

STATE AID



The main aim of this factsheet is to provide explanation to applicants on the state aid rules applied in the Programme and help them with instructions to fill in the state aid self assessment section in the Application Form.

Interreg funding typically **does not conflict** with competition rules, BUT **when it does**

STATE AID rules have to be applied

State aid applies when when **ALL** of the following **five criteria** are met:

- 1. The recipient of the aid is an "undertaking", which is carrying out an <u>economic activity</u> in the context of the project.
- 2. The <u>aid comes from the State</u>, which is always the case for any Interreg programme.
- 3. The <u>aid gives an economic advantage</u> (a benefit), which an undertaking would not have obtained under normal market conditions.
- 4. The aid selectively favours certain undertakings or the production of certain goods.
- 5. The <u>aid distorts or threatens to distort competition</u> and trade within the European Union.



Legal basis:

- Regulation No 651/2014/EU
- Regulation No 1407/2013/EU
- Regulations (EU) 2021/1237 and (EU) 2023/1315, amending Regulation 651/2014/EU

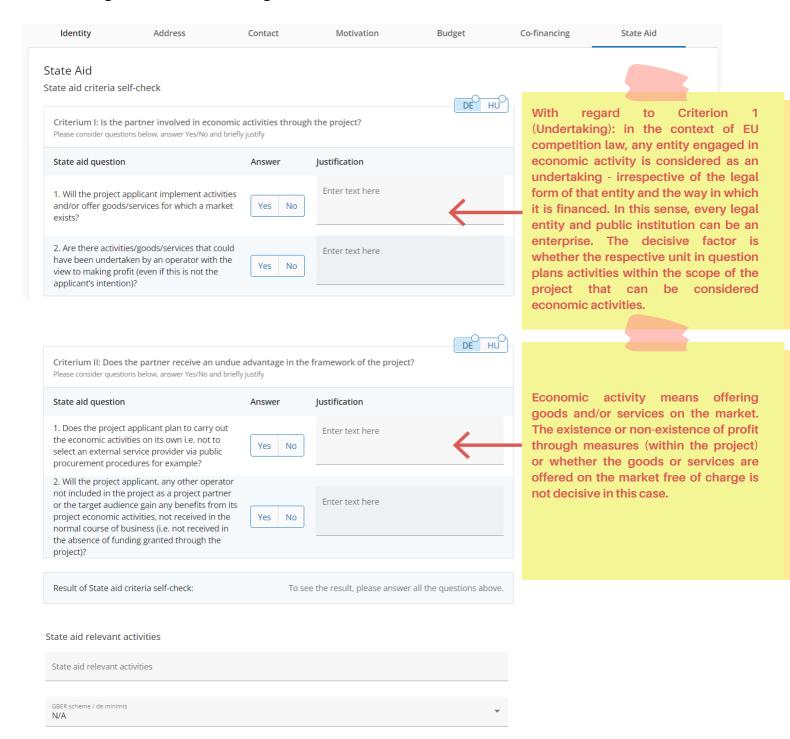
All submitted applications undergo a specific state aid assessment, focusing on the five criteria listed above. The assessment is carried out by the member states during the assessment phase.

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State aid assessment by the member state is supported by a self assessment that all project partners must fill in during the application phase - except for applicants of the small-scale projects.

The questions of the self-assessment focus on the status as "undertaking" (Criterion 1) of the partners (i.e. the lead partner or any project partner) and of the existence of an economic advantage for the undertaking (Criterion 3).



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The state aid assessment by the member state reflects all five criteria, using the self-assessment as an input, but can also overrule the project partners' self-assessment.

The results of the state aid assessment may lead to one or more of the following scenarios:

- 1. No state aid relevance. In this case, no contractual conditions are set on state aid.
- 2. **Risk of state aid that can be removed**. In this case, the Monitoring Committee may approve the project with certain conditions included in the subsidy contract to eliminate the state aid cause (e.g. wide dissemination, also to competitors, of certain project outputs).
- 3. Direct state aid is granted to one or more partners. In this case, the entire budget allocated to the concerned partner or a specific part of it (linked to certain activities that are state aid relevant) is regarded as state aid granted under the General Block Exemptions Regulation (GBER) or, in exceptional cases, under de minimis.
- 4. Indirect state aid is granted to third parties outside the project partnership. In this case, a contractual condition setting a threshold for the aid granted to third parties is set.

Forms of state aid in Interreg AT-HU

Direct aid (granted to project partners)	Indirect aid (granted to third-parties)
GBER Art. 20 - Exemption from state aid rules for Interreg aid intensity shall not exceed 80% (including all public funding)	GBER Art. 20a - new rule for indirect state aid (aid provided by ATHU project partners to end-recipients) the aid granted to an undertaking that is final beneficiary of project activities cannot exceed EUR 22 000
De minimis total aid under the de minimis rule shall not be more than EUR 200 000 per Member State including all de minimis aid received within the previous three fiscal years	

The de minimis declaration is a compulsory annex of the application form, and it helps to determine whether the de minimis aid granted to the project partner, together with the previous de minimis aid, reaches the threshold of EUR 200 000 per member state for such funding.

The **de minimis threshold counts per "single undertaking"**. In case a project partner is part of a group, the entire group is considered as one single undertaking and the de minimis threshold applies to the entire group.

If questions concerning state aid arise or you need assisstance filling in the self-assessment, please contact the Regional Coordinator of your region or in the case of Hungarian project partners, the Ministry of Foreign Affairs and Trade, acting as Hungarian National Authority in the Programme.

Contact infomation is available on the following link: https://interreg-athu.eu/en/contact/

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