

## **AECM comments to the public consultation on the draft revised Communication on important projects of common European interest (IPCEI)**

The European Association of Guarantee Institutions (AECM) very much welcomes the opportunity to provide feedback on the review of the IPCEI Communication aimed at reflecting the new major policy priorities, in particular the European Green Deal, the Digital Strategy and the Industrial/SME Strategy as well as giving guidance on assessing the public financing of important projects of common European interest under State aid rules in view of increasing its efficiency. This offers the potential to encourage the implementation of IPCEIs and stimulate contributions crucial for the future economic growth of the EU. AECM is committed to support the European Commission in the IPCEI revising process and would therefore like to share the following reflections as its input to the public consultation on the draft revised Communication on important projects of common European interest.

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In this context, AECM is pleased to note that the draft IPCEI Communication addresses the specific situation of Small and Medium-sized Enterprises (SMEs) and expressly recognises the possibility for SMEs to participate in IPCEIs and benefit from them (cf. recital 5). We find it appropriate to consider that smaller amounts of aid allocated to SMEs are in principle less likely to unduly distort competition, and fully agree with the introduction of the explicit principle of proportionate assessment. In addition, AECM considers it appropriate to encourage large enterprises participating in IPCEIs to involve SMEs in different Member States as their partners, so that SMEs can increasingly benefit from IPCEIs.

Similarly, AECM fully agrees that the choice of the aid instrument to promote the execution of an IPCEIs must be made with a view to the market failure and welcomes the fact that instruments in the form of liquidity support (guarantees or loans) will be looked upon more favourably by the European Commission when the problem at hand is a shortage of funds (cf. recital 41).

Further, AECM welcomes the fact that the European Commission will take a more favourable approach where IPCEIs projects involve EU funds or funds under the shared management (cf. recital 22 e). Yet, it would be useful if the Commission clearly explained the possibility of combining an IPCEI with other supporting funds, such as the Just Transition Fund and existing regional funds.

Regarding the proposed eligibility requirements, while recognizing the importance of the involvement of several Member States in IPCEIs, AECM considers that the minimum number of four participating Member States might be challenging and invites the European Commission to apply the envisaged exception (cf. recital 17 “Unless a smaller number is justified by the nature of the project”) in a quite flexible way.

Finally, we are of the opinion that the application phase and the checks by DG Competition have proven to be too burdensome and propose to simplify the administrative procedure. The same refers to the time of granting of the aid that should be shortened to maximum 12 months.

Brussels, April 2021



## About us

The 48 members of the **European Association of Guarantee Institutions (AECM)** are operating in 31 countries in Europe. They are either private / mutual sector guarantee schemes or public promotional institutions or banks. Their mission is to support SMEs in getting access to finance. They provide guarantees to SMEs that have an economically sound project but do not dispose of sufficient bankable collateral. AECM's members operate with counter-guarantees from regional, national and European level. As of mid-2020, AECM's members had about bEUR 259 of guarantee volume in portfolio, thereby granting guarantees to around 4.5 million SMEs. AECM's members are by far the most important counterparts of the EIF concerning EU counter-guarantees, having been handling EU guarantees from the very beginning in 1998.

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Interest Representative Register ID number: 67611102869-33