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| Part III.6Supplementary information sheet for State aid granted under the Guidelines on State aid for climate, environmental protection and energy 2022 (‘CEEAG’)[[1]](#footnote-2)  Chapter 4.7.1 – Aid in the form of reductions in environmental taxes and parafiscal levies |

*This supplementary information sheet must be used for the notification of any aid covered by the Guidelines on State aid for climate, environmental protection and energy 2022 (hereinafter the ‘CEEAG’).*

*This supplementary information sheet concerns measures covered in Chapter 4.7.1 of the CEEAG. If the notification includes measures that are covered by more than one chapter of the CEEAG, please once available also fill in the respective supplementary information sheet that concerns the respective chapter of the CEEAG.*

*All documents provided by Member States as annexes to this supplementary information sheet must be numbered and document numbers must be indicated in the relevant sections of this supplementary information sheet.*

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| **Section A: Summary of the main characteristics of the measure(s)** |

1. **Background and objective(s) of the measure(s):**
2. If not already discussed under section 5.2 of the General Information Form (Part. I), please provide the background and the main objective, including the relation to any Union environmental targets that the measure is intended to support.

1. If not already discussed under section 5.2 of the General Information Form (Part. I), please indicate any other objectives pursued by the measure. For any objectives that are not purely environmental, please explain whether they may result in any distortions to the internal market.

1. **Entry into force and duration:**
2. To the extent not already provided under section 5.5 of the General Information Form (Part I), please indicate:
   1. For an aid scheme:
      * the date as of which it is planned that the scheme will enter into force;

* + - the duration of the scheme[[2]](#footnote-3).

* 1. For individual aid: the (planned) aid granting date (promise of aid) and the payment date (first payment date if various successive payments are foreseen):

1. **Beneficiary(ies):**
2. If not already provided under section 3 of the General Information Form (Part I), please describe the (potential) beneficiary(ies) of the measure(s);

1. Please indicate the location of the beneficiary(ies) (i.e. if only economic entities located in the respective Member States or also in other Member States are eligible to participate in the measure).

1. In order to assess the compliance with point 15 of the CEEAG, please specify if aid is granted under the measure(s) in favour of an undertaking (individual or part of a scheme) that is subject to an outstanding recovery order following a previous Commission decision declaring an aid illegal and incompatible with the internal market.

In the affirmative, please provide information on the amount of aid still to be recovered so that the Commission takes account of it in the assessment of the aid measure(s).

1. Please confirm that the measure(s) does not involve aid to activities falling outside the scope of application of the CEEAG (see point 13 CEEAG). Otherwise, please provide details.

1. **Budget and financing of the measure(s):**
2. If not already mentioned in the table under section 7.1 of the General Information Form (Part I), please provide the yearly and/or total budget for the whole duration of the measure(s); if the total budget is not known (for instance it depends on the results of tenders), please indicate an estimated budget, including the assumptions used to calculate the respective estimated budget.[[3]](#footnote-4)

1. as the measure concerns an environmental tax/parafiscal levy[[4]](#footnote-5), please clarify if:
   1. the levy is set by law or any other legislative act; in the affirmative, please provide the legal act, number and date when adopted and entered into force, the internet link to the legal act;

* 1. the levy reduction is financed by raising the levy for other consumers;

* 1. the levy is imposed equally on domestic and imported products;

* 1. the measure will benefit equally domestic and imported producers;

* 1. the levy finances fully the measure or only partly. If the levy finances only partly the measure, indicate the other sources of financing of the measure and their respective proportion.

* 1. the levy financing the measure also finances other aid measures. If so, indicate the other aid measures financed by the concerned levy.

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| **Section B: Compatibility assessment of the aid** |

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| *Positive condition: the aid must facilitate the development of an economic activity* |

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| Contribution to the development of an economic activity, incentive effect, rationale for the aid and scope of supported activities |

*To provide the information in this section, please refer to sections 3.1.1 and 3.1.2,* *to the extent they are applicable to the measure(s), and sections 4.7.1.1.and 4.7.1.2 (points 293-296) of the CEEAG.*

1. Article 107(3)(c) TFEU provides that the Commission may declare compatible ‘aid to facilitate the development of certain economic activities or of certain economic areas, where such aid does not adversely affect trading conditions to an extent contrary to the common interest’. Therefore, compatible aid under that provision of the Treaty must contribute to the development of a certain economic activity.

