Input to the European Commission's 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 "

As Managing Authority of three European Territorial Cooperation programmes (Interreg Europe, Interreg North-West Europe and Interreg 2-seas), the French Hauts-de-France Region welcomes the launch of this public 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 Hauts-de-France region understands that with this prolongation, the European Commission wants to ensure a proper evaluation of the current EU state aid rules and guarantee legal certainty for the concerned parties. Indeed, the prolongation of the current applicable rules under the same conditions and until the end of the 2014-2020 programming period is important as projects will run until 2022 and no modification of the existing rules shall apply to them.

However, the Hauts-de-France region would like to stress that **the timing of the revision of state aid rules and in particular the amendment of the GBER is essential for ETC programmes** to ensure that simplified rules are in force from the start of the new Multiannual Financial Framework so that ETC programmes and projects approved right from the beginning of the new period can benefit from this revision.

It is also crucial for these ETC programmes to have the revised GBER ready as soon as possible so that they can prepare their programme management and control systems (including their information systems) accordingly. From the programme and beneficiary point of views, a revision of the state aid rules which would only enter into force at a later stage of the 2021-2027 programming period would limit the benefits of this simplification.

The Hauts-de-France region believes that the extension of GBER exemptions to ETC or at least a significant simplification of state aid rules for ETC programmes would considerably reduce the administrative burden falling on managing authorities and control bodies responsible for ensuring that state aid rules are complied with in ETC projects as well as responsibilities falling on ETC beneficiaries in case of indirect state aids. Cost wise, Interact has estimated that more than EUR 100 million spent by ETC programmes and projects by the end of this programming period on administrative procedures to verify existence of state aid and ensure compliance with state aid rules could be saved in the next period thanks to this exemption.

The Hauts-de-France region believes that such exemption is justified by the fact that the risk of state aid relevant activities is very limited in the context of ETC projects, the verification effort thus largely outweighing the actual state aid amounts potentially at stake. Indeed, the average grant amount per organisation is usually relatively small and the actual market impact almost impossible to measure. The projects focus on cooperation between beneficiaries from several EU-Member States and are approved and monitored by the programmes' management structures involving again several EU-Member States. As such, ETC programmes and projects contribute to the functioning of the EU single market. This particular context should in itself be sufficient to prevent any substantial risk of market distortion.

Finally, the Hauts-de-France region is concerned that the extension of the existing State aid legal framework for 2 years (until 2022) may lead in practice to the situation that the simplified legal rules announced especially in relation to the GBER revision for ETC programmes would not be ready on time for the start of the new programming period. In order not to jeopardize the general will of the European Commission to alleviate the administrative burden for programmes and beneficiaries, **the Hauts-de-France region would thus like to ask the European Commission to ensure, in parallel to this extension, that the revision of the GBER is not delayed and is ready by the start of the new period.**