Basic information

2022/0033(NLE) NLE - Non-legislative enactments Regulation	Awaiting final decision
Joint Undertakings under Horizon Europe: Chips Joint Undertaking **Subject** 3.40.06 Electronics, electrotechnical industries, ICT, robotics 3.50.02.01 EC, EU framework programme 3.50.04 Innovation 8.40.08 Agencies and bodies of the EU	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
ITRE Industry, Research and Energy	MAYDELL Eva (EPP)	31/03/2022
	Shadow rapporteur GÁLVEZ Lina (S&D) IJABS Ivars (Renew) HAHN Henrike (Greens/EFA) NISSINEN Johan (ECR) BOTENGA Marc (The Left)	

Council of the European Union

European Commission

Commission DG	Commissioner
Communications Networks, Content and Technology	BRETON Thierry

Key events

Date	Event	Reference	Summary
08/02/2022	Legislative proposal published	COM(2022)0047	Summary
23/03/2022	Committee referral announced in Parliament		
24/01/2023	Vote in committee		
30/01/2023	Committee report tabled for plenary, 1st reading/single reading	A9-0012/2023	Summary
15/02/2023	Decision by Parliament	T9-0044/2023	Summary

15/02/2023	Results of vote in Parliament		

Technical information

Procedure reference	2022/0033(NLE)
Procedure type	NLE - Non-legislative enactments
Procedure subtype	Consultation of Parliament
Legislative instrument	Regulation
Legal basis	Treaty on the Functioning of the European Union TFEU 187 Treaty on the Functioning of the European Union TFEU 188 -a1
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Awaiting final decision
Committee dossier	ITRE/9/08363

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE737.259	17/10/2022	
Amendments tabled in committee		PE738.713	18/11/2022	
Committee report tabled for plenary, 1st reading/single reading		A9-0012/2023	30/01/2023	Summary
Text adopted by Parliament, 1st reading/single reading		T9-0044/2023	15/02/2023	Summary

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2022)0047	08/02/2022	Summary
Commission response to text adopted in plenary	SP(2023)273	17/07/2023	

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EESC	Economic and Social Committee: opinion, report	CES1361/2022	15/06/2022	
CofR	Committee of the Regions: opinion	CDR1960/2022	12/10/2022	

Additional information

Source	Document	Date

European Commission	EUR-Lex	

Meetings with interest representatives published in line with the Rules of Procedure

Rapporteurs, Shadow Rapporteurs and Committee Chairs

Transparency				
Name	**Role**	**Committee**	**Date**	**Interest representatives**
GÁLVEZ Lina	Shadow rapporteur	ITRE	11/01/2023	KDPOF
MAYDELL Eva	Rapporteur	ITRE	28/11/2022	Quantum
MAYDELL Eva	Rapporteur	ITRE	28/11/2022	Infineon Technologies AG
MAYDELL Eva	Rapporteur	ITRE	07/10/2022	SOfia Technical University
MAYDELL Eva	Rapporteur	ITRE	07/10/2022	Microelectronics & Mechatronics Forum
MAYDELL Eva	Rapporteur	ITRE	21/09/2022	IPC International, Inc.
MAYDELL Eva	Rapporteur	ITRE	20/09/2022	Digital Europe
GÁLVEZ Lina	Shadow rapporteur	ITRE	14/09/2022	Intel Corporation
MAYDELL Eva	Rapporteur	ITRE	06/07/2022	American Chamber of Commerce to the European Union
MAYDELL Eva	Rapporteur	ITRE	30/06/2022	EUROCHAMBRES – Association of European Chambers of Commerce and Industry German Chambers of Commerce & Industry
GÁLVEZ Lina	Shadow rapporteur	ITRE	29/06/2022	Applied Materials
MAYDELL Eva	Rapporteur	ITRE	27/06/2022	INTEL
MAYDELL Eva	Rapporteur	ITRE	24/06/2022	ASML Netherlands B.V. SMART Photonics
GÁLVEZ Lina	Shadow rapporteur	ITRE	07/06/2022	Taipei Representative Office in the EU and Belgium
GÁLVEZ Lina	Shadow rapporteur	ITRE	01/06/2022	QUANTUM Flagship
GÁLVEZ Lina	Shadow rapporteur	ITRE	01/06/2022	KDT Joint Undertaking
IJABS Ivars	Shadow rapporteur	ITRE	25/05/2022	European Quantum Industry Consortium
GÁLVEZ Lina	Shadow rapporteur	ITRE	19/05/2022	ASML Netherlands B.V.
MAYDELL Eva	Rapporteur	ITRE	18/05/2022	ITI - The Information Technology Industry Council
IJABS Ivars	Shadow		11/05/2022	AENEAS European Technology Platform on Smart Systems Integration e.V. - EPoSS e.V.