In order to assess the compliance with point 23 of the CEEAG, please identify the economic activities that will be facilitated as a result of the aid and how the development of those activities is supported.

1. Aid can be considered as facilitating an economic activity only if it has an incentive effect. In order to assess the compliance with section 3.1.2 of the CEEAG, please explain how the measure(s) ‘induce[s] the beneficiary to change its behaviour, to engage in additional economic activity or in more environmentally-friendly economic activity, which it would not carry out without the aid or would carry out in a restricted or different manner’, in light of the rationale for the aid as explained in section 4.7.1.1 of the CEEAG.

1. In order to assess the compliance with point 293 of the CEEAG, please describe (i) why ‘reductions in environmental taxes or parafiscal levies [that] may adversely impact the environmental protection objective, (…) may nonetheless be needed’, and (ii) why ‘the beneficiaries would otherwise be placed at such a competitive disadvantage that it would not be feasible to introduce the environmental tax or parafiscal levy in the first place’.

1. In order to assess the compliance with point 294 of the CEEAG please describe:
2. why ‘granting a more favourable treatment to some undertakings may allow to achieve a higher general level of contribution to the environmental taxes or parafiscal levies’;

1. why ‘reductions in environmental taxes or levies can indirectly contribute to a higher level of environmental protection’; and

1. how the Member State ensures that such reductions do ‘not undermine the overall objective of the environmental tax or parafiscal levy to discourage environmentally harmful behaviour and/or increase the cost of such behaviour where satisfactory alternatives are not available’

1. In order to assess compliance with point 295 of the CEEAG, please provide the information as described in point 296 of the CEEAG:
2. A description of the sectors or categories of beneficiaries eligible for the reductions

1. A list of the largest beneficiaries in each sector concerned, their turnover, market shares, the size of the tax base and the proportion that the environmental tax or levy would represent in their pre-tax profit with and without the reduction (which can be provided in a separate annex to this supplementary information sheet).

1. A description of the situation of those beneficiaries explaining why they would not be able to pay the standard rate of environmental tax or levy.

1. An explanation of how the reduced tax or levy would contribute to an actual increase of the level of environmental protection compared to the level of environmental protection to be achieved in the absence of reductions[[5]](#footnote-6).

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| No breach of any relevant provision of Union law |

*To provide the information in this section, please refer to section 3.1.3 (point 33) of the CEEAG.*

1. Please provide information to confirm the compliance with the relevant provisions of EU law, in line with point 33 of the CEEAG.

1. If a levy is used to finance the measure(s), please clarify if the assessment of compliance with Article 30 and 110 TFEU needs to be carried out. In the affirmative, please demonstrate how the measure complies with the provisions of Article 30 and 110 TFEU. In this context, the information submitted under question 5.ii. above can be referred to.

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| *Negative condition: the aid cannot unduly affect trading conditions to an extent contrary to the common interest* |

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| Minimisation of distortions of competition and trade |

*Please note that sections 2.1.1 and 2.1.2 are alternative. For cases that are eligible for a simplified approach in line with section 2.1.1 below, replies under section 2.1.2 are not required.*

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| Simplified approach for harmonised environmental taxes |

*To provide the information in this section, please refer to section 4.7.1.3 (points 297-300) of the CEEAG. When environmental taxes are harmonised, the Commission may apply a simplified approach to assess the necessity and proportionality of the aid. In the context of Directive 2003/96/EC, the Commission may apply a simplified approach for tax reductions respecting the Union minimum tax level set out in points 298 and 299.*

1. Please clarify whether the measure(s) falls in the scope of Directive 2003/96/EC.

1. In the affirmative, and in order to assess compliance with point 298 of the CEEAG, please provide the following information:
2. Please indicate the minimum applicable Union tax level and the applicable tax rate paid by the beneficiary under the measure.

1. Please provide and explain the criteria for the selection of beneficiaries. In your reply, please explain why these are objective and transparent.

