



Innovation Fund (INNOVFUND)

Call for proposals

Innovation Fund call 2024 EV Batteries
(INNOVFUND-2024-BATT)

Version 1.0
3 December 2024





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 2024 Financing Decision⁴ and will be managed by the European Climate, Infrastructure and Environment Executive Agency (CINEA) (**'Agency'**).

The call covers the following topic:

- **INNOVFUND-2024-BATT-EV-CELLS - Manufacturing of electric vehicles battery cells**

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(2024)8011 of 25 November 2024 on the financing of actions under the Innovation Fund, serving as a financing decision for 2024-2030 and a decision launching calls for proposals in 2024.

This topic contributes 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](#) (only section 7 is relevant for this call), 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](#).

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.

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).

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 aiming at commercial deployment of innovative low-carbon technologies, with the objective to bring to the market industrial solutions to decarbonise Europe and support its transition to climate neutrality.

The objectives of this call are to:

- (a) support projects on electric vehicle battery cells manufacturing demonstrating innovative technologies, processes or products, 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, notably in terms of decarbonisation of transport.
- 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 Deal⁷, including the measures adopted under the [Fitfor55 package](#).
- **increased investments in the EU's electric vehicle battery manufacturing capacity and their resilient value chains in line with the [Net Zero Industry Act](#)⁸ establishing a framework of measures for strengthening Europe's net-zero technology manufacturing ecosystem. China has the world's largest manufacturing capacity (90% of global capacity for cathode active material and 97% of anode active material) and will account for over 85% of capacity additions by 2030 that would meet or surpass 2030 demand in the global net zero scenarios⁹ The EU has a significant reliance on this source of supply, which leads to a risk of irreversible dependency **that may threaten the EU's security** of supply. Thus, special measures on limiting sourcing from China are justified in this industry, contributing to the objectives of the Net Zero Industry Act.**

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):

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 Advancing Clean Technology Manufacturing An Energy Technology Perspectives Special Report, IEA, 2023, <https://iea.blob.core.windows.net/assets/7e7f4b17-1bb2-48e4-8a92-fb9355b1d1bd/CleanTechnologyManufacturingRoadmap.pdf>.

- The [Green Deal Industrial Plan](#)¹⁰ 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 [New Industrial Strategy for Europe 2020](#)¹¹ and [2021](#)¹², the [2020 Communication on critical raw materials resilience](#)¹³ and the [Communication on a recovery plan for Europe](#)¹⁴, 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 [Sustainable and Smart Mobility Strategy](#)¹⁵ as well as CO2 emission performance standards for new passenger cars and for new light commercial vehicles¹⁶ and CO2 emission performance standards for new heavy-duty vehicles¹⁷ requiring the ramp-up of electric vehicles.
- The Battery Regulation¹⁸ that sets the rules to make batteries sustainable throughout their entire life cycle – from the sourcing of materials to their collection, recycling and repurposing.
- Commission Recommendation on Energy Storage – Underpinning a decarbonised and secure EU energy system¹⁹ that promotes actions to ensure greater deployment of storage.
- The [Integrated SET Plan](#) and [Industrial Technology Roadmaps](#), covering the European energy system as a whole and going beyond the 'technology silos' concept.
- The new [Circular Economy Action Plan](#)²⁰ which aims at scaling up the circular economy from front-runners to mainstream economic players, in order to

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 on A Green Deal Industrial Plan for the Net-Zero Age (COM(2023) 62 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, A new industrial strategy for Europe (COM (2020) 102 final).

¹² 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).

¹³ 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).

¹⁴ 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).

¹⁵ 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, Sustainable and Smart Mobility Strategy – putting European transport on track for the future (COM(2020)789 final).

¹⁶ Regulation (EU) 2019/631 of the European Parliament and of the Council of 17 April 2019 setting CO2 emission performance standards for new passenger cars and for new light commercial vehicles and repealing Regulations (EC) No 443/2009 and (EU) No 510/2011 (recast) (OJ L 111, 25.4.2019, p. 13–53).

