



Important Projects of Common European Interest

DG Competition

What are IPCEIs?

- The notion of "Important Project of Common European Interest" is laid down in Art. 107(3)(b) TFEU as part of the State aid rules
- It is a specific possibility to find aid compatible with the internal market, but was in the past rarely used (e.g. some collaborative R&D programmes, some infrastructure projects)
- In 2014 the Commission revived this clause by adopting a dedicated Communication laying out the conditions for its application. Until now, it has been used for 1 infrastructure project decision (Fehmarn Belt fixed rail-road link between Denmark and Germany) but not for R&D projects yet

Advantages of an IPCEI (compared to other State aid rules)

- The existence of the **market failure** affecting the project is presumed
 - Under normal R&D&I aid rules, this needs to be proven for larger projects
- The project can be aided up to 100% of the funding gap on the basis of a large set of **eligible costs**
 - Under normal regional aid and R&D&I aid rules, there are upper limits. The closer to the markets, the lower the caps
- Costs of **first industrial deployment** (i.e. between pilot line and until start of mass production) are considered eligible
 - Under normal R&D&I aid rules, this is not possible. Under regional aid rules, aid is only allowed for investment in assisted regions



General and specific conditions

- **Contribution to one or more Union objectives** (e.g. Key Enabling Technologies, climate and energy targets, Digital Agenda, Trans-European Networks, etc.) and significant impact on competitiveness, sustainability, value creation across the EU
- Project involving **more than one Member State**
- **Positive spillover effects** on the internal market and Union society; benefits not limited to participating Member States and companies; measured at multiple levels of the value chain and in other sectors.
- **Co-financing** by the beneficiary
- In case of R&D&I, projects must be of a **major innovative nature** or of important added value in the light of the state of the art in the sector
- First industrial deployment covered where it allows for the **development of a new product** with high R&D&I content or of an **fundamentally innovative production process**



Design and governance of an IPCEI

- Eligible are **integrated projects**, i.e. group of individual sub-projects by different companies put under a common structure aiming at the same overall objective under a coherent approach. Need to demonstrate the **links between various sub-projects and collaboration between companies**
- Need for **strong (and early) cooperation/coordination** between participating Member States
- Need for **exchanges of information** between Member States/companies to enable complementarity between sub-projects across companies and Member States
- Technical design of the project implies that **Member States build up the overall project together** and support intra-EU cooperation between companies
- Need for certain **coordination of timing of projects and decision-making** of Member States (e.g. budget commitments)
- **Strong governance** important to ensure connections/links between various sub-projects and actors contributing to the overall objective of the IPCEI