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Subject: State Aid SA.56349 (2020/EV) – Italy
Evaluation plan of the tax credit scheme for regional investment aid in Southern Italy and Special Economic Zones

Excellency,

1. PROCEDURE

(1) By electronic notification of 20 April 2016, Italy submitted a summary information sheet pursuant to Article 11(a) of the Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty[1] (hereinafter "GBER") on the tax credit scheme for regional investment aid in Southern Italy (hereinafter "the initial aid scheme"), which it planned to implement until the end of 2019. This submission was registered as SA.45184 (2016/X).

(2) The initial aid scheme concerns regional investment aid and was put into effect on 24 March 2016 pursuant to Article 1(2)(a) and Chapter III, Section 1, of the GBER.

(3) The initial aid scheme had an average annual budget exceeding EUR 150 million. Under Article 1(2)(a) of the GBER, the GBER does not apply to aid schemes with such an annual budget from six months after their entry into force. However, the Commission may decide that the GBER shall continue to apply for a longer period

[1] OJ L 187, 26.6.2014, p. 1.

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to such aid schemes following the assessment of an evaluation plan of the scheme to be notified by the Member State concerned.

(4) In order to obtain that prolongation, Italy notified an evaluation plan for the initial aid scheme on 3 May 2016, registered by the Commission on the same day as State aid case number SA.45184 (2016/EV) (hereinafter "the initial evaluation plan") .

(5) With decision C(2016)5930 final of 23 September 2016, the Commission assessed the initial evaluation plan and decided that Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty could continue to apply to the initial aid scheme until 31 December 2019.

(6) With Article 7-quater of Decree-Law 29 December 2016 No. 243, converted into Law 27 February 2017 No. 18, Italy modified the initial aid scheme. The changes were communicated to the Commission and registered on 11 April 2017 as State aid case number SA. 48060 (2017/X). The modifications consisted in an increase in the limit of the eligible costs on which the tax credit is calculated and in the aid intensity in compliance with the threshold as provided by the Regional State aid map for Italy[2].

(7) On 22 July 2019, Italy contacted the Commission informing that the initial aid scheme would again be modified. In particular Italy informed that the initial aid scheme, as modified by SA.48060, would be complemented by a specific measure addressed to beneficiaries in the Economic Special Zone (‘ZES’), created by Italy since 2018[3] in the same regions as those benefitting from the initial aid scheme, as modified by SA.48060. The modifications with respect to the initial aid scheme, as modified by SA.48060, were:

- The measure is applicable to investments done since the creation of the ZES, i.e. in 2018, until the 31 December 2020;
- The average yearly budget devoted to the measure is estimated to be EUR 68 million[4];
- the limit of the eligible costs on which the tax credit for companies in the ZES is calculated is substantially increased and does not differentiate the size of the potential beneficiaries, i.e. Small and Medium-sized Enterprises (SMEs) or Large Enterprises (LEs).

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2 Commission Decision C(2014) 6424 final of 16 September 2014 on State aid case SA.38930 (2014/N) - Regional State aid map for Italy 2014-2020 - OJ C 369, 17.10.2014, as modified by Commission Decision C(2016) 5938 final of 23 September 2016 on State aid case SA.46199 (2016/N) – Mid term review of the Italian Regional Aid Map 2017-2020 – OJ C/406/2016.

3 The ZES were provided by the Decree Law 20 June 2017, n. 91 Articles 4 and 5, as amended by Law 3 August 2017, n. 123, and the modalities for their setting up by the Decree of the president of the Council of Ministers, 25 January 2018, n. 12.

4 The allocated budget is EUR 25 million for 2018, EUR 31.25 million for 2019 and EUR 150.2 million for 2020.

These modifications were formalised on 2 September 2019 through the State Aid Notification Interactive (SANI2) system communication and registered as State aid case number SA.55259 (2019/X) (hereinafter ‘the ZES measure’).

