



EUROPEAN COMMISSION

Brussels, 13.IX.2006
C(2006) 4010

PUBLIC VERSION

WORKING LANGUAGE

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**Subject: State aid N 531/06 – Poland
Regional aid map 2007-2013**

Sir,

1. PROCEDURE

1. With letter dated 6 August 2006, registered at the Commission on 8 August 2006 the Polish authorities notified their Regional Aid map for the period 1.1.2007 – 31.12.2013.
2. On 21 December 2005, the Commission adopted the *Guidelines on National Regional Aid for 2007-2013*¹ (hereinafter “RAG”). In accordance with paragraph 100 of the RAG each Member State should notify to the Commission following the procedure of Article 88(3) of the Treaty, a single regional aid map covering its entire national territory which will apply for the period 2007-2013. In accordance with paragraph 101, the approved regional aid map is to be published in the Official Journal of the European Union, and will be considered an integral part of the RAG.

¹ OJ C 54, 4.3.2006, p. 13

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2. DESCRIPTION

3. The whole territory of Poland was eligible under the derogation of Article 87(3)(a) for the period 1.5.2004 – 31.12.2006² and the Polish authorities propose that for the period 2007-2013 the whole territory remains eligible to receive investment aid under the derogation of Article 87(3)(a), although at different aid ceilings in case of certain regions.
4. All the proposed aid ceilings are those for investments by large enterprises. For medium sized enterprises³ this aid ceiling can be increased⁴ by 10 percentage points and for small enterprises⁵ by 20 percentage points.

2.1. Article 87(3)(a) regions: proposed for the whole period 2007-2013

5. The following NUTS II regions are proposed for eligibility under the 87(3)(a) derogation for the whole period 2007-2013 at an aid ceiling of 50% GGE:
 - PL11 Łódzkie
 - PL21 Małopolskie
 - PL31 Lubelskie
 - PL32 Podkarpackie
 - PL33 Świętokrzyskie
 - PL34 Podlaskie
 - PL43 Lubuskie
 - PL52 Opolskie
 - PL61 Kujawsko-Pomorskie
 - PL62 Warmińsko-Mazurskie
6. The following NUTS-II regions are proposed for eligibility under the 87(3)(a) derogation for the whole period 2007-2013 at an aid ceiling of 40% GGE:
 - PL22 Śląskie
 - PL41 Wielkopolskie
 - PL42 Zachodniopomorskie
 - PL51 Dolnośląskie
 - PL63 Pomorskie
7. The NUTS-II region of PL12 Mazowieckie is proposed for eligibility under the 87(3)(a) derogation for the whole period 2007-2013 starting with an aid ceiling of 40% GGE on 1.1.2007, which will then be lowered to 30% GGE on 1.1.2011,

² Decision not to raise objections to the regional aid map of Poland for the period between 1 May 2004 and 31 December 2006 (PL 1/2004).

³ As defined in the Annex of Commission Regulation (EC) No 364/2004 of 25 February 2004 amending Regulation (EC) 70/2001, OJ L 63, 28.2.2004, p. 22, or any successor regulation.

⁴ Except for aid awarded in the transport sector and aid for large investment projects.

⁵ See footnote 3

except for the underlying NUTS-III region of PL127 Miasto Warszawa which will have a 30% GGE aid ceiling for the whole period 2007-2013.

3. ASSESSMENT

8. The whole territory of Poland remains eligible for national regional aid for the period 2007-2013 under the derogation of Article 87(3)(a) of the EC Treaty.

3.1. 87(3)(a) regions: proposed for the whole period 2007-2013

9. In accordance with paragraph 44 of the RAG, the aid ceiling for regions falling under Article 87(3)(a) of the EC Treaty must not exceed 50% GGE for regions with less than 45% of average EU-25 GDP per capita, which is the case for the following NUTS-II regions as shown by their respective GDP per capita⁶:

– PL11	Łódzkie	41.45%
– PL21	Małopolskie	39.81%
– PL31	Lubelskie	32.23%
– PL32	Podkarpackie	32.80%
– PL33	Świętokrzyskie	35.82%
– PL34	Podlaskie	35.05%
– PL43	Lubuskie	41.09%
– PL52	Opolskie	38.28%
– PL61	Kujawsko-Pomorskie	41.80%
– PL62	Warmińsko-Mazurskie	34.70%.

10. In accordance with the same paragraph of the RAG, the aid ceiling for regions falling under Article 87(3)(a) of the EC Treaty must not exceed 40% GGE for regions with less than 60% of average EU-25 GDP per capita, which is the case for the following NUTS-II regions as shown by their respective GDP per capita:

– PL22	Śląskie	50.62%
– PL41	Wielkopolskie	48.18%
– PL42	Zachodniopomorskie	46.29%
– PL51	Dolnośląskie	47.52%
– PL63	Pomorskie	45.75%.

11. In accordance with the same paragraph of the RAG, the aid ceiling for regions falling under Article 87(3)(a) of the EC Treaty must not exceed 30% GGE for regions with less than 75% of average EU-25 GDP per capita, which is the case for of the NUTS-II region of PL12 Mazowieckie, which has a GDP per capita of 68.77%.

12. However, paragraph 92 of the RAG stipulates that where the implementation of the guidelines will result in a reduction in maximum aid intensities of more than 15 percentage points, the reduction may be implemented in two stages with the initial reduction of a minimum of 10 percentage points being applied on 1 January 2007, and the balance on 1 January 2011. This transitional provision concerns the

⁶ Gross Domestic Product expressed in Purchasing Power Standards per capita for the years 2000-2002. (EU-25 = 100)

NUTS-II region of PL12 Mazowieckie, which was eligible for an aid ceiling of 50% in the period 2000-2006. Therefore, the aid ceiling is lowered to 40% on 1 January 2007 and then further to 30% on 1 January 2011.