1. Please explain and confirm that the aid is granted in the same way for all undertakings in the same sector, if they are in a similar factual situation.

1. Please confirm that an *ex ante* open public consultation has been conducted where the sectors eligible for the reductions have been properly described and a list of the largest beneficiaries for each sector has been provided. Please provide relevant evidence for this consultation.

1. In order to assess compliance with point 299 of the CEEAG,
2. please explain whether the aid is granted in the form of a reduction of the tax rate or as a fixed annual compensation amount (tax refund), or as a combination of the two;

1. if (part of) the aid is in the form of a tax refund, please confirm that (i) the amount of the tax refund is calculated on the basis of historical data, i.e. the level of production, and the consumption or pollution observed for the undertaking in a given base year; and (ii) the level of the tax refund does not go beyond the Union minimum tax amount that would otherwise be due for the base year.

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| In-depth assessment of the measure(s) |

*When environmental taxes are non-harmonised or the beneficiaries pay less than the Union minimum level of the harmonised tax where allowed by Directive 2003/96/EC, an in-depth assessment of the necessity and proportionality of the aid is needed.*

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| Necessity of the aid |

*To provide the information in this section, please refer to section 3.2.1.1, to the extent it is applicable to the measure(s), and section 4.7.1.3.1 (points 301-303) of the CEEAG.*

1. In order to assess the compliance with the applicable requirements of section 3.2.1.1 of the CEEAG, please describe how the measure(s) is targeted towards a situation where it can bring about a material development that the market alone cannot deliver. In your reply, please refer to market failures as described in point 34 of the CEEAG as applicable and explain why other policies and measures already in place as mentioned in point 35 of the CEEAG are not sufficient to address these.

1. In order to assess compliance with point 302 of the CEEAG, please describe whether the following conditions are met:
2. the selection of beneficiaries is based on objective and transparent criteria, and the aid is granted in the same way for all eligible undertakings operating in the same sector of economic activity that are in the same or similar factual situation in respect of the aims or objectives of the aid measure;

1. the environmental tax or parafiscal levy without the reduction would lead to a substantial increase in production costs, calculated as a proportion of the gross value added for each sector or category of beneficiaries (e.g. based on figures from representative beneficiaries or aggregated figures for the sector or category of beneficiaries);

1. the substantial increase in production costs could not be passed on to customers without leading to significant reductions of sales volumes (e.g. based on references to competition from undertakings in jurisdictions not subject to the tax and the degree of substitutability of the relevant product);

1. For tax reductions for biofuels, bioliquids and biomass fuels, in order to assess compliance with point 303 of the CEEAG, please:
2. confirm that a mechanism to verify that the measure is still necessary will be in place, applying the necessity conditions of section 4.1.3.1. of the CEEAG;

1. explain how this mechanism will work; and

1. confirm that the Member State will take appropriate measures, such as termination of the exemption or a reduction of the support level and specify which appropriate measures will be applied concretely.

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| Appropriateness of the aid |

*To provide the information in this section, please refer to section 3.2.1.2, to the extent it is applicable to the measure(s), and section 4.7.1.3.2. (points 304-306) of the CEEAG.*

1. In order to assess the compliance with the applicable requirements of section 3.2.1.2 of the CEEAG, please describe why the measure(s) is an appropriate policy instrument to achieve the intended objective of the aid, that is to say there must not be a less distortive policy and aid instrument capable of achieving the same results, taking into account other policy instruments and different aid instruments that could be implemented as an alternative.

1. In order to assess compliance with point 305 of the CEEAG, please confirm that (i) the duration of the measure(s) is of maximum 10 years and (ii) any re-notification will be based on a re-evaluation of the appropriateness of the measure(s).

1. If (part of) the aid is in the form of a tax refund, in order to assess compliance with point 306 of the CEEAG, please confirm that the amount of the tax refund will be calculated on the basis of historical data, that is to say the level of production, and the consumption or pollution observed for the undertaking in a given base year.

