State aid promoting the execution of Important Projects of Common European Interest (IPCEI) may be considered to be compatible with the internal market under Article 107(3)(b) of the Treaty on the Functioning of the European Union (TFEU). Under Article 108(3) of the TFEU, Member States have to notify to the Commission plans to grant State aid, including for the promotion of IPCEI.

It is therefore for the Member States to decide whether an IPCEI should be designed, in any given sector of the economy, and whether State aid needs to be notified to the Commission for assessment.

The Commission assesses State aid for IPCEIs based on the recently revised Communication on ‘Criteria for the analysis of the compatibility with the internal market of State aid to promote the execution of important projects of common European interest’¹. The Commission will assess, inter alia, whether the project is directed towards objectives of common European interest designed to overcome important market or systemic failures, whether it produces positive spillover effects, and whether it complies with the principle of ‘do no significant harm’ within the meaning of Article 17 of Regulation (EU) 2020/852.