(8) As reported in recital (58) of Decision C(2016)5930, alterations to the aid scheme, other than modifications which cannot affect its compatibility under the GBER or cannot significantly affect the content of the approved evaluation plan, are, pursuant to Article 1(2)(b) of the GBER, excluded from the scope of the GBER, and must therefore be notified to the Commission.

(9) As already communicated to Italy in various instances since the initial contacts and in particular during conference calls on 24 July 2019 and 26 September 2019, with regard to the modifications referred to in recital (7), on 14 October 2019 the Commission confirmed to Italy that the ZES measure would be considered as a significant alteration which, as laid down in Article 1(2)(b) of the GBER, could affect the content of the initial evaluation plan approved under SA.45184.

(10) As laid down in Decision C(2016)5930, on 21 November 2019, Italy sent to the Commission the intermediate report, i.e. the evaluation report for the initial aid scheme as modified by SA.48060, concerning the years 2016 and 2017.

(11) As agreed during a meeting on 15 January 2020 between Italy and the Commission services, by electronic notification of 30 January 2020, Italy submitted in the “State Aid Notification Interactive” system , hereafter SANI2, a summary information sheet pursuant to Article 11(a) of the GBER, registered as State aid case number SA.56349 (2020/X) (hereinafter ‘the aid scheme’), concerning modifications to the initial aid scheme, as modified by SA.48060 and by the ZES measure. The modifications to the initial aid scheme, as modified by SA.48060, had already entered into effect on 1 January 2020 and consisted in the prolongation of the aid scheme until 31 December 2020 and the allocation to it of EUR 674 million. The modifications introduced by the ZES measure, consisted in an integration of the aid as provided by the initial aid scheme, as modified by SA.48060, for undertakings in the ZES, increasing the limit of the eligible costs on which the tax credit is calculated, the aid intensity and the budget (see recital (7)).

(12) The modifications referred to in recital (11) should be considered an alteration of the scheme in the meaning of Article 1(2)(b) of the GBER and thus the GBER should not apply. As mentioned in recital (3) under Article 1(2)(a) of the GBER the GBER does not apply to aid schemes with an average annual budget exceeding EUR 150 million from six months after their entry into force. However, the Commission may decide that the GBER shall continue to apply for a longer period to such aid schemes following the assessment of an evaluation plan of the scheme to be notified by the Member State concerned.

(13) Considering the significant modifications referred to in recital (11), on 30 January 2020 Italy notified to the Commission a new evaluation plan, registered as State aid case number SA.56349 (2020/EV) (hereinafter ‘the notified evaluation plan’), providing for the evaluation of the prolongation until 31 December 2020 of the scheme approved by Decision C(2016)5930, as modified by SA.48060, and the

respective budget allocation of EUR 674 million[5], as well as the evaluation of the ZES measure.

(14) By letter of 11 February 2020 the Commission informed Italy of its conclusions on the analysis of the intermediate report concerning the evaluation of the initial aid scheme, as modified by SA.48060 (see recital (10)).

(15) By letter of 20 February 2020, the Commission asked for supplementary information and modifications to the notified evaluation plan referred in recital (13).

(16) On 19 March 2020, Italy provided the supplementary information referred to in recital (15) and committed in considering the modifications to the notified evaluation plan as also referred to in recital (15). On the same occasion, Italy also informed the Commission of its position on the conclusions contained in the letter of 11 February 2020 (see recital (14)), which would be considered while implementing the evaluation of the aid scheme SA.56349.

(17) On 21 April 2020, Italy provided a new version of the notified evaluation plan containing modifications and clarifications, following the communication referred to in recital (16).

(18) Italy exceptionally agrees to waive its rights deriving from Article 342 TFEU, in conjunction with Article 3 of Regulation 1/1958[6], and to have this Decision adopted and notified in English.

