



# State aid modernisation

## Change of balance of state aid control

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\* The views expressed are purely those of the speaker and cannot bind the European Commission

# State aid Modernisation

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# Changing the balance of State Aid control



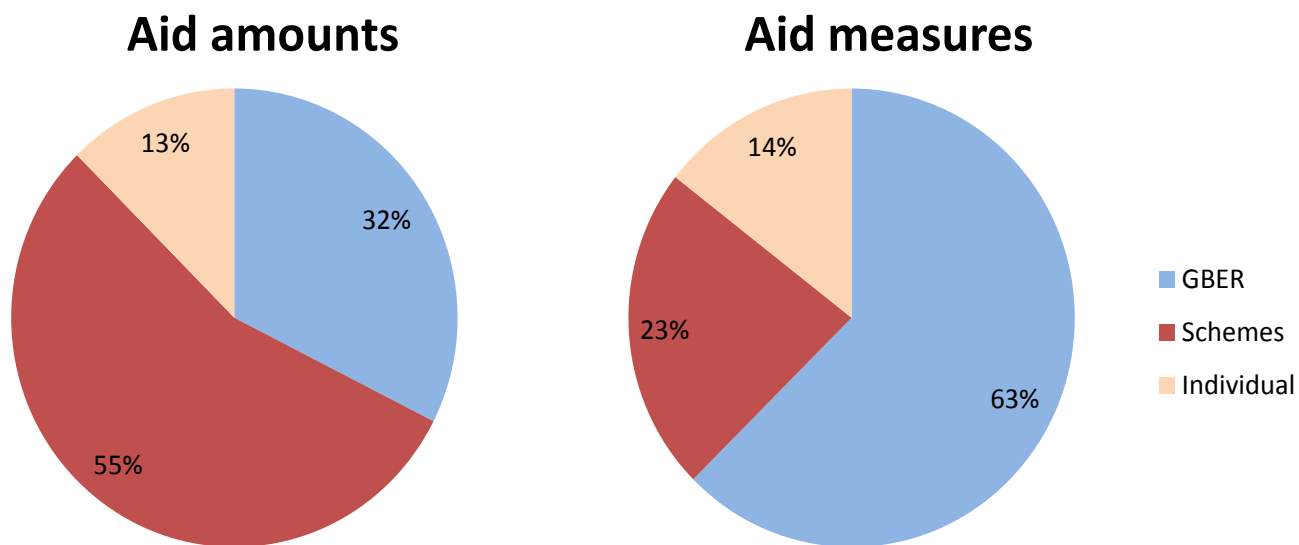
## **Key Objectives of SAM**

- "More with less"
- Simplification and better targeting of aid measures
- Clarification of rules and procedural improvement

# SAM means

- Radical shift of State aid control from the Commission to the Member States through significantly enlarged and simplified GBER
- Shift from *ex ante* to *ex post*