¹⁷ Regulation (EU) 2019/1242 of the European Parliament and of the Council of 20 June 2019 setting CO2 emission performance standards for new heavy-duty vehicles and amending Regulations (EC) No 595/2009 and (EU) 2018/956 of the European Parliament and of the Council and Council Directive 96/53/EC (OJ L 198, 25.7.2019, p. 202–240).

¹⁸ Regulation (EU) 2023/1542 of the European Parliament and of the Council of 12 July 2023 concerning batteries and waste batteries, amending Directive 2008/98/EC and Regulation (EU) 2019/1020 and repealing Directive 2006/66/EC (OJ L 191, 28.7.2023, p. 1–117).

¹⁹ Commission Recommendation of 14 March 2023 on Energy Storage- Underpinning a decarbonised and secure EU energy system (2023/C 103/01).

²⁰ 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).

contribute to achieving climate neutrality by 2050 and decoupling economic growth from resource use, while ensuring the long-term competitiveness of the EU and leaving no one behind.

This call takes into account the revised EU ETS Directive [2003/87](#) which extends the Innovation Fund to medium-scale projects and the maritime sector, buildings and road transport.

Project development assistance

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-2024-BATT-EV-CELLS - Manufacturing of electric vehicles battery cells

Objectives

This topic supports projects on electric vehicle battery cells manufacturing in order to **enhance Europe's industrial capacity and leadership in this net-zero technology** and to ensure that battery production capacity in the EU/EEA is ready to respond to increased demand for electric vehicles, in line with the mandatory standards on CO₂ emission performance of light- and heavy-duty vehicles.

Activities that can be funded (scope)

Manufacturing of cells that can be used in electric vehicle batteries.

Electric vehicle batteries are defined in the Battery Regulation²¹ as follows:

“electric vehicle battery’ means a battery that is specifically designed to provide electric power for traction in hybrid or electric vehicles of category L as provided for in Regulation (EU) No 168/2013, that weighs more than 25 kg, or a battery that is specifically designed to provide electric power for traction in hybrid or electric vehicles of categories M, N or O as provided for in Regulation (EU) 2018/858.”

Optionally, the project (i.e. in case of horizontally integrated projects) may also include the additional production of upstream components such as:

- cathode precursor material (pCAM),
- cathode active material (CAM),
- anode active material (AAM),
- electrolyte,
- separator

²¹ Regulation (EU) 2023/1542 of the European Parliament and of the Council of 12 July 2023 concerning batteries and waste batteries, amending Directive 2008/98/EC and Regulation (EU) 2019/1020 and repealing Directive 2006/66/EC (OJ L 191, 28.7.2023, p. 1–117).

as well as battery or battery material recycling.

The outputs of upstream component production steps or recycling included in the project scope may not exceed 100% of the project's battery cell production capacity (outputs going beyond 100% cannot be included in the project scope).

New patents originating from the project, during the project's duration (i.e. 'results' within the meaning of Article 16 of the Grant Agreement) must be registered in an EU Member State or EEA country.

Please see Annex 4 that provides clarification on relationship between project scope and what is included in the methodology for GHG emission avoidance calculation.

 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 1 000 000 000.

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

Topic	Topic budget
INNOVFUND-2024-BATT-EV-CELLS	EUR 1 000 000 000

We reserve the right not to award all available funds, depending on the proposals received and the results of the evaluation.


4. Timetable and deadlines

Timetable and deadlines (indicative)	
Call opening:	3 December 2024
<u>Deadline for submission:</u>	<u>24 April 2025 – 17:00:00 CET</u> <u>(Brussels)</u>
Evaluation:	April-September 2025
Information on evaluation results:	September 2025
GA signature:	September 2025 – January 2026

5. Admissibility and documents


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

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 and then 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 (*where templates are available to be downloaded from the Portal Submission System, they must be used, completed, assembled and re-uploaded, unless instructed otherwise*):
 - 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 own financial model with** detailed information on model assumptions and calculations to derive the financial projections (i.e. with use of formulas, no hard coded figures, nor macros) including as minimum requirements: detailed financial model with project assumptions; funding sources and uses; projected financial statements; calculation sheet(s); sensitivity analysis.

