



State aid: Commission simplifies rules for aid combined with EU support and introduces new possibilities to implement aid measures supporting the twin transition and the recovery from coronavirus pandemic

Brussels, 23 July 2021

The European Commission adopted today an extension of the scope of the General Block Exemption Regulation (GBER), which will allow Member States to implement certain aid measures without prior Commission scrutiny. The revised rules concern: (i) aid granted by national authorities for projects funded via certain EU centrally managed programmes under the new Multiannual Financial Framework; and (ii) certain State aid measures that to support the green and digital transition and are, at the same time, relevant for the recovery from the economic effects of the coronavirus pandemic.

Exempting such aid from prior notification is a major simplification, which facilitates a quick implementation of such measures by Member States, where conditions limiting the distortion of competition in the Single Market are met.

Executive Vice-President Margrethe **Vestager**, in charge of competition policy, said: "*Today, the Commission is streamlining the State aid rules applicable to national funding that fall under the scope of certain EU programmes. This will improve further the interplay between EU funding rules and EU State aid rules under the new Multiannual Financial Framework. We are also introducing more possibilities for Member States to provide State aid to support the twin transition to a green and digital economy without the need of a prior notification procedure, while at the same time not causing undue distortions of competition in the Single Market. The new rules will also make it easier for Member States to quickly provide much needed funding in support of a sustainable and resilient recovery from the economic effects of the coronavirus pandemic.*"

With the aim of improving the interplay between EU funding rules and EU State aid rules under the new Multiannual Financial Framework, the Commission streamlines the State aid rules applicable to national funding of projects or financial products, which fall under the scope of certain recently adopted EU programmes. With the amendments introduced today to the GBER, the rules on EU funding and State aid rules applicable to these types of funding have been aligned to avoid unnecessary complexities, while at the same time preserving competition in the EU Single market.

The concerned national funds are those relating to:

1. Financing and investment operations supported by the InvestEU Fund;
2. Research, Development and Innovation (RD&I) projects having received a "Seal of Excellence" under Horizon 2020 or Horizon Europe, as well as co-funded research and development projects or Teaming actions under Horizon 2020 or Horizon Europe;
3. European Territorial Cooperation (ETC) projects, also known as Interreg.

With today's amendment of the GBER, these measures can now be directly implemented by Member States without having to be notified to the Commission, which only has to be informed ex-post. Exempting aid in these areas from the obligation of prior notification is possible thanks to the safeguards embedded in EU programmes managed centrally by the Commission. In particular, the support granted in the context of these programmes: (i) targets a common interest objective; (ii) addresses a market failure or socio-economic cohesion objectives; and (iii) is limited to the minimum amount necessary.

In addition, with the amendment of the GBER, the Commission creates even further possibilities for Member States to provide aid needed for the twin transition in a way that will also allow them to rapidly support companies in need for funding to combat the economic effects of the coronavirus pandemic.

The relevant aid to achieve these goals that is now exempted from prior notification to the Commission will also play a role in continuing to prepare for the post-crisis period. The new aid

categories that will be exempted from the notification obligation fall under policy areas, which are top priorities for the twin transition. Aid provided in these areas will also support the recovery from the economic effects of the coronavirus crisis, and will ensure that this recovery will contribute to the transition to a green and digital economy. The relevant categories of aid are:

1. Aid for energy efficiency projects in buildings;
2. Aid for recharging and refuelling infrastructure for low emission road vehicles;
3. Aid for fixed broadband networks, 4G and 5G mobile networks, certain trans-European digital connectivity infrastructure projects and certain vouchers.

Background

Article 108(3) of the Treaty on the Functioning of the European Union (TFEU) requires Member States to notify all State aid to the European Commission and to implement it only after the Commission's approval. The EU State aid Enabling [Regulation](#) allows the Commission to declare that certain categories of State aid are compatible with the Single Market and exempted from the notification obligation provided for in the Treaty.

The GBER declares specific categories of State aid compatible with the Treaty, provided that they fulfil clear conditions, and exempts these categories from the requirement of prior notification to and approval from the Commission. This allows Member States to implement such measures directly, with full legal certainty. The 2014 [General Block Exemption Regulation](#) enabled Member States to implement a wide range of State aid measures without prior Commission approval, as they are unlikely to distort competition. As a result, since 2015, more than 96% of new State aid measures for which expenditure was reported for the first time did not require notification to the Commission. This is in line with the Commission's approach to focus on delivering more and faster, while focusing less where the added value is perceived to be more limited.

[Following a Commission proposal adopted in June 2018](#), in order to facilitate the implementation of the next Multilateral Financial Framework (MFF) and to improve the interplay between EU Funds rules and State aid rules, the Council of the EU adopted in [November 2018](#) an amendment to the EU's State aid Enabling Regulation (Council Regulation (EU) 2015/1588). Based on the revised Enabling Regulation, the Commission is entitled to make targeted modifications to the GBER.

Drafts of the revised GBER text have been subject to two [public consultations](#), as well as three Advisory Committee Meetings between the Commission and Member States. This process has ensured that Member States and stakeholders have had sufficient opportunities to comment on the draft Commission proposal. The Commission has carefully assessed all comments and adjusted the proposal where appropriate.

In addition to the extension of the scope of the GBER adopted today, the Commission has already launched [a new revision of the GBER](#) aimed at streamlining State aid rules further in light of the Commission priorities in relation to the twin transition. Member States and stakeholders will be consulted in due course on the draft text of that new amendment.

For more information

[Q&A - State aid: Commission widens scope of General Block Exemption Regulation – frequently asked questions](#)

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