Lessons learnt and good practice in dealing with State aid in ESIF management

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Outline

1. Ex-ante conditionality on State aid
2. Good practice in dealing with State aid during different stages of programme management
3. Conclusions
1. EX-ANTE CONDITIONALITY ON STATE AID
EAC on State aid

**Criterion 1**
- Arrangements for the **effective** application of Union State aid rules

**Criterion 2**
- Arrangements for **training and dissemination** of information for staff involved in the implementation of the funds

**Criterion 3**
- Arrangements to ensure **administrative capacity** for implementation and application of Union State aid rules
### EAC on State aid

<table>
<thead>
<tr>
<th>Criterion</th>
<th>Description</th>
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</table>
| **Criterion 1** | - CZ: currently fulfilled  
- SK: not fulfilled yet (in progress, new State aid act approved) |
| **Criterion 2** | - CZ: fulfilled at the PA/OPs adoption  
- SK: fulfilled at the PA/OPs adoption |
| **Criterion 3** | - CZ: not fulfilled yet (in progress)  
- SK: not fulfilled yet (in progress) |
<table>
<thead>
<tr>
<th>Criterion 1</th>
<th>Criterion 2</th>
<th>Criterion 3</th>
</tr>
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<tbody>
<tr>
<td>The majority of MS do not have in place a database/central IT register or the central register covers only <em>de minimis</em></td>
<td>Lack of a training strategy/plan related to state aid</td>
<td>Insufficient staffing of the central body/central state aid coordinator</td>
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**Action plans linked to fulfilment of EAC**

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<td>• Ensure data transfer between ESIF central monitoring system and state aid central register (CZ)</td>
<td>• Organisation of at least 2 training sessions per year (IT)</td>
<td>• Strengthening of administrative capacity of the central state aid coordinator by 100 – 150% (SK)</td>
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<tr>
<td>• Strengthening the role of the State aid coordinator in State aid act (SK)</td>
<td>• Preparation of a training strategy in cascade, including number of staff trained per administrative unit (IT)</td>
<td></td>
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2. GOOD PRACTICE IN DEALING WITH STATE AID DURING DIFFERENT STAGES OF THE PROGRAMME MANAGEMENT
Good practices in the different stages of the programme management

Based on the preliminary work done by an external expert

Case studies from a number of MS available in autumn
Compliance with State aid at different stages of OP management

1. Drafting of Operational Programmes

2. Preparation of implementing documents, calls for proposals

3. Granting support to beneficiaries

4. Project implementation
Key aspects affecting all stages

1. Where is State aid expertise – who does what?
   - In house (Austria, Ireland, Netherlands)
   - An independent body (Czech Republic, Hungary, Latvia, Poland)
   - Are their decisions binding or not? (binding: Denmark, Hungary, Latvia – not binding: Lithuania, Poland)

2. Tools for dissemination of information
   - Information platforms and dedicated websites (Denmark, Hungary, Latvia, Poland, UK)
   - Newsletters
   - Mailing lists

3. Availability of training schemes
   - General training schemes
   - Dedicated training schemes for ESIF bodies
### Risks occurring during different stages

<table>
<thead>
<tr>
<th>Stage 1</th>
<th>Stage 2</th>
<th>Stage 3</th>
<th>Stage 4</th>
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<tbody>
<tr>
<td>• Not all measures containing State aid element are identified</td>
<td>• State aid element not identified in stage 1 leads to granting unlawful aid</td>
<td>• Although State aid element correctly identified this is not reflected in the contract with beneficiary</td>
<td>• Beneficiary is receiving unlawful aid OR • Beneficiary does not respect State aid requirements set in the contract</td>
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</table>
Stage 1: Drafting Operational Programmes

1. Where is your expertise – who does what?
   - In house
   - An independent body

2. How is information disseminated?
   - What are the available channels and tools?

**GOOD PRACTICE** – prepare an overview table of measures potentially containing a state aid element → applicable State aid rules → procedure to be followed
Stage 2: Drafting of implementing documents
SITUATION 1 - Overview state aid table is in place

Managing Authority/Intermediate Body when drafting implementing provisions (e.g. calls for proposals) are aware which measures are subject to State aid

- The overview State aid table contains assessment of applicable rules and procedures these can be followed (otherwise this assessment can be made at this stage)
- Provides clear rules and procedures
Stage 2: Drafting of implementing documents

SITUATION 2 - Overview state aid table is in NOT place

Managing Authority/Intermediate Body when drafting implementing provisions (e.g. calls for applications) must make ad-hoc assessments regarding the presence of state aid.

• Assessment of applicable State aid rules and procedures shall be identified and correctly presented in the call for applications.
Stage 3: Granting support to beneficiaries

1. State aid element has been correctly identified both in the programme and in the call

2. The contract with beneficiary contains all requirements and procedures to be respected regarding state aid

GOOD PRACTICE:

- Existence of standardised checklists
- Dedicated training schemes for bodies granting aid
- Central registry in place
Stage 4: Project implementation

1. Is the aid granted according to an approved scheme?

2. Are beneficiaries aware of the procedures to follow regarding State aid?

3. Are the beneficiaries respecting the requirements set in the contract?

GOOD PRACTICE

| Central Registry in place | Dedicated training schemes |
3. CONCLUSIONS
Good practice tools - conclusion

- State aid competence in place
- Central State aid registry in place including training schemes
- State aid table identifying all measure containing State aid element
- Dissemination of information in place
- Standardised State aid checklists in place
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