2. DETAILED DESCRIPTION OF THE KEY ELEMENTS OF THE NOTIFIED EVALUATION PLAN

(19) As required by Article 2(16) of the GBER and in line with best practices[7], the notified evaluation plan contains the description of the following main elements: the objectives of the aid scheme to be evaluated, the evaluation questions, the result indicators, the envisaged methodology to conduct the evaluation, the data collection requirements, the proposed timing of the evaluation including the date for submission of the final evaluation report, the approach for the selection of the independent body conducting the evaluation, and the modalities for ensuring the publicity of the evaluation.

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[5] As reported by the Italian authority, the original estimated yearly budget allocation amounting at EUR 617 million for the years 2016-2019 has been increased up to EUR 674 million with regard to year 2020 by the technical report accompanying the Law 27 of December 2019, n. 160, providing for the extension of the scheme for the year 2020.

[6] Regulation No 1 determining the languages to be used by the European Economic Community, OJ 17, 6.10.1958, p. 385.

[7] See Commission Staff Working Document on Common methodology for State aid evaluation, Brussels, 28.5.2014, SWD(2014) 179 final.

2.1. Objectives of the aid scheme to be evaluated

(20) The maximum annual budget for the year 2020 amounts to EUR 824.2 million[8]. The duration of the aid scheme is from 1 January 2020 to 31 December 2020. Detailed conditions for granting the aid within the framework of the scheme are specified in Article 1 of Law No 208 of 28 Dicember 2015 and Decree Law No 91 of 20 June 2017 as subsequently amended and supplemented[9]. Application forms for the tax credit have been adopted by the Italian Tax Agency on 24 March 2016 and on 9 August 2019. The latter modification includes the modalities to apply for both the original scheme and the integration granted to companies located in the ZES.

(21) The aid scheme provides regional investment aid in certain assisted areas in Italy included in the Italian Regional Aid Map 2014-2020[10] fulfilling the conditions of Article 107(3)(a) and 107(3)(c) TFEU[11]. The projects to be supported under these objectives must consist in initial investments in new assets, as defined in Article 2(49) of the GBER.

(22) According to the Italian authorities, the main focus of the aid scheme is the stimulation of investment activity in new assets in structurally weaker regions. The aid scheme applies only to assisted areas in Southern Italy that, according to Article 107(3)(a) and 107(3)(c) of the TFUE, are disadvantaged in a significant manner in terms of GDP and unemployment rate in the regions Abruzzo, Basilicata, Calabria, Campania, Molise, Puglia, Sardegna and Sicilia[12]. The main idea behind the aid scheme to undertakings is to bridge the growth and development gap between these regions and the rest of the country. The specific objective of the aid scheme is to increase the investment in new instrumental assets, with secondary goals concerning labour demand and productivity growth. The modifications introduced by the ZES measure provide for an increased measure addressed to the undertakings located in the ZES (see recitals (7) and (13)).

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8 With regard to the prolongation of SA.45184, as modified by SA.48060, the allocated budget amounts to EUR 674 million. An increased budget of EUR 150.2 million has been allocated for 2020 for undertakings in the ZES, ex SA.55259.

9 The original scheme SA.45184 has been provided by Article 1, paragraph from 98 to 108 Law 28 December 2015, n. 208 (SA. 45184), subsequently modified by Article 7-quater, paragraph 2, Decree Law 29 December 2016, n. 243, as amended and supplemented by Law 27 February 2017, n. 18 (SA. 48060), as amended by Article 1, paragraph 319, Law 27 dicembre 2019, n. 160, providing for the extension of the scheme for the year 2020.

The original scheme SA.45184 was enhanced for companies located in the ZES by Article 5, Decree Law 20 june 2017, n. 91, as amended by Law 3 August 2017, n. 123, (SA. 55259) for the years 2018, 2019 and 2020, (SA.56349, on 30 January 2020).

10 See footnote 2.

11 As provided for in Article 14(3) of the GBER.

12 As identified in the Regional State aid map for Italy 2014-2020, as modified in the Mid term review of the Italian Regional Aid Map 2017-2020 (see footnote 2).

