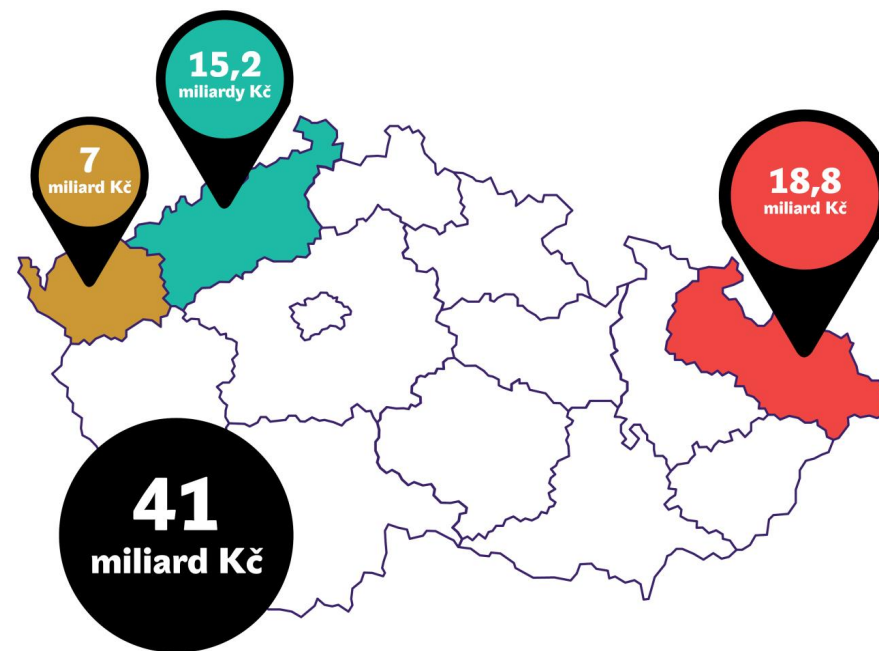




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## Experience of the Czech Republic

*with the implementation of investments of strategic importance  
in the framework of JTF implementation*

