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WORKING PAPER

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MEETING DOCUMENT

From:	General Secretariat of the Council
To:	Working Party on Competitiveness and Growth (Industry)
Subject:	CRMA: PowerPoint presentation from the Commission on Strategic partnerships – Chapter 6, Delegated powers, and committee procedures– Chapter 8, Final provisions – Chapter 10 (Compro WP 24-05-2023)

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Industry Working Party - CRMA

Strategic partnerships – Chapter 6

**Delegated powers and committee procedures–
Chapter 8**

Final provisions – Chapter 10

12/05/2023

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Follow-up previous WP

Coherence of circularity chapter with existing legislation

Links Critical Raw Materials Act with other legislation with impact on circularity

- The challenges facing CRM circularity have to be addressed through all relevant policy instruments (product legislation, waste legislation, trade, investment, public procurement, R&I)
- Horizontal and sectoral waste frameworks and the horizontal Ecodesign framework remain the main legislative instruments to promote circularity
- The CRMA complements these instruments with a political commitment to achieve recycling benchmarks for SRMs, support for strategic recycling projects, and targeted measures on CRM recovery from extractive waste and permanent magnets
- The accompanying Communication sets out forthcoming adjustments of these legislations to better address CRM-specific challenges

Links Critical Raw Materials Act with other legislation with impact on circularity

- All provisions of the CRMA are designed to interact seamlessly with existing and proposed legislation; they *do not amend* but *add provisions onto* the latter
- MS circularity strategies (Art. 25) should be designed in full compliance with existing rules and frameworks; they are aimed at pulling together different instruments and focusing them on the recovery of CRMs rather than replacing sectoral legislation
- Operators' and MS' obligations on CRM recovery from extractive waste (Art. 26) are self-standing obligations but designed to build on the definitions and institutional framework of the Extractive Waste Directive
- The permanent magnet circularity provisions (Art. 27-28) are akin to a component-specific Ecodesign measure; the particular CRM relevance of permanent magnets justifies the special treatment in this context

Overview of relevant legislation and how it is affected

- Overarching: Waste Framework Directive
 - Provides definitions, waste hierarchy, framework for MS action
 - Relevant for the MS circularity programmes but not amended or otherwise affected by the CRMA
- Sectoral waste legislation
 - Batteries Regulation → Already provides strong collection, recycling efficiency and recycled content targets for a key CRM waste stream
 - Not affected by the CRM Regulation
 - End-of-Life Vehicles Directive → Review proposal foreseen Q2 2023 including design and EoL treatment requirements for CRM-rich components
 - Vehicles are covered by the permanent magnet circularity requirements but more specific rules in the ELV Directive would override these

Overview of relevant legislation and how it is affected

- Sectoral waste legislation (continued):
 - WEEE Directive → Review foreseen to include information requirements and recovery targets related to CRM-rich equipment
 - The CRMA introduces a reporting requirement for MS on CRM-rich components in WEEE, to be integrated with existing reporting under WEEE (Art. 25(5))
 - Extractive Waste Directive → Regulates the treatment of mining waste, *designed to mitigate environmental impacts*
 - The CRMA draws upon the definitions and institutional architecture of the EWD and introduces additional, directly applicable, CRM-specific requirements for operators and MS, *designed to promote CRM recovery*

Overview of relevant legislation and how it is affected

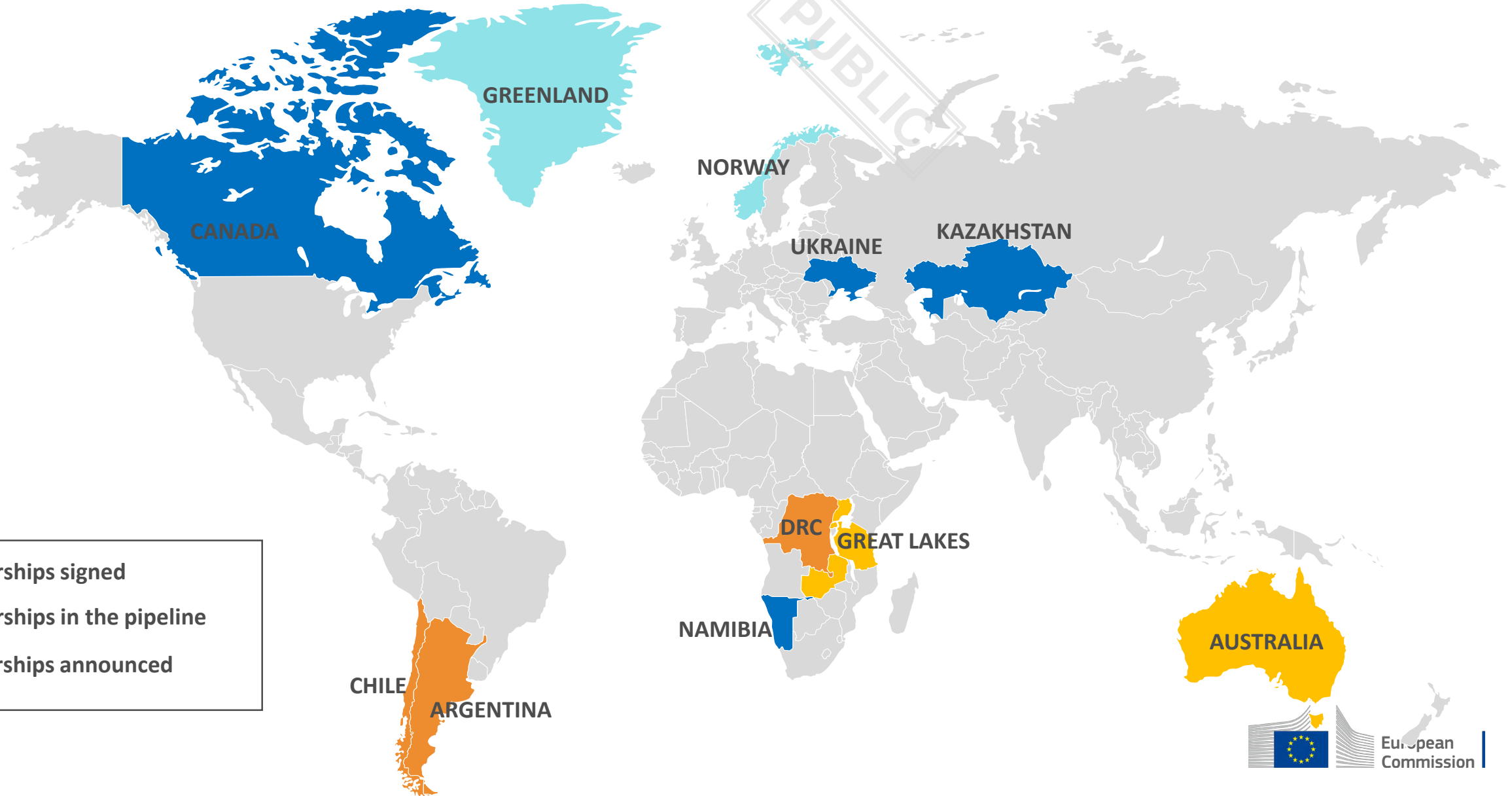
- Addressing waste exports: Waste Shipment Regulation
 - The ongoing review is designed to simplify intra-EU shipments and to stop the export of waste challenges outside the EU in line with international conventions
 - The CRMA contains no own provisions on waste exports
- Addressing circularity at the design stage: Ecodesign for Sustainable Products Regulation
 - Broader than the existing Ecodesign Directive, the proposed ESPR would allow the Commission to adopt horizontal or product-specific design requirements for any intermediate or final products, including on recyclability, durability and recycled content
 - The CRMA specifies (Art. 1(4)) that its objectives shall be taken into account in prioritising product groups for specific Ecodesign measures
 - The implementation and enforcement of the permanent magnet circularity provisions draw heavily upon rules laid out in ESPR

