

## **PUBLIC CONSULTATIONS. REVIEW OF THE REGIONAL AID GUIDELINES (RAG) 2014-2020**

The Spanish General Secretariat for the Demographic Challenge is the governing body to which corresponds, under the superior direction of the head of the Ministry for the Ecological Transition and the Demographic Challenge, the elaboration, proposal and promotion, in collaboration with the other ministerial departments and the territorial administrations, of the general objectives, strategies and priority plans and actions regarding the demographic challenge.

In this regard, the General Secretariat for the Demographic Challenge propose to add a new epigraph in the draft of "Guidelines on regional state aid" as follows:

### **7.4.4. Increased aid intensities for non-predefined "c" areas with population loss.**

**The maximum aid intensities established for non-predefined "c" zones may be increased to reach a maximum of 20% when the non-predefined "c" zone has lost, in the period 2009-2018, 5% or more of the population.**

Justification:

Spain has experienced significant demographic growth this century. Between 2001 and 2019, the country went from 41.1 to 47 million inhabitants. Almost 6 million more people, which represents a growth of close to 15%. However, the global figure hides a different reality: in the 21st century the depopulation process has intensified, and this process of population loss has accelerated in the last decade. Four Autonomous Communities lose population throughout the 21st century (Extremadura, Galicia, Castilla y León and Asturias); but there are already 9 that lost in the last decade (2010-2019): In addition to the previous 4, also lost Aragón, Cantabria, Castilla-La Mancha, Valencian Community and La Rioja.

The phenomenon of depopulation is seen above all at the municipal level. Of the 8,131 municipalities in Spain, 5,102 municipalities have lost population since 2001. And, in the last decade, 6,232 municipalities have lost population. In other words, three out of every four municipalities in Spain lose population in the last decade. But depopulation also reaches the small cities and provincial capitals of the interior, which increases the concern about depopulation: 29 provincial capitals lose population in the last decade.

The regional and municipal imbalance resulting from this depopulation generates and increases economic inequalities between territories. Therefore, it is intended, increasing the maximum intensity of the aid, that the aid is attractive so that the investments materialize preventively in those areas of the territory where depopulation is taking place, before an irreversible situation of low density population is reached. In other words, aid intensities in areas that are becoming depopulated (and have not yet reached the threshold of 12.5 inhabitants / km<sup>2</sup>) could attract investment to areas that have the potential to reverse their situation.

This proposal does not imply a change in the allocation of the coverage of non-predetermined "c" areas for the Member States, since the NUTS3 regions or LAU2 identified in phase 2 (according to section (3) of Annex II of the Guidelines) do not change.