



03 March 2023

Danish response to the Commission’s invitation to comment on the draft proposal on Code of good practices for IPCEIs.

The Danish Government welcomes the Commission’s initiative to launch a code of good practices for IPCEI’s and appreciates the opportunity to comment on the proposal.

The Danish Government has participated in the two recently approved IPCEI’s in the hydrogen sector, Hy2Tech and Hy2Use. Thus, the experiences drawn from the Danish experience of the process could contribute to improvements around future IPCEIs.

The “Code of good practices for IPCEIs for a transparent, inclusive and faster design”, presented as a technical document of non-legal nature by the Commission, provides a very helpful overview of the key processes and inflection points around IPCEIs, and consolidates the lessons learned into a set of useful hands-on points and observations that can guide the work on future IPCEIs.

1. General comments

Streamlined and accelerated processes without compromising the quality and thoroughness of the state aid assessment

We welcome efforts to make future IPCEI processes more structured by building on best practices. It is highly desirable to find ways to streamline and accelerate the work of establishing and assessing future IPCEIs.

However, while we share the desire to see IPCEI’s expedited speedily, we also caution against unrealistic expectations and excessive reliance on pre-set fixed time frames that could compromise the quality of state aid assessments. It continues to be vital that the Commission carry out in-depth and comprehensive assessments of state aid projects.

Genuine and timely involvement

It is helpful that the Code of good practice emphasizes that we must find a way to ensure all Member States have a genuine chance to participate when a new IPCEI is being conceived. The decision to enter into an IPCEI entails substantial commitments from the Member States concerned and thus requires careful consideration. It is therefore important to ensure genuine involvement of all Member States at an early stage. This requires transparent

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and open discussions well ahead of any final decision to launch any new IPCEIs. We would therefore welcome stronger wording on the need for this involvement to be not only genuine but also *timely*.

In a similar vein, ensuring sufficient involvement of the policy DG(s) most concerned and especially DG COMP will likely help to ensure that any considerations of establishing new IPCEI's are in line with the IPCEI Communication. Therefore, we welcome the references in the Code of good practice to ensure early-stage involvement of the Commission's DGs.

We would also like to highlight the importance of preparing IPCEI's in a way that induces participation of SMEs by taking into account that SMEs typically have access to limited judicial and administrative capacities. In this regard, the Danish Government recalls that the IPCEI Communication underlines the importance of SMEs and start-ups being able to participate in IPCEIs and benefit from them.

New IPCEIs must be necessary and proportional

Developing a new IPCEIs has proven to be a very significant and time-consuming process both from the point of view of Member States, the undertakings involved and the Commission. Before considering the emergence of a new IPCEI it must be clearly established that there is a manifest need for an IPCEI to address an important market or systemic failure or societal challenge in line with the IPCEI Communication. Furthermore, it must be ensured that the challenge is not being addressed by other ongoing initiatives *and* that it cannot be adequately addressed through other tools. This includes urgent or crisis-related support, as described in the Code of Good Practice document, but other state aid frameworks such as CEEAG and others should also be duly considered before deciding to prepare new IPCEIs. Drawing on past experiences, we appreciate that DG COMP's efforts to inform all stakeholders at the early stages about the variety of state aid rules that could be considered instead of opting to participate in a new IPCEI. In this regard, we would welcome further efforts aimed at increasing transparency regarding ongoing investment initiatives at national and European level in order for Member States to better assess the relevance of establishing and participating in an IPCEI.

2. Specific improvements to IPCEI processes

Agreeing upon and sticking to a realistic and feasible timeline

We very much welcome that the draft points out that in the very early stages, interested Member States should agree among themselves on a joint tentative timeline for the emergence and design phase. In our experience, setting out a realistic and feasible timeline is of key importance in order for

Member States to plan accordingly with regards to budgeting, communication with stakeholders, national calls etc. Therefore, we recommend that sticking to the timeline is considered a key priority throughout the whole IPCEI process and that any delays etc. lead to quick adjustments to the timeline in a transparent and inclusive way.

Systematic sharing of validated templates

The Code of Good Conduct document also point out that Member States should ensure they obtain the latest templates and guidance validated by DG COMP. In our experience, it was not clear how official templates could be obtained, and we ultimately relied on other Member States to share templates employed in previous IPCEIs. Therefore, we recommend the Commission to systematically ensure clear communication on whether a template is validated or not and to make sure that up to date templates are systematically shared with all participating Member States.

A transparent and predictable matchmaking process

Based on our experience, the matchmaking process was associated with a high level of uncertainty and, consequently, a lack of predictability for both the companies involved and at Member State level. Among other things, the uncertainty was caused by unclarity regarding the matchmaking timeline and procedure as a whole, criteria on which the matchmaking process was to be based as well as what was needed for projects to demonstrate integration in line with the IPCEI Communication. Therefore, we would welcome that considerations on the matching process and its organization are developed and agreed upon already at an early stage in order for Member States and stakeholders to plan accordingly and ensure adequate integration between the projects, thereby increasing quality and efficiency of the matching process.

Requests for Information

The IPCEI process involves highly technical and often lengthy in-depth assessments of comprehensive projects including, as deemed necessary by the Commission, e.g. in the form of Requests for Information exchanges. Member States must take care to ensure submitted projects are of a sufficient quality and maturity to ensure a smooth pre-notification process. Especially considering that an IPCEI consists of numerous national projects and cannot be finalized before every individual project have been evaluated by the Commission. It is also important, given the often highly technical and detailed nature of Request for Information, that the Commission is prepared to readily explain and elaborate on requests in case a Member State needs clarifications, so as to ensure the best possible response and prevent delays in the process.

