



Austrian Development Agency

## State aid compliance, practice and challenges

July 2022

# ADA's programme portfolio

## Grants to recipients

- Public sector
- NGO
- Private sector (enterprises)

# What qualifies State aid?

- The aid is granted by the state or through state resources
- The aid confers an **advantage** on the recipient
- The aid is selective, favouring only certain **undertakings** or the production of certain goods
- It distorts or threatens to distort competition
- It affects, or has the potential to affect trade between Member States

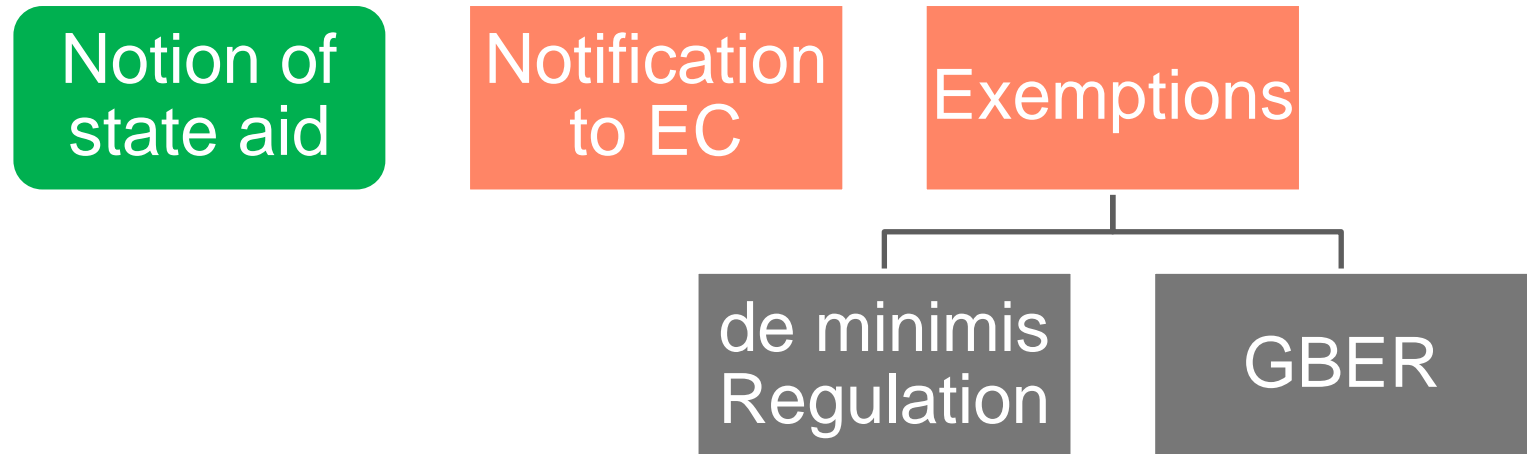
# What qualifies State aid?

- The aid confers an **advantage** on the recipient
  - final beneficiaries in developing countries
  - indirect advantage
- The aid is selective, favouring only certain **undertakings** or the production of certain goods
  - actor that carries out **economic activity** consisting of offering goods or services on a given market

# Difficulties in the application of State aid rules in development cooperation

- no specific rules
- complexity
- review costs in time and money
- residual risk

# Possible approaches





Thank you!