



IMPORTANT PROJECTS OF COMMON EUROPEAN INTEREST (IPCEI)

DISCUSSION PAPER



INTRODUCTION

BusinessEurope would like to contribute to discussions on how to improve the design of IPCEIs and develop the conditions for a more streamlined assessment. As set out in the Competitiveness Compass¹, the European Commission intends to promote a wider use of IPCEIs for innovative sectors and engaged in implementation dialogues to assess IPCEIs together with companies and national authorities. BusinessEurope collected input among its members (by means of a targeted questionnaire) throughout 2025 to provide it with analytical data to provide an informed contribution to the review of the framework and gain more insights into the current process.

The questionnaire was targeted to companies having experience with IPCEI processes or that are considering to participate in this scheme. BusinessEurope received more than 50 responses. The responses came from a diverse set of companies, from multiple sectors, ranging from SMEs to large companies.

EXECUTIVE SUMMARY

The good level of interest and participation in the questionnaire provided a good picture of companies' perspective regarding IPCEIs.

A recurring theme in the feedback is the excessive bureaucracy and administrative burden. Respondents highlighted the long and unpredictable timelines and demanding information requests. Several companies have abandoned participation in a project due to this.

Other challenges are related to unclear, evolving or inconsistent regulation and coordination issues. SMEs, in particular, face challenges in navigating the application process. Some companies highlighted the challenges related to the static nature of funding schemes, especially in cases where the scope of a project changes. There is a need for more flexibility to allow companies to adapt.

Faster decision-making and realistic project timelines are critical to maintaining competitiveness. Clearer project selection criteria, greater SME involvement, and improved funding transparency are also mentioned as essential. Companies also highlighted the complexity of calculating the funding gap requesting clearer guidance on application processes, including clearer templates, and guidance.

Improving processes and harmonising procedures within IPCEIs is essential to strengthen Europe's competitiveness. As highlighted by Mario Draghi² and Enrico Letta³ in their reports, overcoming fragmentation in the Single Market, boosting investment in key areas such as digitalisation and clean energy, and reducing administrative burdens are critical priorities. Both stressed the need to streamline procedures and make them more transparent, accelerate project implementation and enhance governance frameworks; objectives that corresponds with the JEFIPCEI's ongoing efforts to simplify and speed up the IPCEI process.

While the Commission has already initiated its work to improve the design and development of IPCEIs, we welcome the announcement that the discussions in the JEF-IPCEI will focus on ways to further simplify and speed up the IPCEI process, align it with the Clean Industrial Deal's goals, and explore possibilities for EU co-financing.

Combining and cumulating funds - topping up - across programmes or with other EU instruments, as proposed in the context of European Competitiveness Fund (ECF) and FP10, should be allowed

¹ https://commission.europa.eu/topics/competitiveness/competitiveness-compass_en

² Draghi, M. (2024, September 9). *The future of European Competitiveness*. European Commission.

³ Letta, E. (2024, April 10). *Much more than a market, peed, security, solidarity. Empowering the single market to deliver a sustainable future and prosperity for all EU citizens*. European Council.

(Art.6) as it would enable the concentration of resources in high-impact projects. Similarly, allowing top-ups for IPCEIs, conditional on national co-funding (and private co-funding for follow-on projects) would further reinforce investment in strategically significant initiatives (Art. 19). Linking FP10's R&I activities with IPCEI initiatives could also reduce fragmentation and accelerate industrial innovation.

Fast action is needed in areas such as reducing fragmentation of the single market and the differences between Member States, but also a regards technical aspects like calls for interest, implementation procedures or reporting and monitoring requirements. Simplifying and speeding up application procedures and reducing administrative burdens are essential steps to encourage more companies to seek IPCEI funding. This should help IPCEIs meet their full potential and encourage broad participation. In turn this will create spillover effects across borders in schemes contributing to the reduction of distortions in the internal market whilst improving the competitiveness of the EU.

Ecosystem-building around IPCEI projects should also be supported. For an IPCEI project, to follow a sustainable trajectory - both technologically and commercially - and to generate a multiplying effect for the European economy, strong innovation ecosystems are required to provide a collaborative environment that explores synergies among big and smaller players.

In short, simplifying, harmonising, and speeding up the entire IPCEI process, also with a view to further involving SMEs⁴, is key to avoiding a deterrent effect on businesses and industries when it comes to applying for calls for proposals.

BusinessEurope has identified **specific challenges** during the involvement of an IPCEI and prepared **specific actions** to address these challenges with the aim of streamlining the IPCEI processes and making them more accessible to companies:

- I. Unclear funding transparency;
- II. Unclear, evolving or inconsistent applicable regulations;
- III. Excessive bureaucracy and administrative burden;
- IV. Long and unpredictable timelines;
- V. Coordination and governance issues;
- VI. Technical and operational hurdles.

