

European Funds

State aid/de minimis aid - what should we know?

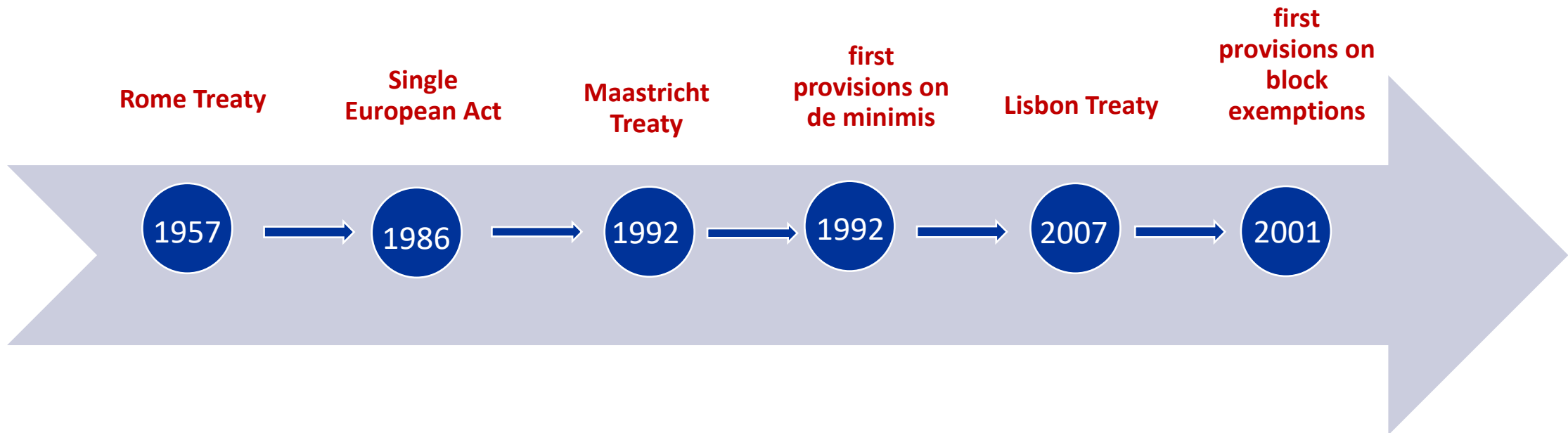
Online webinar for applicants of South Baltic programme

29 of September 2025r.

History of state aid in the EU

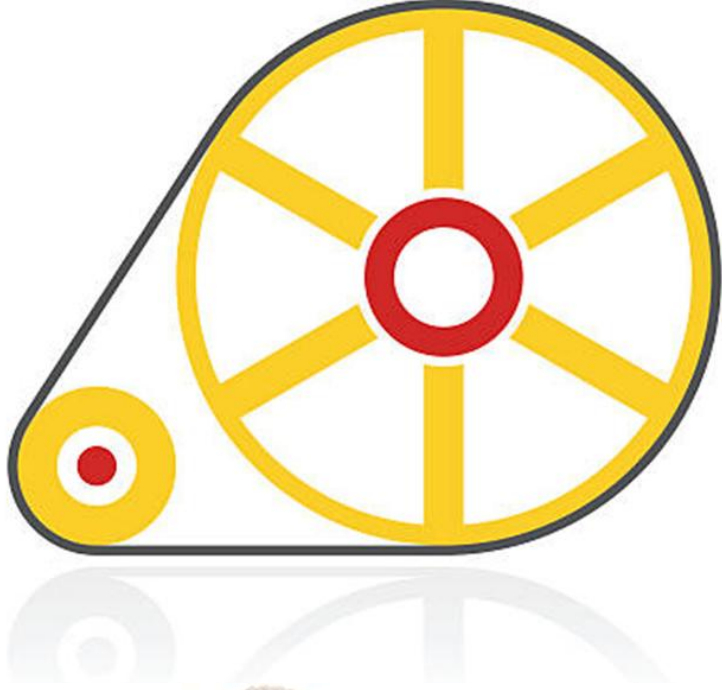


State aid is, in principle, prohibited if it violates the EU's internal market
Article 107(1) of the Treaty on the Functioning of the European Union



**Reaction to state aid /de
minimis in projects?**





Objectives of state aid

Supporting economic development

Development of regions, specific sectors, e.g. green technologies

Protecting the market and jobs in crisis:

financial crisis 2008, COVID, war in Ukraine, natural disasters, energy crises



NOTE: State aid must be granted in accordance with the **rules** so that it does not distort competition in the EU internal market.

The rules require that state aid **must be purposeful, proportionate and necessary** to achieve specific socio-economic objectives.

