NOTE

from : Czech delegation  
to : Council  
Subject : Draft General Block Exemption Regulation

Delegations will find in Annex a note from the Czech delegation on the above mentioned subject.
The Commission presented a new draft General Block Exemption Regulation (GBER) on February 28, 2008. The legislation sets up, among others, horizontal rules of national public funding for undertakings linked to agricultural activities. The issue is of fundamental importance for the functioning of measures under Rural Development Programmes in Member States (in particular under Axis 3).

The draft has been discussed by Member States’ delegations at the level of the Commission’s Advisory Committee. Several delegations have repeatedly expressed their concerns regarding the proposed definition of the Scope of this legislation (Article 1 paragraph 3 letter (b)). They expressed doubts about the legal continuity and certainty with regards to the current legislation.

The Commission proposal creates a shift from the current definition of eligibility for aid based on activities:

“...activities linked to the primary production of agricultural products listed in Annex I to the Treaty“ (Commission Regulation (EC) 1628/2006)

“...activities linked to the production, processing or marketing of products listed in Annex I to the Treaty.” (Commission Regulation (EC) No. 70/2001)

towards a definition of eligibility based on category of undertakings:

“...aid granted to undertakings active in the primary production of agricultural products...” (draft GBER).

The interpretation of the proposed definition may pose doubts regarding the legal clarity and continuity of this new proposal with the current legislation.

The Czech Republic intends to draw the Council’s attention to this point and invites the Commission to retain the status quo (i.e. the “activity” approach).