Official Journal
of the European Union

EN
L series

2026/1283

11.6.2026

COMMISSION DECISION (EU) 2026/1283

of 9 June 2026

establishing the Battery Booster Facility and serving as financing decision for 2026

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a system for greenhouse gas emission allowance trading within the Union and amending Council Directive 96/61/EC ([1]), and in particular Article 10a (8) thereof,

Having regard to Commission Delegated Regulation (EU) 2019/856 of 26 February 2019 supplementing Directive 2003/87/EC of the European Parliament and of the Council with regard to the operation of the Innovation Fund ([2]), and in particular Article 4 and Article 15 thereof,

Having regard to Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union ([3]), and in particular Article 110(1), and Articles 212 and 219 thereof,

Whereas:

(1) The Union is committed to achieving climate neutrality by 2050 and reducing net greenhouse gas emissions by at least 55 % by 2030, in line with the European Green Deal and the as set out in Regulation (EU) 2021/1119 of the European Parliament and of the Council ([4]). The Clean Industrial Deal, as set out in the Commission Communication of 26 February 2025 ([5]), underscores the need to align industrial competitiveness with climate ambition, ensuring that the transition to a climate-neutral economy is both just and economically resilient. That requires a robust and competitive European battery sector.

(2) Currently, the European battery sector faces structural challenges to achieve the necessary competitive scale in a context of global overcapacity across the battery value chain, particularly during the ramp-up phase. Moreover, European battery manufacturers are competing in a global context where a level-playing field is distorted by non-EU subsidies.

(3) Considering the objective of the Net Zero Industry Act Regulation (EU) 2024/1735 of the European Parliament and of the Council ([6]) which establishes a framework of measures for strengthening Europe’s net-zero technology manufacturing sector and support for the deployment of clean technologies, it is necessary to provide targeted financial measures to support the current development of projects in the Union, encourage further private sector investment and boost the security of supply of the automotive and energy storage industries.

([1]) OJ L 275 25.10.2003, p. 32, ELI: http://data.europa.eu/eli/dir/2003/87/oj.
([2]) OJ L 140, 28.5.2019, p. 6., ELI: http://data.europa.eu/eli/reg_del/2019/856/oj.
([3]) OJ L, 2024/2509, 26.9.2024. ELI: http://data.europa.eu/eli/reg/2024/2509/oj.
([4]) Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999, (‘European Climate Law’) (OJ L 243, 9.7.2021, p. 1, ELI: http://data.europa.eu/eli/reg/2021/1119/oj).
([5]) See COM(2025) 85 final of 26 February 2025 on The Clean Industrial Deal: A joint roadmap for competitiveness and decarbonisation.
([6]) Regulation (EU) 2024/1735 of the European Parliament and of the Council of 13 June 2024 on establishing a framework of measures for strengthening Europe’s net-zero technology manufacturing ecosystem and amending Regulation (EU) 2018/1724 (OJ L, 2024/1735, 28.6.2024, ELI: http://data.europa.eu/eli/reg/2024/1735/oj).

(4) On 16 December 2025, the Commission adopted a Communication [7] setting out a battery booster strategy. That strategy supports a resilient and sustainable battery sector in Union and enhances cost competitiveness in Union's battery production, building on initiatives such as Regulation (EU) 2024/1735, the Automotive Action Plan set out in the Commission Communication of 5 March 2025 [8] and the Strategic Action Plan for Batteries set out in the Commission Communication of 17 May 2018 [9]. The Battery Booster Strategy describes the sub-optimal investment situation of the battery manufacturing sector, particularly during the ramp-up phase of projects, pointing out to the critical need to support battery production in the EU in response to the pressing international challenges and the difficulties the industry faces in scaling up production. The Battery Booster Strategy also includes targeted policy measures that will strengthen the Union battery industry, including the establishment of a Battery Booster Facility to support investments.

(5) Such support is particularly necessary during the ramp-up phase of battery manufacturing projects, which involves transitioning to high-volume, high-precision manufacturing while balancing low yields, high material costs, and intense quality requirements. The ramp-up phase follows the construction and installation of production facilities. During that phase all systems, equipment, and processes undergo extensive testing, validation, and fine-tuning to ensure efficient and effective operations. It is characterised by high scrap rates, making it difficult to achieve profitability and meet strict quality standards required by the automotive sector. The Battery Booster Facility should therefore specifically provide support for this sensitive and complex stage of the process. The Battery Booster Facility should constitute support from the Innovation Fund established pursuant to Article 10a(8) of Directive 2003/87/EC in the form of financial instruments under direct management.

