

Private financing opportunities to support bioenergy and biofuels projects

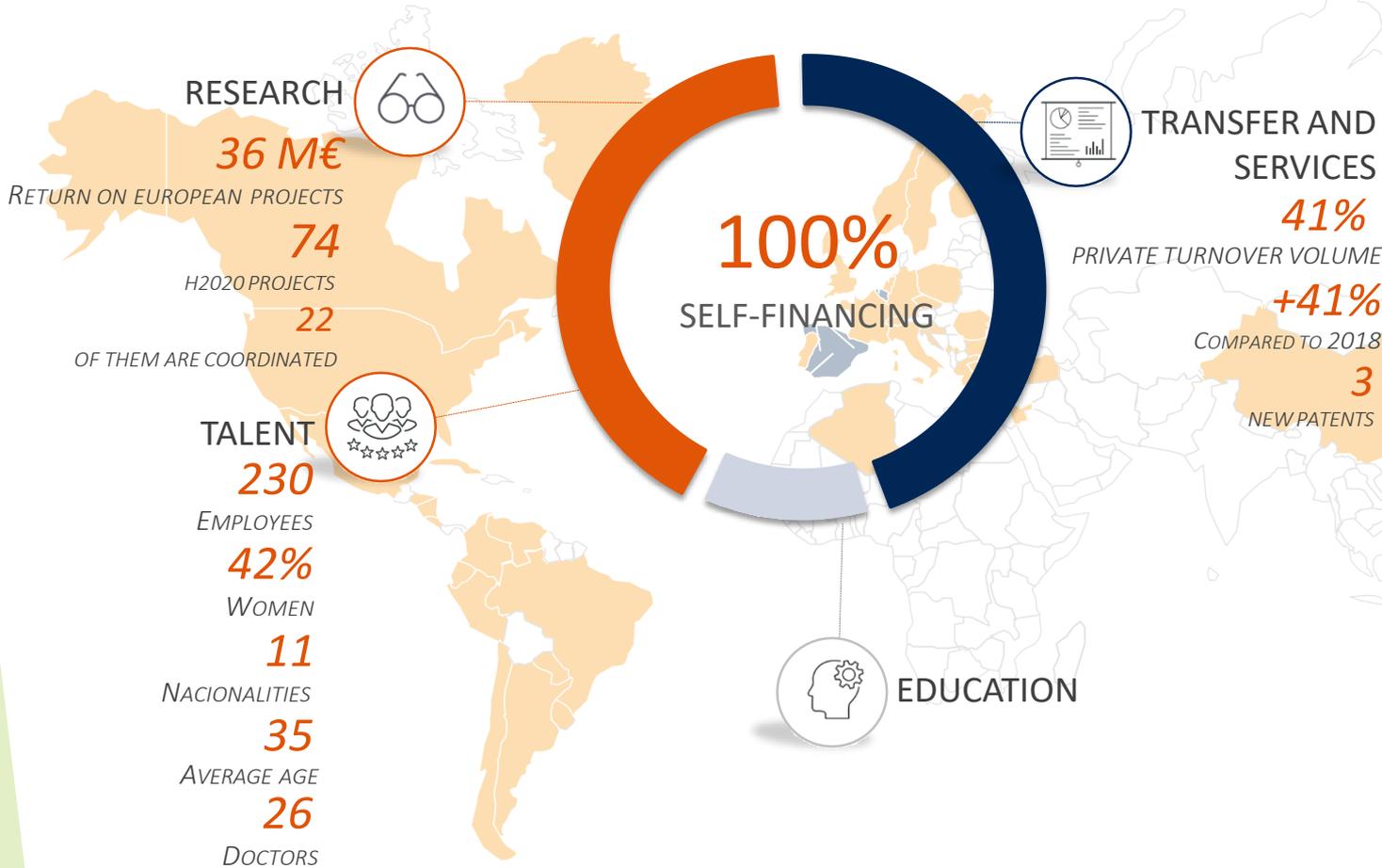
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Prepared by Paola Mazzucchelli



