Innovation Fund (INNOVFUND)

Call for proposals

Innovation Fund call 2025 Net Zero Technologies
(INNOVFUND-2025-NZT)

Version 1.0
4 December 2025

EUROPEAN CLIMATE, INFRASTRUCTURE AND ENVIRONMENT EXECUTIVE AGENCY (CINEA)

CINEA.C – Green Research and Innovation
CINEA.C.04 – Innovation Fund

CALL FOR PROPOSALS

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0. Introduction

This is a call for proposals for EU **action grants** in the field of demonstration of innovative low-carbon technologies under the **Innovation Fund**.

The regulatory framework for this EU Funding Programme is set out in:

- Regulation 2024/2509 (EU Financial Regulation)[1]
- the basic act (Innovation Fund Regulation 2019/856[2] and ETS Directive 2003/87[3]).

The call is launched in accordance with the 2025 Financing Decision[4] and will be managed by the **European Climate, Infrastructure and Environment Executive Agency (CINEA)** ('Agency').

The call covers the following **topics**:

- **INNOVFUND-2025-NZT-GENERAL-LSP – General decarbonisation – Large-Scale Projects**
- **INNOVFUND-2025-NZT-GENERAL-MSP – General decarbonisation – Medium-Scale Projects**
- **INNOVFUND-2025-NZT-GENERAL-SSP – General decarbonisation – Small-Scale Projects**
- **INNOVFUND-2025-NZT- CLEAN-TECH-MANUFACTURING - Clean-tech manufacturing**
- **INNOVFUND-2025-NZT-PILOTS - Pilot projects**

Each project application under the call must address only one of these topics. Applicants wishing to apply for more than one topic, must submit a separate proposal under each topic.

All topics contribute to the objectives of the Strategic Technologies for Europe Platform (STEP Regulation 2024/795[5]):

We invite you to read the **call documentation** carefully, and in particular this Call document, the Guidance on the GHG emission avoidance methodology, the Guidance on the relevant cost methodology, the Model Grant Agreement, the EU Funding & Tenders Portal Online Manual and the EU Grants AGA — Annotated Grant Agreement.

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1 Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union (recast) ('EU Financial Regulation') (OJ L, 2024/2509, 26.9.2024).

2 Commission Delegated Regulation (EU) 2019/856 of 26 February 2019 supplementing Directive 2003/87/EC of the European Parliament and of the Council with regard to the operation of the Innovation Fund (OJ L 140 28.5.2019, p. 6).

3 Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community (ETS Directive) (OJ L 275, 25.10.2003, p. 32).

4 Commission Decision C(2025) 7674 final of 19 November 2025 on the financing of actions under the Innovation Fund, serving as a financing decision for 2025-2031 and a decision launching calls for proposals in 2025.2025

5 Regulation (EU) 2024/795 of the European Parliament and of the Council of 29 February 2024 establishing the Strategic Technologies for Europe Platform (STEP), and amending Directive 2003/87/EC and Regulations (EU) 2021/1058, (EU) 2021/1056, (EU) 2021/1057, (EU) No 1303/2013, (EU) No 223/2014, (EU) 2021/1060, (EU) 2021/523, (EU) 2021/695, (EU) 2021/697 and (EU) 2021/241 (OJ L, 2024/795, 29.2.2024).

These documents provide clarifications and answers to questions you may have when preparing your application:

- the Call document outlines the:
  - background, objectives, scope, activities that can be funded and the expected results (sections 1 and 2)
  - timetable and available budget (sections 3 and 4)
  - admissibility and eligibility conditions (including mandatory documents; sections 5 and 6)
  - criteria for financial and operational capacity and exclusion (section 7)
  - evaluation and award procedure (section 8)
  - award criteria (section 9)
  - legal and financial set-up of the Grant Agreements (section 10)
  - how to submit an application (section 11)
- the Online Manual outlines the:
  - procedures to register and submit proposals online via the EU Funding & Tenders Portal ('Portal')
  - recommendations for the preparation of the application
- the AGA — Annotated Grant Agreement contains:
  - detailed annotations on all the provisions in the Grant Agreement you will have to sign in order to obtain the grant *(including payment schedule, accessory obligations, etc)*.

You are also encouraged to visit the Innovation Fund Project Portfolio Dashboard to consult the list of projects funded previously.

1. Background

The Innovation Fund is one of the world's largest funding programmes for the demonstration of innovative low-carbon technologies.

The Fund provides grants for projects aimed at the commercial deployment of innovative low-carbon technologies, with the objective of bringing to the market industrial solutions to decarbonise Europe's economy and support the transition to climate neutrality.

The objectives of this call are to:

(a) support projects demonstrating highly innovative technologies, processes, business models or products and services, that are sufficiently mature and have a significant potential to reduce greenhouse gas emissions

(b) offer financial support tailored to market needs and risk profiles of eligible projects, while attracting additional public and private resources.

Projects to be funded by this call are expected to contribute to:

- the transition to a climate-neutral economy by 2050

- the target to reduce emissions by at least 55% by 2030 (compared to 1990) as defined in the European Climate Law Regulation 2021/1119[6] and the European Green Deal[7], including the measures adopted under the Fit for 55 package
- the Net Zero Industry Act Regulation 2024/1735[8] establishing a framework of measures for strengthening Europe's net-zero technology manufacturing ecosystem
- the targets set out in the REPowerEU Plan[9] on renewables, energy efficiency and renewable hydrogen
- the strengthening of EU industrial competitiveness and resilience in line with the Green Deal Industrial Plan, by reducing dependencies and fostering scalable clean technologies.

Synergies and complementarities with other relevant EU programmes are highly encouraged. For example, the Innovation Fund can support projects previously supported by the EU Framework Programmes for Research and Innovation.

Funded projects are also expected to contribute to several interrelated EU policy initiatives (when relevant):

- The Integrated SET Plan and Industrial Technology Roadmaps, covering the European energy system as a whole and going beyond the 'technology silos' concept.
- The Industrial Strategy for Europe 2020[10] and 2021[11], the 2020 Communication on critical raw materials resilience[12] and the Communication on a recovery plan for Europe[13], aiming to reinforce industrial competitiveness and strategic autonomy, to reduce external dependence for things Europe needs the most, such as critical materials and technology.
- The Circular Economy Action Plan[14], aiming at scaling up the circular economy from front-runners to mainstream economic players, in order to contribute to achieving climate neutrality by 2050 and decoupling economic growth from

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6 Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1–17).

7 Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions on The European Green Deal (COM(2019) 640 final).

8 Regulation (EU) 2024/1735 of the European Parliament and of the Council of 13 June 2024 on establishing a framework of measures for strengthening Europe's net-zero technology manufacturing ecosystem and amending Regulation (EU) 2018/1724 (Text with EEA relevance) OJ L, 2024/1735, 28.6.2024.

9 Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions, REPowerEU Plan (COM (2022) 230 final).

10 Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions, A new industrial strategy for Europe (COM (2020) 102 final).

11 Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions, Updating the 2020 New Industrial Strategy: Building a stronger Single Market for Europe's recovery (COM(2021)350 final).

12 Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on Critical Raw Materials Resilience: Charting a Path towards greater Security and Sustainability (COM (2020) 474 final)

13 Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions on The EU budget powering the recovery plan for Europe (COM(2020)442 final).

14 Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on a New Circular Economy Action Plan For a cleaner and more competitive Europe (COM(2020)98 final)

resource use, while ensuring the long-term competitiveness of the EU and leaving no one behind.

- The Renewable Energy Directive 2018/2021[15], proposing to increase the overall binding target from the current 32% to a new level of 40% of renewables in the EU energy mix (further increased by the REPowerEU Plan to 45%).

- The Strategy for Energy System Integration, putting focus on the uptake of electricity in the final energy demand sectors and stressing that at the same time, electricity must also be produced and delivered in sufficient quantities when there is no wind or sun.[16]

- The Hydrogen Strategy[17], presenting a vision of how the EU can turn clean hydrogen into a viable solution to decarbonise different sectors over time, installing at least 6 GW of renewable hydrogen electrolysers in the EU by 2024 and 40 GW of renewable hydrogen electrolysers by 2030 and REPowerEU Action Plan sets the target of 20Mt of renewable hydrogen production and imports by 2030.

- The EU Biodiversity Strategy for 2030[18], aiming to halt the loss of biodiversity and ecosystem services in the EU and worldwide.

- The Bioeconomy Strategy[19], aiming to accelerate the deployment of a sustainable European bioeconomy. In particular projects which use biomass feedstocks must demonstrate to which extent they contribute to more climate-friendly land use.

- The Recommendation on Energy Storage – Underpinning a decarbonised and secure EU energy system[20], promoting actions to ensure greater deployment of storage.

- The Green Deal Industrial Plan[21], aiming to provide a more supportive environment for the scaling up of the EU's manufacturing capacity for the net-zero technologies and products required to meet Europe's ambitious climate targets.

- The Clean Industrial Deal[22], strengthening the competitiveness and resilience of Europe’s industry by accelerating decarbonisation and securing the future of

15 Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2019 on the promotion of the use of energy from renewable sources (OJ L328, 21.12.2018, p. 82-209).

16 Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions on Powering a climate-neutral economy: An EU Strategy for Energy System Integration (COM(2020)299 final).

17 Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on A hydrogen strategy for a climate-neutral Europe (COM(2020)301 final).

18 Communication from the Commission to the European parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the EU Biodiversity Strategy for 2030 Bringing nature back into our lives (COM(2020)380 final).

19 Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on A sustainable Bioeconomy for Europe: Strengthening the connection between economy, society and the environment (COM(2018)673 final).

20 Commission Recommendation of 14 March 2023 on Energy Storage- Underpinning a decarbonised and secure EU energy system (2023/C 103/01)

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

22 Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions The Clean Industrial Deal: A joint roadmap for competitiveness and decarbonisation (COM(2025)85).

manufacturing in Europe. Supported by the new State aid framework accompanying the Clean Industrial Deal (CISAF).

This call reflects the revised EU ETS Directive 2003/87 which extends the Innovation Fund to medium-scale projects and to the maritime, buildings and road transport sectors.

In addition, Article 10f of the EU ETS Directive 2003/87 provides that from 1 January 2025, economic activities, for which which technical screening criteria have been established[23], shall be funded by the Innovation Fund in accordance with the 'do no significant harm' (DNSH) criteria set out in Article 17 of Regulation (EU) 2020/852 ('EU Taxonomy Regulation').

Project development assistance

The Innovation Fund also has a technical assistance component which allows proposals that meet certain conditions to benefit from project development assistance (PDA) provided by the European Investment Bank (EIB; *see section 8*).

2. Objectives — Themes and priorities — Activities that can be funded — Expected impact

INNOVFUND-2025-NZT-GENERAL-LSP — General decarbonisation – Large-Scale Projects

INNOVFUND-2025-NZT-GENERAL-MSP – General decarbonisation – Medium-Scale Projects

INNOVFUND-2025-NZT-GENERAL-SSP – General decarbonisation – Small-Scale Projects

Objectives

These topics aim to support and advance innovative low-carbon technologies and processes to significantly mitigate climate change in sectors listed in Annex I and Annex III to the ETS Directive 2003/87, promoting sustainable development and technological leadership within Europe.

Activities that can be funded (scope)

The following activities are in scope under this topic:

- Innovation in Low-Carbon Technologies and Processes: activities that support innovation in low-carbon technologies and processes in sectors listed in Annex I and Annex III to the ETS Directive 2003/87, including projects focusing on the utilization of waste heat and improvements in electrification and energy efficiency within industrial processes and energy systems; activities involving environmentally safe carbon capture and utilisation (CCU) that significantly mitigate climate change; development of products that substitute carbon-intensive ones produced in sectors listed in Annex I to the ETS Directive.
- Carbon Capture and Storage (CCS): activities supporting the construction and operation of projects focused on the environmentally safe capture and geological storage of CO_2 (CCS).

[23] Pursuant to Article 10(3), point (b), of the EU Taxonomy Regulation, technical Screening criteria have been established to determine whether specific economic activities causes significant harm to one or more of the relevant environmental objectives.

– Innovative Renewable Energy and Energy Storage Technologies: activities supporting the construction and operation of innovative renewable energy and energy storage technologies.

Carbon capture and utilisation can be funded if the capture of CO_2 occurs within one of the activities listed in Annex I of the ETS Directive, or if the utilisation of CO_2 results in products substituting carbon-intensive ones from the sectors listed in Annex I to the ETS Directive, even if carbon is captured outside the activities of Annex I.

Hydrogen use in industry (i.e. hydrogen use as an energy carrier, reducing agent, or feedstock) can be funded under these topics. Projects whose principal product is RFNBO hydrogen or electrolytic low carbon hydrogen (and, therefore, are eligible under the Innovation Fund auction call for Hydrogen) are only eligible under the INNOVFUND-2025-NZT-GENERAL-SSP topic.

In the maritime and aviation transport sector, support can be provided to, for example, innovative technologies and infrastructure, including energy efficiency, sustainable alternative fuels, electrification, and zero-emission propulsion technologies such as wind technologies, including innovative infrastructure in the maritime sector, particularly for EU container transhipment ports. Production and installation of new or retrofitted innovative technology (e.g. energy system, engine or equipment) into a ship or plane is eligible for funding provided that the manufacturing and/or installation is done in EU/EEA. For ETS Directive Annex III sectors, support can be provided to innovative low-carbon activities, including renewable energy integration, energy-efficiency, zero-emission vehicles, alternative fuels, process optimisation and waste heat recovery.

Projects should contribute to building industrial capacity, technology leadership, supply chain resilience and strategic autonomy within the EU/EEA.

