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REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL

on the implementation of the Innovation Fund in 2024

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Under Article 10a(8) of the EU ETS Directive, the European Commission must report annually to the Climate Change Committee on the implementation of the Innovation Fund ('the Fund'), which aims to bring solutions to decarbonise sectors covered by the EU Emissions Trading System (EU ETS) to market across the European Economic Area (EEA). This funding instrument supports the deployment of innovative technologies and flagship projects that promise significant greenhouse gas (GHG) emission reductions and can demonstrate 'clean industry' business cases. It was designed as part of the European Green Deal and in line with the goals of the Paris Agreement to support Europe's transition to climate neutrality while bolstering its competitiveness.

The Fund supports projects through lump sum grants (regular grants) and unit contributions (auctions).

This report details the allocation of funding awarded to projects by sector and eligible country and analyses their contributions to EU policy objectives, covering the Fund's implementation from 1 January to 31 December 2024.

1. PROJECT PORTFOLIO CONTRIBUTIONS TO THE EU'S CLIMATE NEUTRALITY OBJECTIVES

The Green Deal Industrial Plan aims to increase the competitiveness of Europe's net-zero industry, in particular through the Net-Zero Industry Act (NZIA), which sets goals for net-zero industrial capacity and accelerates the deployment of such capacity. The Fund directly supports these policies by introducing a dedicated topic for clean tech manufacturing with EUR 1.4 billion in budget under the IF23 NZT call for regular grants. Overall, this has led to the Fund supporting a robust portfolio ([1]) of projects to promote the manufacturing of key technologies in the transition to climate neutrality. In total, 25 new clean tech manufacturing projects have been selected in the IF23 NZT call, in addition to the 15 existing projects focused on developing, building and operating manufacturing plants for key components in energy storage, renewable energy and energy-intensive industries.

(i) This will bring the Fund's total support for EU net-zero manufacturing ([2]) to EUR 2.4 billion. These projects aim to install 8.1 GW per year of solar PV manufacturing capacity and 11.6 GW per year of electrolyser production capacity.

(ii) In total, 41 innovation projects and more than EUR 5 billion from the Innovation Fund have been dedicated to supporting industrial carbon management since 2020. This includes up to 18.6 million tonnes per year of CO_2 capture capacity for carbon capture and storage (CCS) (which could meet 37% of the CO_2 injection capacity target under the Net-Zero Industry Act) and up to 11.7 million tonnes per year of CO_2 injection capacity (23% of the CO_2 injection capacity target under the Net-Zero Industry Act).

The Fund will also increase the share of renewables in the electricity mix and improve energy security by supporting targeted technology deployments outlined in the revised Renewable Energy Directive, the European wind power action plan and the strategy to deliver on the EU offshore renewable energy ambitions. Including IF23-selected projects, the Innovation Fund supports 11 wind or wind manufacturing projects (granting EUR 375 million in aid), 14 solar and solar manufacturing projects (EUR 607 million), five hydro and ocean projects (EUR 118 million) and one geothermal project (EUR 92 million).

([1]) IF23-awarded projects are included in the 2024 report although they signed their grant agreement in early 2025.

([2]) Projects in Innovation Fund sectors manufacturing components for renewable energy, energy storage or energy-intensive industry.

The REPowerEU plan highlights hydrogen produced using renewable electricity, known as 'RFNBO ([3]) hydrogen', as a climate-neutral option for hard-to-decarbonise sectors. The Fund supports the demonstration of innovative renewable hydrogen-based technologies and thus plays an essential role in delivering the EU hydrogen strategy. With the announced and existing IF23 results, funding is granted to 27 projects with the capacity to produce more than 750 kilotonnes of RFNBO and low-carbon hydrogen per year.

Energy storage is key both for the mobility sector and for balancing electricity supply at grid level. The Innovation Fund has granted EUR 752 million to 13 projects for mobility, intraday and long-term storage. These include thermal energy storage in granite rocks, underground heat storage for district heating systems, grid-scale battery energy storage systems (BESSs) and pumped hydro storage.

The Fund also supports the development of alternative fuels, in line with the Regulations on ReFuelEU Aviation and FuelEU Maritime:

(i) EUR 1.6 billion for fuel projects, including EUR 612 million for fuel produced exclusively for the transport sector. These include 14 hydrogen (EUR 522 million), five e-methanol (EUR 273 million), three ammonia (EUR 530 million), two SAF (EUR 206 million), two e-methane (EUR 87 million) and one bio-LNG (EUR 4 million) projects.

(ii) Eight projects focused on mobility aim to avoid 27 million tCO_2-eq. These include six projects in the maritime sector receiving dedicated support of EUR 211 million and EUR 95 million in funding for an electric aircraft.

Lastly, the Fund's projects display significant potential to help meet the European Climate Law's goals of reducing GHG emissions by 963 Mt CO_2-eq over 10 years ([4]). Given the high replicability potential of the technologies deployed, this will be a substantial contribution to making Europe the first climate-neutral continent in the world by 2050.

At the end of 2024, the Innovation Fund had signed or selected 199 projects across 26 countries, allocating a total of EUR 11.2 billion in support.

The table below provides an overview of these projects by category:

	IF23-selected		Existing portfolio		Combined	
	Count	**Funding**	**Count**	**Funding**	**Count**	**Funding**
Carbon capture and geological storage (CCS)	8	€936 160 409	12	€1 987 720 372	20	€2 923 880 781
Energy-intensive industries (EIIs)	39	€1 831 432 232	61	€3 278 349 963	100	€5 109 782 195
Energy storage (ES)	12	€1 099 273 509	16	€374 380 998	28	€1 473 654 507
Renewable energy storage (RES)	18	€524 228 263	25	€799 278 346	43	€1 323 506 609
Mobility (MOB)	8	€377 956 916	0	€-	8	€377 956 916
Total	**85**	**€4 769 051 328**	**114**	**€6 439 729 680**	**199**	**€11 208 781 008**

([3]) Renewable fuel of non-biological origin.

([4]) Including IF23-selected projects.

2. 2024 IMPLEMENTATION MILESTONES

2.1. Grant calls

2.1.1. IF23 NZT call results

On 12 April 2024 the Directorate-General for Climate Action (DG CLIMA) announced that 337 proposals from 27 countries had been submitted under the 2023 Innovation Fund call for proposals for net-zero technologies (IF23 NZT call) ([5]). The helpdesk was opened during the proposal submission period and answered 1 106 questions from applicants.

The proposals, which aim to reduce GHG emissions by nearly 1.4 billion tCO_2-eq over their first 10 years of operation, applied for EUR 24.6 billion in total (more than six times the available budget). The unprecedented level of participation in the IF23 call confirms the crucial role the Fund plays in supporting European clean tech front runners and scaling up the EU's manufacturing capacity for net-zero technologies.

The number of proposals received for each eligible **topic** varies:

(i) 137 for general large-scale,
(ii) 56 for clean tech manufacturing,
(iii) 51 for general medium-scale and pilots,
(iv) 42 for general small-scale.

Under clean tech manufacturing, most proposals applied for the manufacturing of components for hydrogen production. The rest applied for the battery value chain and for renewable energy: solar, wind and heat pumps.

In the mobility ([6]) category (10% of the number of proposals received), more than 70% of proposals applied for the maritime sector.

On 23 October 2024, at the end of the evaluation procedure, DG CLIMA announced it was investing nearly EUR 4.8 billion of emissions trading revenue in 85 projects selected from 18 countries ([7]). These projects should enter into operation before 2030 and could reduce GHG emissions by about 476 million tCO_2-eq over their first 10 years of operation.

The number of projects selected for each eligible **category** varied:

(i) 47 for energy-intensive industries, including carbon capture, use and storage (out of 204 proposals received),
(ii) 18 for renewable energy (out of 65),
(iii) 12 for energy storage (out of 35),
(iv) 8 for mobility, including maritime, air and road transport (out of 34).

For the first time, all 149 projects that successfully passed the evaluation received the STEP Seal, a new quality label awarded to high-quality projects contributing to the objectives of the Strategic Technologies for Europe Platform (STEP). In addition to the 85 projects preselected for funding, 64 projects that scored above all evaluation thresholds but were not selected for funding also

([5]) The IF23 call was launched on 23 November 2023 with an available budget of EUR 4 billion, including EUR 1.4 billion specifically for clean tech manufacturing projects.
([6]) This new category was added to comply with the 2023 revision of the EU ETS Directive.
([7]) Now including Estonia and Slovakia. The number of projects selected may change after the grant agreement has been drawn up.

received the seal. This will make it easier for them to access further opportunities for public and private support.