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| Proportionality of the aid |

*To provide the information in this section, please refer to section 4.7.1.3.3. (points 307-309) of the CEEAG.*

1. In order to assess the compliance with point 308 of the CEEAG (requiring that at least one of the following conditions is fulfilled), please provide either of the following information:
2. Please indicate whether each aid beneficiary pays at least 20 % of the nominal amount of the environmental tax or parafiscal levy that would otherwise be applicable to that beneficiary in the absence of the reduction.

1. Or please indicate whether (i) the tax or levy reduction does not exceed 100 % of the national environmental tax or parafiscal levy; (ii) the tax or levy reduction is conditional on the conclusion of agreements between the Member State and the beneficiaries or associations of beneficiaries whereby the beneficiaries or associations of beneficiaries commit themselves to achieve environmental protection objectives which have the same effect as if beneficiaries or associations of beneficiaries paid at least 20 % of the national tax or levy[[6]](#footnote-7).

1. If option ii. of question 22 is relied upon, in order to assess the compliance with point 309 of the CEEAG, please describe:
2. the substance of the applicable agreements, including the specific targets and fixed time schedule for reaching them;

1. how independent and regular monitoring of the commitments in the agreements will be ensured;

1. how the agreements are revised periodically in the light of technological and other developments and provide for effective penalties in the event that the commitments are not met.

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| Cumulation |

*To provide the information in this section, please refer to points 56-57 of the CEEAG.*

1. In as far as not already provided under Part I of the general notification form and in order to verify compliance with point 56 of the CEEAG, please clarify if the aid under the measure(s) may be awarded concurrently under several aid schemes or cumulated with *ad hoc* or *de minimis* aid in relation to the same eligible costs. If that is the case, please provide details on those aid schemes, *ad hoc* aid or *de minimis* aid and how the aid will be cumulated.

1. If point 56 of the CEEAG is applicable, please justify how the total amount of aid granted under the measure(s) for a project or an activity does not lead to overcompensation or exceed the maximum aid amount allowed under point 308 of the CEEAG. Please specify, for each measure that the aid granted under the aid measure(s) can be cumulated with, the method used for ensuring compliance with the conditions set out in point 56 of the CEEAG.

1. If point 57 of the CEEAG is applicable, i.e. the aid granted under the measure(s) is combined with centrally managed Union funding[[7]](#footnote-8) (that does not constitute State aid), please justify how the total amount of public funding granted in relation to the same eligible costs does not lead to overcompensation.

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| Transparency |

*To provide the information in this section, please refer to section 3.2.1.4 (points 58-62) of the CEEAG.*

1. Please confirm that the Member State will comply with the requirements on transparency provided in points 58-61 of the CEEAG.

1. Please provide the internet link(s) where the full text of the approved aid scheme or the individual aid granting decision and its implementing provisions, and information on each individual aid award granted *ad hoc* or under an aid scheme approved on the basis of these guidelines and exceeding EUR 100 000 will be published.

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| Avoidance of undue negative effects on competition and trade |

*To provide the information in this section, please refer to section 3.2.2 of the CEEAG, to the extent it is applicable to the measure(s).*

1. In order to assess the compliance with the applicable requirements of section 3.2.2 of the CEEAG, please describe how the measure(s) mitigates any manifestly negative effects on competition and trade.

1. In order to assess compliance with point 70 of the CEEAG:
2. If not already done so in reply to question 20above, please confirm that the duration of the scheme is of maximum 10 years from the date of the notification of the Commission’s decision declaring the aid compatible.

1. Please confirm that an extension of the duration of the measure beyond that maximum period, will require a new notification of the measure(s).

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| *Weighing the positive effects of the aid against the negative effects on competition and trade* |

*To provide the information in this section, please refer to section 3.3 (points 71-76) of the CEEAG, to the extent it is applicable to the measure(s).*

1. In order to assess compliance with the applicable requirements of section 3.3. of the CEEAG:
2. please justify how in general the positive effects of the measure(s) outweigh the negative effects;

1. as regards the application of point 75 of the CEEAG, please clarify if the measure(s) includes features to facilitate the participation of SMEs. In the affirmative, please provide information on those features and justify how the positive effects of ensuring participation and acceptance of SMEs in the measure(s) outweigh the possible distortive effects;

1. as regards the application of point 76(c) of the CEEAG, please specify if the aid measure(s) is subject to a time limitation.