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Strategic partnerships – Chapter 6

Strategic Partnerships (Art. 33)

EU Strategic Partnerships on Raw Materials



- Partnerships signed
- Partnerships in the pipeline
- Partnerships announced

Strategic Partnerships (Art. 33)

Aim: to provide a framework for increased efforts to conclude Strategic Partnerships with third countries related to RMs and ensure greater synergies between Strategic Partnerships and MS' cooperation with relevant third countries – thereby helping to diversify CRM supplies

Para 1 - the Board must periodically discuss:

- (a) the extent to which Strategic Partnerships concluded by the Union contribute towards:
 - (i) improving the Union's security of supply;
 - (ii) the benchmark for diversification (65%)
 - (iii) improving cooperation along the critical raw materials value chain between the Union and partner countries;
- (b) the **coherence and potential synergies between Member States' bilateral cooperation with relevant third countries and the actions carried out by the Union** in the context of Strategic Partnerships;
- (c) which third countries should be prioritised for Union partnerships (see next slide)

Strategic Partnerships (Art. 33)

- When prioritising third countries for partnerships, Board to take into account the following criteria:
 - (i) **the potential contribution to security of supply**, taking into account a third country's potential reserves, extraction, processing and recycling capacities related to critical raw materials
 - (ii) **a third country's regulatory framework** ensures the monitoring, prevention and minimisation of environmental impacts, the use of socially responsible practices including respect of human and labour rights and meaningful engagement with local communities, the use of transparent business practices and the prevention of adverse impacts on the proper functioning of public administration and the rule of law
 - (iii) **the existing cooperation agreements** between a third country and the Union and, for emerging markets and developing economies, the potential for the deployment of Global Gateway investment projects
 - (iv) **emerging markets and developing economies**, whether and how a partnership could contribute to local value addition and would be mutually beneficial for the partner country and the Union
- **Aim:** set common priorities with MSs to boost synergies and provide predictability to international partners on what the EU looks for in future partnerships

Strategic Partnerships (Art. 33)

- **Para 3: Member States responsibilities:**

- (a) coordinate with the Commission to ensure coherence between their bilateral cooperation with relevant third countries and the Union's non-binding Strategic Partnerships with third countries, whose scope at least includes critical raw materials value chain
- (b) support the Commission in the implementation of the cooperation measures set out in Strategic Partnerships
- **Aim:** coordinate our external actions so as to build partnerships that benefit the Single Market under a TEAM EUROPE approach – pooling together EU and national instruments

- **Para 2: Cooperation with other Union's structures:**

- In addition, the Board ensures cooperation with other relevant coordination fora, including those established as part of the **Global Gateway strategy**

Delegated powers and committee procedures— Chapter 8

Exercise of the delegation (Art. 36)

Committee procedure (Art. 37)

Exercise of the delegation (Art. 36)

- Standard article on adoption of delegated acts
 - Follows principles and template of the [interinstitutional agreement on better law-making](#)
- Concerns the adoption of delegated acts to:
 - Update CRM/SRM lists (Art. 3 and 4)
 - Adapt Annex III on the application of the recognition criteria for SPs to technical and scientific progress or relevant legislative changes (Art. 5(2))
 - Provide or update CN codes for product containing magnets (Art.27(12))
 - Calculation and verification rules for recycled content of permanent magnets (Art. 28(2))
 - Minimum shared of recycled content of permanent magnets (Art. 28(3))
 - Calculation and verification rules for CRM footprint and performance classes (Art. 30(1) and (5))
- Delegation is proposed for 8 years (typo in para 2, 2nd sentence)

Committee procedure (Art. 37)

- Standard article on adoption of implementing acts
 - Refers to relevant horizontal rules of the '[Comitology Regulation](#)'
- Sets up committee dedicated to implementation of CRMA that will advise (advisory procedure) or vote (examination procedure) on implementing acts
- Advisory procedure applies for the adopting the:
 - Template for Strategic Project applications (Art. 6(2))
 - Template for Strategic Project reporting (Art. 7(8))
 - Template for making available results of exploration programs (Art. 18(5))

Committee procedure (Art. 37)