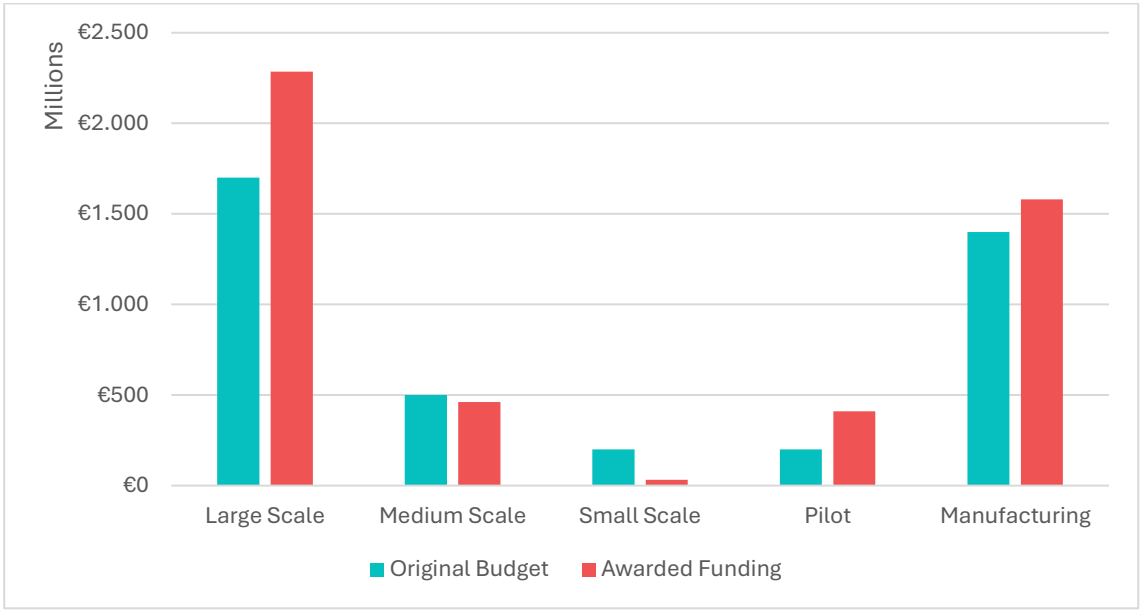


Figure 1: Grant value awarded and original budget of projects by call topic (IF23 NZT)[8]

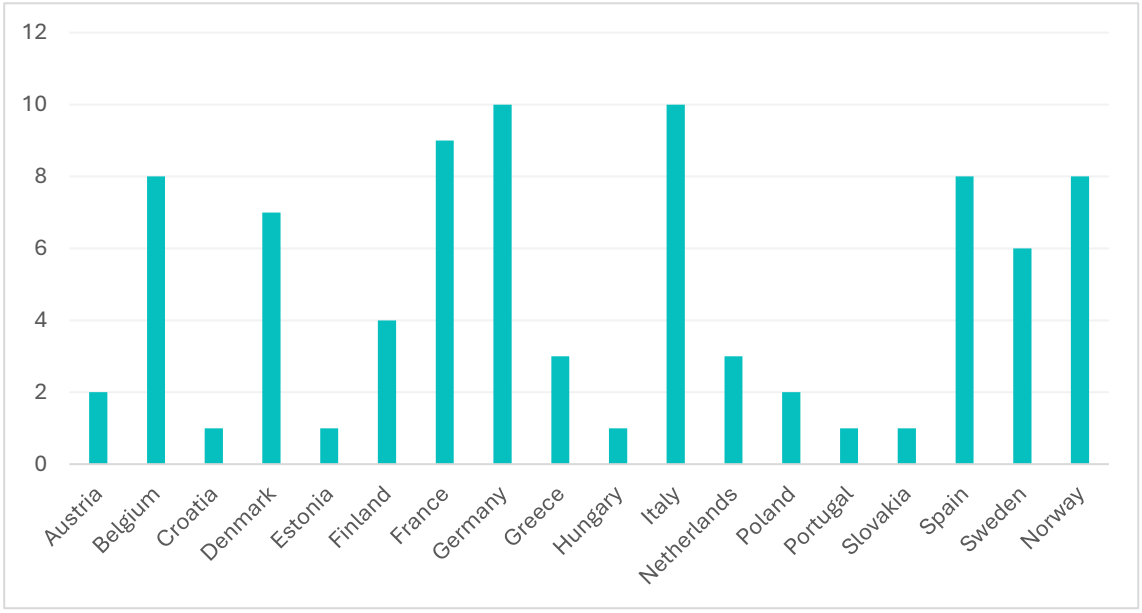


Figure 2: Number of projects selected for funding by first location country (IF23 NZT)

([8]) Under Article 3 of the Commission Decision on the financing of actions under the Innovation Fund, an increase of up to 20% above the maximum contribution is allowed. This was used due to the high quality of applications received in the call.

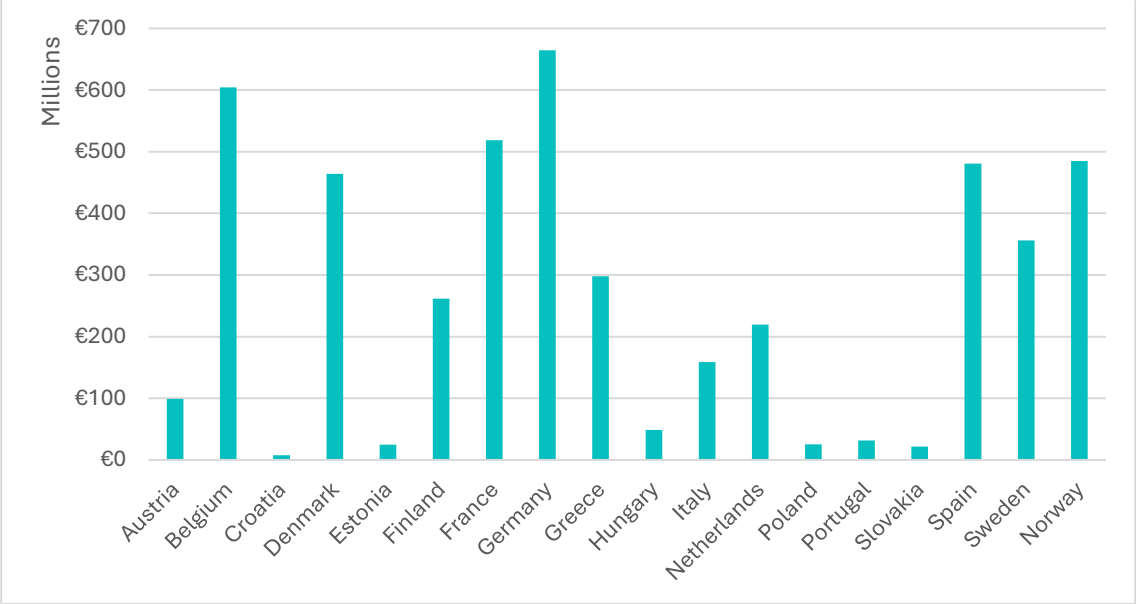


Figure 3: Grant value awarded for projects by first location country (IF23 NZT)