⁴ In this sense, we welcome the recent actions conducted by JEF-IPCEI such as the Recommendation of the Joint European Forum for Important Projects of Common European Interest on facilitating the participation of SMEs in IPCEIs, adopted by the high-level meeting of the Joint European Forum for IPCEIs (JEF-IPCEI) on November 24, 2025.

CHALLENGES IDENTIFIED

I. UNCLEAR FUNDING TRANSPARENCY

- **Late and unclear communication** of IPCEI focus areas, budgets, and timelines (e.g. “unclear regulations”, “changing regulations during the process”).
- **Uncertainty about funding availability:** Companies invested wide-ranging resources without knowing if funding would materialise (e.g. “lack of early clarity on funding intensity/rate and eligible costs”, “unclear outlook on a granting decision”).⁵
- **Disparities between Member States:** (e.g. “some countries granted significantly higher aid than others; “different application datelines for different member states”; “two separate funding management agencies in one member state caused additional effort”; “budget differences between Member States”).⁶
- **Complex or incorrect funding gap methodology:** Calculating the funding gap is very complex and not standardised across Member States. Taxation of grants not accounted for, leading to unrealistic financial projections (e.g. “after the pre-notification, it can take 12 months to receive the first RFI”, “incorrect approach to the funding gap calculation”, “documentation of the Funding Gap Questionnaire is very challenging”).
- **Partial funding coverage:** Approved budgets often fell short of actual needs, forcing projects to seek alternative financing (e.g. “support well received, but the topic was lacking budget”, “the EU approved a project subsidy, but the Member State chose not to subsidise it”).
- **Insufficient coordination** between national authorities, public authorities, and industries at the outset (e.g. “different Member States had rather different selection criteria, funding amounts, and processes”).

SUGGESTED ACTIONS IDENTIFIED

- ▶ **Public announcements:** Early communication of IPCEI focus areas, budgets, and timelines.
- ▶ **Improved communication:** Better communication with the European Commission, including clearer timelines for “question rounds” and “direct access to evaluators.
- ▶ **Synchronised approvals and simultaneous Member State decisions.**
- ▶ **Publish standardised methodologies** (e.g., for funding gap analysis). A calculation methodology as demanded in the Innovation Fund would facilitate the effort and at the same time standardise ways of showing the necessity of funding for the beneficiary.
- ▶ **National/EU alignment:** (e.g. “application of one European regulatory framework, not national-specific ones”).
- ▶ **EU co-financing mechanism to balance / reduce disparities between Member States.**

⁵ We acknowledge that the Commission is working on a “screening tool” to help Member States identify complementary financing programs that can be applied to IPCEI projects, which aims to improve transparency and coordination, as recorded in the minutes of the technical meeting of the JEF-IPCEI held on October 22, 2025.

⁶ JEF IPCEIs WG on co-financing presented results and fact sheets to centralise information and improve practices after the high-level meeting of the JEF-IPCEI on November 24, 2025.

II. UNCLEAR, EVOLVING OR INCONSISTENT APPLICABLE REGULATIONS

- Frequent **changes in IPCEI rules, eligibility criteria, and definitions** during the process (e.g., shifting from “vehicles” to “infrastructure” funding).
- **Lack of clarity on requirements and rules of the game** (e.g., “funding gap calculations, spillover effects, counterfactual scenarios”, “regulations not optimal to IPCEI purpose”, “lack of consistency around conditions”, “the process was not clear for those who were not familiar with it”).
- Discrepancies between **EU and national interpretations** of rules (e.g. “different Member States had rather different selection criteria, funding amounts, and processes; unequal use of the option of “early start of measures”).⁷
- “One size fits all” approach that does not **accommodate sector-specific needs** (e.g. micro-electronics sector and hydrogen sector).

SUGGESTED ACTIONS IDENTIFIED

- ▶ **Provide clearer project selection criteria to avoid applications not meeting IPCEI requirements.**
- ▶ **Freeze eligibility rules once a call is launched.**
- ▶ **Evaluation criteria should be given during the application process and be equal for all to provide visibility and clarity about policy development and investments priorities.**
- ▶ **Standardise and stabilise templates and regulations and streamline reporting (e.g., digital platforms, standardised EU templates to accelerate deals).**

III. EXCESSIVE BUREAUCRACY AND ADMINISTRATIVE BURDEN

- **Repetitive and extensive documentation:** (e.g. “multiple rounds of RFIs often with overlapping questions”, “excessive documentation requirements, forcing project sponsors to keep thousands of invoices as PDFs”, “difficult for a company to apply without a consultant”).⁸
- **Short deadlines:** Sudden requests for detailed responses (sometimes during holidays) with 3–10 days to reply.
- **Complex financial reporting:** Cumbersome Excel-based systems, excessive invoicing requirements (e.g. “audits every year up to 18 years”, “Billing methodology is too cumbersome”, “a lot of resources allocated to the IPCEI procedure”).⁹
- **Dual reporting:** Separate obligations to national agencies and EU workstreams.¹⁰
- **Language challenge:** Proposals have to be submitted in English for EU level and additionally in the respective national language for the MS level.

