

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 economic activity in the context of the project.
2. The aid comes from the State, which is always the case for any Interreg programme.
3. The aid gives an economic advantage (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 aid distorts or threatens to distort competition 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.



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).**

Identity

Address

Contact

Motivation

Budget

Co-financing

State Aid

State Aid

State aid criteria self-check

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Criterion I: Is the partner involved in economic activities through the project?

Please consider questions below, answer Yes/No and briefly justify

State aid question	Answer	Justification
1. Will the project applicant implement activities and/or offer goods/services for which a market exists?	<div>Yes</div> <div>No</div>	<div>Enter text here</div>
2. Are there activities/goods/services that could have been undertaken by an operator with the view to making profit (even if this is not the applicant's intention)?	<div>Yes</div> <div>No</div>	<div>Enter text here</div>

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Criterion II: Does the partner receive an undue advantage in the framework of the project?

Please consider questions below, answer Yes/No and briefly justify

State aid question	Answer	Justification
1. Does the project applicant plan to carry out the economic activities on its own i.e. not to select an external service provider via public procurement procedures for example?	<div>Yes</div> <div>No</div>	<div>Enter text here</div>
2. Will the project applicant, any other operator not included in the project as a project partner or the target audience gain any benefits from its project economic activities, not received in the normal course of business (i.e. not received in the absence of funding granted through the project)?	<div>Yes</div> <div>No</div>	<div>Enter text here</div>

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Result of State aid criteria self-check:

To see the result, please answer all the questions above.

State aid relevant activities

State aid relevant activities

GBER scheme / de minimis
N/A

With regard to Criterion 1 (Undertaking): in the context of EU competition law, any entity engaged in economic activity is considered as an undertaking - irrespective of the legal form of that entity and the way in which it is financed. In this sense, every legal entity and public institution can be an enterprise. The decisive factor is whether the respective unit in question plans activities within the scope of the project that can be considered economic activities.

Economic activity means offering goods and/or services on the market. The existence or non-existence of profit through measures (within the project) or whether the goods or services are offered on the market free of charge is not decisive in this case.



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 <i>aid intensity shall not exceed 80% (including all public funding)</i>	GBER Art. 20a - new rule for indirect state aid (aid provided by ATHU project partners to end-recipients) <i>the aid granted to an undertaking that is final beneficiary of project activities cannot exceed EUR 22 000</i>
De minimis <i>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</i>	

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 assistance 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 information is available on the following link: <https://interreg-athu.eu/en/contact/>