

EVALUATION AND FITNESS CHECK (FC) ROADMAP			
TITLE OF THE EVALUATION/FC	Evaluation of the instruments applicable to State aid in the agricultural and forestry sectors and in rural areas		
LEAD DG RESPONSIBLE UNIT	AGRI.DDG1.C4	DATE OF THIS ROADMAP	04 / 2017
TYPE OF EVALUATION	Evaluation Mid-Term Mixed	PLANNED START DATE	10 / 2017
		PLANNED COMPLETION DATE	01 / 2019
		PLANNING CALENDAR	http://ec.europa.eu/smart-regulation/evaluation/index_en.htm
This indicative roadmap is provided for information purposes only and is subject to change.			

A. Purpose
(A.1) Purpose
<p><i>The current framework for State aids in the agricultural and forestry sectors and in rural areas applies since July 2014 and expires on 31 December 2020. The purpose of this evaluation is to evaluate the implementation of this framework in particular with regard to the impact on the internal market.</i></p> <p><i>The results from the evaluation will be used for the review of the State aid rules, to be carried out in 2020 with the view to establishing a new State aid framework for the agricultural and forestry sectors and for rural areas for the period 2021 to 2028.</i></p>
(A.2) Justification
<p><i>Article 108 TFEU lays down the obligation for the Commission to keep aid granted by the Member States under constant review and to assess whether it is compatible with the internal market.</i></p> <p><i>In view of establishing a new State aid framework for the agricultural and forestry sectors and for rural areas for the period 2021 to 2028 and to comply with the evaluate first principle, an evaluation needs to be launched.</i></p>

B. Content and subject of the evaluation
(B.1) Subject area
<p><i>The European Commission adopted in June 2014 revised and updated criteria under which Member States can support agriculture, forestry and rural areas, in line with EU state aid rules (see REFIT scoreboard¹). This updated framework formed part of the Commission's State Aid Modernisation (SAM) initiative, aimed at fostering growth and competitiveness in the EU, and ensured coherence with the Common Agricultural Policy, more particularly with the new rural development policy of the EU. In more precise terms, the Commission adopted a new Agricultural Block Exemption Regulation (ABER), new Guidelines for State aid in the agricultural and forestry sectors and in rural areas 2014 to 2020 (GL) and a new regulation on de minimis aid (the de minimis regulation). ABER allows the granting of certain categories of State aid to the agricultural and forestry sectors and in rural areas without prior notification to the Commission. The GL aim at setting the general criteria which will be used by the Commission when assessing the compliance of aid with the internal market. The de minimis regulation allows Member States to grant small amounts of aid without prior notification.</i></p>
(B.2) Original objectives of the intervention
<p><i>The framework of State aid rules for the agricultural and forestry sectors and for rural areas ensures that the Commission's assessment of the compatibility of various forms of aid is transparent, consistent and coherent, so as</i></p>

¹ https://ec.europa.eu/info/sites/info/files/cwp_2017_refit_scoreboard_2016_en.pdf

to contribute to a higher degree of legal certainty for Member States and aid beneficiaries. In addition, the block exemption regulation allows for simplified procedures, as it exempts certain categories of aid from notification requirements.

The key objectives of the 2014 to 2020 framework of State aid rules for the agricultural and forestry sectors and for rural areas are:

- (1) Assure consistency of agricultural State aids with the CAP and the Rural Development objectives
- (2) Simplify and increase efficiency of the procedures
- (3) As part of the general SAM initiative, to guarantee that State aid does not distort or threaten to distort competition on the internal market.

