

Consultation on the General Block Exemption Regulation (State aid)

Following a reflexion promoted by ELARD – European LEADER Association for Rural Development in the framework of the Consultation on the General Block Exemption Regulation (State aid), Minha Terra – Federação Portuguesa de Associações de Desenvolvimento Local is sending some contributions.

An exemption is foreseen for INTERREG (as an instrument for cooperation) and we are arguing that LEADER / CLLD is also an instrument for cooperation between actors and we think the exemption should be extended to LEADER/CLLD.

Given that cooperation is a priority that the European Commission wishes to foster and given that current procedures related to ensuring the respect of the minimis for each single beneficiary are deterring potential actors from getting involved, it is our opinion that:

1. LEADER/CLLD does not indeed entail major risks of creating unfair competition between businesses in the EU,
 - as LEADER/CLLD is a cooperation instrument (with inbuilt method ensuring democratic control, balanced representation, open and transparent selection of projects, etc.) on local level and between Local Action Groups (LAGs);
 - LEADER/CLLD has a local dimension (regulation limits it to sub-regional areas, current limits of 150 000 population) and vocation to develop communities and local areas;
 - All rural areas in EU are eligible, thus the instrument is available equally in all Member States.

Currently, Member States experience difficulties in assessing this as well as the impact of the State Aid clearance narrowing down the scope of LEADER/CLLD, thus limiting its value added.

2. The current de-minimis is too burdensome to assess and not cost-effective given the multitude of small projects and final beneficiaries involved. Also, many projects have often a collective dimension.

Lisbon, 26th September 2019