CIRCE is energy

+25 YEARS OF R&D&i AT THE SERVICE OF COMPANIES, SOCIETY AND THE ENVIRONMENT



BUSINESS LINES



RENEWABLE ENERGY



ELECTRICAL GRIDS OF THE FUTURE



SMART MOBILITY



INDUSTRY 4.0



ENERGY EFFICIENCY



CIRCULAR ECONOMY AND SUSTAINABILITY

Type of funding instruments

Grants	Equity	Loans	Others (e.g. guarantee)
Innovation Fund Just Transition Fund Clean Energy Transition Partnership EUREKA InnoEnergy LIFE Interreg	Private equity investments and funds Marguerite II BEV ECBF Crowdfunding Platforms		
EIC Fund			InvestEU
	EBRD EIB BEV Catalyst		
Modernisation Fund Resilience and Recovery Facility New financing RE mechanism		Modernisation Fund Resilience and Recovery Facility New financing RE mechanism	
Inno			

TRL

	TRL	Stage of project development	Funding instrument		
DEPLOYMENT	9	<i>Actual system proven in operational environment</i>	<ul style="list-style-type: none"> Private capital (early stage) BEV EIB Modernisation Fund EIC Fund EBRD Marguerite II Fund New RE financing mechanism Interreg Europe LIFE EU Innovation Fund 	<ul style="list-style-type: none"> Private capital (later stage) InvestEU 	<ul style="list-style-type: none"> European Circular Economy Fund RRF JTF CETP EUREKA InnoEnergy BEV Catalyst
	8	<i>System complete and qualified</i>		<ul style="list-style-type: none"> EIC Accelerator 	
	7	<i>System prototype demonstration in operational environment</i>		<ul style="list-style-type: none"> Seed VC and business angels EIC Accelerator LIFE 	
DEVELOPMENT	6	<i>Technology demonstrated in relevant environment</i>	<ul style="list-style-type: none"> EU Innovation Fund BEV Fellows Programme Interreg Europe 	<ul style="list-style-type: none"> EIC Transition 	<ul style="list-style-type: none"> JTF CETP KIC InnoEnergy BEV Catalyst
	5	<i>Technology validated in relevant environment</i>			
	4	<i>Technology validated in Lab</i>			
RESEARCH	3	<i>Experimental proof of concept</i>	<ul style="list-style-type: none"> EIC Pathfinder 		
	2	<i>Technology concept formulated</i>			
	1	<i>Basic principles observed</i>			

Funding range

Project cost	Funding instruments			
<3.000.000€	<ul style="list-style-type: none"> • Venture capital • Interreg Europe • BEV Fellows Programme • LIFE 	<ul style="list-style-type: none"> • Innovation Fund small-scale (less than 7.500.000€) • CETP • EUREKA • KIC IE (until 5.000.000€) 	EIC	
3.000.000-10.000.000€	<ul style="list-style-type: none"> • Growth capital • ECBF (for TRL 6-8) 			
10.000.000-15.000.000€	<ul style="list-style-type: none"> • ECBF (for TRL 9) • BEV Catalyst 			
>15.000.000€	<ul style="list-style-type: none"> • Buyout capital • Marguerite Fund • EIB 	Innovation Fund large-scale (more than 7.500.000€)		<ul style="list-style-type: none"> • EBRD • RRF • JTF • New RE financing mechanism

Conclusions (1)

Instrument name	Type of instrument	Project Funding Level	TRL	Suitability to bioenergy and alternative fuels projects
Private equity investments	Equity	<p>Venture capital: 2.000.000-2.500.000€ (average investment per company).</p> <p>Buyout: 15.000.000-150.000.000€</p> <p>Growth: 8.000.000-10.000.000€</p>	>8	<p>In general, there is a lack of interest from private financial market participants, mainly related to the specificities and associated lack of understanding of the bio-based industries.</p> <p>Several Funds have been recently launched. An interesting one for the purpose of IWG8 projects seems to be the European Circular Bioeconomy Fund (ECBF).</p>
BEV	Equity	Average in the same range as venture capital.	>7	<p>Covered technologies: Low-GHG Liquid-Fuels Production–Non-Biomass; Low-GHG Gaseous Fuels Production–H₂, CH₄; Low-GHG Liquid Fuels Production–Biomass.</p>
BEV Fellows Programme	Equity (patient capital)	Approximately \$1-3 million per year in research and development funding for lab space, office space, equipment, supplies, technical consultants, and staff.	5-7	<p>Electrofuels, hydrogen, fertilisers: technologies that have the potential to reduce carbon emissions by at least 500 million tons per year by 2050</p>

Conclusions (2)

