European Commission - Press release

State aid: Commission puts forward initiatives to further facilitate implementation of recovery and coronavirus support measures

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The European Commission has today published guiding templates to assist Member States in the design of their national recovery and resilience plans in line with EU State aid rules. Second, to further facilitate the implementation of InvestEU and EU and national funds allocated for the recovery, the Commission is consulting Member States on a possible extension of the General Block Exemption Regulation. Finally, the Commission is conducting a survey with all Member States to seek their views on the implementation of the State aid Temporary Framework.

Executive Vice-President **Vestager**, in charge of competition policy said: "*To reap the full benefits of limited public funds, it is crucial that State aid rules continue to do their part to keep our Single Market fair and competitive. We are providing Member States with all the necessary guidance and tools to ensure that their national recovery and resilience plans can be implemented as swiftly as possible, in line with EU State aid rules. We continue to work closely together with Member States to mitigate the economic effects of the ongoing crisis and enable the European economy to bounce back, while preserving the level playing field in the Single Market.*"

The Commission's State aid guidance on national recovery and resilience plans

In the context of the implementation of the Member States' recovery and resilience plans, State aid control will help ensure that public spending by Member States does not crowd out private spending, avoid overcompensation and ensure a level playing field in the Single Market.

To address potential State aid issues upfront, the Commission will engage early on with Member States on the investments under consideration in their national recovery and resilience plans. The Commission stands ready to examine, together with the national authorities, the possible State aid dimensions of their recovery plans and provide all necessary assistance to design investment schemes in line with State aid rules.

Many measures likely to be proposed by Member States, such as certain infrastructure investments and direct support to citizens, are not subject to State aid control since they are not selective or because they do not concern economic activities. Other measures are likely to fall within the scope of the General Block Exemption Regulation, and therefore do not need to be notified to the Commission and can be immediately implemented by Member States.

For measures that do constitute State aid and require individual approval, the Commission will treat them as a matter of priority. In any event, it commits to complete its assessment within six weeks of receiving the complete notification from the Member State.

State aid guiding templates

The Commission has today published eleven **State aid guiding templates**. These guiding templates cover the numerous types of investments projects in line with the "European flagships" of the Commission's Annual Sustainable Growth Strategy 2021. They are technical documents intended to assist Member States in the design of their national plans in line with EU State aid rules:

Flagship	**Guiding template**
POWER UP	Energy and hydrogen infrastructure

	Energy from renewable sources, including renewably sourced hydrogen production
RENOVATE	District heating/cooling generation and distribution infrastructure
	Energy efficiency in buildings
RECHARGE & REFUEL	Electric recharging stations and hydrogen stations for road vehicles
	Acquisition of zero- and low-emission road vehicles
	Other low emission transport modes
CONNECT	Deployment and take-up of fixed and mobile very high capacity networks, including 5G and fibre networks
MODERNISE	Digitisation of public administration, including healthcare
SCALE UP	Innovative processors and semiconductor technologies
RESKILL & UPSKILL	Upgrading education and training, including digital skills and relevant connectivity

The guiding templates provide sector-specific guidance as to when (i) State aid may be excluded, and therefore prior notification to the Commission is not necessary; (ii) State aid would be involved, but no notification is necessary because it falls under a block exemption; and (iii) State aid would be involved and a notification is necessary, with reference to the main applicable State aid rules.

The guiding templates can and will be updated, where appropriate, once the Commission has a better view and understanding of the content of the Member States' national recovery plans.

Finally, Member States can use the dedicated mailbox and hotline set up by the Commission for queries on the guiding templates.

Consultation on extension of General Block Exemption Regulation

Also today, the Commission has sent to Member States for consultation a possible further extension of the scope of the General Block Exemption Regulation to enable a smooth implementation of the InvestEU programme, the Recovery and Resilience Facility, as well as of other EU funds and national funds targeting the recovery and the achievement of the digital and green objectives of the EU.

It proposes to cover, for example, possibilities for investments to enable higher energy efficiency or digitalisation of buildings, the construction of networks of charging stations for electric cars, the digitalisation of small and medium-sized enterprises (SMEs), or the development of broadband.

Today's proposal builds on the Commission's proposal of July 2019 to facilitate the national funding of projects or financial products, which fall under the scope of EU centrally managed programmes under the next Multiannual Financial Framework.

The General Block Exemption Regulation declares specific categories of State aid compatible with the Treaty, provided that they fulfil clear conditions, and exempts these categories from the requirement of prior notification and approval to the Commission. Once finally adopted by the Commission, Member States will be able to implement such measures directly, with full legal certainty.

Questionnaire to Member States on implementation of State aid Temporary Framework

In March 2020, the Commission adopted a State aid Temporary Framework to enable Member States to provide necessary support the economy in the context of the coronavirus outbreak, while preserving the level playing field. To-date, the Commission has taken more than **380 decisions** approving more than **460 national measures** worth more than €3.07 trillion of support in 27 Member States and the UK.

The Commission continues to monitor and assess the application of the Temporary Framework to the evolving crisis. To this end, following public consultations of all Member States, the Temporary Framework was amended on 3 April, 8 May, 29 June and 13 October 2020 to enable further support by Member States to companies affected by the coronavirus outbreak.

On 7 December 2020, the Commission addressed a survey to Member States to seek their views on the implementation and possible need to further adapt the State aid Temporary Framework to tackle the economic impact of the second wave of the outbreak and enable a smooth recovery from the crisis. In addition, the Commission is also collecting data from Member States on the State aid expenditure under the approved schemes until December 2020. The Commission will decide on potential further action based on the feedback received from Member States.

Background

The Recovery and Resilience Facility will make €672.5 billion in loans and grants available to support reforms and investments undertaken by Member States. The aim is to mitigate the economic and social impact of the coronavirus pandemic and make European economies and societies more sustainable, resilient and better prepared for the challenges and opportunities of the green and digital transitions. Funds that Member States will receive from the Recovery and Resilience Facility can be, on a voluntary basis, contributed to the Member State compartment of InvestEU and may also benefit from simplified State aid rules within the framework of the InvestEU programme in the General Block Exemption Regulation.

On 19 March 2020, the Commission adopted a State aid Temporary Framework to enable Member States to use the full flexibility foreseen under State aid rules to support the economy in the context of the coronavirus outbreak. The Temporary Framework was first amended on 3 April 2020 to increase possibilities for public support to research, testing and production of products relevant to fight the coronavirus outbreak, to protect jobs and to further support the economy. It was further amended on 8 May to enable recapitalisation and subordinated debt measures, and on 29 June 2020 to further support micro, small and start-up companies and to incentivise private investments. With the fourth amendment, on 13 October 2020, the validity of the Temporary Framework was prolonged until 30 June 2021 and until 30 September 2021 for recapitalisation measures. The scope of the Temporary Framework was also extended, enabling, among others, Member States to support companies facing significant turnover losses by contributing to part of their uncovered fixed costs.

The Temporary Framework will be in place until the end of June 2021. As solvency issues may materialise only at a later stage as this crisis evolves, for recapitalisation measures only the Commission has extended this period until the end of September 2021.

The Temporary Framework complements the many other possibilities already available to Member States to mitigate the socio-economic impact of the coronavirus outbreak, in line with EU State aid rules. On 13 March 2020, the Commission adopted a Communication on a Coordinated economic response to the COVID-19 outbreak setting out these possibilities. For example, Member States can make generally applicable changes in favour of businesses (e.g. deferring taxes, or subsidising short-time work across all sectors), which fall outside State Aid rules. They can also grant compensation to companies for damage suffered due to and directly caused by the coronavirus outbreak.

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