



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 05.02.2002
COM(2002)34 final

2002/0027 (ACC)

Proposal for a

COUNCIL DECISION

on the position to be taken by the Community within the Association Committee established by the Europe Agreement between the European Communities and their Member States, of the one part, and the Slovak Republic, of the other part, with regard to the adoption of a Regional aid map on the basis of which public aid granted by the Slovak Republic will be assessed

(presented by the Commission)

EXPLANATORY MEMORANDUM

1. This is a proposal for the adoption of a Regional aid map on the basis of which public aid granted by the Slovak Republic will be assessed.

According to Article 64(4)(a) of the Europe Agreement, the Parties recognised that during the first five years after its entry into force, any public aid granted by the Slovak Republic shall be assessed taking into account the fact that the Slovak Republic shall be regarded as an area identical to those areas of the Community described in Article 87(3)(a) of the Treaty establishing the European Community.

On 18 May 2001 the EU-Slovakia Association Council adopted decision No 3/2001 with regard to the extension for a further period of five years of the Slovak Republic as an area identical to those areas of the Community described in Article 87(3)(a) of the Treaty establishing the European Community. The decision was applied as from 1 March 1997 and expires on 28 February 2002.

Article 2 of decision No 3/2001 obliged the Slovak Republic to submit the GDP per capita figures which have been harmonised at NUTS II level to the European Commission within six months of the date of the adoption of the decision. On that basis, the Slovak Republic State aid monitoring authority and the European Commission jointly evaluated the eligibility of the regions as well as the maximum aid intensities in relation thereto, in order to draw up the regional aid map on the basis of the Community guidelines on national regional aid¹.

2. According to the Community guidelines on national regional aid, in the case of regions falling under Article 87(3)(a) of the Treaty the intensity of regional aid must in general not exceed the rate of 50% NGE, except in the outermost regions, where it may be as much as 65% NGE. In the NUTS level II regions eligible under Article 87(3)(a) whose per capita GDP/PPS is greater than 60% of the Community average, the intensity of regional aid must not exceed 40% NGE, except in the outermost regions, where it may be as high as 50% NGE. The GDP/PPS of each region and the Community average to be used in the analysis must relate to the average of the last three years for which statistics are available.

All the above mentioned ceilings may be raised by 15 percentage points gross in the case of aid granted to small and medium-sized enterprises². They nevertheless constitute upper limits which apply to the total aid whenever assistance is granted concurrently under several regional schemes, and regardless of whether it comes from local, regional, national or Community sources. Beneath these ceilings, it will be ensured that the regional aid intensity is adjusted to reflect the seriousness and intensity of the regional problems addressed.

3. The Commission hereinafter submits the joint proposal to the Council and requests the Council to adopt the attached proposal for an Association Committee Decision

¹ OJ C 74 of 10.3.1998, p. 9

² OJ L 107 of 30.4.1996, p. 4.

Proposal for a

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on the position to be taken by the Community within the Association Committee established by the Europe Agreement between the European Communities and their Member States, of the one part, and the Slovak Republic, of the other part, with regard to the adoption of a Regional aid map on the basis of which public aid granted by the Slovak Republic will be assessed

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 133 in conjunction with the first sentence of Article 300(2) thereof;

Having regard to the proposal of the Commission;

Having regard to Article 64(4)(a) of the Europe Agreement;

Having regard to decision No 3/2001 of the EU-Slovakia Association Council of 18 May 2001 with regard to the extension for a further period of five years of the Slovak Republic as an area identical to those areas of the Community described in Article 87(3)(a) of the Treaty establishing the European Community;

Whereas:

- (1) Article 2 of the decision No 3/2001 obliged the Slovak Republic within six months of the date of the adoption of the decision to submit the GDP per capita figures which have been harmonised at NUTS II level to the European Commission;
- (2) The Slovak Republic State aid monitoring authority and the European Commission jointly evaluated the eligibility of the regions as well as the maximum aid intensities in relation thereto in order to draw up the regional aid map on the basis of the Community guidelines on national regional aid³;
- (3) According to the above mentioned decision, a joint proposal shall be submitted to the Association Committee, which shall take a decision to this effect;
- (4) According to the Community guidelines on national regional aid, in the case of regions falling under Article 87(3)(a) of the Treaty the intensity of regional aid must in general not exceed the rate of 50% NGE, except in the outermost regions, where it may be as much as 65% NGE;

³ OJ C 74 of 10.3.1998, p. 9

- (5) In the NUTS level II regions eligible under Article 87(3)(a) whose per capita GDP/PPS is greater than 60% of the Community average, the intensity of regional aid must not exceed 40% NGE, except in the outermost regions, where it may be as high as 50% NGE;
- (6) The GDP/PPS of each region and the Community average to be used in the analysis must relate to the average of the last three years for which statistics are available;
- (7) All the above mentioned ceilings may be raised by 15 percentage points gross in the case of aid granted to small and medium-sized enterprises⁴, and constitute upper limits which apply to the total aid whenever assistance is granted concurrently under several regional schemes, and regardless of whether it comes from local, regional, national or Community sources;
- (8) Beneath these ceilings, it will be ensured that the regional aid intensity is adjusted to reflect the seriousness and intensity of the regional problems addressed;
- (9) The seriousness and intensity of the regional problems addressed must be assessed within the broader context of all the countries which have concluded Europe agreements with the European Communities;
- (10) The Slovak Republic consists of four NUTS II regions, of which one (Bratislava) has a per capita GDP/PPS that exceeds 60% of the Community average, according to statistical data available for years 1996-1998;
- (11) In order to differentiate the level of regional aid and in view of the specific situation of the region of Bratislava, the intensity ceiling for this region should be fixed at a level substantially below the upper limit set out by the Community guidelines on national regional aid;
- (12) The maximum aid intensities applicable therein, as jointly evaluated by the Slovak Republic State aid monitoring authority and the European Commission, are in conformity with the requirements set by the Community guidelines on national regional aid;

HAS DECIDED AS FOLLOWS:

⁴ OJ L 107 of 30.4.1996, p. 4.