	rapporteur	ITRE		INSIDE
MAYDELL Eva	Shadow rapporteur	ITRE	10/05/2022	Silverado Accelerator

Joint Undertakings under Horizon Europe: Chips Joint Undertaking

2022/0033(NLE) - 15/02/2023 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 594 votes to 15, with 27 abstentions, a legislative resolution on the proposal for a Council regulation amending Regulation (EU) 2021/2085 establishing the Joint Undertakings under Horizon Europe, as regards the Chips Joint Undertaking.

Parliament approved the Commission proposal subject to amendments.

Members stressed that reinforcing Europe's semiconductor ecosystem is one of the key components to achieving economic resilience and security, **strategic autonomy, enhanced digital sovereignty and reduced dependencies**; and will play an important role in the green and digital transitions.

The Chips Joint Undertaking should seek to:

- ensure clear and identifiable benefits across the semiconductor ecosystem;

- contribute to and reflect the **Union's core values**, including privacy by design, trust, security, safety, sustainability, and growing skills and quality employment at all levels of the value chain. The activities of the Chips Joint Undertaking should work effectively alongside the broader objectives of the Chips Fund, in order to support the development of a dynamic and resilient semiconductor ecosystem;

- seek to develop close **synergies** with EU funding programmes and instruments, in particular those that support the deployment of innovative solutions for the Union's challenges;

- integrate all stakeholders, SMEs and social partners in the sector;

- provide opportunities for increased access to funds to support the growth of start-ups and SMEs and stimulate investment across the value chain and the EU, thus contributing to achieving the twin digital and green transitions. Support and guidance should be provided, in particular to start-ups and SMEs, to facilitate their access to public and private investment, including venture capital;

- set up **private and/or public sector partners**, for example through memoranda of understanding, with a view to achieving specific impacts more effectively;

- facilitate cooperation between the EU and relevant like-minded international actors to strengthen the EU's open strategic autonomy and to protect intellectual property rights.

Additional objectives of the Chips Joint Undertaking

In addition to the main objectives, the report proposes that the Chips Joint Undertaking should have the following specific objectives:

- **build up design capacities** for integrated semiconductor, quantum technologies and other cutting-edge technologies such as photonics;

- **support the green transition** by ensuring that environmental considerations are taken into account in the development and implementation of R&D&I, such as increased energy and water efficiency;

- **promote STEM education**, in particular women's participation in R&D&I;

- foster open science and public visibility and ensure that the R&D&I activities are aimed at providing a positive impact upon society.

Guidance and guidelines

Clear and easily accessible guidelines should be established:

- on the access modes, software and hardware needed to participate in projects that fall under this Regulation;

- on the terms and conditions for the development of, and third party access to, pilot lines, and on the compatibility and accessibility of virtual design platforms, design libraries and EU competence centres.

Guidance should be provided on overcoming existing obstacles to international cooperation in the field of RDI within the structures of the European Semiconductor Council, international fora and other agreements and strategies linking the Union and third countries.