- Examination procedure applies for the adopting:
 - Format and details of reporting of quantities of components containing relevant amounts of critical raw materials removed from WEEE (Article 25(5))
 - List of products, components and waste streams that shall at least be considered as having a high CRM recovery potential for circularity programmes (Article 25(8))
 - Format of label for indicating presence of permanent magnets (Art. 27(2))
 - Minimum content of application for recognition of certification schemes, recognition of applicant schemes and withdrawal of recognition (Art. 29(1), (2) and (7))

Link with the EU CRM Board

- Before adopting delegated acts, the Commission should 'consult experts designated by each Member State' (Art. 36(4))
 - Expert group meeting could take place back-to-back (e.g. on the same day) with Board meetings, although with a separate agenda
 - As relevant, the same MS experts could be involved in both meetings
- The committee responsible for implementing acts will consist of representatives of the MSs and chaired by a representative of the Commission (Art. 3(2) comitology regulation)
 - Committee meeting could take place back-to-back (e.g. on the same day) with Board meetings, although with a separate agenda
 - Where relevant, the same MS experts could be involved in both meetings

Final provisions – Chapter 10

Monitoring progress (Art. 42)

Reporting of Member States (Art. 43)

Penalties (Art. 45)

Evaluation (Art. 46)

Entry into force (Art. 47)

Monitoring progress and penalties (Art. 42/45)

- Monitoring progress (Art. 42):
 - Every three years a report will take stock of how and to what extent the objective of the Regulation are being achieved
 - Special focus on progress towards the quantitative benchmarks (para 2)
 - Link with Art. 1(3) --> COM to consider additional measure if benchmarks are likely not to be achieved
- Penalties (Art. 45)
 - Standards clause requiring MS to provide penalties for infringements of the proposed rules by private operators, e.g.:
 - operators placing on the market product containing permanent magnet without a label
 - extractive waste facilities do not include required info in their waste management plans

Reporting of Member States (Art. 43)

- To minimise admin burden, Member States are asked to each year send a bundled report containing the information referred to in:
 1. Article 18(4) - info on implementation of exploration programmes
 2. Article 20(1) and (2) - info on CRM projects and key market operators for monitoring purposes
 3. Article 21(1) - info on state of strategic stocks
 4. Article 22(5) - info on the implementation or not of the COM's opinion on strategic stocks
 5. Article 25(6) - info on implementation of national programmes on circularity
- Information under Art. 22(5) only to be included an opinion has been issued under Art. 22(3) addressing the Member State

Evaluation and entry into force (Art. 46/47)

- Evaluation report (Art. 46):
 - Compared to the progress report, the evaluation is intended to be more forward looking – also considering what might need to be changed in the future
 - In that context, the report will at least consider footprint thresholds
- Entry into force (Art. 47):
 - Prescribes the default 20 days after publication in the OJ
 - In some specific provisions, the proposal indicates delayed entry into application
 - E.g. info requirements on permanent magnet recyclability and recycled content will enter into application 3 years after entry in force (5 years for vehicles and MRI scanners)

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Permitting

Additional questions

OSS and task-division within MS

- OSS and time limits are **without prejudice to the division of decision powers** between different national or regional authorities:
 - The OSS is tasked with coordinating and facilitating the comprehensive decision, not necessarily deciding itself
 - Although the OSS could be also a permitting authority involved
 - The comprehensive decision can be a set of decisions (see Art. 2(20))
 - But the decision is notified by the OSS to the promoter

OSS and task-division within MS

- Art. 10(3) allows that the role of OSS is **delegated to a different authority on case-by-case basis**
 - This means that a promoter of a CRM project always knows where to apply
 - In practice the promoter can then be 'carried over' to another authority which will act as the single point of contact (but they do not have to look for this point in each case)
- These specific provisions are based on the wording of Art. 8(1) and (2) of the TEN-E Regulation for cross border electricity projects
 - TEN-E requires an OSS since 2013 and has been implemented all MSs, e.g.:
 - OSS in DE is the existing Bundesnetzagentur
 - OSS in BE is an ad-hoc body for the coordination of permitting



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Existing instruments Critical Raw Materials Act

Council Working Party - Industry

24 May 2022

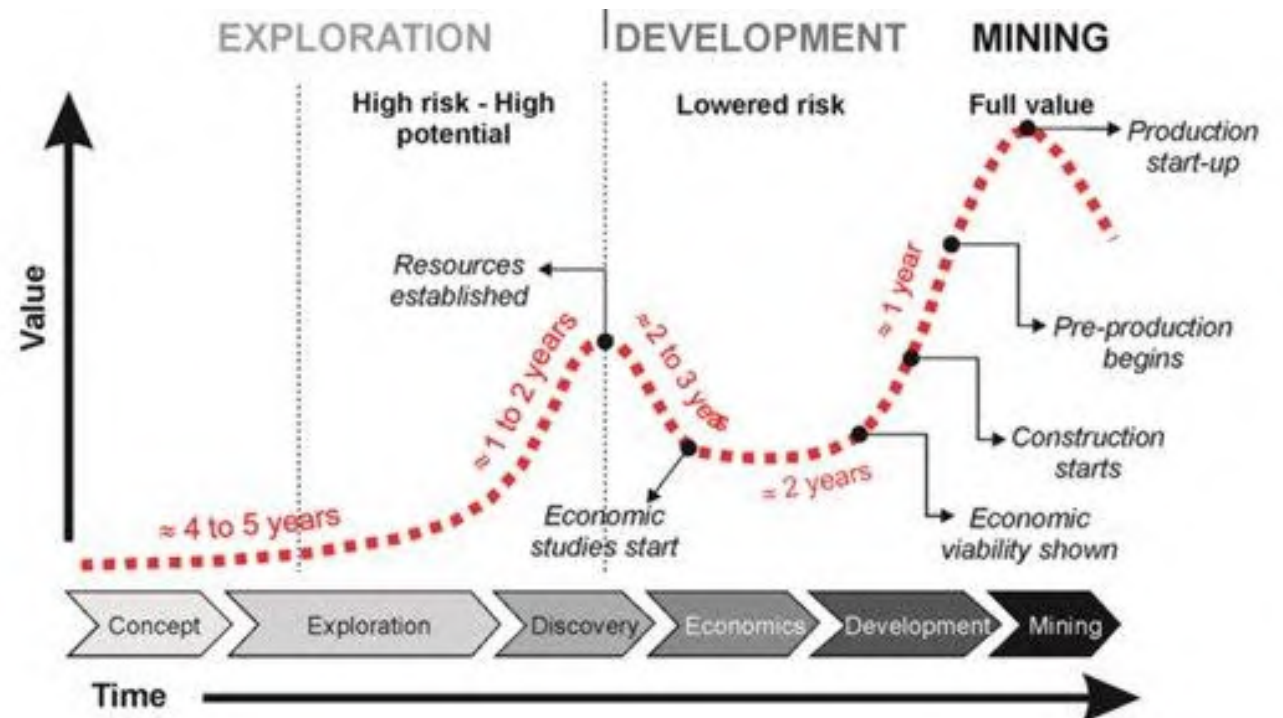
Instruments, programmes and funds for CRM