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| **Section C: Evaluation** |

*To provide the information in this section, please refer to point 76(a) and Chapter 5 (points 455-463) of the CEEAG.*

1. If the measure(s) exceed the budget/expenditure thresholds in point 456 of the CEEAG, please either explain why in the view of the Member State the exception in point 457 of the CEEAG should apply, or attach to this supplementary information sheet an annex that includes a draft evaluation plan covering the scope mentioned in point 458 of the CEEAG.[[8]](#footnote-9)

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1. If a draft evaluation plan is provided, please:
2. provide below a summary of that draft evaluation plan included in the annex.

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1. confirm that point 460 of the CEEAG will be respected.

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1. provide the date and internet link where the evaluation plan will be publicly available.

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1. In order to assess the compliance with point 459(b) of the CEEAG, in case the aid scheme is not currently subject to an *ex post* evaluation, and its duration exceeds three years, please confirm that the Member State will notify a draft evaluation plan within 30 working days following a significant modification increasing the budget of the scheme to over EUR 150 million in any given year or EUR 750 million over the total duration of the scheme.

1. In order to assess the compliance with point 459(c) of the CEEAG, in case the aid scheme is not currently subject to an *ex post* evaluation, please provide below a commitment that the Member State will notify a draft evaluation plan within 30 working days after recording in official accounts expenditures in excess of EUR 150 million in the previous year.

1. In order to assess the compliance with point 461 of the CEEAG:
2. Please clarify if the independent expert has already been selected or it will be selected in the future.

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1. Please provide information on the selection procedure of the expert.

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1. Please justify how the expert is independent from the granting authority.

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1. In order to further assess the compliance with point 461 of the CEEAG:
2. Please provide the proposed deadlines of the Member State for the submission of the interim and final evaluation report. Please note that final evaluation report must be submitted to the Commission in due time to allow for the assessment of the possible prolongation of the aid scheme and at the latest 9 months before its expiry, in line with point 463 of the CEEAG. Please note that that deadline could be reduced for schemes triggering the evaluation requirement in their last 2 years of implementation.

1. Please confirm that the interim and final evaluation report will be made public. Please provide the date and internet link where those reports will be publicly available.

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| **Section D: Reporting and monitoring** |

*To provide the information in this section, please refer to Section 6 (points 464-465) of the CEEAG.*

1. Please confirm that the Member State will comply with the requirements for reporting and monitoring provided in Section 6, points 464 and 465, of the CEEAG.

1. OJ C 80, 18.2.2022, p.1. [↑](#footnote-ref-2)
2. Please note that for an aid scheme, the duration is the period during which aid may be applied for and decided upon (including thus also the time needed for the authorities to approve the aid applications). The duration referred to under this question does not relate to the duration of the contracts concluded under the aid scheme, which may continue beyond the duration of the measure. [↑](#footnote-ref-3)
3. Please note that a change to the actual or estimated budget may be an alteration of aid, requiring a new notification. [↑](#footnote-ref-4)
4. References in this sub-question to ‘levy’ should be understood as also covering environmental taxes. [↑](#footnote-ref-5)
5. For example, by comparing the standard rate that would be implemented with the reductions to the standard rate that would be implemented without the reductions, the number of undertakings that would be subject to the tax or levy in total or other indicators reflecting actual change in environmentally harmful behaviour. [↑](#footnote-ref-6)
6. Such agreements or commitments may relate, among other things, to a reduction in energy consumption, a reduction in emissions and other pollutants, or any other environmental protection measure. [↑](#footnote-ref-7)
7. Centrally managed union funding is Union funding centrally managed by the institutions, agencies, joint undertakings or other bodies of the European Union that is not directly or indirectly under the control of the Member State. [↑](#footnote-ref-8)
8. The template for the supplementary information sheet for the notification of an evaluation plan (Part III.8) is accessible here: <https://competition-policy.ec.europa.eu/state-aid/legislation/forms-notifications-and-reporting_en#evaluation-plan>. [↑](#footnote-ref-9)