

Belgian contribution to the “Communication from the European Commission relating to the Criteria relating to the analysis of the compatibility with the internal market of aid from States intended to promote the realization of important projects of common European interest”.

Belgium wishes to draw the attention of the Commission on the topics mentioned below.
Several text proposals are joined in annex.

- 1) There seems to be a **lack of linkages** between the communication and the **Industrial policy**. Belgium feels it is important to keep the **strategic value chains** for the EU in mind when considering IPCEIs. The Strategic Forum for IPCEIs has identified 9 strategic value chains in the beginning of 2019. Yet the communication released by the Commission does not take account of this work.
Belgium however sees it as beneficial to find a consensus on important value chains and putting them in practice. Therefore Belgium proposes to add a reference to the identified strategic value chains in the general cumulative criteria or to provide substantiated argumentation if new topics are considered. These new topics may indeed turn out to be very valuable, but should at least be communicated long in advance to allow all member states to evaluate the strategic importance for their national/regional policy.
- 2) By developing new innovative value chains within the EU, the IPCEI tool has an important role to play regarding **strategic autonomy**. This should be mentioned explicitly in the communication.
- 3) Belgium would like to see more **governance at EU level** for IPCEI projects. With a clear governance framework, transparency of the IPCEI process will improve. It will give the chance to all Member State (MS) to be included equally.
- 4) Belgium considers the increase from minimum 2 to 4 participating MS as a positive development. The increase in the number of participating Member States is likely to reinforce the common European interest of the projects. However, beyond the number of participants, Belgium also considers it necessary that the distribution of the funding allocated to the projects is balanced. In current projects there are several MS involved, but the disproportionate contributions of those MS could lead to imbalances in the EU and to state sponsored rivalry rather than cooperation .
- 5) To really give all MS a chance to participate, minimum guidelines, amongst which a **shared calendar** validated by all MS, could improve the accessibility to projects.
- 6) Belgium is happy with the renewed focus from the Commission placed on the participation of **SMEs**. In this context, a good governance will be crucial: it is important to ensure the potential participation of SMEs even after the start of an IPCEI. In this respect, more concrete tools to ensure SME participation are needed.

- 7) The development of strategic value chains is a priority to Belgium and the IPCEIs are an instrument to put this into practice. Therefore it is important to find a way to **combine different sources of investment** on both national and EU level.
- 8) While the European Commission has started a long process of **revising European state aid regulations and guidelines**, it is crucial that the objectives defined in new EU strategies such as the SME Strategy or the Industrial Strategy, which are based on the green and digital transitions, are concretely reflected in the new draft regulations. For example, the future GBER could include an article strictly devoted to the participation of SMEs in an IPCEI.
- 9) IPCEI rests on State aid rules, but is **not only a Competition tool**. It links to Research, Industry, Digital, Energy and other strategic topics. The communication should highlight this far better. The IPCEIs should find their place in the whole of politics and European instruments. It would also help the construction of each project if the IPCEI would not only be followed by DG COMP, but by all relevant DG's, since the projects not only affect competition within the EU, but many other areas as well (eg: DG GROW, DG CNECT, DG ENER).
- 10) Belgium would like to point out the necessity of taking better account of the **spillovers**. An IPCEI is a project that does not stand on its own, it affects the rest of the European economy afterwards. It is useful to add at least a paragraph hereon in the communication.
- 11) As regards **relocation issues** as mentioned in point 49 of the Communication, which was also used in the first review of the GBER in 2017, a definition of what it entails could make this better understandable.
- 12) **Market failures** (Point 6) and **the Public financing** (Point 36) should be clarified.