



# State aid

## Agriculture and forestry

**Gereon THIELE**

DG AGRI Unit I.2

These slides accompany the explanation of the acquis to Albania and North Macedonia and can only be used for that purpose. Their content is subject to further development of the acquis and interpretation by the Court of Justice of the European Union.

## OUTLINE

- Legal framework
- State aid instruments in the agricultural and fishery sectors
- Specific issues in relation to the application of State aid rules to Rural Development financing
- Review of the agricultural State aid framework

## LEGAL FRAMEWORK (1)

*Recall Article 107 and 108 TFEU*

➔ « Normal State aid rules »

*BUT*

*Art. 42 TFEU: SA rules applicable to production of and trade in agricultural products only to the extent determined by the legislator, taking into account the objectives of the CAP*



## LEGAL FRAMEWORK (2)

*What are « agricultural products » within the meaning of  
Article 42 TFEU ?*

*Agricultural products are the products listed in **Annex I** to the  
TFEU*

## LEGAL FRAMEWORK (3)

### Common Market Organisation Regulation No 1308/2013

- **Principle:** *Article 211(1) according to which Articles 107 to 109 TFEU do apply to the production of and trade in agricultural products.*
- **Exceptions:**  
*Article 211(2)(a): State aid rules do not apply to the measures provided for in this Regulation which are partly or wholly financed by the Union;*

*Article 211(2)(b) in conjunction with Articles 212 to 218, e.g. the school milk and the school fruit programmes where MS may top-up Union funding*

*Article 13 of Direct Payments Regulation No 1307/2013*

## LEGAL FRAMEWORK (4)

### Direct Payments Regulation No 1307/2013

#### Article 13

*By way of derogation from Article 211(1) of Regulation (EU) No 1308/2013 of the European Parliament and of the Council ( 1 ), Articles 107, 108 and 109 TFEU shall not apply to payments made by Member States in conformity with this Regulation*

## LEGAL FRAMEWORK (5)

### Rural Development Regulation No 1305/2013

#### Principle:

- *Article 81(1) → SA rules apply subject to derogations laid down in that same Article and the subsequent Article*

#### Exception:

- *Article 81(2) → SA rules do not apply to national financial contributions or to additional national financing (top ups) within the scope of Art. 42 TFEU*
- *Article 82 → the additional national financing shall be included by the MS in the RDP*

## LEGAL FRAMEWORK (6)

### Rural Development Regulation No 1305/2013

#### *Take Aways:*

- *State aid rules DO apply as a general rule*
- *They DO NOT apply to a few very specific cases of purely national aid which are not relevant in this context.*
- *They DO NOT apply to co-financed programmes as long as these programmes concern agriculture → they DO apply where the programmes co-finance activities outside the agricultural sector, notably forestry.*
- *They DO NOT apply to Direct Payments*



# State aid instruments in the agricultural and forestry sectors

1. European Guidelines in the agricultural and forestry sectors and in rural areas 2014-2020
2. Agricultural Block Exemption Regulation No 702/2014
3. Agricultural de minimis Regulation No 1408/2013
4. Specific sectoral Guidelines (e.g. Regional aid Guidelines, Rescue & Restructuring Guidelines, Energy and Environmental Guidelines etc.)
5. General ,Block exemption Regulation
6. General de minimis Regulation No 1407/2013



# THANK YOU!

## *ADDITIONAL INFORMATION:*

[http://ec.europa.eu/agriculture/stateaid/index\\_en.htm](http://ec.europa.eu/agriculture/stateaid/index_en.htm)

[http://ec.europa.eu/agriculture/rural-development-2014-2020/index\\_en.htm](http://ec.europa.eu/agriculture/rural-development-2014-2020/index_en.htm)

## *CONTACT:*

***European Commission***  
***DG Agriculture and Rural Development***  
***Unit I.2 Competition***  
***Rue de la Loi 130***  
***B-1049 Brussels/Belgium***

[agri-state-aids-notifications@ec.europa.eu](mailto:agri-state-aids-notifications@ec.europa.eu)