



Important Projects of Common European Interest (IPCEI) FAQs - August Microelectronics Call for Expressions of Interest

What are Important Projects of Common European Interest?

The notion of Important Projects of Common European Interest (IPCEI) is laid down in Art. 107(3)(b) TFEU as part of the State aid rules, describing a type of aid that can be compatible with the internal market. IPCEI are about disruptive and ambitious research and innovation (R&I), beyond global state-of-the-art innovation in the sector followed by first industrial deployment. The State aid framework for IPCEI is designed to bring together public and private actors to undertake large-scale, transnational collaborative projects that provide significant benefits to the European Union (EU) and its citizens. IPCEI provide knowledge, expertise, financial resources, and the opportunity to work with economic actors throughout the EU in order to overcome important market or systemic gaps and societal challenges that could not be addressed otherwise.

An IPCEI involves more than one Member State (MS) and should have positive spillover effects on internal market/Union society with the benefits not limited to participating Member States and companies. In case of R&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 is covered where it allows for the development of a new product with high R&I content or of a fundamentally innovative production process is being developed. By their nature, IPCEI often entail significant risks and require joint, well-coordinated efforts and transnational investments by public authorities and industries from several Member States.

IPCEI also include actions by beneficiaries to generate positive spill-over effects beyond their business as usual, throughout the EU, based on the knowledge and results they generate from participation in the IPCEI.

Currently, there are two batteries IPCEI and a microelectronics IPCEI in progress. Several other IPCEI are in development – Hydrogen IPCEI, IPCEI on Cloud Infrastructure and Services (IPCEI-CIS), the IPCEI for Microelectronics and Communication (ME IPCEI2) and a Health IPCEI has recently been proposed.

What makes IPCEI so special?

There are a number of advantages to IPCEI, compared to other State aid rules such as:

- The existence of the market failure affecting the project can be presumed
 - Under normal RD&I aid rules, this needs to be clearly demonstrated 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 RD&I aid rules, there are upper limits and, the closer to the markets, the lower the caps



- Costs of first industrial deployment (i.e., between pilot/demo line and before start of mass production) are considered eligible
 - Under normal RD&I aid rules, this is not possible. Under regional aid rules, aid is only allowed for investment in assisted regions.

Are there Specific Criteria for IPCEI?

The Communication on IPCEI¹ sets out the following specific criteria:

- i. R&I projects must be of a major innovative nature or constitute an important added value in terms of R&I in light of the state-of-the-art in the sector concerned.
- ii. 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 upgrades without an innovative dimension of existing facilities and the development of newer versions of existing products do not qualify as IPCEI.
- iii. Environmental, energy or transport projects must either be of great importance for the environmental, energy (including security of energy supply), or transport strategy of the Union or contribute significantly to the internal market, including, but not limited to, those specific sectors.

What requirements must be satisfied for an IPCEI to be approved by the European Commission?

To be approved by the Commission, an IPCEI must satisfy a number of requirements including:

- An IPCEI must make an important contribution to EU objective(s); for example, significant impact on competitiveness, innovation, sustainable growth, or value creation across the EU
- Funding from several Member States and co-funding by beneficiaries must be present
- IPCEI can consist of
 - RD&I projects of major innovative nature or important added value in light of the state of the art in the sector; or
 - First industrial deployment (between pilot/demo line, but before start of mass production) for developing a new product with high R&I content and/or a fundamentally innovative production process
 - Environmental, energy or transport projects of great importance for EU respective strategies or significantly contributing to the internal market
- The Annex of IPCEI Communication lists the eligible costs
- A number of positive features are also in place, for example, openness to all Member States, the involvement of the European Commission, co-financing by EU funds, public tenders/calls

How do I know if my project fits under the Call?

The criteria and scope for projects under this call are set out in the Criteria and Scope of Call document.

¹ [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52014XC0620\(01\)&from=EN](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52014XC0620(01)&from=EN)



When do I have to submit my project?

Project proposal forms must be received by **noon on 27 August 2021**. These should be sent, **using the proposal template provided**, to industrialpolicy@enterprise.gov.ie with *Microelectronics IPCEI Proposal* as the subject line.

What happens after I submit my project proposal?

Projects will be evaluated by a panel of experts against the criteria set out in the Criteria and Scope of Call document. Successful projects will then be taken forward to the next stage of the selection process to ensure they are aligned with the wider IPCEI and projects from other Member States.

Who can apply?

Companies, in particular SMEs (as defined by the European Commission²), and / or consortia from the field of microelectronics, communication technologies and other companies in the relevant value chains with research and production in Ireland that are willing to participate in an integrated European project can submit project proposals.

² 'The category of micro, small and medium-sized enterprises (SMEs) is made up of enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding EUR 50 million, and/or an annual balance sheet total not exceeding EUR 43 million.' Extract of Article 2 of the annex to Recommendation 2003/361/EC