



*Employers entrusted to deliver
Sustainability Growth Innovation*

Position Paper

Response to the Call for Evidence – GBER revision

6 October 2025

The General Block Exemption Regulation (GBER) is a very broad instrument, comprising varying sizes of measures which are widespread across various policy objectives. The vast majority of EU State aid measures are block exempted, accounting to more than 90% in 2023 for new non-crisis measures, according to data from the European Commission. Furthermore, State aid expenditure under the GBER has consistently increased in the previous years. In this context, streamlining and simplifying the GBER becomes very relevant due to its prevalence.

SGI Europe welcomes the European Commission's initiative to revise the GBER with the aim of simplifying it and eliminating overly complicated conditions. This is particularly relevant to ensure that aid measures that do not have the potential to distort competition and trade in the internal market are smoothly granted, while the European Commission can focus its limited resources on the control of the most potentially distortive State aid.

As the cross-sectoral social partner representing providers of Services of General Interest from a broad range of sectors, SGI Europe's contribution reflects shared beliefs from multiple stakeholders.

Simplification of the GBER

General comments

The revision of the GBER should aim to reduce the bureaucratic burden that both public authorities and enterprises suffer, while still preserving the integrity of the single market and avoiding distortions of competition.

Certain conditions of the GBER are excessively complex and difficult to interpret. In particular, compatibility conditions of the GBER should be simplified to reduce the administrative burden on public authorities and make sure they can implement them easily. Notably, the condition to have to compare eligible costs to a counterfactual scenario in the absence of aid can be too complex. Member States should have the possibility of granting the aid without making a reference to a counterfactual scenario, based on aid intensities that already take the counterfactual into account.

The possibility of carrying out a competitive bidding process as an appropriate way to ensure proportionality of aid can also be burdensome, especially for small amounts of aid. This may be the case, for example, for smaller recharging and refuelling infrastructures (article 36a).

Additionally, public authorities should have more flexibility in the design of support measures, according to their realities and needs.

Section 1: Regional investment and operating aid

Regarding the exemptions for aid to undertakings in difficulty, the current exemption for regional operating aid schemes should be maintained. This exemption is necessary to ensure regional operating aid works effectively and avoid regulatory distortions of competition.

Regional operating aid schemes allowed by the GBER concern operating aid schemes in outermost regions, sparsely populated areas and very sparsely populated areas. Operating aid is generally considered appropriate in these areas due to the severe and/or permanent obstacles they face to attract or maintain economic activity, and for which investment aid alone may not be sufficient. Such schemes should therefore

also apply if recipients enter economic difficulties. A potential winding-up should not be accelerated by the discontinuation of an aid scheme that is justified by severe and/or permanent regional disadvantages.

Section 4: Aid for research and development and innovation

As it stands, the current GBER does not offer enough support for the digital transformation. While Section 4 of the GBER (Aid for research and development and innovation) allows for aid to fundamental and industrial research and infrastructures, these measures remain insufficient. For example, the GBER does not contain additional measures to support implementation and digital adoption among businesses and public bodies once those technologies are on the market.

Section 5: Training aid

Section 5 of the GBER on training aid is too restrictive and could particularly benefit from further simplification, which is key to favour the upskill of the European workforce and tackle skilled labour shortages in various sectors.

Section 7: Aid for environmental protection

The current GBER has not fully achieved the objective of supporting the green transition. Despite the vast investment needs to succeed in the EU's objectives in this field, Section 7 of the GBER (aid for environmental protection) remains difficult to implement due to technical conditions and contains restrictive cumulation rules. The provisions requiring the elaboration of counterfactual scenarios to calculate eligible costs also raise difficulties to elaborate a detailed justification.

Regarding Article 36a on investment aid for recharging or refuelling infrastructure, the public consultation obligation is too burdensome and should be removed.

Additionally, the complexity of the aid scheme for energy efficient district heating and cooling (Article 46) restrains the deployment of sufficient investment, despite the fact that projects for decarbonising the heat supply via district heating systems are often related to high investment costs.

