale Call, in which there were some proposals for larger projects and many for very small projects. One fourth of proposals invited for grant preparation scored quite low, 2.5 points or less.

Figure 3.5. Distribution of GHG Emission Avoidance Scores



Key messages

- 18 applications were not selected because they either failed the minimum GHG requirements or were found to have a manifest error**
- The distribution of scores among proposals invited for grant preparation is quite wide on the GHG criterion

**Note: Projects that did not meet the "Degree of Innovation" threshold were not assessed on other criteria and therefore not included in the analysis.*

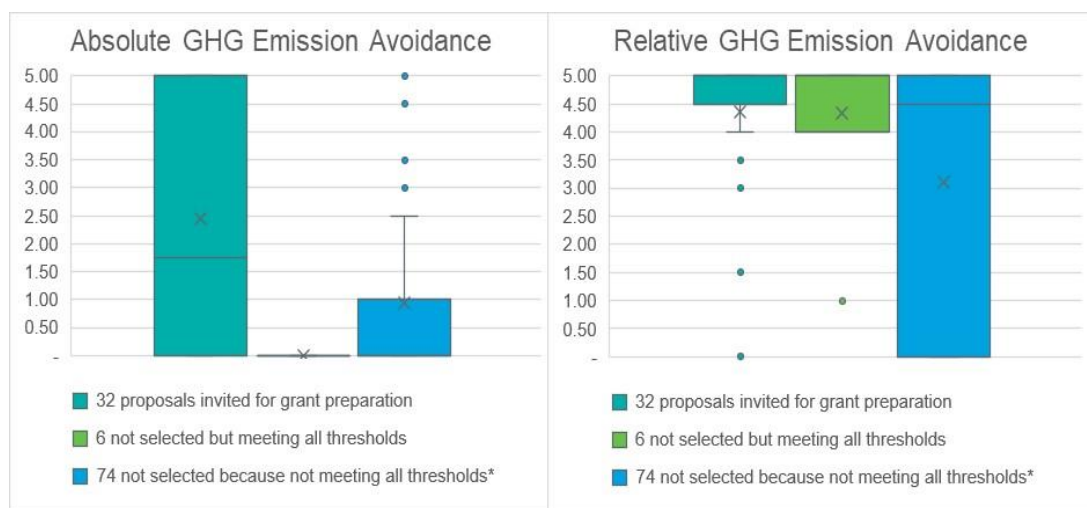
***Manifest errors are discrepancies that can be seen to influence the GHG avoidance estimates significantly and, consequently, the result of the evaluation / scoring. Such errors could derive from an incorrect application of the GHG emission methodology, omission, or miscalculation.*

3.4.2. Scores on Absolute and Relative GHG Emission Avoidance

The distribution of scores related to Absolute and Relative GHG Emission Avoidance is shown in Figure 3.6 for proposals invited for grant preparation, proposals that met all the thresholds but were not selected, and proposals that did not meet all the thresholds. The distribution highlights different trends between the two sub-criteria.

Proposals invited for grant preparation received a very wide range of scores in Absolute GHG Emission Avoidance, receiving values from 0 to 5 points. The reverse trend can be seen for Relative GHG Emission Avoidance scores, in which proposals invited for grant preparation received very high scores, with the minimum value received by most proposals being 4 points. This shows that a relatively low score in Absolute GHG Emission Avoidance can be counterbalanced by a high score in Relative GHG Emissions Avoidance.

Figure 3.6. Distribution of Absolute and Relative GHG Emission Avoidance Scores



Key messages

- The 32 proposals invited for grant preparation have a very high spread of scores in GHG Absolute Emission Avoidance
- Most proposals invited for grant preparation have very high Relative GHG Emission Avoidance Scores

3.5. Project Maturity

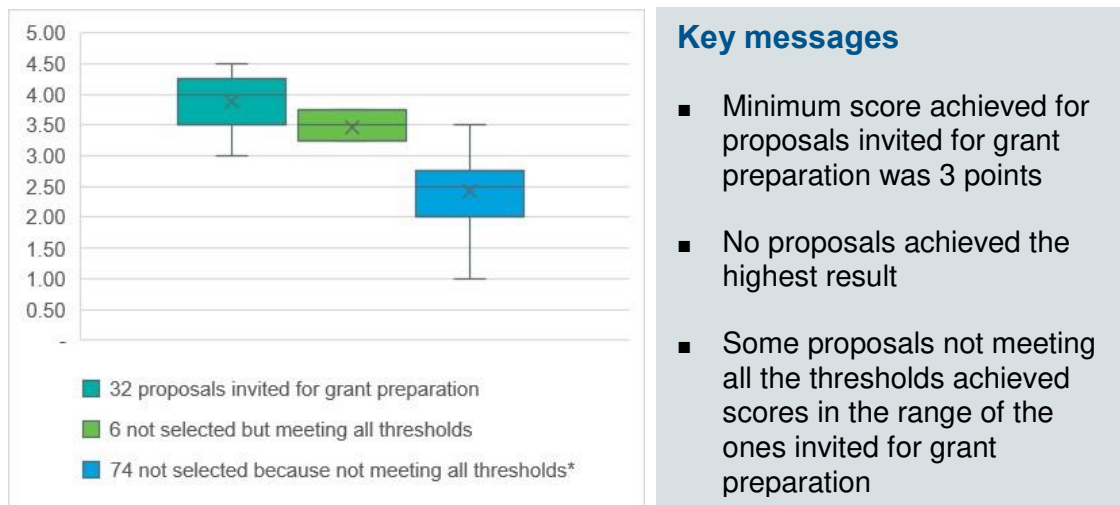
The Project Maturity criterion, as set out in the [call text](#), assesses the proposals in accordance with two sub-criteria and also takes into account the quality, soundness and reliability of the information provided in the proposal. The sub-criteria are (1) Implementation Maturity, assessing the degree of feasibility of the technical concept and the prospects for successful commercial deployment or demonstration of the project, and (2) Financial Maturity, assessing the financial and business viability of the project. Proposals could achieve a score ranging from 0 to 5 points. The minimum threshold in each sub-criterion was set to 3 points.

