

## "Green Deal" GBER

Focus on aid for the green and digital transition

**DISCLAIMER** 

"The views expressed are purely those of the speaker and may not in any circumstances be regarded as stating an official position of the European Commission." Conference on State aid law, Brno 14 June 2023

### Overview (1)

- On 9 March, the Commission endorsed a revised GBER targeted to the green and digital transition.
- Purpose of the revision was three-fold:
  - i. Ensure ample possibility for Member States to mobilize more aid for projects in line (a) with the Green Deal objectives (incl. Green Deal Industrial Plan) and (b) with the European Industrial and Digital Strategies, in situations with limited risk of distorting competition. This will also cater for aid for the net-zero economy.
  - ii. Align the GBER to corresponding revised Guidelines (basis for notifications): Regional Aid Guidelines, the Climate, Environmental and Energy Aid Guidelines, the Risk Finance Guidelines, the Research, Development and Innovation Framework and the Broadband Guidelines.
  - iii. Update to keep apace with market and technological developments.



### Overview (2)

- Revision started in 2021, draft text was subject to one public consultation (6.10.2021 to 8.12.2021) and two Advisory Committee meetings (7.12.2021 and 28.9.2022).
- The new GBER will play an important role for the Recovery and Resilience Facility (RRF) including the REPowerEU chapter.
- DG COMP updated the RRF guiding templates that are most relevant for REPowerEU, so that they take account of new CEEAG, R&D&I Framework Green Deal GBER and TCTF. They are available at: <u>https://competition-policy.ec.europa.eu/state-aid/legislation/rrf-guiding-templates\_en</u>
- Presentation focuses on changes related to the TCTF and Green Deal Industrial Plan. The GBER amendment is much wider and covers changes to most Sections as well as the horizontal provisions.



### Main GBER changes (1)

#### **Horizontal provisions:**

- increase by 10% of notification thresholds (Article 4) and of maximum aid amounts;
- decrease of transparency threshold for individual aid awards to EUR 100 000 (Article 9);
- extending the use of Simplified Costs Options (mainly to cover RRF) (Article 7); and
- prolongation until the end of 2026 (Article 59).

#### **Regional aid:**

- alignment to new Regional Aid Guidelines, but also towards other types of aid e.g. SME aid and R&D&I aid (e.g. certain definitions in Article 2);
- alignment of regional aid scope, e.g. exclusion of lignite and broadband and research infrastructure, inclusion of synthetic fibers and shipbuilding, (Article 13); and
- slightly **increased notification thresholds**, especially for SMEs (Article 4).

#### **Broadband aid:**

- alignment to new Broadband guidelines; and
- new Article 52d on backhaul networks.



### Main GBER changes (2)

#### **Risk finance and start-up aid for SMEs:**

- Restructuring and streamlining: Article 21 on risk finance into two articles; clarification of concept "independent private investor" (Article 2(72);
- bonus for green investments and investments in critical raw materials (Article 21.3(c));
- new provision in Article 22(7) on aid for transfer of IP from a research organization to a small and innovative enterprise that brings a new product or service to the market.

#### R&D&I aid:

- significantly higher notification thresholds (Article 4);
- higher aid intensities and thresholds for "IPCEI-like" (i.e. multi-country, wide spill-overs) R&D projects (could cover over 50% of typical IPCEI projects) (Article 25);
- new Articles 26a on testing and experimentation infrastructure and 25e on co-funding of European Defense Fund projects; and
- clarifying concepts and definitions, e.g. innovation cluster aid provisions (Article 27).



### Main GBER changes (3)

#### **Environmental and energy aid (non-TCTF-related):**

- **significantly higher notification thresholds** (Article 4);
- **clean mobility**: (i) new Article 36b on clean or zero-emission vehicles and retrofitting, (ii) adjusting Article 36a on recharging and refuelling infrastructure (e.g. include hydrogen refuelling stations (if supply RES hydrogen by 2035); (iii) allowing limited aid without competitive bidding process.
- **new Article 38a on energy performance in buildings**, exemption from deduction of counterfactual, "green" bonus, for all types of buildings;
- widening of provision to cover rehabilitation of natural habitats and ecosystems, biodiversity and nature-based solutions for climate change adaptation and mitigation (Article 45);
- **expanding scope on recycling and waste** to cover more generally resource efficiency or circular economy and to cover collection, sorting decontamination and treatment of other products, materials or substances both from own and third parties' activities (Article 47); and
- allowing energy tax reliefs below the minima of the ETD Annex (Article 44) and new Article 44a on reductions of environmental taxes.



### Finalisation of the revision

- Endorsement took place on 9 March 2023, along-side with the adoption of the TCTF.
- Translation and legal advisors' work into all official languages is being finalised.
- Formal adoption procedure and publication will take place as soon as possible, likely in June 2023.
- The revised GBER will enter into force as of the day after its publication in the OJ (but can be applied retroactively) and will be applicable until 31 December 2026.



# Thanks for your attention!



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