

EUROPEAN COMMISSION

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PUBLIC VERSION

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Subject: State aid SA.106697 (2023/N) – Portugal Amendment to the Regional aid map for Portugal (1 January 2022 – 31 December 2027) - increased aid intensities for territories identified for support from the JTF

Excellency,

- 1. **PROCEDURE**
- (1) The Commission approved the regional aid map for Portugal for the period from 1 January 2022 to 31 December 2027 (hereinafter "regional aid map for Portugal") by Commission decision of 8 February 2022 (¹) (hereinafter "initial Decision").
- (2) By electronic notification dated 13 March 2023, registered at the Commission on the same day (Ares(2023)1815858), the Portuguese authorities notified an amendment to the regional aid map for Portugal in order to increase the aid intensities for the territories identified for support from the Just Transition Fund (²) (hereinafter "JTF").

S. Ex.^a o Ministro dos Negócios Estrangeiros João Gomes Cravinho Largo do Rilvas P – 1399-030 – Lisboa

 ⁽¹⁾ Commission decision of 8 February 2022 in case SA.100752 (2021/N) Regional aid map for Portugal (1 January 2022 – 31 December 2027), available at: https://ec.europa.eu/competition/state_aid/cases1/202207/SA_100752_C080DE7E-0000-CF68-84C8-C270173C710D_36_1.pdf

^{(&}lt;sup>2</sup>) Regulation (EU) 2021/1056 of the European Parliament and of the Council of 24 June 2021 establishing the Just Transition Fund (OJ L 231, 30.6.2021, p. 1).

2. DESCRIPTION OF THE NOTIFIED AMENDMENT TO THE REGIONAL AID MAP

- (3) In their notification, the Portuguese authorities propose to increase the aid intensity for its territories identified for support from the JTF by 10 percentage points, in application of paragraph 187 of the Guidelines on regional State aid (³) (hereinafter "RAG"). The territories identified for support from the JTF are located in the NUTS 2 regions of PT11 Norte, PT16 Centro (PT) and PT18 Alentejo identified in the regional aid map for Portugal as areas eligible for aid under Article 107(3)(a) of the Treaty on the Functioning of the European Union (hereinafter "TFEU") (hereinafter "a' areas"). Portugal proposed the increased aid intensity to apply from 1 January 2022 until 31 December 2027.
- (4) The territories for support from the JTF are identified in the territorial just transition plans of Portugal approved by Commission decisions of 14 December 2022 (hereinafter "Commission implementing decisions") (⁴), as part of the programmes: "Norte Regional Programme 2021-2027" for support from the European Regional Development Fund, the European Social Fund Plus, the JTF under the Investment for jobs and growth goal for the region Norte in Portugal (⁵), "Centro Regional Programme 2021-2027" for support from the European Regional Development Fund, the European Social Fund Plus and the JTF under the Investment for jobs and growth goal for the region of Centro in Portugal (⁶), and "Alentejo Regional Programme 2021-2027" for support from the European Regional Development Fund, the European Social Fund Plus and the JTF under the Investment for jobs and growth goal for the region of Centro in Portugal (⁶), and "Alentejo Regional Programme 2021-2027" for support from the European Regional Development Fund, the European Social Fund Plus and the JTF under the Investment for jobs and growth goal for the region of Centro in Portugal (⁶), and "Alentejo Regional Programme 2021-2027" for support from the European Regional Development Fund, the European Social Fund Plus and the JTF under the Investment for jobs and growth goal for the region Alentejo in Portugal (⁷).
- (5) Table 1 presents the territorities identified for support from the JTF for which Portugal proposes an aid intensity increase, together with the maximum aid intensities

- (5) Programme "Programa Regional do Norte 2021-2027" para apoio do Fundo Europeu de Desenvolvimento Regional, do Fundo Social Europeu Mais e do Fundo para uma Transição Justa no âmbito do objetivo de Investimento no Emprego e no Crescimento para a região Norte em Portugal (CCI 2021PT16FFPR003); part of the programme is the Territorial Just Transition Plan of Matosinhos that identifies as JTF territory the municipality of Matosinhos.
- (6) Programme "Programa Regional Centro 2021-2027" para apoio do Fundo Europeu de Desenvolvimento Regional, do Fundo Social Europeu Mais e do Fundo para uma Transição Justa no âmbito do objetivo de Investimento no Emprego e no Crescimento para a região Centro em Portugal (CCI 2021PT16FFPR004); part of the programme is the Territorial Just Transition Plan of Médio Tejo that identifies as JTF territory the NUTS 3 region of Médio Tejo.
- (7) Programme "Programa Regional do Alentejo 2021-2027" para apoio do Fundo Europeu de Desenvolvimento Regional, do Fundo Social Europeu Mais e do Fundo para uma Transição Justa no âmbito do objetivo de Investimento no Emprego e no Crescimento para a região Alentejo em Portugal (CCI 2021PT16FFPR005); part of the programme is the Territorial Just Transition Plan of Alentejo Litoral that identifies as JTF territory the NUTS 3 region of Alentejo Litoral.

