**Question:**

How should the Guidelines on Regional State Aid be applied if the amount of the eligible costs of the initial investment is decreased by 40% to 50% in the course of the implementation of the investment? The amount of the aid is:

a/ recovered in full, or

b/ scaled down to an amount not exceeding the maximum aid intensity? In that case how is the incentive effect, which has been evaluated on the basis of the initial project, confirmed? If this is the applicable treatment, is there a maximum decrease in eligible costs up to which this treatment can be applied (for example 10%, 30%, 50% or more)?

c/ depends on the national legislation, i.e. on the way of implementation of the state aid scheme in the national legislation.

**Reply:**

The RAG require scaling down to an amount not exceeding the granted aid intensity and do not require a new evaluation of the incentive effect. There is no maximum decrease in eligible costs.

However, if the national legislation required full recovery of the aid amount, this would not go against the RAG.

*Disclaimer: This reply does not represent a formal and definite position of the European Commission but is only an informal guidance provided by the services of DG Competition to facilitate the application of the GBER. It is therefore not binding and cannot create legal certainty or legitimate expectations.*