

HT.4131 – Revision of the Regional aid guidelines

Estonia's comments on draft Regional aid guidelines

In general we support the draft regional aid guidelines (RAG). We are of the opinion that the draft RAG is in general better structured and easier to follow than the existing RAG.

Please find below our comments on draft RAG:

- 1) Point 20(y): we suggest to specify the definition of „start of works“. More specifically we suggest to define or specify the conditions which „make the investment irreversible“.
We would also like to point out that in Annex V (point 4, second bullet point) the term „irrevocable agreement“ is used. Please clarify if „irreversible investment“ and „irrevocable agreement“ mean the same and define “irrevocable agreement” if this is not the case.
For the sake of clarity we also suggest to amend the second sentence of point 20(y) as follows „Buying a land and preparatory works such as obtaining permits and conducting feasibility studies are not considered as start of works **in case these activities are not part of the aided project**“.
- 2) Point 27: this is a new point compared to the existing RAG - we ask the Commission to explain what is the rationale and why it was introduced.
- 3) Point 30: as in Article 14(7) of the Commission Regulation (EU) No 651/2014 (GBER) this condition applies only to large undertakings we ask the Commission to consider the same approach also in draft RAG.
- 4) Point 44(2): reference is made to “blacklist” but it is not clear what is meant under this term.
- 5) Point 51 (also point 85): point 51 and 85 stipulate the obligation of the granting authority to confirm that the selected project will contribute towards the objective of the scheme and thus towards the development strategy of the area concerned or confirm that regional aid has the required incentive effect corresponding to one of the scenarios described in paragraph 78.
We ask the Commission to explain what exactly does such an obligation mean for granting authorities, for example in what form should such confirmation be made or whether such confirmation must subsequently be provided to someone. We suggest to replace “the obligation to confirm” by “the obligation to verify” that the abovementioned conditions are fulfilled.
- 6) Point 55(d): the last sentence of point d the terms of “general or specific training” are used. We suggest to use the term “training” instead as no definition of general or specific training is provided in draft RAG and also Article 31 of GBER does not make difference between the types of training.
- 7) Point 181 and 182: for the sake of clarity we ask the Commission to stipulate the maximum aid intensity for “former a areas” (predefined c areas) on point 181. Our proposal for the wording of points 181(d) and 182 is the following:
 - a. Point 181(d): “15% in predefined c areas (former a areas)”
 - b. Point 182: „In predefined c areas the aid maximum aid intensity may be increased by up to 5 percentage points until 31 December 2024.”
- 8) Regarding the same topic (predefined c areas) it is not clear whether „the former a areas“ will stay as „predefined c areas“ throughout the period of 2022-2027 or not. We ask the Commission to clarify this in the draft RAG.

- 9) Annex VI provides *inter alia* that the following information on individual awards shall be published:

a. „The **principal** economic sector in which the beneficiary has its activities, at NACE group level (90)“

We suggest to replace “the principle economic sector” by “the relevant economic sector of the aided project” or substitute the whole text by “The most relevant sector of activity of the beneficiary for a given aid, at NACE group level“. Such wording is also used in the document “Commission’s staff paper: encoding information in the TAM for State aid”.

b. „Date of award and the **date of publication**“.

It is not understandable what is meant under “date of publication”. We ask the Commission to explain or delete this part of the text from the draft

Comments on translation:

- 1) Point 20(j): we suggest to translate „olemasoleva ettevõtte suutlikkuse suurendamisega“ as “olemasoleva ettevõtte tootmisvõimsuse suurendamisega“ - as it is also translated in Article 2(49)(a) of the Commission Regulation (EU) No 651/2014.

Technical comments:

- 1) Point 83: there’s reference to paragraph 2178 (in Estonian translation to paragraph 2078) - it is not understandable which paragraph is meant (*probably point 78*).
- 2) Point 95 footnote 43: the reference is made to subsection 5.4 on regional aid maps but the topic of regional aid maps is in section 7 of the draft RAG.

Tallinn,
30 September 2020