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From: Presidency
To: Working Party on Competition

Subject: Presidency report on the Working Party reflections on the points of interest of Member States in the State aid field

State aid: points of interest – summary of comments from MS after WP COMP of 17.02.2025

At the beginning, it is worth noting that the Member State (MS) took a very active part in the discussion during the WP COMP meeting (17.02.2025) and most of them also expressed their views very extensively in their written positions.

Many of the issues reported were common to the vast majority of delegations, while there were also problems quite specific to individual MS.

The problems reported by the MS (written comments were submitted by 15 MS: MT, BE, HR, HU, CY, SI, PT, FI, IT, EE, LT, NL, CZ, LV and EL) concerned several different areas. The positions presented orally during the meeting were also taken into account (DE, SE, IE, LU, AT, SK, RO, DK, ES, FR, BG). Below one can find a humble attempt to arrange these issues:

1. Simplification (and acceleration) of aid regulations:

The majority of comments (MT, BE, HR, HU, PT, CZ, LV, SK, RO) concerned the need to **simplify State aid provisions** – in general or in terms of specific provisions (here, the majority of votes referred to the need to **simplify the GBER**: BE, HR, HU, PT, EE, CZ, DE, SE, SK), especially in the area of **environmental aid** (HR, HU, SI, CZ), but also for **research, development and innovation** (CZ). Simplifications were also associated with the postulate to **simplify reporting requirements** (BE, PT, NL, CZ, DE,). Several MS also pointed to the need to **align State aid provisions with EU fund regulations** (HU, EE, SK, RO), and an **update of the Notion of Aid** was also suggested (EE). BE suggested the need to strengthen DG COMP staff, which would help to accelerate the assessment of State aid measures, which in turn would have a positive impact on SMEs. The possibility of replacing the **funding gap** method with another, simpler one (HR, PT, CZ) or a wider application of **Simplified Cost Option** (SCO) (PT) was also indicated as one of the simplification methods, similarly – in the scope of the **counterfactual scenario** (IT, CZ). Unnecessary complications are created by the registers of de minimis aid (NL, DK).

2. Level playing field

Many MS (BE, FI, EE, NL, CZ) referred to the need to maintain a **level playing field**, including the need to **return to the regular State aid rules** (BE, FI, EE), **evidence-based approach** (BE, PT, NL) and **impact analysis** (BE, FI, CZ); some also expressed **opposition to the misuse of State aid, e.g. in the production** (FI, NL).

3. Definitions:

For many MS, inconsistencies, ambiguities or lack of update to some definitions remain a major problem. The most common postulate was the need to update and simplify the **definition of micro, small and medium-sized enterprises** (HR, CY, SI, IT, SK), a **single undertaking** (BE, EE), a **undertaking in difficulty** (BE, IT, NL, IE, LU, RO), especially in

the context of the application of the GBER, or to create a new definition of **mid-caps** or extend its use to other types of aid than currently (CY, SI, PT, AT).

4. Facilitating (and accelerating) support for specific measures:

- a) The need for simplification or acceleration (e.g. **fast-track procedures**) in the area of supporting **clean energy, digitalisation and innovation projects** was emphasised (HR, PT, LV);
- b) In relation to **digitalisation, the problems of SMEs** were indicated, for which the rules for granting aid should be simplified (HR, HU);
- c) In the discussed problem of supporting **innovation**, BE called for the elimination of the limitation of operating aid for innovation clusters to 10 years;
- d) When raising the subject of aid in the **energy and environmental** protection sector, the MS drew attention either to the need for appropriate transfer to the **New State Aid Framework** (aid for the Clean Industrial Deal) of those **TCTF** provisions that had proven to be effective (DE, RO, ES, FR), or possibly to further extend these provisions (IT); the need for technological neutrality was also indicated (FR, RO, CZ, BG) with AT opposing; MS also recalled the need to properly revise the **CEEAG** (NL, DE, LU) or the **ETS Guidelines** (IT, DE).

5. Specific issues reported more individually:

- a) **Affordable housing** and the need of addressing this problem (PT, NL, SK);
- b) **Increasing de minimis amount to EUR 500,000**: LV, RO and LT opted for this, LT proposed that the additional EUR 200,000 should be allocated to twin transition;
- c) It was also proposed to **revise the NUTS classification** (LV), **increase the thresholds, e.g. in the GBER** (LV), or other **simplifications for certain sectors** in the GBER (LV);
- d) **Risk finance**: NL indicated the need to look at this aspect in the context of better involvement of private capital;
- e) **Increase of the aid limits, e.g. in the GBER, for SMEs**, etc. (EL);
- f) New provisions in the GBER/temporary framework for **STEP projects** (SI);
- g) New type of aid for **cabotage costs** incurred exclusively by companies based in island MS. (MT);
- h) Another simplification could be to increase the amount that defines the obligation to **evaluate large aid programs to EUR 200 million** (HR, RO).

6. What works well according to the MS:

- a) FI: GBER, CEEAG, RDI;
- b) HU: cooperation with EC during crises;
- c) LV: IPCEL.