## Current situation



*Source: 2012 scoreboard (year 2011)*

## Future



**Small % of aid** under the control of the Commission with stricter conditions

**Large proportion of aid** under the control and responsibility of the Member States (enlarged and simplified GBER)

## Future



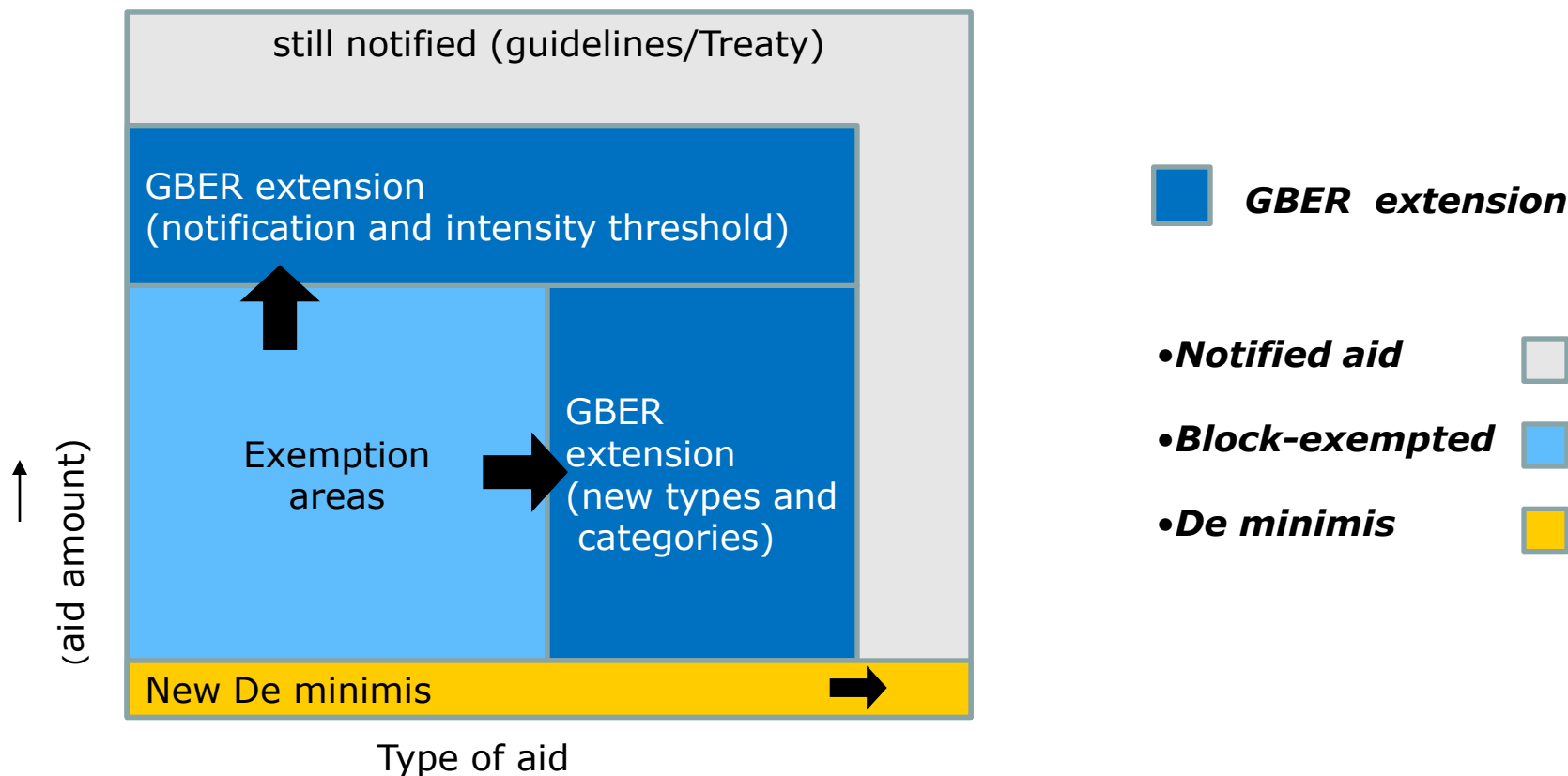
**Small % of aid** under the control of the Commission with stricter conditions

**Large proportion of aid** under the control and responsibility of the Member States (enlarged and simplified GBER)

Avoiding shipwrecks

Ex post:  
monitoring,  
evaluation,  
transparency

# Future General Block Exemption Regulation





# New interaction with Member States

This requires new working methods

DG COMP created a network of country contacts to provide guidance to Member States

# Background information

## Building blocks under SAM

Notice on the notion of aid

Review of *de minimis* Regulation

New Enabling Regulation  
New General Block Exemption Regulation (GBER)

Coordinated approach for the review of major guidelines:  
regional, environmental, risk finance, R&D&I, broadband

Reform of the Procedural Regulation

New rules for rescue and restructuring aid (for banks and  
industrial companies)

### Across instruments

- Clarification&simplification
- consistency: common principles
- increased commitment from Member States

## State of play and next steps

### Finalized projects:

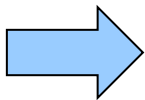
- Procedural Regulation
- Enabling Regulation
- Broadband Guidelines
- Regional Aid Guidelines
- Short term export credit insurance
- Cinema communication
- De minimis Regulation
- Risk Finance Guidelines
- Aviation Guidelines

### On-going projects:

- GBER
- R&D&I Guidelines
- Energy & Environment
- Rescue & Restructuring
- Notion of Aid

## General Block Exemption Regulation

- Simplification of rules
  - Simpler check of incentive effect
  - Simpler proportionality check
  - Revised definition of firms in difficulty
  - Increased transparency
  - Evaluation of large systems
- Extension of the scope
  - Notification thresholds / aid intensities
  - New categories of exempted aid measures



