

WRITTEN QUESTION E-5517/09  
by Toine Manders (ALDE)  
to the Commission

Subject: Extra national administrative requirements for applications for EU subsidies hindering the economy

The allocation of EU subsidies is sometimes combined with a large number of national administrative regulations, involving a great deal of uncertainty for the recipients. Each Member State has its own rules. If an application does not fully comply with them, the subsidy is rejected because the provider is afraid of an inspection with the possibility of compulsory refunding. As a result the procedure is becoming more important than its purpose.

Take the case of the Northern Netherlands Joint Venture SNN, the body providing subsidy opportunities to boost the economy of the northern Netherlands. In the case of some projects, an investigation of 12 inquiry days has to be carried out within a specified period, in order to prove that more than 50 % of turnover originates from outside the northern region.

In one case it is clear that the subsidy was eventually refused by the SNN because for no fault of the applicant only 10 of the 12 inquiry days had been completed within the required period. Although the applicant's accountant had stated that the inquiry figures from 10 days were reliable and the required level had already been reached (54 %), the SNN found that the procedure had not been precisely complied with. The subsidy was turned down by the SNN solely on the grounds of the two overdue inquiry days. The SNN has admitted to failings on its part but does not intend to re-open the case.

It is not inconceivable that several businesses and start-ups in the Netherlands are coming up against administrative barriers of this kind and missing out on subsidies purely because of these unreasonable requirements. As a result the competitiveness of Dutch business and the competitive position of the Netherlands is being put at risk.

1. Does the Commission agree that it is not desirable for different national and complicated administrative conditions to be set in the various Member States, as a result of which there is no level playing-field in the EU for subsidy applicants of the same kind?
2. Is the Netherlands, in this case the SNN, allowed to impose extra administrative requirements such as a 12-day criterion on top of the general rules? If so, in which cases are such extra administrative requirements binding?
3. Is there the option of filing a complaint with the Commission in the case of unreasonable requirements?
4. How does the Commission view the idea of appointing an independent European arbiter, as a kind of higher court to which subsidy applicants can appeal against the rejection of their applications?