



***RECOMMENDATIONS OF THE  
ASSOCIATION OF EUROPEAN BORDER REGIONS (AEBR)  
CONCERNING THE  
DRAFT COMMUNICATION FROM THE COMMISSION ON  
“A NEW FRAMEWORK FOR THE ASSESSMENT OF  
LESSER AMOUNTS OF STATE AID “***

1. AEBR broadly welcomed the Commission proposals on a new framework for the assessment of lesser amounts of state aid, since the new system set relatively simple and flexible upper limits on amounts of state aid:
  - Beneficiaries would receive 30% of project costs;
  - companies would have cap of €1 million;
  - Member States would receive 5% of any aid (excluding the agriculture, fisheries and aquaculture, and transport sectors).

These guidelines would apply without exception throughout the EU.

2. However, these EU-wide rules on small amounts of state aid fail to take into account the underlying geographical and structural differences between Europe's regions and border regions, as a result of:
  - Specific geographical factors, such as, for example, mountainous, maritime and sparsely populated regions;
  - varying degrees of accessibility (peripheral regions, islands, maritime regions and mountain regions);
  - different population and settlement densities;
  - major disparities between regions and border regions in terms of economic structure, employment, research and development, innovation, and human and technical capacity, as dwelt on in depth in the EU's cohesion reports.

These differences affected border regions in quite specific ways since the latter had to deal with the burden presented by the presence of borders and the barrier effect that these could create. Against this backdrop, AEBR called for the guidelines to take greater account of geographical differences between regions.

3. AEBR called for the principle of spatial differentiation to be incorporated into the new system of guidelines for monitoring small amounts of state aid by:
  - Raising the upper limit on aid for recipients in the present Objective 1 areas and after 2006, those in objective areas for convergence from 30% of project costs to a maximum of 40%;
  - raising the upper limit on aid for beneficiaries in areas facing specific geographical and structural difficulties, such as relatively inaccessible regions (e.g. border, mountainous, peripheral and sparsely populated regions) from 30% of project costs to a maximum of 35%;
  - adopting proposals for an upper limit on aid for beneficiaries in other regions, apart from a possible reduction in the upper limit on aid to less than 20% of project costs in relatively well-developed regions.
4. AEBR also asked for checks to be carried out as to whether in those Member States where per capita GDP was less than 75 points (Index EU25=100), which is almost all the new Member States, the upper limit on "relatively small amounts of state aid" could be raised to a total of 6 or 7% of any aid (with the exception of the agriculture, fisheries and aquaculture and transport sectors), since this would increase the range of support available to border regions in these Member States.