^{(&}lt;sup>3</sup>) OJ C 153, 29.4.2021, p. 1.

^{(&}lt;sup>4</sup>) Article 4 of the Commission implementing decision of 14 December 2022 C(2022) 9319 approving the programme "*Norte Regional Programme 2021-2027*" for support from the European Regional Development Fund, the European Social Fund Plus, the JTF under the Investment for jobs and growth goal for the region Norte in Portugal (CCI 2021PT16FFPR003), Article 4 of the Commission implementing decision of 14 December 2022 C(2022) 9662 approving the programme "*Centro Regional Programme 2021-2027*" for support from the European Regional Development Fund, the European Social Fund Plus and the JTF under the Investment for jobs and growth goal for the region of Centro in Portugal (CCI 2021PT16FFPR004), and Article 4 of the Commission implementing decision of 14 December 2022 C(2022) 9469 approving the programme "*Alentejo Regional Programme 2021-2027*" for support from the European Social Fund Plus and the JTF under the Investment "*Alentejo Regional Programme 2021-2027*" for support from the European Social Fund Plus and the JTF under the Investment for jobs and growth goal for the region of 14 December 2022 C(2022) 9469 approving the programme "*Alentejo Regional Programme 2021-2027*" for support from the European Social Fund Plus and the JTF under the Investment for jobs and growth goal for the regional Development Fund, the European Regional Development Fund, the European Regional Development Fund, the European Social Fund Plus and the JTF under the Investment for jobs and growth goal for the region Alentejo in Portugal (CCI 2021PT16FFPR005).

as set out in the regional aid map for Portugal and the new proposed maximum aid intensities $(^{8})$.

NUTS Code	Name of NUTS region	Maximum aid intensity in the regional aid map for Portugal	Proposed maximum aid intensity
PT11	Norte		
PT11A	Área Metropolitana do Porto (only the following municipality: 1308 Matosinhos)	30%	40%
PT16	Centro (PT)		
PT16I	Médio Tejo	30%	40%
PT18	Alentejo		
PT181	Alentejo Litoral	30%	40%

Table 1: Proposed new aid intensities for JTF territories

(6) Portugal proposes no other modifications to its regional aid map as approved by the initial Decision.

3. Assessment

3.1. The areas proposed for an increased aid intensity based on paragraph 187 of the RAG

- (7) According to paragraph 187 of the RAG, the maximum aid intensities for 'a' areas laid down by the RAG may be increased by 10 percentage points for territories identified for support from the JTF in a territorial just transition plan of a Member State approved by the Commission on the condition that those territories are located in assisted areas according to Article 107(3)(a) TFEU. According to footnote 87 of the RAG, the regional aid maps can be updated on that basis if the territories are not yet known when the map is adopted.
- (8) The NUTS 3 regions of PT16I Médio Tejo and PT181 Alentejo Litoral, as well as the municipality of Matosinhos in the NUTS 2 region of PT11 Norte indicated in Table 1 have been identified as territories for support from the JTF in the territorial just transition plans of Portugal approved by the Commission implementing decisions.
- (9) The territories are located in assisted areas according to Article 107(3)(a) TFEU, namely in the NUTS 2 regions of PT11 Norte, PT16 Centro (PT) and PT18 Alentejo, as listed in the regional aid map for Portugal. The territories therefore fulfil the conditions for an increase of the aid intensity by 10 percentage points as provided for in paragraph 187 of the RAG.
- (10) The JTF territorities were not yet known at the time of the adoption of the regional aid map for Portugal on 8 February 2022. The regional aid map of Portugal applies for the period from 1 January 2022 until 31 December 2027. The Commission implementing decisions were adopted on 14 December 2022 and apply for the period from 1 January 2021 to 31 December 2027. In this situation, the Commission considers that

^{(&}lt;sup>8</sup>) These aid intensities apply to large enterprises and can be increased for small and medium-sized enterprises in accordance with recital (31) of the initial Decision.

the notified amendment should apply for the entire period from 1 January 2022 to 31 December 2027.