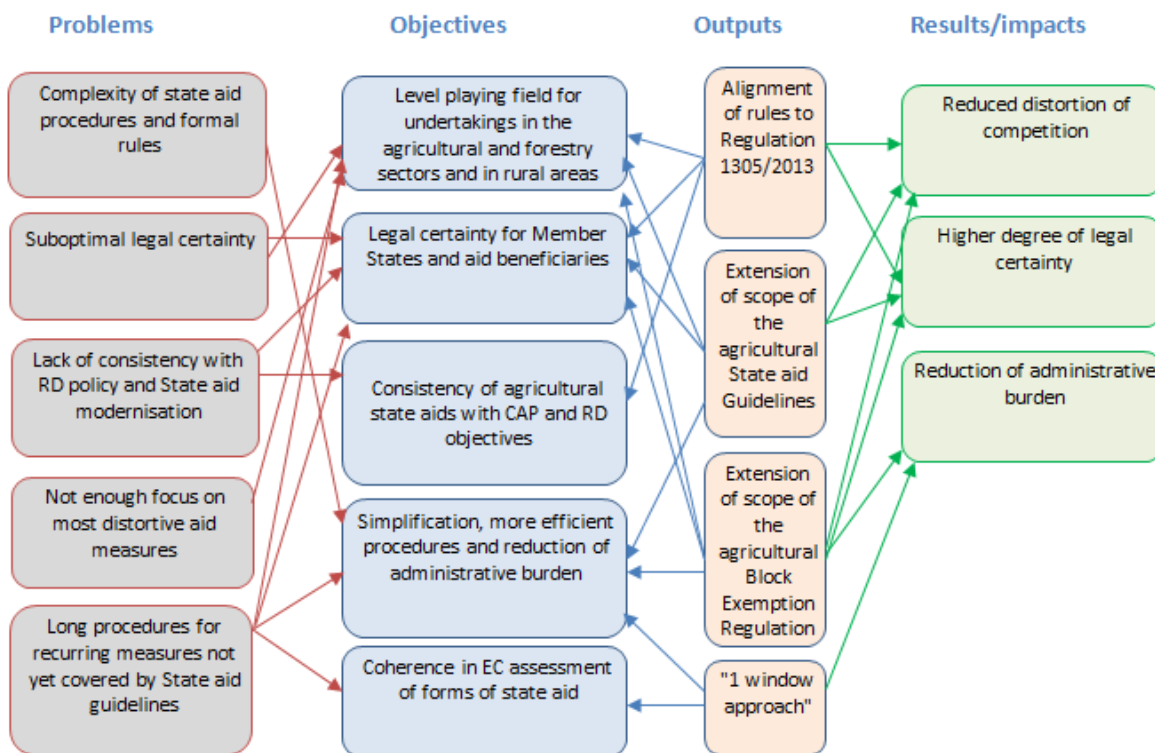
(B.3) How the objectives were to be achieved

The State aid rules applicable to agriculture, forestry and rural areas were aligned with the new Rural Development Regulation No 1305/2013 and the horizontal State aid rules.

Specific notification forms were reviewed and definitions were clarified. Reduction of administrative burden for less distortive aid was to be achieved by extending the scope of the ABER reducing the list of State aid measures subject to notification requirement and by increasing the maximum ceilings for granting de minimis aid, thereby enabling the Commission to focus on more distortive aid measures.

Providing more guidance to Member States for State aid measures by including recurring types of aid that were not covered previously by the GL.

Intervention logic diagram – Instruments applicable to State aid in the agricultural and forestry sectors and in rural areas



C. Scope of the evaluation

(C.1) Topics covered

The scope of the evaluation is determined by the State aid framework for the agricultural and forestry sectors and for rural areas for the period 2014 to 2020 in as far as the Block Exemption Regulation (EU) No 702/2014 (ABER) and the agricultural State aid Guidelines are concerned. The de minimis Regulation (EU) No 1408/2013 will not be covered, as it will be subject to a proportionate impact assessment which is to be completed already in 2017 and

which will analyse also the effects of the application of that regulation since it entered into force on 1 January 2014.

The evaluation should cover all 28 Member States regarding aid schemes which were either exempted under the ABER or authorised by the Commission in the period 1 July 2014 to 31 December 2016.

(C.2) Issues to be examined

The State aid framework for the agricultural and forestry sectors and for rural areas covers a very broad range of possible aid measures. The evaluation should for certain aspects focus on a selection of measures under the ABER and the Guidelines. The selection should on the one hand cover measures which aim at mitigating risks inherent to the agriculture or forestry sectors (e.g. plant pests, animal diseases and adverse weather events) and which are not likely to have significant distortive effects on competition and trade; on the other hand it should also cover measures that were newly introduced in the Guidelines in 2014. The measures to be examined will be selected by the Commission services and listed in the tender specifications. Evaluation Questions 3, 6, 7 and 8 set out below are not limited to this selection but will look at the framework in general.

The evaluation of the State aid framework for the agricultural and forestry sectors and for rural areas will be conducted along the five evaluation criteria:

- **Effectiveness**

1. To what extent were the rules for the selected aid measures effective with regard to mitigating the effect on competition and trade within the internal market?