⚠ Only projects that have not reached financial close at proposal submission date can be funded.

Expected impact

N/A

INNOVFUND-2025-NZT-CLEAN-TECH-MANUFACTURING - Clean-tech manufacturing

Objectives

This topic aims to support projects for manufacturing innovative clean-tech components for hydrogen production/consumption, renewable energy and energy storage. The topic seeks to enhance Europe's innovation and industrial capacity in clean tech manufacturing, including scale-up, its supply chain resilience and strategic autonomy in Europe.

Activities that can be funded (scope)

Construction and operation of manufacturing facilities to produce specific components for:

– Renewable energy: facilities producing components for photovoltaics, concentrated solar power, onshore and offshore wind power, ocean energy, geothermal, solar thermal, and other renewable energy systems, including their connection to the electricity/heat grid.

– Electrolysers and fuel cells: manufacturing of electrolysers and fuel cells for hydrogen production and consumption.

– Energy storage solutions: production of batteries and other storage solutions for stationary and mobile use, covering both intra-day and long duration storage.

– Heat pumps: development and production of heat pumps.

Components also include final equipment such as wind turbines, solar panels, batteries, heat pumps or electrolysers. The topic also targets the manufacturing of components and materials (except mining activities) that are a significant factor in the final equipment's performance and/or cost. Activities relating to recycling or reusing critical materials to be used in the above equipment categories or components thereof may also be funded under this topic.

The produced equipment, components and materials can be sold on the EU market and in third countries.

Activities should demonstrate innovation in (and/or):

– Products: achieving lower cost when fully mature, higher performance, more energy efficiency, better system integration, higher durability, flexibility, reliability and/or convenience as compared to the state-of-the-art product.

– Production processes: increased use of recycled materials, more efficient use of critical materials, lower environmental/carbon footprint, improved automation and use of digital technologies, etc. Innovation can concern one or several steps of the manufacturing process.

Under this topic, the use of innovative components, including the final equipment, in power/heat generation, energy storage, or production and consumption of hydrogen will not be supported[24].

⚠ Only projects that have not reached financial close at proposal submission date can be funded.

Expected impact

N/A

INNOVFUND-2025-NZT-PILOTS – Pilot projects

Objectives

The objective of this topic is to support highly innovative, disruptive or breakthrough technologies that enable deep decarbonisation needed for achieving climate neutrality.

Activities that can be funded (scope)

The following activities can be funded under this topic: construction and operation of pilot projects that focus on validating, testing and optimising highly innovative, deep decarbonisation solutions in all sectors eligible for Innovation Fund support.

Pilot projects can thus concern:

[24] This type of activities can be funded under the other topics of this call: INNOVFUND-2025-NZT-GENERAL-LSP, INNOVFUND-2025-NZT-GENERAL-MSP, INNOVFUND-2025-NZT-GENERAL-SSP and INNOVFUND-2025-NZT-PILOTS

- Sectors listed in Annex I and Annex III to the ETS Directive, including environmentally safe carbon capture and utilisation (CCU) that contributes substantially to mitigating climate change, and products substituting carbon-intensive ones produced in sectors listed in Annex I to the ETS Directive.
- Construction and operation of innovative energy storage systems.
- Development of CO2 storage solutions.
- Renewable energy installations, in photovoltaics, concentrated solar power, onshore and offshore wind power, ocean energy, geothermal, solar thermal, and other renewable energy technologies, including innovative systems for grid connection (electricity/heat).

Pilot projects must comply with the following requirements:

A higher degree of innovation is expected than in the other topics under this call. Funded activities should address technical risks associated with the demonstration of innovative technologies and solutions, such as optimising technology processes and operational parameters and/or improving the characteristics of the final products. Pilot projects must demonstrate an innovative, deep decarbonisation or net carbon removal technology or solution in an operational environment before full-scale deployment. The objective of the pilot project must focus on testing and validating the innovative technology at pilot scale, but must not yet reach large scale demonstration or commercial production. Nevertheless, limited production or operation for testing purposes, including delivery to/from potential customers for validation is allowed. These projects typically have a limited lifetime of 3 to 5 years. The proposal must illustrate a strategy for the technology to progress to large-scale demonstration / deployment or first-of-a-kind commercial production, after demonstration at pilot scale.

Deep decarbonisation technology means technology that has the potential to be fully compatible with a 2050 climate neutrality objective. The pilot installation should have a very low level of residual emissions or result in net carbon removals. See more details in the minimum requirements under the GHG emission avoidance criterion.

Projects should contribute to building industrial capacity, technology leadership, supply chain resilience and strategic autonomy within the EU/EEA.

The maximum amount of Innovation Fund grant for an individual project under this topic is limited to EUR 40 million.

Only projects that have not reached financial close at proposal submission date can be funded.

Expected impact

N/A

3. Available budget

The estimated available call budget is **EUR 2 900 000 000**. Subject to resource availability, this amount may be increased by a maximum of 20%.

Specific budget information per topic can be found in the table below:

Topic	Topic budget

INNOVFUND-2025-NZT-GENERAL-LSP	**EUR 1 200 000 000**
INNOVFUND-2025-NZT-GENERAL-MSP	**EUR 300 000 000**
INNOVFUND-2025-NZT-GENERAL-SSP	**EUR 100 000 000**
INNOVFUND-2025-NZT–CLEAN-TECH MANUFACTURING	**EUR 1 000 000 000**
INNOVFUND-2025-NZT-PILOTS	**EUR 300 000 000**

We reserve the right not to award all available funds or to redistribute them between the call topics, depending on the proposals received and the results of the evaluation.

National funding schemes

This Innovation Fund call for proposals can be complemented by national funding schemes (also called 'grants-as-a-service'[25]).

For more information about grants as a service funding scheme and Member State specific conditions, *see here*.

4. Timetable and deadlines

Timetable and deadlines (indicative)	
Call opening:	4 December 2025
Deadline for submission:	23 April 2026 – 17:00:00 CET (Brussels)
Evaluation:	April-September 2026
Information on evaluation results:	October-November 2026
GA signature:	November 2026 – March 2027

Please note that time-to-grant in this call is estimated to take up to 11 months, i.e. longer than the standard 9 months from call closure (deadline for submission), due to the large volume of Innovation Fund call budgets, large number of applications and the complexity and size of the projects.

5. Admissibility and documents

Proposals must be submitted before the **call deadline** *(see timetable section 4)*.

[25] Under the 'grants-as-a-service', national funding schemes aligned with the Innovation Fund call, leverage on the Innovation Fund's evaluation process in order to accelerate State aid procedures and reduce administrative burden.

Proposals must be submitted **electronically** via the Funding & Tenders Portal Electronic Submission System (accessible via the Topic page in the Calls for proposals section). Paper submissions are NOT possible.

Proposals (including annexes and supporting documents) must be submitted using the forms provided *inside* the Submission System (⚠ NOT the documents available on the Topic page — they are only for information).

Proposals must be **complete** and contain all the requested information and all required annexes and supporting documents:

- Application Form Part A — contains administrative information about the participants (future coordinator, beneficiaries and affiliated entities) and the summarised budget for the project *(to be filled in directly online)*
- Application Form Part B — contains the technical description of the project *(template to be downloaded from the Portal Submission System, completed, assembled and re-uploaded)*
- Part C — contains additional project data and the project's contribution to EU programme key performance indicators *(to be filled in directly online)*
- **mandatory annexes:** *(templates to be downloaded from the Portal Submission System, completed, assembled and re-uploaded)*:
  - detailed budget table/relevant cost calculator ('financial information file') *(see template)*
  - participant information (including CVs and previous projects, if any) *(see template)*
  - timetable/Gantt chart *(see template)*
  - GHG emission avoidance calculator *(see template)*
  - feasibility study *(see template)*
  - business plan *(see template)*
  - detailed financial model — applicant's detailed financial model with information on detailed model assumptions and calculations to derive the financial projections including as minimum requirements: detailed financial model with project assumptions *(i.e. with use of formulas, no hard coded figures, nor macros)*; funding sources and uses; forecasted financial statements (i.e., profit and loss, cash flow and balance sheet statements for the project); sensitivity analysis

    ⚠ There are two options to calculate the relevant costs – set out in the *Guidance on the relevant cost methodology*. If you use the 'reference plant' calculation methodology *(Option 2 in the guidance)*, the detailed financial model must include, in addition, all relevant data and calculations related to this reference plant.
  - project shareholders financial resources — description of the financial standing of the project company (owner of the assets) and its shareholders (equity funding providers), including cash flow, profit and loss account and balance sheet statements over the last three years (consolidated or social accounts if those are available) *(see Annex 3)*

  - support to project — project funding support documentation *(see Annex 3)*
  - terms of supply —project contract terms documentation *(see Annex 3)*
  - extended Part C form (for statistical data collection) *(see template)*
- **supporting documents**:
  - due diligence reports (if any)
  - permits, licences, authorisations (if any)
  - other annexes - only for projects using 'reference plant' calculation methodology for relevant costs in line with the *Guidance on the relevant cost methodology*: documents necessary to assess the credibility of the data of the reference plant, such as proof of planning such a (reference) plant/unit as an alternative to the project, formal board documents, financial reports, internal business plans or studies. These documents should include description of assumptions underlying the costs and revenues data and calculations, where relevant supported by quotes from (potential) suppliers and customers and by external market studies if available.

At proposal submission, you will have to confirm that you have the **mandate to act** for all applicants. Moreover, you will have to confirm that the information in the application is correct and complete and that all participants comply with the conditions for receiving EU funding *(especially eligibility, financial and operational capacity, exclusion, etc)*. Before signing the grant, each beneficiary and affiliated entity will have to confirm this again by signing a declaration of honour (DoH). Proposals without full mandate will be rejected.

Your application must be **readable**, **accessible and printable** (please check carefully the layout of the documents uploaded).

Proposals are limited to maximum **70 pages** (Part B). Evaluators will not consider any additional pages. Feasibility study and business plan must not exceed 60 pages each.

You may be asked at a later stage for further documents *(for legal entity validation, financial capacity check, bank account validation, etc)*.

Please be aware that, subject to your consent in the application form, the names of the project participants, their projects, their contact details, the amount of requested Innovation Fund support and, where relevant, envisaged dates of financial close and entry into operation may be shared with the Member States of the country(ies) where the project is located.

For more information about the submission process (including IT aspects), consult the Online Manual.

6. Eligibility

Eligible participants (eligible countries)

In order to be eligible, the applicants (beneficiaries and affiliated entities) must:

- be legal entities (public or private bodies)
- be established in one of the eligible countries: any country in the world.

Beneficiaries and affiliated entities must register in the Participant Register — before submitting the proposal — and will have to be validated by the Central Validation Service (REA Validation). For the validation, they will be requested to upload documents showing legal status and origin.

Other entities may participate in other consortium roles, such as associated partners, subcontractors, third parties giving in-kind contributions, etc *(see section 13)*.

Specific cases and definitions

Natural persons — Natural persons are NOT eligible (with the exception of self-employed persons, i.e. sole traders, where the company does not have legal personality separate from that of the natural person).

International organisations — International organisations are eligible. The rules on eligible countries do not apply to them.

Entities without legal personality — Entities which do not have legal personality under their national law may exceptionally participate, provided that their representatives have the capacity to undertake legal obligations on their behalf, and offer guarantees for the protection of the EU financial interests equivalent to that offered by legal persons[26].

EU bodies — EU bodies (with the exception of the European Commission Joint Research Centre) can NOT be part of the consortium.

Associations and interest groupings — Entities composed of members may participate as 'sole beneficiaries' or 'beneficiaries without legal personality'[27].

Please note that if the action will be implemented by the members, they should also participate (either as beneficiaries or as affiliated entities, otherwise they cannot claim part of the grant).

EU restrictive measures — Special rules apply for entities subject to EU restrictive measures under Article 29 of the Treaty on the European Union (TEU) and Article 215 of the Treaty on the Functioning of the EU (TFEU)[28]. Such entities are not eligible to participate in any capacity, including as beneficiaries, affiliated entities, associated partners, subcontractors or recipients of financial support to third parties (if any).

EU conditionality measures — Special rules apply for entities subject to measures adopted on the basis of EU Regulation 2020/2092[29]. Such entities are not eligible to participate in any funded role (beneficiaries, affiliated entities, subcontractors, recipients of financial support to third parties, etc). Currently such measures are in place for Hungarian public interest trusts established under the Hungarian Act IX of 2021 or any entity they maintain (see Council Implementing Decision (EU) 2022/2506, as of 16 December 2022).

For more information, *see Rules for Legal Entity Validation, LEAR Appointment and Financial Capacity Assessment*.

Consortium composition

[26] See Article 200(2)(c) EU Financial Regulation 2024/2509.

[27] For the definitions, see Articles 190(2) and 200(2)(c) EU Financial Regulation 2024/2509.

[28] Please note that the EU Official Journal contains the official list and, in case of conflict, its content prevails over that of the EU Sanctions Map.

[29] Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council of 16 December 2020 on a general regime of conditionality for the protection of the Union budget (OJ L 325, 20.12.2022, p. 94).

n/a

Eligible activities

Applications will only be considered eligible if their content corresponds wholly (or at least in part) to the topic description for which they are submitted.

Eligible activities are the ones set out in section 2 above.

The following activities are not considered as eligible for funding under this call:

- economic activities[30] that do not comply with the 'do no significant harm' principle
- activities primarily aimed at electricity generation (or combined heat and power) from non-recycled fossil fuels, as well as activities for fuel and chemicals production based on non-recycled fossil feedstocks
- activities focused on services, including software, that primarily aim to improve the efficient use of products listed under Annex I and Annex III of the EU ETS. This exclusion doesn't concern mobility activities where the activity directly decreases the climate impacts
- ship or plane building or refurbishment outside of the EU/EEA

Projects must comply with EU policy interests and priorities *(such as environment, social, security, industrial and trade policy, etc)*. Projects must also respect EU values and European Commission policy regarding reputational matters (*e.g. activities involving capacity building, policy support, awareness raising, communication, dissemination, etc*).

