

**PUBLIC LAW**

Investments in strategic sectors

Ministerial Order 306-A/2024/1 establishing the Regulation of the Incentive System “Investments in Strategic Sectors” (“Regulation”) was published on 27 November.

In response to constraints arising from the current geopolitical situation, particularly the war in Ukraine, the Regulation seeks to accelerate the economic and climate transitions by supporting productive investments in strategic sectors. Its objective is to provide financial backing for large investment projects in sectors that are key to achieving a carbon-neutral economy.

Projects developed by organisations in any sector and in any region of Portugal, including the Autonomous Regions of Madeira and the Azores, are eligible. The beneficiary organisations must allocate the projects to establishments located in one of the NUTS II regions.

Its objective is to provide financial backing for large investment projects in sectors that are key to achieving a carbon-neutral economy.

Investment projects submitted under the incentive scheme must focus on the following:

- Production of equipment relevant to the transition to a zero net emissions economy: batteries, solar panels, wind turbines, heat pumps, electrolysers and equipment for carbon capture, utilisation and storage;
- Production of essential components primarily designed for and used in the equipment listed above;
- Production or recovery of critical raw materials required for manufacturing the equipment and components mentioned above.

Support will be granted as non-repayable grants, with an aid intensity capped at 15% of eligible costs and a maximum aid amount of €150 million per undertaking per Member State. This may increase in specific cases:

- For investments in assisted areas as defined in the regional aid map - aid to facilitate the development of certain economic activities or of certain economic areas, where such aid does not adversely affect trading conditions to an extent contrary to the common interest, in accordance with Article 107(3) (c) TFEU - the aid intensity may be increased to 20% of eligible costs and the total amount of aid may not exceed €200 million per undertaking and per Member State;

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Support will be granted with an aid intensity capped at 15% of eligible costs and a maximum aid amount of €150 million per undertaking per Member State.

- For investments in assisted areas designated in the regional aid map - areas where the standard of living is abnormally low or where there is serious underemployment in accordance with Article 107(3)(a) TFEU - the aid intensity may be increased to 35% of eligible costs and the overall amount of aid may not exceed €350 million per undertaking and per Member State.

Applications are assessed on the basis of the following criteria:

- The diffusion of innovation and new green technologies in the economy
- Potential for economic optimisation
- Impact on the competitiveness of the economy and integration into broader value chains
- Contribution to carbon neutrality and energy resilience

Specific access conditions, including the minimum eligible investment amounts, project evaluation criteria, minimum scores for selection, funding sources, and forms of support, will be outlined in the notices for application submissions. ■