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WORKING DOCUMENT

From:	General Secretariat of the Council
To:	Working Party on Competition
Subject:	Important Projects of Common European Interest (agenda item 4.)

Delegations will find attached a presentation by the Commission on Important Projects of Common European Interest (agenda item 4.) given during the Working Party on Competition meeting on 17 February 2025.

Important Projects of Common European Interest - IPCEI

Working Party Competition

17 February 2025

European Commission

IPCEI: State aid tool for EU cooperation

Main State aid criteria of the IPCEI Communication (based on Article 107(3)(b) TFEU):

- **Multi-country integrated projects** (at least 4 Member States)
- **Transparent and inclusive design**
- Contribute to **EU strategies**, e.g. Industrial strategy, Green Deal, Digital Agenda, Clean Industrial Deal...
- Where **market failures** or societal challenges justify public intervention
- Wide scope:
  - **Research, development and innovation and first industrial deployment projects (including catching-up** and **'from lab to fab')** or
  - **Infrastructure projects** of EU interest (e.g. Trans-European Networks)
- Positive **spillover effects**, beyond participating companies and Member States
- Environmental **'Do no significant harm'** principle
- Encouraging and facilitating **SMEs** participation

Zooming in on First Industrial Deployment

- First industrial deployment covers the **upscaling** of pilot lines or of demonstration plants and **includes the testing phase** and bringing batch production to **scale**
- Ensures **continuity between earlier R&D activities (the 'lab') and bringing productions to the market (the 'fab')**, i.e. covers so-called ‘valley of death’
- No prescribed duration, it is **technology-dependent**, can last as long as needed to reach **mass production-readiness**
- Test sales or sample sales for validation or certification can take place
- **Eligible costs** allowed by State aid rules are extremely wide (CAPEX, OPEX)
- Investments in e.g. equipment and buildings during this phase are not lost => typically used by beneficiaries as the **basis for the first production line**

Achievements

- Increasingly popular instrument, e.g. included in several National Recovery and Resilience Plans
- So far, **10 integrated IPCEI approved**, in five strategic value chains (microelectronics, batteries, hydrogen, cloud computing, health)
- In total, **335 projects** across **22 Member States**
- For a total amount of **€ 100 billion in public and private funding**
- Increasing share of **SMEs**, also indirect partners
- Currently one integrated IPCEI for medical devices ('Tech4Cure') in pre-notification

	Participating companies	Participating projects	State aid approved (EUR billion)	Expected private investments (EUR billion)	Participating Member States
First IPCEI on Microelectronics (2018)	29	43	1,9	6,5	
First IPCEI on Batteries (2019)	17	23	3,2	5	
Second IPCEI on Batteries – EuBatIn (2021)	42	46	2,9	9	
First Hydrogen IPCEI – Hy2Tech (2022)	35	41	5,4	8,8	
Second Hydrogen IPCEI – Hy2Use (2022)	29	35	5,2	7	
Second IPCEI on Microelectronics and Communication Technologies (2023)	56	68	8,1	13,7	
IPCEI on Next Generation Cloud Infrastructure and Services (2023)	19	19	1,2	1,4	
Third Hydrogen IPCEI – Hy2Infra (2024)	32	33	6,9	5,4	
Fourth Hydrogen IPCEI – Hy2Move (2024)	11	13	1,4	3,3	
IPCEI Med4Cure (2024)	13	14	1	5,9	
Total	283 247*	335	37,2	66	22 Member States, UK and Norway participated in at least one IPCEI

Since 2023, many improvements implemented

Providing stakeholder guidance

- Providing guidance to Member States with publication of Code of Good Practices
- Providing guidance to companies with publication of templates
- Creation of the JEF-IPCEI as the main IPCEI platform

Strengthening process efficiency

- Facilitating aid to e.g. SMEs by increasing GBER threshold to € 50 million for IPCEI-related R&D projects
- Creation of transparent pre-screening process to identify potential new IPCEIs in JEF-IPCEI

Strengthening EC processing capacity

- Increased amount of human resources
- Development of pool of IPCEI experts

Support during the design phase

- Piloted in forthcoming IPCEI 'Tech4Cure', an increased support for Member States in IPCEI design phase and a simplified project portfolio for SMEs

