

Innovation Fund

Deploying net zero technologies for climate neutrality

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INNOVATION FUND

Deploying innovative net-zero technologies for climate neutrality

Funded by the EU Emissions Trading System



€40 billion* available between 2020-2030

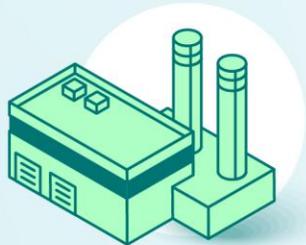


grants awarded through regular calls and auctions



avoid GHG emissions, boost competitiveness

supporting innovation in:



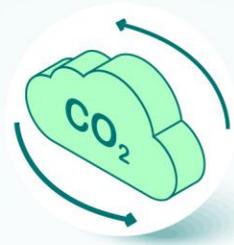
Energy-intensive industries



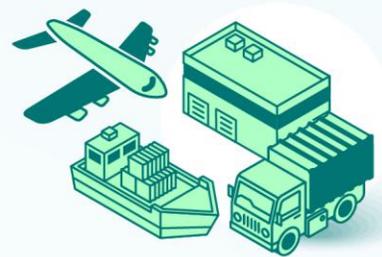
Renewable energy



Energy storage



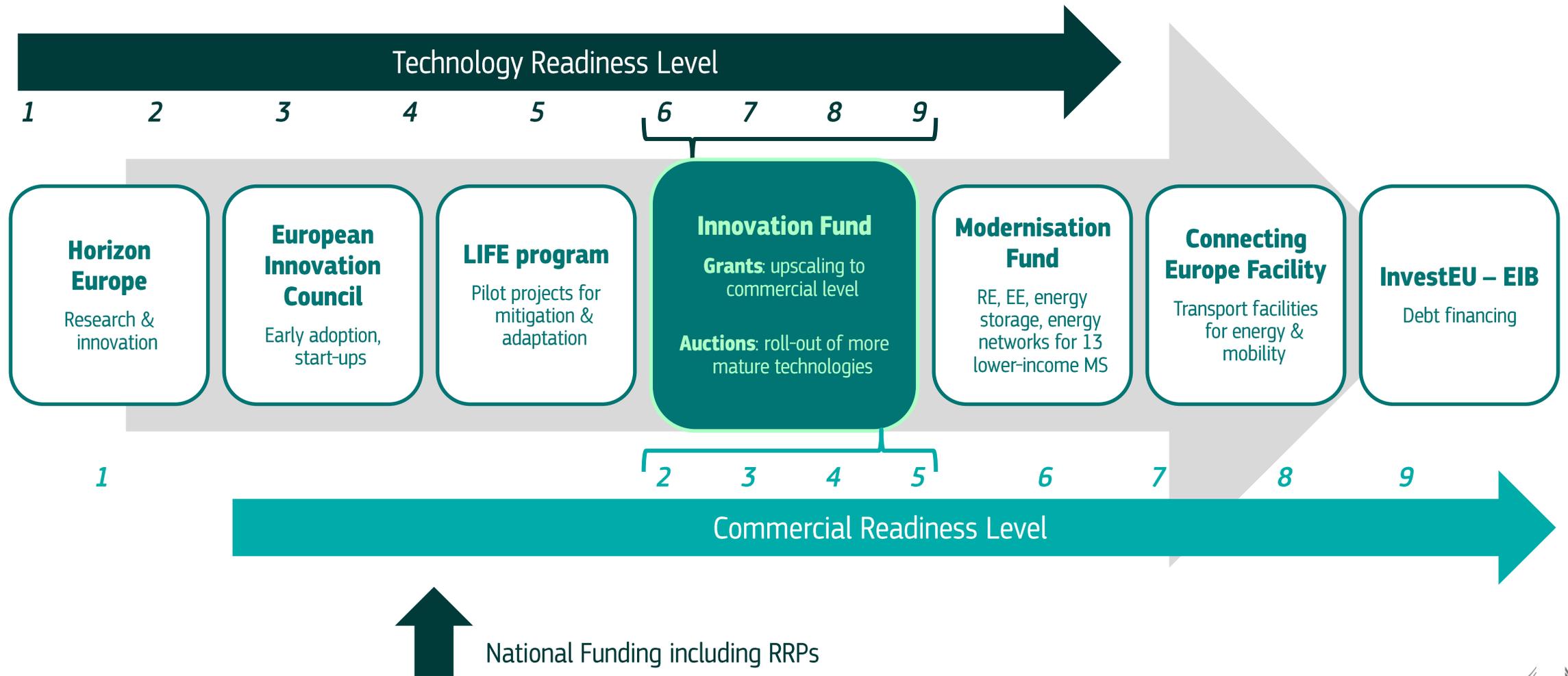
Carbon capture, use and storage



Net-zero mobility and buildings

*based on a carbon price of €75/tonne

A targeted project portfolio



TRL & CRL are indicative



Innovation Fund portfolio

Ongoing projects + Projects from IF24 calls*