(23) At the beneficiary level, the following impacts are expected:

a) Increase in investments;

b) Increase in the capitalization and development of the undertakings;

c) Increase in productivity;

d) Increase in labour demand.

(24) Financial support is given to investments in all sectors eligible within the scope of the GBER[13]. The following sectors are excluded: Finance, Credit and Insurance, Steel and Coal, Shipbuilding, Synthetic Fibres,Transport, Energy Generation and Distribution.

(25) The aid scheme provides support to undertakings of all sizes applying maximum aid intensities envisaged by Regional Aid Maps[14] to the total cost of purchased goods up to different threshold of investment depending on the size of the undertakings: EUR 3 million for Small Enterprises, EUR 10 million for Medium Enterprises and EUR 15 million for Large Enterprises. Undertakings located in Special Economic Zones can also qualify for a complementary tax credit, within the maximum threshold of EUR 50 million investment, regardless of the dimension of the undertaking.

(26) The aid scheme is planned to be co-financed by European and national resources of the National Operational Programme ("Programma Operativo Nazionale") "Imprese e Competitività 2014-2020" and the Regional Operational Programmes for the period 2014-2020. The remaining part weighs on the national budget. The support takes the form of a tax credit calculated on the basis of the cost of acquired assets.

(27) There is no selection of beneficiaries: due to its fiscal nature, the aid is granted automatically, requiring only a formal application via an electronic form called "Creditoinvestimentisud" available on the web site of the Tax Agency[15], without prejudice to the application of ESIF rules by Managing Authorities on beneficiaries that may receive co-financing by ESI funds.

(28) The Italian authorities do not expect negative effects of the aid scheme on the domestic market.

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13 As provided for in Articles 13 and 14 of the GBER.

14 See footnote 2.

15 https://www.agenziaentrate.gov.it/portale/schede/agevolazioni/credito-di-imposta-per-gli-investimenti-nel-mezzogiorno/sw-compilazione-investimenti-mezzogiorno-2016

2.2. Evaluation questions and result indicators

(29) The notified evaluation plan explains the issues to be addressed by the evaluation.

(30) The evaluation questions address both the direct impact of the aid on the beneficiaries and the scheme's indirect impact (in terms of both positive and negative externalities). The result indicators are linked to the evaluation questions and to the objectives of the aid scheme.

(31) The direct impact of the aid on the beneficiaries will be addressed by the evaluation questions on the additionality of investments by the beneficiaries, which shall address both the investments in innovative technologies (proxyed by the immaterial assets) and the increased intensity of the tax credit for the ZES.

(32) With regard to the evaluation questions on the direct effects, the investment growth rate will be used as result indicator.

(33) The indirect impacts of the aid scheme (so called "second round" effects) will be captured by studying the performance of the supported undertakings in terms of increased employment, performance and productivity. In addition, the evaluation will investigate the potential effect of the policy on the relationship between banks and undertakings, also taking into account changes in the funding line awarded.

(34) With regard to the evaluation questions on the indirect effects, the following result indicators will be used: (1) growth rate of the number of employees, (2) growth rate of the value added per employee ratio, (3) variation in the stock of loans ("tasso di variazione del credito") and (4) growth rate of the immaterials assets.

(35) The notified evaluation plan specifies that Bank of Italy will also perform an analysis of the relationship between the fiscal costs and additional investments spurred by the aid, to assess the proportionality of the aid measure, including possible non-linear effects. Moreover, a qualitative analysis of the adequacy of the aid scheme will be executed, through a direct comparison with other state aid measures implemented, in the recent past, in similar contexts. The main focus of this analysis will be on the differences of the effects between automatic aid instruments – like the tax credit – and other instruments where the policy maker selects beneficiaries based on eligibility criteria.

2.3. Envisaged methodology to conduct the evaluation

(36) Both the direct and indirect causal impact of the aid scheme on the beneficiaries will be identified by employing econometric methods, more specifically a regression analysis of the type "matching - Difference-in-Differences". Using the data selected from the databases mentioned in section 2.4, a robust control group will be built.

