



Opinion of the European Economic and Social Committee
Framework for State aid measures to support the Clean Industrial Deal

(COM(2025) 7600 final)

(C/2026/68)

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1. Conclusions and recommendations

1.1. The European Economic and Social Committee (EESC) welcomes the Clean Industrial Deal State Aid Framework (CISAF) as a key tool for supporting the decarbonisation of European industry and maintaining strategic investments in the EU. Amidst the European Commission's progressively more active industrial policy, it will be essential to ensure the CISAF's smooth integration among existing tools to foster public support for the green transition, avoiding overlaps, ensuring fair competition and providing sufficient guidance to national authorities and the stakeholders involved.

1.2. The EESC considers that, while State aid plays a central role in enhancing EU industrial competitiveness, it must not undermine the integrity of the single market. The Committee is concerned about the disparities in aid-granting capacity across Member States and encourages the introduction of mechanisms that reward cross-border coordination and projects generating positive spill-over effects, in line with the Letta and Draghi reports.

1.3. The EESC urges the swift deployment of the investment and financing instruments outlined in the Clean Industrial Deal (CID) and emphasises the need to adopt a robust Competitiveness Fund and a reinforced multiannual financial framework (MFF), with a view to ensuring fair access to finance across the EU. Importantly, the public support possibilities generated by the CISAF should not divert attention from the much-needed longer-term structural reform of electricity markets and strengthening of energy grids and interconnections, which are essential to boosting industrial competitiveness.

1.4. The EESC appreciates the European Commission's inclusive approach in preparing the CISAF and the improvements made following stakeholder input. It welcomes the steps taken towards achieving technological neutrality while focusing on decarbonisation, as well as the CISAF's alignment with the Net-Zero Industry Act and its complementarity with the Innovation Fund, which can boost investment in critical clean technologies. The EESC believes that some of the metrics and aid intensity thresholds in the CISAF are not entirely aligned with sectoral and regional realities, and urges the Commission to maintain ongoing dialogue with businesses and stakeholders to evaluate and, if necessary, revise these parameters.

1.5. The EESC notes with interest that the CISAF recommends that Member States include social and European preference clauses. It welcomes the fact that the CISAF encourages social conditionalities to be established in dialogue with social partners and underlines that such clauses need to be proportionate and adjusted to the realities of sectors and Member States. Importantly, such clauses should avoid introducing additional excessive administrative burdens that may act as a disincentive to engaging in the necessary transformations and that would cause further inequalities between Member States. It is especially important that such conditionalities be linked with the objectives pursued by the CISAF and the CID and hence provide incentives for industry to invest in the upskilling and reskilling of workers and the creation of quality jobs connected to the just transition. A European preference should be aligned with the concept of open strategic autonomy, recognising that strong European supply chains are also dependent on trade with trusted partners.

1.6. The EESC recommends that the Commission conduct a comprehensive assessment of the measures in place ahead of 2030, including the CISAF's actual impact on decarbonisation objectives and the single market, and accelerating and streamlining the provision of analytical data regarding the use of State aid under the CISAF and related frameworks.

1.7. The Committee calls on the Commission and Member States to reinforce capacity building in the area of State aid, improve transparency and increase the use of coordination and knowledge-exchange tools with a view to increasing agility and coordination and stepping up monitoring.

2. General comments

2.1. In recent years, the European Commission has adopted a number of temporary and non-temporary instruments making it easier to grant State aid to businesses to address recent crises and facilitate the green transition, as part of its shift towards more active industrial policies. Accompanying the European Green Deal, in 2022 the Commission adopted guidelines on State aid for climate, environmental protection and energy ('CEEAG')⁽¹⁾; in parallel, the General Block Exemption Regulation (GBER)⁽²⁾ was adapted to introduce broader exemptions. The Commission also adopted a temporary framework for State aid measures to support the economy during the pandemic, which was amended and extended to adapt it to the energy crisis, becoming the Temporary Crisis and Transition Framework⁽³⁾ (TCTF) in March 2023. In addition, the Important Projects of Common European Interest (IPCEIs) were created in 2014⁽⁴⁾, becoming an important tool for EU industrial policy.