(6) Acknowledging the critical importance of effective financial support during the ramp-up phase of battery production, loans offer distinct advantages over grants in this context. Loans encourage efficient capital management and align with the goal of sustainable and accountable growth in battery production. They encourage companies to reach commercial viability faster and are therefore better suited for scaling and commercialisation of production. Furthermore, they complement and attract further private sector investment, providing a robust financial framework to stabilise the industry in the EU. Accordingly, the Battery Booster Facility support should take the form of loans as the instrument that best supports companies in the ramp-up phase.

(7) In order to support ramp-up phase of battery production financially, it is necessary to tailor the loans from the Battery Booster Facility to the specific requirements of the ramp-up phase. That should include concessional elements such as granting loans free of interest.

(8) Pursuant to Article 15(1) of Delegated Regulation (EU) 2019/856, it is necessary to lay down the maximum amount of the Innovation Fund support available for the Battery Booster Facility, and rules for the selection of projects and for disbursements of the support.

(9) Battery cell manufacturers that already have directly or indirectly experience in the development of fully commercial projects, can be considered to have already gained know-how with completing in the ramp-up phase and should, therefore, be considered not eligible for the support under the Battery Booster Facility.

[7] Communication from the Commission of 16 December 2025 on a Battery booster strategy (COM(2025) 8950 final).

[8] Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions of 5 March 2025 on an Industrial Action Plan for the European automotive sector (COM(2025) 95 final).

[9] Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions of 17 May 2018 on Europe on the Move: Sustainable Mobility for Europe: safe, connected, and clean (COM(2018) 293 final).

(10) The loan agreement resulting from the award of support under the Battery Booster Facility should set out a repayment schedule appropriate for mature projects while also taking into account the existing financial structures of the projects. In order to be able to adapt to the commercial reality of battery production while ensuring the continuity of the support, projects should be able to defer repayment schedule subject to an interest rate, which should be stipulated in the loan agreement. Relocation of battery manufacturing activities outside the European Economic Area (EEA) after receiving the support from the Battery Booster Facility should be penalized with appropriate contractual remedies, in order to ensure a durable impact in European industrial competitiveness.

(11) In order to ensure the implementation of the Battery Booster Facility, it is necessary to adopt an annual financing decision in accordance with Article 110(2) of Regulation (EU, Euratom) 2024/2509 ('the Financial Regulation').

(12) The Battery Booster Facility will facilitate the development of battery cell manufacturing in Europe. Battery cell manufacturing in Europe operates under challenging market conditions, as outlined in the Battery Booster Strategy Communication, and therefore has been recognised by the European Commission as being in need for a temporary funding solution. The Battery Booster Facility targets projects with high potential for success anywhere in the EEA, which makes it more likely that the support will facilitate the development of the economic activity. The support granted under the Battery Booster Facility will facilitate battery cell manufacturers to ramp-up production by contributing to the financing needs of that phase. The set eligibility and award criteria and the other terms of the Battery Booster Facility create the basis for the Commission to ensure that the support, in the form of repayable interest-free loans, is necessary, appropriate, proportionate and transparent. Balancing the above elements, the Commission considers that the support to be granted under the Battery Booster Facility is consistent with State aid rules, within the meaning of Article 212(2) point (c) of the Financial Regulation.

(13) Pursuant to Article 10f of Directive 2003/87/EC, the Battery Booster Facility should support projects that comply with the 'do no significant harm' principle. The selection process should therefore ensure that projects meet the minimum environmental requirements and do not significantly harm any of the environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852 of the European Parliament and of the Council [10].

(14) Repayments and reflows related to the financial instruments provided from the Battery Booster Facility will be used to support innovation in low- and zero-carbon techniques, processes and technologies in accordance with Article 10a(8) of Directive 2003/87/EC.

(15) Member States have been consulted on this decision, in accordance with Article 15 of Delegated Regulation (EU) 2019/856.

(16) Due to the urgent need to deploy the Battery Booster Facility and enable the organisation of call for proposals, it is proposed that this Decision enters into force the day following the day of publication,

HAS ADOPTED THIS DECISION:

Article 1

Subject matter

1. This Decision establishes the Battery Booster Facility ('the Facility') and sets out the amount of the Innovation Fund support available for disbursement under the Facility, as well as the rules applicable to its implementation, the selection of the projects and the disbursement of such support, in accordance with Article 15 of Delegated Regulation (EU) 2019/856.

[10] Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13, ELI: http://data.europa.eu/eli/reg/2020/852/oj).

2. This decision also constitutes the financing decision for the year 2026 in accordance with Article 110(2) of Regulation (EU, Euratom) 2024/2509 ('the Financial Regulation').