- I. Context: strategic projects and the CRM value chain**
- II. Existing funds for supporting projects**
- III. State aid – existing possibilities for project support**
- IV. Existing support instruments for Member States**
- V. Key takeaways**
- VI. Back up slides: Further details on programmes and funds**

I. Context: Strategic Projects and the CRM value chain

- CRM Act intends to develop the EU value chain through support to Strategic Projects
- In addition to permitting, COM and MS (via the Board) discuss the coordination of financing for the Strategic Projects (Art. 15).
- CRM Act and Communication also support the value chain (R&I, Exploration, etc.)

- Different projects have different needs, depending on their location, on their place in the value chain, on the materials they produce



II. Existing funds for supporting projects

Key principles of EU funds

- EU funds are **limited and targeted**
- **Additionality:** EU funding should not replace or crowd-out private spending (similar to State aid reasoning)
- **They are direct contributions from the EU budget:** they are allocated through pre-approved programs (contrarily to State aid which is essentially national funding and requires EU Commission's approval)
- **Co-financing:** Most EU funds require co-financing, meaning the recipient must also contribute a significant percentage of the costs (“skin in the game”).
- **Shared Management:** EU funds are often managed jointly by the European Commission and the Member States. This involves planning, implementation, monitoring, and evaluation of the funded projects. In this case, they may constitute State aid. Ex: ESIF funds (cohesion policy: ERDF, CF, ESF+; common agricultural policy: EAFRD; common fisheries policy: EMFAF)
- **Transparency and Accountability:** All processes related to the allocation, management, and use of EU funds are subject to strict transparency and accountability rules to ensure the proper use of public resources.

II. Existing funds for supporting projects

Funds and programmes	Objectives	Envelope	Instruments	Examples
ERDF (European Regional Development Fund)	Promote regional cohesion (focus on SMEs)	€72 bn for PO "Greener Europe" under MFF	Grants	Reducing energy consumption of processing of raw materials (ES)
RRF – RePowerEU chapter	Energy security, diversification of EU's energy supply, increase of uptake of renewables and energy efficiency Explicit reference to CRM value chains	€750 bn + €20 bn under RePower	Grants/financial instruments	Carester (FR): €5 mio for perm. magnet recycling to recover rare earths
Just Transition Fund	Reduce social and economic costs of the green transition	€19.2 bn under the MFF+NGEU	Primarily grants	Neo (EE): €19 mio for rare earth magnet manufacturing
InvestEU	Support to EU policy priorities (market-based and demand-driven instrument)	€26.2 bn under MFF+NGEU (budgetary guarantee split btw EIB group and other IPs)	Loans, equity, guarantees	Projects under due diligence by EIB; CRM eligible for other IPs (EBRD, CDC, NIB, ICO, CDP)
Innovation Fund	Driving clean innovative technologies toward the market	€38 bn from ETS revenue (at €75/tCo ₂)	Grants, up to 60% of the additional capital and operational costs	Relieve (FR): €67 mio for recycling of batteries to recover raw materials
NDICI (EFSD+ guarantee)	EU's investment framework for external action	€40 bn (budgetary guarantee split btw EIB and other IPs)	Grants, loans, guarantees, equity	EBRD guarantee programme "Hi-Bar" which covers CRM value chain

III. Existing possibilities for project support

State Aid control in the EU

- Subsidies funded from Member States' budgets represent the vast majority of subsidies in the EU
- They are subject to **State aid control**, which aims at avoiding distortions of competition in the Single Market, ensures that they are kept to the minimum necessary and prevent 'subsidy races' among EU States
- State aid is typically **prohibited** unless justified under specific conditions, and when necessary and proportionate.
- State aid is intended to rectify market failures, typically focusing on R&D e.g. for developing advanced technologies. As a general rule, it does not cover manufacturing/production costs or operational expenses unless appropriately justified.
- The **guiding principles** include incentive effect, proportionality (to protect taxpayers' money), and the prohibition of aid to companies in difficulty.
- **Transparency/reporting**
- Usually specifies **aid intensity** and aid thresholds

State Aid Schemes



- General Block Exemption Rules (**GBER**)
 - Does *not* require notification
 - Since March also explicitly includes risk finance aid for SMEs along CRM value chain
- Climate, Energy and Environmental Aid Guidelines (**CEEAG**)
 - possibilities for processing, recycling, deploying less polluting technologies, rehabilitating polluted mining sites, etc.
- Regional Aid Guidelines
 - Can be along entire CRM value chain as long as conditions fulfilled: needs to be in assisted areas, needs to have incentive effect, etc.
- Temporary Crisis and Transition Framework (**TCTF**) – updated to also include Transition
 - (see next slide)
- Important Projects of Common European Interest (**IPCEI**) - value chain approach

Strategic investments for clean technologies

- TCTF

New Section 2.8

First level: schemes – main elements

- ✓ **Fact-based:** Only key sectors affected by IRA that are critical for the transition to net-zero and at risk of being diverted, plus their key components and related critical raw materials
- ✓ **Simple:** Basic option of flexible schemes with intensities and caps
- ✓ **Fair:** Modulation for assisted areas + Bonuses for tax credits, loans and guarantees and SMEs
- ✓ TCTF also gives possibility for matching aid - more details in annex
- ✓ Until 31.12.2025
- ✓ Commission has just **approved** under TCTF a € 837 mio. Spanish scheme that includes support to raw materials production and refining for batteries.

