

Factsheet 3: The General Block Exemption Regulation (GBER) in Interreg Baltic Sea Region

Please note:

Legal basis: COMMISSION REGULATION (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty:

<http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014R0651&from=EN>

COMMISSION REGULATION (EU) 2017/1084 of 14 June 2017 amending Regulation (EU) No 651/2014 as regards aid for port and airport infrastructure, notification thresholds for aid for culture and heritage conservation and for aid for sport and multifunctional recreational infrastructures, and regional operating aid schemes for outermost regions and amending Regulation (EU) No 702/2014 as regards the calculation of eligible costs:

<http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32017R1084&from=EN> For each category of aid where Interreg Baltic Sea Region has or proposes to implement an aid scheme, guidelines outlining the basis for support are available. These currently concern support for SMEs, training aid, research and development and environmental aid, but other policy areas may be added.

This factsheet is a summary of the key points of Regulation 651/2014 as last amended by Regulation 2017/1084 and hereinafter referred to as “the Regulation” but is not a substitute for the full text of the Regulation, to which reference should be made.

1. Summary

The overall aim of the General Block Exemption Regulation (GBER) is to obviate the need for notification of aid to the European Commission and its approval in advance of implementation. Instead, for certain categories of aid, compatibility is *presumed*, provided that specified conditions are met and the monitoring and reporting requirements are fulfilled. The GBER exempts a wide range of State aid measures from prior notification and approval.

- Regional aid
- SMEs
- Research, development and innovation
- Training

- Recruitment and employment of disadvantaged or disabled workers
- Environmental protection
- Make good damage caused by natural disasters
- Social aid for residents of remote regions
- Broadband infrastructure
- Culture and heritage conservation
- Audiovisual works
- Sport and multifunctional recreational infrastructures
- Investment in local infrastructures
- Aid for regional airports
- Aid for maritime and inland ports

Specific conditions apply to each category of aid. Not all of these categories are relevant to Interreg Baltic Sea Region. Interreg Baltic Sea Region will take steps to implement State aid measures under the provisions of the GBER considered appropriate to the Programme. These may take the form of aid schemes, providing a framework for certain types of intervention, or, exceptionally, *ad hoc* support decided on a case-by-case basis.

2. Geographical coverage

The Regulation applies throughout the EEA.

3. Sectoral exclusions

The GBER does not apply to:

- Fisheries and aquaculture: these sectors are excluded from the GBER except for regional investment aid in outermost regions (Art. 14), regional operating aid schemes (Art. 15), SME access to finance (Art. 21-24), aid in the field of research and development and innovation (Art. 25 to 30), training aid (Art. 31) and aid for disadvantaged workers and workers with disabilities (Art. 32-35).
- Primary agricultural production: this sector is excluded from the GBER except for regional investment aid in outermost regions (Art. 14), regional operating aid schemes (Art. 15), , aid for consultancy in favour of SMEs (Art. 18), risk finance aid (Art. 21), aid for research and development and innovation (Art. 25 to 29), environmental aid (Art. 36-49), training aid (Art. 31) and aid for disadvantaged workers and workers with disabilities (Art. 32-35).
- Processing and marketing of agricultural products: if aid is fixed on the basis of price or quantity purchased from primary producers or conditional on being passed to primary producers, it falls outside the GBER.

- Coalmines: aid to facilitate the closure of uncompetitive mines is excluded.

4. Excluded activities and expenditure

Eligibility for support under GBER varies according to the provisions in question. However, the following types of spend are explicitly *excluded*:

- Aid to export-related activities or contingent on use of domestic over imported goods
- Aid available to firms subject to a recovery order (the so-called Deggendorf principle): support must explicitly exclude the possibility of paying aid to a firm that is subject to a recovery order following a previous Commission decision declaring an aid granted by the same Member State illegal and incompatible with the internal market, with the exception of aid to make good the damage caused by natural disasters. A listing of such firms is available from the Commission¹ and the condition is part of the application for GBER-based support.
- Aid to firms in difficulty: aid to firms in difficulty is not exempted by dint of the GBER.
- Aid which entails a non-severable violation of EU law: notably in relation to location of headquarters, obligation to use domestically-produced good or restrictions on the exploitation of RD&I results in other Member States, falls outside the GBER.

5. Eligibility

A number of *general* conditions must be met for aid to comply with the GBER. These are in addition to the specific conditions relating to individual categories of aid. In particular:

- Transparency: it must be possible to calculate beforehand the gross grant-equivalent of the aid where aid is not offered in the form of a grant.
- Incentive effect: applications for support must be made before work starts; there are more onerous requirements for demonstrating incentive effect in the case of *ad hoc* aid to large enterprises.
- Cumulation: notification thresholds and aid intensities must be respected – these vary by category of aid. *De minimis* support can be combined with aid based on the GBER, provided that cumulation would not result in the relevant aid ceiling or notification threshold from that category of aid being exceeded. However, the Programme does not allow for cumulation of aid granted by the Programme with other State aid for the same eligible costs.

In addition, specific conditions apply to different categories of aid provided for under the GBER.

¹ See: http://ec.europa.eu/competition/state_aid/studies_reports/active_pending_recovery_cases_en.pdf

6. Amounts of support

The rate of award (as a percentage of eligible costs) varies by category of aid under the GBER. In addition, it is important to note that the GBER concerns aid only up to specified absolute amounts above which proposed aid must be notified to the Commission in advance and approved by it prior to implementation. The table below summarises the maximum amounts of aid for the categories relevant to the Interreg Baltic Sea Region and for which funding guidelines are being developed and reported to the Commission.

