State aid: Commission adopts new rules for State Aids in Agriculture, Forestry and Rural Areas

The European Commission has today set out revised and updated criteria under which Member States can support agriculture, forestry and rural areas, in line with EU state aid rules. This is part of the Commission's State Aid Modernisation (SAM) initiative, aimed at fostering growth and competitiveness in the EU, and goes hand in hand with the Common Agricultural Policy, more particularly with the new rural development policy of the EU. In more precise terms, the Commission has adopted a new Agricultural Block Exemption Regulation (ABER) and new Guidelines for State aid in the agricultural and forestry sectors and in rural areas 2014 to 2020 (GL). ABER allows the granting of certain categories of State aid to the agricultural and forestry sectors and in rural areas without prior notification to the Commission. The GL aim at setting the general criteria which will be used by the Commission when assessing the compliance of aid with the internal market. These new rules will apply from July 1, 2014. These new ABER and Guidelines were developed following wide consultation with the public and stakeholders (see IP/14/185).

Commissioner for Agriculture and Rural Development Dacian Cioloș said: "These new rules should improve efficiency on State Aid issues by speeding up approval procedures and cutting red tape for public authorities dealing with State aids in the agriculture sector. These improvements should therefore enable potential beneficiaries to benefit from State aids more quickly".

Key features are:

- **Allowing many more block exemptions by widening the scope of ABER.** For example, it will be possible in future for Member States to grant aid to the forestry sector and to smaller enterprises in rural areas without having to go through lengthy notification and authorisation procedures. A simple information sheet to be sent to the Commission and ensuring compliance with the conditions of the new ABER will suffice.

- **Widening the scope of GL.** For example, it will be possible for Member States to grant aid to compensate for damage caused by protected animals and to purchase breeding animals for the improvement of the genetic quality of the herd.

- **One window approach.** Member States will only have to go through one administrative procedure vis-à-vis the Commission (i.e. a Rural Development Programme approval procedure, while merely informing the Commission of their block exemptions for the purpose of the State aid aspects) and, as far as possible, Member States will deal with only one department (or DG) inside the Commission when seeking clearance for their Rural Development Programmes.

- **Reducing administrative burdens.** The new rules proposed by the Commission significantly reduce the administrative burden for public authorities when dealing with State aids in the agriculture sector and speed up procedures. Therefore,
potential beneficiaries will also be able to profit from the respective planned State aids more rapidly.

The texts of the ABER and GL are available at:

http://ec.europa.eu/agriculture/stateaid/legislation/index_en.htm

Background

The new ABER and GL are part of the Commission’s SAM initiative (see IP/12/458), setting an ambitious modernisation program fostering sustainable, smart and inclusive growth by encouraging more effective aid measures and focusing the Commission’s scrutiny on cases with the biggest impact on competition. As part of this package, the Commission has already reformed its state aid procedures (see IP/13/728), exempted more aid measures from prior notification to the Commission (see IP/13/587) and introduced new transparency requirements (see IP/14/588). The Commission has also adopted new guidelines on state aid for broadband (see IP/12/1424), regional development (see IP/13/569), cinema (see IP/13/1074), airports and airlines (see IP/14/172), risk finance (see IP/14/21), energy and environment (see IP/14/400) as well as R&D and innovation (see IP/14/586).


On 18 December 2013, the Commission adopted a new agricultural de minimis regulation on small amounts of aid (de minimis aid) in the primary agricultural production sector, raising the ceiling and clarifying the definition of small amounts of aid (de minimis aid) that can be considered not to constitute state aid and a new general de minimis Regulation which applies to processing in the agricultural sector and to the forestry sector.

Contacts:
Roger Waite (+32 2 296 14 04)
Fanny Dabertrand (+32 2 299 06 25)

For the public: Europe Direct by phone 00 800 6 7 8 9 10 11 or by e-mail