 There are two options to calculate the relevant costs – see [Guidance on the relevant cost methodology](#). **If you use the 'reference plant'** calculation methodology (*Option 2 in the [Guidance on the relevant cost methodology](#)*), the detailed financial model must include, in addition, all relevant data and calculations related to this reference plant.
- extended Part C form (for statistical data collection, *see template*)

- **project shareholders' financial** resources — description of the financial standing of the project shareholders, including provision of cash flow, profit and loss account and balance sheet statements over the last three years (if available, consolidated or social accounts); if the financial statements of the shareholder entities are publicly available, it is sufficient to provide the website link.
- supporting documents:
 - project funding support documentation (*see Annex 3*).
 - project contract terms documentation (*see Annex 3*)
 - due diligence reports (if any) (no template is available)
 - permits, licences, authorisations (if any) (no template is available)
 - other annexes - only for projects **using 'reference plant'** calculation methodology for relevant costs:

If you use **'reference plant' calculation methodology** (*Option 2 in the [Guidance on the relevant cost methodology](#)*), you must also include 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 (no template is available for those documents).

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*).



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



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.

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 persons²².

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'**²³.  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)²⁴. 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 2020/2092²⁵. 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

²² See Article 200(2)(c) EU Financial Regulation [2024/2509](#).

²³ For the definitions, see Articles 190(2) and 200(2)(c) EU Financial Regulation [2024/2509](#).

²⁴ 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](#).

²⁵ 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).

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

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:

- battery application production (e.g. electric vehicles manufacturing)
- activities related to assembly of electric vehicle battery cells in modules or packs. Projects must produce battery cells
- upstream component production or recycling activities exceeding 100% of the **project's battery cell production** capacity
- mining activities.

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*)²⁶.

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).

Duration

The project must:

- 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.

²⁶ See, for instance, Guidance on funding for activities related to the development, implementation, monitoring and enforcement of Union legislation and policy.

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-2024-BATT-EV-CELLS	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 of each individual term 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 participate²⁷:

- 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 misconduct²⁸ (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)

²⁷ See Articles 138 and 143 of EU Financial Regulation [2024/2509](#).

²⁸ '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

- 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, 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 resisted²⁹ 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 that³⁰:

- 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.

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.

²⁹ **'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.

³⁰ See Article 143 EU Financial Regulation [2024/2509](#).

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', 'Manufacturing carbon footprint reduction' and 'Project maturity'**. If a proposal does not reach the minimum threshold under any of the **'Project maturity'** sub-criteria (technical, financial, operational maturity) or if it scores less than the minimum threshold under 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 'Security of supply and countering dependency'**.

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, 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, proposals that have more points for the criterion **'Manufacturing carbon footprint reduction'** will be given priority.
- 3) If this **also doesn't** suffice, proposals that received more points under the criterion **'Security of supply and countering dependency'** 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 in 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](#)³¹. The STEP seal is a quality label, whose main purpose is to facilitate funding from other private and public sources.

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 (10 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; quality, soundness and reliability of the information provided in the proposal.

Innovation in battery cell manufacturing can be demonstrated in the final product performance (in terms of e.g. energy density, expected storage performance over lifetime, fast charging, long cycle life, reduced use of raw materials, circularity or uniqueness of technology) or in the battery manufacturing processes (in terms of e.g. innovative and more efficient process techniques, application of innovative digital technologies, integration of recycling of materials).

Projects aimed at scaling up innovative techniques, processes and technologies with a view to their broad roll-out and which contribute

³¹ The STEP seal is also referred to as the Sovereignty Seal; see *Article 4 of the STEP Regulation 2024/795*.


significantly to the decarbonisation of the sectors covered by Innovation Fund can be also considered innovative and therefore eligible for support.