IV. Support instruments for Member States

Technical Support instrument

- TSI provides tailor-made technical expertise to Member States to design and implement reforms. The support is demand driven and does not require co-financing from Member States.
- **2024** : [TSI 2024 Flagship - Support to the Green Deal Industrial Plan \(europa.eu\)](https://europa.eu)
- Timeline:
- October 2023: submission of TSI request ;
 - Around March 2024: Adoption of the financing decision
 - Around May 2024: implementation of the projects can start

Work package 2 – Critical Raw Materials - support to:

- Increase the circularity of CRM
- Identify and increase national capacities for extraction, processing, reusing and recycling of CRM
- Assess and suggest improvements of the national regulatory environment, e.g. for permitting and financing procedures for CRM projects and Strategic Projects.
- Identify/monitor CRM supply chains and coordinate stocks among Member States.
- Improve the sustainability of CRMs.
- Increase public engagement and acceptance.
- Increase the technological maturity of recycling technologies for CRM and to promote materials efficiency and the substitution of CRM in applications
- Increase the capacities of public administrations.

V. Key takeaways

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- Resources are mostly available under shared managed instruments : it is up to Member States to ensure that critical raw materials are part of the different priorities and programmes defined nationally/regionally.
- The set of available instruments are subject to different application rules and processes, and propose a different variety of support options.
- It is up to COM and Member States within the Board to ensure that Strategic Projects can identify and apply to the instrument(s) that best meet their financing needs (as per art. 15).
- Fast changing environment with new instruments sometimes coming up for a limited timeframe only



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IV. Back up slides

Further details on programmes and funds



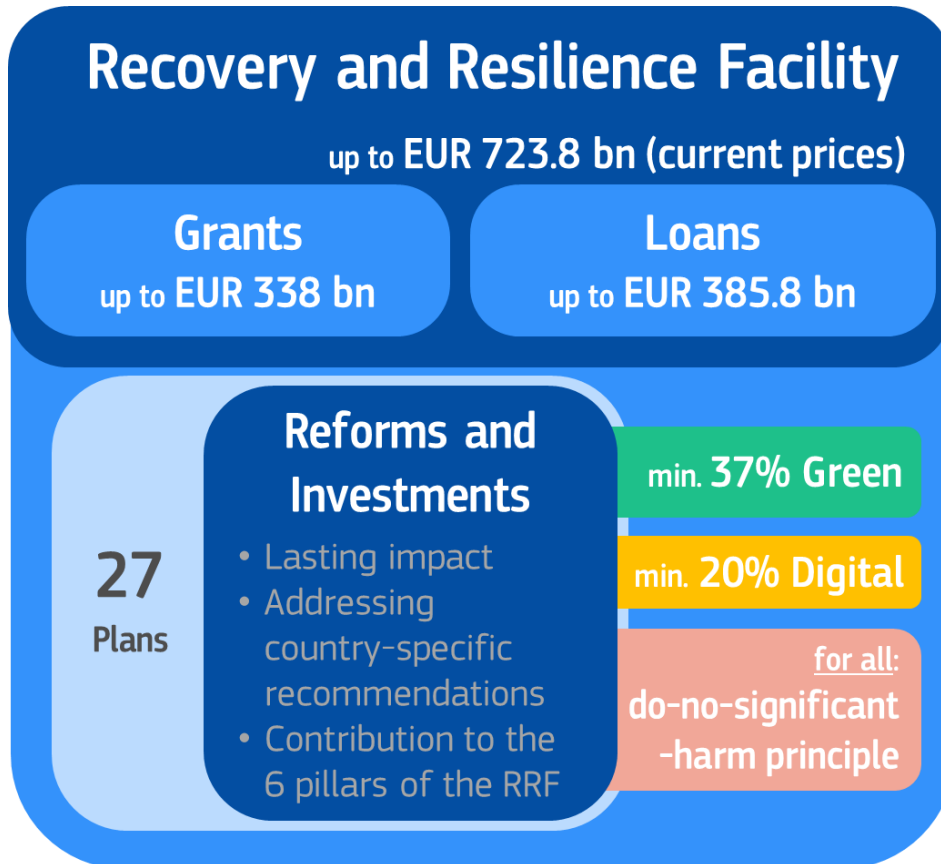
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IV. Back up slides

Funds under Shared Management

Further details on programmes and funds

Next GenerationEU- Recovery and Resilience Fund & green measures



Key reforms

- Fiscal reforms promoting clean mobility
- Facilitate deployment of renewables
- Water and waste management and nature conservation
- Permitting and environmental taxation

Key investments

- Sustainable mobility
- Renovation and energy efficiency
- Renewable energy & networks
- Biodiversity and climate adaptation
- Circular economy, sustainable water
- Green R&D&I

More information:

- [Recovery and Resilience Facility | European Commission \(europa.eu\)](https://ec.europa.eu/economy_finance/recovery-and-resilience-facility)
- [Recovery and Resilience Scoreboard](https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard)
- [37 Annual Report on the RRF](https://ec.europa.eu/economy_finance/annual-report-on-the-rrf)

Supporting projects: cohesion policy funds

- **European Regional Development Fund (ERDF)** can support:
 - SMEs for productive investments including those for the production of CRM (e.g., less invasive mining techniques);
 - large enterprises on R&I on CRM provided R&I is close to the market and done jointly with SMEs, and if CRM are a part of the Smart Specialisation Strategy of that region;
 - Specific skills related to the Smart Specialisation Strategies (on a wider scale through ESF+), including those necessary for CRMs.
- Examples: €1 million for acquisition of technologies for processing raw materials in CZ ; €1 million for reducing energy consumption of processing of raw materials (ES) ; €150 000 for test plant for critical recycled metal (FI)
- **Envelope:** ERDF has targets of 30% to support innovation and entrepreneurship in the transition to a climate neutral economy + **EUR 72 billion for PO "Greener Europe"**.
- **Overall conditions**
 - State aid rules and DNSH apply
 - Projects must increase cohesion in EU by reducing economic, social and territorial disparities between regions.
 - MS and regions have to identify CRMs as priorities in their programmes (bottom-up process)
 - Funds delivered under shared management with Common Provisions Regulation. Calls are published by the national or regional authorities.