(37) The selection of the control group will be made using matching techniques. The matching will be performed using different variables observed in the pre-treatment period. The procedure will use anagraphic variables (e.g. information on the sector, location and size of the firm), balance sheet variables (e.g. immaterial assets), bank information and, if available, on other aids. The matching algorithm will focus on tracing variables that capture the level and the trend of investments in the period

preceding the introduction of the aid measure. Italy informs that the matching procedure will likely be performed in two steps:

a) *Exact matching* on sectorial and dimensional variables;

b) *Nearest neighbour(s) matching* on other qualitative variables.

The Difference-in-Differences strategy[16] is the one that, exploiting the longitudinal nature of the data available, is more robust to the presence of unobservable differences between undertakings benefitting from aid and undertakings belonging to the control group, provided that these differences remain constant over time (parallel trend assumption[17]). Nonetheless, Italy explains that the estimates will be subject to robustness checks, including placebo regressions[18], tests on the parallel trend assumption and the use of alternative control groups.

2.4. Data collection requirements

(38) In order to implement the proposed methodology, the following databases will be employed:

a) Database of Italian undertakings: integrates the information from the tax declaration, the related F24 and 770 forms, and the expenditure register ("archivio dello spesometro"). This database refers to all Italian firms.

b) Database of Italian limited companies ("società di capitali"): contains balance sheet information for all Italian limited companies.

c) Database of communication forms for the fruition of the tax credit;

d) Database of the Central Credit Register of the Bank of Italy ("Centrale dei Rischi").

(39) In particular, the Database of communication forms for the fruition of the tax credit contains detailed information on the beneficiaries, such as on the nature and dimension of the undertaking, on the investment projects, on the production plants and on the total costs of the assets the aid is based on.

(40) On the other hand, the database of Italian limited companies will allow information on the level and type of investment to be available both for the beneficiaries and for the control group.

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16 Methodologies provided by the “Commission staff working document” SWD(2014) 179, see footnote 7.

17 The verification of the parallel trend assumption is a visual and statistical inspection to assess whether prior to the treatment, the difference between the ‘treatment’ and ‘control’ group is constant over time.

18 Placebo robustness tests in regression analysis of observational data are done to confirm that no fictitious treatment effects are erroneously present. Traditionally, these tests are performed either by switching the dependant variable with one for which the variable of interest is expected to not have an effect or by keeping the same dependant variable and switching the treatment variable with a placebo variable that should not have an effect on the original dependant variable.

(41) For all databases, the information contained is available at the individual level and is annually updated.

(42) Italian authorities explain that the use of different databases, with diverse information, will improve results compared to previous evaluation plans.

2.5. Proposed timing of the evaluation, including the date of submission of the final evaluation report

(43) The data collection will be followed by the analysis of the data collected and the production of a final report, which will be submitted to the Commission by 31 August 2020. The final report will contain an update of the interim report for years 2016-2017, also taking into considerations the intermediate report conclusions sent by the Commission on 11 February 2020 (see recital (14)) and a detailed description of the methodology to be used for evaluating the effects of the tax credit for companies located in the ZES.

(44) An additional evaluation report on the evaluation of the effects of the measure in the period 2016-2020 will be submitted to the Commission by 30 June 2022. It will include also an evaluation of the ZES tax credit measure.

2.6. Independent body selection to conduct the evaluation, or criteria for its selection

(45) The evaluation will be conducted by a team of economists with experience in the field of public policy evaluation of the Department of Economics and Statistics of Bank of Italy.

(46) The functional and governance structure of the Bank of Italy reflects the need to shield it from external influence, and the Italian authorities explain that the national and European laws guarantee the necessary autonomy to perform its duties. In turn, the Bank of Italy is subject to stringent requirements in terms of transparency and publicity. Moreover, the Bank of Italy has often been involved in ex-post evaluation of public policies, advocating for the need of counterfactualbased evaluations.

