



State aid rules and development cooperation

Possible remedies

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Agenda

1. Status quo
2. Possible remedies
3. Steps taken
4. Way forward

1. STATUS QUO

→ Challenges due to state aid rules are manifold and restrict involvement of private enterprises in development cooperation (cf. earlier contribution by ADA)

Consequences in detail:

- No project
- Restricted project
- Risk remains in any case

2. POSSIBLE REMEDIES

- General exception for development cooperation in state aid rules
- One possible way: GBER
- One possibly helpful strategy: connect the subject of development cooperation to current focus areas of the EC (e.g. climate protection; Green Deal)

3. STEPS TAKEN

- Consultation process on the „*Targeted review of the General Block Exemption Regulation (State aid): revised rules for State aid promoting the green and digital transition*”
- Joint statement by AICS, ADA and GIZ. Main message: “*funding in support of European enterprises’ engagement in achieving Agenda 2030 SDGs in Partner countries (listed in the DAC List of ODA Recipients) should not fall under current legal European State Aid regulatory framework*”.
- GIZ proposal: 1. general exception for development cooperation, 2. exception for EU funded projects, 3. extend existing GBER exceptions to cover development cooperation measures

4. WAY FORWARD

→ Preferably **joint effort** to increase awareness of...

- ...the conflict between state aid rules and development cooperation and the restricting impact on the involvement of private enterprises in development cooperation;
- ...the connection between development cooperation and current focus areas of the EC

→ Strive for support from major actors on the European and the national level

→ Use windows of opportunity whenever state aid rules are revised

Thank you very much for your attention

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