What are we going to talk about today?



1. Definition of an enterprise (who can be an enterprise and when)
2. State aid conditions
3. How to avoid state aid?
4. Forms of aid in South Baltic projects
5. Cumulation rules (state aid/de minimis aid)
6. State aid self – check assessment test
7. Positive assessment of state aid – what does this mean?
8. Pros and cons of state aid/de minimis aid in projects



of an

enterprise



enterprise

- an entity conducting economic activity, regardless of its legal status and method of financing (does not have to generate profit: C-67/96)

Economic Activity?

- any activity consisting in offering goods and services on the market

The concept of an enterprise (undertaking) to be found in:

- Regulation (EC) 651/2014 (GBER) – Annex I
- Regulation (EC) 2023/2831 (de minimis Regulation) – the preamble
- **Judgments** of the Court of Justice e.g. C - 41/90

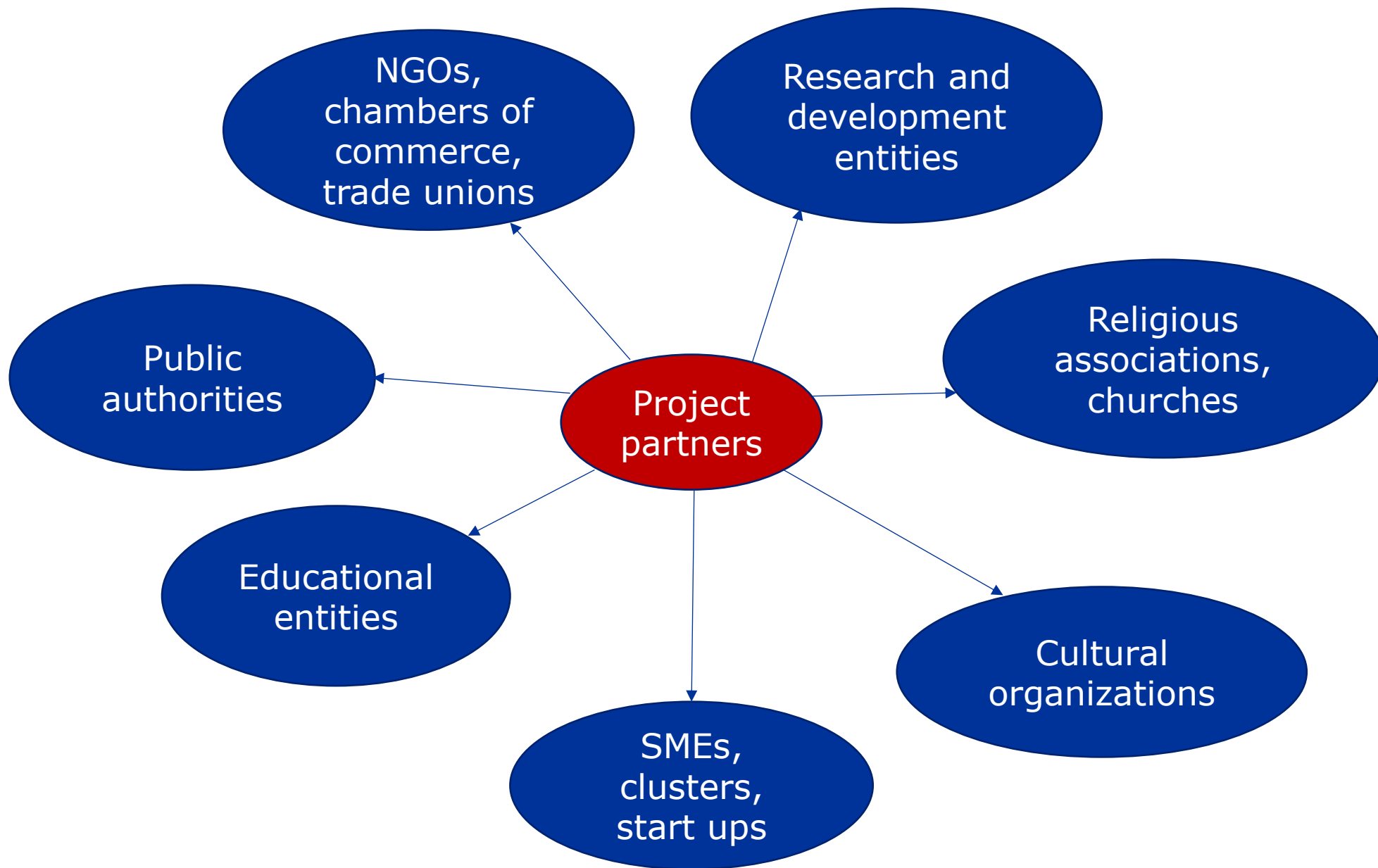
See also:

Commission notice on the notion of State aid within the meaning of Article 107(1) of the Treaty on the Functioning of the European Union (2016/C 262/01)



It is necessary to
analyze each entity with regard to its economic activity
under market competition!