 If the production process or product, 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 total (use phase and manufacturing carbon footprint) GHG emissions of the project and the total GHG emissions in the reference scenario during 10 years after entry into operation (calculation using the GHG emission avoidance calculator and following the [Guidance on the GHG emission avoidance methodology](#)).


For avoidance of doubt, the ‘manufacturing carbon footprint reduction’ is a subset of the absolute GHG emissions calculation. The absolute GHG emissions avoidance presents the sum of the project’s emissions avoidance in the manufacturing process plus emissions avoided in the use phase of the battery.

 In terms of scoring of this sub-criterion: the proposals with an absolute emission avoidance equal to the median 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 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, this proposal will receive 2 points and all other proposals will receive 1 point. In case there is only one proposal, 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 (calculation 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 (for avoidance of doubt, the quality of the calculation of the manufacturing carbon footprint reduction is also assessed under this criterion); whether the proposed action meets or not the minimum requirements in terms of:
 - the relative GHG emission avoidance must be:
 - at least 50%.

 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 or in case 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. Manufacturing carbon footprint reduction

- **Manufacturing carbon footprint reduction in relation to the reference case (15 points):** the difference between the expected GHG emissions of the project's manufacturing process and the GHG emissions of the manufacturing reference scenario, divided by the GHG emissions of the manufacturing reference scenario during 10 years after entry into operation (expressed in %; calculation using the GHG emission avoidance calculator and following the [Guidance on the GHG emission avoidance methodology](#)).

In terms of scoring of this criterion: The proposal that reaches the highest manufacturing carbon footprint emissions avoidance (expressed in %) and meets all the minimum thresholds for 'Degree of innovation', 'Project maturity' and 'Quality of the GHG emission avoidance calculation and minimum requirements' will receive a score of 15. Proposals that do not reach the minimum thresholds for 'Degree of innovation', 'Project maturity' or 'Quality of the GHG emission avoidance calculation and minimum requirements' will receive a score of 0. All other proposals will be given a score between 0 and 15 (rounded to the nearest half point), according to the linear proportion between zero and the highest manufacturing carbon footprint reduction (expressed in %) as determined above.

4. 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); 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, level 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 boundaries 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.

The project's demonstrated ability to reach financial close within 12 months and entry into operation within 36 months will be considered as advantageous grounds resulting in a higher score, provided that all other aspects of the project maturity criterion are addressed.

5. 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 materials³², 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; quality, soundness and reliability of the information provided in the proposal.
- **Replicability in terms of further deployment (5 points):** plans for project/technology/solution transfer to other sites (regionally or across the EU economy or globally where relevant), including potential for technology transfer beyond sector, where relevant; related expected additional emission avoidance; knowledge sharing plan outline; quality, soundness and reliability of the information provided in the proposal.
- **Contribution to Europe's industrial leadership and competitiveness (5 points):** supporting the European batteries ecosystem (components, including cathodes and anodes, from EU/EEA suppliers, machinery/manufacturing equipment from EU/EEA suppliers); creation of IP rights (patents) registered in Europe in the past five years or demonstrating batteries research activities in the EU/EEA, e.g. through on-going cooperation programmes with EU/EEA universities or research institutes); reduction of consumption of critical raw materials (EU list of critical raw materials³³), use of secondary raw materials, recycling or other strategies helping to reduce dependencies on critical raw materials; jobs created, trainings or other actions to develop know-how in Europe; quality, soundness and reliability of the information provided in the proposal.

Supporting the European batteries ecosystem and creation of IP rights or demonstrating batteries research in EU/EEA have higher importance.

³² https://ec.europa.eu/growth/sectors/raw-materials/areas-specific-interest/critical-raw-materials_en

³³ Ibidem.

6. Security of supply and countering dependency

- **Security of supply and countering dependency (15 points)**: degree of diversification of the supply of cathode active materials (CAM) and anode active materials (AAM) from China during **the project's monitoring period**: the less CAM and AAM the project will source from China, the better it can score; quality, soundness and reliability of the information provided in the proposal.