276 projects

197 ongoing +
79 under GAP



~€15.8 billion

€11.8 billion allocated
+ €4 billion under GAP



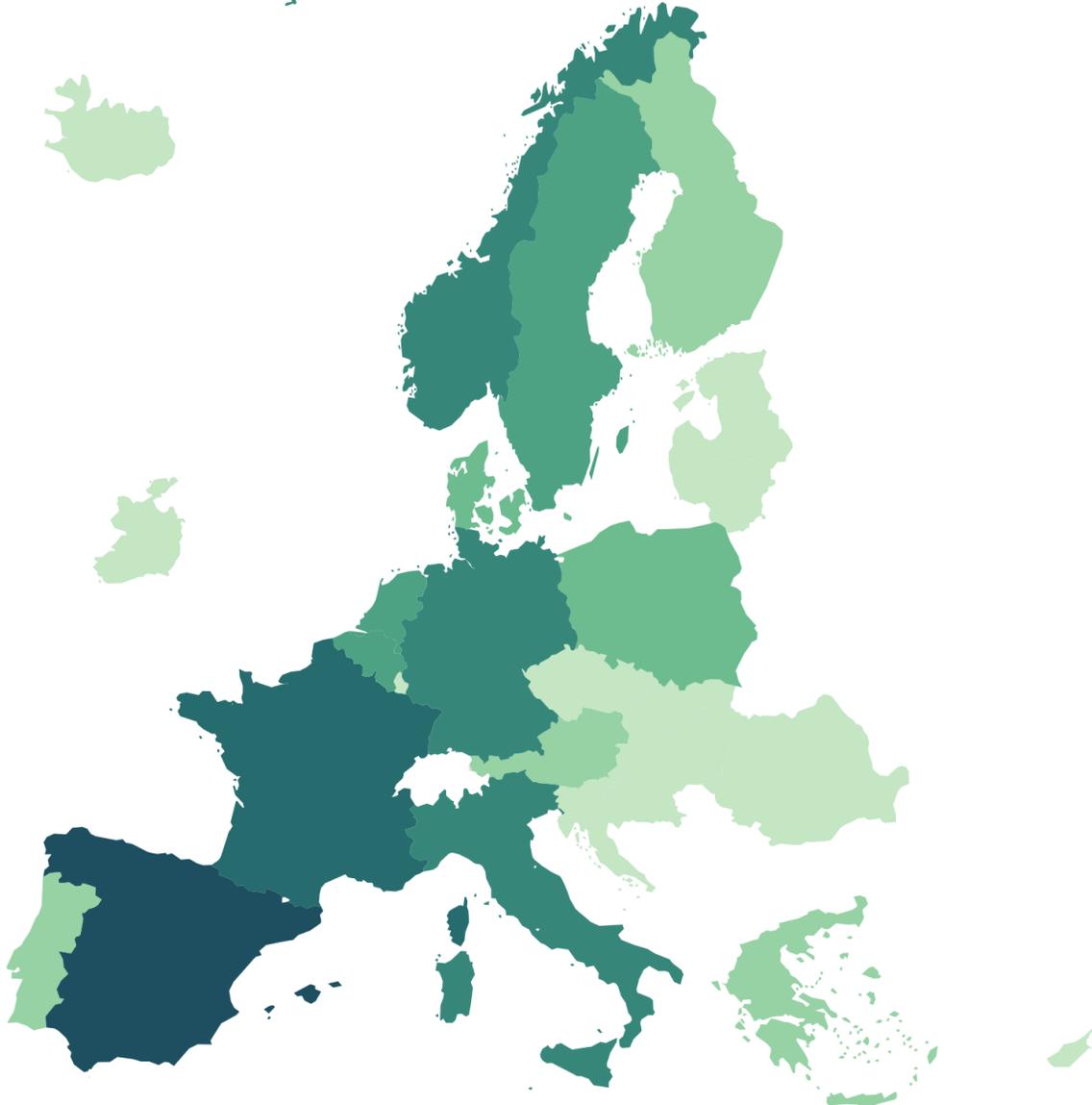
~1 160 MtCO₂e

to be avoided



28

countries



New country in portfolio: Romania



GAP: Grant Agreement Preparation

*Projects ongoing as of 30/09/2025, recently signed IF24-Batt and projects from IF24 calls (IF24-RFNBO-AUC + IF24 NZT)

IF portfolio in the Iron&Steel sector

Project	Acronym	Call	Coordinator	Location	IF grant (EUR)
101156745	<u>CUSTARD</u>	2022 Small-scale	ACCIAIERIE BERTOLI SAFAU	Italy	4,500,000
101038915	<u>EB UV</u>	2020 Small-scale	ARCELORMITTAL CONSTRUCTION FRANCE	France	2,400,000
101051316	<u>HYBRIT demonstration</u>	2020 Large-scale	HYBRIT DEVELOPMENT	Sweden	143,000,000
101191414	<u>LowCO2bars</u>	2023-NZT- GENERAL-SSP	Ferriera Valsabbia S.p.A.	Italy	7,450,000