Can municipalities be entrepreneurs?

Non-economic activity:

- **services of general social interest** (the municipalities' own tasks) in the field of:
 - environmental protection and pollution prevention,
 - risk management,
 - sewage and water supply networks,
 - sewage treatment plants (especially if the activity is operated under monopoly conditions)

Economic activity:

- services provided on the market e.g.
 - rental of premises,
 - facilities for performances - amphitheater, paid parking, bicycle rental etc.



Can public universities be entrepreneurs?

The status of a public University provided for in national legislation does not guarantee that the entity does not conduct economic activity and is not an enterprise in line with to of EU state aid provisions and interpretations.

Non-economic activity:

➤ Public education

Commission notice on the notion of State aid (2016)

*The non-economic nature of public education is in principle **not affected by the fact that pupils or their parents sometimes have to pay tuition or enrolment fees which contribute to the operating expenses of the system. Such financial contributions often only cover a fraction of the true costs of the service and can thus not be considered as remuneration for the service provided.***

Economic activity:

- providing publishing and translation services,
- rental of rooms, hotels (student dormitories)
- organizing conferences, trainings
- running a swimming pool, gym, canteen, buffet, etc.
- charging fees for repetition of the subject, additional hours of foreign language classes, courses, studies conducted in a foreign language, etc.



Can research institutes be entrepreneurs?

Non-economic activity:

- research results used in further research and non-economic activities, i.e. the results are made public and made available to the public

Commission notice on the notion of State aid (2016)

***knowledge transfer activities** (licensing, creation of spin-off, or other forms of management of knowledge created by the research organisation or infrastructure) are non-economic where they are conducted either by the research organisation or research infrastructure and **all income from those activities is reinvested in the primary activities** of the research organisations or infrastructures concerned*

Economic activity:

- placing goods or services on the market, e.g.
- renting equipment or laboratories to companies
- sale of used materials or equipment
- providing services to companies or carrying out research on behalf of companies (contract research or research services e.g. consulting)



Can hospitals and medical centers be entrepreneurs?

Non-economic activity:

- free services on the basis of national social insurance coverage

Economic activity:

- services for remuneration collected directly from patients

Commission notice on the notion of State aid (2016)

The fact that healthcare services are provided by a public hospital is not sufficient to classify the activity in question as non-economic



Can foundations/associations be entrepreneurs?

Non-economic activity:

- statutory activity for specific social, educational, charitable or cultural purposes is not of a commercial nature, e.g. conducting free workshops

Economic activity:

- commercial activity, without making a profit, e.g. fees charged for vocational training, consulting, real estate management, running a business on a leased area, publications on sale



Can cultural organizations be entrepreneurs?

Non-economic activity:

- Activities financed **primarily** from public funds

Commission notice on the notion of State aid (2016)

the fact that visitors of a cultural institution or participants in a cultural or heritage conservation activity, including nature conservation, open to the general public are required to pay a monetary contribution that only covers a fraction of the true costs does not alter the non-economic nature of that activity

Economic activity:

- activities financed **primarily** by visitor or user fees or otherwise commercially e.g. exhibitions, cinemas, performances and music festivals
- activities that benefit only a specific company and not the general public, e.g. the renovation of a historic building used by a private company as a hotel base



EXAMPLE of a project:

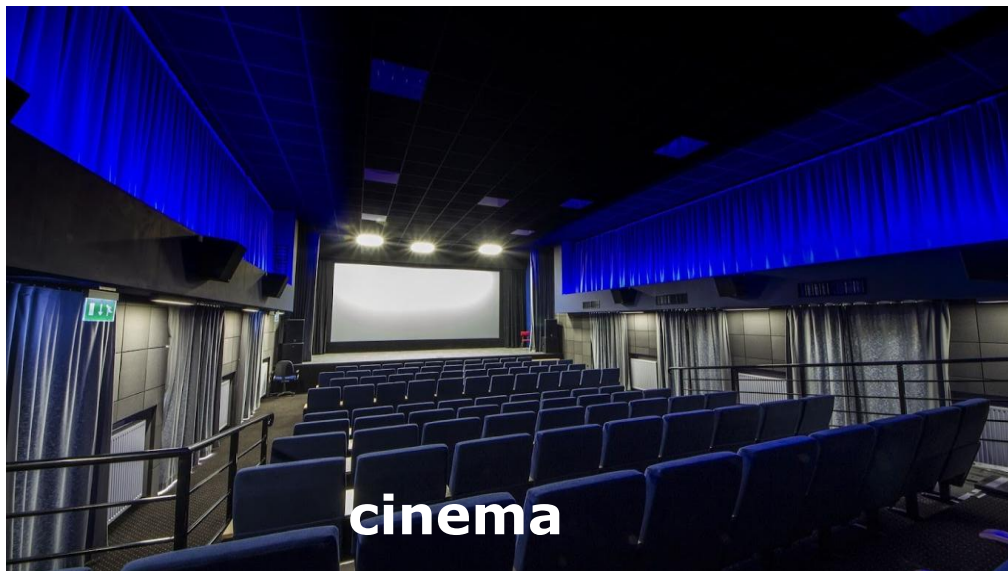
Joint 3D digitization of historical objects in a cross-border area