13. The underlying NUTS-III region of PL127 Miasto Warszawa was already eligible for an aid ceiling of 30% in the period 1.5.2004 – 31.12.2006. Therefore, its aid ceiling is 30% GGE for the whole period 2007-2013.

3.2. General provisions of the map

14. In accordance with paragraph 49 of the RAG, the preceding aid ceilings can be increased by 10% GGE for medium sized enterprises⁷ and 20% GGE for small enterprises⁸. However, in accordance with paragraph 67 of the RAG no SME bonuses are allowed for investment projects with eligible expenditure exceeding EUR 50 million.
15. Following the assessment above, the maximum aid intensities for regional investment aid notified by Poland for the period 2007-2013 are in line with the maximum aid intensities allowed for under the RAG.
16. The Commission recalls that in accordance with paragraph 8 of the RAG, these maximum aid intensities apply to the processing and marketing of agricultural products only to the extent laid down in the Community guidelines for State aid in the agriculture sector⁹, or any replacement guidelines.
17. The Commission takes note of the following commitments given by the Polish authorities in the notification:
- (a) The Polish authorities confirmed that all plans to grant regional aid will be notified to the Commission in accordance with Article 88(3) of the Treaty, either as an aid scheme, or as an individual notification unless a State aid exemption regulation applies.
 - (b) The Polish authorities confirmed that all regional investment aid will respect the ceilings defined in the region concerned in the regional aid map published by the Commission pursuant to this notification.
 - (c) The Polish authorities confirmed that for large investment projects the upper ceilings defined in respect of the region concerned in the regional aid map published by the Commission pursuant to this notification will be adjusted according to the formula in paragraph 67 of the RAG.
 - (d) The Polish authorities confirmed that all large investment projects for which the amount of aid proposed is more than the maximum allowable amount of aid an investment with eligible expenditure of EUR 100 million

⁷ See footnote 3

⁸ See footnote 3

⁹ OJ C 28 of 1.2.2000, p.2. Corrigendum OJ C 232, 12.8.2000 p. 17.

can receive under the scale laid down in paragraph 67 of the RAG, will be notified individually to the Commission.

3.3. Appropriate measures

18. By letter of 6 March 2006, reference D/(06)237, the Commission proposed appropriate measures to the Polish authorities by which, inter alia, the application of their existing regional aid schemes is limited until 31 December 2006. The Polish authorities accepted these appropriate measures unconditionally by letter of 13 April 2006, registered at the Commission on 18 April 2006.

4. DECISION

19. The Commission has accordingly decided:

- to consider the Polish regional aid map for 2007-2013 as set out in the Annex to be compatible with the EC Treaty as it fulfils the conditions as stipulated in the Guidelines on national regional aid for 2007-2013. This map is valid from 1 January 2007 until 31 December 2013.
- to publish the map as presented in the Annex to this decision in the Official Journal of the European Union. The full text of this letter in the authentic language will be published on the Internet site: http://ec.europa.eu/community_law/state_aids/index.htm

Any request concerning this letter should be sent by registered letter or fax to:

European Commission
Directorate-General for Competition
Directorate for State Aid I
State Aid Greffe
B – 1049 Brussels
Fax No: 0032.2.296 12 42

Yours faithfully,
For the Commission

Neelie KROES
Member of the Commission

Guidelines on National Regional aid for 2007-2013

(OJ C 54, 4.3.2006, p. 13)

POLAND - National regional state aid map 1.1.2007-31.12.2013

(Approved by the Commission on

(NUTS II REGION) (NUTS III REGION)		Ceiling for regional investment aid ¹ (Applicable to large enterprises)	
		1.1.2007-31.12.2010	1.1.2011-31.12.2013
Regions eligible for aid under Article 87(3)(a) of the EC Treaty until 31.12.2013			
PL11	Łódzkie	50%	50%
PL21	Małopolskie	50%	50%
PL31	Lubelskie	50%	50%
PL32	Podkarpackie	50%	50%
PL33	Świętokrzyskie	50%	50%
PL34	Podlaskie	50%	50%
PL43	Lubuskie	50%	50%
PL52	Opolskie	50%	50%
PL61	Kujawsko-Pomorskie	50%	50%
PL62	Warmińsko-Mazurskie	50%	50%
PL22	Śląskie	40%	40%
PL41	Wielkopolskie	40%	40%
PL42	Zachodniopomorskie	40%	40%
PL51	Dolnośląskie	40%	40%
PL63	Pomorskie	40%	40%
PL12	Mazowieckie		
	<i>PL121 Ciechanowsko-płocki</i>	40%	30%
	<i>PL122 Ostrołęcko-siedlecki</i>	40%	30%
	<i>PL124 Radomski</i>	40%	30%
	<i>PL126 Warszawski</i>	40%	30%
	<i>PL127 Miasto Warszawa</i>	30%	30%

¹ For investment projects with eligible expenditure not exceeding EUR 50 million, this ceiling is increased by 10 percentage points for medium sized companies and 20 percentage points for small companies 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 with eligible expenditure exceeding EUR 50 million, this ceiling is subject to adjustment in accordance with paragraph 67 of the Guidelines on national regional aid for 2007-2013.