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COMMUNICATION FROM THE COMMISSION

concerning the prolongation of the Commission Guidelines on Regional State Aid for 2014-2020 referring to the national regional aid maps, Commission Guidelines on State Aid to Promote Risk Finance Investments, Commission Guidelines on State Aid for Environmental Protection and Energy, Commission Guidelines on State aid for rescuing and restructuring and Commission Communication on the Criteria for the Analysis of the Compatibility with the Internal Market of State Aid to Promote the Execution of Important Projects of Common European Interest
DRAFT

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- (1) The following State aid rules adopted as part of the 2012 State Aid Modernisation initiative are due to expire by the end of 2020:
 - Guidelines on regional State aid for 2014-2020¹ referring to the national regional aid maps;
 - Guidelines on State aid to promote risk finance investments²;
 - Guidelines on State aid for environmental protection and energy³;
 - Guidelines on State aid for rescuing and restructuring⁴; and
 - Communication on important projects of common European interest (IPCEI)⁵.
- (2) To provide predictability and legal certainty, while preparing for a possible future update of the State aid rules adopted as part of the State Aid Modernisation, the Commission will take action in two phases.
- (3) First, the Commission will prolong the period of validity of those State aid rules that would otherwise expire by end 2020 for two additional years, until 31 December 2022. Second, in line with the Commission's Better Regulation Guidelines, the Commission will evaluate those rules together with other State aid rules adopted as part of the State Aid Modernisation. On 7 January 2019, the Commission launched the evaluation of the above-mentioned rules under the form of a “fitness check”. On this basis, the Commission may decide in the future whether to further prolong or possibly update the above-mentioned rules.
- (4) Considering the wide scope of the fitness check and that the results of the evaluations will not be available before beginning 2020, a policy decision on the design of the rules post 2020 cannot be taken on time to ensure legal certainty and stability for the stakeholders as regards the applicable rules post 2020. The prolongation will therefore allow for a proper assessment of the rules and ensure predictability and stability of the rules for the Member States.

¹ Guidelines on regional State aid for 2014-2020, OJ C 209, 23.7.2013, p. 1–45.

² Communication from the Commission — Guidelines on State aid to promote risk finance investments, OJ C 19, 22.1.2014, p. 4–34.

³ Communication from the Commission — Guidelines on State aid for environmental protection and energy 2014-2020, OJ C 200, 28.6.2014, p. 1–55.

⁴ Communication from the Commission — Guidelines on State aid for rescuing and restructuring non-financial undertakings in difficulty, OJ C 249, 31.7.2014, p. 1–28.

⁵ Communication from the Commission — Criteria for the analysis of the compatibility with the internal market of State aid to promote the execution of important projects of common European interest, OJ C 188, 20.6.2014, p. 4–12.

- (5) A short-term prolongation of the State aid rules expiring by the end of 2020 is therefore appropriate to allow for a proper assessment of the rules by the Commission and ensure predictability and stability for the Member States and the stakeholders.
- (6) Considering the above, the Commission shall prolong the period of validity of the Guidelines on regional State aid for 2014-2020 referring to the national regional aid maps, Guidelines on State aid to promote risk finance investments, Guidelines on State aid for environmental protection and energy, Guidelines on State aid for rescuing and restructuring and the Communication on important projects of common European interest (IPCEI) until 31 December 2022.
- (7) As regards the national regional aid maps, the Commission invites Member States to notify the prolongation of the validity of their national regional aid maps. Member States have the possibility to notify an adjustment of their national regional aid maps for the period between 1 January 2021 and 31 December 2022 following the methodology set out below. This methodology allows limited changes to the approved national regional aid maps, under certain conditions.

Having regard to the above,

The Guidelines on regional State aid for 2014-2020 shall be amended as follows. The following paragraphs are inserted after paragraph 178:

'178¹ In view of the expiry of the validity of the national regional aid maps on 31.12.2020, the Commission invites Member States to notify to the Commission their intention to prolong the validity of their national regional aid maps. Member States may bring limited amendments to the national regional aid maps, under the conditions and according to the methodology indicated below.

