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ANNEX I

Definitions

For the purposes of this Regulation the following definitions shall apply:

1. 'ad hoc aid' means aid not awarded on the basis of an aid scheme;
2. 'agricultural product' means the products listed in Annex I to the Treaty, except fishery and aquaculture products listed in Annex I to Regulation (EU) No [COM(2011)416] on the common organisation of the markets in fishery and aquaculture products;
3. 'aid' means any measure fulfilling all the criteria laid down in Article 107(1) of the Treaty;
4. 'aid intensity' means the gross aid amount expressed as a percentage of the eligible costs, before any deduction of tax or other charge;
5. 'aid scheme' means any act on the basis of which, without further implementing measures being required, individual aid awards may be made to undertakings defined within the act in a general and abstract manner and any act on the basis of which aid which is not linked to a specific project may be awarded to one or several undertakings for an indefinite period of time and/or for an indefinite amount;
6. 'coal' means high-grade, medium-grade and low-grade category A and B coal within the meaning of the international codification system for coal established by the United Nations Economic Commission for Europe[[1]](#footnote-1);
7. 'DAC List of the OECD': means all countries and territories that are eligible to receive official development assistance and included in the list compiled by the Organisation for Economic Co-operation and Development (OECD).
8. 'date of granting the aid' means the date when the legal right to receive the aid is conferred on the beneficiary under the applicable national legal regime;
9. 'difficult audio-visual works': means the works identified as such by Member States on the basis of pre-defined criteria when setting up schemes or granting the aid and may include films whose sole original version is in a language of a Member State with a limited territory, population or language area, short films, films by first-time and second-time directors, documentaries, or low budget or otherwise commercially difficult works.
10. 'disadvantaged worker' means any person who:
    * + 1. has not been in regular paid employment for the previous 6 months; or
        2. is between 15 and 24 years of age; or
        3. has not attained an upper secondary educational or vocational qualification (ISCED 3) or is within two years after completing full-time education and who has not previously obtained his or her first regular paid employment; or
        4. is over the age of 50 years; or
        5. lives as a single adult with one or more dependents; or
        6. works in a sector or profession in a Member State where the gender imbalance is at least 25% higher than the average gender imbalance across all economic sectors in that Member State, and belongs to that underrepresented gender group; or
        7. is a member of an ethnic minority within a Member State and who requires development of his or her linguistic, vocational training or work experience profile to enhance prospects of gaining access to stable employment;
11. 'employment directly created by an investment project' means employment concerning the activity to which the investment relates, including employment created following an increase in the utilisation rate of the capacity created by the investment;
12. 'fiscal successor scheme' means a scheme in the form of tax advantages which constitutes an amended version of a previously existing scheme in the form of tax advantages and which replaces it.
13. 'full time education' means compulsory education prior to the first job on the labour market.
14. 'gross grant equivalent' or 'GGE' means the discounted value of the aid expressed as a percentage of the discounted value of the eligible costs, as calculated on the date of granting the aid on the basis of the applicable discount rate[[2]](#footnote-2);
15. 'individual aid' means:
    * + 1. ad hoc aid; and
        2. notifiable awards of aid on the basis of an aid scheme;
16. 'intangible assets' means assets acquired through a transfer of technology such as patent rights, licences, know-how or other intellectual property;
17. 'large undertakings' means undertakings not fulfilling the criteria laid down in Annex II;
18. 'marketing of agricultural products' means holding or display with a view to sale, offering for sale, delivery or any other manner of placing on the market, except the first sale by a primary producer to resellers or processors and any activity preparing a product for such first sale; a sale by a primary producer to final consumers shall be considered to be marketing if it takes place in separate premises reserved for that purpose;
19. 'net increase in the number of employees' means a net increase in the number of employees in the establishment concerned compared with the average over a given period in time, and that any posts lost during that period must therefore be deducted and that the number of persons employed full-time, part-time and seasonal has to be considered with their annual labour unit fractions;
20. 'Normal residence' means the place where a person lives for at least 185 days in each calendar year because of personal and occupational ties; in the case of a person whose occupational ties are in a different place from his personal ties and who lives in two or more Member States, his place of normal residence is regarded as the place of his personal ties provided that he returns there regularly; where a person is living in a Member State in order to carry out a task of a set duration, his place of residence is still regarded as being the place of his personal ties, irrespective of whether he returns there during the course of this activity; attendance at a university or school in another Member State does not constitute a transfer of normal residence.
21. 'Outermost regions' means regions as defined under Article 349 of the Treaty. In accordance with European Council Decision (2010/718/EU) of 29 October 2010 amending the status with regard to the European Union of the island of Saint-Barthélemy (OJ L 325, 9.12.2010, p. 4), from 1 January 2012, Saint-Barthélemy ceased to be an outermost region. In accordance with European Council Decision (2012/419/EU) of 11 July 2012 amending the status of Mayotte with regard to the European Union (OJ L 204, 31.7.2012, p. 131), on 1 January 2014, Mayotte became an outermost region.
22. 'processing of agricultural products' means any operation on an agricultural product resulting in a product which is also an agricultural product, except on-farm activities necessary for preparing an animal or plant product for the first sale;
23. 'Professional sport' means the practice of sport in the nature of gainful employment or remunerated service, irrespective of whether or not a formal labour contract has been established between the professional sportsperson and the relevant sport organisation, where the compensation exceeds the cost of participation and constitutes a significant part of the income for the athlete. Travel and accommodation expenses to participate to the sport event shall not be considered as compensation for the purposes of this Regulation.
24. 'Remote regions' means outermost regions, Malta, Cyprus, islands which are part of the territory of a Member State and sparsely populated areas.
25. 'repayable advance' means a loan for a project which is paid in one or more instalments and the conditions for the reimbursement of which depend on the outcome of the project;
26. 'severely disadvantaged worker' means any person who:
    * + 1. has not been in regular paid employment for at least 24 months; or
        2. has not been in regular paid employment for at least 12 months and belongs to one of the categories (b) to (g) mentioned under the definition of 'disadvantaged worker'.
27. 'sheltered employment' means employment in an undertaking where at least 30% of workers are workers with disabilities;
28. 'small and medium-sized undertakings' or 'SMEs' means undertakings fulfilling the criteria laid down in Annex II;
29. start of works' means either the start of construction works relating to the investment, or the first legally binding commitment to order equipment or any other commitment that makes the investment irreversible, whichever comes first, excluding preparatory works; buying land and preparatory works such as obtaining permits and conduction feasibility studies are not considered start of works. For take-overs, ‘start of works’ means the moment of acquiring the assets directly linked to the acquired establishment;
30. 'tangible assets' means assets consisting of land, buildings and plant, machinery and equipment;
31. 'territorial spending obligations': mean the obligations imposed by the authority granting the aid on beneficiaries to spend a minimum amount and/or conduct a minimum level of production activity in a particular territory;
32. 'undertaking in difficulty' means an undertaking that fulfills the following conditions: :