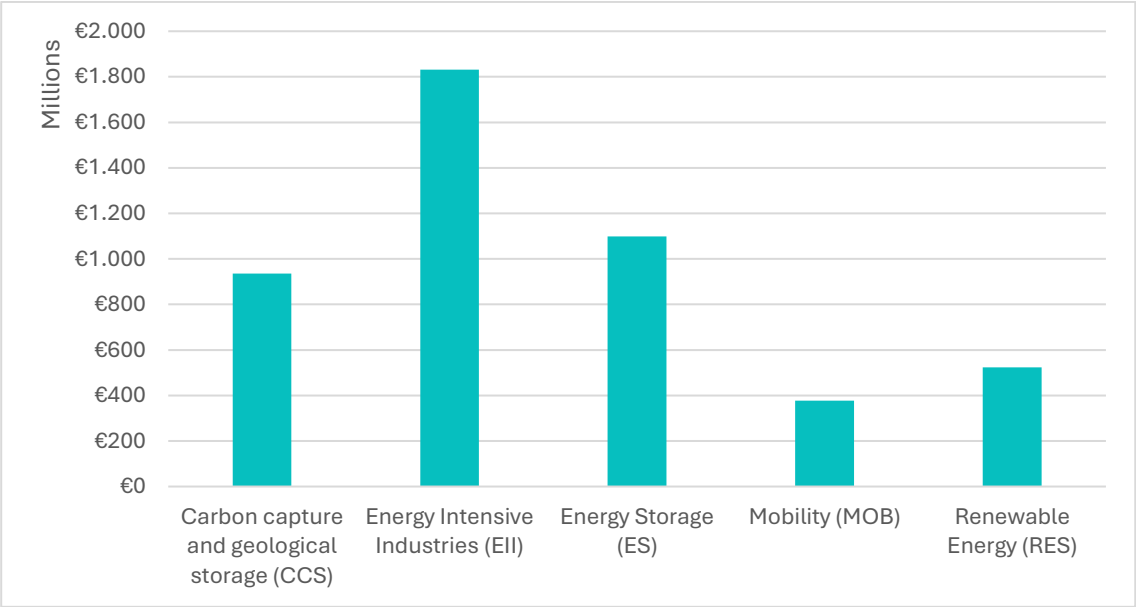


Figure 4: Grant value awarded by project category

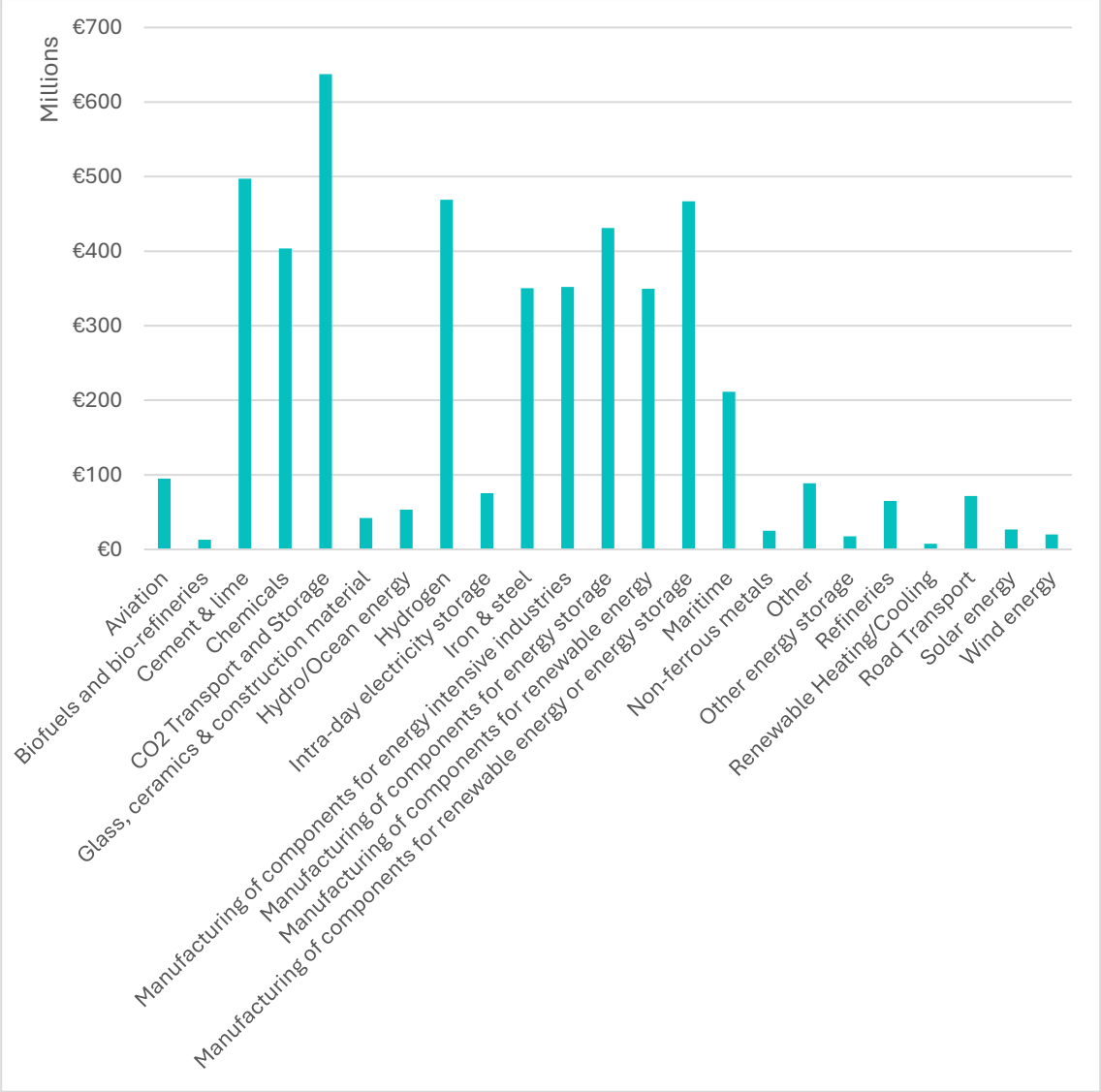


Figure 5: Grant value awarded by project sector

2.1.2. Launch of the IF24 calls

On 3 December 2024 the Commission launched the 2024 Innovation Fund calls, with EUR 4.6 billion earmarked to boost net-zero technologies, electric vehicles, battery cell manufacturing and renewable hydrogen.

The overall budget was split into three calls for proposals:

(i) EUR 2.4 billion available for net-zero technologies (IF24 NZT call),
(ii) EUR 1 billion available for electric vehicle battery cell manufacturing (IF24 battery),
(iii) EUR 1.2 billion for the production of renewable hydrogen ([9]) (IF24 auction).

All three calls include **new resilience criteria** to support REPowerEU and protect the EU from dependency on a single supplier.

The **IF24 NZT call** aims to support both decarbonisation projects of different scales and projects focusing on the manufacturing of components for renewable energy, energy storage, heat pumps and hydrogen production. Projects will be assessed on the basis of their GHG reduction potential,

([9]) Categorised as renewable fuels of non-biological origin (RFNBO).

degree of innovation, project maturity, replicability and cost-efficiency. For the first time, countries were also able to supplement the overall budget of regular calls with national funding schemes for decarbonisation and clean energy generation projects ([10]). This new option, called '**Grants-as-a-Service'**, allows eligible countries to draw on the Innovation Fund's evaluation process and streamline the State aid approval process.

The **IF24 battery** call is a novelty. It aims to bolster the EU's battery manufacturing industry by supporting projects that produce innovative electric vehicle battery cells. Selected projects will support **the EU's transition to a clean, competitive and resilient industrial base**, reducing dependence on imports and fostering the development of clean technologies and industrial leadership.

On 17-18 December 2024, CINEA and CLIMA organised online info days to present the key features and award criteria of the two calls and lessons learned from previous calls. Project promoters had until 24 April 2025 to apply. Successful applicants are expected to sign grant agreements by the first quarter of 2026.

The **IF24 auction** is described further in the report.

2.2. Auctions

2.2.1. IF23 auction results

On 19 February 2024 CINEA announced that 132 bids from 17 countries had been received for the IF23 auction ([11]). The auction was oversubscribed by 15 times. The helpdesk was opened during the bid submission period and answered 352 questions from applicants.

The total planned electrolyser capacity for all bids was 8.5 gigawatts (GW). Over 10 years, this could lead to a total production volume of 8.8 million tonnes of renewable hydrogen. Each year this could cover almost 10% of the REPowerEU 2030 domestic renewable hydrogen production target.

The bids submitted ranged from EUR 0.37 to EUR 4.50 (ceiling price) per kilogram of hydrogen produced.

Of the 132 bids, 119 were eligible and admissible. Following their evaluation, CINEA ranked the approved projects on the basis of their bid price.

By 30 April 2024 seven projects had been selected to receive the IF grant of nearly EUR 720 million. They submitted bids with a price ranging from EUR 0.37 to EUR 0.48 per kilogram of renewable hydrogen produced.

By 7 October 2024 six of the seven projects had signed their respective grant agreements. The projects will be implemented in four countries ([12]). The total amount of support comes to EUR 695 million. They will receive a subsidy ranging from EUR 8 million to EUR 245 million for installations with a megawatt electric (MWe) capacity ranging from 35 MWe to 500 MWe. They will receive the subsidy awarded only if they produce certified and verified RFNBO hydrogen within a period of up to 10 years.

([10]) Grants-as-a-Service is available also for clean tech manufacturing projects as of 2025.

([11]) The IF23 auction was launched on 23 November 2023 with an available budget of EUR 800 million. Bidders had until 8 February 2024 to apply.

([12]) Finland, Norway, Portugal and Spain.

Projects selected now have up to five years to start producing renewable hydrogen. They have the potential to produce up to 1.52 million tonnes of RFNBO hydrogen during their first 10 years of operation, avoiding more than 10 million tCO_2-eq. Their production will serve many sectors, such as maritime, heavy-duty transport, agriculture and the production of e-methane and e-methanol.