**...in terms of state aid rules**



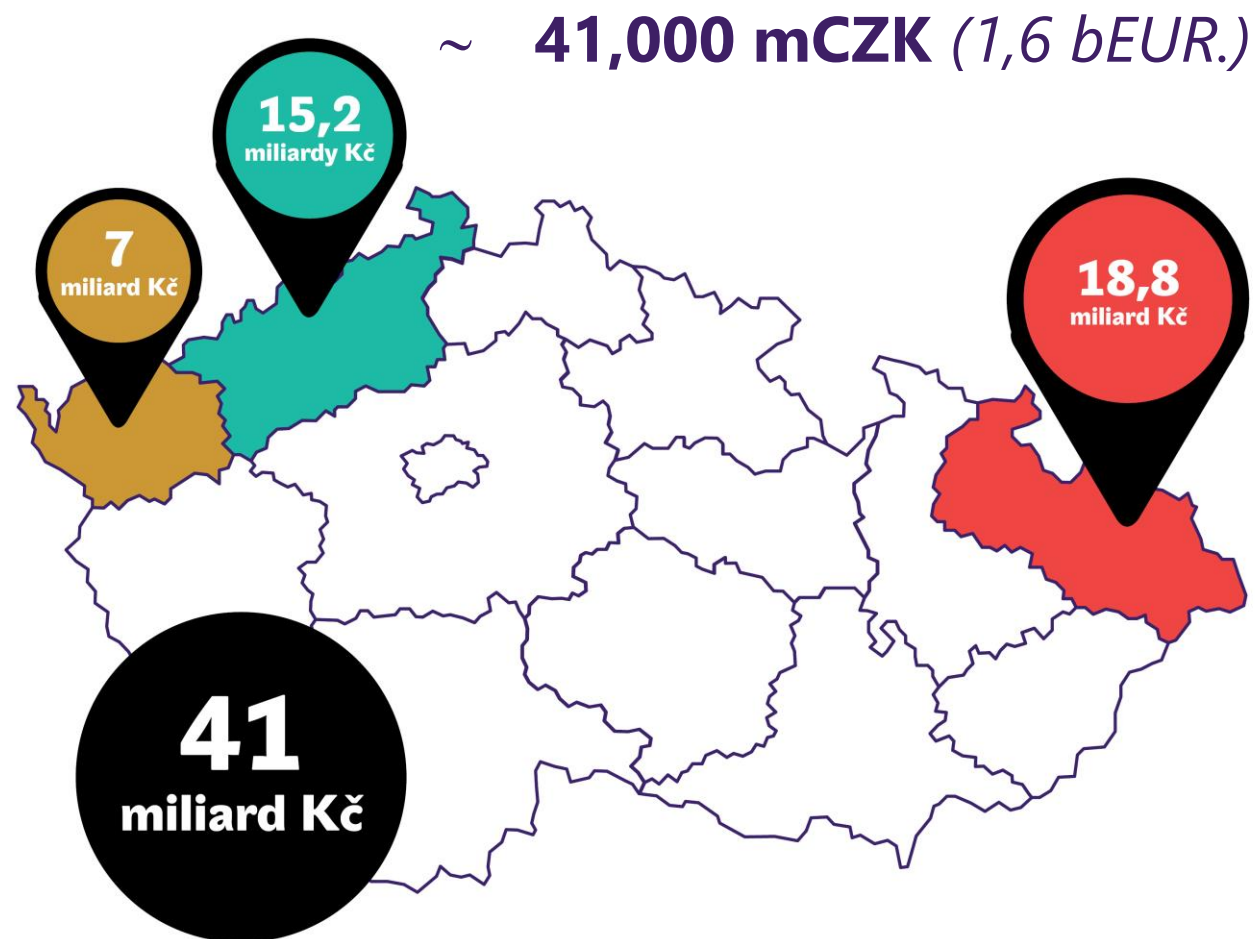
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FUND OF THE  
CZECH REPUBLIC

