

Deutsche Umwelthilfe e.V. | Hackescher Markt 4 | 10178 Berlin European Commission Executive Vice-President and Commissioner for Competition Margrethe Vestager Rue de la Loi / Wetstraat 200 1049 Brussels Belgien

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Complaint regarding planned state aid for Nord Stream 2

Dear Commissioner Vestager,

Deutsche Umwelthilfe (Environmental Action Germany) is deeply concerned about a suspected new state aid measure that the government of the federal state of Mecklenburg-Western Pomerania plans to grant to companies involved in the completion of the pipeline project Nord Stream 2. We seek to share our concerns with you and ask the European Commission to start an investigation.

The government of Mecklenburg-Western Pomerania has announced plans to set up a foundation called "Stiftung des Landes Mecklenburg-Vorpommern für Klimaschutz und Bewahrung der Natur – Stiftung Klima- und Umweltschutz MV". The government of Mecklenburg-Western Pomerania asked the regional parliament to approve this plan on January 6th 2021, which the parliament did on January 7th 2021 (LT-Drs. 7/5696).

The main purpose of the "Stiftung Klima- und Umweltschutz MV" is the completion of the pipeline project Nord Stream 2. In its draft statue, it says the purpose of the foundation is:

"the establishment of a business enterprise in the foundation with the aim of making a contribution to the completion of the Nord Stream 2 pipeline."

Other purposes of the foundation are also mentioned in the draft statue, such as the promotion of climate- and environmental protection. However, this mission statement seems deceptive, as





these purposes are already covered by the existing foundation "Stiftung Umwelt- und Naturschutz MV", which is also run by the government of Mecklenburg-Western Pomerania.

The government of Mecklenburg-Western Pomerania also announced in a public statement that it will contribute 200.000 Euros as foundation capital. According to the same statement, Nord Stream 2 AG has agreed to contribute a further 20 Mio. Euros to the foundation capital.

The foundation constitutes a state aid measure, which is granted to complete a sole project and to support a sole company, namely the Nord Stream 2 AG and its subcontractors. This represents a serious distortion of competition.

The state aid measure amounts to significantly more than the 200.000 Euros directly granted by the government of Mecklenburg-Western Pomerania: Without the foundation, Nord Stream 2 might not be able to complete the pipeline at all. Through the foundation and the initial 200.000 Euros, the government aims to create a protective shield which has an enormous value, which is not only reflected by the additional 20 Mio. Euros granted by Nord Stream 2 AG, but also by the potential loss of investments already taken. Considering this, the granted aid might in fact exceed the millions, if not billions.

We have serious concerns that the planned foundation is being set up solely to create a market distortion in favor of the Nord Stream 2 AG. By increasing the EU's dependence on fossil gas, this is a project which fundamentally contradicts the objectives of the Green Deal and the "Do No Harm"-principle. We kindly ask you to investigate this further.

An initial legal statement from our lawyer Dr. Cornelia Ziehm is attached in German language.

Best regards

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