The position to be taken by the Community within the Association Committee established by the Europe Agreement between the European Communities and their Member States, of the one part, and the Slovak Republic, of the other part, with regard to the adoption of the regional aid map shall be based on the draft decision of the Association Committee annexed to this Decision.

Done at Brussels,

For the Council
The President

ANNEX

**ASSOCIATION BETWEEN THE EUROPEAN UNION AND THE SLOVAK
REPUBLIC**

- The Association Committee-

DECISION No .../2001 OF THE ASSOCIATION COMMITTEE

BETWEEN THE EUROPEAN COMMUNITIES

AND THEIR MEMBER STATES, OF THE ONE PART,

AND THE SLOVAK REPUBLIC, OF THE OTHER PART,

of

**adopting a regional aid map on the basis of which public aid
granted by the Slovak Republic will be assessed**

THE ASSOCIATION COMMITTEE,

Having regard to the Europe Agreement establishing an association between the European Communities and their Member States, of the one part, and the Slovak Republic, of the other part⁵ and in particular Article 64(4)(a) thereof,

Having regard to decision No 3/2001 of the EU-Slovakia Association Council of 18 May 2001 with regard to the extension for a further period of five years of the Slovak Republic as an area identical to those areas of the Community described in Article 87(3)(a) of the Treaty establishing the European Community;

(1) Whereas Article 2 of the decision No 3/2001 obliged the Slovak Republic within six months of the date of the adoption of the decision to submit the GDP per capita figures which have been harmonised at NUTS II level to the European Commission;

(2) Whereas the Slovak Republic State aid monitoring authority and the European Commission jointly evaluated the eligibility of the regions as well as the maximum aid intensities in relation thereto in order to draw up the regional aid map on the basis of the Community guidelines on national regional aid⁶;

(3) Whereas according to the above mentioned decision, a joint proposal shall be submitted to the Association Committee, which shall take a decision to this effect;

(4) Whereas according to the Community guidelines on national regional aid, in the case of regions falling under Article 87(3)(a) of the Treaty the intensity of regional aid must in general not exceed the rate of 50% NGE, except in the outermost regions, where it may be as much as 65% NGE;

⁵ OJ L 359 of 31.12.1994 p. 2 – 210

⁶ OJ C 74 of 10.3.1998, p. 9

(5) Whereas in the NUTS level II regions eligible under Article 87(3)(a) whose per capita GDP/PPS is greater than 60% of the Community average, the intensity of regional aid must not exceed 40% NGE, except in the outermost regions, where it may be as high as 50% NGE;

(6) Whereas the GDP/PPS of each region and the Community average to be used in the analysis must relate to the average of the last three years for which statistics are available;

(7) Whereas all the above mentioned ceilings may be raised by 15 percentage points gross in the case of aid granted to small and medium-sized enterprises⁷, and constitute upper limits which apply to the total aid whenever assistance is granted concurrently under several regional schemes, and regardless of whether it comes from local, regional, national or Community sources;

(8) Whereas beneath these ceilings, it will be ensured that the regional aid intensity is adjusted to reflect the seriousness and intensity of the regional problems addressed;

(9) Whereas the seriousness and intensity of the regional problems addressed must be assessed within the broader context of all the countries which have concluded Europe agreements with the European Communities;

(10) Whereas the Slovak Republic consists of four NUTS II regions, of which one (Bratislava) has a per capita GDP/PPS that exceeds 60% of the Community average, according to statistical data available for years 1996-1998;

(11) Whereas, in order to differentiate the level of regional aid and in view of the specific situation of the region of Bratislava, the intensity ceiling for this region should be fixed at a level substantially below the upper limit set out by the Community guidelines on national regional aid;

(12) Whereas the maximum aid intensities applicable therein, as jointly evaluated by the Slovak Republic State aid monitoring authority and the European Commission, are in conformity with the requirements set by the Community guidelines on national regional aid;

HAS DECIDED AS FOLLOWS:

Article 1

Maximum aid intensities applicable in the Slovak Republic shall be limited, in net grant equivalent, to 50% in the NUTS II regions of Western Slovakia, Central Slovakia and Eastern Slovakia, and 30% in the NUTS II region of Bratislava.

Article 2

Maximum aid intensities referred to under Article 1 may be raised by 15 gross percentage points in the case of aid granted to small and medium-sized enterprises⁸. They shall constitute upper limits which apply to the total aid whenever assistance is granted concurrently under several regional schemes, and regardless of whether it comes from local, regional, national or Community sources.

⁷ OJ L 107 of 30.4.1996, p. 4.

⁸ OJ L 107 of 30.4.1996, p. 4.

Article 3

This Decision shall enter into force on the day of its adoption. It shall expire on 28 February 2002.

Done at Brussels,

For the Association Committee

The President