Financial support to third parties is not allowed.

Geographic location (target countries)

Projects must be located in EU Member States or EEA countries (i.e. Norway, Iceland or Liechtenstein).

Projects may also be located in Northern Ireland on the condition that they concern the generation, transmission, distribution or supply of electricity.

For maritime sector projects:

- when the projects concern investments on ships, those ships must either
  - carry a flag of an EU Member State or EEA country AND call ports under the jurisdiction of an EU Member State or EEA country (*see list here*) on a regular basis (at least 15% of their calls on ports over the last two years) or
  - call ports under the jurisdiction of an EU Member State or EEA country (*see list here*) on a regular basis *(at least 30% of their calls on ports over the last two years)*

[30] economic activities for which technical screening criteria has been established to determine whether an economic activity causes significant harm to one or more of the relevant environmental objectives have been established pursuant to Article 10(3), point (b), of that Regulation. For the implementation of this article, Climate and Environmental Delegated Acts Regulation (EU)2021/2139, (EU)2022/1214, and (EU)2023/2486 have been adopted.

or

- perform service or support activities in ports under the jurisdiction of an EU Member State or EEA country.

- when the projects concern investments in ports infrastructure (e.g. renewable alternative fuel bunkering infrastructures in ports, including container transhipment ports), the ports must be under the jurisdiction of an EU Member States or an EEA country (*see list here*).

Duration

The project must:

- for all topics except INNOVFUND-2025-NZT-GENERAL-SSP and INNOVFUND-202-NZT-PILOTS:
  - reach financial close within four years after grant signature (maximum time to financial close)
  - operate at least five years after entry into operation (minimum GHG emission avoidance monitoring period).
- for INNOVFUND-2025-NZT-GENERAL-SSP and INNOVFUND-2025-NZT-PILOTS topics:
  - reach financial close within four years after grant signature (maximum time to financial close)
  - operate at least three years after entry into operation (minimum GHG emission avoidance monitoring period).

Project duration (grant duration) normally ranges between 3 and 15 years, from grant signature to the final payment. Projects of longer duration may be accepted in duly justified cases. Extensions are possible, if duly justified and through an amendment.

Project budget

Project budgets (requested grant amount) must be calculated on the basis of the relevant costs, using the provided relevant cost calculator and respecting the conditions set out in the Guidance on the relevant cost methodology. The maximum grant amount must not exceed 60 % of the relevant costs. Only projects with relevant costs higher than zero are eligible.

Only projects with a capital expenditure as indicated below will be eligible under this call:

Topic	Project eligibility
INNOVFUND-2025-NZT-GENERAL-LSP	Capital expenditure above EUR 100 000 000
INNOVFUND-2025-NZT-GENERAL-MSP	Capital expenditure above EUR 20 000 000 and up to EUR 100 000 000

INNOVFUND-2025-NZT-GENERAL-SSP	Capital expenditure above EUR 2 500 000 and up to EUR 20 000 000
INNOVFUND-2025-NZT–CLEAN-TECH MANUFACTURING	Capital expenditure above EUR 2 500 000
INNOVFUND-2025-NZT-PILOTS	Capital expenditure above EUR 2 500 000

'Capital expenditure' means all project costs (as defined in the Guidance on the relevant cost methodology) for project development or construction, that are incurred or to be incurred before the project's entry into operation and which relate exclusively to the following categories:

- construction costs
- site infrastructure costs
- development costs
- intangible assets
- contingencies.

The capital expenditure includes both eligible and non-eligible costs as defined in the Guidance on the relevant cost methodology. For each item of capital expenditure, please read the definitions in Appendix 1 of the Guidance on the relevant cost methodology.

The grant awarded may be lower than the amount requested.

7. Financial and operational capacity and exclusion

Financial capacity

Applicants must have **stable and sufficient resources** to successfully implement the projects and contribute their share. Organisations participating in several projects must have sufficient capacity to implement all projects.

The financial capacity check will be carried out on the basis of the documents which you will be requested later on by the Central Validation Service during grant preparation to upload in the Participant Register *(e.g. profit and loss account and balance sheet, audit report produced by an approved external auditor, certifying the accounts for the last closed financial year, etc)*. The analysis will be based on neutral financial indicators, but will also take into account other aspects, such as dependency on EU funding and deficit and revenue in previous years.

The check will normally be done for all beneficiaries, except:

- public bodies (entities established as public body under national law, including local, regional or national authorities) or international organisations
- if the individual requested grant amount is not more than EUR 60 000.

If needed, it may also be done for affiliated entities.

If we consider that your financial capacity is not satisfactory, we may require:

- further information

- an enhanced financial responsibility regime, i.e. joint and several responsibility for all beneficiaries or joint and several liability of affiliated entities *(see below, section 10)*

or

- request that you are replaced or, if needed, reject the entire proposal.

For more information, *see Rules for Legal Entity Validation, LEAR Appointment and Financial Capacity Assessment*.

Operational capacity

Applicants must have the **know-how, qualifications** and **resources** to successfully implement the projects and contribute their share (including sufficient experience in projects of comparable size and nature).

This capacity will be assessed together with the 'Project maturity' award criterion, on the basis of the competence and experience of the applicants and their project teams, including operational resources (human, technical and other) or, exceptionally, the measures proposed to obtain it by the time the task implementation starts.

If the evaluation of the award criterion is positive, the applicants are considered to have sufficient operational capacity.

Applicants will have to show their capacity via the following information:

- general profiles (qualifications and experiences) of the staff responsible for managing and implementing the project (including CVs)
- description of the consortium participants (including previous projects, if any)

Additional supporting documents may be requested, if needed to confirm the operational capacity of any applicant.

Exclusion

Applicants which are subject to an **EU exclusion decision** or in one of the following **exclusion situations** that bar them from receiving EU funding can NOT participate[31]:

- bankruptcy, winding up, affairs administered by the courts, arrangement with creditors, suspended business activities or other similar procedures (including procedures for persons with unlimited liability for the applicant's debts)
- in breach of social security or tax obligations (including if done by persons with unlimited liability for the applicant's debts)
- guilty of grave professional misconduct[32] (including if done by persons having powers of representation, decision-making or control, beneficial owners or persons who are essential for the award/implementation of the grant)
- committed fraud, corruption, links to a criminal organisation, money laundering, terrorism-related crimes (including terrorism financing), child labour or human trafficking (including if done by persons having powers of representation,

[31] See Articles 138 and 143 of EU Financial Regulation 2024/2509.

[32] 'Professional misconduct' includes, in particular, the following: violation of ethical standards of the profession; wrongful conduct with impact on professional credibility; breach of generally accepted professional ethical standards; false declarations/misrepresentation of information; participation in a cartel or other agreement distorting competition; violation of IPR; attempting to influence decision-making processes by taking advantage, through misrepresentation, of a conflict of interests, or to obtain confidential information from public authorities to gain an advantage; incitement to discrimination, hatred or violence or similar activities contrary to the EU values where negatively affecting or risking to affect the performance of a legal commitment.

decision-making or control, beneficial owners or persons who are essential for the award/implementation of the grant)

- shown significant deficiencies in complying with main obligations under an EU procurement contract, grant agreement, prize, expert contract, or similar (including if done by persons having powers of representation, decision making or control, beneficial owners or persons who are essential for the award/implementation of the grant)
- guilty of irregularities within the meaning of Article 1(2) of EU Regulation 2988/95 (including if done by persons having powers of representation, decision-making or control, beneficial owners or persons who are essential for the award/implementation of the grant)
- created under a different jurisdiction with the intent to circumvent fiscal, social or other legal obligations in the country of origin or created another entity with this purpose (including if done by persons having powers of representation, decision-making or control, beneficial owners or persons who are essential for the award/implementation of the grant)
- intentionally and without proper justification resisted[33] an investigation, check or audit carried out by an EU authorising officer (or their representative or auditor), OLAF, the EPPO, or the European Court of Auditors.

Applicants will also be rejected if it turns out that[34]:

- during the award procedure they misrepresented information required as a condition for participating or failed to supply that information
- they were previously involved in the preparation of the call and this entails a distortion of competition that cannot be remedied otherwise (conflict of interest).

8. Evaluation and award procedure

The proposals will have to follow the **standard submission and evaluation procedure** (one-stage submission + one-step evaluation).

An **evaluation committee** (composed fully of independent outside experts) will assess all applications. Proposals will first be checked for formal requirements (admissibility, and eligibility, *see sections 5 and 6*). Proposals found admissible and eligible will be evaluated (for each topic) against the operational capacity and award criteria *(see sections 7 and 9)* and then ranked according to their scores.

Cascade approach

Proposals will be evaluated (within their respective topic) according to the following cascade:

1) 'Degree of innovation'. If a proposal scores less than the minimum threshold under this criterion, the evaluation is stopped (the remaining criteria are neither evaluated nor scored).

2) 'GHG emission avoidance potential' and 'Project maturity'. If a proposal does not reach the minimum threshold under any of the 'Project maturity' sub-

[33] 'Resisting an investigation, check or audit' means carrying out actions with the goal or effect of preventing, hindering or delaying the conduct of any of the activities needed to perform the investigation, check or audit, such as refusing to grant the necessary access to its premises or any other areas used for business purposes, concealing or refusing to disclose information or providing false information.

[34] See Article 143 EU Financial Regulation 2024/2509.

criteria (technical, financial, operational maturity) or if it scores less than the minimum threshold under the sub-criterion 'Quality of the GHG emission avoidance calculation and minimum requirements', the evaluation is stopped (the remaining criteria are neither evaluated nor scored).

3) 'Cost efficiency'. If a proposal scores less than the minimum threshold under the sub-criterion 'Quality of the cost calculation and minimum requirements', the evaluation is stopped (the remaining criteria are neither evaluated nor scored)

4) 'Replicability' and Bonus points

Priority order for proposals with same scores

For proposals with the same score (within a topic), a **priority order** will be determined according to the following approach:

Successively for every group of *ex aequo* proposals, starting with the highest scored group, and continuing in descending order:

1) Proposals located in a country (EU Member State or EEA country) with a lower number of higher-ranked proposals will be considered to have higher priority; the prioritisation order will be established on the basis of the country related to the "main project location" indicated in part C of the application

2) If this doesn't allow to determine the priority and if the proposals are from different sectors *(see Guidance on the GHG emission avoidance methodology)*, proposals from the maritime sector are prioritised

3) If this does not allow to determine the priority and if the proposals are from different sectors *(see Guidance on the GHG emission avoidance methodology)*, proposals from the wind energy sector are prioritised

4) If this doesn't allow to determine the priority and if the proposals are from different sectors *(see Guidance on the GHG emission avoidance methodology)*, further prioritisation will be done by considering their ranking (based on the total number of points under all award criteria) within their respective sectors

5) If this doesn't allow to determine the priority, proposals that have more points for the criterion 'Degree of innovation' will be given priority

6) If this doesn't allow to determine the priority, proposals that request a lower grant amount will be given priority

7) If this doesn't allow to determine the priority, proposals that received more points under the criterion 'Replicability' will be given priority.

Evaluation result and grant preparation

All proposals will be informed about the evaluation result (**evaluation result letter**). Successful proposals will be invited for grant preparation; the other ones will be rejected (or put on the reserve list, if any).

Grant preparation will involve a dialogue in order to fine-tune technical or financial aspects of the project and may require extra information from your side. It may also include adjustments to the proposal to address recommendations of the evaluation committee or other concerns (such as adaptation of the grant due to additional funding

received from other sources). Full compliance will be a pre-condition for signing the grant.

⚠ No commitment for funding — Invitation to grant preparation does NOT constitute a formal commitment for funding. We will still need to make various legal checks before grant award: *legal entity validation, financial capacity, exclusion check, etc*.

If you believe that the evaluation procedure was flawed, you can submit a **complaint** (following the deadlines and procedures set out in the evaluation result letter). Please note that notifications which have not been opened within 10 days after sending will be considered to have been accessed and that deadlines will be counted from opening/access *(see also Funding & Tenders Portal Terms and Conditions)*. Please also be aware that for complaints submitted electronically, there may be character limitations.

Project development assistance (PDA)

Proposals that are not recommended for funding (including those on the reserve list, if any) and rejected proposals that reach the minimum thresholds for 'Quality of the GHG emission avoidance calculation and minimum requirements' and 'Degree of innovation' (if applicable, in accordance with the evaluation cascade will be proposed for project development assistance (PDA) support to the European Investment Bank (EIB), if they have given their consent in the application form.

⚠ Please be aware that, for proposals that agree to be proposed for PDA, the applications (and project documentation) will be shared with the EIB and will be used by them for their assessment. You may be required to submit additional documents or information for the PDA support.

STEP seal

Eligible proposals that exceed the evaluation thresholds will be awarded the STEP Seal[35]. The STEP seal is a quality label, whose main purpose is to facilitate funding from other private and public sources.

National funding schemes

This Innovation Fund call for proposals can be complemented by national funding schemes (also called 'grants as a service').

Such national funding schemes can award funding to:

1) projects that pass the evaluation under this Innovation Fund call for proposals but cannot be funded because they exceed the budget ceiling and

2) projects that are awarded but need to top-up the Innovation Fund grant with national support.