Cohesion policy

- **Just transition fund (JTF)**

- **Objective** : reduce the social and economic costs resulting from the green transition to the EU's 2030 climate target to make sure that no region is left behind.
- It supports a diversification of economic activity, creating new business opportunities and helping people adapt in a changing labour market.
- Project selection criteria are defined by Member States
- **Envelope: €19.2 billion** under the MFF+NGEU
- **Example:** €18.7 million of grant to a rare earth magnet manufacturing facility in Estonia

- **European Territorial Cooperation: INTERREG A** (cross-border) is suitable for the purpose of art 18.6(a): exploration of cross-border mineral occurrences and common geological formations

RRF/RePowerEU

- Original RRF has had option to support CRM value chain already
 - Example: Carester (FR): €5 mio. for permanent magnet recycling to recover rare earths
- Now: REPowerEU chapters – **Envelope** : 20 billion additionally from ETS, + CPR + BAR
 - **Objective** : contribute towards energy security, the diversification of the Union's energy supply, an increase of the uptake of renewables and energy efficiency, an increase of energy storage capacities and the needed reduction of dependence on fossil fuels before 2030
- Art. 21c (3) (f) RRF regulation: includes value chains for CRM linked to green transition
 - *“through support of the value chains in critical raw materials and technologies linked to the green transition”*
- **Conditions**: e.g. Do No Significant Harm & State Aid compliance
- **Timing**: Until end of 2026; MS were advised to send their upgraded plans by 30.4.2023



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IV. Back up slides

Funds under Direct Management

Further details on programmes and funds

Horizon Europe – cluster 4 of pillar II

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Scope:

Exploration, extraction, processing, refining, recycling and substitution of raw materials

Type of projects:

Innovation Action TRL 6-7

Research and Innovation Action TRL 3-5

Coordination and Support Action (non technology projects)

Envelope

2021-2024: EUR 470 mln

2025-2027: TBD in 2024

Conditions:

Consortia of minimum 3 partners from 3 Member States. Open to 3rd country participation.

Examples of projects:

Exceed – development of technologies for re-use of mining waste from lithium

Rotate – development of technologies to reduce environmental footprint, noise and dust from mining operations

