

Technical contribution of the Brittany Region to the European Consultation

Consultation on the Prolongation of the State aid Regulations and Guidelines reformed under the State aid modernisation (SAM) package and expiring by the end of 2020

The prolongation proposed by the European commission has a direct effect on the years 2021 and 2022, key years between two European Structural and Investment Funds (ESFI) programming periods.

The Brittany region is managing authority for ERDF, ESF and EAFRD and intermediate body for the management of the EMFF. Due to the shared Channel coastline the Brittany region is potentially vulnerable to the impacts of Brexit.

In this respect, the Brittany Region wishes to draw the European Commission's attention to three points:

(1) For the 2014-2020 period, the Brittany region perceives the European Commission's proposal as a positive legal safeguard.

For the current programming of FESI 2014-2020, a prolongation of the validity period of the regulations until the 31st of December 2022 provides greater visibility in relation to the closure of payments.

(2) For the 2021-2027 period and more specifically 2021-2023, the European Commission's proposal could become a source of uncertainty, unequal treatment and legal uncertainty.

Potentially, the provisions on state aid could indeed vary between the beginning of the programming period (2021-2022) and the remaining programming period (2023 – 2027). Uncertainties at the start are also a potential factor for delays in the programming and European funds commitment.

- When managing authorities will have to prepare the operational sheets and FESI intervention modalities, they will have to work in 2020-2021 without any knowledge of post 2023 state aid provisions. In the case of more restrictive provisions, this could have a major impact on intervention rates and eligible beneficiaries.
 - Introducing approximative indications or having to refer to legal references cannot provide a satisfactory solution to communication requirements for beneficiaries.

For better efficiency, it would be helpful that the modifications resulting from the fitness check of current state aid provisions be made known to the regional authorities as quickly as possible.

- Practically speaking, it would be harmful if demands that are received and processed during 2021-2022, could severely be questioned, if they were engaged until after the 1st of January 2023, in the event of new and more restrictive provisions.
- As regards to FESI controls for the 2021-2027 programming period, it will also be essential that programmed actions in 2021 and 2022 be properly analysed in the light of the provisions in place until the end of 2022.
- Finally, more generally, it is important that regulatory differences **do not gender unequal treatment amongst beneficiaries** between the beginning and the end of the programming period.

(3) Concerning the prolongation of the Regional State Aid, the Brittany regional wishes to draw to the European Commission's attention to its limited capacity to support the potential effects the BREXIT could have on its territory.

The BREXIT context does not permit us to wait for the implementation of new provisions as from 2023.

For this reason, the Brittany region invites the European Commission to increase in the short term the percentage of population reserve.

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