The current GBER does not give space to incentivizing the usage of sewage sludge for energy production. Such a supportive measure is particularly relevant in the current context where some Member States are still hindering the usage of sewage sludge for energy production, for example by imposing a burden on it through power taxes (as in Germany). Furthermore, an explicit mention in Section 7 of the GBER is important in order to encourage a working circular economy, and it would also ensure alignment with the Urban Wastewater Treatment Directive.

More generally, definitions related to section 7 (Aid for environmental protection) often refer to EU environmental legislation, raising interpretation difficulties due to these cross-references.

Section 16: Aid involved in financial products supported by the InvestEU Fund

The introduction of Section 16 in relation to the InvestEU Fund represents an effort to simplify application of State aid rules for National Promotional Banks and Institutions (NPBIs) operating as InvestEU Implementing Partners. However, maximum aid amounts remain too low and not sufficiently ambitious.

Structure of the GBER and consistency with other rules

Following subsequent amendments of the GBER in 2017, 2021 and 2023, the structure of the text is not entirely coherent and consistent. This added complexity to an already voluminous text, results in an increased burden on authorities and enterprises that must comply with it.

The numerous cross-references across the text make it even more difficult to understand and apply for beneficiaries and authorities. This is why the text should be restructured, making sure that horizontal requirements and sector-specific requirements are separated, and thus making it more user-friendly and easier to apply.

Furthermore, the articles on Chapter III related to specific provisions for different categories of aid should be revised so that they all follow the same structure, facilitating their application by public authorities.

To ensure consistency with other EU programmes that require compliance with State aid rules, such as InvestEU, the validity of the GBER should be extended beyond the end of 2026.

Definition of small and medium enterprises

Some definitions in the GBER have become outdated or too vague, causing legal uncertainty and inconsistencies in their application. The revision should also aim to harmonise terminology of conditions or concepts that are essentially the same but referred to differently in the text. This would help with legal certainty and avoid confusion for authorities that need to apply it.

In particular, the current definition of small and medium enterprises, as included in the GBER, excludes enterprises that are owned by public bodies. As follows from Article 3 Paragraph 4 of Annex I to the GBER, enterprises that are owned at least in 25% by public bodies or authorities, either directly or indirectly, do not qualify as SMEs. This means that those enterprises cannot benefit from the simpler norms, reduced bureaucracy and less strict funding rules that are intended for companies of their size.

Instead, local public enterprises must comply with burdensome obligations that do not correspond to their size, resources and capabilities, to the detriment of the services of general interest that they provide. Therefore, SGI Europe calls for an amendment of the SME definition in Annex I of the GBER, to consider publicly owned enterprises as SMEs.

Guidance and interpretation of the GBER

The e-State aid wiki is a useful platform to offer guidance to State aid coordinators in Member States regarding interpretation questions related to State aid rules, and particularly the GBER. However, this has proven to be insufficient and hinders the work of regional and local authorities, who must forcibly rely on access to guidance through their respective national authorities, causing unnecessary delays and legal uncertainty.

In addition to the guidance offered through the e-State aid wiki, the Commission should consider additional ways to offer guidance on the interpretation and application of the GBER. This should be publicly available in order to serve public authorities at all levels, enterprises and stakeholders across all Member States. If this is implemented, the GBER will become easier to interpret, increasing legal certainty and avoiding the approval of illegal aid due to misinterpretations or lack of sufficient guidance.

Further simplification of State aid control: the *de minimis* register

In light of simplification efforts for the State aid policy, such as the revision of the GBER, another relevant issue that should be raised is the mandatory registry for *de minimis* aid.

Measures that do not fulfil the conditions set out in Article 107(1) TFEU are not State aid and, therefore, fall outside the competence of EU State aid authorities. This is precisely the logic behind the *De minimis* regulation, which presumes that aid measures below a certain threshold do not have an impact on competition and trade in the single market.

The introduction of a mandatory registry for *de minimis* aid would offer little benefit in comparison with the big administrative burden it would create, which does not align with current efforts from the EU to cut red tape and simplify. National authorities will have to incur in significant costs in preparing and maintaining the necessary systems. Therefore, we encourage the Commission to reconsider the introduction of such a register.