⁷ The Commission has presented progress on work on best national practices on calls for interest, implementation procedures, and reporting/monitoring after the 6th technical meeting of the JEF-IPCEI, held on February 6, 2025.

⁸ The JEF-IPCEI's work does not mention “excessive bureaucracy”, but it recognises the need “to speed up processes and harmonise procedures”. This issue has been debated at various JEF-IPCEIs meetings. The JEF-IPCEI website itself explains that this is one of its objectives.

⁹ BusinessEurope acknowledges the work of JEF-IPCEI in compiling and publishing best practices on calls for proposals, reporting, and governance, such as in the minutes published following the 6th technical meeting of the JEF-IPCEI, held on February 6, 2025.

¹⁰ In this regard, we welcome the fact that the Commission has already provided clarifications on the future implementation dashboard and has created a new uniform reporting template, as announced at the 7th Technical-Level Meeting of the JEF-IPCEI, held on 4 June 2025.

SUGGESTED ACTIONS IDENTIFIED

- ▶ **Standardised EU templates** to reduce redundant requests.
- ▶ **Evaluation timelines:** “Fixed deadlines for each phase to prevent a ‘black box’ process.” (e.g., 60 days for EU-level evaluation).
- ▶ **Expense eligibility:** “Clarify the impact of key milestones on financial eligibility.” (e.g., costs post-pre-notification).
- ▶ **Unified reporting** to avoid duplication incl. language regime.
- ▶ **No need for consortia.**

IV. LONG AND UNPREDICTABLE TIMELINES

- **Years-long delays:** Long and unclear timelines lead to loss of market share (of EU firms) globally (e.g. “two years elapsed between application submission and notification”, “the overall process delayed significantly and eventually took several years”, “very long application and evaluation times”, “applying in 2021 and starting the project in 2024 is not efficient”).¹¹
- **No clear milestones:** Unstructured process with long periods of inactivity followed by sudden sprints creating uncertainty for investment planning (e.g. “the overall timelines were lengthy, despite intermediate milestones being very near term”, “lack of proper planning, which pose an obstacle for organising and executing the required tasks”).
- **Mismatch with industry pace:** Fast-moving sectors outpaced by bureaucratic delays forcing adjustments of business case (e.g. “microelectronics vs hydrogen” “process took more than 3 years”, “the timelines for IPCEI approval are currently unacceptable and represent a significant barrier to efficient project execution”).
- **Missing flexibility regarding technology developments:** If, due to the long delays, the technology proposed in the original IPCEI proposal is now outdated, it cannot be changed to newly developed and updated technology.
- **Delays after approval:** Even after receiving approval, delays can continue with processes such as contract finalisation taking additional months or years after the European Commission’s decision (e.g. “long response time from the EC at the beginning of the IPCEI procedure”).

SUGGESTED ACTIONS IDENTIFIED

- ▶ **Simplified timelines:** A more predictable and faster approval process.
- ▶ **Shortened administrative processes:** Reducing administrative burdens and delays at both national and European levels. Integrate local and national governments with EU, to shorten the approval time. Harmonise EU/national interpretations to reduce conflicts.
- ▶ **Transparent milestone roadmap** with fixed deadlines.
- ▶ **Publish clear timelines and criteria upfront** (e.g., FID deadlines, TRL ranges, EC-approved calculation templates).
- ▶ **Defined maximum time frame** (e.g. max. 60 days) for evaluation process at EU level.

¹¹ Executive Vice Presidents Teresa Ribera and Stéphane Séjourné declared at a high-level meeting in April 2025 their interest in streamlining and simplifying IPCEI procedures. They also presented the IPCEI Design Support Hub.