**Ivo Marcin / Veronika Smolková**  
*State Environmental Fund of the Czech Republic*

# Transformation projects

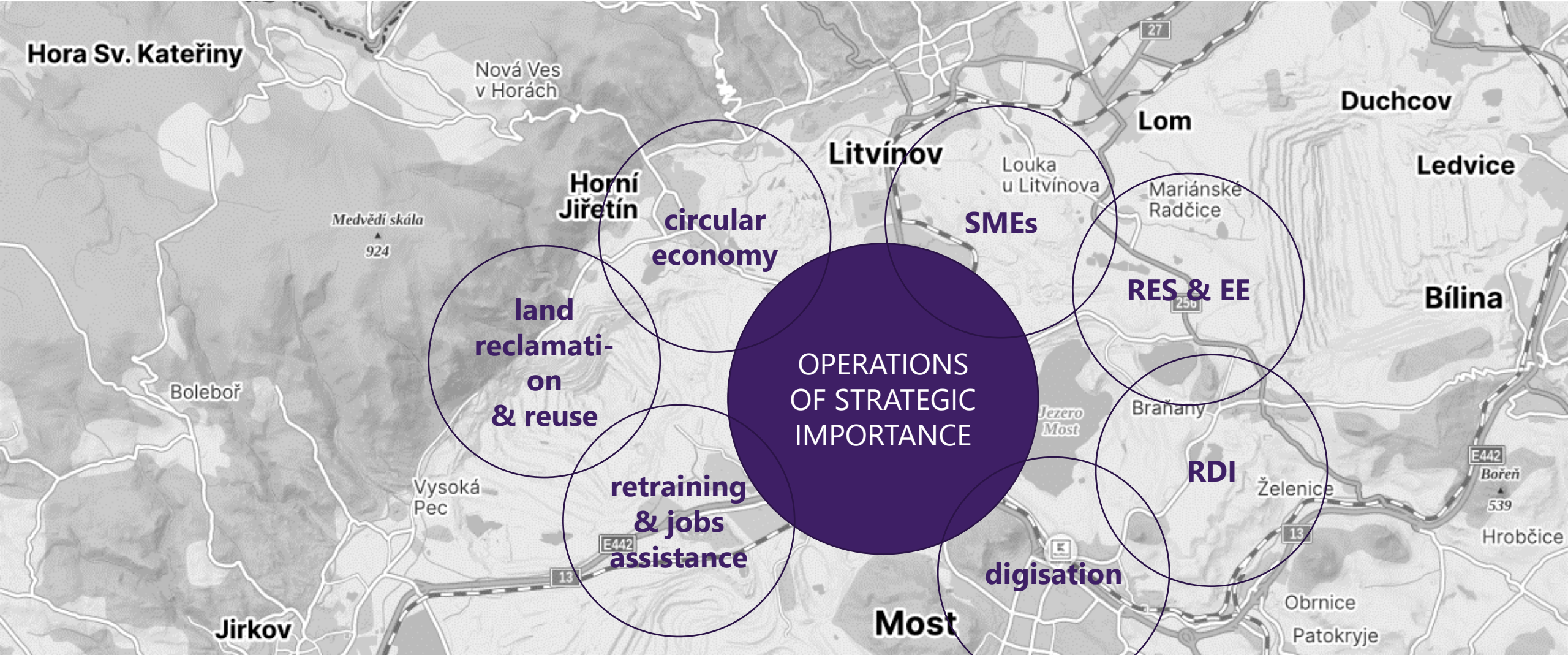
and their specifics

*...supporting regions that find the transition to the EU's 2030 climate targets and climate neutrality in 2050 difficult, mitigating the negative impacts of the shift **away from coal and their social, economic, health and environmental impacts***



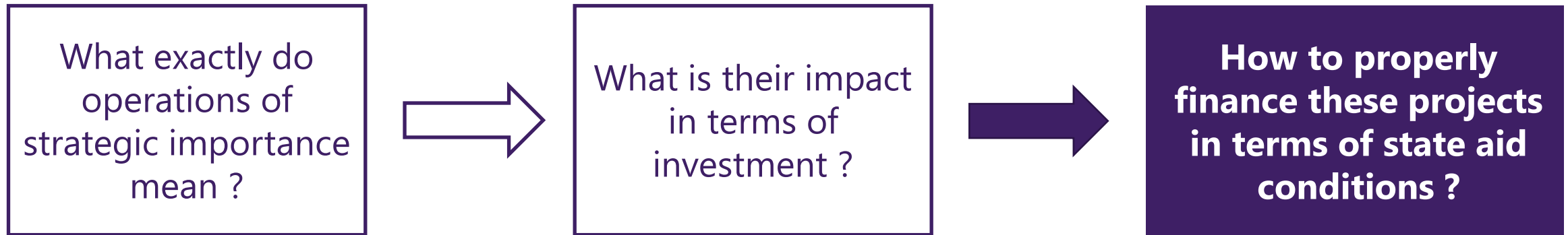
# Transformation projects and their specifics

\* operations of strategic importance account for at least half of the total OPJT allocation



# Operations of Strategic Importance (strategic projects)

## PROBLEME DESCRIPTION



# Operations of Strategic Importance (strategic projects)

## PROBLEME DESCRIPTION

*...behind the label **strategic projects** there is a **set of different measures**, which often consist of a combination of hard investment measures (such as construction expenditure or expenditure on land reclamation, development of business infrastructure, etc.) and soft measures that contribute to the upskilling and training of people who are disadvantaged in the labour market or are transitioning to a different type of economy, possibly other accompanying measures tackling specific regional challenges incl. investments into reasearch and innovations...*