Financing

The Union's financial contribution to the Semiconductor Joint Undertaking, including EEA funds, would be a minimum of EUR 4 175 000 000, of which a maximum of EUR 50 174 000 would be for administrative expenditure, broken down as follows: (i) up to EUR 2 650 000 000 under Horizon Europe; (b) up to EUR 1 525 000 000 under the Digital Europe Programme.

According to Members, the Initiative should be adequately funded to achieve its ambitious goals. The increase in the EU's financial contribution to the Semiconductor Joint Undertaking should not lead to a reduction in the funds allocated to EU programmes or existing projects.

In order to achieve the greatest possible positive impact of Union funding and the most effective contribution to the Union's policy objectives, the Joint Undertaking and the Semiconductor Fund should seek to **maximise the potential of private and/or public sector partners**. These partners should include industry, R&D&I and technology organisations, bodies with a public service mission at local, regional, national or international level, and civil society organisations, such as foundations that support and/or carry out R&D&I activities, provided that the desired effects can be achieved more effectively in partnership than by the Union alone.

The impact of public expenditure related to the Initiative and the EU RDI sector should be assessed and reviewed before the next MFF.

Joint Undertakings under Horizon Europe: Chips Joint Undertaking

2022/0033(NLE) - 08/02/2022 - Legislative proposal

PURPOSE: to amend Regulation (EU) 2021/2085 establishing the Joint Undertakings under Horizon Europe, as regards the Chips Joint Undertaking.

PROPOSED ACT: Council Regulation.

ROLE OF THE EUROPEAN PARLIAMENT: the Council adopts the act after consulting the European Parliament but without being obliged to follow its opinion.

BACKGROUND: Council Regulation (EU) 2021/2085 establishes the Joint Undertakings under Horizon Europe, including the Key Digital Technologies Joint Undertaking.

This proposal complements the proposal for a Regulation of the European Parliament and Council establishing a framework of measures for strengthening Europe’s semiconductor ecosystem (‘Chips Act’) by implementing most of the actions foreseen under the **Chips for Europe** Initiative, set up under the Chips Act proposal.

The Chips Act proposal aims at reaching the strategic objective of increasing the resilience of Europe’s semiconductor ecosystem and increasing its global market share. It also aims at facilitating early adoption of new chips by European industry and increase its competitiveness.

One of the goals of the proposed Chips Act is to set up the Chips for Europe Initiative, to support large-scale capacity building throughout investment into cross-border and openly accessible research, development and innovation infrastructure set up in the Union to enable the development of cutting-edge and next-generation semiconductor technologies that will reinforce the EU’s advanced design, systems integration, and chips production capabilities, including emphasis on start-ups and scale-ups.

The actions under the Initiative will be primarily implemented through the Chips Joint Undertaking, i.e. the amended and renamed current Key Digital Technologies Joint Undertaking. This Joint Undertaking currently provides extensive support for industrially driven research, technology development, and innovation in the area of electronic components and systems, and related software and systems technologies. These activities will become part of the Initiative.

CONTENT: this proposal aims to amend the legal provisions of the Council Regulation amending Council Regulation (EU) 2021/2085 establishing the **Joint Undertakings** under Horizon Europe for equipping the **Key Digital Technologies Joint Undertaking** for its new tasks related to the Initiative. This proposal also renames the Key Digital Technologies as the ‘Chips Joint Undertaking’.

The proposal formulates the actions launched by the Chips for Europe initiative to be carried out by the Chips Joint Undertaking. It complements the Digital Europe Programme and will support the expansion of capacities to consolidate potential research, design, production and systems integration capacities in advanced and new generation semiconductor technologies.

The Chip Joint Undertaking also builds on the Horizon Europe programme. It will focus on investment in cross-border research, development and innovation infrastructures, designed to be open access in the EU to enable the development of semiconductor technologies across Europe.

The Chips JU will pool resources from the Union, including the Horizon Europe and the Digital Europe Programme, Member States and third countries associated with the existing Union programmes, as well as the private sector.

