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From:	Presidency
To:	Working Party on Competition
Subject:	Presidency report on the Working Party reflections on the Important Projects of Common European Interest (IPCEIs)

IPCEI – summary of comments of MS after WP COMP of 17.02.2025

At the very beginning it is worth emphasizing that at the current stage the progress made in the work within the IPCEI is noticeable – Member States (MS) report far fewer problems than at the beginning of the IPCEI application, these problems are of a slightly different nature (lengthy procedures are still mentioned, but transparency and communication between the MS and the EC have certainly improved, as well as the level of knowledge about the existence and principles of the IPCEI), more MS recognise the importance of the IPCEI in the development of the market and its positive effects (spillover effect).

Problems reported by MS (13 MS submitted written comments on the IPCEI: MT, BE, HR, HU, SI, PT, FI, IT, EE, NL, CZ, LV and EL; however, this document also takes into account the oral comments expressed during the WP COMP meeting by other MS: RO, IE, DK, AT, DE, ES, FR, SK, LT, SE and LU), including those already being worked on in the JEF-IPCEI, covered several different areas. Below one can find a humble attempt to arrange these issues:

1. Communication

In general, all MS (MT, BE, HR, HU, IT, NL, CZ, EE, LV, EL, IE, DK, AT, DE, ES, FR, SE, RO) rated the functioning of the JEF-IPCEI very highly (in some comments these rates were even called "extremely good" or "overwhelmingly positive").

At the same time, MS were also able to indicate that communication problems often occur at national level (HU, EE, IT, CZ, LV, RO, EL, SK); several of them are either developing solutions in this regard themselves (CZ) or are still looking for ideas—trying also to ask others (e.g. from EC or other MS) for guidance; some MS believe that the problem may also be low market awareness of the existence and principles of the IPCEI mechanism (HU, LV, CZ).

Some MS note that it is necessary to pay more attention to the SMEs, who are particularly under-informed about IPCEIs and who should be more visible/involved in projects (DE, ES, SK, MT).

MT, for example, points out the need for more emphasis on communication and capacity building (more training and exchange of best practices for competent national authorities and private companies); in addition, there was an idea to send to all MS a final invitation to a specific IPCEI just before the design phase (EE).

At the same time, MS emphasise that proper handling of IPCEIs at national level is very important (PT), although demanding and not always possible in terms of personnel and finances (MT, LT).

2. Financing

An often reported problem related to IPCEI is financing (MT, HR, SI, PT, IT, EE, NL, CZ, RO, EL, AT, SK, LT).

MS emphasize that not all of them can afford to finance IPCEI and therefore it would be reasonable to use various financing models at the EU level (IT, CZ, e.g. EU funds, including the planned Competitiveness Fund (MT), or others (SI, FR).

HR proposes financing IPCEI through financial markets (including, e.g. a new instrument – IPCEI Bonds), on which the EC/MS could act as a separate investor in specific issues of financial instruments tailored to individual needs, and also postulates the unification of preconditions for such financing methods.

Some MS also draw attention to problems with planning and securing appropriate funds for IPCEI financing in national budgets (EE, PT, EL, LV).

MS also point to problems with financing IPCEI from EU funds (SI, CZ) – e.g. RRF, where the implementation time is very short, or ERDF, where in turn they are dealing with a corresponding lack of flexibility.

MS also note the risk of a subsidy race, which should be avoided (BE).

3. Length and complexity of procedures

Despite the significant work done in the framework of the JEF-IPCEI, the MS still see a need to simplify and speed up various procedures/the whole process (MT, BE, HR, SI, PT, NL, LV, IT, HU, DE); some MS propose adopting a “fast track” procedure for some projects (e.g. HR, CZ – in the case of projects financed from EU funds).

MS also point to the problem of changing the rules while the IPCEI process is already underway (e.g. BE); they also point out that a prolonged process creates the risk of technology becoming obsolete (SI, PT).

4. Inconsistencies

Some MS also note certain inconsistencies in the treatment of IPCEI projects – either within the EC assessment or by MS within the GBER procedure (problems with different intensities, no clear provisions in the GBER in this respect) – MT pointed this out in detail; CZ notes that, for example, in the case of RRF financing, national implementation may be more rigorous than required by EU regulations.

5. Specific problems in the IPCEI procedure:

- a. Identification phase:** MT sees a need for a mechanism by which the industry can start considering joining an IPCEI; HU notes that, despite improvements, this phase still needs to be accelerated; EE notes that a risk in this phase may be modifications resulting from the continuous development (revision) of specific EU policies/documents; LV notes that the challenge in this phase is the issue of clearly and coordinated identification of the project as the one that meets the criteria of common EU interest; FR considers that market analyses in this phase are too decentralized; according to IT, it is necessary to provide sufficient time for the necessary consultations at national level in order to define intervention priorities for future IPCEIs;

- b. Designing phase:** MT sees a need to better structure the chapeau project and the portfolio of individual projects; HU and LV note that, despite improvements, this phase also still needs to be accelerated; EE, on the other hand, notes that sometimes the initial scope of the IPCEI approved by the MS is too broad, which results in very time-consuming corrections in the designing phase;
- c. Assessment phase:** MT suggests to increase the competences of the national administration at this phase; HR, LV, CZ emphasize the usefulness and great importance of the assessment of individual projects by the EC; IT draws attention to the long and complicated process of adapting projects to the rigorous requirements of the IPCEI; NL marks the often lengthy and difficult process and sometimes lack of standardisation, being a burden for companies;
- d. Implementation phase:**
 - MS recognise its importance, as it is the one that ultimately demonstrates the justification for creating individual IPCEIs (PT), it also seems to be the most difficult, e.g. because it requires reporting for both the relevant financial instrument and the IPCEI project (CZ);
 - Some MS (MT, HR, NL, SI - in terms of reporting) see the need to standardize requirements for all MS in this phase, because absence of standardization of requirements is a serious problem;
 - Claw back mechanism: some MS (MT, IT) propose harmonizing this mechanism; MT also proposes abandoning the use of a rigid threshold of EUR 50 million;
 - For some MS, financing is a problem in this phase – the lack of possibility of financing immediately after receiving the EC approval causes delays and withdrawals from the project (EE);
 - Some MS consider reporting requirements too strict (DE, LV);

IT is of the opinion that all phases require harmonisation, as the current system may lead to fragmentation and inefficiency of the entire IPCEI cycle; IT also proposes introducing a detailed definition of eligible costs, including specific eligibility criteria; RO and SK, on the other hand, believe that in principle all phases are difficult and should be simplified.

6. Others:

- Some MS recalled that IPCEIs are not the only tool for achieving market development goals and that is why an objective assessment/impact analysis of each IPCEI is so important (PT, FI, NL, DK, SE), that IPCEI criteria should not be relaxed – their goal should continue to be to address market failures (FI, IE, SE), and not to subsidize mass production (FI), and that the focus should also be on: specific identified problems, especially in the field of environmental projects (DK), or on really important cooperation that would promote common European interests (EE); the excellence base should remain the guiding principle (FI).
- SI notes that IPCEIs must provide solutions beyond the state-of-art, and therefore effective cooperation between cross-border partners should not remain only in the form of a letter of intent, but must be real.
- RO proposed a separate provisions for IPCEIs in the GBER.
- FR suggested the possibility of including third countries in such projects as well.