Instrument name	Type of instrument	Project Funding Level	TRL	Suitability to bioenergy and alternative fuels projects
BEV Catalyst	Blended finance: Grants Equity Loans	Between 10 and 20 million € on average.	>4	<ul style="list-style-type: none"> Green hydrogen Sustainable aviation fuel (SAF)
EIC Fund	Grants Equity	Equity from €0.5m to €15m.	>7	Bottom-up approach.
InvestEU	Guarantee	Depending on conditions of financial partners.	>9	The InvestEU Fund will target economically viable projects in areas where there are market failures or investment gaps. It will also target higher risk projects in specific areas.
European Investment Bank	Loans Equity Guarantee Blending	It varies depending on the type of instrument.	>7	Several possibilities are available. The line Innovation and new types of energy infrastructure specifically covers SET-Plan related projects.
Modernisation Fund	Member States are free to decide on the form of support: grants, premium, guarantee instruments, loans or capital injections.	The EIB will consider financing up to 75% of the eligible cost of all energy projects eligible under this energy lending policy situated within those Member States benefitting under the Modernisation Fund.	>7	<p>Priority investments have to fall into a priority area as defined by the ETS Directive, with the EIB confirming this.</p> <p>Only projects located in these Member States are eligible: Croatia, Czechia, Estonia, Hungary, Latvia, Lithuania, Poland, Romania and Slovakia.</p>

Conclusions (3)

Instrument name	Type of instrument	Project Funding Level	TRL	Suitability to bioenergy and alternative fuels projects
European Bank for Reconstruction and Development	Loans Equity	EBRD financing for private sector projects generally ranges from \$5 million to \$250 million. The average EBRD investment is \$25 million.	>8	<p>Projects may be considered for EBRD assistance if they:</p> <ul style="list-style-type: none"> • Are located in an economy where the EBRD works. • Have good prospects of being profitable. • Have significant equity contributions in cash or in kind from the project sponsor. • Would benefit the local economy. • Satisfy the EBRD's environmental standards as well as those of the host country.
EU Innovation Fund	Grants	It may finance up to 60% of the relevant cost (additional costs borne (considering both CAPEX and OPEX) by the applicant as a result of the application of the innovative technology related to the reduction or avoidance of the GHG emissions, compared to a reference scenario).	>5	This fund replaces NER300 and has especially been created to fund First-of-A-Kind demonstration with a focus on the SET-Plan.
Resilience and Recovery Facility	Loans Grants	Depending on the proposals by each Member State.	>4	Several flagship areas can cover projects in the field of bioenergy and alternative fuels: POWER UP; RENOVATE; RECHARGE and REFUEL.
Just Transition Fund	Grants (co-financing by the Member State of 50%)	Depending on the proposals by each Member State.	>4	This Fund targets support to regions that need to move away from fossil fuels. Bioenergy and alternative fuels represent an important sustainable alternative to be targeted.

Conclusions (4)

Instrument name	Type of instrument	Project Funding Level	TRL	Suitability to bioenergy and alternative fuels projects
CETP	Grants (EU co-financing at 30%)	Each Member State will finance the partner organisations. The Commission will co-fund the Partnership for up to 30%.	>4	It is included within the scope.
EUREKA	Grants (co-financing by the industrial partners)	Co-finance by each participating Member State.	>4	Bottom-up approach.
InnoEnergy	Grants	Average investment between 100k € to 4-5m €. However, the total budget of the project depends on the initiative itself. KIC will consider funding between 20 % to 80 % of the proposed project budget.	>4	Included in the scope.
New financing mechanism	Grants RE Loans	The size of the grant is determined by the outcome of the tender procedure, where only the most competitive projects will be selected and to receive support.	>7	Included in the scope, but it needs to be in line with EU Taxonomy.

Conclusions (5)

Instrument name	Type of instrument	Project Level	Funding	TRL	Suitability to bioenergy and alternative fuels projects
LIFE/Clean Energy Transition	Grants (Maximum EU co-financing rates for projects are 60%, 75% and 95%, depending on the project type and topic)	Depending on the type of calls.		>7	Sustainable bioenergy
Interreg Europe	Grants (between 75 and 85%)	Total fund: 474 million €. projects: 1.7 million for each project.	278	>5	<ul style="list-style-type: none"> • Research and innovation. • SME competitiveness. • Low-carbon economy: renewable energies for agriculture. • Environmental resource efficiency.