101191132	<u>SPACE</u>	2023-NZT- GENERAL-MSP	VOLVO POWERTRAIN AKTIEBOLAG	Sweden	49,404,941
101133206	<u>STEGRA</u>	2022 Large-scale	STEGRA AB	Sweden	250,000,000
101191086	<u>ZESTA</u>	2023-NZT- GENERAL-LSP	ARCELORMITTAL BELGIUM NV	Belgium	262,095,000

Decarbonisation pathways

Large- scale projects (ZESTA, STEGRA and HYBRIT demonstration) focus on decarbonising I&S most carbon-intensive processes e.g., by replacing coke-fueled blast furnaces (BF) with direct reduced iron (DRI) and using hydrogen as the primary reducing agent. This transition is complemented by the electrification of steelmaking, shifting from basic oxygen furnaces (BOF) to electric arc furnaces (EAF).

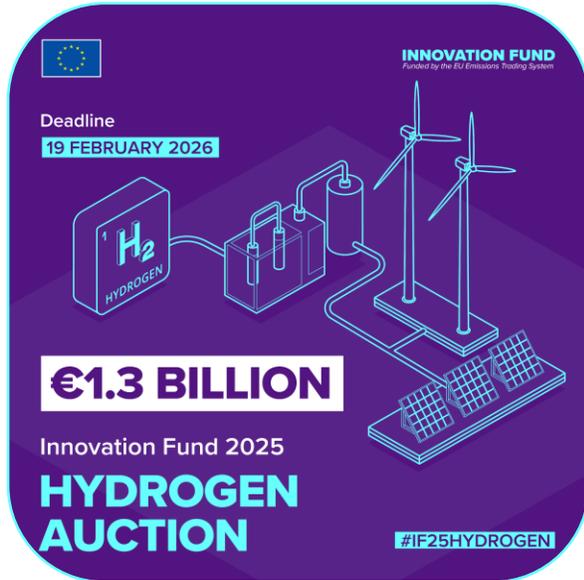
Medium/Small-scale projects are focused on decarbonising specific processes by electrification (EB UV, LowCO2bars and SPACE) or hydrogen use. Solutions proposed also include carbon capture and utilisation (CUSTARD).

