JASPERS Networking Platform
State Aid Legal Framework for 2014-2020
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Agenda

JASPERS experience;
Common findings;
Wrap up.
During previous programming period we were hugely involved in project preparation:

- Presence in several sectors;
- 439 - Number of major projects supported;
- 356 - Number of project approved;
- Extensive geographic coverage.
2 – JASPERS activities range

Managing Authorities

- Support for the preparation of the new Operational Programmes
- Training of teams dealing with sectors and projects
- Implementation support (institutional)
- Horizontal studies to address general issues affecting projects

Project beneficiaries

- Preparation of ToR for the preparation of projects
- Upstream screening of potential projects
- Methodological guidelines for the preparation of projects
- Implementation support (project specific)
- Review of project applications and annexes (FS, CBA, EIA, etc.)
- Support to answer interruption letters from the Commission

Support for the supervision of the consultants preparing the projects

Guidance to the consultants preparing the projects

JASPERS Knowledge Economy and Energy Division

[1] Includes upstream support during the preparation of the project
3 – JASPERS State Aid assignment

During previous programming period we were involved in State Aid linked to project preparation and directly involved in the following tasks:

2006-State Aid in energy;
2006-State aid for multi-modal terminals;
2007-State Aid in transport projects;
2007-Romania - Energy Sector State Aid Analysis;
2008-State Aid implications of waste incineration projects;
2008-State aid implications of flue gas treatment;
2008-Verification of justifications for three state aid ordinances in intermodal transport sector and intelligent transport systems;
2008-State aid in environmental projects.
We were involved even in horizontal capacity building issuing some working papers to provide general guidance for the identification of State aid in projects in the context of Article 107 of Treaty of Functioning of the European Union:

- State aid principles
- State aid in cultural infrastructures projects
- State aid in broadband infrastructures projects
- State aid in energy infrastructure project.
- State aid in RDI infrastructure projects.

Publications are available in our website: jaspers-europa-info.org
5 – All parties are scared by state Aid

- In several project appraisals and advisory we understood that all the stakeholders were extremely scared of state aid, better not touch it!

- The perception is that if we have the presence of State Aid then the project is “dead” or almost impossible to move forward.

- Is extremely difficult to reassure on the concept that State Aid can be accepted by DG COMP as compatible measure with the common market!

- State Aid is perceived as a problem because is often an unknown territory and lead later on in real serious problems.
6 – Lack initial attention State Aid clearance

- State Aid is not fully recognized as a possible problem at the beginning of the process.

- At the opening of the MFF, all stakeholders are mainly involved in several different activities, such as partnership agreement, operative program, national guidelines.

- Start to prepare on time all the proper schemes and notifications, do not wait when is required.

- Despite we acted proactively to prepare documentations, most of the schemes and notification took place in the second part of 2007-2013.

Prepare state aid clearance on time to avoid delays.
During 2007-2013 period we spotted some problem regarding currencies conversion.

Notifications were mainly made in national currencies (for non Euro countries) and the aid was approved in same currency.

However in grant application form, as you know all the currencies were converted in Euros.

The exchange rate was fixed in the Funding Application (as per national rules).

Consider that the moment of filling FA and the one of approving State Aid are different so some misalignment can be present, check once more if max allowable amount is not over what was approved.

Check twice the congruency.
What we discovered was that sometimes beneficiaries are negating clear evidence of state aid.

This fact sometimes is perceived only as the desire to avoid state aid process, to avoid problems.

However in few cases the stubborn deny of state aid presence was the tip of the iceberg regarding other serious policy weakness or legislative non compliance.

If this would be the case, reject state aid presence will not solve your problems. Late you recognize and tackle the issue early you prepare your documentation.

Evident State Aid negation may be the tip of larger problems!
9 – Period of aid eligibility

- In 2007-2013 MFF we worked several State Aid schemes and notification.

- We discover that some of them have to be notified again or amended regarding the duration of state aid eligibility.

- The most common mistake was to mirror the MFF period, or 2007-2013 rather than really understand the underlined eligibility period.

- On top always consider possible program delay, slippage or other inconvenience that may occur.

Do it right the first time will save time and headaches not only to you but even to DG COMP.
10 – Period of aid eligibility example


- The idea is that projects will occur from 2007 to 2013, so grants would be expected in the same time.

- However according DG REGIO, a project is acceptable if completed by 2015 and relevant costs after 2013 are considered eligible.

2007-----------------------------2013 MFF period

2007-----------------------------2013----------2015 Costs/grants

Keep in mind the eligibility of costs when prepare schemes.
Not all the grants are equal, common question: I got NER 300 grant without any problem why for the same project under ERDF I have to consider it as state aid?

Resources are from different sources, so different considerations.

If you received a grant from an EU program does not mean that you don’t have state aid.

Energy Package Recovery, NER 300…..EU Grants – no state aid

ERDF, Cohesion Grants managed by MS – possible presence state aid

Blend of grants needs proper consideration.
12 – Vicious circle

Initial deny of State Aid presence or recognition of problem

The lack of action reinforce the precedent point

We do not have now any more time to notify State Aid (late)

Project is almost ready, problem if we would have State Aid

“Facts do not cease to exist because they are ignored” H. Huxley.
State Aid do not cease to exist because you are ignoring it!
13 – Wrap-up

- Do not be scared by the presence of state aid.
- Start on time state aid clearance.
- Be careful of conversion rate problems.
- Negation of state aid may be the tip of an iceberg of problems.
- Consider proper period of grant eligibility.
- Avoid the vicious circle.
For info or further questions on this presentation, or on the activities of the JASPERS Networking Platform please contact:

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