

AECM's comments on the
inception impact assessment concerning
a possible increase of the thresholds of the agricultural de minimis aid

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The European Association of Guarantee Institutions, AECM, warmly thanks the European Commission for the possibility to provide feedback on the Inception Impact Assessment regarding the possible revision of the thresholds of the agricultural de minimis aid as provided in the Commission Regulation (EU) No 1408/2013.

In general, AECM is of the view that the individual farmer limits which are currently fixed at the amount of 15.000,00 EUR, as well as the national cap of at present 1 % of the annual agricultural output require more flexibility in terms of nominal size.

More precisely and taking into consideration the options raised in the inception impact assessment, the individual ceiling should be increased at least to 30.000,00 EUR given that such a threshold would still be rather weak compared to those of other markets like, for instance, industry, craft and retail. In other words, the European Commission should set the revised threshold as high as it still complies with the requirement that the granting of such aid does not have a distortive impact on competition and trade.

Based on our members' experience as stakeholders in the application of the Commission Regulation (EU) No 1408/2013, AECM confirms that it is simple and implies little administrative burden to provide guarantees according to this regulation. Thus, it is of utmost importance that any future revision remains in line with a simplification approach.

We would like to take this opportunity to kindly request the European Commission to introduce a more detailed definition of what constitutes de minimis aid. In the area of providing guarantees it should be decisive who bears the risk.

To illustrate:

A guarantee provided by a ministry of agriculture, a public entity, a state agency or a guarantee institution which is 100% public, i.e. in those cases in which the losses are born by the budget of a State, constitutes state aid and needs to comply with the de minimis regulation.

The same counts for a guarantee institution which is private but whose commitments are covered to 100% by a member state.

On the other hand, a guarantee given by a public entity or by a public-private entity, in both instances backed by financial means provided by private companies does not constitute state aid.

AECM is happy to continue contributing to this important discussion which should lead to the best benefit possible of SMEs in the agricultural sector fostering their growth in an optimal way.

About AECM's members:

The mission of AECM's 42 members from 26 countries in Europe consists in fostering SMEs' growth by providing guarantees to SMEs who have an economically sound project but cannot provide sufficient bankable collateral. At the end of 2016 AECM's members had over 85 billion of guarantee volume in portfolio thereby granting guarantees to more than 2.8 million SMEs.

5 of AECM's members are exclusively active in the agricultural sector and further 16 members are providing guarantees also for the agricultural sector. Accordingly, the discussion concerning a potential revision of the thresholds of the agricultural de minimis aid, which would have SMEs as main beneficiaries, is crucial for the activity of half of AECM's members.