COMMISSION DELEGATED REGULATION (EU) 2021/1204

of 10 May 2021

amending Delegated Regulation (EU) 2019/856 as regards the application and selection procedures under the Innovation Fund

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a system for greenhouse gas emission allowance trading within the Union and amending Council Directive 96/61/EC ([1]), and in particular Article 10a(8), fourth subparagraph, thereof,

Whereas:

(1) Commission Delegated Regulation (EU) 2019/856 ([2]) lays down rules on the operation of the Innovation Fund. It establishes a two-phase application procedure comprising an expression of interest and the full application.

(2) While the two-phase application procedure has the advantage of reducing the administrative burden for project proponents in the first phase, it increases the period between the submission of applications and the provision of funding to successful projects. The experience with the first call for proposals, where a high number of applications were received at different stages of project maturity, showed the need to reduce that period in order to allow providing timely support to mature projects. Reducing that period would also be beneficial in the context of economic recovery where investments in scaling-up of clean technologies need to be mobilised quickly.

(3) It is therefore necessary to provide for a one-phase application procedure comprising the full application without the phase of expression of interest. The Commission should be able to choose between the two-phase application procedure and the one-phase application procedure as appropriate when deciding on the launching of the calls for proposals.

(4) Delegated Regulation (EU) 2019/856 provides for project development assistance for projects that do not meet the project maturity criterion set out in Article 11(1), point (c), of that Regulation, but which have the potential to meet that criterion. In accordance with Article 13(2) of Delegated Regulation (EU) 2019/856 that assistance may only take the form of a grant. In order to facilitate further development of those projects, it is necessary to allow such assistance to be provided also in the form of technical assistance.

(5) Delegated Regulation (EU) 2019/856 should therefore be amended accordingly,

HAS ADOPTED THIS REGULATION:

Article 1

Amendments to Delegated Regulation (EU) 2019/856

Delegated Regulation (EU) 2019/856 is amended as follows:

(1) in Article 9, paragraph 2 is amended as follows:

(a) point (d) is replaced by the following:

([1]) OJ L 275, 25.10.2003, p. 32.

([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).

'(d) a description of the application procedure, specifying whether a one-phase or two-phase procedure applies, and a detailed list of information and documentation to be submitted with the application;';

(b) point (f) is replaced by the following:

'(f) where small-scale projects are subject to a simplified application procedure in accordance with Article 10(4) and to a specific selection procedure in accordance with Article 12b, the rules on those specific procedures;';

(2) Article 10 is amended as follows:

(a) paragraph 1 is replaced by the following:

'1. The implementing body shall collect the applications and organise the application procedure as determined pursuant to Article 9(2), point (d).';

(b) paragraphs 2 and 3 are replaced by the following:

'2. The two-phase application procedure shall consist of the following subsequent phases:

(a) the expression of interest phase;

(b) the full application phase.

At the expression of interest phase, the project proponent shall submit a description of key project characteristics in line with the requirements laid down in the relevant call for proposals, including the description of the project's effectiveness, degree of innovation, and maturity as specified in Article 11(1), points (a), (b) and (c).

At the full application phase, the project proponent shall submit a detailed description of the project and all supporting documentation, including the knowledge-sharing plan.

3. Where the one-phase application procedure applies, the project proponent shall submit a full application as described in paragraph 2, third subparagraph.';

(3) Article 12 is amended as follows:

(a) the title of Article 12 is replaced by the following:

'**Selection procedure for the two-phase application procedure**';

(b) paragraph 6 is deleted;

(4) the following Articles 12a and 12b are inserted:

'Article 12a

Selection procedure for the one-phase application procedure

1. Based on the applications received, the implementing body shall assess, for each project, the eligibility in accordance with Article 10a(8) of Directive 2003/87/EC. The implementing body shall then proceed with the selection of eligible projects under paragraphs 2 and 3 of this Article.

2. Based on the applications received, the implementing body shall draw up a list of the projects that meet the selection criteria laid down in Article 11 and shall proceed with the project evaluation and ranking based on the selection criteria laid down in that Article. For the purposes of that evaluation, the implementing body shall compare the projects with the projects in the same sector as well as with projects in other sectors. At the end of the evaluation, the implementing body shall draw up a list of pre-selected projects.

3. Where the implementing body concludes that a project meets the selection criteria laid down in Article 11(1), points (a), (b), (d) and (e) and, where applicable, the selection criterion established in accordance with Article 11(2), but does not meet the criterion laid down in Article 11(1), point (c), the implementing body shall assess whether that project has the potential to meet that selection criterion if further developed. Where the project has such a potential, the implementing body may award project development assistance to the project concerned or, where the Commission awards project development assistance, propose to the Commission to award project development assistance to the project.

4. The list of pre-selected projects referred to in paragraph 2 and, where applicable, the suggestion referred to in paragraph 3 shall be communicated to the Commission and shall include at least the following:

(a) a confirmation of the compliance with the eligibility and selection criteria;

(b) details on project evaluation and ranking;

(c) total project costs and relevant costs referred to in Article 5, in euro;

(d) the request for the total Innovation Fund support in euro,

(e) the projected amount of greenhouse gas emissions to be avoided;

(f) the projected amount of energy to be produced or stored;

(g) the projected amount of CO_2 to be stored;

(h) information on the legal form of the Innovation Fund support requested by the project proponent.

5. On the basis of what was communicated pursuant to paragraph 4 of this Article, the Commission shall, after consulting the Member States in accordance with Article 21(2), adopt the award decision specifying the support to the selected projects and, where appropriate, draw up a reserve list.

Article 12b

Selection procedure for small-scale projects

By derogation from Articles 12 and 12a, a specific selection procedure may be applied to small-scale projects.';

(5) in Article 13, paragraph 2 is replaced by the following:

'2. The project development assistance shall be awarded by the Commission or by the implementing body in accordance with Article 12(2) or 12a(3) in the form of a grant or a technical assistance.';

(6) Article 21 is amended as follows:

(a) in paragraph 2, point (a) is replaced by the following:

'(a) the list of the pre-selected projects, including the reserve list, and the list of projects proposed for project development assistance in accordance with Article 12(2), second subparagraph, or Article 12a(3), prior to the award of the support;';

(b) paragraph 4 is replaced by the following:

'4. The Commission shall report to the Member States on the progress made in implementing this Regulation, in particular on the implementation of award decisions referred to in Article 12(5) or Article 12a(5).';

(7) in Article 27, paragraph 4 is replaced by the following:

'4. The project proponents shall provide detailed information on the planned actions in accordance with paragraphs 1 and 2 of this Article in the knowledge-sharing plan submitted in accordance with Article 10(2), third subparagraph.'.

Article 2

Entry into force

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 10 May 2021.

For the Commission
The President
Ursula VON DER LEYEN