

European Commission

ROADMAP FOR THE PROLONGATION OF THE GBER

Roadmaps aim to inform citizens and stakeholders about the Commission's work in order to allow them to provide feedback and to participate effectively in future consultation activities. Citizens and stakeholders are in particular invited to provide views on the Commission's understanding of the problem and possible solutions and to make available any relevant information that they may have.

TITLE OF THE INITIATIVE	Prolongation of the General Block Exemption Regulation no 651/2014
LEAD DG – RESPONSIBLE UNIT	DG COMP / Unit 03
LIKELY TYPE OF INITIATIVE	Commission autonomous act (regulation)
INDICATIVE PLANNING	Q4 2019
Additional Information	http://ec.europa.eu/competition/state_aid/modernisation/index_en.html

This Roadmap is provided for information purposes only and its content might change. It does not prejudge the final decision of the Commission on whether this initiative will be pursued or on its final content. All elements of the initiative described by the Roadmap, including its timing, are subject to change.

A. Context, Problem definition and Subsidiarity Check

Context

The State aid rules reformed under the State aid modernisation ('SAM') package, including the General Block Exemption Regulation ('GBER'), mostly expire by the end of 2020. Before deciding on the design of the State aid rules post 2020, the Commission is launching a fitness check of the SAM package (including the GBER) together with the railways guidelines and the short term export credit insurance. The aim is to verify the extent to which the objectives of the SAM have been reached, whether there is scope for further updating the rules in view of the EU priorities under the new Multiannual financial framework, new EU legislation or developments on the internal and global market.

Problem the initiative aims to tackle

The Commission envisages prolonging by two years the validity of the State aid rules that have been reformed under the SAM package, among which the GBER, and that expire by end 2020. This will allow on the one hand a proper evaluation of the SAM package in the form of a fitness check and on the other hand to meanwhile ensure predictability and stability for the stakeholders as regards the applicable State aid rules immediately after 2020. The timing of the current fitness check is warranted due to the fact that the effects of the State aid modernisation reform started to be tangible only recently, with relevant data being available only as of 2017 or even 2019.

Basis for EU intervention (legal basis and subsidiarity check)

Articles 107 and 108 TFEU

The Commission has exclusive competence to decide on the compatibility of State aid with the internal market.

The rules issued by the Commission laying down the compatibility conditions of aid measures aim to ensure predictability and legal certainty for Member States and stakeholders on how the Commission interprets the State aid provisions in the Treaty.

B. What does the initiative aim to achieve and how

In 2012, the Commission launched the SAM considering that a more focused framework for the assessment of State aid measures will allow Member States to better contribute both to the implementation of the Europe 2020 strategy for sustainable growth as well as to budgetary consolidation.

The objectives of the modernisation of State aid control were threefold: 1) to foster sustainable, smart and inclusive growth in a competitive internal market; 2) to focus Commission's ex ante scrutiny on cases with the biggest impact on the internal market; and 3) to streamline the rules and provide for faster decisions.

In view of these objectives, the Commission has revised several the State aid rules in 2013 and 2014. The Commission is launching now a fitness check of the SAM package covering the <u>General Block Exemption</u> Regulation (GBER), De minimis Regulation, Regional aid Guidelines, Research, Development and Innovation (RDI) Framework, Communication on State aid for important projects of common European interest (IPCEI Communication), Risk finance, Airport and aviation Guidelines, Energy and Environmental Aid Guidelines (EEAG) and Rescue and restructuring Guidelines. (The Railways Guidelines and the Short term export credit Communication will be also included in the fitness check.)

The aim is to analyse the relevance, effectiveness, efficiency, coherence and EU-added value of these State aid rules; and to evaluate and assess their contribution to achieving the EU 2020 policy objectives. In doing so, the fitness check will assess if these State aid rules are "fit for purpose" taking into account the general SAM objectives, the specific objectives of the legal framework (including the "future" legislation already adopted), the current and (already known) future challenges and whether the objectives of SAM have been met.

Considering the wide scope of the fitness check and that the results of the evaluations will not be available before beginning 2020, a policy decision on the design of the rules post 2020, including the GBER, cannot be taken on time to ensure legal certainty and stability for the stakeholders as regards the applicable rules post 2020. In this context, a short prolongation of the validity of the current rules, including the GBER, is needed to allow on the one side a proper assessment of the rules and on the other side to ensure predictability and stability for Member States and the stakeholders until when the Commission can take an informed decision on the design of the GBER post 2020.

C. Better regulation

Consultation of citizens and stakeholders

For the short-term prolongation of the GBER, a derogation from the Better Regulation requirements is envisaged.

A public consultation does not appear necessary in view of the limited impact of the initiative (mere short term prolongation of status quo) and the possibility for Member States and stakeholders to give feedback in the course of the evaluation. In addition, in the context of the procedures foreseen in the State aid area, the draft proposal of prolonging the GBER will be published on the website of DG Competition and Member States will be consulted on the draft proposal.

Evidence base and data collection

An Impact Assessment is not planned given the limited impact since the two-year prolongation will result in a continuation of the status quo for a short period after 2020 and the proposed prolongation is followed by an evaluation (Fitness Check of the State aid modernisation initiative). This will give all stakeholders an opportunity to express their views and only after the results of the fitness check are available, a decision will be taken as to whether the GBER needs to be updated and an impact assessment will be required or not.