Salema – substitution of magnesium in aluminium alloys for vehicles

InvestEU programme

Three building blocks combining investment, support and access

Investing

over €372 billion of public and private funding*

InvestEU
Fund

Supporting

the preparation and development of investment projects

InvestEU
Advisory Hub

Connecting

investors and project promoters on a single EU-wide platform

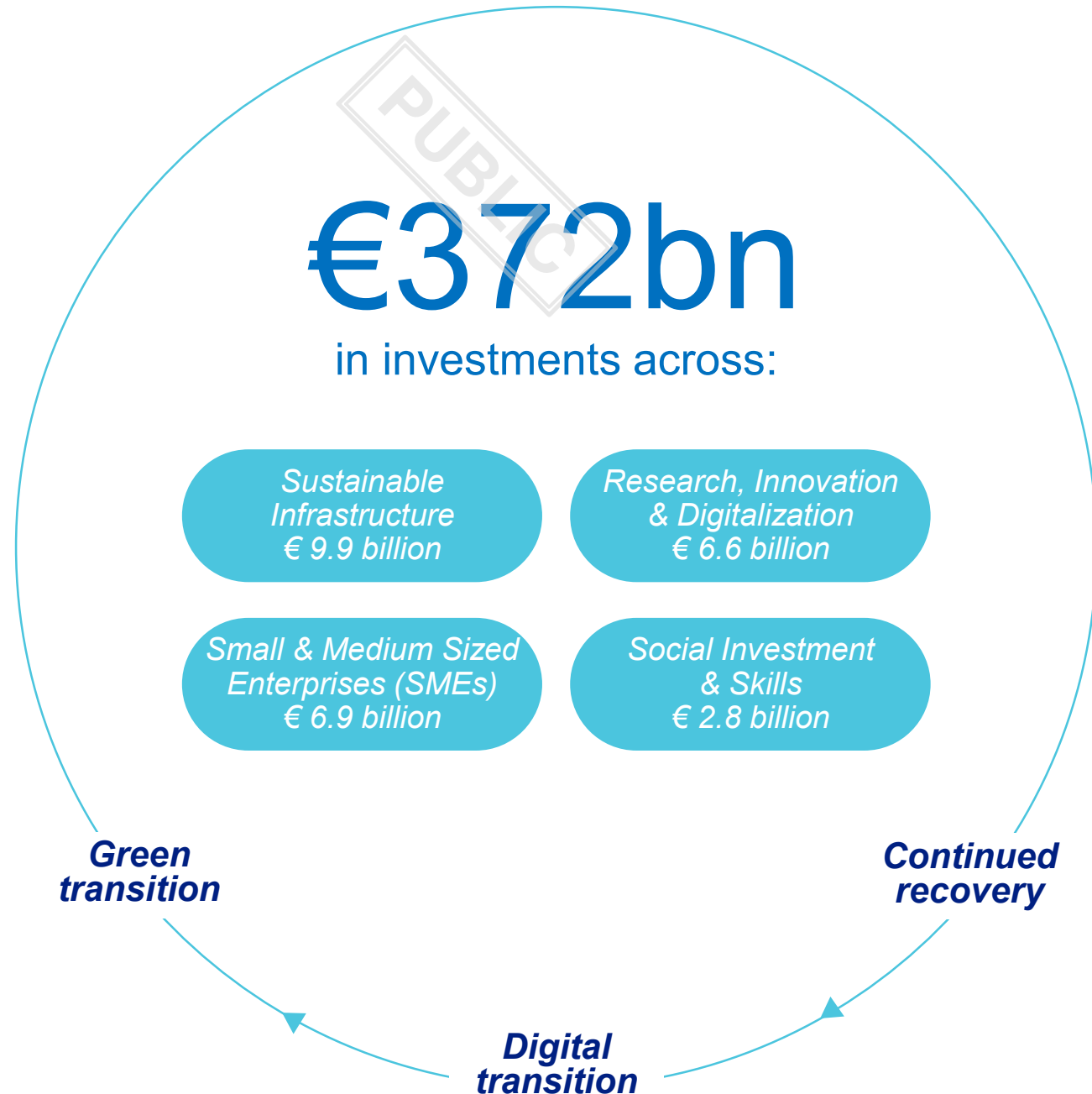
InvestEU
Portal

InvestEU Fund

New finance to boost investment, innovation & job creation in Europe 2021-2027

- To mobilise

€26.2bn
InvestEU Fund



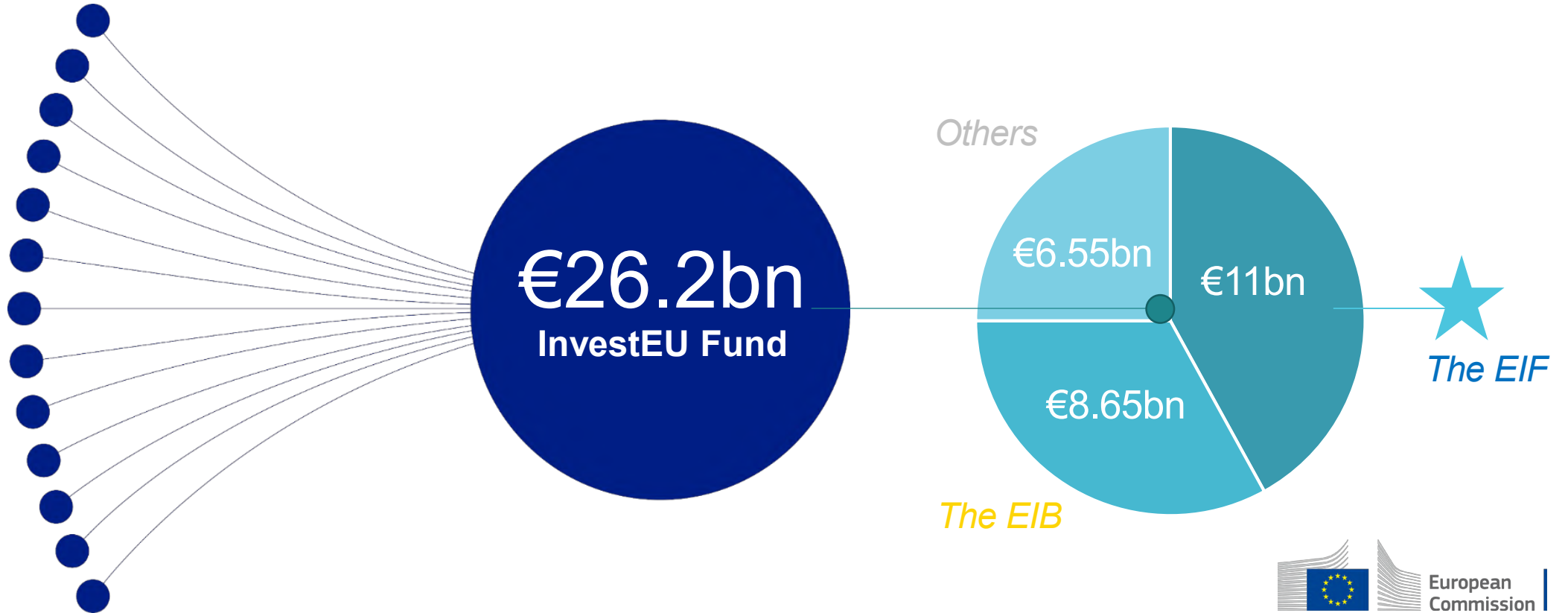
InvestEU Fund solution

Bundles previously disbursed financial instruments under one roof

- Different EU programmes & the European Fund for Strategic Investments (EFSI) combined into 1 instrument

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EU financial instruments



CRM in InvestEU Guarantee Agreements

- Guarantee agreements with EIB, EBRD, NIB, CDC, CDP and ICO cover CRM value chain among the targeted investment priorities
- NIB, EBRD, EIB, CDP*: direct loans
- CDC, ICO: intermediated equity

* only under the Research and Digitisation Window

CRM exploration facility

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- 50 MEUR equity facility funding exploration projects, managed by EBRD
- Contribution from Horizon Europe: 25 MEUR (as first loss piece)
- Target companies: junior mining companies (SMEs or Small Mid-Caps)
- Target geographies: EU MS covered by EBRD + Horizon Europe ACs
- **Still under negotiation**, the product shall be part of the InvestEU GA

Innovation Fund

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- For commercial demonstration of innovative low-carbon technologies
- Focuses on highly innovative technologies and big flagship projects within Europe that can bring significant emission reductions
- Financed from ETS revenues: EUR 38 bn. for 2020-2030 (at 75 EUR/tCo₂)
- Supports up to 60% of the additional capital and operational costs
- Regular calls (so far 3 large- and 3 small scale calls)
- Example:
 - Relieve (FR): EUR 67 mio. for recycling of batteries to recover raw materials
 - AAL SEB (IE): EUR 4 mio. to decarbonise aluminium production

What to expect under the EFSD+?