[precise ‘hard criteria’ as currently set out in paragraph 10 of the Guidelines on State aid for rescuing and restructuring firms in difficulty or as set out in new guidelines on rescue and restructuring aid]

1. 'wage cost' means the total amount actually payable by the beneficiary of the aid in respect of the employment concerned, comprising over a defined period of time the gross wage before tax and compulsory contributions such as social security, child care and parent care costs.
2. 'worker with disabilities' means any person who:
   * + 1. is recognised as worker with disabilities under national law; or
       2. has a long-term physical, mental, intellectual or sensory impairments which in interaction with various barriers may hinder their full and effective participation in a work environment on an equal basis with other workers;

*Definitions for regional aid*

1. ’adjusted aid amount’ means the maximum permissible aid amount for a large investment project, calculated according to the following formula:

maximum aid amount = R × (50 + 0,50 × B + 0 × C)

where: R is the maximum aid intensity applicable in the area concerned established in an approved regional map and which is in force on the date of granting the aid, excluding the increased aid intensity for SMEs; B is the part of eligible costs between EUR 50 million and EUR 100 million; C is the part of eligible costs above EUR 100 million

1. 'areas eligible for operating aid', means an outermost region referred to in Article 349 of the Treaty or a sparsely populated area, as determined in the approved regional aid map for the Member State concerned for the period 1.7.2014-31.12.2020;
2. 'assisted areas' means areas designated in an approved regional aid map for the period 1.7.2014 - 31.12.2020 in application of Articles 107(3)(a) and (c) of the Treaty;
3. 'fair rate of return (FRR)' means the expected rate of return equivalent to a risk-adjusted discount rate which reflects the level of risk of an urban development project and the nature and level of capital the private investors plan to invest;
4. 'initial investment' means:

* an investment in tangible and intangible assets related to the setting-up of a new establishment, the extension of the capacity of an existing establishment, the diversification of the output of an establishment into products not previously produced in the establishment or a fundamental change in the overall production process of an existing establishment; or
* an acquisition of assets belonging to an establishment that has closed or would have closed had it not been purchased, and is bought by an investor unrelated to the seller and excludes sole acquisition of the shares of an undertaking;

1. 'initial investment in favour of new economic activity' means:

* an investment in tangible and intangible assets related to setting up of a new establishment, or to the diversification of the activity of an establishment, under the condition that the new activity is not the same or a similar activity to the activity previously performed in the establishment;
* acquisition of the assets belonging to an establishment that has closed or would have closed had it not been purchased, and is bought by an investor unrelated to the seller, under the condition that the new activity to be performed using the acquired assets is not the same or a similar activity to the activity performed in the establishment prior to the acquisition;

1. 'in-kind contribution' means the contribution of land or real estate where the land or real estate forms part of the urban development project;
2. 'integrated approach for sustainable urban development' means a strategy officially proposed and certified by a relevant local authority or public sector agency, defined for a specific urban geographic area and period in line with Article 87(3) of the Common Provisions Regulation;
3. 'investment aid' means regional aid granted for an initial investment or an initial investment in favour of new economic activity;
4. 'journey' means the movement of goods from the point of origin to the point of destination, including any intermediary sections or stages within or outside the Member State concerned, made using one or more means of transport;
5. 'large investment project' means an initial investment with eligible costs exceeding EUR 50 million, calculated at prices and exchange rates on the date of granting the aid;
6. 'means of transport' means railway transport, road freight transport, inland waterway transport, maritime transport, air transport, intermodal transport;
7. 'point of destination' means the place where the goods are unloaded;
8. 'point of origin' means the place where the goods are loaded for transport;
9. 'regional operating aid' means aid to reduce an undertaking’s current expenditure that is not related to an initial investment. This includes costs categories such as personnel costs, materials, contracted services, communications, energy, maintenance, rent, administration, etc., but excludes depreciation charges and the costs of financing if these have been included in the eligible costs when granting investment aid;
10. 'the same or a similar activity' means an activity falling under the same class (four-digit numerical code) of the NACE Rev. 2 statistical classification of economic activities[[3]](#footnote-3);
11. 'scheme targeted at specific sectors of economic activity' means a scheme which covers only one or a limited number of activities within manufacturing or services.
12. 'Sparsely populated areas' means areas accepted by the Commission as such in the individual decisions on regional aid maps for the period 1.7.2014 - 31.12.2020.
13. 'steel sector' means all activities related to the production of one or more of the following products:
    * + 1. pig iron and ferro-alloys:

pig iron for steelmaking, foundry and other pig iron, spiegeleisen and high-carbon ferro-manganese, not including other ferro-alloys;

* + - 1. crude and semi-finished products of iron, ordinary steel or special steel:

liquid steel cast or not cast into ingots, including ingots for forging semi- finished products: blooms, billets and slabs; sheet bars and tinplate bars; hot-rolled wide coils, with the exception of production of liquid steel for castings from small and medium-sized foundries;

* + - 1. hot finished products of iron, ordinary steel or special steel:

rails, sleepers, fishplates, soleplates, joists, heavy sections 80 mm and over, sheet piling, bars and sections of less than 80 mm and flats of less than 150 mm, wire rod, tube rounds and squares, hot-rolled hoop and strip (including tube strip), hot-rolled sheet (coated or uncoated), plates and sheets of 3 mm thickness and over, universal plates of 150 mm and over, with the exception of wire and wire products, bright bars and iron castings;

* + - 1. cold finished products:

tinplate, terneplate, blackplate, galvanized sheets, other coated sheets, colled-rolled sheets, electrical sheets and strip for tinplate, cold-rolled plate, in coil and in strip;

* + - 1. tubes:

all seamless steel tubes, welded steel tubes with a diameter of over 406.4 mm;