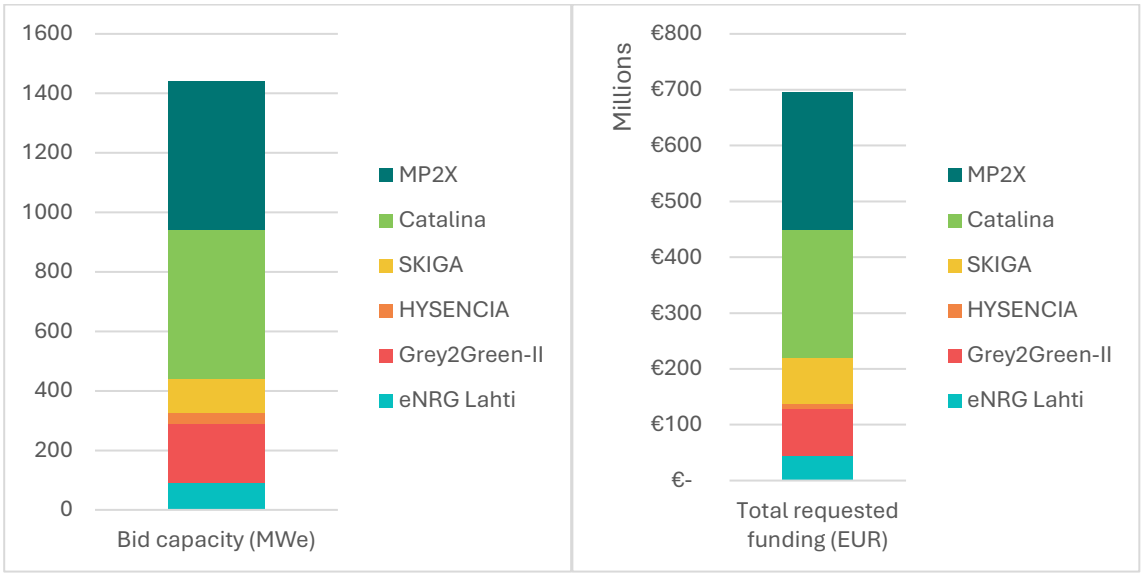


Figure 6: Bid capacity of the six signed RFNBO products successful in the IF23 auction

2.2.2. Launch of the IF24 auction

The **IF24 auction**, the second auction under the European Hydrogen Bank, aimed to support both projects for the production of RFNBO hydrogen regardless of the sector in which it will be consumed (EUR 1 billion) and projects with offtakers in the maritime sector (EUR 200 million). The auction's budget was increased by EUR 400 million compared to the IF23 auction.

To prepare for application, project promoters could consult the call documents and the 'Questions and answers' section of the EU Funding & Tenders Portal. The Commission also encouraged them to discuss their completion guarantee with a financial institution as soon as possible in order to increase their chances of success. On 10 December 2024 CINEA organised an online Info Day to present the key features and award criteria of the new auction and lessons learned from the previous auction. Bidders had until 20 February 2025 to apply. Successful bidders are expected to sign grant agreements within nine months of the call closure.

2.2.3. Auctions-as-a-Service

During the IF23 auction, the Commission offered for the first time the possibility of an auction-as-a-service (AAAS). The scheme allows eligible countries to finance bidders not selected for financial support due to budgetary limitations. Eligible countries can thus benefit from an EU-wide selection process and use national funds to support projects on their territory without the need to run a separate auction at national level. This ensures fast and streamlined approval of State aid, reducing administrative burdens and costs for all parties.

Germany was the first country to make use of this feature, allocating up EUR 350 million from its budget to eligible bids located in the country. That decision was approved under EU State aid rules on 5 April 2024 ([13]).

On 18 November 2024 Spain, Lithuania and Austria announced that they would participate in the scheme for the IF24 auction, pledging up to EUR 836 million from national funds to support projects in their countries.

Mobilising funding under a single EU auction platform is an efficient way of increasing opportunities while reducing costs for industry. These actions demonstrate Member States' commitment to meeting national and EU targets for the uptake of clean energy and supporting industry decarbonisation.

2.3. Links with other programmes

2.3.1. European Investment Bank (EIB)

On 2 May 2024 the EIB announced that it was backing the roll-out of EAVOR LOOP, an innovative power and geothermal heating project in Bavaria, with a loan of almost EUR 45 million. The project, selected during the Innovation Fund's second large-scale call for proposals, had already signed a grant at the beginning of 2023. That decision highlights the valuable role played by the Fund in funding and supporting key scalable technologies for achieving climate neutrality and energy security.

On 3 December 2024 the Commission and the EIB announced a new partnership to support investments in the EU's battery manufacturing sector. This partnership will result in an EUR 200 million top-up (loan guarantee) to the InvestEU programme from the Fund. It comes in addition to the EUR 1 billion available for electric vehicle battery cell manufacturing under the IF24 battery call. As part of the new partnership, the EIB is also investing a further EUR 1.8 billion in the broader battery value chain. These joint efforts will result in a total of EUR 3 billion in public support for the development of a competitive and sustainable European battery industry.

The EIB is also responsible for project development assistance (PDA) to facilitate access to funding from the Fund and other EU schemes, national grants and private financing. In 2024 the EIB signed and implemented 23 PDA agreements. In total, 30 PDA assignments were completed. Since the start of the programme, 62 projects have signed a support agreement and been implemented. The impact of PDA is increasingly visible. In 2024 nine previously unsuccessful projects secured a grant under the IF23 call. PDA has been expanded to include project developers who have not yet applied to the Fund, with applications now being made directly to the EIB.

In addition to enabling promoters to refine their proposals, the EIB also makes it easier to access other funding opportunities. In 2024 four projects received a grant or were awarded special status at national level, three were selected by Breakthrough Energy Catalyst as either a grant/funding recipient or an energy venture, one was included in the list of projects of common interest (PCIs), and another in the STEP Seal list of projects.

2.3.2. Strategic Technologies for Europe Platform (STEP)

On 7 February 2024 the Commission launched STEP, an initiative aimed at increasing the industrial competitiveness of the EU and reducing its external dependencies. STEP leverages the

([13]) See the Guidelines on State aid for climate, environmental protection and energy.

financial resources from a range of EU funding programmes, including the Innovation Fund. It applies a quality label to give greater visibility to promising projects in clean and resource-efficient and deep and digital technologies.

In October 2024 the Commission selected 85 innovative net-zero projects to receive a total of EUR 4.8 billion in grants under the IF23 call. All of those projects received a STEP Seal. An additional 64 unfunded projects also received a seal, 39 of which agreed to their information being published by the Commission.

As of December 2024 the first list of projects awarded a STEP Seal was published on the STEP Portal. The Commission actively promotes those projects among public funding bodies, e.g. managing authorities of Cohesion Policy Funds and the recovery and resilience plans in Member States, and among private investors. As a badge of distinction, the STEP Seal should help projects attract private finance.

3. STATE OF THE INNOVATION FUND PORTFOLIO IN 2024

3.1. Overview of call results

Since 2020 the Commission has organised eight calls for proposals for regular grants and two competitive bidding auctions ([14]). By the end of 2024, 131 projects had signed grant agreements for a total of EUR 7.4 billion in support. Agreements for a further 86 projects were being drawn up. All calls were oversubscribed, the average amount requested being nine times higher than the available budget.

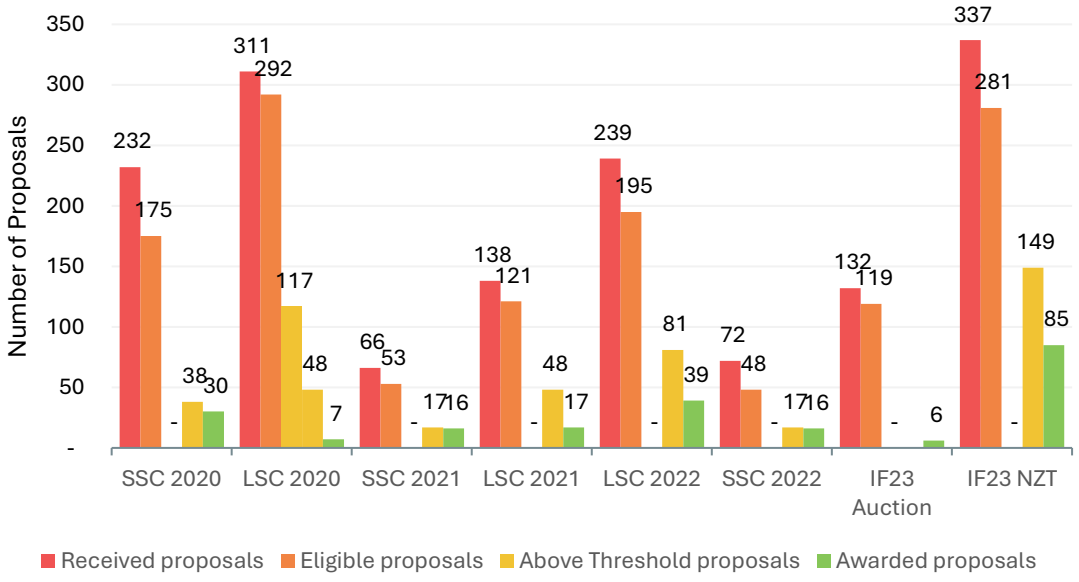


Figure 7: Breakdown of call participation results ([15])

([14]) The IF24 call and auction were open for submission of proposals as of 31 December 2024.

