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Directorate-General for Regional and
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DGA2.D2 Interreg,
Cross-Border Cooperation, Internal Borders
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Second public consultation on targeted revision of GBER

Dear Mr Boijmans,

The Cooperation Programme INTERREG V-A Estonia-Latvia much welcomes the opportunity to provide its opinion on the matter.

Estonia-Latvia programme grants the state aid in accordance with the following legal acts:

- Commission Regulation (EU) No 651/2014, GBER;
- Commission Regulation (EU) No 702/2014, ABER;
- Commission Regulation (EU) No 1388/2014, FIEBER) in accordance with Regulation (EU) No 508/2014.

The programme also grants *de minimis* aid in accordance with the following legal acts:

- Commission Regulation (EU) No 1407/2013 on *de minimis* aid;
- Commission Regulation (EU) No 1408/2013 on *de minimis* aid in the agriculture sector;
- Commission Regulation (EC) No 717/2014 on *de minimis* aid in the fishery and aquaculture sector.

The best solution is the exempt the cooperation programmes from the state aid rules or to provide much simpler rules in one block. Due to the wide variety of the expected activities and type of partner organizations in the programme, the administrative burden for granting the aid correctly is very big for such small programme as regards the following activities:

1. Defining the SME, verifying the size of the company to make sure they are SME;
2. Assessing the companies/other legal entities as to whether they are “operations in difficulties”;
3. Assessing whether the activities in the project fall under state aid rules.
4. Assessing which GBER article applies, and if and which type of *de minimis* can be granted for supporting all the eligible activities.
5. Making sure the correct aid intensity is chosen (Art. 25), making sure the *de minimis* and activities supported according to the GBER are not overlapping;
6. Keeping the data in e-registries updated in both countries for state aid decisions and payments.

Programme welcomes that all types of undertakings and cooperation activities are included with the aid intensity that shall not exceed the maximum co-financing rate provided for in the Regulations in Article 20, because it reduces administrative burden that arises from

abovementioned activities, as a lot of cross-border cooperation happens and is foreseen between municipalities where local governments are possible beneficiaries. Also, cooperation projects include different types of undertakings as well as both infrastructure and „soft“ activities, thus it has been time consuming to come up with the combination of the GBER articles and *de minimis* for the management and other cooperation costs. In addition, the currently used harmonized electronic monitoring system (eMS) for Interreg programmes does not technically support such divisions within the project.

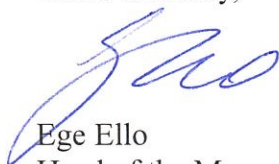
Do we understand correctly that Article 20 could include activities which otherwise would be granted under Article 25 or 55 but now Article 20 allows to grant aid for such cross-border activities? Cross-border projects are complex and together with the industrial research and experimental development there are marketing, project management and other costs characteristic to the cooperation projects. As regards sport and multifunctional recreational infrastructure, the cooperation projects include also inevitable costs for project management, joint events, travel, communication/visibility, marketing etc.

We welcome the proposed amendment about aid granted under Article 20a, which should not fall under the reporting (Article 11) and monitoring (Article 12) requirements of the GBER and should not entail any information requirements to third parties. Could you please include to the draft legal act information about receivers of the aid under article 20a to make the interpretation of the article unambiguous.

In the case of cross-border projects providing aid to third parties, it is very difficult to calculate precisely and ex-ante the value of the trainings or services because these trainings or services are often not readily available on the market. In addition, cross-border cooperation projects' beneficiaries deliver business support across national borders, e.g. Estonian managing authority grants ERDF to a Latvian undertaking and the Latvian undertaking as beneficiary then provides training to Estonian SMEs. Considering the very low value of indirect aid to third parties granted through cross-border cooperation projects, the administrative burden linked to reporting and monitoring is not proportionate to the granted aid. Hopefully we understand correctly that Article 20a will help programme authorities and beneficiaries tackle these problems.

To reduce administrative burden, please include under Article 5, paragraph 2, the category of aid granted under Article 20a.

Yours sincerely,



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