1. 'synthetic fibres sector' means:
   * + 1. extrusion/texturisation of all generic types of fibre and yarn based on polyester, polyamide, acrylic or polypropylene, irrespective of their end-uses; or
       2. polymerisation (including polycondensation) where it is integrated with extrusion in terms of the machinery used; or
       3. any ancillary process linked to the contemporaneous installation of extrusion/texturisation capacity by the prospective beneficiary or by another company in the group to which it belongs and which, in the specific business activity concerned, is normally integrated with such capacity in terms of the machinery used.
2. 'tourism activity' means the following activities in terms of NACE Rev. 2:
   * + 1. NACE 55:Accommodation;
       2. NACE 56: Food and beverage service activities;
       3. NACE 79: Travel agency, tour operator reservation service and related activities;
       4. NACE 90: Creative, arts and entertainment activities;
       5. NACE 91: Libraries, archives, museums and other cultural activities;
       6. NACE 93: Sports activities and amusement and recreation activities;
3. 'transport costs' means the costs of transport for hire or reward actually paid by the beneficiaries per journey, comprising:
   * + 1. freight charges, handling costs and temporary stocking costs, in so far as these costs relate to the journey;
       2. insurance costs applied to the cargo;
       3. taxes, duties or levies applied to the cargo and, if applicable, to the deadweight, both at point of origin and point of destination;
       4. safety and security control costs, surcharges for increased fuel costs;
4. 'transport' means transport of passengers by aircraft, maritime transport, road, railway, and by inland waterway or freight transport services for hire or reward, as well as the related infrastructure;
5. 'type of goods' means goods classified in accordance with Commission Regulation (EC) No 1304/2007 of 7 November 2007 amending Council Directive 95/64/EC, Council Regulation (EC) No 1172/98, Regulations (EC) No 91/2003 and (EC) No 1365/2006 of the European Parliament and of the Council with respect to the establishment of NST 2007 as the unique classification for transported goods in certain transport modes[[4]](#footnote-4);
6. 'urban development fund (UDF)' means a specialised investment vehicle set up for the purpose of investing in urban development projects under an urban development aid measure. UDFs are managed by an urban development fund manager;
7. 'urban development fund manager' means a professional management company with a legal personality, selecting and making investments in eligible UDPs;
8. 'urban development project (UDP)' means an investment project that has the potential to support the implementation of interventions envisaged by an integrated approach for sustainable urban development and contribute to the achievement of the objectives defined therein, including projects with an internal rate of return (IRR) which may not be sufficient to attract financing on purely commercial basis. An urban development project may be organised as a separate block of finance within the legal structures of the beneficiary private investor or as a separate legal entity, e.g. a special purpose vehicle;

*Definitions* *for Aid to SMEs*

1. 'alternative trading platform' means a multilateral trading facility in accordance with Article 4(1)(15) of Directive 2004/39/EC where the financial instruments admitted to trading are issued by undertakings which at the time of the first investment are eligible SMEs;
2. 'cooperation advisory services' means consulting, assistance and training for the exchange of knowledge and experiences and for improvement of cooperation;
3. 'cooperation support services' means the provision of office space, websites, data banks, libraries, market research, handbooks, working and model documents;
4. 'entrusted entity' means the European Investment Bank and the European Investment Fund, an international financial institution in which a Member State is a shareholder, or a financial institutions established in a Member State aiming at the achievement of public interest under the control of a public authority, a public law body, or a private law body with a public service mission, selected in accordance with applicable Union and national rules, and entrusted by a Member State to implement a risk finance measure. The entrusted entity may be appointed directly if that appointment meets the conditions of [Article 11 of Directive replacing Directive 2004/18/EC[[5]](#footnote-5)];
5. 'equity investment' means the provision of capital to an undertaking, invested directly or indirectly in return for partial ownership of that undertaking and where the equity investor may share the undertaking's profits;
6. 'exit strategy' means a strategy for the liquidation of holdings by an investment vehicle or another investor, in accordance with a plan to achieve maximum return, including trade sale, write-offs, repayment of preference shares/loans, sale to another investment vehicle or another investor, sale to a financial institution and sale by public offering, including an initial public offering (IPO);
7. 'financial endowment' means a repayable public investment made to a financial intermediary for the purposes of making investments under a risk finance measure, and where all the proceeds shall be returned to the public investor;
8. 'financial intermediary' means any financial institution regardless of its form and ownership, including fund-of-funds, private equity investment funds, public investment funds, banks, micro-finance institutions and guarantee societies;
9. 'first commercial sale' means the first sale by a company on a product or service market, excluding limited sales to test the market;
10. 'follow-on investment' means additional risk finance investment in a company subsequent to one or more previous risk finance investment rounds;
11. 'guarantee' means a written commitment to assume responsibility for all or part of a third party's newly originated quasi-equity or loan transactions, to the exclusion of existing loans. For the purposes of Article 20, the term guarantee includes also counter-guarantees provided to financial intermediaries;
12. 'guarantee rate' means the percentage loss coverage of each and every transaction of the guaranteed portfolio;
13. 'independent private investor' means a private investor who, at the time of the first risk finance investment, is independent from the SME in which it invests, including financial intermediaries, to the extent that they bear the full risk in respect of their investment. Upon the creation of a new company, private investors are considered to be independent from that company. Investment by public financial intermediaries shall be considered independent private investment, if the State does not exercise de jure or de facto control over such intermediary;
14. 'innovative enterprise' means an enterprise that:

(i) can demonstrate, by means of an evaluation carried out by an external expert that it will in the foreseeable future develop products, services or processes which are new or substantially improved compared to the state of the art in its industry, and which carry a risk of technological or industrial failure, or

(ii) its research and development costs represent at least 10% of its total operating costs in at least one of the three years preceding the granting of the aid or, in the case of a start-up enterprise without any financial history, in the audit of its current fiscal period, as certified by an external auditor;

1. 'loan instrument' means an agreement which obliges the lender to make available to the borrower an agreed amount of money for an agreed period of time and under which the borrower is obliged to repay the amount within the agreed period. Debt instruments may take the form of loans and other funding instruments including lease, which provide the lender/investor with a predominant component of minimum yield. The refinancing of existing loans shall not be an eligible loan;
2. 'natural person' for the purpose of Articles 19 and 21 means a person who is not an undertaking for the purposes of Article 107(1) of the Treaty;
3. 'organisational cooperation' means the development of joint business strategies or management structures, the provision of common services or services to facilitate cooperation, coordinated activities such as research or marketing, the support of networks and clusters, the improvement of accessibility and communication, the use of joint instruments to encourage entrepreneurship and trade with SMEs;
4. 'quasi-equity investment' means a type of financing that ranks between equity and debt, having a higher risk than senior debt and a lower risk than common equity and whose return for the holder is predominantly based on the profits or losses of the underlying target undertaking and which are unsecured in the event of default. Quasi-equity investments can be structured as debt, unsecured and subordinated, including mezzanine debt, and in some cases convertible into equity, or as preferred equity;
5. 'replacement capital' means the purchase of existing shares in a company from an earlier investor or shareholder;
6. 'risk finance investment' means equity and quasi-equity investments, loans including leases, guarantees, or a mix thereof to eligible undertakings for the purposes of making new investments;
7. 'total financing' means one or more risk finance investments in an eligible SME, including follow-on investments as covered by Article 21(6) of this Regulation;
8. 'unlisted SME' means an SME which is not listed on the official list of a stock exchange; for the purposes of this Regulation, an SME listed on an alternative trading platform specialized in SMEs is considered unlisted.

*Definitions* for *Aid for research and development and innovation*

1. 'arm's length' means that the conditions of the transaction between the contracting parties do not differ from those which would be stipulated between independent undertakings and contain no element of collusion. The setting up of an open, transparent and unconditional tender procedure for the transaction is considered as meeting the arm's length principle;
2. 'effective collaboration' means collaboration to exchange knowledge or technology, or to achieve a common objective based on the division of labour where the parties jointly define the scope of the collaborative project and share its risks and outputs. Subcontracting is not considered to be effective collaboration.
3. 'experimental development' means acquiring, combining, shaping and using existing scientific, technological, business and other relevant knowledge and skills with the aim of developing new or improved products, processes or services. This may also include, for example, activities aiming at the conceptual definition, planning and documentation of new products, processes or services;

Experimental development may comprise prototyping, demonstrating, piloting, testing and validation of new or improved products, processes or services in environments representative of real life operating conditions where the primary objective is to make further technical improvements on products, processes or services that are not substantially set. This may include the development of a commercially usable prototype or pilot which is necessarily the final commercial product and which is too expensive to produce for it to be used only for demonstration and validation purposes.