Modalities

- Blending
- Technical Assistance
- Budgetary guarantees supported by the External Action Guarantee (provisioning at 9% for sovereign operations or 50% for private sector operations from geographic envelopes to provide liquidity cushion)

EFSD+ Guarantee

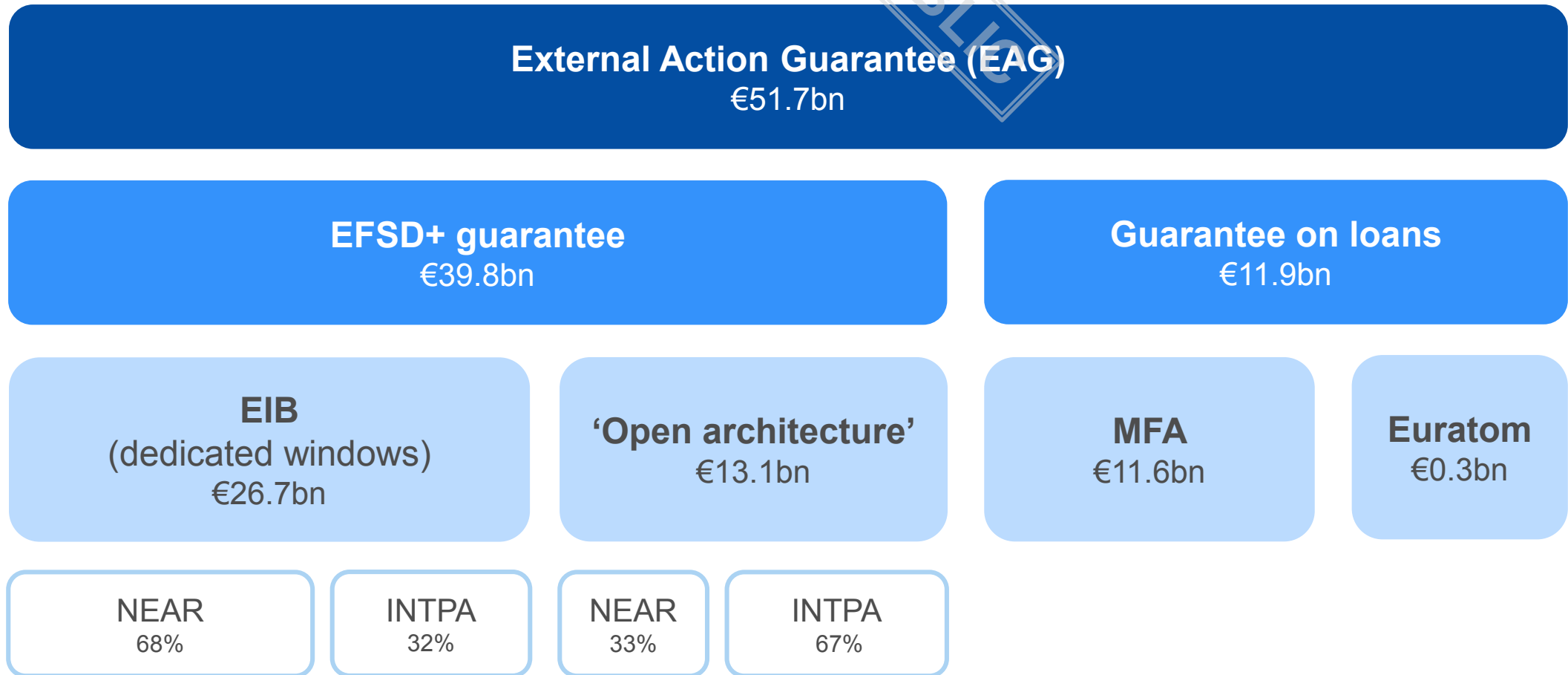
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Main features

- Appx. Eur 40bn guarantee
- **Geographic scope:** Global
- **Scope:** full spectrum of investment from sovereign to private sector
- **Policy first:** Programmed to ensure strategic and funded from regional budgets
- **Open and collaborative** architecture
- Special attention to Least Developed Countries and fragile
- Financial pillar of the **EU External Investment Plan**



The EFSD+ guarantee: amounts 2021-2027



Provisioning: EUR 10bn (cap established in the NDICI regulation).



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IV. Back up slides

State Aid

Further details on programmes and funds

Strategic investments for clean technologies

- TCTF

New Section 2.8

First level: schemes – aid limits

		<i>Location of the investment</i>			
		<i>Non-assisted areas</i>	<i>c-Regions</i>	<i>a-Regions</i>	
		EUR 150 Million	EUR 200 Million	EUR 350 Million	
<i>Max. aid amount per undertaking per MS</i>					
<i>Max. aid intensities</i>	<i>For direct grants</i>	Large enterprises	15%	20%	35%
		Medium sized enterprises	25%	30%	45%
		Small enterprises ²	35%	40%	55%
	<i>For tax advantages, loans or guarantees</i>	Large enterprises	20%	25%	40%
		Medium sized enterprises ²	30%	35%	50%
		Small enterprises ²	40%	45%	60%

Strategic investments for clean technologies

- TCTF

New Section 2.8

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Second level: ad hoc aid

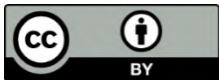
AD-HOC AID POSSIBILITIES	LOCATION OF INVESTMENT	SAFEGUARDS		
Single-EEA country project	<ul style="list-style-type: none"> ➤ 1 Member State ➤ Disadvantaged areas only 	Non-disadvantaged areas cannot receive matching aid if only one Member State is involved		
Multi-EEA country projects	<ul style="list-style-type: none"> ➤ At least 3 Member States ➤ a significant part of the capital investment takes place in at least two disadvantaged areas ➤ an important part of such significant investment should take place in an 'a' area 	Aid possible also in non-disadvantaged areas, subject to real ecosystem effects across the EU	State-of-the-art production technology from an environmental emissions perspective	Prohibition to relocate investments within the single market

Applicable aid limit is the lower of:

- Matching aid (amount available in 3rd country)
- Funding gap calculated as delta in NPV between EEA project and counterfactual

Thank you

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