- CUSTARD
- EB UV
- HYBRIT demonstration
- LowCO2bars *
- STEGRA
- SPACE*
- ZESTA*

Iron & steel

Sector	Project	Main decarbonisation pathway	Final product
Iron & Steel 	CUSTARD	Carbon capture and use (CCU)	Sodium bicarbonate
	EB UV	Electrification	Solvent-free coating
	STEGRA	H2 & change in process	Steel
	HYBRIT demonstration		
	LowCO2bars	Electrification	Steel bars
	SPACE	Electrification + H2	Casted Iron
	ZESTA	H2 & change in process + CCU	Steel

Which call should you apply for?



IF25 Hydrogen Auction

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



IF25 Industrial Heat Auction

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



IF25 NZT Call

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

[Q&A](#)

[Funding and tenders portal](#)



IF25- CALLS – additional information



IF25 H2 AUCTION

Closing date: 19/02/2026
Budget: € 1.3 billion

Info day [recording](#) and [presentation](#)

[Q&A](#)
[Funding and tenders portal](#)

IF25 HEAT AUCTION

Closing date: 19/02/2026
Budget: € 1.0 billion

Info day [recording](#) and [presentation](#)

[Q&A](#)
[Funding and tenders portal](#)

IF25 NZT

Closing date: 23/04/2026
Budget: € 2.9 billion

Info day recording and presentation

[Q&A](#)
[Funding and tenders portal](#)

