INNOVATION FUND 2025

INNOVATION FUND
Funded by the EU Emissions Trading System

NET ZERO TECHNOLOGIES CALL FOR PROPOSALS (IF25 NZT CALL)

WHICH TOPICS ARE COVERED UNDER THIS CALL?

Topic	Budget	Project's capital expenditure must be	Sectors covered
Large-scale decarbonisation projects	€1,2 bn	above €100 m	• Annex I and Annex III of the EU ETS Directive, including CCU • Carbon capture and storage (CCS) • Renewable energy and energy storage technologies • Maritime and aviation
Medium-scale decarbonisation projects	€300 m	between €20 m and €100 m	
Small-scale decarbonisation projects	€100 m	between €2.5 m and €20 m	
Clean tech manufacturing projects	€1 bn	above €2.5 m	• Components for renewable energy installations • Electrolysers and fuel cells • Energy storage solutions • Heat pumps
Pilot projects	€300 m	above €2.5 m	• Annex I and Annex III of the EU ETS Directive, including CCU • Renewable energy and energy storage

Funded by the EU Emissions Trading System (EU ETS), the Innovation Fund provides financial support covering **up to 60% of a project's relevant costs**, including capital and operational expenses.

WHAT ARE THE ELIGIBILITY CONDITIONS?

To qualify for funding under the IF25 NZT Call, **a project in general must:**

- Be proposed by public or private legal entities worldwide, excluding natural persons, except self-employed individuals without legal personality;
- Be located in the European Economic Area (EEA) ;
- Meet specific operational criteria if they involve investments in ships or port infrastructure under EEA jurisdiction;
- Achieve financial close within 4 years and operate for at least 5 years (3 years for Small Scale and Pilot projects)
- Comply with EU policy interests and priorities, and must also respect EU values and European Commission policy regarding reputational matters.

Only projects that have not reached financial close at proposal submission date can be funded; proposals for projects that have already started will be assessed on a case-by-case basis. Please refer to the NZT 2025 Call text for a full list of the eligibility requirements.

WHAT ARE THE AWARD CRITERIA?

Proposals are assessed against five criteria:

1. **Degree of innovation:** the extent to which the proposal offers beyond incremental innovation at the European or national level.
2. **GHG emissions avoidance potential:** the proposal's ability to reduce GHG emissions over a ten-year period compared to a baseline scenario.
3. **Maturity:** the technical, financial, and operational readiness of the proposal.
4. **Replicability:** the potential in terms of efficiency gains and multiple environmental impacts (including DNSH), and the proposed contribution to Europe's industrial leadership and competitiveness.
5. **Cost-efficiency:** the cost-effectiveness of the proposed GHG emissions reductions compared to the requested grant.

In addition, proposals may be awarded bonus points in relation to three criteria: (1) potential to deliver net carbon removals, (2) projects coordinated and implemented by SMEs, and (3) maritime sector projects.

NEXT STEPS

- Project promoters can submit applications until **23 April 2026 – 17:00:00 CET (Brussels).**
- Proposals will be evaluated between April – September 2026.
- **Estimated Grant agreement signature:** First quarter of 2027

WHY APPLY?

- Risk-sharing grant support enabling the first commercial-scale deployment of innovative net-zero technologies.
- Reduced investment risk for projects facing high upfront costs and technological uncertainty.
- Opportunity to scale up clean technologies across multiple sectors in Europe.
- Contribution to EU climate neutrality objectives and Europe's industrial competitiveness.