BE Catalyst Programme

Short description	Through a creative, blended financing approach, Catalyst will make targeted investments into clean technology projects to significantly decrease the price of new clean products, increase their availability in the market, and demonstrate how to finance the infrastructure of decarbonization at scale.
How to apply	The Request for Proposals is expected to remain open for submissions until 31 December 2027 (RFP Close Date) (or until all BEC funds are fully committed).
Covered topics (focus)	Catalyst will start by focusing on four critical technologies for decarbonization: <ul style="list-style-type: none"> • Direct air capture (DAC) • Green hydrogen • Long-duration energy storage (LDS) • Sustainable aviation fuel (SAF)
Typology of funded projects	Large-scale commercialisation. From TRL 4: technology has been proven in pilot scale conditions to reduce overall CO2 and is able to move to a commercial scale.
Funding range	Not known.
Timing/availability	After due diligence.
Duration of the investment	10-15 years
Conditions/ requirements	All Respondents seeking funding in the first half of 2023 must provide their Part I Submission by 13 May 2022, at which time Catalyst will undertake its first round of evaluations. After 13 May 2022, submissions will be evaluated on a rolling basis (no less frequently than semi-annually) until the RFP Close Date.
Contacts	More information is available here: https://www.breakthroughenergy.org/catalyst-eu-rfp
Example (s)	N.A.



Interreg Europe

Short description	Interreg Europe helps regional and local governments across Europe to develop and deliver better policy. They aim to make sure that government investment, innovation and implementation efforts all lead to integrated and sustainable impact for people and place.
How to apply	Full information here: https://www.interregeurope.eu/projects/apply-for-funding/
Covered topics (focus)	<ul style="list-style-type: none"> • Research and innovation such as Smart SMEs for Industry 4.0, smart and green mining or european Life Science Ecosystems. • SME competitiveness: sustainable reuse centres, building regional resilience, female participation in high-tech enterprises, save rural retail. • Low-carbon economy: renewable energies for agriculture, e-mobility, hydrogen-electric mobility by tackling main infrastructural. • Environmental resource efficiency.
Typology of funded projects	
Funding range	Total fund: 474 million €. 278 projects: 1.7 million for each project.
Timing/availability	Call for additional activities: From 1 april 2021 to 2 july 2021, unless the total ERDF amount available for this call is allocated before the closing date.
Duration of the investment	The project lasts between 3 to 5 years. Phase 1 lasts from 1 to three years. Phase 2 lasts two years (3 months more to close the project)
Conditions/ requirements	<p>An interregional cooperation project is a project in which partners from at least three different countries work together on a shared regional policy issue by exchanging their experiences and practices in order to integrate the lessons learnt from this cooperation into their policies</p> <p>-Submission of the application form, partner declaration, letter of support.</p> <p>-Eligibility criteria:</p> <ul style="list-style-type: none"> • Respect of the deadline. • Completeness of the application, correctness of the application form and correctness of the support letter • Geographical coverage • Focus on Structural funds
Contacts	Contact us Interreg Europe
Example (s)	<p>Shifting towards Renewable Energy for Transition to Low Carbon Energy: Partners jointly work aiming at encouraging business investments into renewable energy and new innovative technologies and increasing involvement of energy consumers as active players. To achieve the project goals partners will look at possibilities to encourage technological development in renewable energy (support for business, industry to develop new technologies) as well as to use of social innovation concept to involve consumers (households, communities, industry, business representatives, public authorities) in the transition process shifting towards renewable energy production and consumption.</p> <p>The main project outputs are: 57 interregional learning events, 8 Action Plans addressing 7 ERDF and 1 local policy instruments, at least 15 good practices will be analysed and shared, 130 people will increase their professional capacities.</p> <p>https://www.interregeurope.eu/shrec/</p>



Advisory Hubs and accelerators

- [InvestEU Advisory Hub](#)
- [InvestHorizon](#)
- [Get.Invest Finance Catalyst](#)
- [Circular Economy Finance Support Platform](#)



Additional support for project developers

- Support to SET4BIO Innovation Challenge
- Organisation of national brokerage events
- Identification of most appropriate financing instruments for a given proposal
- Identification of most promising ideas via co-creation workshops



Detailed information

- https://www.etipbioenergy.eu/images/SET4BIO/SET4BIO_D1.3_PrivateFinancingForSETPlanIP8_CIRCE_PU.pdf
- www.set4bio.eu



THANK YOU FOR YOUR ATTENTION

Paola Mazzucchelli
CIRCE
pmazzucchelli@fcirce.es

Project Partners



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www.set4bio.eu