3.5.1. Scores on overall Project Maturity

Only proposals which scored at least 3 points under the Degree of Innovation criterion were assessed and scored on Project Maturity. The overall scoring for Project Maturity was given by the sum of the two sub-criteria normalised to 5 points.

Proposals invited for grant preparation achieved scores from 3 to 4.5 points, with an average value of almost 4 points. Proposals not meeting all thresholds achieved a wider range of scores, ranging from 1 to 3.5 points, with some proposals achieving scores in the same range than the ones invited for grant preparation. None of the proposals achieved top results in this criterion. The distribution of achieved results on Project Maturity is shown in Figure 3.7.

Figure 3.7 Distribution of Project Maturity Scores



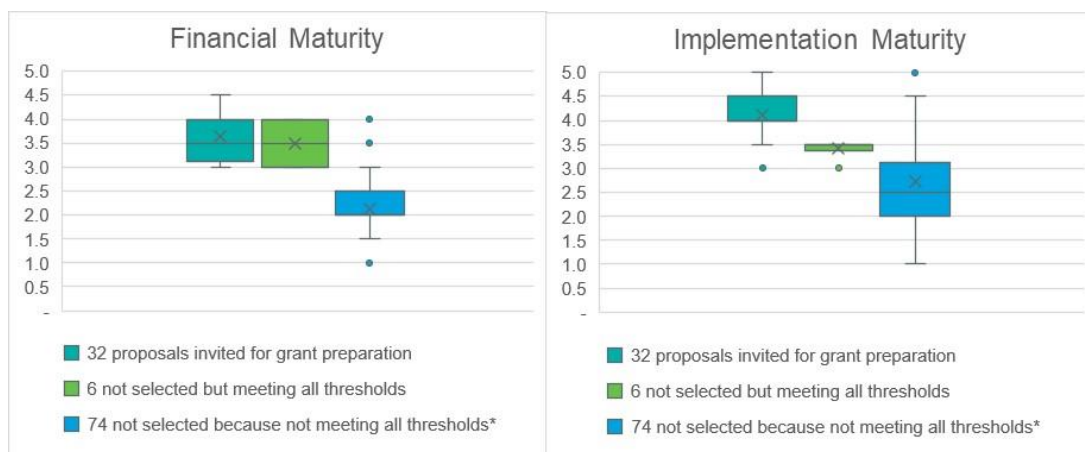
**Note: Projects that did not meet the "Degree of Innovation" threshold were not assessed on other criteria and therefore not included in the analysis*

3.5.2. Scores on Financial and Implementation Maturity

The distribution of scores on the two sub-criteria of Project Maturity is shown in Figure 3.8. Proposals invited for grant preparation received relatively higher scores for Implementation Maturity compared to Financial Maturity scores, with most scores of proposals invited for grant preparation ranging from 3.5 to 5 points for Implementation Maturity (one outlier scored 3 points), while from 3 to 4.5 points for Financial Maturity.

Proposals that met all thresholds, but were not selected, received scores in the same range of proposals invited for grant preparation in Financial Maturity, while they had relatively lower scores in the Implementation Maturity criterion. Many projects failed to meet the two criteria thresholds, being 3 out of 5 points, with slightly fewer projects failing the Implementation Maturity threshold (43 proposals not meeting the threshold) than the Financial Maturity (67 proposals not meeting the threshold).

Figure 3.8. Distribution of Financial and Implementation Maturity Scores



Key messages

- Most not selected proposals scored low on the Financial Maturity sub-criterion, whereas for Implementation Maturity the spread is much higher

**Note: Projects that did not meet the "Degree of Innovation" threshold were not assessed on other criteria and therefore not included in the analysis*

3.6. Scalability

The Fund selects projects with technical and market potential for widespread application, replication or future cost reduction. Therefore, the Scalability criterion assesses the proposals in accordance with the following three sub-criteria, as described in the [call text](#), while considering the quality, soundness and reliability of the information provided in the application: (1) **scalability at the level of the project and the regional economy**, (2) **scalability at the level of the sector**, and (3) **economy-wide scalability**. Also, impacts on competitiveness, economic growth and jobs were assessed. Each proposal was assigned a score ranging from 0 to 5 points for each sub-criterion. All sub-criteria scores were summed up and normalized to 5 points to obtain the final score on Scalability.

