



Important projects of common European interest (IPCEI): main requirements and guidance

Nordic match-making for Hydrogen IPCEI(s)

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Rodrigo Peduzzi
Directorate General Competition
Unit H2 – R&D&I, IPCEI and Environment

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What are IPCEIs?

Common
European
Interest

- State aid concept – Art. 107(3)(b) TFEU
- Not an EU Fund
- 2014 IPCEI Communication

- RDI-FID – major innovative nature - or significant infrastructure
- Single or integrated project

- Market failure
- Important: large and/or risky, ambitious
- Contribution to EU strategies

- Cross-border / transnational
- Positive spillover effects beyond participants

Infrastructure
single project (DK-
DE Fehmarn Belt
rail-road link)

R&D integrated
Microelectronics
IPCEI (4 MS)

R&D integrated
Batteries I IPCEI
(7 MS)

R&D integrated
Batteries II IPCEI
(12 MS)



Designing an IPCEI

- **Openness** for all Member States; selection of participating companies via open calls (best practice)
- **Intense (and early) cooperation between Member States**; Member States to build the overall project together (chapeau); support cooperation between companies (in line with Antitrust rules), vital role of coordinating Member State(s)
- **Thorough preparation of individual project portfolios** / financial data; accurate screening of company documents by Member States; companies to provide important input to Member States; confidential business information will be seen by company's own Member State and Commission services only
- **Certain exchange of information** between Member States/companies to enable integration complementarity between individual projects
- **Integration of individual projects** and collaboration between companies to demonstrate also the joint contribution of the IPCEI to the common EU interest
- **The approach** in every IPCEI is **case specific** – different technologies or projects
- **Show the differences** between subsequent (if any) IPCEIs in the same field
- **Manageability is key**: create a setup, which can be assessed in reasonable time, coordinated and governed



Governance

- **Strong governance** to ensure connections between various projects and actors
- **Certain coordination of timing and decision-making** of Member States (e.g. budget commitments)
- **Sharing of information** during the process limited to the timeline, complementarity of the different sub-projects and coordination between partners.
- **Antitrust rules** to be respected by all the companies at all times
- **No legal obligation** for exclusive contracts with these partners and beneficiaries can always work with companies non-funded within the IPCEI



IPCEI does not fit? There are alternative options!

- Participate as indirect partner
 - does not take part to the IPCEI notification
 - not subject to individual assessment
 - collaborates significantly with direct IPCEI partners/projects
 - may receive State aid based on other State aid guidelines and on General Block Exemption Regulation schemes (in this case no notification)
 - may be a research organisation / university

- Consider using other funding instruments
 - Innovation Fund, Horizon, Joint Undertakings, EIB funding, InvestEU, etc.
 - Other State aid rules may be more appropriate for certain types of projects, e.g. Environmental and Energy Guidelines, General Block Exemption Regulation, Research and Development and Innovation Framework, etc.



European
Commission

Thank you

Backup

Assessment under the IPCEI Communication

- ***Eligibility Criteria***

- Definition of a project (single or integrated)
- Common European Interest
- Importance of the project

- ***Compatibility Criteria***

- Necessity and proportionality of the aid
- Prevention of undue distortions of competition & balancing test
- Transparency



Assessment under the IPCEI Communication – eligibility criteria

Definition of a project (single or integrated)

Integrated project = a group of individual projects, inserted into a common structure (roadmap or programme), aiming at the same objective and based on a coherent systemic approach

Individual projects may relate to separate levels of the value chain, but must be complementary and necessary and must demonstrate their contribution to the achievement of the important European objective



Assessment under the IPCEI Communication – eligibility criteria

Common European Interest

General cumulative criteria:

- 1. Clear, identifiable and important contribution to one or more Union objectives and significant impact on competitiveness of the Union, sustainable growth, addressing societal challenges or value creation across the Union***
- 2. More than 1 Member State (preferably several)***
- 3. Benefits must not be confined to the financing Member States, undertakings or sector(s) concerned, but must be of application to the European economy or society through positive spillover effects which must be clearly defined in a concrete and identifiable manner***
- 4. Co-financing by the beneficiaries***
- 5. Phasing out of environmental harmful subsidies***

Positive Indicators: open to all Member States, involvement of the European Commission, co-financing by Union funds



Assessment under the IPCEI Communication – eligibility criteria

Common European Interest

Specific criteria:

- 1. R&D&I projects must be of major innovative nature or constitute an important value added in terms of R&D&I in the light of the state of the art in the sector concerned***
- 2. Projects comprising of industrial deployment must allow for the development of a new product or service with high research and innovation content and/or the deployment of a fundamentally innovative production process. Regular updates without an innovative dimension of existing facilities and the development of newer versions of existing products do not qualify as IPCEI***
- 3. Environmental, energy or transport projects must be of great importance for EU respective strategies or significantly contributing to the internal market***

Importance of the project: Project must be quantitatively or qualitatively important; either particularly large in size or scope and/or imply a very considerable level of technological or financial risk

Assessment under the IPCEI Communication – compatibility criteria

Necessity and proportionality

Maximum aid = funding gap or 100% of eligible costs, whatever is lower.

Prevention of undue distortions of competition & balancing test

Transparency