(47) The researchers involved in the evaluation will perform the necessary analysis in the scope of their usual economic research, without needing additional funding.

2.7. Modalities for ensuring the publicity of the evaluation

(48) The content of the final evaluation report will be published as a Working Paper of the Bank of Italy. Moreover, researchers may submit the report for external publishing in a scientific journal.

(49) In addition, the involvement of stakeholders of the scheme will be ensured by the organization of seminars and technical meetings.

(50) Data collected for the evaluation shall be used for other studies and analyses, according to national law. The Italian authorities confirm that the evaluation plan itself is not intended to contain confidential information.

3. ASSESSMENT OF THE EVALUATION PLAN

(51) The correct application of the GBER is the responsibility of the Member State. The present decision concerns only the notified evaluation plan and does not assess whether the aid scheme to be evaluated was put into effect by the Member State in full respect of all applicable provisions of the GBER. It does therefore neither create legitimate expectations, nor does it prejudge the position the Commission might take regarding the conformity of the aid scheme with the GBER when monitoring it, or assessing complaints against individual aid granted under it.

(52) Pursuant to Article 1(2)(a) of the GBER, aid schemes[19] in the meaning of Article 2(15) of the GBER, if their average annual State aid budget exceeds EUR 150 million, should be made subject to evaluation in order for the GBER to continue to apply to them for a period longer than six months after their entry into force. The Commission notes that the annual average budget of the aid scheme (i.e. EUR 824,2 million) exceeds EUR 150 million as set in Article 1(2)(a) of the GBER. Chapter I and section 1 (Article 13), section 4 (Article 28) and section 5 (Article 31) of Chapter III of the GBER constitute the legal basis for the aid scheme to benefit from the exemption from notification provided for in Article 108(3) of the TFEU.

(53) As the Commission explained in recital (8) of the GBER, the evaluation of large schemes is required *"[I]n view of the greater potential impact of large schemes on trade and competition"*. The required *"[E]valuation should aim at verifying whether the assumptions and conditions underlying the compatibility of the scheme have been achieved, as well as the effectiveness of the aid measure in the light of its general and specific objectives and should provide indications on the impact of the scheme on competition and trade."* State aid evaluation should in particular allow the direct incentive effect of the aid on the beneficiary to be assessed (i.e. whether the aid has caused the beneficiary to take a different course of action, and how significant the impact of the aid has been). It should also provide an indication of the general positive and negative effects of the aid scheme on the attainment of the desired policy objective and on competition and trade, and could examine the proportionality and appropriateness of the chosen aid instrument.[20]

(54) In the light of these considerations, Article 2(16) of the GBER defines as evaluation plan "a document containing at least the following minimum elements: the objectives of the aid scheme to be evaluated, the evaluation questions, the result indicators, the envisaged methodology to conduct the evaluation, the data collection requirements, the proposed timing of the evaluation including the date of submission of the final evaluation report, the description of the independent body

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[19] Schemes under Sections 1 (with the exception of Article 15), 2, 3, 4, 7 (with the exception of Article 44), and 10 of Chapter III of this Regulation (Article 1(2)(a) GBER). '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 granted to one or several undertakings for an indefinite period of time and/or for an indefinite amount (Article 2(15) GBER).

[20] See Staff Working Document referred to in footnote 7 above.

conducting the evaluation or the criteria that will be used for its selection and the modalities for ensuring the publicity of the evaluation."[21]

(55) The Commission considers that, as described in section 2 of this decision, the notified evaluation plan contains these minimum elements outlined in Article 2(16) of the GBER.

(56) In particular, the notified evaluation plan gives a concise description of the key objectives of the aid scheme concerned and provides sufficient information to understand the underlying "intervention logic". The scope of the evaluation is defined in an appropriate way (see section 2.1 above).