2.2. Following the Commission communication *A Competitiveness Compass for the EU*⁽⁵⁾, the CID⁽⁶⁾ was presented as a new strategy to support the competitiveness and resilience of European industry and accelerate decarbonisation. The CID plans to mobilise more than EUR 100 billion to support clean manufacturing in the EU, including an additional EUR 1 billion in guarantees in the current Multiannual Financial Framework (MFF), as well as new, targeted financing instruments from the European Investment Bank, such as support for power purchase agreements (PPAs) for SMEs and electro-intensive industries or a CleanTech Guarantee Facility driven by InvestEU. Furthermore, in the CID the Commission announced a new State aid framework in addition to working to speed up IPCEIs and its revision of the GBER. It is essential that the deployment of the CID foster the development of clean technologies and the decarbonisation of the European industrial base, while helping to keep this in the EU.

2.3. On 11 March 2025, the Commission opened a consultation period for the draft CISAF, which closed on 25 April 2025 with more than 500 responses. It was adopted on 25 June 2025⁽⁷⁾ and will be in force until 31 December 2030. The Commission considers that the simplified compatibility conditions in this new framework 'are justified by the need to enable and accelerate specific investments and activities. The tools provided by this Communication are complementary and additional to the existing State aid rules, which remain in force, most notably the CEEAG, the Regional Aid Guidelines ("RAG")⁽⁸⁾ or the GBER'⁽⁹⁾. It is 'based on the case practice and relevant experience gathered by the Commission from the application of the temporary crisis and transition framework (TCTF)⁽⁹⁾).

⁽¹⁾ Communication from the Commission – Guidelines on State aid for climate, environmental protection and energy 2022 (OJ C 80, 18.2.2022, p. 1).

⁽²⁾ Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (OJ L 187, 26.6.2014, p. 1).

⁽³⁾ Temporary Crisis and Transition Framework.

⁽⁴⁾ See the IPCEI Commission communications of 2014 and 2021.

⁽⁵⁾ COM(2025) 30 final, 29.1.2025.

⁽⁶⁾ COM(2025) 85 final, 26.2.2025.

⁽⁷⁾ Available here.

⁽⁸⁾ See CISAF, p. 11.

⁽⁹⁾ See CISAF, p. 12.

3. Considerations and recommendations

a) General comments on State aid measures and regulatory policy

3.1. It is widely acknowledged that pursuing the CID goals will require investments of an unprecedented scale: neither private nor public funding will be able to deploy these amounts alone. As the Letta⁽¹⁰⁾ and Draghi⁽¹¹⁾ reports point out, this investment needs to be accompanied by comprehensive regulatory reforms reducing administrative burdens and facilitating the completion of the single market and the banking and capitals union.

3.2. To facilitate these efforts, Member States must speed up their permitting procedures, reduce administrative burdens on business and adjust taxation⁽¹²⁾. The EESC recognises the Commission's initial efforts to simplify the business environment in the EU and calls for the Member States to work in the same direction.

3.3. As for State aid, there is a general consensus (also acknowledged by the EESC⁽¹³⁾) that efficient State aid has a key role to play to support EU companies in their well-defined transition efforts and in achieving the objectives set by the CID. However, the EESC underlines that supporting the competitiveness of European businesses through active European industrial policies should be combined with determined efforts to preserve competition and a level playing field in the single market.

3.4. Importantly, while the relaxation of the EU State aid framework during the recent COVID-19 and energy crises proved successful in helping Member States recover, the use of State aid and the extent of flexibility granted in State aid rules has been very uneven across Member States⁽¹⁴⁾. Data show a fragmented approach to European green industrial policy, with different actors relying on different tools and systems⁽¹⁵⁾, including in terms of participation in IPCEIs⁽¹⁶⁾. As the Draghi report states, 'the application of State aid control in times of crisis, like those triggered first by the COVID-19 pandemic and later by the energy crisis, has entailed expanded ability for Member States to support companies, thus effectively easing the pain of EU citizens and businesses but it also fragmented the common market, distorted competition, deteriorated public finances and triggered inefficient subsidy races'⁽¹⁷⁾.

3.5. The EESC appreciates the fact that the CISAF acknowledges this problem, but it is concerned that it does not directly address the risks of distorting the playing field within the single market. It also does not actively provide clear incentives to create spill-over effects and reinforce European value chains, as also suggested by Draghi ('allow for greater amounts of aid where EU coordination is enhanced') and the EESC (which called on the Commission to 'generate tools which include greater EU-level coordination to minimise misallocation and enhance productivity, while increasing the integration of EU countries' economies'⁽¹⁸⁾). Letta envisioned a State aid contribution mechanism, requiring Member States to allocate a portion of their national funding to financing pan-European initiatives and investments⁽¹⁹⁾. The EESC encourages both the Commission and the Member States to follow this line, enhancing and strengthening cross-border value chains and industrial clusters by allowing for higher aid intensities in cases with clear spill-over effects, without decreasing the existing aid intensities in other cases. This could help reduce distortions while bolstering European value chains and helping to meet the ultimate goals of the CID.