**To enter into force on 1 July 2014**

## **New aid categories (1)**

- Aid to mitigate damages caused by certain natural disasters
- Social aid for transports concerning people living in remote regions
- Aids for broadband infrastructures
- Aid for innovation clusters
- Aid for process and organizational innovation
- Aid for culture and heritage conservation
- Aid for sport and multifunctional recreational facilities

## **New aid categories (2)**

- Start-up aid
- Operating aid for renewable energy and investment aid for district heating
- Aid for the remediation of contaminated sites
- Aid for the outermost regions
- Aid for SME financing
- Enlargement of the category of disadvantaged workers (15-24 years)
- Research Infrastructures

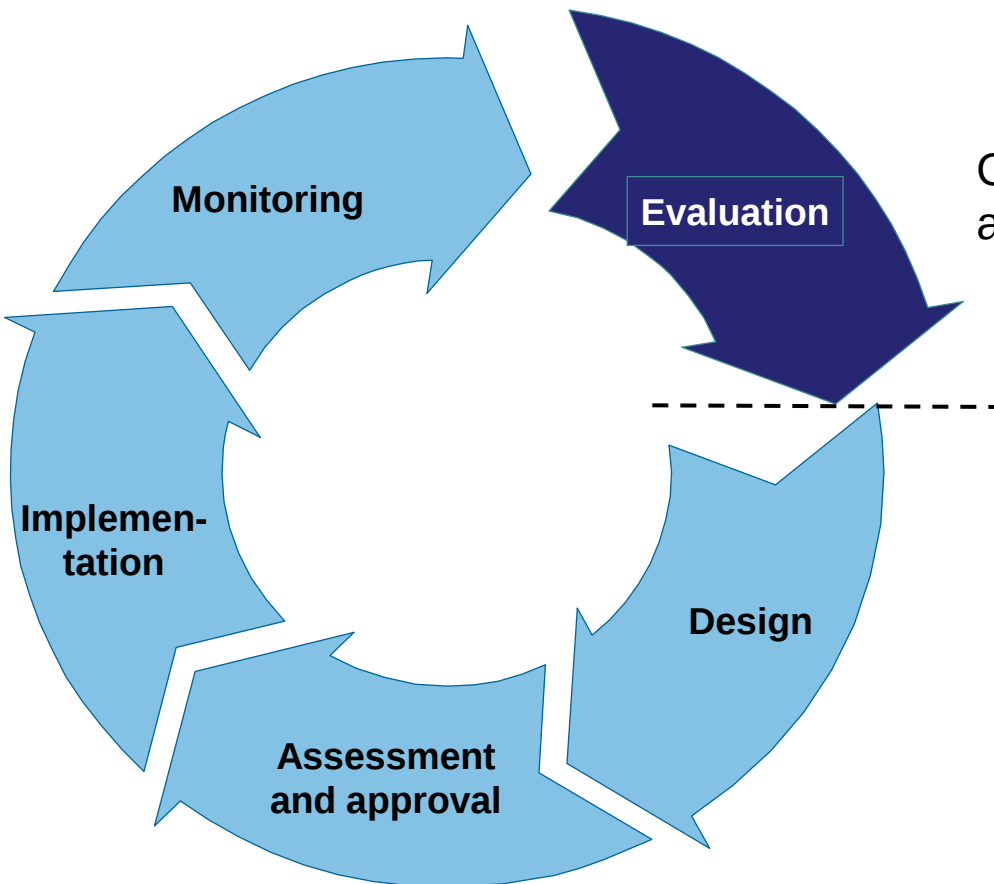
## Evaluation: 'Closing' the SA cycle

"What you cannot measure,  
you cannot improve"

Lord Kelvin

Objective of **ex-post evaluation** of (large) aid schemes:

- Is the scheme effective in achieving the direct objective for which it was introduced?
- Does the scheme provide for indirect effects on the objective of interest (e.g. spill-over)?
- What are the negative indirect effects of the scheme, in particular the potential aggregated effect of large schemes on competition and trade?



# Rethinking State Aid enforcement

## How to preserve the balance?

- More responsibility for MS (support by **Network of the Country Coordinators**)
- More focus on large, potentially more distortive cases
- Shifting from an *ex-ante* scrutiny towards *ex-post* control
- The monitoring exercise of 2011/2012 identified several deficiencies

1. **Increased transparency:** full recipient disclosure, peer pressure
2. **More ex-post control**
  - **Enhanced monitoring:** proper implementation and compliance with the legal provisions
  - **Evaluation** of (large) aid schemes: ensure efficiency and cater undue negative impacts