Proposals that pass the evaluation under the Innovation Fund call for proposals and which are located in a country which has opened a national funding scheme for this call/topic may be eligible for national support, if they:

- have given their consent in the application form
- fall withing the national funding scheme budget.

[35] The STEP Seal is also referred to as the 'Sovereignty Seal'; *see Article 4 of STEP Regulation 2024/795*.

Projects that are placed on the reserve list may be asked to confirm whether they want to remain on the Innovation Fund reserve list, or withdraw and be considered by the national funding scheme.

⚠ If you withdraw from the reserve list, your application will no longer be considered for Innovation Fund support under this call.

⚠ Please be aware that, for proposals that agree to be passed to national funding schemes, the applications (and full project documentation, including the evaluation report) will be shared with the national authorities. In addition, you may be required to submit additional documents or information for the national support (in case there are additional national criteria to fulfil).

9. Award criteria

The **award criteria** for this call are as follows:

1. Degree of innovation

- **Innovation in relation to the state of the art (15 points):** degree to which the project goes beyond incremental innovation on a scale from intermediate to breakthrough innovation, including scaling-up *(see Annex 1 for examples)* taking into account the European level as reference point (or, INNOVFUND-2025-NZT-GENERAL-SSP topic, the European or national level); quality, soundness and reliability of the information provided in the proposal.

  In addition for INNOVFUND-2025-NZT-PILOTS topic: degree to which the scale of the project is adequate to demonstrate the intended innovation for a pre-commercial stage.

  ⚠ If the production process, product, service or business model that the applicant proposes has already been awarded by the Innovation Fund, the proposal must clearly justify where the new innovative elements of the proposed project lie *(e.g. scale, type of application, difference in some elements)*. Proposals aiming at innovations that are very similar to ongoing Innovation Fund projects may receive a lower score. Please consult the list of funded projects on the Innovation Fund Project Portfolio Dashboard.

2. GHG emission avoidance potential

- **Absolute GHG emission avoidance (2 points):** difference between the expected GHG emissions of the project and the GHG emissions in the reference scenario during 10 years after entry into operation (calculated using the GHG emission avoidance calculator and following the Guidance on the GHG emission avoidance methodology).

  ⚠ In terms of scoring of this sub-criterion: for each sector and topic, the proposals with an absolute emission avoidance equal to the sector's median in the respective topic will be scored 1. All other proposals will be given a score between 0 and 2 (rounded to the nearest half point), according to their absolute GHG emission avoidance proportional to the median. The median value in each sector and topic will be calculated taking into account only proposals that meet all the minimum thresholds for 'Degree of innovation', 'Project maturity' and 'Quality of the GHG emission avoidance calculation and minimum requirements'. In case

there is only one proposal that meets these thresholds in a given sector and topic, this proposal will receive 2 points and all other proposals in that sector and topic will receive 1 point. In case there is only one proposal in a sector and topic, this proposal will receive 2 points.

- **Relative GHG emission avoidance (5 points):** absolute GHG emission avoidance divided by the GHG emissions in the reference scenario over the same 10-year period (calculated using the GHG emission avoidance calculator and following the Guidance on the GHG emission avoidance methodology).

  The score of this sub-criterion is proportional to the relative GHG emission avoidance, rounded to the nearest half point. The minimum score is 0 (for 0%). The maximum score is 5 (for 100% or above).

- **Quality of the GHG emission avoidance calculation and minimum requirements (5 points):** quality and credibility of the calculation of GHG emission avoidance potential; when relevant, whether the proposed action meets or not the minimum requirements in terms of:

  - the process emissions of the project per unit of product (including any credit for carbon capture and storage or utilisation, calculated following the Guidance on the GHG emission avoidance methodology) must be below the EU ETS benchmark(s)[36] applicable at the call deadline

  - the relative GHG emission avoidance must be:

    - for all topics except INNOVFUND-2025-NZT-PILOTS: at least 50%

    - for INNOVFUND-2025-NZT-PILOTS topic: at least 75%.

  - compliance with the DNSH principle (Article 17 of the Taxonomy Regulation 2020/852) for the environmental objective 'climate change mitigation'.

    For this purpose, projects must demonstrate that they comply with the DNSH technical screening criteria (TSC) set out in Annex II to Commission Delegated Regulation (EU) 2021/2139, (EU) 2022/1214 and/or Commission Delegated Regulation (EU) 2023/2486 for the environmental objective 'climate change mitigation' where TSC exist for an economic activity carried out by the project (*see Annex 4)*.

  - for bio-economy projects: the biomass used must meet the sustainability requirements of the Renewable Energy Directive[37]; the biomass feedstock must either be listed in Part A of Annex IX of the Directive or be certified as low indirect land use change (ILUC)-risk as defined by Commission Regulation 2019/807.

    In this context, for a commitment to be considered credible, the applicant should either provide evidence of an agreement in

[36] Commission Implementing Regulation (EU) 2021/447 of 12 March 2021 determining revised benchmark values for free allocation of emission allowances for the period from 2021 to 2025 pursuant to Article 10a(2) of Directive 2003/87/EC of the European Parliament and of the Council (OJ L 87, 15.3.2021, p. 29).

[37] Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources (OJ L 328, 21.12.2018, p. 82).

principle to source from one or more producers who are already certified low ILUC-risk, or provide evidence of an agreement in principle to source one or more producers who have a clear plan to apply for low ILUC-risk certification.

⚠ In case of issues in the quality of the calculation (including reliability and margin of uncertainty of key parameters and/or assumptions), points may be reduced.

⚠ In case the calculation methodology is incorrectly applied, the GHG emission avoidance assumptions or calculations are not credible, the minimum requirements are not met, or if the Application Form Part B or the GHG emission avoidance calculator have not been filled correctly, the score for this sub-criterion will be below the minimum threshold and the proposal will be rejected.

3. Project maturity

- **Technical maturity (5 points):** technical feasibility of achieving the expected project outputs within the project's operational environment; understanding of technology and related technical risks and proposed risk mitigation measures; quality, soundness and reliability of the information provided in the proposal.

- **Financial maturity (5 points):** ability to reach financial close as soon as possible and no later than 48 months after signing the grant agreement (taking into account credibility of the business model, business plan and financial model, expected project profitability and credibility of the support of the project shareholders to fund the project (or, for INNOVFUND-2025-NZT-PILOTS topic, ability of the project to cover construction costs and any negative operational cash flows)); robustness and credibility of the strategy to secure key contractual framework including supply and off-take contracts; soundness of the financing plan along the project milestones and of the expected sources of financing, including private-sector contributions, Member State support or other types of public support, where relevant; solidity of expected debt terms; ability of project shareholders to fund the project; stage of negotiation with debt funders and capital structure in line with the project risks and returns; understanding of the project's business and financial risks, including risks stemming from dependencies on other projects falling outside the scope of the project, and quality of proposed risk mitigation measures; quality, soundness and reliability of the information provided in the proposal.

- **Operational maturity (5 points):** credibility and level of detail of the project implementation plan covering all project milestones (which must include at least financial close, entry into operation and annual reporting after the entry into operation) and related deliverables; relevance and track record of the project management/team and soundness of the project organisation; state of play and credibility of the proposed plan for obtaining required permits, intellectual property rights or licences and other regulatory procedures, including steps to be taken to ensure public acceptance; ability to reach entry into operation in line with market standards in the sector or faster; understanding of the project's implementation risks, including risks stemming from dependencies on other projects falling outside the boundaries of the project, and credibility

of proposed risk mitigation measures; quality, soundness and reliability of the information provided in the proposal.

⚠ For INNOVFUND-2025-NZT–CLEAN-TECH-MANUFACTURING and INNOVFUND-2025-NZT-PILOTS topics: Projects demonstrating the ability to reach financial close within two years and entry into operation within four years after grant agreement signature will be considered positively and may receive a higher score, provided all other aspects of the project maturity criterion are duly addressed.

4. Replicability

- **Replicability in terms of efficiency gains and multiple environmental impacts (5 points):** efficient use of resources or other ways to address resource constraints notably in terms of reduction and/or more efficient use of critical raw materials, sustainable biomass and other scarce resources, and in terms of circularity, recycling and recyclability of such resources; potential to address multiple environmental impacts, such as increasing biodiversity protection, and for reducing land, air and water pollution; *where relevant*[38], compliance with the DNSH principle (Article 17 of the Taxonomy Regulation 2020/852) (see *Annex* 4); quality, soundness and reliability of the information provided in the proposal.

- **Contribution to Europe's industrial leadership and competitiveness (10 points):** contribution to European industrial ecosystems (e.g. clusters, European suppliers) and/or integration with strategic energy infrastructure (e.g. connection to Projects of Common Interest (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 such as trainings during project implementation and operation, knowledge sharing plan outline, demonstrated efforts on due diligence on the supply chain[39]; *where relevant*, mitigating critical dependencies and diversifying the sourcing of critical raw materials[40]; *where relevant*, 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) [41,42] linked to the Net Zero Industry Act.

  For maritime sector projects, this means the European added value and resilience of the European maritime sector as defined in the Glossary.

5. Cost efficiency

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38 Pursuant to Article 10(3), point (b), of the EU Taxonomy Regulation, technical Screening criteria have been established to determine whether specific economic activities causes significant harm to one or more of the relevant environmental objectives. These technical Screening Criteria are described in Delegated Acts (Regulations (EU) 2021/2139, 2022/1214, and 2023/2486).

39 That is on governance, conflict risk, human and social rights, environmental performance and water risk.

40 https://ec.europa.eu/growth/sectors/raw-materials/areas-specific-interest/critical-raw-materials_en

41 Communication from the Commission providing updated information to determine the shares of the European Union supply of final products and their main specific components originating in different third countries under Regulation (EU) 2024/1735 on establishing a framework of measures for strengthening Europe's net-zero technology manufacturing ecosystem (Net-Zero Industry Act) (OJ C, C/2025/3236, 18.6.2025).

42 Solar PV systems, PV modules and PV cells or equivalent, PV inverters, PV wafers or equivalent, permanent magnets of wind turbines, battery packs, modules and cells, and anode active materials (for all of them third country on which EU has dependency is China).

- **Cost efficiency ratio (12 points):** cost effectiveness (ratio between requested grant and absolute GHG emission avoidance)

  The following scoring rules will apply for this sub-criterion:

  - The cost efficiency ratio is expressed as follows:

$$Cost\ efficiency\ ratio = \frac{Requested\ grant}{Absolute\ GHG\ emission\ avoidance}$$

    Whereby:

    - The maximum Innovation Fund grant that can be requested is limited to 60% of the relevant costs; the applicants can request less, and can take this smaller amount as numerator in the cost efficiency ratio calculation. If the applicant considers additional project-specific public support[43] in the project financial model it must be added to the Innovation Fund grant amount in the numerator of the cost efficiency ratio. Public support during the operational period should be added for only the first ten years of operation.
    - Relevant costs are calculated according to the Guidance on the relevant cost methodology.
    - The absolute GHG emission avoidance used is the same value calculated for the sub-criterion 'Absolute GHG emission avoidance'.

  - The score is calculated as follows:

    For all topics except INNOVFUND-2025-NZT-PILOTS:

    - if the cost efficiency ratio is lower or equal than 200 EUR/t CO2-eq, the points are calculated based on the following formula:

      12 – (12 x (cost efficiency ratio / 200))

    - if the cost efficiency ratio is higher than 200 EUR/t CO2-eq, the score is zero points, and the proposal will be rejected.

    The result is rounded to the nearest half point. The minimum score under this sub-criterion is 0. The maximum score is 12.

    For INNOVFUND-2025-NZT-PILOTS topic:

    - if the cost efficiency ratio is lower or equal than 2000 EUR/t CO2-eq, the points are calculated based on the following formula:

[43] This can be support from other EU funding programmes or national funding (EU State aid). Applicants should include in the numerator of the Cost Efficiency ratio, EU support or State aid, in the form of grants (e.g. CAPEX or OPEX grants), for which the amount can be estimated at the moment of application, and which have been included in the financial model. Other EU support or State aid in the form of fiscal or parafiscal measures, tariff reductions resulting in lower operating costs (for example, exemption of payment of levy/tax on power prices), contracts-for-difference, feed-in-tariffs and indirect CO2 cost compensation measures must not be included in the numerator of the cost efficiency ratio, but should be included in the projections of the financial model and may also impact the relevant costs calculation. Be aware that information about additional public support may be shared with other EU services. For both State aid and EU funding programmes, the rules on combined public support must be respected.

12 – (12 x (cost efficiency ratio / 2000))

- if the cost efficiency ratio is higher than 2000 EUR/t CO2-eq, the score is zero points.

The result is rounded to the nearest half point. The minimum score under this sub-criterion is 0. The maximum score is 12.

- **Quality of the cost calculation and minimum requirements (3 points):** quality and credibility of the calculation of the relevant costs; when relevant, whether the proposed action meets or not the minimum requirements in terms of:
  - the cost efficiency ratio must be
    - for all topics except INNOVFUND-2025-NZT-PILOTS:equal or lower than 200 EUR/t CO2-eq

⚠ In case of issues in the quality and credibility of the calculation (including the inclusion of non-eligible costs), points may be reduced.

In the case the calculation of relevant costs contains substantial errors or if the Application Form Part B or the relevant costs calculator template have not been filled completely, the score for this sub-criterion will be below the minimum threshold and the proposal will be rejected.

⚠ In case of incorrect calculation of the cost efficiency ratio, the score for this sub-criterion will be below the minimum threshold and the proposal will be rejected.