3.6.1. Scores on Scalability

Projects that did not meet the Degree of Innovation, Project Maturity and GHG Emission Avoidance thresholds and minimum requirements were not assessed under the Scalability criterion and therefore not included in the analysis. The distribution of Scalability scores of proposals invited for grant preparation and not selected proposals that met all the thresholds are shown in Figure 3.9.

The achieved Scalability Score for proposals invited for grant preparation is high, however, only a few proposals achieved the top score of 5 points. Proposals that were not selected but met all the thresholds achieved a wider range of scores, ranging from ~2.5 to 5 points.

Figure 3.9 Distribution of Scalability Scores



Key messages

- 75% of proposals invited for grant preparation scored very high on Scalability (4 points or above)

3.7. Cost Efficiency

The Fund aims to select projects that can demonstrate efficiency in the costs of abatement of GHG emissions over their lifetime. The Cost Efficiency criterion is assessed considering the relevant costs under the Small-Scale Call and the absolute GHG emission avoidance. Proposals were evaluated taking into account the following ratio:

$$\text{Cost efficiency ratio} = \frac{\text{Relevant costs minus contribution by applicant}}{\text{Absolute GHG emission avoidance}}$$

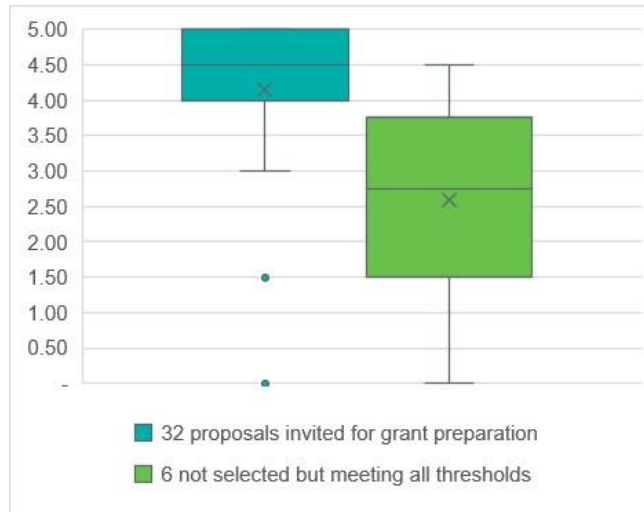
Where: The relevant costs under the Small-Scale Call are equal to the total capital expenditure of the project.

Scoring rules can be found in the [call text](#).

3.7.1. Scores on Cost Efficiency

Proposals invited for grant preparation scored very high in the Cost Efficiency criterion, achieving scores between 4 and 5 points for three quarters of the proposals. Scores achieved by the proposals that met all the thresholds are quite different, ranging from 0 to 5 points, as shown in the following figure.

Figure 3.10 Distribution of Cost Efficiency Scores



Key message

- 75% of proposals invited for grant preparation scored very high (4 points or above)
- Some proposals scored very low

MORE INFORMATION ABOUT THE INNOVATION FUND

All (past) call documents available on the Funding and Tenders Portal including:

- Guidance and calculation tools on GHG emissions and relevant costs
- Frequently asked questions

<https://europa.eu/!QB67by>

Innovation Fund helpdesk:

<https://europa.eu/!uT46jh>

Further info, planning of new calls, recorded webinars and videos available on the IF Website:

<https://europa.eu/!rx34Dt>

Innovation Fund - YouTube

<https://bit.ly/2WxK8w7>

GETTING IN TOUCH WITH THE EU

In person

All over the European Union there are hundreds of Europe Direct information centres. You can find the address of the centre nearest you at: https://europa.eu/european-union/contact_en

On the phone or by email

Europe Direct is a service that answers your questions about the European Union. You can contact this service:

- by freephone: 00 800 6 7 8 9 10 11 (certain operators may charge for these calls),
- at the following standard number: +32 22999696, or
- by email via: https://europa.eu/european-union/contact_en

FINDING INFORMATION ABOUT THE EU

Online

Information about the European Union in all the official languages of the EU is available on the Europa website at: https://europa.eu/european-union/index_en

EU publications

You can download or order free and priced EU publications from: <https://op.europa.eu/en/publications>. Multiple copies of free publications may be obtained by contacting Europe Direct or your local information centre (see https://europa.eu/european-union/contact_en).

EU law and related documents

For access to legal information from the EU, including all EU law since 1952 in all the official language versions, go to EUR-Lex at: <http://eur-lex.europa.eu>

Open data from the EU

The EU Open Data Portal (<http://data.europa.eu/euodp/en>) provides access to datasets from the EU. Data can be downloaded and reused for free, for both commercial and non-commercial purposes.

