

Dear Executive Vice-President Margrethe Vestager,
dear Executive Vice-President Frans Timmermans,
dear Commissioner Thierry Breton,

we, the Republic of Austria, the Federal Republic of Germany, the French Republic, the Hellenic Republic, the Grand Duchy of Luxembourg, the Kingdom of the Netherlands, the Portuguese Republic, Romania and the Slovak Republic, recognize that Important Projects for Common European Interest (IPCEI) are amongst the more relevant European tools for addressing market failures and supporting the development of innovative key technologies and strategic value chains. Given its role in strengthening pan-European cooperation, we kindly ask to draw your attention to the relevant state aid framework of its current applications, as well as the monitoring and strategic guidance of IPCEI implementation and future prospects for new IPCEI.

By now, most of the signatory EU Member States have joined several IPCEI initiatives, and it is foreseeable that more will follow soon. Their potential contribution and positive spill-over effects to the sustainable growth and competitiveness of European industry have been acknowledged, especially to make progress in the green and digital transition as well as to strengthen technological leadership and resilience. We welcome many changes made in the [Communication from the Commission 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](#); for instance, the clarification of the rules on cumulating of funding or the improved definition of the first industrial deployment (FID) phase.

Even so, there are still important challenges issues to be considered, particularly regarding the operational implementation of IPCEI initiatives and how to accelerate critical strategic investments in a structured and consolidated way. To give an important example, many Member States have already experienced a lack of transparency and inclusiveness in the evolvement of new IPCEI initiatives. This situation results in information deficits and unnecessarily imbalanced participation levels, lessening potential benefits in technological advancement and competitiveness for each Member States and European industry as a whole.

Moreover, although IPCEI initiatives are essentially based on consistent regulatory frameworks, such as the Treaties of the EU and the state aid rules supported by the Communication mentioned above, it would be essential to receive further assistance from the Commission. Especially in the launch of IPCEI initiatives, Member States are required to contribute high administrative capacities, which is particularly demanding for smaller Member States. Further support from the Commission can contribute to avoiding discriminatory treatment of participating Member States and companies (especially SMEs), extra work for everyone involved, and costly slowdowns of IPCEI-endeavours. A guidance document on good practices in the IPCEI process or standardized application templates could be of additional value in this respect.

In addition, we ask for an initiative to help identify appropriate industrial fields for IPCEI based on the re-evaluation of market failures within a rapidly changing environment. Whilst the formerly existing *Strategic Forum for IPCEI* served well in identifying and setting up new IPCEI, we currently lack a forum, and find ourselves in irregular and unsystematic exchanges on Member State level to discuss new potential IPCEI. The discussion on new priority fields for IPCEI needs to be in strong alignment with existing EU strategies and roadmaps.

To achieve the necessary improvements, address these shortcomings, and harness this instrument's strong directional potential, we therefore propose to set up a ***Joint European Forum for IPCEI (JEF-IPCEI)***. Similar to the *Strategic Forum for IPCEI*, the *JEF-IPCEI* should be managed and organised by the European Commission and involve experts from EU Member States and independent academic and scientific institutions when appropriate. For the purpose of identifying new priority fields for IPCEI, it should also engage with interest groups such as relevant industry associations. The forum should facilitate concrete deliverables and should regularly update the Council on its obtained results.

The new forum should meet regularly with the aim to spread information, facilitate exchange and work on:

- latest developments in Member States on current IPCEI,
- approaches to increase the impact through streamlining and alignment of procedural and operative framework conditions, Commission proposals to harmonize rules across member states and IPCEI initiatives,
- experiences and best practices between Member States (both in preparation and implementation),
- processes on identifying new priority fields for IPCEI (based on strategic importance, market failure and European added-value),
- discussing and setting up common scientific guidance and bundling of evaluation schemes,
- transparent release and sharing of information and communication about planned IPCEI-activities to the broader public and interested industry, e.g. through a jointly assembled informative website.

With appreciation for the lengthy development phase of IPCEI, we suggest setting up the *Joint European Forum for IPCEI* as early as the beginning of 2023. Identification and initial recommendation processes for new IPCEI priority fields and joint workshops could follow soon after.

Thank you for considering our appeal, and we are looking forward to your reply and our future cooperation.

Sincerely,

the Republic of Austria
the Federal Republic of Germany
the French Republic
the Hellenic Republic
the Grand Duchy of Luxembourg
the Kingdom of the Netherlands
the Portuguese Republic
Romania
the Slovak Republic