Bonus points:

- Bonus 1: Potential to deliver **net carbon removals** (1 point).
- Bonus 2: Only for projects coordinated and implemented by small and medium-sized enterprises (SMEs)[44] as defined in the EU SME Recommendation 2003/361 (1 point).
- Bonus 3: For **maritime sector** projects only: demonstrated potential for decarbonising the maritime sector and reducing its climate impacts (1 point)

Scoring

For INNOVFUND-2025-NZT-GENERAL-LSP, INNOVFUND-2025-NZT-GENERAL-MSP and INNOVFUND-2025-NZT-GENERAL-SSP topics:

Award criteria	Minimum pass score	Maximum score
Degree of innovation	9	15
GHG emission avoidance potential		

[44] The beneficiaries and affiliated entities in the consortium should all be SMEs. Only entities which are registered in the Participant Register and which have a positive SME self-assessment result (not older than 2 years) can be considered for this bonus point.

Absolute GHG emission avoidance	n/a	2
Relative GHG emission avoidance	n/a	5
Quality of the GHG emission avoidance calculation and minimum requirements	3	5
Total GHG emission avoidance potential	n/a	12
Project maturity		
Technical maturity	3	5
Financial maturity	3	5
Operational maturity	3	5
Total Project maturity	n/a	15
Replicability		
Replicability in terms of efficiency gains and of multiple environmental impacts	n/a	5
Contribution to Europe's industrial leadership and competitiveness	4	10
Total Replicability	n/a	15
Cost efficiency		
Cost efficiency ratio	n/a	12
Quality of the cost calculation and minimum requirements	1.5	3
Total Cost efficiency	n/a	15
Total (without bonus)	n/a	**72**
Bonus point 1	n/a	1
Bonus point 2	n/a	1
Bonus point 3	n/a	1
Total (with bonus)	n/a	**75**

Maximum points: 75 points.

Individual thresholds (minimum pass scores) per criterion/sub-criterion: see above.

There is no overall threshold.

Proposals that pass the individual thresholds will be considered for funding — within the limits of the available budget (i.e. up to the budget ceiling). Other proposals will be rejected or passed on to national funding schemes, if applicable.

For INNOVFUND-2025-NZT–CLEAN-TECH-MANUFACTURING topic:

Award criteria	Minimum pass score	Maximum score	Weight
Degree of innovation	9	15	2
Total Degree of innovation (weighted)	n/a	30	n/a
GHG emission avoidance potential			
Absolute GHG emission avoidance	n/a	2	1
Relative GHG emission avoidance	n/a	5	1
Quality of the GHG emission avoidance calculation and minimum requirements	3	5	1
Total GHG emission avoidance potential	n/a	12	1
Project maturity			
Technical maturity	3	5	2
Financial maturity	3	5	2
Operational maturity	3	5	2
Total Project maturity (weighted)	n/a	30	n/a
Replicability			
Replicability in terms of efficiency gains and of multiple environmental impacts	n/a	5	1
Contribution to Europe's industrial leadership and competitiveness	4	10	1
Total Replicability (weighted)	n/a	15	n/a
Cost efficiency			
Cost efficiency ratio	n/a	12	1
Quality of the cost calculation and minimum requirements	1.5	3	1
Total Cost efficiency	n/a	15	1
Total (weighted) (without bonus points)	n/a	**102**	n/a
Bonus point 1	n/a	1	1
Bonus point 2	n/a	1	1
Bonus point 3	n/a	1	1
Total (weighted) (with bonus points)	**n/a**	**105**	**n/a**

Maximum points: 105 points.

Individual thresholds (minimum pass scores) per criterion/sub-criterion: see above.

There is no overall threshold.

Proposals that pass the individual thresholds will be considered for funding — within the limits of the available budget (i.e. up to the budget ceiling). Other proposals will be rejected or passed on to national funding schemes, if applicable.

For INNOVFUND-2025-NZT-PILOTS topic:

Award criteria	Minimum pass score	Maximum score	Weight
Degree of innovation (weighted)	9	15	2
Total Degree of innovation (weighted)	n/a	30	n/a
GHG emission avoidance potential			
Absolute GHG emission avoidance	n/a	2	1
Relative GHG emission avoidance	n/a	5	1
Quality of the GHG emission avoidance calculation and minimum requirements	3	5	1
Total GHG emission avoidance potential	n/a	12	1
Project maturity			
Technical maturity	3	5	1
Financial maturity	3	5	1
Operational maturity	3	5	1
Total Project maturity	n/a	15	1
Replicability			
Replicability in terms of efficiency gains and of multiple environmental impacts	n/a	5	1
Contribution to Europe's industrial leadership and competitiveness	4	10	1
Total Replicability	n/a	15	1
Cost efficiency			
Cost efficiency ratio	n/a	12	1
Quality of the cost calculation and minimum requirements	1.5	3	1
Total Cost efficiency	n/a	15	1
Total (weighted) (without bonus points)	n/a	**87**	
Bonus point 1	n/a	1	1

Bonus point 2	n/a	1	1
Bonus point 3	n/a	1	1
Total (weighted) (with bonus points)	n/a	**90**	n/a

Maximum points: 90 points.

Individual thresholds (minimum pass scores) per criterion/sub-criterion: see above.

There is no overall threshold.

Proposals that pass the individual thresholds will be considered for funding — within the limits of the available budget (i.e. up to the budget ceiling). Other proposals will be rejected or passed on to national funding schemes, if applicable.

10. Legal and financial set-up of the Grant Agreements

If you pass evaluation, your project will be invited for grant preparation, where you will be asked to prepare the Grant Agreement together with the EU Project Officer.

This Grant Agreement will set the framework for your grant and its terms and conditions, in particular concerning deliverables, reporting and payments.

The Model Grant Agreement that will be used (and all other relevant templates and guidance documents) can be found on Portal Reference Documents.

Starting date and project duration

The project starting date and duration will be fixed in the Grant Agreement *(Data Sheet, point 1)*. Normally the starting date will be after grant signature. A retroactive starting date can be granted exceptionally for duly justified reasons — but never earlier than the first day of the month after the proposal submission date.

Project duration: *see section 6 above*.

Milestones and deliverables

The milestones and deliverables for each project will be managed through the Portal Grant Management System and will be reflected in Annex 1 of the Grant Agreement.

The following work packages, deliverables and milestones will be required:

- WP 1 — Up to Financial Close
  - Milestone triggering payment (mandatory): financial close
  - Other milestones (indicative): project planning approved; project authorisation granted (including permits); main project contracting closed; project financing means granted and available
  - Deliverables (mandatory): detailed project management plan (month 1); final version of the financial model (month 1); knowledge sharing plan (month 1); knowledge sharing report (month 1); progress reports (every 6 months, except when there is an interim payment); updated knowledge sharing report (at financial close); first update to the detailed project management plan (at financial close); all key documents necessary to verify achievement of financial close (i.e. including all key financing,

supply, off-take and construction/equipment contracts as well as relevant permits (non-exhaustive)) (at the latest at financial close).

- WP 2 — From Financial Close to Entry into Operation
  - Milestone triggering payment (mandatory): entry into operation
  - Other milestones (indicative): site preparation, construction, pre-commissioning; signing of operation and maintenance agreements (O&M); commissioning, start-up and testing
  - Deliverables (mandatory): annual progress reports (every year, except when there is an interim payment); statement by independent auditor on correctness of the relevant cost calculation; operational readiness and completion certificate (at entry into operation); updated knowledge sharing report and updated knowledge sharing plan (at entry into operation); GHG monitoring plan (at entry into operation); second update to the detailed project management plan (at entry into operation);
- WP 3 —Year 1 of Operation
  - Milestone triggering payment (mandatory): end of first year of operation
  - Deliverables (mandatory): annual GHG emission avoidance report updated knowledge sharing report and updated knowledge sharing plan (at the end of the first year of operation and then every two years)
- WP 4 —Year 2 of Operation
  - Milestone triggering payment (mandatory): end of second year of operation
  - Deliverables (mandatory): annual GHG emission avoidance report
- additional work packages:
  - for all topics except INNOVFUND-2025-NZT-GENERAL-SSP and INNOVFUND-2025-NZT-PILOTS: + minimum 2 additional work packages
  - for INNOVFUND-2025-NZT-GENERAL-SSP and INNOVFUND-2025-NZT-PILOTS topics: + additional work packages (if any)
- WP N – Last Year of Operation
  - Milestone triggering payment (mandatory): end of last year of operation
  - Deliverables (mandatory): annual GHG emission avoidance report; verified GHG emission avoidance report over the entire monitoring period; updated knowledge sharing report and updated knowledge sharing plan; final report on the fulfilment of claims made under the criteria ‘Degree of Innovation’ and ‘Replicability’; DNSH compliance report, demonstrating that the project complied with the DNSH technical screening criteria (TSC) throughout the project lifetime (all at the end of the last year of operation)
  - for INNOVFUND-2025-NZT–CLEAN-TECH-MANUFACTURING topic: including also declaration on equipment/components EEA-originating content

Additional work packages (and the corresponding milestones and deliverables) can be added in the phase before financial close or between financial close and entry into operation, if needed to respect the logic of the project.

Form of grant, funding rate and maximum grant amount

The grant parameters *(e.g. maximum grant amount)* will be fixed in the Grant Agreement *(Data Sheet, point 3 and art 5)*.

Project budget (requested grant amount): *see section 6 above*.

The grant will be a lump sum grant. This means that it will reimburse a fixed amount, based on a lump sum. The amount will be fixed by the granting authority on the basis of the relevant costs of the project calculated in accordance with the Guidance on the relevant cost methodology and a fixed funding rate of **60%** (or lower requested grant amount, if any).

Budget categories and cost eligibility rules

The budget categories and cost eligibility rules are fixed in the Grant Agreement *(Data Sheet, point 3, art 6 and Annex 2)*.

Budget categories for this call:

- Lump sum contributions[45]

Specific cost eligibility rules for this call:

- the lump sum amount must be calculated in accordance with the methodology set out in the lump sum authorising decision and using the detailed budget table/relevant cost calculator (financial information file) provided
- the lump sum calculation should respect the following conditions:
  - the relevant costs must be calculated in accordance with the Guidance on the relevant cost methodology and be confirmed at entry into operation
  - costs for activities incurred before the first day of the month after the proposal submission date are not eligible
- the lump sum breakdown must comply with the following:
  - the estimated lump sum contribution for each work package must relate to and be proportional to the activities covered by that work package
  - the portion of the grant amount budgeted until the financial close must not exceed 40% of the maximum grant amount
  - the portion of the grant amount budgeted after entry into operation should amount to at least 10% of the maximum grant amount
- other:
  - the maximum grant amount will only be paid out, if over the entire project duration, the project reaches at least 75% of the total amount of GHG emission planned to be avoided

⚠ Please be aware that during grant agreement preparation, the lump sum contributions may be reallocated between work packages, if, for instance, the shares

[45] Decision of 02 July 2020 authorising the use of lump sums for projects under the Innovation Fund.

are not proportional to the activities/expenditure covered by the corresponding work packages.

⚠ Shortly before entry into operation, you will be required to submit a statement by an independent auditor confirming the correctness of the relevant cost calculation. If the relevant costs have decreased and, as a result, the grant amount exceeds 60% of the recalculated relevant costs, you may be asked to request an amendment to reduce the grant amount. If you do not comply with this request, we may have to terminate the grant and reduce it from our side *(see art 28 and 32)*.

⚠ The amount of GHG emission avoidance will be checked on the basis of the verified GHG emission avoidance report (required as deliverable at the end of the project; *see above*). If less than 75% of the targeted amount is reached at the end of the project, the amount of the grant paid after the financial close will be proportionally reduced. If the project fails to enter into operation or the beneficiary fails to demonstrate any real avoidance of GHG emissions, we may terminate and the full grant amount after financial close will be recovered *(see art 28 and 32)*.

Reporting and payment arrangements

The reporting and payment arrangements are fixed in the Grant Agreement *(Data Sheet, point 4 and art 21 and 22)*.

There is **no pre-financing** payment.

There will be one or more **interim payments:**

- up to 40% of the maximum grant amount for the reporting periods (RPs) until financial close, depending on the value of the work package(s)
- remaining amount of at least 60% for the RP(s) after financial close, depending on the value of the work package(s); generally, at least 10% for the period after entry into operation.

You will be required to provide periodic reports to request payments, in accordance with the schedule and modalities set out in the grant agreement. After the entry into operation, the periodic reports will be annual.

In addition, you will be expected to submit one or more progress reports not linked to payments.

Payment of the balance: At the end of the project, we will calculate your final grant amount. If the total of earlier payments is higher than the final grant amount, we will ask you (your coordinator) to pay back the difference (recovery).

All payments will be made to the coordinator.

⚠ Please be aware that payments will be automatically lowered if you or one of your consortium members has outstanding debts towards the EU (granting authority or other EU bodies). Such debts will be offset by us — in line with the conditions set out in the Grant Agreement *(see art 22)*.

Please also note that you are responsible for **keeping records** on all the work done.

Prefinancing guarantees

n/a

Certificates

n/a

Liability regime for recoveries

The liability regime for recoveries will be fixed in the Grant Agreement *(Data Sheet, point 4.4 and art 22).*

For beneficiaries, it is one of the following:

- limited joint and several liability with individual ceilings — *each beneficiary up* to their maximum grant amount
- unconditional joint and several liability — *each beneficiary up to the maximum grant amount for the action*

or

- individual financial responsibility — *each beneficiary only for their own debts*.

In addition, the granting authority may require joint and several liability of affiliated entities (with their beneficiary).