Joint European Forum for IPCEI (JEF-IPCEI)

- **Established in Autumn 2023** upon request of several Member States
- **Co-Chaired by DGs GROW and COMP** and regular exchanges with other DGs via Interservice Group
- **Identify areas of strategic EU interest** for potential future IPCEIs
- **Better align potential new IPCEI** with the policy objectives of the EU industrial strategy
- **Improve the process, speed, design and assessment** of IPCEIs (based on existing State Aid rules)
- **Covering all four IPCEI workstreams** (1) Identification, (2) Design, (3) Assessment, and (4) Implementation and Evaluation.
- **Works on three levels**: high-level, technical level, working group level
- **Main platform** for Member States and the Commission to exchange on IPCEI topics

IPCEI work 2024 - 2025

Three approval decisions for IPCEI adopted

- Hy2INFRA
- MED4CURE
- Hy2MOVE

New IPCEI candidates identified and design phase launched

- Circular Advanced Materials
- Edge Computing Infrastructure
- Artificial Intelligence
- Advanced Semiconductor Technologies

Guidance provided

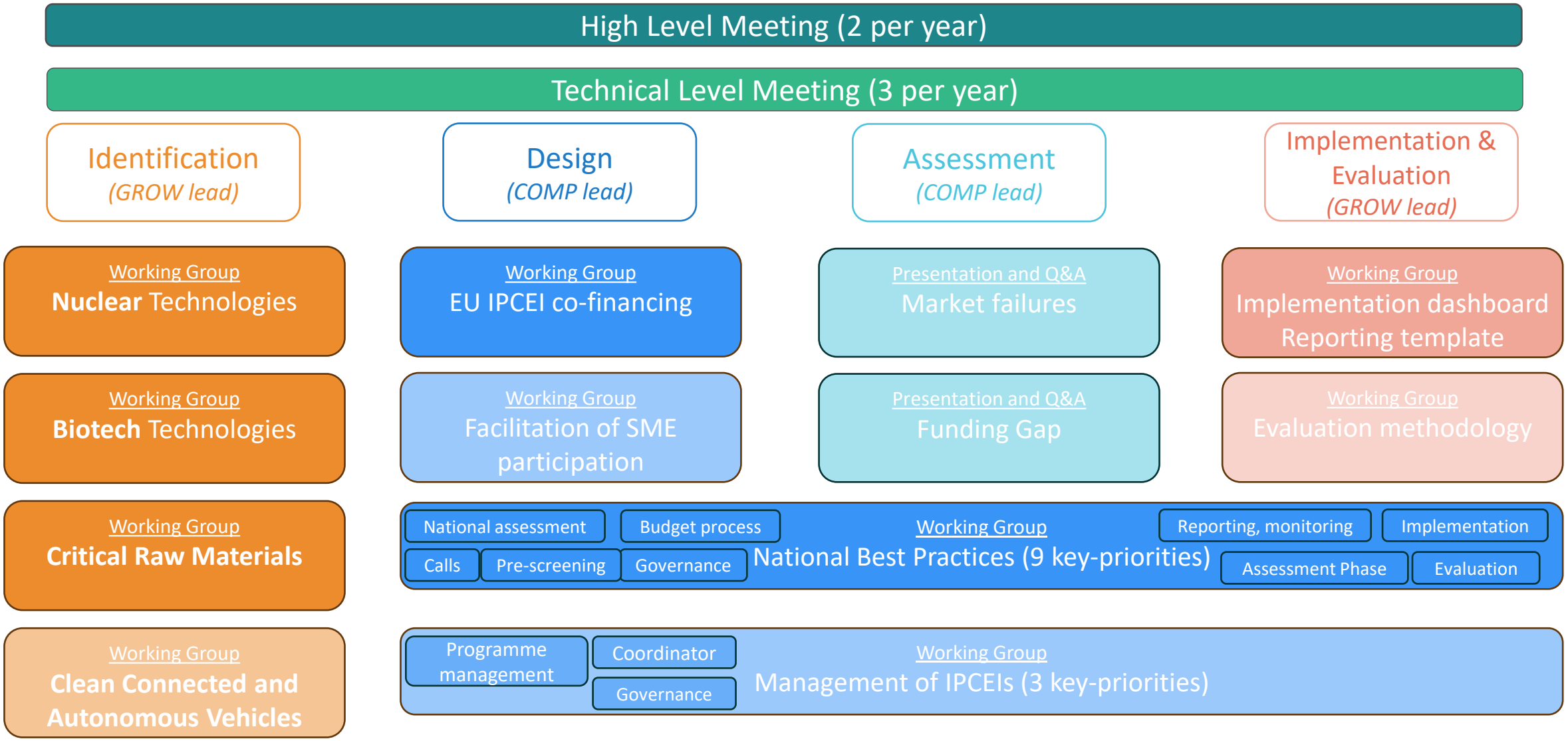
- New and updated templates

Improvements of process

- National Best Practices
- Recommendation on the role of Associated and Indirect Partners in the IPCEI ecosystem

European Commission

JEF-IPCEI ongoing work 2025



Conclusion

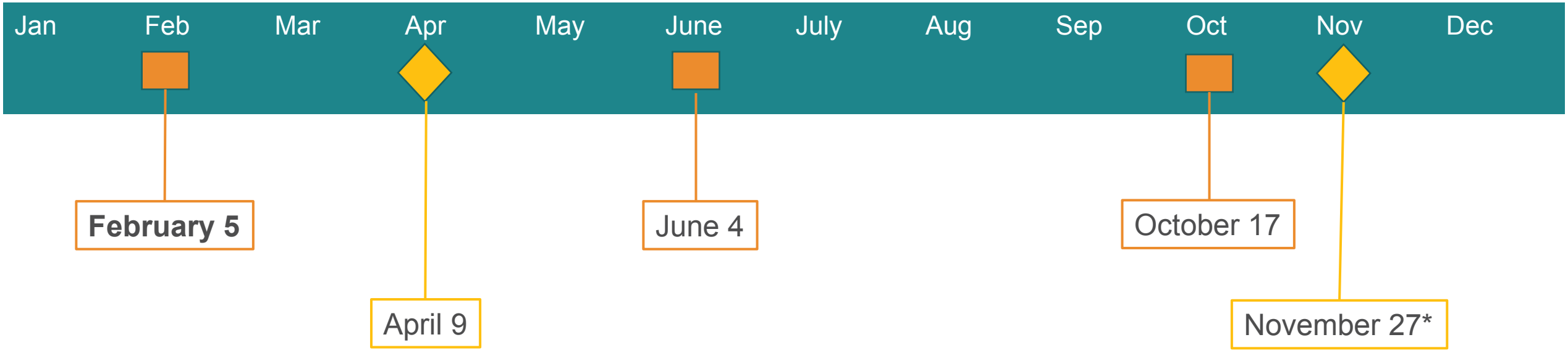
- Thank you for actively participating in the JEF-IPCEI – please continue
- A successful IPCEI process requires ownership by Commission and Member States
- The JEF-IPCEI is not only about identifying new IPCEI candidates
  - Use it as the main platform to exchange on IPCEI topics (including raising concerns)
  - Pro-actively facilitate horizontal communication about IPCEI topics on national level
  - Support the IPCEI process with capacity and ressources on national level
  - Use and implement the JEF-recommendations (e.g. on national best practices)