Experimental development does not include routine or periodic changes made to existing products, production lines, manufacturing processes, services and other operations in progress, even if such changes may represent improvements;

1. 'feasibility study' means the evaluation and analysis of the potential of a project, which aims at supporting the process of decision-making by objectively and rationally uncovering its strengths and weaknesses, opportunities and threats, as well as identifying the resources required to carry it through and ultimately its prospects for success;
2. 'fundamental research' means experimental or theoretical work undertaken primarily to acquire new knowledge of the underlying foundations of phenomena and observable facts, without any direct commercial application or use in view;
3. 'highly qualified personnel' means staff having a tertiary education degree and at least 5 years of relevant professional experience which may also include doctoral training;
4. 'industrial research' means the planned research or critical investigation aimed at the acquisition of new knowledge and skills for developing new products, processes or services or for bringing about a significant improvement in existing products, processes or services. It comprises the creation of components parts to complex systems, and may include the construction of prototypes in a laboratory environment or in an environment with simulated interfaces to existing systems as well as of small scale pilot lines to test and validate the manufacturing method performance, when necessary for the industrial research and notably for generic technology validation;
5. 'innovation advisory services' means consultancy, assistance and training in the fields of knowledge transfer, acquisition, protection and exploitation of intangible assets, use of standards and regulations embedding them;
6. 'innovation clusters' means structures or organised groups of independent undertakings (such as innovative start-ups, small, medium and large undertakings, as well as research and knowledge dissemination organisations, non-for-profit organisations and other related economic actors) designed to stimulate innovative activity by promoting, sharing of facilities and exchange of knowledge and expertise and by contributing effectively to knowledge transfer, networking, information dissemination and collaboration among the undertakings and other organisations in the cluster;
7. 'innovation support services' means the provision of office space, data banks, libraries, market research, laboratories, quality labelling, testing and certification for the purpose of developing more effective products, processes or services;
8. 'organisational innovation' means the implementation of a new organisational method in an undertaking’s business practices, workplace organisation or external relations and excludes changes in business practices, workplace organisation or external relations that are based on organisational methods already in use in the undertaking, changes in management strategy, mergers and acquisitions, ceasing to use a process, simple capital replacement or extension, changes resulting purely from changes in factor prices, customisation, localisation, regular seasonal and other cyclical changes and trading of new or significantly improved products;
9. 'personnel costs' means the costs of researchers, technicians and other supporting staff to the extent employed on the relevant project or activity;
10. 'process innovation' means the implementation of a new or significantly improved production or delivery method (including significant changes in techniques, equipment or software), excluding minor changes or improvements, increases in production or service capabilities through the addition of manufacturing or logistical systems which are very similar to those already in use, ceasing to use a process, simple capital replacement or extension, changes resulting purely from changes in factor prices, customisation, localisation, regular, seasonal and other cyclical changes and trading of new or significantly improved products;
11. 'research and knowledge-dissemination organisation' means an entity (such as universities or research institutes, technology transfer agencies, innovation intermediaries, research-oriented physical or virtual collaborative entities), irrespective of its legal status (organised under public or private law) or way of financing, whose primary goal is to independently conduct fundamental research, industrial research or experimental development, or to widely disseminate the results of such activities by way of teaching, publication or knowledge transfer. Where such entity also pursues economic activities the financing, the costs and the revenues of those economic activities must be accounted for separately. Undertakings that can exert influence upon such an entity, in the quality of, for example, shareholders or members, may not enjoy a preferential access to its research capacities or to the results generated by it;
12. 'research infrastructure' means facilities, resources and related services that are used by the scientific community to conduct research in their respective fields and covers major scientific equipment or sets of instruments, knowledge-based resources such as collections, archives or structured scientific information, enabling Information and Communication Technology-based infrastructures such as grid, computing, software and communication, or any other entity of a unique nature essential to conduct research. Such infrastructures may be 'single-sited' or 'distributed' (an organised network of resources)[[6]](#footnote-6);
13. 'secondment' means temporary employment of staff by a beneficiary with the right to return to the previous employer;

