

A busy day for the European Commission as four state aid measures are adopted

By David Kilduff and Lucy Hughes (23 May 2014)

21 May 2014 saw the publication of three of the key parts of the State Aid Modernisation programme, plus approval of the UK's regional aid map. It is good news for renewable energy and energy efficiency, as well as making local authorities' lives easier.

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On 21 May 2014 the European Commission adopted the following key measures as part of its State Aid Modernisation programme:

- A new General Block Exemption Regulation
- A revised framework for state aid for research and development and innovation
- A Communication on standardising transparency requirements in state aid guidelines
- It also approved the 2014-2020 regional aid maps for six member states, including the UK.

For an overview of the State Aid Modernisation programme see our [recent article](#) from our Local Government review.

General Block Exemption Regulation (GBER)

The new GBER is the key measure, and comes into force on 1 July 2014. If a state aid measure comes within one of the listed exemptions, there is no need to notify it to the European Commission in advance, which obviously takes away a large administrative burden and an element of uncertainty as to whether approval for the measure would be granted. The new GBER expands the categories of aid that will be exempt, and increases the thresholds for some of the measures that already fell within the 2008 GBER. The European Commission anticipates that between 75 and 90 per cent. of aid measures could be provided under the GBER.

New or expanded categories of aid

New categories of aid that will be exempt include: investment aid in local infrastructures made available on an open, transparent and non-discriminatory basis; aid for sport and multifunctional recreational infrastructure; investment aid for remediation of contaminated sites; and aid for culture and heritage conservation.

Categories of aid that were already covered by the 2008 GBER have been extended. Environmental aid now includes district heating and cooling, waste management, operating aid for electricity from

renewable sources, and energy infrastructures. These exemptions work in parallel with the separate guidelines on state aid for energy projects and environmental protection, on which we have [written separately](#).

Transparency and reporting requirements

In return for these more generous exemptions, the European Commission is imposing stricter transparency requirements on all state aid measures, including those which fall within the new GBER. Each member state will have to publish, on a comprehensive state aid website, at national or regional level, a summary of information about each aid measure exempt under the new GBER and the full text of each measure (or a link to it), with detailed information on each individual aid award above EUR500,000 (there is a standardised format for this). There is a two-year period for member states to implement this.

All measures that fall within the new GBER, even though they are exempt from the requirement to pre-notify, must be reported to the European Commission electronically within 20 working days.

Certain large aid schemes (including aid for environmental protection) with an average annual budget exceeding EUR150 million will only be exempted for six months and will be subject to evaluation after they have entered into force.

Comment

The adoption of the revised GBER is likely to be welcomed with open arms, perceived as the method by which more state aid can be granted to assist a variety of projects. Time will tell whether 75 to 90 per cent. of aid will be granted due to the new GBER exemptions, but it is fair to say that more aid will be granted with the knowledge and certainty that such aid should be considered exempt and can be granted legally without concern, particularly in relation to sport infrastructure and culture and heritage conservation. The added burden of reporting on each individual award over EUR500,000 may prove frustrating but hopefully efficient and effective systems will be put in place to make this as easy as possible for those granting aid.

Useful links

New GBER: http://ec.europa.eu/competition/state_aid/legislation/gber_regulation_en.pdf and the general page with links to all information, including the Annexes:

http://ec.europa.eu/competition/state_aid/legislation/block.html#gber

New Framework for R&D and innovation:

http://ec.europa.eu/competition/state_aid/modernisation/rdi_framework_en.pdf

Transparency Communication:

http://ec.europa.eu/competition/state_aid/modernisation/state_aid_transparency_en.pdf

UK's Assisted Areas Map (of regional state aid 2014 - 2020):

<https://www.gov.uk/government/consultations/assisted-areas-map-2014-to-2020-stage-2>