Article 2

Definitions

For the purposes of this Decision, the following definitions shall apply:

(a) 'battery', means as defined in Article 3(1), point (1), of Regulation (EU) 2023/1542 of the European Parliament and of the Council ([11]);

(b) 'battery cell', means as defined in Article 3(1), point (4), of Regulation (EU) 2023/1542;

(c) 'electric vehicle battery', means as defined in Article 3(1), point (14) of Regulation (EU) 2023/1542;

(d) 'ramp-up phase' means the transitional period of a production site for electric vehicle battery cells, or parts thereof, starting with the start of the pre-series C-Sample production phase and ending when full commercial operation is achieved. Full commercial operation will be the stage at which the battery manufacturing facility achieves sustained production output of at least 95% of the nominal annual production capacity;

(e) 'C-Sample phase' means the moment at which the battery cell design is substantially finalised and validated through prototypes manufactured using representative industrial-level processes and equipment, making them ready for the purpose of customer qualification phase.

Article 3

Objective

The objective of the Facility is to support projects concerning manufacturing of electric vehicle battery cells in production sites in their ramp-up phase.

Article 4

Union contribution

The maximum amount of the Innovation Fund support for the implementation of the Facility for 2026 is set up at EUR 1 500 000 000, and shall be financed from the revenue generated from the auctioning of the allowances destined for the Innovation Fund, as entered in budget line: 16.03.01 Innovation Fund (IF) – Operational expenditure of the general budget of the Union as external assigned revenue.

Article 5

Methods of implementation and forms of support

1. The Facility shall constitute a financial instrument in accordance with Title X of the Financial Regulation and shall be implemented under direct management pursuant to Article 62(1), first subparagraph, point (a), of the Financial Regulation.

2. Support under the Facility shall take the form of interest-free loans for projects concerning battery cell manufacturing facilities suitable for electric vehicle applications and in the ramp-up phase of operation.

([11]) Regulation (EU) 2023/1542 of the European Parliament and of the Council of 12 July 2023 concerning batteries and waste batteries, amending Directive 2008/98/EC and Regulation (EU) 2019/1020 and repealing Directive 2006/66/EC (OJ L 191 28.7.2023, p. 1, ELI: http://data.europa.eu/eli/reg/2023/1542/oj).

3. It may also be combined with support from other Union programmes or national public support, provided that this does not lead to the combined support exceeding the total amount of eligible costs as defined in paragraph 5 and complies with State aid rules where applicable.

4. The amount of support awarded under the Facility shall not exceed the lowest of the following amounts: (i) 60 % of the eligible costs, as defined in paragraph 5; or (ii) a nominal amount of EUR 500 million per final recipient.

5. Eligible costs shall be limited to costs incurred:

(a) exclusively in relation to the ramp-up phase;

(b) after the date of the opening of the call for proposals and until 48 months following the signature of the loan agreement referred to in Article 9. Eligible costs may include personnel costs, costs of acquiring and processing materials, energy and supplies, contracted works and services, and capital expenditures within the project.

6. Eligible costs shall not include the following:

(a) amounts used to reimburse other loans, including from loans banks or other financial intermediaries;

(b) dividend payments;

(c) payments of variable remuneration or other comparable forms of compensation.

Article 6

Eligibility

1. Final recipients eligible of support under the Facility shall be established in the EEA.

2. A project shall be eligible for support from the Facility ('eligible project') if all of the following conditions are fulfilled:

(a) The project concerns a battery cell manufacturing production site, that is in its ramp-up phase at the date of the opening of the call for proposals;

(b) The battery cell technology must be suitable for its use in electric vehicles, notwithstanding that the project can have off-takers using the battery cells for other purposes;

(c) Projects can include activities related with the manufacturing of the battery modules ([12]), as long as the project main activity concerns the manufacturing of the battery cell. Projects limited to the assembly of battery cells components or stacks, without substantive transformation of those core components, shall be considered not eligible;

(d) The project is physically located in the EEA;

(e) The planned nominal annual production capacity of the production site is, at least, 10 GWh, at operating conditions assuming 100% overall equipment effectiveness;

(f) At the time of application, the project is the first full commercial scale production project of electric vehicle battery cells, at global level, of the final recipient;

(g) The majority shareholder of the final recipient shall not have decisive influence on an already operational full commercial production of electric vehicle battery cells at global level, such as in particular the ability to direct strategic and operational decisions due to majority holding in share capital or voting rights;

(h) The project shall comply with the 'do no significant harm' principle as set out in Article 10f of Directive 2003/87/EC.