Additional objectives of the Chips Joint Undertaking

Council Regulation (EU) 2021/2085 is amended to add one general and four specific additional objectives of the Chips Joint Undertaking.

The general objective focuses on the increase large-scale capacity throughout the Union in cutting-edge and next-generation semiconductor technologies, while the four specific objectives focus on building up large-scale design capacities for integrated semiconductor technologies, enhancing existing and developing new pilot lines, building advanced technology and engineering capacities for accelerating the development of quantum chips, and creating a network of competence centres across Europe.

Work programme, eligible actions, funding

The activities funded by the Chips Joint Undertaking should be covered in one single work programme, which should be adopted by the Governing Board. When the Governing Board adopts the work programme, the voting rights for the part of the work programme related to capacity building should be limited to the Commission and Member States only.

Certain proposals for actions should be eligible for funding only if the action is carried out by legal entities cooperating within a consortium of at least three legal entities from three different Members States. That consortium could be structured either as the European Chips Infrastructure Consortium as proposed in the 'Chips Act'.

The Chips Joint Undertaking could apply different funding rates for the Union funding for activities funded under the Digital Europe programme, depending on the type of participant, in particular SMEs and non-profit legal entities, and the type of action.

Budgetary implications

The EU budget will support the Chips for Europe Initiative with a total of up to EUR 3.3 billion, including EUR 1.65 billion via Horizon Europe programme and EUR 1.65 billion via Digital Europe Programme. Out of this total amount, **EUR 2.875 billion** will be implemented through the Chips Joint Undertaking.

Joint Undertakings under Horizon Europe: Chips Joint Undertaking

2022/0033(NLE) - 30/01/2023 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Industry, Research and Energy adopted the report by Eva MAYDELL (EPP, BG) on the proposal for a Council regulation amending Regulation (EU) 2021/2085 establishing the Joint Undertakings under Horizon Europe, as regards the Chips Joint Undertaking.

The committee recommended the European Parliament to approve the Commission proposal as amended.

The report stressed that reinforcing Europe's semiconductor ecosystem is one of the **key components to achieving economic resilience and security, strategic autonomy, enhanced digital sovereignty and reduced dependencies**; and will play an important role in the **green and digital transitions**.

The Chips Joint Undertaking should seek to:

- ensure clear and identifiable benefits across the semiconductor ecosystem;

- contribute to and reflect the Union's core values, including privacy by design, trust, security, safety, sustainability, and growing skills and quality employment at all levels of the value chain. The activities of the Chips Joint Undertaking should work effectively alongside the broader objectives of the Chips Fund, in order to support the development of a dynamic and resilient semiconductor ecosystem;

- provide opportunities for the increased availability of funds to support the growth of start-ups and SMEs as well as investment across the entire value chain and Union, contributing to achieving the twin digital and green transitions.

Additional objectives of the Chips Joint Undertaking

In addition to the main objectives, the report proposes that the Chips Joint Undertaking should have the following specific objectives:

- build up design capacities for integrated semiconductor, quantum technologies and other cutting-edge technologies such as photonics;

- support the green transition by ensuring that environmental considerations are taken into account in the development and implementation of R&D&I, such as increased energy and water efficiency;

- promote STEM education, in particular women's participation in R&D&I;

- foster open science and public visibility and ensure that the R&D&I activities are aimed at providing a positive impact upon society.

Funding

According to Members, the Initiative should be provided with the adequate and necessary funding to be able to achieve its ambitious objectives. In order to achieve the greatest possible positive impact of Union funding and the most effective contribution to the Union's policy objectives, the Chips Joint Undertaking and the Chips Fund should seek to maximise the potential of private and/or public sector partners. Such partners should include industry, R&D&I and technology organisations, bodies with a public service mission at local, regional, national or international level, and civil society organisations, such as foundations that support and/or carry out R&D&I, provided that desired impacts can be achieved more effectively in partnership than by the Union alone.