

Remissyttrande

Datum 2021-12-03

Diarienummer RUN 2021-00412

Region Västra Götaland's comments on the draft amendments to the General Block Exemption Regulation (GBER)

Ensuring an innovative, green, digital, and competitive European market

In April 2021 Region Västra Götaland participated in the public consultation on the General Block Exemption Regulation (GBER) in relation to the Green Deal and the Industrial and Digital Strategies and is now pleased to submit its contribution to this consultation on the same regulation but focusing on the proposed amendments on aid for environmental protection and energy, regional aid, risk finance investment, research, development, and innovation.

Region Västra Götaland is located in the South West of Sweden, populating around 1.7 million people, representing 18 % of Sweden. Västra Götaland is one of the regions in the world that invests most in research and development in relation to its economic base, and industry accounts for a large proportion of this investment. We have a clear focus to act as a forerunner within sustainable development, digitalisation, and electrification, as well as a test bed for new ideas and innovation.

Adequate support levels

Region Västra Götaland's determination is to allow high ambitions within research and innovation and to give appropriate financial support to our eligible actors. We want to enable an increased number of qualified ideas and projects to get support, and for innovative start-ups and SMEs to be able to develop further and to grow.

We would like to stress the importance of being able to provide a sufficient level of financial aid to actors in the region to reach our societal goals on protecting the environment and the climate, accelerating innovation, and increasing the European competitiveness. In relation to that, we are concerned that the proposed aid intensity in Article 25 stipulating support to aid for indirect research and development projects calculated on the basis of a flat-rate up to maximum 15% of the costs, and Article 26a stipulating investment aid for testing and experimentation infrastructures up to maximum 25%, are set too low.

A level playing field

Region Västra Götaland welcomes the Commissions general ambition to set a good foundation for a sustainable European economy by increasing the possibilities to aid measures without prior notification and approval. We have taken note of some lack of coherence in the interpretation and implementation of the General Block Exemption Regulation amongst EU member states. Some states interpreting the rules stricter than others, leading to less aid possibilities, with the consequence of less research and innovation possibilities. Therefore, we welcome the Commissions attempt to clarify and facilitate for increased consistency within the union to avoid distortion in this regard. Also, Region Västra Götaland would like to emphasize that the new regulation and its implementation should consider the different administrative set-ups of the state aid systems in the Member States in order to avoid unintentional consequences on a system level, leading to missed opportunities.

Västra Götaland has experienced the effects of increased competition from economies outside the EU and we want to underline that exemptions from notification and the increased possibilities for financial support to actors need to ensure a level playing field not only among countries and regions in Europe but also to better handle the changes in the world around us, including the increasing competition from the global market.

Region Västra Götaland would like to raise a question about the threshold amount for exemption from notification under the *de minimis* regulation (1407/2013). It exempts aid below 200 000 euro given over a maximum period of three years from notification. This way of granting aid is the least administrative burdensome, and Region Västra Götaland would like to ask the Commission to look into a possible increase of the threshold amount and proposes a new higher amount to be set at 400 000 euro.

Aid to innovation clusters

Region Västra Götaland has concluded that the limit in time set to ten years for operating aid to innovation clusters as given in Article 27 is causing difficulties for clusters in our region. As an example, many of our science parks do not have the possibility to continue to provide services without the operating aid due to their business model, offering support to companies who cannot afford paying for the services. Therefore, the science parks need to close their services when the ten years have elapsed. Region Västra Götaland would consequently like to ask for a possibility to prolong aid to innovation clusters beyond the ten years.

Supporting recharging infrastructure

Region Västra Götaland has set high targets to counter climate change and it aims to be fossil independent by 2030. It takes positive note of the proposed Article 36a introducing an exemption from the notification requirement for investment aid to recharging infrastructure. Additionally, underlining the importance of regional support as a complement to private investments in order to ensure infrastructure developments throughout the entire region, also in sparsely populated areas, and not only in big cities and along main roads.

Transition towards a circular economy

Region Västra Götaland has the ambition to become Europe's leader in textile and circular economy. The region has a strong, innovative, and committed textile industry with the aim to be the best in circular design in fashion and textiles. Thus we welcome the proposed Article 47 exempting resource efficiency and circular economy, opening for new possibilities to support sustainability.

Regional Development Committee
Region Västra Götaland

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