

## **Revision of the IPCEI Communication**

### **Contribution from Portugal**

27 April 2021

Portugal welcomes the Commission's proposal on the revision of the 2014 IPCEI Communication and supports the objective of openness and inclusiveness regarding Member States and SME's.

We consider that this proposal should be aligned with the objectives of the EU industrial policy and that it should be clearly targeted to the strategic value chains identified in the IPCEI Forum. MS should also be able to participate in the identification of new strategic value chains, and be informed on the follow up of existing IPCEI.

We support the introduction of a specific reference to the European Hydrogen Strategy in the areas identified in paragraph 26.

We welcome the new provision on paragraph 16 regarding the demonstration that these projects aim to address market or systemic failures, and the application of a clawback mechanism to ensure the proportionality of the aid, referred to in paragraph 37.

We have also some more specific comments regarding some of the provisions:

#### **I. Requirement of a minimum number of 4 participating Member States (paragraph 17)**

Although we welcome the increased openness to MS's participation, we believe that special consideration should be given, in paragraph 17, to peripheral Member States with a limited number of borders as this requirement may discriminate against them.

In addition, the benefits of expanding the participation of MS's must be weighed against the costs of increased complexity and coordination.

#### **II. Possible insufficiency of provisions related to SME participation**

Although we welcome the new provisions providing for a reinforcement of SME participation we believe that the requirement of significant co-financing provided by the beneficiary (paragraph 20), together with the requirement that the project must be significant both in quantitative and qualitative terms and the fact that it involves a very considerable technological or financial risk (see paragraph 27), raises doubts about the effectiveness of new provisions designed to enhance SME participation.

#### **III. Clarification of eligibility criteria on "significant co-financing by the beneficiary" (paragraph 20) and on "major innovative nature" of R&D&I projects (paragraph 23)**

We welcome more clarity on what is meant by "significant co-financing by the beneficiary" and the introduction of quantitative and qualitative criteria to establish the "major innovative nature" of R&D&I projects.

#### **IV. Introduction of a specific provision to take into consideration disadvantaged and outermost regions**

It would be useful to introduce in section 3.2.2 (general positive indicators) a provision to indicate that the Commission will favour projects that include less developed European regions or Outermost Regions.

#### **V. Definition of First Industrial Deployment (paragraph 25)**

We support a more detailed clarification of the boundary line between the FID phase and mass production phase and the exclusion of mass production and commercial activities due to their possible anti-cohesion effects.

#### **VI. Enlargement of scope of IPCEIs**

We believe that specific provisions should be inserted in the revised Communication concerning possible enlargement of the scope of an existing IPCEI.

#### **VII. Drafting proposal for paragraph a) of the Annex to the Communication (eligible costs)**

We suggest that paragraph a) of the Annex (on eligible costs) should read as follows:

a) Feasibility studies, including preparatory technical studies and actions, and the costs of obtaining the permissions necessary for the realisation of the project.

With this change, surveys and field work carried out in the study phases become eligible.