The Special Service for Managing European Territorial Cooperation (INTERREG) Programmes of the Hellenic Ministry of Development and Investments, in its capacity as **Managing Authority of five (5) Cross-Border and one (1) Transnational Programmes**, would hereby like to provide feedback on the proposed targeted modification of "Regulation 651/2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty".

Please find our suggestions herewith:

A. The Managing Authority takes this opportunity to welcome the launching of the present consultation, just on time for the new programming period (2021-2027). Being a Managing Authority of several Cooperation Programmes since the long ago beginning of "INTERREG", this Service is very pleased to be able to continue contributing to the modification of the GBER.

B. Overall, as MA, we are very content to acknowledge that many of our, long ago as well as recently, expressed ideas on the issue have been taken on board the present modification proposal.

C. In addition, we are very content that the proposed amended Regulation clearly acknowledges that aid for ETC projects "*shall be compatible with the internal market*" and "*shall be exempted from the notification requirement*".

D. As for specific articles:

1. "<u>Section 2a – Aid for European Territorial Cooperation</u>":

We are <u>positive for the designation of a specific Section</u> (i.e. section 2a) for European Territorial Cooperation which includes ETC/Interreg programmes and the "Horizon" programme, for this shall underpin clarity as far as cooperation issues, needs and solutions are concerned.

For instance, these may be issues such as transnational calls, evaluations by independent experts and/or jointly (by partner states) appointed secretariats, small or medium undertakings (even in case of enterprises) which receive limited amounts of public funding (in ETC programmes, in particular) and projects which contribute to delivering cohesion policy and EU added value.

2. <u>Article 20 (and the rest as relevant)</u>:

a. We <u>agree with the replacement of the term</u> "enterprise/s" with the term "undertaking/s" for this includes all types of potential project **partners/beneficiaries which, in Interreg programmes, are mostly local/regional/national authorities/bodies of various legal status** and are not real "enterprises".

However, the reality of Interreg Programmes should be further taken into account as suggested with the rest of our comments.

b. Assessing state aid according to the size of the undertaking ensures only **unnecessary bureaucracy, with very little (if any) added value**. As there are normally an average of several partners per project (and always at least two), the result is **disproportionately "heavy" checks and monitoring arrangements** in relation to the size (both physical and economic) of the project. Apart from the Managing Authority and the Joint Secretariat, "state-aid" assessment procedure causes the **involvement of various related bodies/services from the cooperating countries and requires additional managerial/preparatory work by the potential beneficiarie**s (i.e. providing more data/documents), **raising the actual management costs** of the specific projects and the overall programme implementation disproportionately high to the added value expected from safeguarding application of state-aid rules.

c. Within the framework of the current GBER proposal, **a university or a municipal or regional authority would be probably considered "a large** enterprise/undertaking". This would result in a lower co-financing rate compared to other partners of the same project.

d. As beneficiaries in **Interreg Programmes are mostly public organizations**, even their **"own" contribution would be considered "public funds** and, therefore, they would need **to mobilize private contributions** which would not be realistic for most cases.

e. In **par. 3** (art. 20), special reference to **certain eligible costs may cause problems of interpretation and, therefore, implementation**, as Interreg eligibility rules would also apply (i.e. Delegated Reg. and Interreg Reg.).

f. Beneficiaries from IPA/third countries are not obliged to apply EU state aid law and, his situation could cause **several serious problems** (including equal treatment) regarding the implementation of **joint** programmes and projects.

MA's PROPOSAL for Article 20:

I. **Aid intensity should be the same** for all undertakings in Interreg Programmes.

II. **Maximum aid intensity for all types of undertaking in the GBER should be in line** with the (draft) Common Provisions Regulation for 2021-2027 (art. 106(4)) and with the **maximum co-financing rates which are yet to be decided for Interreg** Programmes 2021-2027.

III. Taking into account the "de minimis" limit of "EUR 200.000", it is suggested that **a paragraph 5 should be added to article 20** as follows:

"5. ***Aid intensity shall apply when the total amount of aid under this Article granted to an undertaking per project exceeds EUR 200.000*****"**.

3. Article 20a (and the rest as relevant):

a. We understand that this article applies to both **beneficiaries** outside the main partnership (indirect) and project partners (direct), **when they act as third parties**. In these

cases, they are **normally handling a small amount of funds**, which is suggested not to exceed "EUR 20.000".

b. Therefore, applying to the above cases the **detailed reporting and monitoring procedures of art. 11 and 12 (respectively) of the GBER would only result in an administrative burden disproportionately "heavy" to the amount granted**.

c. Especially for direct beneficiaries (project partners), applying **this article would cause multiple problems of interpretation** as far as the limit of "EUR 20.000" is concerned, for **it may be understood as a new limit of the GBER to the aid granted to them, when the current "de minimis" limit is EUR 200.000 and could have been retained**.

d. **Combining article 20a with the provisions of article 5** (transparent aid) may be also very problematic as **"*calculating precisely ….. the aid ex-ante*"**, which is requested, **may not be possible** for many cases of this small amount of aid granted to third parties.

MA's PROPOSAL for Article 20a:

I. **For Aid granted under article 20a, detailed reporting and monitoring provided** for in articles 11 and 12 of the GBER should **not apply** for Interreg Programmes.

II. **Aid granted under article 20a** should **be included** in paragraph 2 of article 5 of the GBER **as an additional category of aid which "shall be considered to be transparent"** for Interreg Programmes.

III. Paragraph 2 of article 20a should **not apply to direct beneficiaries (**main project partners**)**.

4. Greek version of the draft amended Regulation:

Although the term **"*undertakings*"** has replaced the term **"*enterprises*"** in many parts of the proposed amended Regulation, including Articles 20 and 20a, in the **Greek version the term "*επιχειρήσεις*"** is used to translate both the term **"*undertakings*"** and the term **"*enterprises*"** of the English version.

MA's PROPOSAL for the Greek version of the draft amended Regulation:

In the Greek version, the term **"*λαμβάνοντες ενίσχυση*"** or **"*αναλαμβάνοντες φορείς*"** or **"*δικαιούχοι φορείς*"** or any other appropriate term should be used to translate the term **"*undertakings*"** of the English version, while the term **"*επιχειρήσεις*"** should be used only for translating the term **"*enterprises*"**.

Further contribution and/or additional information may also be provided if needed.