

## BE remarks – ANNEX – Text proposals

### COMMUNICATION FROM THE COMMISSION Criteria for the analysis of the compatibility with the internal market of State aid to promote the execution of important projects of common European interest

Text draft communication + proposed amendment	Explanation
1. This Communication gives guidance on <b>organizing and</b> assessing the public financing of important projects of common European interest (IPCEIs) under State aid rules.	The communication lacks a clear governance dimension, including with regard to identifying new strategic value chains, a clear timeline, the dissemination of the information prior to the launch of an IPCEI project. The European Commission should play a more proactive role here.
3. IPCEIs make it possible to bring together knowledge, expertise, financial resources and economic actors from across the EU, in a bid to address important market or systemic failures and societal challenges that could not otherwise be addressed. They are designed to bring together the public and private sectors to undertake large-scale projects of significant benefits to the EU and its citizens <b>through cross-border cooperation</b> .	The ultimate goal - cooperation between companies from different Member States - is sometimes forgotten.
4. IPCEIs <del>can underpin</del> <b>should be imbedded in</b> all policies and actions that achieve common European objectives, in particular the European Green Deal <sup>1</sup> , the Digital Strategy <sup>2</sup> , the New Industrial Strategy for Europe <sup>3</sup> , <b>open strategic European autonomy</b> and Next Generation EU <sup>4</sup> . IPCEIs can also contribute to a sustainable recovery following serious economic disturbances such as those caused by the COVID-19 pandemic and support efforts to strengthen the EU social and economic resilience.	IPCEI is one instrument from a range of potential policy initiatives. The complementarity of the different measures is essential.  The insertion of strategic European autonomy underlines the importance of the relationship of the European economy to its rivals (China, US,...).
5. Taking into account the Small and Medium-sized Enterprise (SME) Strategy <sup>5</sup> , it is important that SMEs can participate in IPCEIs and benefit from them. The Commission will take into account in its assessment circumstances in which the aid notified is less likely to unduly distort competition, for example due to its amount. <b>SMEs should not be obliged to demonstrate the funding gap</b> .	This ambition must be made more concrete. Demonstrating the funding gap is a major burden for SMEs.
7. Article 107(3)(b) of the TFEU provides that aid to promote the execution of an important project of common European interest may be considered to be compatible with the internal market. Accordingly, this Communication sets out guidance on the criteria the Commission will apply for assessing State aid granted to promote the execution of IPCEIs. It first sets out its scope and then provides a list of criteria the Commission will use to assess the nature and the importance of IPCEIs for the purposes of applying Article 107(3)(b) of the TFEU. It then explains how the Commission will assess the compatibility of the public financing of IPCEIs with State aid rules. <b>It also gives a general guidance on how to organize IPCEI projects</b> .	IPCEI is based on state aid rules, but is not just a competition tool. It relates to research, industry, digital, energy and other strategic topics. The communication should emphasize this point much better  To really give all Member States the opportunity to participate, minimum guidelines, including a common timetable validated by all Member States, could improve accessibility to projects.

<p>16. The project should demonstrate that it is designed to overcome important market or systemic failures <b>in strategic value chains</b>, preventing the project from being carried out to the same extent or in the same manner in the absence of the aid, or societal challenges, which could not otherwise be addressed or remedied. <b>The identification of the strategic value chains should be the result of an agreement among member states.</b></p>	<p>It must be avoided that arbitrary IPCEI projects are launched to serve only nationalist interests.</p>
<p>18. All Member States must be given a genuine opportunity to participate in an emerging project. <b>Unless justified by the nature of the project</b>, notifying Member States must <b>present an indicative timeline and</b> demonstrate that all Member States were informed of the possible emergence of a project, including by way of contacts, alliances, meetings, or match-making events, and given adequate opportunity to participate.</p>	<p>To really give all Member States the opportunity to participate, minimum guidelines, including a common timetable validated by all Member States, could improve accessibility to projects.</p>

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