Article	Type	Notification threshold	Maximum rate of award	Fisheries and aquaculture eligibility	Primary agricultural production eligibility
Art 17	Investment aid in SMEs	EUR 7.5m per undertaking, per investment project	20% of eligible costs for small enterprises; 10% for medium enterprises	No	No
Art 18	Aid for consultancy in favour of SMEs	EUR 2m per undertaking, per project	50%	No	No
Art 19	Aid to SMEs for participation in fairs	EUR 2m per undertaking, per year	50%	No	No
Art 20	Aid for cooperation costs incurred by SMEs participating in ETC projects	EUR 2m per undertaking, per project	50%	No	No
Art 25	Research and development	Fundamental research - EUR 40m; Industrial research - EUR 20m; Experimental research- EUR 15; Feasibility studies - EUR 7.5m	Fundamental - 100%; industrial - 50%; experimental - 25%; feasibility studies - 50%. Higher for SMEs, collaboration.	Yes	Yes
Art 26	Investment aid for research infrastructures	EUR 20 million per infrastructure	50%	Yes	Yes
Art 27	Aid for innovation clusters	EUR 7.5m per cluster	50%	Yes	Yes
Art 28	Innovation aid for SMEs	EUR 5m per undertaking, per project	50% (100% and EUR 200,000 in three years for advisory	Yes	Yes

Article	Type	Notification threshold	Maximum rate of award	Fisheries and aquaculture eligibility	Primary agricultural production eligibility
			services)		
Art 29	Aid for process and organisational innovation	EUR 7.5m per undertaking, per investment project	50% for SMEs; 15% for large enterprises	Yes	Yes
Art 30	Aid for R&D in fishery and aquaculture	See Article 25	100%	Yes	No
Art 31	Training aid	EUR 2m per training project	50%-70%	Yes	Yes
Art 36	Investment aid enabling undertakings to go beyond Union standards for environmental protection...	EUR 15 million per undertaking per investment project	60% for small enterprises, 50% for medium enterprises; 40% for large enterprises; higher rates for investments located in assisted areas fulfilling the conditions of Art 107(3)(a) or 107(3)(c) of the Treaty	No	Yes
Art 37	Investment aid for early adaptation to future Union standards	EUR 15 million per undertaking per investment project	15% for small enterprises, 10% for medium enterprises; 5% for large enterprises; higher rates for investments located in assisted areas fulfilling the conditions of Art 107(3)(a) or 107(3)(c) of the Treaty	No	Yes
Art 38	Investment aid for energy efficiency measures	EUR 10 million per undertaking per investment project	50% for small enterprises, 40% for medium enterprises; 30% for large enterprises; higher rates for investments located in assisted areas fulfilling the conditions of Art 107(3)(a) or 107(3)(c) of the Treaty	No	Yes

Article	Type	Notification threshold	Maximum rate of award	Fisheries and aquaculture eligibility	Primary agricultural production eligibility
Art 40	Investment aid for high-efficiency cogeneration	EUR 10 million per undertaking per investment project	65% for small enterprises, 55% for medium enterprises; 45% for large enterprises; higher rates for investments located in assisted areas fulfilling the conditions of Art 107(3)(a) or 107(3)(c) of the Treaty	No	Yes
Art 41	Investment aid for the promotion of energy from renewable sources	EUR 15 million per undertaking per investment project	50% for small enterprises, 40% for medium enterprises; 50% for large enterprises; higher rates for investments located in assisted areas fulfilling the conditions of Art 107(3)(a) or 107(3)(c) of the Treaty	No	Yes
Art 45	Investment aid for remediation of contaminated sites	EUR 20 million per undertaking per investment project	85%	No	Yes
Art 46	Investment aid for energy efficient district heating and cooling	EUR 20 million per undertaking per investment project	65% for small enterprises, 55% for medium enterprises; 45% for large enterprises; higher rates for investments located in assisted areas fulfilling the conditions of Art 107(3)(a) or 107(3)(c) of the Treaty	No	Yes
Art 47	Investment aid for waste recycling and re-utilisation	EUR 15 million per undertaking per investment project	55% for small enterprises, 45% for medium enterprises; 35% for large enterprises; higher rates for	No	Yes

Article	Type	Notification threshold	Maximum rate of award	Fisheries and aquaculture eligibility	Primary agricultural production eligibility
			investments located in assisted areas fulfilling the conditions of Art 107(3)(a) or 107(3)(c) of the Treaty		
Art 48	Investment aid for energy infrastructure	EUR 50 million per undertaking per investment project	85%	No	Yes
Art 49	Aid for environmental studies	-	50%; Higher for SMEs	No	Yes

7. Administrative arrangements

Applications for aid under the GBER must be made by written form which must be completed before work starts on the project. Therefore, applicants will be asked to identify State aid relevant activities and related budget in the application and decide if the MA/JS should investigate whether GBER can be applied.

The Managing Authority ensures the maintenance of detailed records with the information and supporting documentation necessary to establish that all the conditions in the GBER are met. This includes ensuring that the project partners receiving State aid under the GBER also maintain relevant records as outlined in the Programme Manual.

8. Other relevant documents

- COMMISSION REGULATION (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty: <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014R0651&from=EN>
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- Aid schemes registered by the Programme (complete texts & summary information):
 - SME aid scheme 2014-2020
 - Research and development and innovation aid scheme 2014-2020
 - Training aid scheme 2014-2020
 - Environmental aid scheme 2014-2020
- GBER & SME declaration
- GBER declaration
- Factsheet 1: State aid in Interreg Baltic Sea Region
- Factsheet 2: De minimis support
- Factsheet 4: Guidance on State aid definition