Information on IF NZT 25 and updates

IF25 NZT call in a nutshell



Launch 4 Dec. 2025
Deadline 23 April 2026
Results Q4 2026



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



Five topics

AWARD CRITERIA

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

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

GRANT DISTRIBUTION

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

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

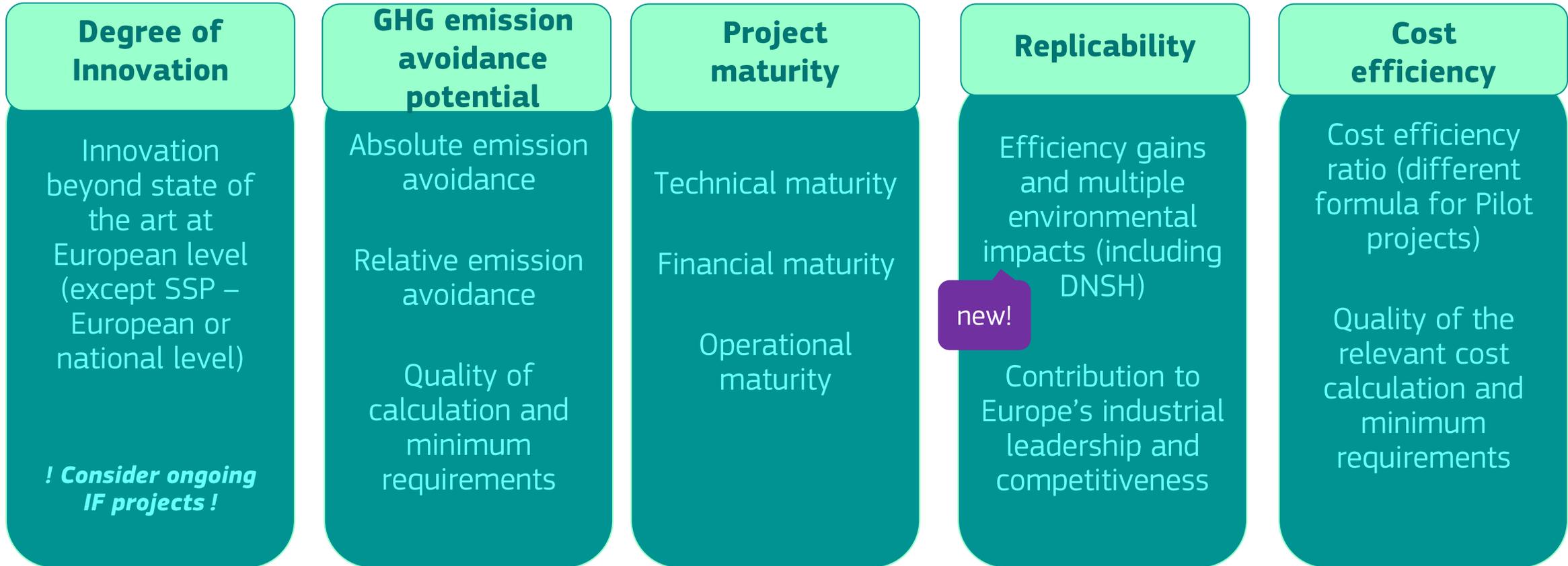


IF25 NZT call – Topics

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



IF25 NZT call award criteria



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

new!

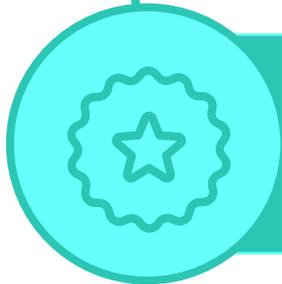


Limited changes compared to IF24 NZT call



DNSH compliance

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



Changes in the Bonus Points – New Bonus Point for SMEs

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



Refinements and clarifications

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

A focus on Pilot Projects Topic

Pilot Projects Topic

Objectives



Highly innovative, disruptive or breakthrough technologies for deep decarbonisation needed for achieving the climate neutrality goal

Activities that can be funded



Innovation in sectors listed in Annex I and Annex III to the EU ETS Directive 2003/87, including environmentally safe carbon capture and utilisation (**CCU**)



Products substituting carbon-intensive ones produced in sectors listed in Annex I to the EU ETS



Construction and operation of innovative **energy storage, CO2 storage and renewable energy installations**, including electricity/heat grid connections

Pilot Projects Topic

Important Aspects



Higher degree of innovation is expected (Degree of Innovation points have a weight of two)



Appropriate scale required, adequate to demonstrate the intended innovation at a pre-commercial stage



Possibility to addressing technical risks linked to the innovative technologies, such as **optimising process and operational parameters**, and **enhance final product characteristics**



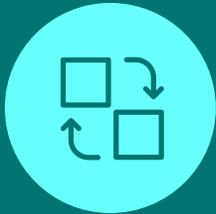
Prove an **innovative technology at pilot scale** in an operational environment, but **must not yet reach** large-scale demonstration or commercial production



Limited production/operation for testing purposes is possible but not required, including delivery to/from potential customers for validation

Pilot Projects Topic

Important Aspects



Full-scale and commercial deployment projects should not apply to this topic



Demonstrate **Project viability** rather than project profitability



Typically projects with **limited life-time (3-5 years)** but illustrating a strategy for the technology to progress to large-scale demonstration or first-of-a-kind commercial production, after demonstration at pilot scale

To be demonstrated under the replicability award criterion



Potential to be fully compatible with a 2050 climate neutrality objective, i.e., pilot installations should have minimal residual emissions or result in net carbon removals

Pilot Projects Topic



Financial close within two (2) years and entry into operation within four (4) years may earn a higher score in project maturity



Minimum operation: **three (3) years after entry into operation**



Minimum thresholds that need to be fulfilled:

- Relative **GHG emission avoidance: min 75%**
- Less stringent requirements for **cost efficiency: max 2000 €/t CO₂eq**
- Maximum grant: **€40 million**

How to apply?

Tutorials

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

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

GHG methodology

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

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

GHG calculation

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

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

Additional supporting material

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

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

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

Check all relevant information to apply

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



Thank you



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