

Targeted review of the General Block Exemption Regulation (State aid): extension to national funds combined with certain Union programmes (2nd consultation)

Contribution by the Managing Authority & Joint Secretariat of the Interreg IPA CBC Italy-Albania-Montenegro Programme

To Whom it May Concern,

Interreg IPA CBC Italy-Albania-Montenegro is a Programme co-financed by the IPA II fund and the participating countries. It involves both a Member State and pre-accession countries and it belongs to the second objective of the Cohesion Policy, the European Territorial Cooperation (ETC or 'Interreg').

The Managing Authority and Joint Secretariat of the Programme hereby intend to join the proposal made by INTERACT, the platform of European Territorial Cooperation (ETC or 'Interreg') programmes, for increasing simplification and harmonisation of Interreg approaches in State Aid.

As any other Interreg programmes, we also provide grants to co-finance cooperation projects across national borders. Decisions to co-finance cooperation projects are taken jointly by all participating countries (Member State and IPA).

We very welcome the proposed amendment and thank for the inclusion of comments that were submitted in the 1st consultation.

As regards the 2nd proposed GBER amendment, we especially welcome that:

- Aid intensity was aligned with the co-financing rate as in the draft Common Provisions regulation 2021-2027 and has been harmonised for all types of beneficiaries,
- Aid granted under Article 20a was removed from the reporting (Art.11) and monitoring (Art.12) requirements of GBER which means simplification coherently with the principle of proportionality
- The principle of proportionality in the context of Interreg programmes is clearly underlined in the preamble with the following words: "given the limited effect on trade and competition of small amounts of aid granted to undertakings participating in ETC projects, simple rules for cases where the aggregate amount of aid per undertaking per project does not exceed a certain ceiling should be laid down."

To make the proposed amendment of Article 20 as effective as possible in reducing burden for beneficiaries and authorities, we would like to reiterate the following points:

1. Make sure that Article 20 does not specify any additional eligibility rules

Specification of eligibility of external expertise and services costs in Article 20(3) (making continuous or periodic activity, and usual operating costs such as routine tax consultancy services, regular legal services, or routine advertising ineligible under the GBER) should be dropped. This is an unnecessary duplication of legislation on eligibility covered by the Delegated Regulation (EU) No 481/2014 and Chapter V of the draft Interreg regulation 2021-2027. This specification of eligibility in the GBER poses the risk of discrepancy of rules and leaves room for interpretation. For this reason, paragraph 20(3) should be deleted.

As regards the new Article 20a, we understand that this covers indirect beneficiaries (undertakings outside the partnership) as well as direct beneficiaries (project partners).

2. Make sure conditions laid down in GBER Chapter I, Article 5 (Transparency of Aid) do not apply to Article 20a.

Chapter I, Article 5 stipulates that the GBER ...shall only apply to aid in respect of which it is possible to calculate precisely the gross grant equivalent of the aid ex ante without any risk assessment.

In the case of Interreg projects providing aid to third parties, it is often difficult to calculate precisely and ex-ante the value of the trainings or services. Due to the pilot nature of cooperation projects, similar trainings or services are often not readily available on the market. In many cases it is possible to provide a good indication of the value of the trainings and services (for example based on somewhat comparable trainings or planned costs of the services), but precise ex-ante calculations of the aid per third party often do not seem possible.

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

We very much appreciate your time and consideration and remain available for further elaborations and clarifications if needed.

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