([15]) As eligible auction projects are ranked by price, no 'above threshold' category is relevant.

3.2. Project maturity, implementation status and challenges

By the end of 2024 a total of 36 projects had achieved the 'Financial close' milestone. The milestone indicates that the projects have secured both the necessary funding and the environmental and construction permits. Of those 36 projects, seven have progressed to the next milestone, 'Entry into operation', as approved by CINEA. Meanwhile, the remaining 82 active projects are currently seeking to achieve 'Financial close' status. To date, EUR 306 million has been awarded, with the following spread of disbursements between the 44 projects having received a payment.

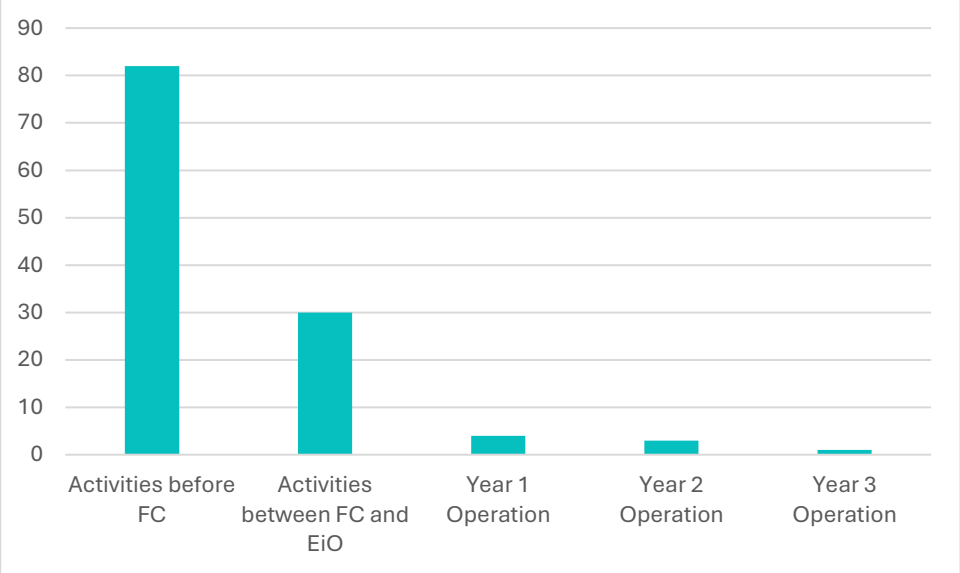


Figure 8: Project stage

Terminations

By the end of 2024 a total of 11 projects had been terminated, nine of them over the course of the year. Meanwhile, 120 projects are ongoing ([16]) (IF23 NZT projects had not yet signed grant agreements).

The reasons for terminations included unforeseen significant increases in project costs (five projects), withdrawal of a project partner (two projects), increases in feedstock prices (one project), inability to find a suitable offtaker (one project), breach of obligations under the grant agreement (one project) and inability to reach a final investment decision (one project).

3.3. Portfolio by sector

The Fund's portfolio ([17]) comprises five categories:

(i) carbon capture and geological storage (CCS)
(ii) energy-intensive industries (EIIs)
(iii) energy storage (ES)
(iv) mobility (MOB)

([16]) 'Ongoing projects' are those signed projects which have started but not yet been terminated.

([17]) All portfolio analysis is based on projects which are active (have not been terminated) and have signed grant agreements as at 31 December 2024. Six of the seven IF23 hydrogen auction projects are therefore included, but no IF23 NZT call projects were in the portfolio at the time.

(v) renewable energy storage (RES).

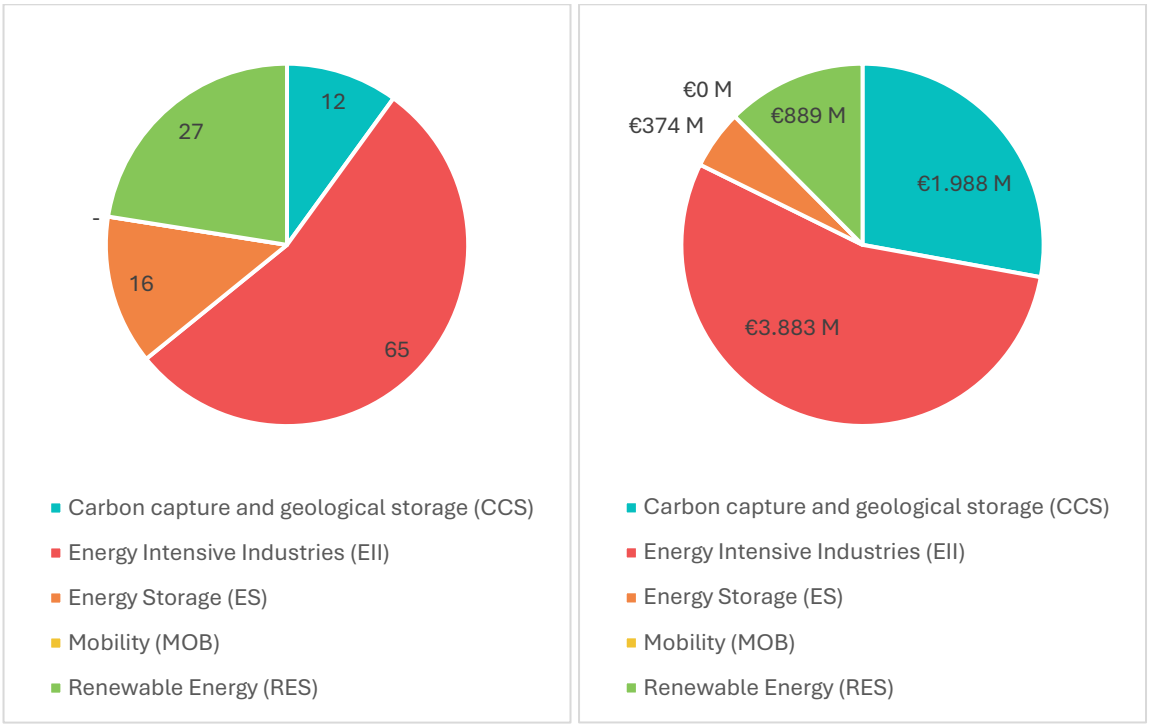


Figure 9: Project breakdown by category (project count and funding awarded)

The sectors most represented in the Fund's portfolio are 'Hydrogen' (22 projects), 'Cement and lime' (13 projects), and 'Manufacturing of components for renewable energy or energy storage' (11 projects). The sector receiving the most funding (EUR 1.9 billion) is still 'Cement and lime', due to the significant investment required for cement and lime projects, which generally include CCS technology. The sector receiving the second largest amount of support (EUR 1.4 billion) was 'Hydrogen', as hydrogen is a cross-sectoral investment supporting decarbonisation across a variety of sectors including aviation and maritime (through synthetic fuels), energy-intensive industries (replacement of fossil fuels in various processes including steel manufacturing and heat production) and electricity generation (long-term energy storage). Investment is also high in the chemicals sector (EUR 790 million) and refineries (EUR 290 million), with a variety of projects aimed at replacing fossil fuels with principal products such as plastics, biofuels, methanol, ammonia and organic chemicals.