([12]) As defined in Article 3(1), point (3), of Regulation (EU) 2023/1542.

Article 7

Call for proposals

1. The Commission shall organise an open and transparent selection of the final recipients through a call for proposals.

2. The proposals shall at least include information necessary to demonstrate that:

(a) support is requested by eligible final recipients for an eligible project;

(b) the requested funding has an incentive effect for the project;

(c) the final recipient is economically viable;

(d) the total mobilised financing from private sources for the manufacturing production site exceeds the Union contribution;

(e) the final recipient submitting the proposal has the operational capacity to carry out the project.

3. The proposals shall also contain, at least, the following information:

(a) a description of the project, including elements of the design and the implementation plan;

(b) the estimated eligible costs of the project, calculated in accordance with Article 5, and the requested loan amount;

(c) financial and business plan, including the financing needs justifying support from the Facility;

(d) proposed disbursement milestones, including the amounts to be disbursed when a milestone is met.

4. Where necessary, the Commission may include further specifications in the Call for Proposals complementing this Decision.

Article 8

Award criteria

1. The Commission shall rank the proposals on the basis of the following award criteria:

(a) financial maturity of the project and economic viability of the final recipient, demonstrating the ability to comply with the repayment schedule set out in the loan agreement on the basis of successful execution of the business plan. The projects will need to demonstrate the incentive effect of the requested support and that the total mobilised financing for the manufacturing production site from private sources exceeds the Union contribution;

(b) technical maturity of the project, demonstrating the ability to achieve full operation capacity within the required timeframe based on credible design and implementation plan;

(c) contribution and added value for the European economy, including for the current and future resilience of the supply chain, notably in relation to components and manufacturing equipment, as well as consumption of critical raw materials, intellectual property rights, engagement with European stakeholders and research centers, skilled workforce, and supplying European downstream sectors.

2. In line with this ranking, the Commission may award the support from the Facility within the limits of the available budget.

Article 9

Loan agreement

1. Following the evaluation of the proposals, the Commission may conclude a loan agreement with the final recipients of the support selected from the Facility (the ‘agreement’) in accordance with Article 8. The agreement shall establish the rights and obligations of the final recipient and of the Commission in accordance with the conditions set out in the call for proposals.

2. The agreement shall lay down, at least:

(a) milestones related to the implementation and progress of the project, maximum maturity of the loan, schedule of reimbursements, conditions on the ranking of the loan (e.g subordination or seniority arrangements), and applicable contractual remedies in case of non-compliance;

(b) specific arrangements for the management, reporting and audit of funds provided under the Facility, including requirements for regular reporting to the Commission by the final recipient on the progress of the project, as well as requirements to acknowledge the origin of the funds;

(c) requirements for prevention, detection, investigation and correction of irregularities, fraud, corruption or any other illegal activity affecting the financial interests of the Union.

3. The agreement shall ensure that the obligations set out in Article 129 of the Financial Regulation are fulfilled.

4. In addition, the provisions of the agreement referred to in Paragraph 2 shall set out, at least, the following:

(a) milestones related to the progress in implementing the business plan shall constitute a precondition for the disbursement of the loans;

(b) maximum maturity of the loan shall be of 10 years from of the signature of the agreement. The Commission may extend the maximum maturity of the loan beyond 10 years through a revision of the loan agreement in the context of situations of financial restructuring of the project;

(c) start of reimbursements shall be no later than either at the end of ramp-up phase or 48 months after the signature of the loan agreement, whichever occurs first;

(d) reimbursements shall be made in equal amounts, annually, over a period of 6 years. However, as part of the loan agreement, a final recipient may choose to defer the schedule of individual reimbursements within the overall maximum maturity of 10 years. Such deferrals will be subject to a market interest rate, as to be stipulated in the loan agreement;

(e) seniority levels of the loan may be agreed between the Commission and final recipient during the preparation of the agreement to suit the existing financial structure of each project;

(f) appropriate contractual remedies will apply in case the final recipient ceases production of the project and starts production of battery cells at a location outside the EEA within 12 months following the cessation of production.

Article 10

Reporting and monitoring

1. The Commission shall monitor the implementation of the Facility, focusing on the effectiveness, efficiency, and relevance of the supported projects.

2. The Commission shall report to the Member States, as part of the annual Innovation Fund report, on the progress made on the implementation of the Facility. That report shall contain a detailed breakdown of funds disbursed by the Facility and progress made towards the objective of the Facility.

Article 11

Entry into force

This Decision shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

Done at Brussels, 9 June 2026.

For the Commission
The President
Ursula VON DER LEYEN