

## **European Commission has launched a public consultation on the revision of the General Block Exemption Regulation (the GBER)**

The European Commission has launched a public consultation with a view to assessing the actual proposition to modify the General Block Exemption Regulation (the GBER).

State funding meeting the criteria of Article 107(1) TFEU constitutes state aid. However, according to Art 109 TFEU, the Council may determine categories of aid that are exempt from the notification procedure set out in Article 108(3) TFEU. By adopting Regulation (EC) No. 994/98, the Council enabled the Commission to declare compatible with the internal market aid in the following categories: small and medium sized enterprises (SMEs), research and development, environmental protection, employment and training, and regional aid.

The General block exemption Regulation (GBER), in force since 29 August 2008, simplifies the procedures for aid granting authorities and allows a range of measures with horizontal objectives considered to be in the common interest. The Commission launched, with its Communication on State aid Modernisation (SAM), of 8 May 2012, a broad review of State aid rules. State aid enforcement should facilitate sustainable, smart and inclusive growth, focus on cases with the biggest impact on the single market and streamline the rules and provide for faster, better informed and more robust decisions.

The review of the General block exemption Regulation ("GBER") is at the centre of the SAM reform and shall contribute to all objectives, with particular focus on simplification. With about 2000 measures introduced since its entry into force, the current GBER has been extensively used by Member States. In 2011 aid under GBER amounted to EUR 17.2 billion, which represents 32.5% of aid granted to industry and services.

The review of the GBER will ensure that Member States and stakeholders have a clear set of rules as of 2014 as a reference point for the development of their policies and aid interventions. This will, in particular, be important for the expenditure under EU cohesion policy in the period 2014-2020, a significant part of which falls under the GBER.

The Commission already invited the Member States and stakeholders to provide input for the review of the GBER. This first consultation took place between 20 June and 12 September 2012. The present consultation aims to collect the views on the first draft of the GBER which introduces new features as compared to the current rules:

- horizontal and vertical extension of the scope to reduce administrative burdens;
- simplification and clarification of rules combined with safeguards;
- promotion of "good aid" to facilitate growth, while taking quality of public finance and economic developments into consideration;
- ex-ante rules for schemes which provide funding in fields where market failures may be presumed;
- evaluation of large schemes, publication obligations and ex post monitoring and withdrawal of the benefit of the block exemption for better compliance, preventing deadweight losses as well as excessive aid;
- development of an integrated approach which incentivizes Member States to undertake more efficient interventions, generates peer review and reduces competition distortions;

- Regional aid: new block-exemption for operating aid in outermost regions, aid to large enterprises in 'c' regions for new activities, modified scope with respect to sectoral schemes and environmental aid, common aid intensities for European Territorial Cooperation projects;
- Aid for SMEs: revision of risk finance measures, broad category of start-up aid, cooperation costs for European Territorial Cooperation projects;
- Research and development: improved definitions of industrial research and experimental development; introduction of research infrastructures, broader innovation aid for SMEs;
- Training and employment aid: single category of training aid, enlarged definition of disadvantage workers to cover young people;
- Aid for environmental protection: simplified calculation of eligible costs, new block exemptions for support for efficient district heating, aid for the remediation of contaminated sites, alternative models to RES-E support.

The period for this consultation is: 08.05.2013 – 28.06.2013.

The consultation is available in:

DOCX:

[http://ec.europa.eu/competition/consultations/2013\\_gber/gber\\_draft\\_regulation\\_en.docx](http://ec.europa.eu/competition/consultations/2013_gber/gber_draft_regulation_en.docx)

PDF:

[http://ec.europa.eu/competition/consultations/2013\\_gber/gber\\_draft\\_regulation\\_en.pdf](http://ec.europa.eu/competition/consultations/2013_gber/gber_draft_regulation_en.pdf)