



REPUBLIC OF CYPRUS
DIRECTORATE GENERAL
FOR EUROPEAN PROGRAMMES, COORDINATION AND DEVELOPMENT

Ref. No.: 04.02.037.003.001.001

Tel.: 22602949

23 September 2019

Via email to:

Directorate-General for Competition – Unit 03

(COMP-03-PUBLIC-CONSULTATION@ec.europa.eu)

**Subject: Targeted review of the General Block Exemption Regulation
(State aid): extension to national funds combined with certain Union
programmes – Reference: HT.5224**

I have been instructed to refer to the above named subject and to convey to you the comments of the Unit of the Directorate General for European Programmes, Coordination and Development responsible for ETC / Interreg Programmes in Cyprus, on the ongoing consultation for the revision of the GBER, as follows:

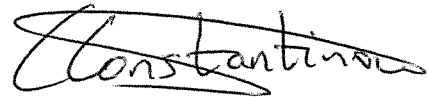
- i. We regret to notice that the proposed amendment does not extend to ETC / Interreg Programmes. We strongly support the full exemption of projects implemented in the framework of ETC / Interreg Programmes, given the low budget of these projects and therefore the unlikely negative impact on trade and competition. Moreover, the administrative and financial burden for programmes and beneficiaries to assess the possible state aid amounts is unevenly high compared to the small figures that might be considered as state aid / de minimis eventually.
- ii. We take note of the proposed unequal treatment of the state aid issue between programmes managed directly by the Commission, such as the “Horizon Europe” Programme and ETC / Interreg Programmes. We do not understand how the reasoning provided in the proposed regulation for exempting projects implemented in the framework of “Horizon Europe” from the state aid regulation cannot apply to ETC / Interreg projects.
- iii. We welcome the inclusion of large enterprises in the Regulation concerning ETC / Interreg Programmes however if the proposed regulation remains as it is, then more burden will be imposed to programme Managing Authorities and Joint Secretariats, as



besides the assessment of the state aid amounts per activity, they will also need to distinguish the cases between small, medium and large enterprises, which is a very complex procedure. In the case of ETC / Interreg projects this becomes even more difficult as they involve beneficiaries from different countries.

- iv. In addition to the above point, Article 20 proposes 65% aid intensity for large, 75% for medium and 80% for small enterprises, however this is in contradiction with Article 106(4) of the draft Common Provisions Regulation for 2021-2027 which foresees 70% for all project partners. Please amend Article 20 accordingly.
- v. The proposed GBER limits the aid amount to €20.000 per enterprise. We consider this amount to be very low and a disincentive for the participation to cooperation projects, in case no full exemption is provided to ETC / Interreg Programmes.

2. We remain at your disposal for any further information you may require regarding this matter.



(Constantia Constantinou)
for Act. Permanent Secretary

Copy: Commissioner for State Aid Control
Managing Authority of European Structural
and Investment Funds in Cyprus