178² For the period between 1 January 2021 and 31 December 2022, the Commission will establish by June 2020 the list of NUTS 2 regions with a GDP per capita below 75% of EU average⁶, which are not included in Annex I to the Guidelines and will publish a communication on the results of this analysis. The Commission will establish at that moment whether these identified regions may become eligible for regional aid under Article 107(3)(a) of the Treaty and the level of the aid intensity corresponding to their GDP per capita. The Commission will also adjust at that moment the level of the aid intensity of those NUTS 2 regions which are already included in Annex I to the Guidelines as 'a' areas, in case their GDP per capita justifies a higher aid intensity. If the newly identified NUTS 2 regions with a GDP per capita below 75% of EU average are designated as 'c' areas in the national regional aid map approved by the Commission for the period 2014-2020, the percentage of the specific population allocation for 'c' areas indicated in Annex I⁷ to the Guidelines will be adjusted accordingly⁸. The Commission will publish the necessary amendments to Annex I by June 2020.

⁶ On the basis of the most recent available GDP in PPS per capita data published by Eurostat at NUTS 2 level on the basis of three-year average.

⁷ As amended in the Communication from the Commission amending Annex I to the Guidelines on regional aid for 2014-2020. C/2016/3514, OJ C 231, 25.6.2016, p. 1–18.

⁸ The adjusted population ceiling will be calculated on the basis of the population data used for establishing its initial map. The adjusted population allocation of 'c' areas is obtained by deducting the population of those areas that were included in the national regional aid maps as 'c' areas in the period between 1 January 2017 and 31 December 2020 and may become eligible for regional aid under Article 107(3)(a) of the Treaty for the period between 1 January 2021 and 31 December 2022.

178³ A Member State may within the limit of its adjusted specific allocation for 'c' areas amend the list of 'c' areas contained in its national regional map for the period from 1 January 2021 to 31 December 2022. These amendments may not exceed 50% of its adjusted 'c' coverage.

178⁴ By 1 September 2020 Member States must notify to the Commission their intention to prolong the national regional aid maps and/or any amendments to their national regional aid maps resulting from the inclusion of additional 'a' areas, the adjustments of aid intensities in existing 'a' areas and the exchange of 'c' areas.

178⁵ Following the approval of the prolongation of the national regional aid maps until 31 December 2022, Member States may decide to prolong the existing schemes approved on the basis of the present Guidelines. Any prolongation of such schemes must be notified to the Commission in due time before their expiry date.'

- Paragraph 174 of the Guidelines on State aid to promote risk finance investments is replaced by the following:

'The Commission will apply the principles set out in these Guidelines for the compatibility assessment of all risk finance aid to be awarded from 1 July 2014 until 31 December 2022'.

- Paragraph 108 of the Guidelines on State aid for environmental protection and energy is replaced by the following:

'These Guidelines apply to the period up to 2022. However, they should prepare the ground for achieving the objectives set in the 2030 Framework. Notably, it is expected that in the period between 2020 and 2030 established renewable energy sources will become grid-competitive, implying that subsidies and exemptions from balancing responsibilities should be phased out in a degressive way. These Guidelines are consistent with that objective and will ensure the transition to a cost-effective delivery through market-based mechanisms'.

- Paragraph 246 of the Guidelines on State aid for environmental protection and energy is replaced by the following:

'These Guidelines will be applied from 1 July 2014 and replace the Guidelines on State aid for environmental protection published on 1 April 2008. They will be applicable until 31 December 2022'.

- Paragraph 135 of the Guidelines on State aid for rescuing and restructuring is replaced by the following:

'The Commission will apply these guidelines with effect from 1 August 2014 until 31 December 2022'.

- Paragraph 50 of the Communication on important projects of common European interest (IPCEI) is replaced by the following:

'This communication will be applied from 1 July 2014 until 31 December 2022.