



An Roinn Fiontar,  
Trádála agus Fostaíochta  
Department of Enterprise,  
Trade and Employment

# **Review of the Communication on important projects of common European interest (IPCEI)**

Submission from the Department of  
Enterprise, Trade and Employment

The Department of Enterprise, Trade and Employment (DETE) leads in advising and implementing the Government's policies of stimulating the productive capacity of the economy and creating an environment which enables employment creation and sustainability. The Department is also charged with promoting fair competition in the marketplace, protecting consumers and safeguarding workers. Through its Offices and Agencies, the Department's remit covers a wide range of activity including:

- Leading on helping entrepreneurs and businesses create and sustain high quality employment across all regions of our country, by developing a strong indigenous enterprise base, attracting Foreign Direct Investment, and increasing trade.
- Promoting quality employment, positive workplace relations, well-functioning dispute resolution mechanisms and a safe working environment.
- Creating a strong entrepreneurial culture.
- Assisting enterprise with their research and development needs to maintain and create new jobs and contribute to building a better society.
- Identifying the future skills needs of enterprise and working across Government to develop policies to meet these needs, including through upskilling.
- Leading a whole-of-Government approach to developing a competitive environment for investment, productivity, and sustainable jobs.
- Ensuring our business regulation facilitates investment and development, competition in the marketplace, high standards of consumer protection and corporate governance, and provides Ireland with a competitive advantage in the global market.
- Working ambitiously across Government with our EU and international partners to achieve progress in EU and International fora, across a wide range of interests, including Brexit.

We welcome the focus of the European Commission on the long-term competitiveness of the industrial sector and its associated value chains. By setting out a common vision on key value chains and providing a framework for actions and investment, including through IPCEI, Europe can strengthen industry by accelerating the development and diffusion of new technologies, thereby ultimately securing our international competitiveness.

## **DETE submission on the Review of the Communication on important projects of common European interest (IPCEI)**

The Department of Enterprise, Trade and Employment broadly welcomes the draft communication. We note that, overall, the Communication provides greater clarity around several issues and it appears many of the lessons learned through the IPCEI on Batteries and Microelectronics have been incorporated into the revised draft. The updated references to new major policy priorities such as the Green Deal and the Digital Strategy are also welcomed.

1. While we welcome the inclusion of specific reference to SMEs in Points 5 and 22(d), we consider that this needs to be elaborated on further to get a greater understanding of how this will operate in practice.

The IPCEI process remains a complex one and the requirement for “very significant contributions” from the beneficiaries may inhibit the participation of SMEs. As such, we would suggest the word “very” be removed from Point 42, so it is more aligned with Point 20. (see item 10 also)

2. We welcome the retention of Point 9(c)(i), it is important that all companies based in participating Member States are supported to participate in IPCEI where their contribution and proposal meets national and EU objectives and where the project will directly benefit the Member State and wider EU.
3. We welcome the inclusion of Point 16. We have, and continue to, support the use of IPCEI as a tool *only* where there is a clear market or systemic failure.
4. On Point 17, the extension to the requirement in the number of participating Member States to four is welcomed. This will help to ensure IPCEI are open to all and all Member States are given the opportunity to participate.

As such, we also welcome the insertion of Point 18. However, it will be vital that proposals for new IPCEI and information on any future IPCEI are provided to Member States as the earliest possible opportunity for a truly open and inclusive process. A permanent mechanism for this could be useful, for example all notification about the possible emergence of a new IPCEI to go through the Working Party on Competitiveness and Growth (Industry) or the Attaché network.

5. The change in Point 22(c) from “several Member States” to “the participating Member States” is also welcomed as we believe all the participating Member States need to be

part of the governance discussion to some degree to ensure an open and inclusive process.

6. The clarity on first industrial deployment in Point 25 is welcomed, as is the additional information on the counterfactual scenario in Point 32 and the claw-back mechanism in Point 37.
7. We welcome confirmation in the draft Communication that State aid for IPCEI may be combined with other EU funding or State aid.
8. We would welcome greater clarification as to what is meant by “appropriate action” in the final sentence of Point 39.
9. In Point 42, greater clarity on what is meant by very significant contributions in relation to the contributions from the beneficiaries themselves would be welcomed. While we appreciate the language used was likely chosen to ensure this element is not too prescriptive, what is perceived as “very significant contributions” is likely to vary widely. This also appears to depart from the requirement for “significant co-financing” in Point 20, where the word “very” is not included.  
  
A solution here could be to remove the word “very” in point 42 (see item 1 also).
10. With regards to Point 49, further clarification or an example of what this means in practice would be welcomed to make this more tangible for Member States and organisations considering participation in future IPCEI.