Provisions concerning the project implementation

IPR rules: *see Model Grant Agreement (art 16 and Annex 5):*

- list of background: Yes
- rights of use on results: Yes
- knowledge sharing requirements: Yes

Communication, dissemination and visibility of funding: *see Model Grant Agreement (art 17 and Annex 5):*

- communication and dissemination plan (knowledge sharing plan): Yes
- additional communication and dissemination activities: Yes
- special logos: Yes

Specific rules for carrying out the action: *see Model Grant Agreement (art 18 and Annex 5)*

- specific rules for blending operations: No

Other specificities

n/a

Non-compliance and breach of contract

The Grant Agreement (chapter 5) provides for the measures we may take in case of breach of contract (and other non-compliance issues).

For more information, *see AGA — Annotated Grant Agreement*.

11. How to submit an application

All proposals must be submitted directly online via the Funding & Tenders Portal Electronic Submission System. Paper applications are NOT accepted.

Submission is a **2-step process**:

a) **create a user account and register your organisation**

To use the Submission System (the only way to apply), all participants need to create an EU Login user account.

Once you have an EULogin account, you can register your organisation in the Participant Register. When your registration is finalised, you will receive a 9-digit participant identification code (PIC).

b) **submit the proposal**

Access the Electronic Submission System via the Topic page in the Calls for proposals section (or, for calls sent by invitation to submit a proposal, through the link provided in the invitation letter).

Submit your proposal in 4 parts, as follows:

- Part A includes administrative information about the applicant organisations (future coordinator, beneficiaries, affiliated entities and associated partners) and the summarised budget for the proposal. Fill it in directly online
- Part B (description of the action) covers the technical content of the proposal. Download the mandatory word template from the Submission System, fill it in and upload it as a PDF file
- Part C containing additional project data. To be filled in directly online.
- Annexes *(see section 5)*. Upload them as PDF file (single or multiple depending on the slots). Excel upload is sometimes possible, depending on the file type.

The proposal must keep to the **page limits** *(see section 5)*; excess pages will be disregarded.

Documents must be uploaded to the **right category** in the Submission System otherwise the proposal might be considered incomplete and thus inadmissible.

The proposal must be submitted **before the call deadline** (*see section 4*). After this deadline, the system is closed and proposals can no longer be submitted.

Once the proposal is submitted, you will receive a **confirmation e-mail** (with date and time of your application). If you do not receive this confirmation e-mail, it means your proposal has NOT been submitted. If you believe this is due to a fault in the Submission System, you should immediately file a complaint via the IT Helpdesk webform, explaining the circumstances and attaching a copy of the proposal (and, if possible, screenshots to show what happened).

Details on processes and procedures are described in the Online Manual. The Online Manual also contains the links to FAQs and detailed instructions regarding the Portal Electronic Exchange System.

12. Help

As far as possible, ***please try to find the answers you need yourself***, in this and the other documentation (we have limited resources for handling direct enquiries):

- Online Manual
- Topic Q&A on the Topic page (for call-specific questions in open calls; not applicable for actions by invitation)
- Portal FAQ (for general questions).

Please also consult the Topic page regularly, since we will use it to publish call updates. (For invitations, we will contact you directly in case of a call update).

Contact

For individual questions on the Portal Submission System, please contact the IT Helpdesk.

Non-IT related questions should be sent to the Innovation Fund Helpdesk.

Please indicate clearly the reference of the call and topic to which your question relates *(see cover page)*.

13. Important

IMPORTANT

- **Don't wait until the end —** Complete your application sufficiently in advance of the deadline to avoid any last minute **technical problems**. Problems due to last minute submissions *(e.g. congestion, etc)* will be entirely at your risk. Call deadlines can NOT be extended.
- **Consult** the Portal Topic page regularly. We will use it to publish updates and additional information on the call (call and topic updates).
- **Funding & Tenders Portal Electronic Exchange System —** By submitting the application, all participants **accept** to use the electronic exchange system in accordance with the Portal Terms & Conditions.
- **Registration —** Before submitting the application, all beneficiaries, affiliated entities and associated partners must be registered in the Participant Register. The participant identification code (PIC) (one per participant) is mandatory for the Application Form.
- **Consortium roles —** When setting up your consortium, you should think of organisations that help you reach objectives and solve problems.

  The roles should be attributed according to the level of participation in the project. Main participants should participate as **beneficiaries** or **affiliated entities**; other entities can participate as associated partners, subcontractors, third parties giving in-kind contributions. **Associated partners** and third parties giving in-kind contributions should bear their own costs (they will not become formal recipients of EU funding). **Subcontracting** should normally constitute a limited part and must be performed by third parties (not by one of the beneficiaries/affiliated entities).
- **Coordinator —** In multi-beneficiary grants, the beneficiaries participate as consortium (group of beneficiaries). They will have to choose a coordinator, who will take care of the project management and coordination and will represent the consortium towards the granting authority. In mono-beneficiary grants, the single beneficiary will automatically be coordinator.
- **Affiliated entities** — Applicants may participate with affiliated entities (i.e. entities linked to a beneficiary which participate in the action with similar rights and obligations as the beneficiaries, but do not sign the grant and therefore do not become beneficiaries themselves). They will get a part of the grant money and must therefore comply with all the call conditions and be validated (just like beneficiaries); but they do not count towards the minimum eligibility criteria for consortium composition (if any). If affiliated entities participate in your project, please do not forget to provide documents demonstrating their affiliation link to your organisation as part of your application.
- **Associated partners** — Applicants may participate with associated partners (i.e. partner organisations which participate in the action but without the right to get grant money). They participate without funding and therefore do not need to be validated.
- **Consortium agreement** — For practical and legal reasons it is recommended in all cases to set up internal arrangements that allow you to deal with exceptional or unforeseen circumstances. The consortium agreement also gives you the possibility to redistribute the grant money according to your own consortium-internal principles and parameters (for instance, one beneficiary can reattribute its grant money to another beneficiary). The consortium agreement thus allows you to customise the EU grant to the needs inside your consortium and can also help to protect you in case of disputes. For successful proposals, the consortium agreement should be signed before the signature of the grant agreement.

- **Balanced project budget —** Grant applications must ensure a balanced project budget and sufficient other resources to implement the project successfully *(e.g. own contributions, income generated by the action, financial contributions from third parties, etc)*. You may be requested to lower your estimated costs, if they are ineligible (including excessive).

- **Completed/ongoing projects —** Proposals for projects that have already been completed will be rejected; proposals for projects that have already started will be assessed on a case-by-case basis (in this case, no costs can be reimbursed for activities that took place before the project starting date/proposal submission).

- **Cumulation of funding —** Innovation Fund grants may be combined with funding from another EU programme (directly managed by the EU Commission), if in both grants the EU Synergies actions' clause is enabled in Article 6.3 of the Model Grant Agreement and the combined funding rates at grant level do not exceed 100% *(see AGA — Annotated Grant Agreement, art 6.3)*.

- **Combination with EU operating grants —** Combination with EU operating grants is possible, if the project remains outside the operating grant work programme and you make sure that cost items are clearly separated in your accounting and NOT declared twice *(see AGA — Annotated Grant Agreement, art 6.2.E)*.

- **Multiple proposals —** Applicants may submit more than one proposal for *different* projects under the same call (and be awarded funding for them).

  Organisations may participate in several proposals.

  BUT: if there are several proposals for *very similar* projects, only one application will be accepted and evaluated; the applicants will be asked to withdraw the others (or they will be rejected).

- **Resubmission —** Proposals may be changed and re-submitted until the deadline for submission.

- **Rejection —** By submitting the application, all applicants accept the call conditions set out in this this Call document (and the documents it refers to). Proposals that do not comply with all the call conditions will be rejected. This applies also to applicants: All applicants need to fulfil the criteria; if any one of them doesn't, they must be replaced or the entire proposal will be rejected.

- **Cancellation —** There may be circumstances which may require the cancellation of the call. In this case, you will be informed via a call or topic update. Please note that cancellations are without entitlement to compensation.

- **Language —** You can submit your proposal in any official EU language (project abstract/summary should however always be in English). For reasons of efficiency, we strongly advise you to use English for the entire application. If you need the call documentation in another official EU language, please submit a request within 10 days after call publication (for the contact information, *see section 12*).

- **Foreign subsidies —** Be aware that internal market distortions caused by components (goods or services) that benefit from foreign subsidies, or imports being unfairly subsidized or dumped on the EU market, may be investigated under the EU Foreign Subsidies Regulation 2022/2560[1] or EU trade defense investigations.

- **Transparency —** In accordance with Article 38 of the EU Financial Regulation, information about EU grants awarded is published each year on the Europa website.

  This includes:
  - beneficiary names
  - beneficiary addresses
  - the purpose for which the grant was awarded
  - the maximum amount awarded.

  The publication can exceptionally be waived (on reasoned and duly substantiated request), if there is a risk that the disclosure could jeopardise your rights and freedoms under the EU Charter of Fundamental Rights or harm your commercial interests.

- **Data protection —** The submission of a proposal under this call involves the collection, use and processing of personal data. This data will be processed in accordance with the applicable legal framework. It will be processed solely for the purpose of evaluating your proposal, subsequent management of your grant and, if needed, programme monitoring, evaluation and communication. Details are explained in the Funding & Tenders Portal Privacy Statement.

Glossary

Action	Global term for beneficiary activities funded by the Innovation Fund. Used interchangeably with project.
Consortium	Beneficiaries and other participants which cooperate together to implement the project.
Detailed budget table / Relevant cost calculator / Detailed grant disbursement table / Cost efficiency calculator ('Financial information file')	Usually called Financial Information File (FIF). Mandatory excel file with the following information: – relevant cost calculator – cost efficiency calculator – financial model summary sheet table with Innovation Fund grant breakdown per work package and beneficiary/affiliated entity
Entry into operation	The moment in the project development cycle where all elements and systems required for operation of the project have been tested and activities resulting in effective avoidance of greenhouse gas emissions have commenced. For projects with multiple phases (meaning several entry into operation dates in connection with implementation of successive phases, for example for manufacturing projects), the entry into operation is defined as the entry into operation of the last phase of the project.
European added value and resilience of the EU maritime sector	The project's ability to strengthen the EU's maritime transport value chain, including port activities (e.g. delivery of renewable alternative fuels in container transshipment ports) and leading to positive impacts on competitiveness and job creation in the European sector.
Financial close	The moment in the project development cycle where all the project and financing agreements and permits have been signed and all the required conditions contained in them have been met.
Monitoring and reporting period	The monitoring and reporting period is the period of time after entry into operation during which the GHG emission avoidance is monitored and reported yearly and linked to the Innovation Fund support. ⚠ Note that the minimum GHG emission avoidance monitoring period is set out in section 6. However, the GHG emission avoidance and the relevant costs calculation have to normally always be based on 10 years of operation, except if the project is planned to operate for a shorter period.
Project duration	Period of time during which the project benefits from Innovation Fund support. The project duration must not be confused with the monitoring and reporting period (see above) and the project lifetime (see below).
Project lifetime	The project lifetime refers to the expected lifetime of the assets within the project scope, also known as the useful life or economic life, meaning to the estimated period during which the assets financed by the project are expected to be usable and generate revenues.

	Project lifetime should therefore not be limited to the period of time during which the project benefits from Innovation Fund support. The feasibility study, business plan, the detailed financial model and the financial projections must be based on the expected project lifetime.
Relevant costs	The relevant costs shall be the net extra costs that are borne by the applicant as a result of the application of the innovative technology related to the reduction or avoidance of the greenhouse gas emissions, as defined in the Commission Delegated Regulation (EU) 2019/856 of 26 February 2019. Relevant costs must be calculated using the provided relevant cost calculator and respecting the conditions set out in the Guidance on the relevant cost methodology.
Subcontractor	Economic operator that is proposed by a beneficiary/affiliated entity to perform part of the action tasks.

Annex 1

Innovation

Innovation in relation to the state of the art

Types of innovative actions

The Innovation Fund aims to support technologies, business models and processes that are not yet commercially available, but represent breakthrough solutions or are sufficiently mature to be ready for demonstration at pre-commercial scale.

Thus a project may consist of a 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 can also be considered innovative under certain conditions. In particular, where the relevant costs remain a significant share of total costs that prohibit commercialisation without further public support.

Smaller demonstrations or pilot plants are also eligible for support, especially if this is the right scale at which technology needs to be proven before moving to a larger scale demonstration.

Projects aimed at scaling up innovative techniques, processes and technologies with a view to their broad roll-out and which contribute significantly to the decarbonisation of the sectors covered by Innovation Fund can be also considered innovative and are eligible for support.

State-of-the-art: commercial and technological

The state-of-the-art for a proposed production process, product or service or business model comprises *both* the characteristics of the commercially available process, product or service that is most similar to the proposed one (commercial state-of-the-art) and the already proved characteristics of the proposed technological solution at the highest technological readiness level (technological state-of-the-art). Hence, a proposed project activity or product may be considered as innovative compared to the state-of-the-art if:

- it differs from that normally offered by existing vendors/technology suppliers with respect to key characteristics, such as quality of service, carbon footprint, resource use, etc
- it is not currently offered in the EU market (or, for INNOVFUND-2025-NZT-GENERAL-SSP topic, in EU or national markets) by multiple vendors or it is not offered as a standard product or service from a single vendor
- its expected outcomes go well beyond existing solutions
- it is further advanced from previously conducted demonstrations for instance in terms of technology readiness level (TRL) or more generally system readiness level (SRL), covering also integration of various technologies
- optimally, but not necessarily, it also outperforms competing innovations.