Projects that aim at expanding or converting existing facilities must demonstrate diversification of CAM and AAM sourcing from China, compared to existing operations over the last 2 years.

7. Cost efficiency

- **Cost efficiency ratio (3 points)**: cost effectiveness (ratio between requested grant and absolute GHG emission avoidance i.e. the sum of the calculated manufacturing and use phase emission reductions)



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

- The cost efficiency ratio is expressed as follows:

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

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 support³⁴ 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:
 - if the cost efficiency ratio is lower or equal than 200 EUR/t CO₂-eq, the points are calculated based on the following formula:


$$3 - (3 \times (\text{cost efficiency ratio} / 200))$$

³⁴ This can be support from other EU funding programmes or national funding (State aid). In terms of State aid, applicants should include here State aid (for example in in the form of grants, contracts for difference, and feed-in tariffs) requested or planned to request, and which have been included in the financial model. State aid in the form of fiscal or parafiscal measures or tariff reductions 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.


- 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 3.

- **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
 - 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.

Scoring

Award criteria	Minimum pass score	Maximum score	Weight
Degree of innovation	6	10	1
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	n/a
Manufacturing carbon footprint reduction	n/a	15	1
Project maturity			
Technical maturity	3	5	2
Financial maturity	3	5	2
Operational maturity	3	5	2
Total Project maturity	n/a	30	n/a

Replicability			
Replicability in terms of efficiency gains and of multiple environmental impacts	n/a	5	1
Replicability in terms of further deployment	n/a	5	1
Contribution to Europe's industrial leadership and competitiveness	n/a	5	2
Total Replicability	n/a	20	n/a
Security of supply and countering dependency	n/a	15	1
Cost efficiency			
Cost efficiency ratio	n/a	3	1
Quality of the cost calculation and minimum requirements	1.5	3	1
Total Cost efficiency	n/a	6	1
Total	n/a	108	n/a

Maximum points: 108 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.

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

If you pass the 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 (at the latest at financial close); evidence supporting the claims made under the **criteria 'Contribution to Europe's industrial leadership and competitiveness' and 'Security of supply and countering dependency'** (e.g. purchase agreements for cathode and anode and their active material or other main components or for production machinery/manufacturing equipment, for cathode and anode active material specifying their country of origin); evidence supporting the claims made under the **criterion 'Manufacturing carbon footprint reduction'** (e.g. purchase agreements for components imported into the project for which lower-than-default GHG values were claimed; purchase agreements (e.g. PPAs, HPAs, etc.) or evidence of a direct connection to renewable assets for claims on low- or zero carbon energy consumed; proof of the additional nature of the renewable electricity for claims on the use of additional renewable electricity) (all at financial close).

Renewable electricity shall be considered as additional if the installation generating the renewable electricity came into operation not earlier than 36 months before the entry into operation of the manufacturing project.

- 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 (at least 2 months before entry into operation); 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); evidence supporting the

claims made under the sub-criterion '**Contribution to Europe's industrial leadership and competitiveness**' (e.g. a self-declaration from the supplier on production machinery/manufacturing equipment, contracts showing cooperation with research body, description of activities reducing consumption of critical raw materials, trainings to be launched, etc) (all 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 (including manufacturing carbon footprint reduction); annual report on battery cells output (in kWh) and in terms of quantity and key performance parameters (including on their EU/EEA-originating content); self-declarations from the suppliers on the origin of cathode and anode active materials (including which parts, if any, come from China) (at the end of the first year of operation); 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 (including manufacturing carbon footprint reduction); annual report on battery cells output (in kWh) and in terms of quantity and key performance parameters (including on their EU/EEA-originating content); self-declarations from the suppliers on the origin of cathode and anode active materials (including which parts, if any, come from China) (at the end of the second year of operation).
- WP N – Last Year of Operation
 - Milestone triggering payment (mandatory): end of last year of operation
 - Deliverables (mandatory): annual GHG emission avoidance report (including manufacturing carbon footprint reduction); annual report on battery cells output (in kWh) and in terms of quantity and key performance parameters (including on their EU/EEA-originating content); self-declarations from the suppliers on the origin of cathode and anode active materials (including which parts, if any, come from China); verified GHG emission avoidance report over the entire monitoring period; verified manufacturing carbon footprint reduction GHG report over the entire monitoring period; updated knowledge sharing report and updated knowledge sharing plan; final report on the fulfillment of claims made under the criteria '**Degree of Innovation**', '**Replicability**' and '**Security of supply and countering dependency**' and, in particular, the EU/EEA patent registration requirement for new patents resulting from the action set out in section 2 (all at the end of the last year of operation).