V. COORDINATION AND GOVERNANCE ISSUES

- **Lack of alignment:** (e.g. “challenges on the alignment with national authorities and European commission on various levels. Different parties involved with distinct timelines”).
- **Insufficient coordination** between national authorities, public authorities, and industries (e.g. “disparity between the rapid response times expected of industry participants (often within days) and the significantly longer delays from national ministries and the European Commission (weeks or even months) creates a systemic bottleneck”) .¹²
- **Lack of strategic alignment** with initiatives under EU Funding Programmes such as Horizon Europe which have strong linkages with IPCEIs.
- **Poor matchmaking:** Mandated partnerships were hard to establish due to unclear timelines or mismatched priorities (e.g. “the delays in setting up the IPCEIs on Hydrogen and subsequent timeline made us consider an alternative route”).
- **No data availability of approved projects:** Projects need to prove differentiation from other projects with very few data available. However, access to documents and the chapeaus of the approved waves was not provided to the industry and workstream coordinators, which made it difficult to prove differentiation.
- **Opaque decision-making:** No transparency in project selection or prioritisation (e.g. “no evaluation results received, no clear explanation why project / application was rejected”, “we did not receive any feedback or information on the projects that were not included in the program”, “no rejection to the applications notified”).

SUGGESTED ACTIONS IDENTIFIED

- ▶ **Standardise and stabilise templates and regulations and streamline reporting (e.g., digital platforms, standardised EU templates to accelerate deals).**
- ▶ **Companies should be involved from the beginning of the Phase 1.**
- ▶ **Publish JEF discussions and potential topics on their website procedures and reducing administrative burdens with realistic project timelines.**
- ▶ **Dedicated project officers per IPCEI, both at EU and national level.**
- ▶ **Involve industry stakeholders early in setting up frameworks.**
- ▶ **Link FP10 R&I activities with IPCEI initiatives to reduce fragmentation and accelerate industrial innovation.**

VI. TECHNICAL AND OPERATIONAL HURDLES

- **Dynamic project adjustments:** Changes in scope, costs, or regulations forced mid-process revisions (e.g. “dynamic developments over the many years of project development renders many aspects of the IPCEI arrangements inadequate”, “substantial changes in both the nature and funding gap of the initial project” “throughout the lengthy processing period, we faced changes related to the project, costs, and shifts in the political environment”).

¹² The Commission announced the completion of the template for the so-called “chapeau document” during the 7th Technical-Level Meeting of the JEF- IPCEI, held on 4 June 2025, which will be important in providing detailed guidance to Member States.

- **Infrastructure gaps:** Lack of infrastructure sometimes leads to insecurity.
- **Overly detailed demands:** Requests for granular data (e.g., PhD thesis titles, conference names) for early-stage projects.
- **High application costs:** Some spent €100,000+ on consultants and internal resources (e.g. “very expensive subsidy application”).
- **Claw-back mechanisms:** (e.g. “the claw-back mechanism is too complex” Bank guarantees reduced economic viability”, “the concept warrants support, but the details need to be adjusted. The need to provide bank guarantees significantly impairs the economic viability of the project and thus devalues IPCEI funding”).
- **Lost opportunities:** Projects abandoned due to delays or funding shortfalls (e.g. “the lengthy approval timeline and uncertainty in funding intensity forced several companies to abandon participation”).
- **Lack of transparent feedback** (e.g. no evaluation results and no explanation for rejections).¹³
- **Ambiguous status updates:** Projects left in limbo without clear confirmation of rejection or pending status (e.g. the EU publishing only accepted projects, creating confusion about whether others were still under review).
- **No recourse:** Companies cannot appeal or adapt to unclear rejection reasons.
- **Overlapping and unclear legal instruments,** particularly around other State aid instruments (e.g. GBER Art. 25). Unclear guidance and support on legal compatibility, especially for projects involving multiple affiliated companies or those requiring complex legal considerations.¹⁴
- **Lack of legal certainty** due to unclear clawback provisions disincentivising investment.

SUGGESTED ACTIONS IDENTIFIED

- ▶ **Allow flexibility** for project adjustments when partners drop out (replace companies which leave during the project), necessity of inclusion of relevant newcomers after project start or when project scopes evolve considering that projects can start years after submission. The technology advances and therefore changes in scope and resources should be allowed.
- ▶ **Sector-specific guidelines** with concrete examples.
- ▶ **Workshops or structured guidance.**
- ▶ **Mandate rejection letters** with detailed, actionable feedback.
- ▶ **Having one single point of contact** rather than fragmented references.
- ▶ **Regular updates:** Progress reports at each stage (EU/national levels).
- ▶ **Real-time tracking:** Dashboard for stakeholders to monitor project status.
- ▶ **More information on IPCEI projects approved for funding—similar to Horizon’s CORDIS.**
- ▶ **Create a formal appeals process** for contested rejections.
- ▶ **A harmonised legal model.**

¹³ We welcome that during the 7th technical-level meeting of the JEF-IPCEI (held on 4 June 2025), the Commission has already provided feedback on the 2025 reporting exercise and has presented the first version of the implementation dashboard.

¹⁴ The Commission is working to support Member States and beneficiaries in the design phase of IPCEIs through the Design Support Hub, which was presented by the European Commission on April 10, 2025 and is already operational.

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