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RAAD

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European Commission
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1049 Brussels

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Ref: VLIR 043/20
Contact: koen.verlaeckt@vlir.be

Concerns: COMP-03-PUBLIC-CONSULTATION@ec.europa.eu

Dear Mr Guersent,

Thank you for consulting us on the updated proposal on simplified rules for State aid combined with EU support as a follow up of the first consultation (2019) of the "General Block Exemption Regulation (State aid): extension to national funds combined with certain Union programmes".

In general terms, this updated proposal of the GBER provides some clarifications/additions based on – and taking into account – the input of different stakeholders on the first proposal. This is really appreciated.

At first, the Flemish universities would like to note that in general, most of our research projects are not to be considered economic activities. Hence, funding for these projects should not be considered state aid, as set out in article 19 of the *Communication from the European Commission on the Framework for State aid for research and development and innovation* (2014). It is only in specific cases that activities of our type of institutions are to be considered economic activities for which consequently the GBER applies. In these cases, especially article 25 of the GBER and possibly also article 20, both subject to this consultation, become relevant for universities. As a consequence, and similar to the previous consultation, we would like to provide input on the updates in the second area (R&D&I, article 25) and third area (ETC, article 20).

Regarding the second area (R&D&I), article 25

We acknowledge the enhanced clarity and readability obtained by splitting the original proposed article related to R&D&I into four separate paragraphs covering (1) aid for SME-projects having received a Seal of Excellence quality label, (2) aid for Marie Skłodowska-Curie & ERC Proof of Concept actions with a Seal of Excellence quality label, (3) aid for co-funded research and development projects and (4) aid for co-funded teaming actions.

We consider the use of a uniform minimum funding from Horizon Europe of 30% of the total eligible costs for co-funded projects as well as the exclusion from State Aid Rules of Member State contributions in Horizon Europe Institutionalised European Partnerships, a real simplification.

Although the new proposal of the regulation will undoubtedly ensure a better uptake by national funding mechanisms of mono-beneficiary Horizon 2020/Marie Skłodowska Curie Actions and Horizon 2020/European Research Council Proof of Concept projects that received the Seal of Excellence and, as such, keep excellent project proposals in the running for funding, one could however question how this will be put in practice in case of multi-beneficiary grants of which the partners of the project proposal will have to apply independently for funding at their respective national funding agencies.

Regarding the third area (ETC), article 20

As indicated in our letter dating from 25 September 2019, the Belgian universities applaud the extension of the compatibility of funding for ETC-projects with the internal market beyond SMEs, although in most cases universities should not be considered as undertakings in the frame of ETC-projects. In addition, in the unlikely event that we should be considered as undertakings in the frame of ETC-projects, it will in principle be an R&D&I ETC-project, in which case we assume that article 25 will continue to apply to such R&D&I, and not the new article 20. The precedence of article 25 over article 20 in the case of R&D&I undertaken in an ETC-project should be explicitly stated in order to avoid any misunderstanding.

We support the Commissions alignment of the (public) aid intensity in article 20 to the level of the co-financing rate provided for in the ETC Regulation, which will certainly lead to a simplification in the management of ETC projects and a reduction of the administrative burden typically associated with this kind of projects. However, instead of mentioning that "*the aid intensity shall not exceed the maximum co-financing rate provided for in the ETC regulation*", it would, for the sake of clarity, be better to state that "*the aid intensity mentioned in the GBER should equal the co-financing rate mentioned in the ETC regulation*".

With regard to aid intensity, it is of upmost importance to state that the use of own resources of the universities as co-funding in a project should <u>not</u> be considered as public contribution and as such should not be considered part of the (public) aid intensity. Otherwise, participation of universities in the INTERREG programs will become impossible.

In addition, we would like to note that although the exclusion of very small amounts of aid from State Aid Rules is certainly of interest for smaller participants or third parties with a limited task, this will not be very useful for universities. In this respect we would like to repeat our plea to remove these kind of projects from the obligation to undergo a State Aid assessment, as typically a negative impact of these projects on trade and competition is very unlikely. This would avoid an enormous administrative burden for universities.

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Finally, it would be beneficial if these rules proposed for ETC could be extended to all European Regional Development Fund projects, of which ETC are only a part.

We remain at your disposal to answer any questions for further clarification from your side.

Your sincerely,

Luc Sels
President

Koen Verlaeckt
Secretary General