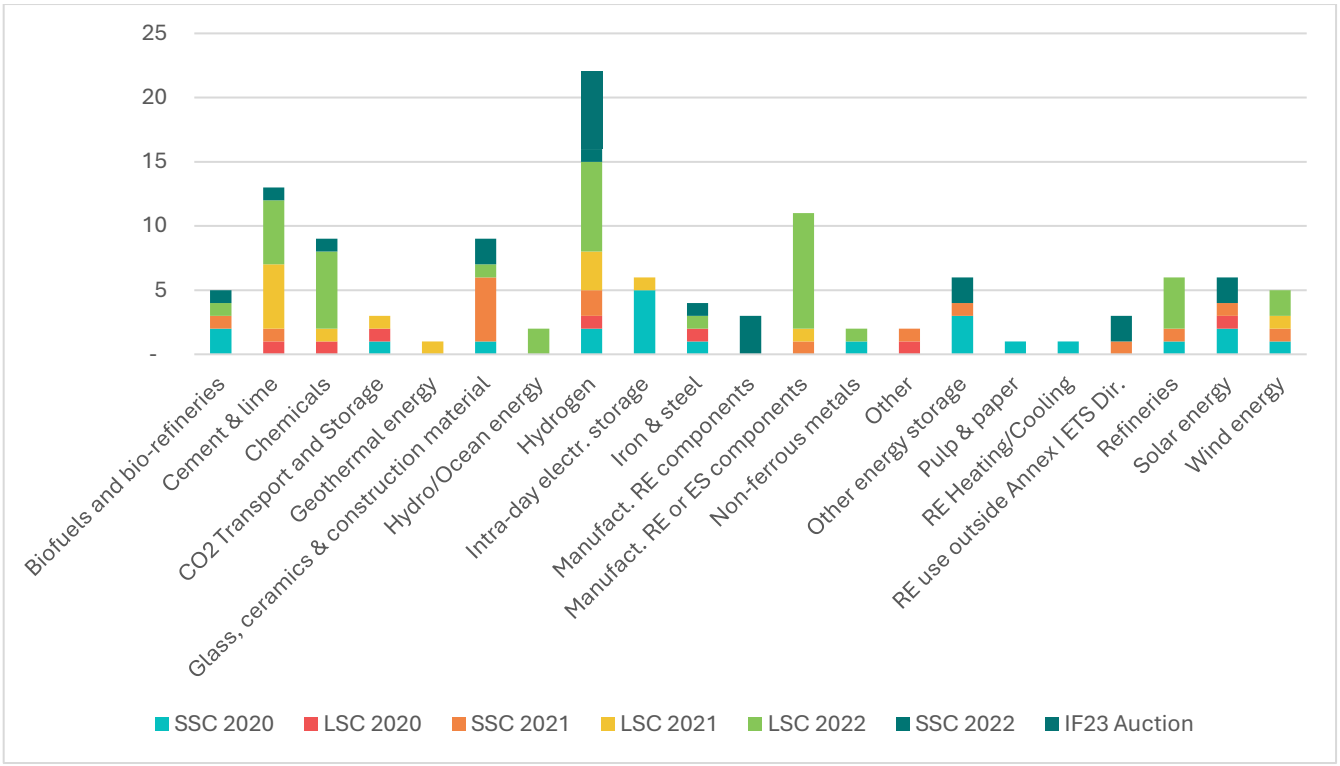


Figure 10: Number of projects by sector

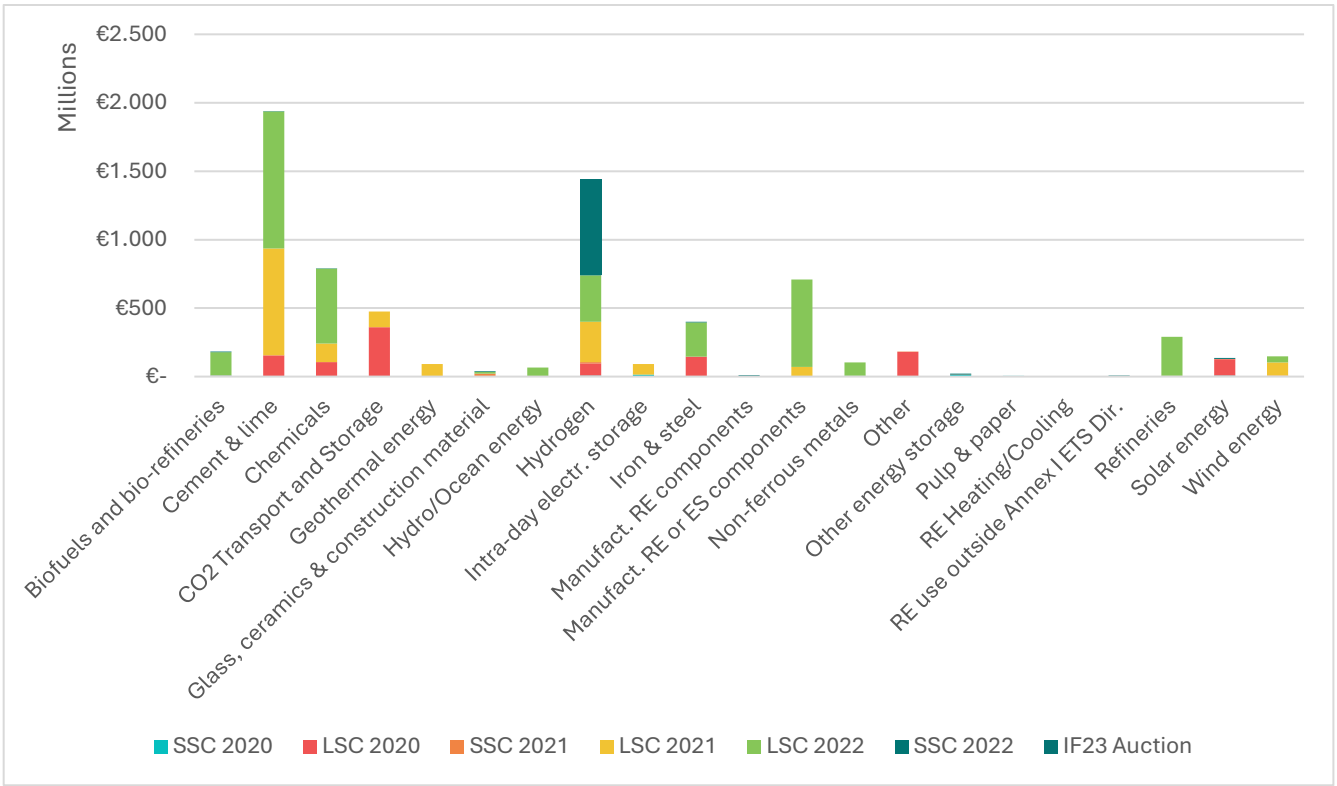


Figure 11: Funding awarded by sector

3.4. Geographical balance

As at the end of 2024, 24 of the 30 eligible countries in the EU and EEA had signed at least one IF project, with 14 countries having at least three ongoing projects. The countries with the largest number of projects are Spain (21), France (14), Italy (11), Germany (10) and the Netherlands (9). With the results of IF23, the number of countries with at least one project in the IF portfolio will increase to 26, with both Estonia and Slovakia having been awarded projects.

The main reason why few projects received funding in the remaining countries is that not many proposals were received from those countries. Up to and including IF23, applicants had submitted seven admissible projects in Romania, two in Luxembourg and one in Malta. No applications were received from Liechtenstein.

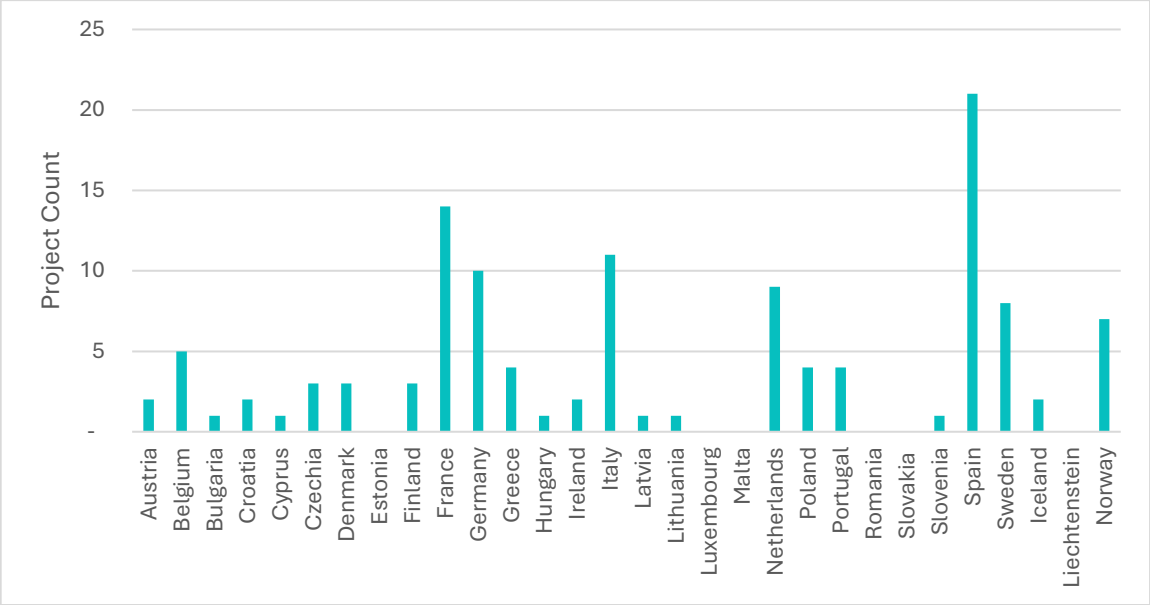


Figure 12: Number of projects by first location country ([18])

On a funding basis, Spain (EUR 1.0 billion), Germany (EUR 867 million), Sweden (EUR 782 million), Belgium (EUR 671 million) and Norway (EUR 572 million) have received the largest share of IF support. The difference between funding and project count is due to the fact that the average project size is larger in countries such as Belgium, Norway and Sweden, where there is a greater share of energy-intensive industry projects such as green steel and CCS projects, which tend to be larger, capital-intensive investments.