*Definitions for aid for environmental protection*

1. 'biofuel' means liquid or gaseous fuel for transport produced from biomass;
2. 'biomass' means the biodegradable fraction of products, waste and residues from agriculture (including vegetal and animal substances), forestry and related industries, as well as the biodegradable fraction of industrial and municipal waste;
3. 'cogeneration' or combined heat and power (CHP) means the simultaneous generation in one process of thermal energy and electrical and/or mechanical energy;
4. 'contaminated site' means a site where there is a confirmed presence, caused by man, of dangerous substances of such a level that they pose a significant risk to human health or the environment taking into account current and approved future use of the land (including forestry land). The environmental damage concerned covers damage to the quality of the soil or of surface water or groundwater.
5. 'cooperation mechanism' means a mechanism which fulfils the conditions of Article 6, 7 or 8 of Directive (EC) 2009/28 of the European Parliament and the Council on the promotion of the use of energy from renewable sources[[7]](#footnote-7);
6. 'environmental protection' means any action designed to remedy or prevent damage to physical surroundings or natural resources by the beneficiary’s own activities, to reduce risk of such damage or to lead to a more efficient use of natural resources, including energy-saving measures and the use of renewable sources of energy;
7. 'energy efficiency fund (EEF)' means a specialised investment vehicle set up for the purpose of investing in energy efficiency measures for improving the energy efficiency of buildings in both the domestic and non-domestic sectors. EEFs are managed by an energy efficiency fund manager;
8. ' energy efficiency fund manager' means a professional management company with a legal personality, selecting and making investments in eligible energy efficiency projects;
9. 'energy efficiency project' means an investment project that increases the energy efficiency of a building.
10. 'energy saving' means an amount of saved energy determined by measuring and/or estimating consumption before and after implementation of an energy efficiency improvement measure, whilst ensuring normalisation for external conditions that affect energy consumption;
11. 'energy-efficient district heating and cooling' means district heating and cooling which satisfies the definition of efficient district heating and cooling system as set out in Article 2(41) and (42) of Directive 2012/27/EU[[8]](#footnote-8);
12. 'energy from renewable energy sources' means energy produced by plants using only renewable energy sources, as well as the share in terms of calorific value of energy produced from renewable energy sources in hybrid plants which also use conventional energy sources and includes renewable electricity used for filling storage systems, but excludes electricity produced as a result of storage systems;
13. 'environmental tax' means a tax whose specific tax base has a clear negative effect on the environment or which seeks to tax certain activities, goods or services so that the environmental costs may be included in their price and/or to enable producers and consumers to be oriented towards activities which better respect the environment;
14. 'Feed-in premium' means a premium paid on top of the market price which exposes renewable energy producers to market prices;
15. 'Balance Responsible Party' (BRP) means a market participant or its chosen representative, responsible for its imbalances.'
16. Balancing responsibilities'means responsibility for deviations between generation, consumption and market deals (in all timeframes – market deals include sales and purchases on organised markets or between BRPs) of a BRP within a given imbalance settlement period.
17. 'Standard balancing responsibilities'means non-discriminatory balancing responsibilities across technologies which do not exempt any generator from those responsibilities.
18. 'Imbalances'means deviations between generation, consumption and market deals (in all timeframes – market deals include sales and purchases on organised markets or between BRPs).
19. 'total levelized costs of producing energy' is a calculation of the cost of generating electricity at the point of connection to a load or electricity grid. It includes the initial capital, discount rate, as well as the costs of continuous operation, fuel, and maintenance.
20. 'high-efficiency cogeneration' means cogeneration which satisfies the definition of high efficiency cogeneration as set out in Article 2(34) by Directive 2012/27/EU[[9]](#footnote-9);
21. 'polluter pays principle' means that the costs of measures to deal with pollution should be borne by the polluter who causes the pollution, unless the person responsible for the pollution cannot be identified or cannot be held liable under Union or national legislation or may not be made to bear the costs of remediation. Pollution in this context is the damage caused by the polluter by directly or indirectly damaging the environment, or by creating conditions leading to such damage[[10]](#footnote-10) to physical surroundings or natural resources;
22. 'renewable energy sources' means the following renewable non-fossil energy sources: wind, solar, aerothermal, geothermal, hydrothermal and ocean energy, hydropower, biomass, landfill gas, sewage treatment plant gas and biogases;
23. 'sustainable biofuel' means a biofuel fulfilling the sustainability criteria set out in Article 17 of Directive (EC) 2009/28 of the European Parliament and the Council on the promotion of the use of energy from renewable sources[[11]](#footnote-11);
24. 'Union standard' means:
    * + 1. a mandatory Union standard setting the levels to be attained in environmental terms by individual undertakings; or
        2. the obligation under Directive 2010/75/EU of the European Parliament and of the Council[[12]](#footnote-12) to apply the best available techniques as set out in the most recent relevant information made public by the Commission pursuant to Article 13(6) of that Directive;
25. 'Union minimum tax level' means the minimum level of taxation provided for in Union legislation; for energy products and electricity, the Union minimum tax level means the minimum level of taxation laid down in Annex I to Directive 2003/96/EC[[13]](#footnote-13);

