



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 1.2.2002
COM(2002) 39 final

2002/0032 (ACC)

Proposal for a

COUNCIL DECISION

on the position to be taken by the Community within the Association Committee established by the Europe Agreement signed on 10 June 1996 between the European Communities and their Member States, of the one part, and the Republic of Slovenia, of the other part, with regard to the adoption of a Regional aid map on the basis of which public aid granted by the Republic of Slovenia 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 Republic of Slovenia will be assessed.

According to Article 65(4)(a) of the Europe Agreement, the Parties recognised that during the first four years after its entry into force, any public aid granted by the Republic of Slovenia shall be assessed taking into account the fact that the Republic of Slovenia 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 25 July 2001 the EU-Slovenia Association Council adopted decision No 4/2001 with regard to the extension for a further period of four years of the Republic of Slovenia 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 January 2000 and expires on 31 December 2003.

Article 2 of decision No 4/2001 obliged the Republic of Slovenia 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 Slovenian State aid monitoring authority and the European Commission jointly evaluated the eligibility of the region 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.

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on the position to be taken by the Community within the Association Committee established by the Europe Agreement signed on 10 June 1996 between the European Communities and their Member States, of the one part, and the Republic of Slovenia, of the other part, with regard to the adoption of a Regional aid map on the basis of which public aid granted by the Republic of Slovenia 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 from the Commission ;

Having regard to Article 65(4)(a) of the Europe Agreement;

Having regard to Article 4(2) of the Implementing Rules for the application of the provisions on State aid of the Europe Agreement;

Having regard to decision No 4/2001 of the EU-Slovenia Association Council of 25 July 2001 with regard to the extension for a further period of four years of the Republic of Slovenia 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 4/2001 obliged The Republic of Slovenia 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 Slovenian 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

³ OJ C 74 of 10.3.1998, p. 9

not exceed the rate of 50% NGE, except in the outermost regions, where it may be as much as 65% NGE;

- (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) According to the statistical data available for years 1996 – 1998, taking Slovenia as a single NUTS II region, the pre capita GDP/PPS does not exceed 60 % of the Community average.
- (11) In view of the relative situation of each NUTS III level region, it is appropriate to fix lower aid intensities in the region of Central Slovenia;
- (12) The maximum aid intensities applicable therein, as jointly evaluated by the Slovenian 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:

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 Republic of Slovenia, 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

⁴ OJ L 107 of 30.4.1996, p. 4.

ANNEX

ASSOCIATION BETWEEN THE EUROPEAN UNION AND THE REPUBLIC OF SLOVENIA

- The Association Committee -

DECISION No .../2001 OF THE ASSOCIATION COMMITTEE BETWEEN THE EUROPEAN COMMUNITIES AND THEIR MEMBER STATES, OF THE ONE PART, AND THE REPUBLIC OF SLOVENIA, OF THE OTHER PART,

of

adopting a regional aid map on the basis of which public aid granted by the Republic of Slovenia 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 Republic of Slovenia, of the other part⁵ and in particular Article 65(4)(a) thereof,

Having regard to Article 4(2) of the Implementing Rules for the application of the provisions on State aid of the Europe Agreement;

Having regard to decision No 4/2001 of the EU-Slovenia Association Council of 25 July 2001 with regard to the extension for a further period of four years of The Republic of Slovenia 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 4/2001 obliged the Republic of Slovenia 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 Slovenian 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 51 of 26.2.1999 p. 3 – 206

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 Republic of Slovenia consists of a single NUTS II region, which has a per capita GDP/PPS that does not exceed 60% of the Community average, according to statistical data available for years 1996-1998.
- (11) Whereas, in view of the relative situation of each NUTS III level region, it is appropriate to fix lower aid intensities in the region of Central Slovenia;
- (12) Whereas the maximum aid intensities applicable therein, as jointly evaluated by the Slovenian 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 Republic of Slovenia shall be limited, in net grant equivalent, to 40% in the NUTS III regions of Pomurska, Podravska, Koroška, Savinjska, Zasavska, Spodnjeposavska, South-East Slovenia, Central Slovenia, Gorenjska, Notranjsko-kraška, Goriška and Obalnokraška, and 35% in the NUTS III region of Central Slovenia.

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 31 December 2003, or the date of the Republic of Slovenia's accession to the EU, whichever comes earlier.

Done at Brussels,

For the Association Committee

The President