

State aid: Commission invites comments on simplified rules for State aid combined with EU support

The European Commission is inviting Member States and other stakeholders to comment on its proposal to exempt from prior Commission scrutiny under EU State aid rules aid granted through national funds for projects supported under certain EU centrally managed programmes.

Commissioner Margrethe Vestager, in charge of competition policy, stated: *“State aid principles must be respected – so if this can be done when certain EU funding rules are applied, this should be fine. Then we can evade red tape and gain speed in decision making. Our proposal aims to facilitate the combinations of national and EU funds by exempting certain aid from prior notification and scrutiny under EU State aid rules. We encourage all public authorities, companies and others that could be concerned to participate in this important consultation.”*

The Commission is seeking to facilitate the national funding (including from EU Cohesion funds managed at national level) of projects or financial products, which fall under the scope of EU centrally managed programmes under the next Multiannual Financial Framework. To this end, the rules on EU funding and State aid rules applicable to these types of funding should be aligned to avoid unnecessary complexities, while at the same time preserving competition in the EU Single market.

In this context, with the aim to improve the interplay between EU funding rules and EU State aid rules, the Commission is proposing to streamline the State aid rules applicable to national funding of projects or financial products which fall under the scope of certain EU programmes.

Therefore, the Commission has launched today a first public consultation on a targeted review of the General Block Exemption Regulation (GBER), in order to extend its application, under a limited set of conditions, to national funds involved in **the following three areas**:

1. Financing and investment operations supported by the InvestEU Fund;
2. Research, Development and Innovation (RD&I) projects having received a “Seal of Excellence” under Horizon Europe, as well as projects under the future Co-fund programme;
3. European Territorial Cooperation (ETC) projects, known as Interreg policy.

Exempting aid in these areas from the obligation of prior notification to and approval by the Commission would be a major simplification. This would be possible because of the safeguards embedded in EU programmes managed centrally by the Commission. In particular, the Commission ensures that support granted in the context of these programmes targets a common interest

objective, addresses a market failure or socio-economic cohesion objectives and is limited to the minimum amount necessary.

The public consultation launched today seeks the views of the relevant stakeholders (including Member States) on the proposed revision of the GBER. Stakeholders are invited to submit comments on today's consultation by 27 September 2019.

The Commission aims to adopt the final revised text in time for the next Multiannual Financial Framework, to ensure that all rules are in place sufficiently in advance before the new funding period starts in 2021.

The draft amending Regulation and all details about the public consultation are available at:

http://ec.europa.eu/competition/consultations/2019_gber/index_en.html

Background

Article 108(3) of the Treaty on the Functioning of the European Union (TFEU) requires Member States to notify all State aid to the European Commission and to implement it only after the Commission's approval. The EU State aid Enabling [Regulation](#) allows the Commission to declare that certain categories of State aid are compatible with the Internal Market and exempted from the notification obligation provided for in the Treaty.

The GBER declares specific categories of State aid compatible with the Treaty, provided that they fulfil clear conditions, and exempts these categories from the requirement of prior notification and approval to the Commission. This allows Member States to implement such measures directly, with full legal certainty. The 2014 [General Block Exemption Regulation](#) enabled Member States to implement a wide range of State aid measures without prior Commission approval because they are unlikely to distort competition and has been modified several times to simplify the rules and increase the scope. As a result, since 2015, more than 96% of new State aid measures for which expenditure was reported for the first time did not require notification to the Commission. This is in line with the Commission's approach to be 'big on big things and small on small things' – to focus on delivering more and faster, while doing less where it is perceived not to have an added value.

To facilitate the implementation of the next Multilateral Financial Framework and to improve the interplay between EU fund rules and State aid rules, the Council of the EU, following a Commission proposal adopted in June 2018, adopted in November 2018, an amendment to the EU's State aid Enabling Regulation (Council Regulation (EU) 2015/1588). Based on the revised Enabling Regulation, the Commission is entitled to make targeted modifications to the GBER.

In addition to the public consultation launched today, the proposed revised text of the GBER will also be subject to a second round of consultation and will be discussed in two Advisory Committee Meetings between the Commission and Member States. This process will ensure that Member States and

stakeholders have sufficient opportunities to comment on the draft Commission proposal.