The following list presents examples for activities or products that may be considered innovative compared to commercial state-of-the-art:

- a new product/service that requires more than incremental technical adjustments in production facilities/supply chain or a new production set up/plants
- a product service, process or business model substitution i.e. a new product, service, process or business model that eliminates the need for existing products, processes or business model.
- a new technology that can substitute an existing technology, or that allows the novel integrated use of existing technology
- more than incremental adjustments in production facilities/supply chain that enable intrinsically cleaner production, for instance making it possible to substitute (totally or to a large extent) fossil fuel energy with renewable energy
- an existing technical solution or use applied in one sector is applied and more incrementally adapted for a new sector or a different use
- system integration, i.e. an integration of existing technologies with lower system integration readiness today.

Innovation at national level

For INNOVFUND-2025-NZT-GENERAL-SSP topic, in case the reference point of your innovation is 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 then demonstrate how the solution you propose is going beyond this national state of the art.

Proposals going beyond state-of-the-art at national level can meet the minimum threshold of the criterion 'Degree of Innovation', however if a proposal is also going beyond the state-of-the-art at European level, it may receive a higher score.

Going beyond incremental innovation

The Innovation Fund aims to support projects that go beyond incremental innovation. A more than incremental innovation requires overcoming major technological and/or economic barriers, for instance by upscaling production processes or reducing production costs by an order of magnitude.

In incremental innovation, the degree of innovation is very low since only minor changes or improvements are made to existing products, processes or business models (*which result in e.g. reduction of costs or functional improvements in existing products, services or processes at low levels of uncertainty)*. Incremental innovation does not imply substantially new knowledge or technology. Since the Innovation Fund aims to support projects with at least intermediate, possibly even higher degree of innovation, projects which are likely to deliver only incremental innovation will not be retained.

Intermediate or strong degree of innovation is likely to be present in new or considerably changed technologies or processes or business models for the production or delivery of existing or new products or services. Furthermore, novel combinations of mature technologies, the scale-up of innovative technologies and second (or more) commercialisations may also fall under this category, if technological and/or economic barriers need to be overcome to ensure the realisation of the project. Examples could include, for instance, a lack of interoperability between mature technologies, a required increase of the commercial readiness level, an adaptation of existing solutions to fundamentally different markets. A strong degree of innovation is usually accompanied by an increase of the overall TRL or SRL of key technologies.

Very strong or breakthrough degree of innovation is likely to be present in completely new technologies or processes or business models or completely new products or services, which substitute existing products or business models. Such innovation is likely to lead to significant change that transforms entire markets or industries or creates new ones and is characterised by high uncertainty. For such a level of innovation, the projects usually overcome substantial technological and/or economical barriers, for instance well-known technological limitations or unexpected cost decreases, and are accompanied by a strong increase of the TRL of key technologies or the SRL. A breakthrough innovation entails that the project is a first-of-a-kind commercialisation.

For INNOVFUND-2025-NZT-GENERAL-PILOTS topic, projects must demonstrate that the scale of the project is adequate to demonstrate the intended innovation for a pre-commercial stage.

Annex 2

Knowledge Sharing

Knowledge sharing aims to de-risk innovative technologies and solutions with regard to scaling up to a commercial size, accelerating their deployment, and support their replication, to increase the uptake and confidence in these technologies or solutions by the investment community and wider public, as well as to maintain a competitive market for their post-demonstration deployment. It also serves as a feedback tool to the European Commission to overcome regulatory and financial barriers for the innovative technologies under development.

As part of the knowledge sharing requirements incorporated into grant agreements, Innovation Fund projects are required to actively share information with the public and other market participants to ensure transparency and knowledge dissemination. Beneficiaries must present the project on their websites and social media accounts.

Knowledge can be shared through the knowledge sharing reports, the GHG emission avoidance reports, or communication and dissemination activities. Knowledge sharing must cover the whole project cycle: reaching financial close; getting to entry into operation; and operation. Relevant knowledge sharing areas include project management, financial engineering, permitting, procurement, construction, commissioning, performance, cost level and cost per unit performance, stakeholder engagement, environmental impacts, health and safety, and further research and development needs.

A more in-depth knowledge will be shared with all Innovation Fund projects of the same sector or category and with any other project (from the specific sector or category) that has agreed to share information on the same terms. Fair competition and commercial sensitivity will be safeguarded during knowledge-sharing activities.

More general knowledge on the innovative technologies demonstrated under the Innovation Fund will also be shared with a wider community beyond the circle of the Innovation fund beneficiaries including Member States, researchers, NGOs, international organisations and other projects.

Confidential (sensitive) information shared by the beneficiaries will be fully preserved. Only anonymised and aggregated information will be shared with the public. Moreover, no information will be disclosed which could lead to the reverse-engineering of the beneficiaries' technology or prejudge their ability to obtain patent or other registered intellectual property right protection.

Annex 3

Minimum requirements for requested documentation

1. Project shareholders financial resources

The documents regarding project shareholders financial resources must demonstrate the ability of the project company (owner of the assets within the scope of the project) and other project shareholders (equity funding providers) to secure the funds that will be required to successfully implement the project. These documents must include a description of the financial standing of the project company and its shareholders, including provision of cash flow, profit and loss account and balance sheet statements over the last three years (consolidated or social accounts if those are available).

If the financial statements of the project company/ shareholders are publicly available, it is sufficient to provide the website link in the annex related to the project shareholders' financial resources.

If the financial statements of the project company/ shareholders are not available at all (for example, for newly established companies or individuals), applicants must explain and provide evidence showing the availability of sufficient resources in the annex related to their financial resources.

If the project is expecting to raise equity from external investors and the equity fundraising is not completed before submission of the application, applicants must:

-identify key targeted lead investors and

-include financial statements of the lead investors and/or proof of their resources' availability in the financial resources annex.

In case the project is expecting financing from external investors, a detailed description of the strategy and timeline of the fundraising process, as well as of previous experiences in raising equity for projects of similar nature, must also be provided in the financial resources annex and in the business plan to demonstrate the credibility of the fundraising strategy. In addition, commitment letters of lead investors should be included in the funding support annex.

2. Support to project - project funding support documentation

The purpose of the documents is to demonstrate credible commitment from project stakeholders (project shareholders, project lenders and public entities) in the form of preliminary agreements or letters of support with indicative terms and conditions (if available). They should evidence the assumptions underlying the financing plan for the project, as well as the state of progress made towards financial close.

Funding support by **project shareholders** (equity funding providers) can be evidenced by memoranda of understanding, letters of intent or letters of support. The documents should be signed by authorised signatories at executive committee and/or board of director level of the funding entity.

If the proposal is expected to have low profitability as indicated by a negative project net present value and especially for proposals falling under INNOVFUND-2025-NZT-PILOTS topic, confirmation of funding support from the project shareholders even in the presence of low/negative profitability level and for this funding support to cover both the construction costs and any negative operational cash flows is considered essential.

The documents provided should ideally include/confirm : the name of the funding entity; job title of the signatory(ies); references to the project and investment scope

(aligned with the application project scope); project's strategic importance; funding amount and share of the total project's investment scope (aligned with the description in the proposal); availability of financing resources to secure the required funding amount; expected timing and steps to reach final investment decision (if this information is available).

Funding support by **project lenders** can be demonstrated by indicative term sheets showing progress made towards securing financing from prospective lenders (if the project is sufficiently close to the financial close target date).

For many projects, however, it is not expected that term sheets will be available at the time of application. To evidence the credibility of the proposed debt financing, applicants can submit letters of support from lending institutions with: the name of lending institution; job title of the signatory(ies); specific reference to the project and investment scope (aligned with the application project scope); role and level of engagement of the lending institution in the project; endorsement of the project's strategic merits; indicative overall funding structure such as total debt amount, whether debt will be raised at the level of the corporate entity or of the project, level of recourse to the shareholders, ticket size, debt to equity ratio, expected tenor (if this information is available and/or relevant at this stage); acknowledgment of target financial close and preliminary indicative timeline to obtain credit approval and/or implement syndication.

Support by **public entities** can be demonstrated through letters of support from the respective public entities with the following information: the name of official public institution or authority (national or EU programme managing authority); job title of the signatory(ies); specific reference to the project and investment scope (which must be aligned with the application project scope); considered funding amount (EU funding or national funding); if it is national funding please specify if is it State aid) and provide the name of the funding programme; State aid notification status (if relevant); Target financial close and indicative steps towards obtaining a formal funding decision.

⚠ Project funding support documents are a mandatory annex to evidence the credibility of the assumptions made in the application.

⚠ Confirmation of funding support from the project shareholders, even in the presence of low profitability/negative cash flows, is essential for all proposals.

⚠ Documents which are either generic in nature or do not add meaningful support to the credibility of the project maturity should not be attached to the application.

3. Terms of supply - project contract terms documentation

Project contract terms documentation must demonstrate the credibility of the business plan's main assumptions with pre-contractual terms from suppliers, off-takers, construction companies and development partners (if and where relevant).

The purpose of these documents is to demonstrate credible commitment from project counterparties (suppliers, off-takers, construction companies and development partners) in the form of preliminary agreements or letters of support with indicative terms and conditions (if available). They should evidence the assumptions underlying the business plan, as well as the state of progress made towards financial close.

Support by counterparties can be evidenced by memoranda of understanding, letters of intent or letters of support. The documents should be signed by authorised signatories of the counterparty entities concerned.

For **joint development preliminary contract terms** (if the project is developed jointly by multiple parties), the documents provided should ideally include/confirm:

specific reference to the project and investment scope (aligned with the application project scope); key terms of cooperation between the parties; role repartition; cost allocation and approval responsibility; decision making procedures (for instance establishment of steering committee); acknowledgment of target financial close, conditions for final investment decision (including indicative timing of steps and milestones); entry into force and expiry of the preliminary development agreement.

For off-take/supplies/construction, the documents provided should include/confirm: specific reference to the project and investment scope (aligned with the application project scope); the name of off-take/supply/construction counterparty; type and scope of off-take/supply/construction works (for off-take including sector of product or service); off-take/supply volume; pricing indication or quote; duration of agreement; entry into force and expiry of preliminary agreement.

 Documents which are either generic in nature or do not add meaningful support to the credibility of the project maturity should not be attached to the application.

Annex 4

DNSH requirements in InnovFund projects

1. Introduction to 'do no significant harm'

The Do No Significant Harm ('DNSH') principle was first legislated through the EU Sustainable Finance framework, specifically via Regulation (EU) 2020/852 ('Taxonomy Regulation'). There is a total of six environmental objectives established in Article 9 of the Taxonomy Regulation:

- Climate change mitigation;
- Climate change adaptation;
- Protection of water and marine resources;
- Transition to a circular economy;
- Pollution prevention and control regarding use and presence of chemicals;
- Protection and restoration of biodiversity and ecosystems.

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

2. DNSH application and assessment under InnovFund

Article 10f of Directive 2003/87/EC ('ETS Directive') provides that from 1 January 2025, the ETS revenues destined for the Innovation Fund should be used in accordance with the DNSH criteria set out in Article 17 of the Taxonomy Regulation.

Therefore, all proposals submitted to the Innovation Fund Auction and Grants calls will be assessed for their compliance with the DNSH Technical Screening Criteria ('TSC'), set in Commission Delegated Regulations (EU) 2021/2139 ('Climate Delegated Regulation') and (EU) 2023/2486 ('Environment Delegated Regulation'). The version in force of these Commission Delegated Regulations when the call closes will be the relevant DNSH criteria for the entire life of the project.

Only the 'do no significant harm' criteria set in the abovementioned Commission Delegated Regulations, and NOT the 'substantial contribution criteria', are relevant for the purpose of DNSH compliance under the Innovation Fund. An updated Commission Delegated Regulation shall apply from 1 January 2026[46] which simplifies the Generic Criteria for Pollution Prevention and Control.

Note that it is the responsibility of the applicant to clearly identify the main economic activity(ies) proposed as part of the project, to clearly identify whether one or more

[46] COMMISSION DELEGATED REGULATION (EU) …/… of 4.7.2025 amending Commission Delegated Regulation (EU) 2021/2178 as regards the simplification of the content and presentation of information to be disclosed concerning environmentally sustainable activities and Commission Delegated Regulations (EU) 2021/2139 and (EU) 2023/2486 as regards simplification of certain technical screening criteria for determining whether economic activities cause no significant harm to environmental objectives, not yet published in the Official Journal

sets of TSC are applicable to their project, and to provide credible justifications concerning DNSH compliance.

2.1 Different DNSH requirements for each project

Different TSC are set for different economic activities. For some of the economic activities proposed by some IF projects, it is possible that no TSC have been defined in the above-mentioned Climate Delegated Regulation or in the Environment Delegated Regulation. For some other IF projects, it is possible that TSC are defined only for a limited number of environmental objectives, while some IF projects may need to meet TSC set for each of the 6 environmental objectives.

2.2 Evaluation

DNSH alignment will be assessed during proposal evaluation. If the experts assessing a proposal identify shortcomings with the plan for DNSH compliance, but not the general compliance of the project activities with the DNSH TSC, the proposal may pass the evaluation, and, in case the proposal is recommended for funding, the applicant will be required during the grant agreement preparation phase to submit further documentation and/or to include measures to address the issues identified during project implementation. Failure to do so may result in the grant agreement not being signed.

In case the proposal is awarded, deliverables might be added to the work plan to monitor and verify the compliance of the project activities with the DNSH TSCs.

At the end of the Innovation Fund project, projects will need to report on their compliance with DNSH TSC through the submission of a DNSH Compliance Report.

If a project is found to be non-compliant with the TSC after grant agreement signature, the project may be terminated and/or the grant may be reduced.

3. Selecting relevant technical screening criteria (TSC)

Applicants must identify the relevant TSC for their economic activity(ies). They can do this using the relevant Climate Delegated Regulation and Environment Delegated Regulation and/or the Taxonomy Compass.