# Operations of Strategic Importance (strategic projects)

## PROBLEME DESCRIPTION

*...The key questions are to **decide the extent of the impact on the internal market** and whether the state aid is relevant at all. If the criteria for granting state aid are met, then the question remains whether **one or more types of state aid are applicable** for each of the projects, whether the funding gap should be defined for a particular type of measures, or whether a claw back mechanism should be set up to monitor the impact of the aid on the continued operation of the projects, etc. ...*

# Determination of the forms and methods of granting aid

---

## How we dealt with some of the challenges and **WHAT WE MANAGED** to move forward?

*some examples of how we are handling some issues?*

... within one project, we create **compounds with the relevant GBER articles**

*beware, the relevant administrative costs also need to be split, but beware, only if they are eligible!*

... bear in mind that **cooperation between education and the business sector** does not have to be state aid in all circumstances

*such as collaborative research*

... some **activities of universities for the purpose of education** and demonstration of research need not be but can also be state aid

*look to see if it is a demonstration of their own research and who the educational activities are for*



# Determination of the forms and methods of granting aid

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How we dealt with some of the challenges and **WHAT WE MANAGED** to move forward?

*some examples of how we are handling some issues?*

... even if a business entity implements **publicly accessible infrastructure** does not need to be a state aid

*beware, the relevant administrative costs also need to be split, but beware, only if they are eligible!*

... on the other hand, a public body (or public entity), tackles a **project for the general good** but as **economically active project**, it does not mean that it is not state aid

*take a good look at the economic life of the whole project, over its entire lifetime*



# Determination of the forms and methods of granting aid

---

...but, **WHAT ISSUES REMAIN** to be managed to move forward ?

*some examples of issues we still need to be clarify?*

... What if a **private company invests in public infrastructure** (freely accessible water areas, green spaces, cycle paths, playgrounds...), but how to look at the fact that the company owns a significant amount of land in the area and therefore there is a high assumption of its future commercial use?

But the surrounding land use is not included, what is not clear yet, the **project may or may not be economically exploited** in the future by the same enterprise

... What is the correct approach in the case of support for the **construction of utilities to the edge of land** (likely future commercial use) where neither the end user nor the specific purpose of the future use is known? Can Article 56 GBER be used and **how to correctly calculate the funding gap in such a case?** The investor and owner of the land is a large company.

# Determination of the forms and methods of granting aid

---

...but, **WHAT ISSUES REMAIN** to be managed to move forward ?

*some examples of issues we still need to be clarify?*

... And what if a company wants to **upskill their employees** for their benefit and future employment, precisely for the purpose that **the sector in question is disappearing in the region** (such as the mining sector). How to look at such aid and the eligibility of expenses, including, for example, wage compensation?

...How are we to view infrastructure that is on mining-affected sites but **is not clearly and exclusively aimed at preserving cultural heritage**, nor does it provide sports services, nor is it local infrastructure by definition (let's say it is some form of multifunctional centre, but it is not necessarily Article 55)

... How to proceed with the evaluation of **'science popularisation centres'** where we identify overlap into commercial activities that, although not targeted at a dedicated group (e.g. training beneficiaries), are at the same time highly innovative activities that are not yet commercially provided or **have limited scale in the region or the Czech Republic?** Do such activities fulfil the State aid rules and can the 80/20 rule be applied here?

# Determination of the forms and methods of granting aid

...but, **WHAT ISSUES REMAIN** to be managed to move forward ?

*some examples of issues we still need to be clarify?*

... And what if infrastructure (building) is built in which **economic activities are carried out but mandated by a service of general economic interest** (SGEI) obligation. Can such a building, owned by the public sector, be supported without state aid conditions?

...What is the correct approach to be taken in the case of land preparation/territory survey projects or similar types of investment in **dedicated infrastructure**, where the owner and user of such future infrastructure/facility is most likely to be the promoter or its partner (enterprise) itself?

...Can two sites (geographically or only separated by objective) be **supported separately in one project according to Article 56 GBER**? Does a project need to be notified individually if one or the sum of the investment costs exceeds one or both of the thresholds for notification, i.e. 11 mEUR subsidy and 22 mEUR total costs? What is the correct **interpretation of this notification threshold** ?