([18]) Project locations are based on the primary project location. The beneficiary country is not considered.

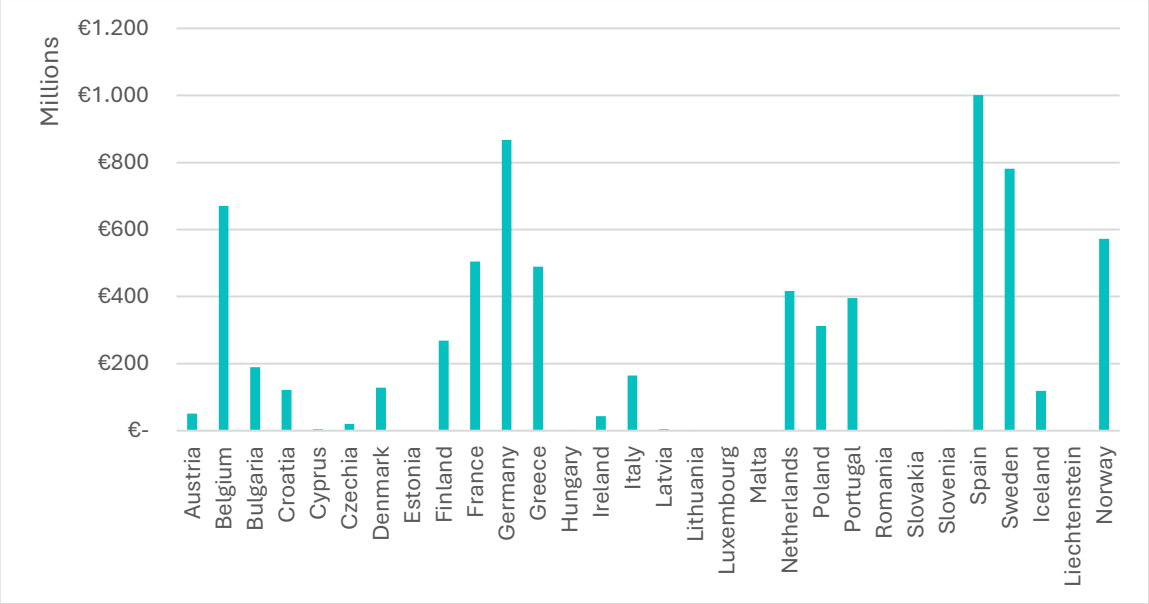


Figure 13: Funding awarded by country

Of course, a variety of factors influence the geographical share of funding a country may receive. These may include the number of proposals a country submits, the size of its economy, the number of eligible industrial activities, the support provided by Member States to entities drawing up proposals, the availability of cofinancing and so on. In the case of auction projects, the price of electricity is also a significant consideration. Projects are awarded funding from the Innovation Fund solely on the basis of excellence. Geographical balance is considered in the selection of projects only to a limited extent ([19]).

To illustrate the share of funding received by countries in relation to the size of their economy and the presence of relevant industries, a comparison is made below between GDP and the ETS emissions share.

We can see that major economies such as Germany, France and Italy are relatively underrepresented in relation to both their ETS share and GDP. In the case of Germany and France, this situation is set to improve with the results of the IF23 NZT call, with projects in Germany being awarded a share of EUR 664 million and projects in France receiving a share of EUR 518 million. Countries which overperform in relation to both their ETS share and the size of their GDP include Belgium, Norway, Spain and Sweden.

([19]) In the call for regular grants, when ordering projects with the same score, priority is given to proposals from countries with a smaller number of high-ranked proposals.

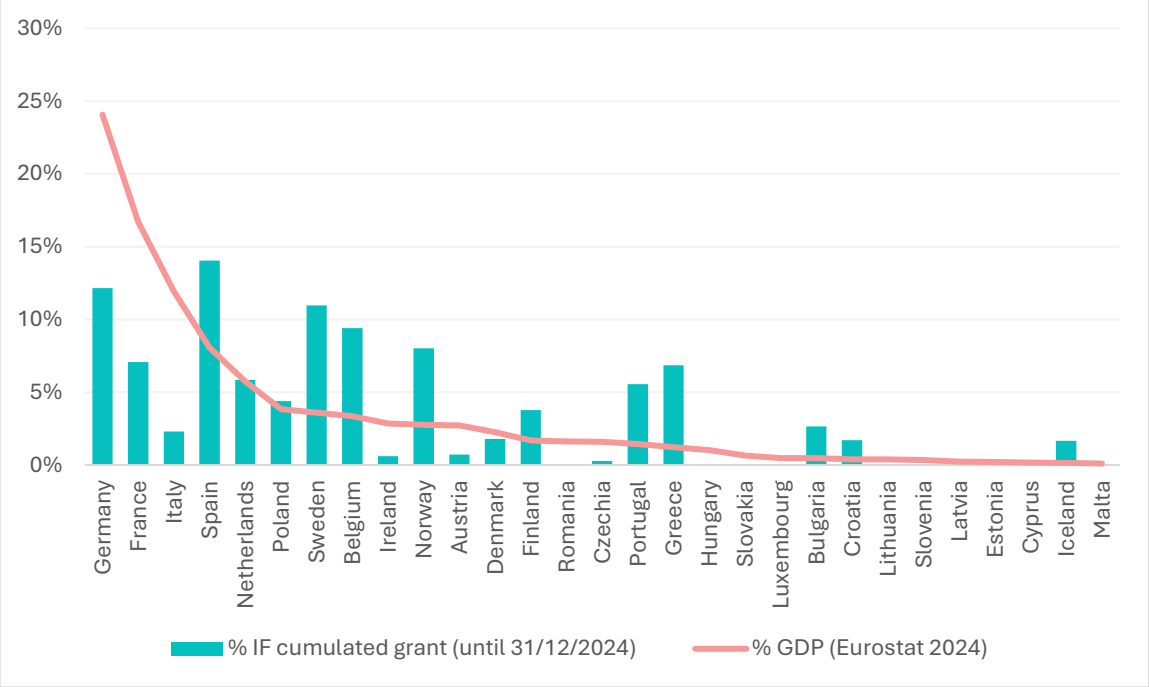


Figure 14: Geographical spread by share of GDP ([20]) and share of IF funding

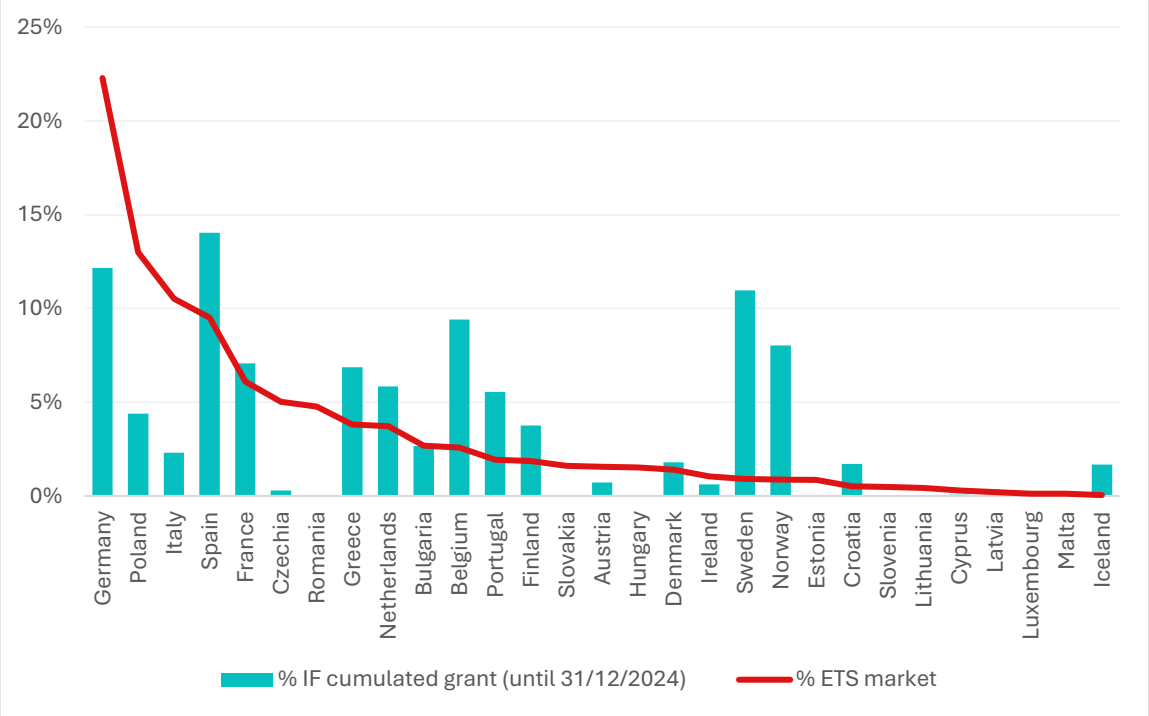


Figure 15: Geographical spread by ETS share ([21]) and share of IF funding

The Innovation Fund has put in place several mechanisms to help all Member States and EEA countries submit quality IF proposals. These include supporting national contact points (NCPs) in

([20]) Gross domestic product at 2024 market prices (Eurostat 2025).
([21]) https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32020D2166.

each Member State, technical assistance for countries with low participation levels and the provision of project development assistance (PDA) with specific geographical KPIs.