- **Efficiency**

2. To what extent were the selected aid rules efficient with regard to the procedure for obtaining State aid clearance?
3. To what extent have the revised State aid instruments achieved simplification and a reduction of administrative burden? To what extent do the achieved simplification benefits and administrative cost savings correspond to the situation as it was when the revised State Aid instruments were put in place?

- **Relevance**

4. To what extent were the selected applicable rules relevant with regard to the need to ensure the necessary level of risk and crisis management in the agricultural sector?
5. To what extent were the rules for the selected aids in the forestry sector and in rural areas relevant with regard to the needs to obtain State aid clearance for the underlying co-financed rural development measures or top ups; to what extent were the various available options (i.e. notification, block exemption or de minimis aid) to obtain State aid clearance used by the Member States?

- **Coherence**

6. To what extent are the rules to obtain State aid clearance coherent with those for the underlying co-financed rural development measures or national top ups? To what extent are existing incoherences an obstacle to Member States seeking to obtain State aid clearance for rural development support.
7. To what extent were the differences in the conditions under the State aid rules and rural development rules (concerning aid intensity and eligible costs) important for decisions of the authorities in Member States on the design of the aid and for the investment decisions taken by beneficiaries?

- **EU added value**

8. To what extent have the State aid instruments ensured EU added value?

(C.3) Other tasks

D. Evidence base

(D.1) Evidence from monitoring

The evaluation will use (1) data provided by Member States, (2) statistical information collected by the Commission (3) and any relevant completed or on-going studies on State aids.

All State aid cases that have been the object of a Commission decision are available in the Commission's

<p>competition case database, including information on block exemption cases registered by the Commission.</p> <p>http://ec.europa.eu/competition/elojade/isef/index.cfm?clear=1&policy_area_id=3</p> <p>The 2015 State Aid Scoreboard comprises aid expenditure made by Member States before 31.12.2014 and which falls under the scope of Article 107(1) TFEU. The data is based on the annual reporting by Member States pursuant to Article 6(1) of Commission Regulation (EC) 794/2004. Expenditure refers to all existing aid measures to manufacturing industries, services, agriculture and fisheries, for which the Commission adopted a formal decision or received an information fiche from the Member States in relation to measures qualifying for exemption under the General Block Exemption Regulation.</p> <p>http://ec.europa.eu/competition/state_aid/scoreboard/index_en.html</p> <p>All individual aid awards above the thresholds set out in Article 9 of the ABER and Section 3.7 of the Guidelines are published on the public search page of the Transparency Award Module (TAM):</p> <p>https://webgate.ec.europa.eu/competition/transparency/public/search/home.</p>
<p>(D.2) Previous evaluations and other reports</p> <p><i>The impact assessment of the Commission relating to the revision of the State Aid framework will be a useful source of information (https://ec.europa.eu/agriculture/stateaid/policy_en).</i></p>
<p>(D.3) Evidence from assessing the implementation and application of legislation (complaints, infringement procedures)</p>
<p>(D.4) Consultation</p> <p><i>The aim of the envisaged consultations is to seek information on the experience with the legal framework and feedback on results from the external evaluation study and the possible design of a future framework of State aid rules from the relevant stakeholders and wider public. In the context of the external study work, consultation activities will target the following main stakeholders: public authorities responsible for granting State aid, aid beneficiaries and their competitors in the agriculture and forestry sectors and in rural areas. The format of the consultation activities and the groups to be reached will be further specified based on a proposal from the external contractor that will work on this assignment.</i></p> <p><i>The Advisory Committee on State aid will be consulted.</i></p> <p><i>Towards the end of the external study work feeding into this Commission evaluation an open internet-based public consultation will be conducted and made available on the Public consultations website² in all official EU languages for 12 weeks. The public consultation will be combined with the one needed for the impact assessment guiding the preparation of the State aid framework for the period 2021 – 2028 (one single open public consultation). Its results will feed into the preparation of the evaluation Staff Working Document.</i></p>
<p>(D.5) Further evidence to be gathered</p>

E. Other relevant information/ remarks
<i>[e.g. comments on scope, further detail on communication activities or validation exercises]</i>

² http://ec.europa.eu/info/consultations_en