

Contribution to the public consultation on targeted review of the GBER

25 September 2019

We welcome the Commission's proposals aiming at facilitating the combination of shared managed and centrally managed funds, but we think that more could be done to **enable synergies**.

- First, we think that for some of the proposed exemptions, the Commission should take a step back and **re-consider the real existence of State aid**:
 - We consider that the **European Territorial Cooperation (ETC) programmes** should benefit from a specific approach in terms of State aid rules. The aids granted by ETC programmes finance collaborative projects of great European added value and they are not subject to the discretion of a single public authority, but they respond to a European interest of cooperation. This is why we understand they should not be analyzed from a regular State aid eye approach and therefore they could be excluded from the scope of application of state aid rules, as proposed by the European Parliament.
 - In particular, for aid of max. € 20.000 within ETC, we can question the reality of potential competition distortion effects considering the very low amounts concerned and the collaborative approach under ETC. It should be remembered that *de minimis* aids do not constitute State aid according to the Treaty.
 - For **projects selected under Horizon 2020/Europe** cofinanced by national authorities but where the Member States have no decision power, we can also question if all criteria for qualifying as State aid are met, as Horizon rules will apply for selection of projects. The Commission should clarify whether the proposed exemption will apply to future European partnerships (in their different forms).
 - We would like some clarification about whether **amounts transferred from ESIF funds to centrally managed programmes** are considered or not as State aid. We consider they should not, as centrally managed fund rules would apply.

Having said that, we however welcome proposals aiming at facilitating the implementation of **ETC programmes**. If aid of limited amount are *in fine* considered as State aid, the EC should consider a higher level as we would act within the GBER limits, and that the amount proposed is far lower than the *de minimis* threshold.

- We welcome to the exemption of national funding for SMEs for projects labelled with the **Seal of Excellence (SoE)** under Horizon 2020/Europe. However, we call for the application of the SoE model to **other centrally managed European programmes** which includes the same disposals following the reasoning behind the SoE for Horizon 2020/Europe and are based on an independent evaluation. We think in particular to the COSME part of the Single Market Programme (and notably inter-cluster collaboration projects which includes voucher schemes for SMEs) and to the Digital Europe Programme. The new instrument for Interregional Innovation Investments should also be covered (see below).

We also think that the proposed exemption remains limited to the case where individual SMEs are supported through grants, where the Commission's proposal for applying the SoE under the next programming period goes well beyond this approach. The Commission should therefore reexamine its proposal in the light of the different possible cases which could arise: collaborative projects, involving different kinds of partners, ... As proposed now the exemption would apply to a very limited number of projects. Proposals from the Commission for facilitating the application of SoE to a wider set of projects, notably collaborative ones, would be welcomed.

- We also wish to draw the attention to the **Interregional Innovation Investments instrument** proposed by the Commission for the next programming period. This tool in direct or indirect management was initially proposed under the ETC part but could be transferred under the ERDF regulation. We firstly ask that a **Seal of excellence disposal could apply to this tool and that it would benefit from an exemption** for the same reasons applicable to the current SoE.

Secondly, we ask for **additional exemptions for allowing combination between national/regional funds (including under ESIF) and this new instrument**. On the one side for **cofinancing EU-supported projects**, which would be approved through an independent selection procedure at EU level. On the other side, on the same basis as the proposed exemption for investment related to teaming projects, **regional investments (for example in open innovation infrastructures) related to the implementation of those collaborative interregional projects should also be exempted** (under conditions to define). Being in a collaborative and interregional setting, we think that those kinds of projects could have important impact on EU competitiveness, would be beneficial for SMEs, while having limited negative effects on competition. With the same logic, the reflection could also be opened about an 'IPCEI scheme' adapted to inter-regional collaboration along innovative value chains.

- We finally ask the Commission to consider a **new exemption dedicated to facilitating the support by Member States to inter-cluster collaboration projects**, for example through the implementation of interregional innovation vouchers schemes. The Commission has gained experience of this kind of approaches through INNOSUP projects for cross-clusters collaboration along value chains. A new exemption would help the development of these kind of approaches by Member States/Regions, leveraging this successful EU initiative. Being collaborative projects with SMEs as beneficiaries, they don't have significant distortive effects on competition while presenting a strong potential for technology deployment and knowledge circulation. This would be also part of the possible set of support tools to mobilise in support of the development of interregional smart specialisation partnerships under S3 thematic platforms promoted by the EC. This in addition to other policy tools such as connecting, mapping, cluster collaboration, business plan development, C5, etc. The provisions regarding cluster support should also be clarified and simplified.