Back-up

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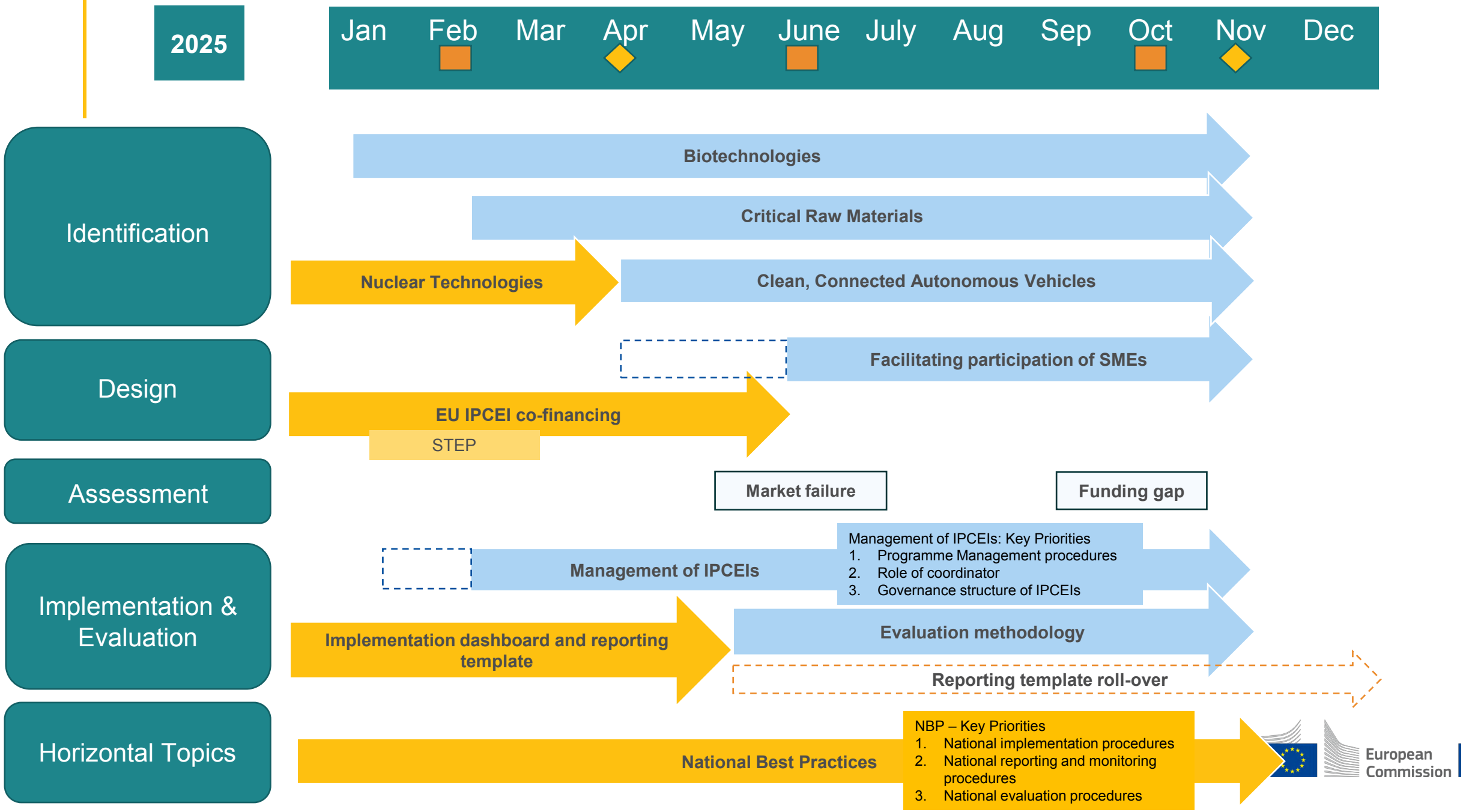
Planned calendar JEF-IPCEI 2025

3 technical meetings ■ **2 high-level meetings** ◆



* dependent on Competitiveness Council meeting

European Commission


2025
Jan
Feb
Mar
Apr
May
June
July
Aug
Sep
Oct
Nov
Dec
Identification
Design
Assessment
Implementation & Evaluation
Horizontal Topics
Biotechnologies
Critical Raw Materials
Nuclear Technologies
Clean, Connected Autonomous Vehicles
Facilitating participation of SMEs
EU IPCEI co-financing
STEP
Market failure
Funding gap
Management of IPCEIs
Management of IPCEIs: Key Priorities
1. Programme Management procedures
2. Role of coordinator
3. Governance structure of IPCEIs
Implementation dashboard and reporting template
Evaluation methodology
Reporting template roll-over
National Best Practices
NBP – Key Priorities
1. National implementation procedures
2. National reporting and monitoring procedures
3. National evaluation procedures
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