Horizontal state aid: application of Articles 92 and 93 of the EC Treaty

1997/0203(CNS) - 15/07/1997 - Legislative proposal

OBJECTIVE: to introduce more effective control of State aid in response to the new challenges facing the Commission (completion of the single market, establishing EMU, enlargement, rising unemployment, etc.). SUBSTANCE: The proposal concerns a Regulation establishing a framework for the adoption by the Commission of individual Regulations granting exemptions by category. This additional instrument is intended to enable the Commission to establish ex ante the compatibility of State aid with the conditions it has laid down in the exemption Regulations. The Regulation defines the categories of aid in respect of which the Commission is empowered to adopt exemptions, namely aid to: small and medium-sized enterprises; research and development; environmental protection; employment and training; regional aid which complies with the national maps approved by the Commission. The proposal stipulates that the Commission may also adopt a Regulation exempting aid below a certain threshold from the notification obligation ('de minimis' aid). The possibility of adopting Regulations exempting the following categories from the notification obligation is also provided for: - export credit insurance covering non-marketable risk in so far as it has been harmonized by EC law; - export credit, including that for tied aid, in so far as it is subject to precise rules established in agreements to which the Community is a party. The proposed Regulation establishes conditions and thresholds that must be specified in every Commission group exemption Regulation. These relate to: - the admissible purposes of the aid, - categories of beneficiaries, - thresholds expressed either in terms of aid intensities in relation to a set of eligible costs or in terms of maximum aid amounts, - monitoring conditions. These conditions and thresholds will be defined on the basis of experience with those used in the existing guidelines and frameworks. The proposed Regulation will also allow the Commission to attach other additional conditions and thresholds which it may specify in an exempting Regulation; it may for example: - attach further conditions for the compatibility of aid exempted under the Regulation, - set thresholds for the notification of individual awards of aid, - exclude certain sectors from the scope of the Regulation, - attach conditions to the cumulation of aid. Lastly, with regard to monitoring of aid exempted from notification, the Commission will lay down in its Regulations precise obligations regarding reporting of information required concerning the application of group exemptions. Member States will, in particular, be required: - to facilitate monitoring of the application of group exemptions (system to record and store all relevant information); - to supply the Commission with information regarding the application of the group exemptions in a computerized form; - to publish in their national official journals information regarding their application of the group exemptions.