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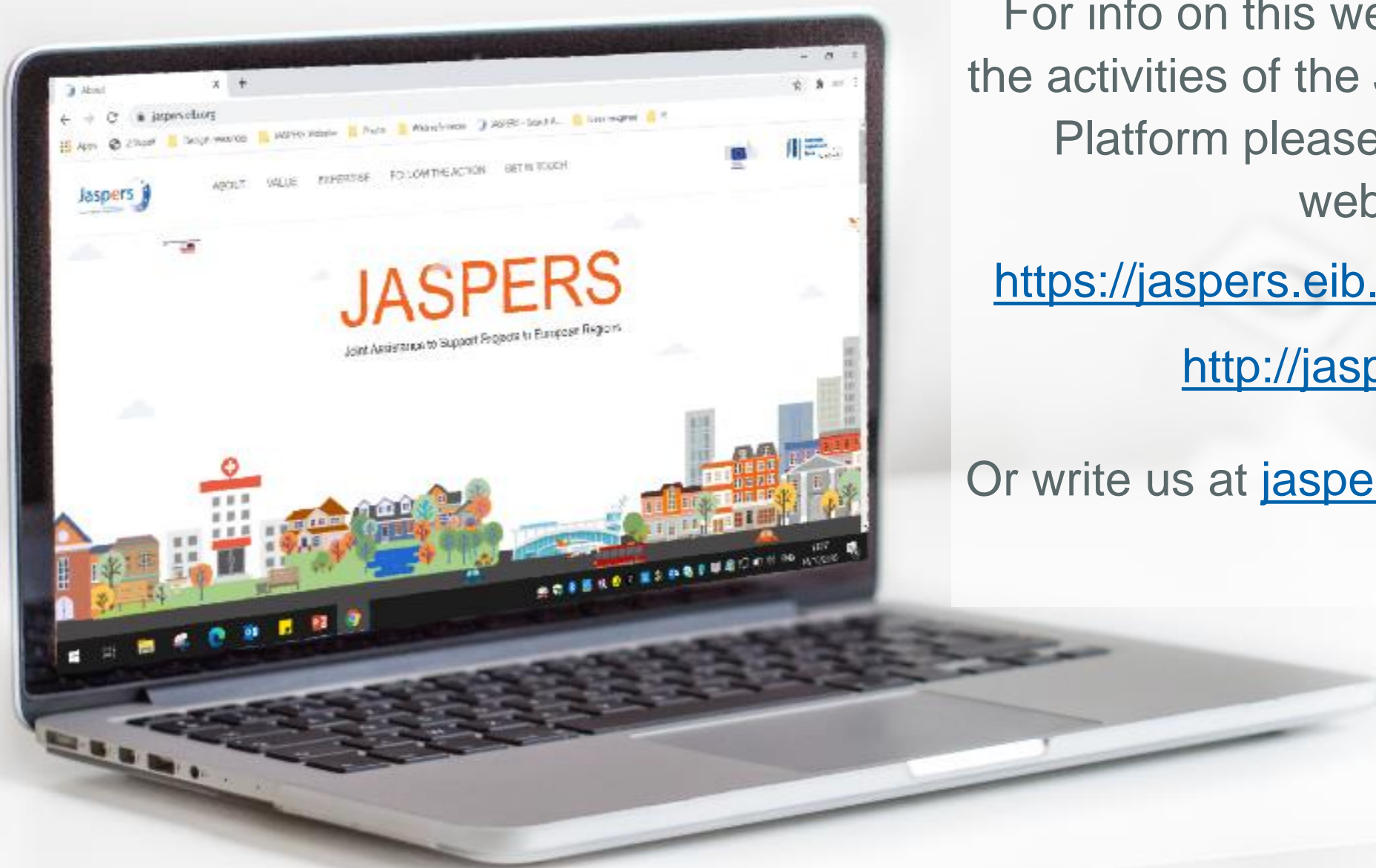
# Thank you for your attention !



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