(57) The evaluation questions are designed in a way as to assess the direct effect of the aid scheme on the beneficiaries compared to non-beneficiaries in order to measure the incentive effect of the aid scheme. The evaluation questions addressing indirect impact are linked to the specificities of the aid scheme, both in terms of objectives and aid instruments. The Commission notes that the notified evaluation plan includes also suitable analyses focused on the performance of beneficiaries' competitors and on proportionality and adequacy (see section 2.2 above).

(58) The notified evaluation plan sets out and explains the main methods that will be used in order to identify the impacts of the aid scheme. It also argues why these methods are likely to be appropriate for the aid scheme in question. The proposed evaluation methodology sufficiently allows identifying the likely causal impact of the aid scheme itself (see section 2.3 above).

(59) The notified evaluation plan identifies and justifies result indicators that integrate the evaluation questions for the aid scheme concerned, and explains the data collection requirements and availabilities necessary in this context. The data sources to be used for the evaluation are described clearly and in detail. The Commission notes that the evaluation body will be able to take advantage of several different databases, gathering a more complete set of information (see sections 2.2 and 2.4 above).

(60) The proposed timeline of the evaluation (see section 2.5 above) is reasonable in view of the characteristics of the scheme concerned and the relevant implementation periods for projects supported under the scheme. Actually, as reported in recitals (44) and (45), Italy will submit a final report by 31 August 2020 and an additional evaluation report with the complete evaluation by 30 June 2022. This timeline is considered reasonable in line with the workload to produce the reports as well as the availability of data to carry out the evaluation.

(61) The proposed choice of the Bank of Italy as the evaluation body meets the independence and skills criteria, given the nature, status and experience of the organization in performing similar analyses (see section 2.6 above).

[21] Further guidance is given in the Staff Working Document referred to in footnote 7 above.

(62) The proposed modalities for the publication of the evaluation results are appropriate and ensure transparency. In particular, the Commission takes note of the commitment to disseminate and make publicly available the results of the additional evaluation for the years 2016-2020 to stimulate policy debate (see section 2.7 above).

(63) In view of the above, the Commission considers that the notified evaluation plan meets all requirements laid down in the GBER, is established in line with the common methodology proposed in the Staff Working Document referred to in recital (19), and is suitable given the specificities of the large aid scheme to be evaluated.

(64) The Commission notes the commitment made by the Italian authorities to conduct the evaluation according to the notified plan described in the present decision and to inform the Commission of any element that might seriously compromise the implementation of the notified plan.

(65) The Commission also notes the commitment by the Italian authorities to fulfil the obligation to submit the final evaluation report by 31 August 2020 and an additional evaluation report for the years 2016-2020 by 30 June 2022.

(66) Therefore, pursuant to Article 1(2)(a) of the GBER, the Commission decides that the exemption for the aid scheme for which the notified evaluation plan was submitted is prolonged beyond the initial six months (see recital 12 above) until 31 December 2020.

(67) Alterations to this aid scheme, other than modifications which cannot affect the compatibility of the scheme under the GBER or cannot significantly affect the content of the approved evaluation plan, are, pursuant to Article 1(2)(b) of the GBER, excluded from the scope of the GBER, and must therefore be notified to the Commission.

4. CONCLUSION

After having assessed the evaluation plan notified by Italy, the Commission has accordingly decided:

- to exempt the scheme under the GBER from the date of notification of this decision to Italy until 31 December 2020.

- to publish this decision.

If this letter contains confidential information which should not be disclosed to third parties, please inform the Commission within fifteen working days of the date of receipt. If the Commission does not receive a reasoned request by that deadline, you will be deemed to agree to the disclosure to third parties and to the publication of the full text of the letter in the authentic language on the Internet site: http://ec.europa.eu/competition/elojade/isef/index.cfm.

Your request should be sent electronically to the following address:

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Directorate-General Competition
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Yours faithfully,

For the Commission

Margrethe VESTAGER
Executive Vice-President