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 contributions³⁵


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

³⁵ [Decision](#) of 02 July 2020 authorising the use of lump sums for projects under the Innovation Fund.

 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 capital or operating costs and revenues, such as the carbon or energy prices, have changed significantly and decreased the relevant costs below the amount of the grant, you may be asked to request an amendment to reduce the maximum 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*).

 The claims under the **criteria 'Degree of innovation', 'Contribution to Europe's industrial leadership and competitiveness' and 'Security of supply and countering dependency'** and, in particular, the EU/EEA patent registration requirement for new patents resulting from the action set out in section 2 must be fulfilled. If this cannot be demonstrated at the end of the action, the grant may be reduced (*see art 28*).

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



Funded by the European Union

Emissions Trading System
Innovation Fund



Co-funded by the European Union

Emissions Trading System
Innovation Fund

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 EU Login 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 may 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 defence 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: <ul style="list-style-type: none"> - 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.
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.
Operating costs	Please refer to the Guidance on the relevant cost methodology since certain elements of OPEX are not eligible under relevant cost.
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 period of time from the start to the end of a project and is not 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 project lifetime.

Subcontractor	Economic operator that is proposed by a beneficiary/affiliated entity to perform part of the action tasks.
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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 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.

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.

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 prejudice their ability to obtain patent or other registered intellectual property right protection.**

Annex 3

Minimum requirements for documentation on project funding support and project contract terms

1. Project funding support

The purpose of the documents is to demonstrate credible commitment from project stakeholders (project shareholders, project lenders or 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 for proposals falling under 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 it is 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 recommended best practice to evidence the credibility of the assumptions made in the application. Confirmation of funding support from the project shareholders is essential for proposals with low profitability.

 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.

2. Project contract terms


Project contract terms — drafted in accordance with the minimum requirements set out below; the documents should demonstrate the credibility of the business plan 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/supply/construction preliminary contract terms, the documents provided should ideally 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

Clarification on relationship between project scope and GHG methodology
(for manufacturing carbon footprint)

Mandatory project scope	Optional additional project scope	Outside project scope	Outside project scope	Outside project scope
Related costs are eligible.	Related costs are eligible.	Related costs are not eligible.	Related costs are not eligible.	Related costs are not eligible.
Included in the methodology for GHG emission avoidance calculation.	Included in the methodology for GHG emission avoidance calculation.	Included in the methodology for GHG emission avoidance calculation.	Included in the methodology for GHG emission avoidance calculation.	Not included in the in the methodology for GHG emission avoidance calculation.
EVs battery cells production	<p>Upstream component production (not exceeding 100% of the project's battery cell production capacity) such as:</p> <ul style="list-style-type: none"> • cathode precursor material production (pCAM) • cathode active material (CAM), • anode active material (AAM), • electrolyte, • separator <p>Battery or battery recycling material (not exceeding 100% of the project's</p>	<ul style="list-style-type: none"> • mining raw materials • processing and refining of raw materials • upstream components imported into the project (i.e. not produced within project scope) 	<ul style="list-style-type: none"> • battery module and pack production • battery application production 	<ul style="list-style-type: none"> • upstream component production exceeding 100% of the project's battery cell production capacity • battery or battery recycling material (exceeding 100% of the project's battery cell production capacity)

	battery cell production capacity)			
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