*Definitions for aid for broadband infrastructures*

1. 'Basic broadband' 'Basic broadband networks' means networks with basic functionalities which are based on technology platforms such as asymmetric digital subscriber lines (up to ADSL2+ networks), non-enhanced cable (e.g. DOCSIS 2.0), mobile networks of third generation (UMTS) and satellite systems.
2. 'Broadband-related civil engineering works' means the civil engineering works which are necessary for the deployment of a broadband network, such as digging up a road in order to enable the placement of (broadband) ducts.
3. 'Ducts' means underground pipes or conduits used to house (fibre, copper or coax) cables of a broadband network.
4. 'Physical unbundling' grants access to the end-consumer access line and allows competitors’ own transmission systems to directly transmit over it.
5. 'Passive broadband infrastructure' means a broadband network without any active component. It typically comprises civil engineering infrastructure, ducts and dark fibre and street cabinets.
6. 'Next generation access (NGA) networks' means advanced networks which have at least the following characteristics: (a) deliver services reliably at a very high speed per subscriber through optical (or equivalent technology) backhaul sufficiently close to user premises to guarantee the actual delivery of the very high speed; (b) support a variety of advanced digital services including converged all-IP services, and (c) have substantially higher upload speeds (compared to basic broadband networks). At the current stage of market and technological development, NGA networks are: (a) fibre-based access networks (FTTx), (b) advanced upgraded cable networks and (c) certain advanced wireless access networks capable of delivering reliable high-speeds per subscriber.
7. 'Wholesale access' means access which enables an operator to utilise the facilities of another operator. The widest possible access to be provided over the relevant network shall include, on the basis of the current technological developments, at least the following access products. For FTTH/FTTB networks: ducts access, access to dark fibre, unbundled access to the local loop, and bitstream access. For cable networks: duct access and bit-stream access. For FTTC networks: duct access, sub-loop unbundling and bit-stream access. For passive network infrastructure: duct access, access to dark fibre and/or unbundled access to the local loop. For ADSL-based broadband networks: unbundled access to the local loop, bit-stream access. For mobile or wireless networks: bit-stream, sharing of physical masts and access to the backhaul networks. For satellite platforms: bit-stream access.

1. Council decision of 10 December 2010 on State aid to facilitate the closure of uncompetitive coal mines, OJ L 336, 21.12.2010, p. 24, article 1 (a). [↑](#footnote-ref-1)
2. Communication from the Commission on the revision of the method for setting the reference and discount rates OJ C 14, 19.1.2008, p. 6. [↑](#footnote-ref-2)
3. As laid down in Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90 as well as certain EC Regulations on specific statistical domains (OJ L 393, 30.12.2006, p. 1). Regulation as amended by Commission Regulation (EC) No 973/2007 of 20 August 2007 amending certain EC Regulations on specific statistical domains implementing the statistical classification of economic activities NACE Revision 2 (OJ L 216, 21.8.2007, p. 10). [↑](#footnote-ref-3)
4. OJ L 290, 8.11.2007, p. 14. [↑](#footnote-ref-4)
5. Directive 2004/18/EC on the coordination of procedures for the award of public works contracts, public supply contracts and public service contracts, OJ L 134 of 30.4.2004, p. 114. [↑](#footnote-ref-5)
6. In line with Article 2(a) of Council Regulation (EC) N° 723/2009 of 25.6.2009 on the Community legal framework for a European Research Infrastructure Consortium (ERIC), OJ L 206, 8.8.2009, p. 1. [↑](#footnote-ref-6)
7. OJ L 140, 5.6.2009, p. 16. [↑](#footnote-ref-7)
8. OJ L 315/1, 14.11.2012 [↑](#footnote-ref-8)
9. OJ L 315/1, 14.11.2012 [↑](#footnote-ref-9)
10. Council Recommendation of 3 March 1975 regarding cost allocation and action by public authorities on environmental matters (OJ L 194, 25.7.1975, p. 1). [↑](#footnote-ref-10)
11. OJ L 140, 5.6.2009, p. 16. [↑](#footnote-ref-11)
12. OJ L 24, 29.1.2008, p. 8. [↑](#footnote-ref-12)
13. OJ L 283, 31.10.2003, p. 51. [↑](#footnote-ref-13)