⁽¹⁰⁾ Letta, E., *Much more than a market (Letta report)*.

⁽¹¹⁾ Draghi, M., *The future of European competitiveness (Draghi report)*.

⁽¹²⁾ See page 16 of the Draghi Report (Part A): 'Industrial policies today – as seen in the US and China – comprise multi-policy strategies, combining fiscal policies to incentivise domestic production, trade policies to penalise anti-competitive behaviour abroad and foreign economic policies to secure supply chains. In the EU context, linking policies in this way requires a high degree of coordination between national and EU policies.'

⁽¹³⁾ See point 1.3 of the EESC opinion on A competition policy at the heart of EU's competitiveness (OJ C, C/2025/1182, 21.3.2025, ELI: <http://data.europa.eu/eli/C/2025/1182/oj>).

⁽¹⁴⁾ See the *Competition State Aid Brief* of 1.2.2025: 'The use of crisis State aid measures in response to the Russian invasion of Ukraine (March 2022-June 2024)'; and Eisl, A. 'A European State aid framework for the Clean Industrial Deal', *Policy Paper N°310*, Jacques Delors Institute, February 2025. The various reports show that the three largest Member States account for over 75 % of the total budget for notified State aid schemes.

⁽¹⁵⁾ See Di Carlo, D., Eisl A. and Zurstrassen, D., 'Together we trade, divided we aid: Mapping the flexibilization of the EU state aid regime across GBER, IPCEIs and Temporary Frameworks', *Policy Paper N°307*, Jacques Delors Institute, November 2024. See also, for instance, the *State Aid Analysis 2023-2025*, Finland Chamber of Commerce, 2025, available here.

⁽¹⁶⁾ See analysis paper *IPCEI – Not as Equal as Claimed*, Confederation of Swedish Enterprise.

⁽¹⁷⁾ See page 301 of the Draghi Report (Part B).

⁽¹⁸⁾ See paragraph 3.3.3 of the EESC opinion on A competition policy at the heart of EU's competitiveness (OJ C, C/2025/1182, 21.3.2025, ELI: <http://data.europa.eu/eli/C/2025/1182/oj>).

⁽¹⁹⁾ See pages 27 and 39 of the *Letta Report*.

3.6. The EESC welcomes the fact that the CISAF aims to encourage private investment in Europe, but notes that this cannot be achieved by relying solely on national efforts ⁽²⁰⁾. To ensure an even and successful transition across the EU, the EESC calls on the Commission and Member States to supplement these efforts with enhanced coordination and additional instruments (such as the Competitiveness Fund and a reinforced MFF), which must be adopted promptly. It also welcomes the fact that the CISAF allows for national tax systems to be adjusted to encourage investment in clean technologies and industrial decarbonisation, through measures such as accelerated depreciation and targeted tax credits. The EESC further appreciates the option to grant aid to reduce the risks associated with private investment in renewable energy, industrial decarbonisation, clean technology manufacturing and energy infrastructure.

3.7. The EESC underlines the need to base State aid control measures on proper impact assessments. By the end date of the CISAF in 2030, the EU single market will have been operating for a whole decade under unprecedentedly loose State aid rules. It is also important that the assessments evaluate the effectiveness of current and expired frameworks in supporting the objectives of the CID, the industrial and State aid policies of the EU's major competitors and the impacts of these measures on the level playing field within the single market. This should also help provide analytical data more promptly on the amounts of aid granted and effectively disbursed under the CISAF and other frameworks. The publication of the State aid scoreboard every two years and granular information briefs on individual measures do not provide sufficient data for a proper evaluation and eventual review of the measures in place.

3.8. Equally, the EESC underlines the need to reinforce Member States' capacities in the area of State aid policy and control, with a view to increasing agility and coordination. As stated by Letta, 'addressing disparities in technical and administrative capacities among Member States and their enterprises is essential for ensuring a level playing field within the single market' ⁽²¹⁾. The EESC therefore calls on both the Commission and Member States to make full use of existing tools such as the eState Aid Wiki and the High-Level Forum on State Aid and to explore how best to upgrade them.

b) *Specific observations and recommendations on the CISAF*

3.9. The EESC generally welcomes the Commission's efforts to provide simplified compatibility conditions to help achieve the CID goals and praises the fact that it has listened to feedback, which has resulted in a considerable number of changes and adaptations to the adopted CISAF, but wishes to make the following observations on its implementation. The EESC calls on the Commission and Member States to take account of the following points when applying the CID and in their upcoming reviews of the State aid framework and regulatory policy.