3.5. GHG avoidance

The 120 projects in the Fund's portfolio at the end of 2024 are expected to avoid a total of 489 million tCO_2-eq during their first decade of operation, corresponding to, on average, EUR 69 of funding per kg of CO_2-eq avoided.

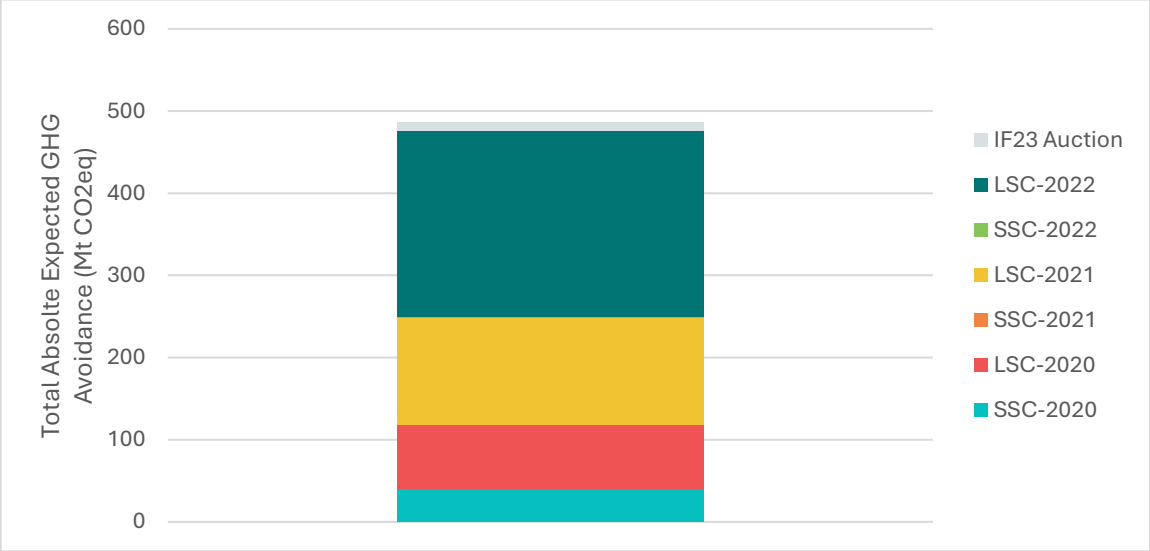


Figure 16: Expected greenhouse gas avoidance by call

4. COMMUNICATING AND RAISING VISIBILITY

4.1. NCP network

The Fund actively supports national authorities and offers feedback through participation in national info days and local outreach activities. Within the 'Technical assistance for Member States' workstream, training sessions have been delivered for all Fund NCPs. Additionally, communication materials have been provided in local languages to assist NCPs in their local outreach and communication efforts. In 2024 five training sessions covered topics such as communication strategies, the mechanism of the renewable hydrogen auction and how the Fund's grants can be combined with other public funding sources at both EU and national level. Regular progress calls have been held to keep NCPs updated on the latest political developments. This workstream will continue into 2025 with a new contract, aiming to enhance NCPs' role in locally promoting the Fund and effectively addressing applicants' requests.

4.2. Innovation Fund expert group and stakeholder engagement

The Commission organised two meetings of the Fund expert group in 2024: on 27 June and 14 November 2024 ([22]). The results of the IF23 auction and the IF23 call were presented at the meetings, along with the outcomes of the stakeholder consultation on the upcoming IF 2024 call for proposals. The terms and conditions and Auctions-as-a-Service for the 2024 renewable hydrogen auction (IF24 auction) were also discussed. Highlights of the upcoming 2024 calls for net-zero technologies (IF24 call) and electric vehicle battery cell manufacturing (IF24 battery) were also shared. The purpose of the meetings was to present the latest developments in the Fund and to gather input from eligible countries and industry representatives on future directions to be taken by the Fund.

4.3. Knowledge sharing

Knowledge-sharing activities aim to share experience and policy feedback gained by implementing first-of-a-kind technologies with project developers, investors, public authorities and the public. In 2024 three dedicated closed-door knowledge-sharing events were held, focusing on different technology pathways. The first, on 21 March 2024, focused on the renewable energy value chain with policy feedback provided for local, regional, national and EU authorities. A second workshop, in October 2024, on the theme of CCS brought together CO_2 capture projects supported by the Innovation Fund, prospective CO_2 storage operators and Member State and European Commission representatives. Lastly, a hydrogen project workshop focused on the key takeaways for projects, from permitting to construction. A summary of knowledge-sharing activities is provided in the 'Annual knowledge sharing report of the Innovation Fund'.

On 11 April 2024 the Commission and CINEA organised the fourth Cleantech Conference. Participants explored pathways to bolster European manufacturing of clean tech devices and their components for renewable energy and energy storage. Commission Executive Vice-President Maroš Šefčovič opened the conference by emphasising the significance of clean tech manufacturing for Europe. Several projects showcased concrete pathways and solutions aimed at supporting Europe's transition to climate neutrality. The conference concluded with a debate on unlocking investments in clean tech manufacturing. The event attracted a diverse audience, including policymakers, investors, industry leaders and other stakeholders, who raised awareness of the numerous business opportunities the Fund offers public and private financiers. A total of 400 participants attended in person, alongside some 900 online participants connected to the live stream, demonstrating the event's extensive outreach.

4.4. Success stories

In 2024 DG CLIMA and CINEA produced seven project stories that serve as essential communication tools explaining complex technologies in a way that people living in the EU can easily understand. The stories play a crucial role in raising awareness of the EU's initiatives to tackle climate change, highlighting the tangible impacts of the EU ETS and the Fund and informing local communities about regional projects so as to foster ownership and pride. Moreover, project stories increase visibility, providing opportunities for projects to attract potential investors and stakeholders while garnering local public support. They are published on DG CLIMA's website and shared on our social media platforms, enabling us to reach a broader audience.

([22]) The minutes of the meetings are available here: https://climate.ec.europa.eu/eu-action/eu-funding-climate-action/innovation-fund/innovation-fund-expert-group_en.

5. CONCLUSION

In 2024 the Innovation Fund further consolidated its role as a central instrument in supporting the EU's transition to climate neutrality. By committing EUR 11.2 billion ([23]) by the end of 2024 to the deployment of first-of-a-kind technologies, getting them to market and scaling up more mature technologies, strengthening links with other EU programmes and financial institutions and widely sharing the knowledge gained in the process, the IF has contributed significantly to the cost-efficient decarbonisation of European industries while increasing industrial competitiveness and energy security. The fact that calls and auctions are still oversubscribed highlights the need for public support and demonstrates the relevance of the Fund to Europe's challenge of becoming the first climate-neutral continent by 2050.

The IF also remains highly relevant for furthering the objectives of the Clean Industrial Deal and implementing the EU's plan for sustainable prosperity and competitiveness. Although there are clear opportunities to develop much-needed decarbonisation solutions, there are still challenges to be faced. To help make innovative projects more successful and encourage the submission of proposals in all Member States, the IF is strengthening its tools for upfront support at the project development stage. In particular, project development assistance and the support for national contact points have potential to further improve the geographical and sectoral balance. The 'as-a-service' features of the Innovation Fund, on the other hand, can increase the impact of the Fund while reducing the administrative burden on both applicants and national administrations.

The dynamic IF portfolio already contains 199 active projects selected in 26 countries and is growing ever faster. In October 2024 it was announced that a further 85 projects in 18 countries had been selected from the IF23 net-zero call alone. With the launch, at the end of 2024, of net-zero technology, battery manufacturing and renewable hydrogen calls worth EUR 4.6 billion, the Fund will continue to consolidate its role in accelerating industrial decarbonisation and scaling up strategic clean technologies throughout the EU.

([23]) Includes ongoing projects already signed and projects selected from IF23 but not yet signed.