



# DIAMONDS4IF

DISCOVERY, IDENTIFICATION, APPLICATION, AND MONITORING OF  
DEVELOPED SOLUTIONS FOR INNOVATION FUND

## GUIDELINE – WHAT ABOUT “INNOVATION” IN INNOVATION FUND

### THE DEGREE OF INNOVATION IN INNOVATION FUND



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#### Do you know what is considered innovative related to this funding purpose?

The Innovation Fund provides grants to support investments for the decarbonization of European industry. **Innovation indeed is the most important evaluation criterion for the selection of Innovation Fund projects.**

#### But what exactly is innovative? And how is this assessed in the evaluation?

Innovation is not necessarily related to research.

An Innovation Fund project may only comprise a minor part of Research and Development. Otherwise, a low degree of innovation will lead to a rejection.

## What is a good degree of innovation?

In the European Union (EU), in general, public support favouring certain undertakings or the production of certain goods is considered being incompatible with European regulations. However, projects that represent breakthrough solutions that are not yet available commercially, may be supported if they are expected to help realizing EU goals and strategies.

Thus, funding can be justified by defining the innovation.

**Innovation** in a common sense **means to improve** or to replace something, for example, a process, a product, or a service. Specifically, the Innovation Fund regulation defines it as “degree of innovation compared to the state-of-the-art”. The assessment is focusing on:

- What is State of the Art?
- Is the proposed project different?
- Is it more than a small difference?

- Innovation in a common sense means to improve or to replace something.
- Innovation Fund defines it as “degree of innovation **compared to the state-of-the-art**”.
- Innovation must be significant  
**= more than incremental.**
- **Difference** must be shown from previously conducted demonstrations and **from that what is normally offered by existing suppliers.**

## Here are a few examples:

- A project is considered innovative if it is a **first-of-a-kind commercialisation** or a commercial size upscaling and demonstration.
- It is considered innovative if it is technically advanced **compared to previously conducted** demonstrations.
- An existing technical solution can be transferred by the project from one sector into a new sector or a **different type of use**.
- A combination of existing technologies can be **integrated in a new solution**.
- A new product may require a new production set up or adjustments in existing production facilities.

## Innovation can be...in a nutshell:

- ... a first-of-a-kind commercialization, commercial size upscaling.
- ... a transfer of a technical solution from one sector or type of use to another.
- ... a combination of existing technologies integrated in a new solution.
- ... a new business model or a new supply chain.
- ... a new production set up or major adjustments in production facilities.
- ... a product that eliminates the need for existing products or services.
- ... a solution that needs to be upscaled for full benefits.

There are even more types of innovation – but overall, **the main subject of the project must significantly differ from that what is normally offered by suppliers today.**

Evaluators want also to know whether the project goes **beyond incremental innovation.**

If only minor changes will be applied in the project, the degree of innovation is low, and the project will be rejected.



Only if projects are innovative, it is justified to support them through public funding



Innovation can be indicated by new technology or products, upscaling of processes, transfer between sectors, and more



Innovation is not only “rocket science” but must be significant compared to existing solutions, incl. those already funded

### Let’s conclude:

- If projects are innovative, it is justified to support them through public funding. Thus, this is the **main requirement for the funding at all.**
- Innovation can be indicated by new technology or products, upscaling of processes, transfer between sectors, or changes in the supply chain.
- Innovation is not only rocket science but must be **significantly new** compared to existing solutions.

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Let DIAMONDS4IF be your trusted partner in navigating the Innovation Fund and unlocking the full potential of your projects. DIAMONDS4IF has been set up to explain the unique features of the Innovation Fund to you!

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