The EU Taxonomy NACE alternate classification mapping tool represents an indicative mapping of selected industry classification systems, and how they relate to the description of economic activities which can be found in the above-mentioned Commission Delegated Regulations, including the Commission Climate Delegated Regulation. This Excel document was prepared by the Platform on Sustainable Finance.[47] Note that this document does not necessary represent the official views of the European Commission. The European Commission can therefore not be held responsible for any use which may be made of the information this document contains.

Step 1: Selecting relevant economic activities

Applicants may use the search function in the above-mentioned Taxonomy Compass to identify potentially relevant activities. NACE codes can be used to verify the applicable economic activity. Further considerations to take into account:

[47] https://finance.ec.europa.eu/sustainable-finance/overview-sustainable-finance/platform-sustainable-finance_en

- Only economic activity(ies) within the project scope should be included.
- If the economic activity associated with the production of one of the products of a project has relevant TSC, then the project must always comply with those TSC.
- A project proposal may include several relevant activities *(e.g. electricity generation from wind energy and manufacture of hydrogen)*. In this situation, the project will need to be compliant for each objective for each relevant economic activity.
- TSC are not defined for certain economic activities *(e.g. manufacture of pulp and paper)*. If no TSC are set for an economic activity, this should be clearly stated in the application form Part B and justified; in this case there is no need to prove compliance with DNSH TSC unless another economic activity applies (e.g. Installation and operation of electric heat pumps).
- If a project includes an economic activity, but this is only a 'minor' part of the project, and it is not directly related to the production of one of the products of the project, then the TSC set for that economic activity do not need to be considered. Activities such as 'professional, scientific and technical activities' and 'construction and real estate activities' are examples of economic activities which are generally considered minor for the assessment of compliance with DNSH criteria, if they complement another major economic activity for the project.

Step 2: Determining the relevant TSC

The applicable TSC for each economic activity can be found either in the Commission Climate Delegated Regulation or in the Commission Environment Delegated Regulation. The Climate Delegated Regulation is the most likely source of economic activities related to the Innovation Fund, but there may be relevant activities also in the Commission Environment Delegated Regulation, such as recovery of bio-waste.

1. Find the relevant economic activity in the Table of Contents.
2. Refer only to the 'do no significant harm' criteria and NOT to the 'substantial contribution criteria' (which are not relevant for the DNSH assessment under the Innovation Fund).
3. TSC are listed in Annex I of the Commission Climate Delegated Regulation for all environmental objectives except 'climate change mitigation'. The criteria for 'climate change mitigation' can be found in Annex II of the Commission Climate Delegated Regulation for all environmental objectives except 'climate change adaptation'.

4. How to complete your proposal to demonstrate DNSH compliance

Self-declaration (all calls)

In the section 'Declarations' you must acknowledge compliance with the do no significant harm principle.

Application Form B

For the NZT call, compliance with the DNSH principle will be verified in the context of two different award criteria 'GHG emission avoidance potential' and 'Replicability' of application form Form B.

Table 3: Mapping of DNSH environmental objectives to Innovation Fund award criteria

Environmental objective	**InnovFund criterion**
1 Climate change mitigation	GHG emission avoidance potential
2 Climate change adaptation	Replicability
3 Sustainable use and protection of water and marine resources	
4 Transition to a circular economy	
5 Pollution prevention and control	
6 Protection and restoration of biodiversity and ecosystems	

Replicability criterion

For each relevant TSC, projects must demonstrate a plan for compliance with the relevant TSC (including a timeline and resources allocated to meet such a requirement). Projects must demonstrate that they comply with any specific quantitative limits and with any qualitative requirements specified in the relevant TSC.

GHG emission avoidance potential criterion

Under this criterion, projects must demonstrate compliance with the TSC for the 'climate change mitigation' objective. Projects must demonstrate that they comply with any specific quantitative emissions intensity limits and with any qualitative requirements specified in the relevant TSC.

To reduce the burden on applicants, certain economic activities have been pre-assessed as DNSH-aligned for the 'climate change mitigation' objective if a project meets other requirements under the Innovation Fund GHG criterion, see table below. Therefore, no additional justification is required for these economic activities in Application Form B section 2.4 regarding compliance with the DNSH 'climate change mitigation' objective.

For projects with no relevant 'economic activity', no justification is required either. In these cases, the applicant is only requested to clearly identify which economic activities are relevant for their project.

Instead, for economic activities where DNSH requirements for climate change mitigation exist which may not necessarily be met by fulfilling other requirements under the Innovation Fund GHG criterion, then additional justification is required under section 2.3 of the application form.

This justification should be in line with the guidance provided in section 2.1 of this document. Depending on the applicable TSC, the applicant may need to develop and present additional calculations with respect to what is required by the Innovation Fund GHG Methodology, they may need to elaborate on the emission intensity of some of the inputs or feedstocks used by the project, or address other requirements as applicable.

A list of economic activities for which additional justification of alignment to the DNSH 'climate change mitigation' objective is required can be found in the following tables:

- Table 4 lists the economic activities for which additional justification must be provided in the application form to demonstrate DNSH-compliance under TSC 'climate change mitigation'.
- Table 5 lists the economic activities for which additional justification of alignment to the DNSH 'climate change mitigation' objective is NOT required. In the event that an economic activity is not listed in either table, then it should be assumed that justification is required.

 The fact that an economic activity is listed below, does NOT necessarily mean that said economic activity is eligible for funding under the NZT call. The applicants shall carefully review the call document and check the eligibility conditions for each topic.

Table 1: Economic activities for which additional justification is required to demonstrate DNSH-compliance under TSC 'climate change mitigation'

Section Number	Economic Activity	Additional Justification Required?
Environment Delegated Regulation		
2.2	Urban wastewater treatment	Required
3.1	Nature-based solutions for flood and drought risk prevention and protection	Required
Climate Delegated Regulation		
1.1-1.4	Forestry	Required
2.1	Environmental Protection and Restoration Activities	Required
3.10	Manufacture of hydrogen	Required
3.13	Manufacture of chlorine	Required
3.14	Manufacture of organic basic chemicals	Required
3.15	Manufacture of anhydrous ammonia	Required
3.16	Manufacture of nitric acid	Required
3.17	Manufacture of plastics in primary form	Required
4.9.	Transmission and distribution of electricity	Required
4.13.	Manufacture of biogas and biofuels for use in transport and of bioliquids	Required
4.14.	Transmission and distribution networks for renewable and low-carbon gases	Required
4.29.	Electricity generation from fossil gaseous fuels	Required
4.30.	High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	Required

4.31.	Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system	Required
5.3.	Construction, extension and operation of wastewater collection and treatment	Required
5.4.	Renewal of wastewater collection and treatment	Required
5.5.	Collection and transport of non-hazardous waste in source segregated fractions	Required
5.6.	Anaerobic digestion of sewage sludge	Required
5.7.	Anaerobic digestion of bio-waste	Required
5.10.	Landfill gas capture and utilisation	Required
5.11.	Transport of CO2	Required
5.12.	Underground permanent geological storage of CO2	Required
5.13	Desalination	Required
6.2.	Freight rail transport	Required
6.5.	Transport by motorbikes, passenger cars and light commercial vehicles	Required
6.6.	Freight transport services by road	Required
6.8.	Inland freight water transport	Required
6.9.	Retrofitting of inland water passenger and freight transport	Required
6.10.	Sea and coastal freight water transport, vessels for port operations and auxiliary activities	Required
6.12.	Retrofitting of sea and coastal freight and passenger water transport	Required
6.14.	Infrastructure for rail transport	Required
6.15.	Infrastructure enabling low-carbon road transport and public transport	Required
6.16.	Infrastructure enabling low carbon water transport	Required
6.17.	Low carbon airport infrastructure	Required
7.1	Construction of new buildings	Required

7.2	Renovation of existing buildings	Required
7.3	Installation, maintenance and repair of energy efficiency equipment	Required
7.4	Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	Required
7.5	Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	Required
7.6	Installation, maintenance and repair of renewable energy technologies	Required
7.7	Acquisition and ownership of buildings	Required
8.1	Data processing, hosting and related activities	Required
10.1-10.2	Financial and insurance activities	Required
11	Education	Required
14.1	Emergency Services	Required

Table 2: Economic activities for which additional justification is NOT required to demonstrate DNSH-compliance under TSC 'climate change mitigation'

Section Number	**Economic Activity**	**Additional justification Required?**
Environment Delegated Regulation		
1.1	Manufacture, installation and associated services for leakage control technologies enabling leakage reduction and prevention in water supply systems	No TSC, Therefore Not Required
2.1	Water supply	No TSC, Therefore Not Required
2.3	Sustainable urban drainage systems (SUDS)	No TSC, Therefore Not Required
4.1	Provision of IT/OT data-driven solutions for leakage reduction	No TSC, Therefore Not Required
Climate Delegated Regulation		
3.1	Manufacture of renewable energy technologies	No TSC, Therefore Not Required
3.2	Manufacture of equipment for the production and use of hydrogen	No TSC, Therefore Not Required

3.3	Manufacture of low carbon technologies for transport	No TSC, Therefore Not Required
3.4	Manufacture of batteries	No TSC, Therefore Not Required
3.5	Manufacture of energy efficiency equipment for buildings	No TSC, Therefore Not Required
3.6	Manufacture of other low carbon technologies	No TSC, Therefore Not Required
3.7	Manufacture of cement	Not Required
3.8	Manufacture of aluminium	Not Required
3.9	Manufacture of iron and steel	Not Required
3.11	Manufacture of carbon black	Not Required
3.12	Manufacture of soda ash	Not Required
3.18	Manufacture of automotive and mobility components	No TSC, Therefore Not Required
3.19	Manufacture of rail rolling stock constituents	No TSC, Therefore Not Required
3.20	Manufacture, installation, and servicing of high, medium and low voltage electrical equipment for electrical transmission and distribution that result in or enable a substantial contribution to climate change mitigation	No TSC, Therefore Not Required
3.21	Manufacturing of aircraft	No TSC, Therefore Not Required
4.1.	Electricity generation using solar photovoltaic technology	No TSC, Therefore Not Required
4.2.	Electricity generation using concentrated solar power (CSP) technology	No TSC, Therefore Not Required
4.3.	Electricity generation from wind power	No TSC, Therefore Not Required
4.4.	Electricity generation from ocean energy technologies	No TSC, Therefore Not Required
4.5.	Electricity generation from hydropower	Not Required
4.6.	Electricity generation from geothermal energy	Not Required
4.7.	Electricity generation from renewable non-fossil gaseous and liquid fuels	Not Required
4.8.	Electricity generation from bioenergy	Not Required
4.10.	Storage of electricity	No TSC, Therefore Not Required
4.11.	Storage of thermal energy	No TSC, Therefore Not Required

4.12.	Storage of hydrogen	No TSC, Therefore Not Required
4.15.	District heating/cooling distribution	No TSC, Therefore Not Required
4.16.	Installation and operation of electric heat pumps	No TSC, Therefore Not Required
4.17.	Cogeneration of heat/cool and power from solar energy	No TSC, Therefore Not Required
4.18.	Cogeneration of heat/cool and power from geothermal energy	Not Required
4.19.	Cogeneration of heat/cool and power from renewable non-fossil gaseous and liquid fuels	Not Required
4.20.	Cogeneration of heat/cool and power from bioenergy	Not Required
4.21.	Production of heat/cool from solar thermal heating	No TSC, Therefore Not Required
4.22.	Production of heat/cool from geothermal energy	Not Required
4.23.	Production of heat/cool from renewable non-fossil gaseous and liquid fuels	Not Required
4.24.	Production of heat/cool from bioenergy	Not Required
4.25.	Production of heat/cool using waste heat	No TSC, Therefore Not Required
4.26.	Pre-commercial stages of advanced technologies to produce energy from nuclear processes with minimal waste from the fuel cycle	Not Required
4.27.	Construction and safe operation of new nuclear power plants, for the generation of electricity or heat, including for hydrogen production, using best-available technologies	Not Required
4.28.	Electricity generation from nuclear energy in existing installations	Not Required
5.1.	Construction, extension and operation of water collection, treatment and supply systems	No TSC, Therefore Not Required
5.2.	Renewal of water collection, treatment and supply systems	No TSC, Therefore Not Required
5.8.	Composting of bio-waste	No TSC, Therefore Not Required
5.9.	Material recovery from non-hazardous waste	No TSC, Therefore Not Required
6.1.	Passenger interurban rail transport	No TSC, Therefore Not Required

6.3.	Urban and suburban transport, road passenger transport	No TSC, Therefore Not Required
6.4.	Operation of personal mobility devices, cycle logistics	No TSC, Therefore Not Required
6.7.	Inland passenger water transport	No TSC, Therefore Not Required
6.11.	Sea and coastal passenger water transport	No TSC, Therefore Not Required
6.13.	Infrastructure for personal mobility, cycle logistics	No TSC, Therefore Not Required
6.18.	Leasing of aircraft	No TSC, Therefore Not Required
6.19.	Passenger and freight air transport	No TSC, Therefore Not Required
6.20.	Air transport ground handling operations	No TSC, Therefore Not Required
8.2	Data-driven solutions for GHG emissions reductions	No TSC, Therefore Not Required
8.3	Programming and broadcasting activities	No TSC, Therefore Not Required
8.4	Software enabling physical climate risk management and adaptation	No TSC, Therefore Not Required
9.1-9.3	Professional, scientific and technical activities	No TSC, Therefore Not Required
12.1	Residential care activities	No TSC, Therefore Not Required
13.1-13.3	Arts, entertainment and recreation	No TSC, Therefore Not Required
14.2	Flood risk prevention and protection infrastructure	No TSC, Therefore Not Required