- (11) The maximum aid intensity for large enterprises in the NUTS 2 region of PT11 Norte is 30%. Matosinhos is part of the NUTS 2 region of PT11 Norte. It follows that the maximum aid intensity for large enterprises in Matosinhos is 30%, as laid down in the regional aid map for Portugal. Therefore, following the aid intensity increase, the Matosinhos municipality is entitled to a 40% maximum aid intensity, while the rest of the NUTS 2 region of PT11 Norte maintains the 30% maximum aid intensity, as set out in the regional aid map for Portugal.
- (12) The maximum aid intensity for large enterprises in the NUTS 3 regions of PT16I Médio Tejo and PT181 Alentejo Litoral is 30%. Therefore, following the aid intensity increase, PT16I Médio Tejo and PT181 Alentejo Litoral are entitled to a 40% maximum aid intensity.
- (13) The Commission notes that all other conditions set out in the initial Decision remain unchanged.

3.2. General conclusion

(14) In view of the above, the Commission takes the view that the amendment to the regional aid map for Portugal, as notified by the Portuguese authorities is in line with the RAG.

4. CONCLUSION

- (15) The Commission has accordingly decided:
 - to approve the amendment to the Portuguese regional aid map for the period from 1 January 2022 to 31 December 2027 as set out in the Annex, which includes all designated areas approved in the initial Decision, as it fulfils the conditions laid down in the Guidelines on Regional State Aid, as adopted on 19 April 2021.

The full text of this letter in the authentic language will be published on the following Internet site: <u>http://ec.europa.eu/competition/elojade/isef/index.cfm</u>.

Yours faithfully,

For the Commission

Margrethe VESTAGER Executive Vice-President

ANNEX to the decision on case SA.106697 (2023/N)

Guidelines on regional State aid

(OJ C 153, 29.04.2021, p.1.)

PORTUGAL - Amended regional aid map applicable from 01.01.2022 to 31.12.2027

Zone Code	Zone Name	Maximum aid intensities applicable to regional aid
		granted to large enterprises (9)

'a' areas

NUTS code	Name of NUTS region	Maximum aid intensity (large enterprises)	
		1.1.2022 - 31.12.2027	
PT11	Norte (partially: excluding 1308 Matosinhos)	30%	
PT11	Norte (partially: only 1308 Matosinhos)	40%	
PT16	Centro (PT)		
PT16B	Oeste	30%	
PT16D	Região de Aveiro	30%	
PT16E	Região de Coimbra	30%	
PT16F	Região de Leiria	30%	
PT16G	Viseu Dão Lafões	30%	
PT16H	Beira Baixa	30%	
PT16I	Médio Tejo	40%	
PT16J	Beiras e Serra da Estrela	40%	
PT18	Alentejo		
PT181	Alentejo Litoral	40%	
PT184	Baixo Alentejo	30%	
PT185	Lezíria do Tejo	30%	
PT186	Alto Alentejo	40%	
PT187	Alentejo Central	30%	
PT20	Região Autónoma dos Açores	50%	
РТ30	Região Autónoma da Madeira	40%	

^{(&}lt;sup>9</sup>) For investment projects with eligible costs not exceeding EUR 50 million this ceiling is increased by 10 percentage points for medium-sized enterprises and 20 percentage points for small enterprises as defined in the Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises (OJ L 124, 20.5.2003, p. 36). For large investment projects, the maximum aid intensities for large enterprises also apply to medium-sized and small enterprises. For large investment projects, this maximum aid intensity is subject to adjustment in accordance with paragraph 19(3) of the RAG.

Non-predefined 'c' areas

NUTS code	Name of NUTS region	Maximum aid intensity	
		(large enterprises)	
		1.1.2022 - 31.12.2027	
PT150	Algarve (partially)	15%	
	Only the following parts of the NUTS 3 region are eligible as non-predefined 'c' area: São Brás de Alportel, Alferce, Boliqueime, Cachopo, Ferreiras, Loulé (São Clemente), Loulé (São Sebastião), Mexilhoeira Grande, Monchique, Paderne, Pechão, Quelfes, São Bartolomeu de Messines, São Marcos da Serra, União das freguesias de Algoz e Tunes, União das freguesias de Conceição e Estoi, Vaqueiros.		
PT170	Área Metropolitana de Lisboa (partially)	15%	
Only the following parts of the NUTS 3 region are eligible as non-pre Pontes-Alto da Guerra, Moita, Pinhal Novo, Quinta do Anjo, Sado, S Atalaia e Alto Estanqueiro-Jardia, União das freguesias de Gaio-Rosá freguesias de Palhais e Coina, União das freguesias de Pegões, União		ncisco, União das freguesias de arilhos Pequenos, União das	