## **EUROPEAN COMMISSION**

DIRECTORATE-GENERAL FOR INTERNAL MARKET, INDUSTRY, ENTREPRENEURSHIP AND SMES Strategy and Economic Analysis

Brussels GROW.A.2/AM

Ms Felicia Covalciuc For AECM, EAPB, ELTIA, NEFI, SMEunited

Via email

Dear Ms Covalciuc,

Thank you for the joint letter to the EU SME Envoy, respectively the Directors-General of DG COMP and GROW. Ms Jorna asked me to answer on her behalf, given that the EU SME Envoy has yet to be nominated.

As regards the concerns raised in relation to the State aid framework applicable to the measures implemented by the EGF, we note that these would require an amendment to the Commission Decision of 14 December 2020 upon notification by the participating Member States, which the Commission has for the moment not received. However, the team from DG Competition has been working together with the EIB Group and the participating Member States with the aim of finding a solution to enable the extension of the maturity of the underlying financing under certain conditions and to increase the financing thresholds for the measures designed in analogy with Section 3.1 of the COVID-19 State aid Temporary Framework in line with its fifth amendment.

As regards the prolongation of the Temporary Framework itself and the implementation period of the EGF measures under the specific State aid framework established by the abovementioned Commission Decision, we take note of the concerns you raise. As you correctly point out, these two frameworks are closely linked. On the Temporary Framework, we are in consultation with Member States and continue to monitor the relevant market developments and projections to inform this decision. For the EGF, the participating Member States would need to assess the need for prolongation, also taking into account the specific nature of the EGF, and if appropriate, make reasoned request to amend the applicable State aid framework through a notification by each of the participating Member States.

Yours sincerely,

## Electronically signed

Birgit Weidel Head of Unit

c.c.: Unit GROW.C1 (Ms Bartels, HoU)