3.10. Given that other instruments already provide specific measures for facilitating the green transition (in particular the CEEAG), the EESC notes that the CISAF may increase the risk of overlaps and legal uncertainty. The EESC asks the Commission to ensure that the various provisions are correctly aligned and to provide the relevant stakeholders with guidance on how to efficiently employ the various options available.

3.11. The EESC notes that several provisions in the draft CISAF that contradicted the CID's goal to pursue the EU's climate targets in a technology-neutral and cost-effective manner have evolved to a more balanced approach. It further welcomes the CID's alignment with technologies that fall under the Net-Zero Industry Act and its complementarity with the Innovation Fund, which will facilitate investment in developing crucial technologies, as well as tools to boost demand for clean technology.

3.12. The EESC points out that, in some cases, the metrics for establishing aid intensities and amounts are not sufficiently aligned with specific industry needs and the reality of business on the ground. The EESC therefore asks the Commission to continue engaging in a constructive dialogue with all stakeholders involved and, in particular, industry players affected by the CISAF to confirm that it is taking the right approach or, if necessary, adapt it, ensuring alignment with the realities of the various sectors and Member States.

⁽²⁰⁾ See page 16 of the *Draghi Report* (Part A): 'Uncoordinated national policies often lead to considerable duplication, incompatible standards and failure to consider externalities. One particularly damaging externality in the EU context is its adverse impact on the Single Market when the largest countries with the most fiscal space can provide much more generous support than others.'

⁽²¹⁾ See page 41 of the *Letta Report*.

3.13. The EESC also notes that the Commission has decided that the CISAF will allow for Member States to adopt measures to support the electricity costs of electricity-intensive users, in line with the CID objectives, in sectors exposed to high electricity prices and international competition. This could be an important signal to avoid deindustrialisation and support key basic sectors for the European economy. Furthermore, temporary support for electricity costs can help achieve the decarbonisation objectives; however, it is especially crucial that this support not delay decarbonisation and that a level playing field be preserved. Hence, necessary safeguards must be put in place in terms of designing and allocating public support, ensuring that all eligible energy-intensive users have due access to such support and that the impact on competition is limited. Importantly, the public support possibilities generated by the CISAF should not divert attention from the much-needed longer-term structural reform of electricity markets and investment in grids and interconnections.

3.14. The EESC welcomes the adapted CISAF requirements, with more realistic deadlines being set for projects to be operational, and calls for the flexibility required to ensure that they are tailored to the realities of sectors and projects. It also calls on Member States to work to accelerate permitting procedures. At the same time, the EESC welcomes the Commission's commitment to implementing faster approval procedures, which should be done without undermining the thorough assessment of aid measures.

3.15. When deploying the CISAF, the Commission invites Member States to add conditions to address wider social and environmental policy objectives and introduce European preference criteria when using competitive bidding processes or other forms of aid allocation. The EESC encourages Member States to develop these objectives together with social partners and in accordance with national legislation and traditions, avoiding creating additional burdens or conditions whereby the use of State aid would deviate from the main objectives of the CISAF, and using the experience gained when applying conditionalities through other tools. It also asks Member States and the Commission to ensure that such conditionalities do not evolve and create additional excessive administrative burdens that could deter companies from using the tools provided by the CISAF, and to avoid a 'forum shopping' situation in favour of jurisdictions where such conditions are more favourable (which could further jeopardise the level playing field). It is especially important that such conditionalities be linked with the objectives of the CISAF and the CID, and hence provide incentives for industry to invest in the upskilling, reskilling and recruitment of workers and in the creation of quality jobs. A European preference should be aligned with the concept of open strategic autonomy, recognising that strong European supply chains are also dependent on trade with trusted partners.

3.16. Similarly, the Commission 'strongly encourages' Member States to include European-specific criteria when launching competitive bidding processes to ensure that the tender provides 'EU added value'. While the use of such criteria should seek to support the development and resilience of European value chains, sufficient care needs to be taken to make sure that they are tailored to the realities of each sector, in line with the principle of European open strategic autonomy.

Brussels, 23 October 2025.

The President
of the European Economic and Social Committee
Séamus BOLAND