Final recipients of support in the project - public museums that are maintained primarily from public funds (from 63% to 94% of the costs)



Can a parish or a monastery be an entrepreneur?







Conclusions:

- Type of the partner (public/private) does not determine being an entrepreneur
- **IMPORTANT:** analyse if activities carried out in the project might be related the economic activity of your entity
- Separate economic and non-economic activities in accounting if you apply for public funding



Case study

The container terminal operates on the market in the field of loading, unloading, storage and transshipment of transport containers

Activities in the project in:

- development of a strategy/action plan to improve the accessibility of the terminal for peripheral areas
- Pilot action: to connect to web-based IT systems and exchange data on loads with truck drivers

Will the activities, financed in the project, be used to conduct economic activities by the terminal?

Questions



State Aid

Conditions



Article 107(1) of the Treaty on the Functioning of the European Union (TFEU)

State aid is any aid granted to:

*a Member State or through **State resources** in any form (state resources)*

*which **distorts** or threatens to distort **competition** (distortion of competition)*

*by **favouring** (advantage)*

***certain** enterprises or production of **certain** goods (selectivity)*

*in so far as it **affects trade** between Member States and is incompatible with the internal market (effect on trade)*

Contitions of state aid/de minimis aid

	State resources	Economic advantage	Selectivity	Distorion of competition	Effect on trade
State Aid					
De minimis aid					

1. State resources

State aid

Granted by public institutions supervised by the State at central, regional or local level

➤ *E.g. Ministry of Development Funds and Regional Policy as Managing Authority in the South Baltic programme*

State Resources

coming from the state or allocated to the state from the budget of the above-mentioned entities + structural funds received, e.g. the MA grants assistance from the ERDF



Only resources granted directly by the Commission to project beneficiaries (e.g. Horizon programme) will not fall under state aid rules because they are not under state control

2. Economic Advantage

Benefit -
under non
market
conditions

**Forms of economic
advantage in SB
Projects:**

**a non-refundable
subsidy (ERDF)
free of charge
promotion and
training, consulting
for SMEs,
national reserve,
interest-free
advance payment,
loans on
preferential terms,
exemption from
reliefs and taxes,
etc.**

Result –
improvement
of the
financial
situation of
an
undertaking

How to avoid:

Implement activities of general
social interest, lack of economic
activity, e.g. free of charge
publications, trainings, events

Conduct an open procurement
procedure when commissioning
external services

3. Selectivity

If we favor:

A specific economic entity, e.g. SMEs

Entities operating in a specific economic sector, e.g. tourism, cultural heritage, green energy

Entities operating in a specific region of the country, e.g. a border area

Production or marketing of specific types of goods or services, e.g. educational services

In the INTERREG programmes:

Closed catalog of partners

Closed catalog of project typology

Limited territorial area

Criteria for project assessment

4. Distortion or threat of distortion of competition

The public support:

- ✓ is likely to strengthen the competitive position of the entrepreneur compared to other entrepreneurs with whom it competes (benefit)
- ✓ it does not have to lead to the expansion of the entrepreneur, it is enough that allows to maintain the position on the market

Exception: natural or legal monopoly (sewerage and water supply networks, electricity supply, railway track management, postal services, gambling services)

5. Effect on trade

The public support

- strengthens the enterprise in the sector in which it competes with other EU players or intends to compete. The enterprise does not have to sell and produce to the external market.

Note: The threat of distortion of competition is enough, the size of the enterprise and the amount of support do not matter.

5. Effect on trade

Projects



affect markets and consumers in the cross-border area, may attract services from neighboring Member States

Interreg 
EUROPEAN UNION



- development of cross-border cooperation
- transnational cooperation
- joint marketing strategies
- common tourist routes
- common cultural products

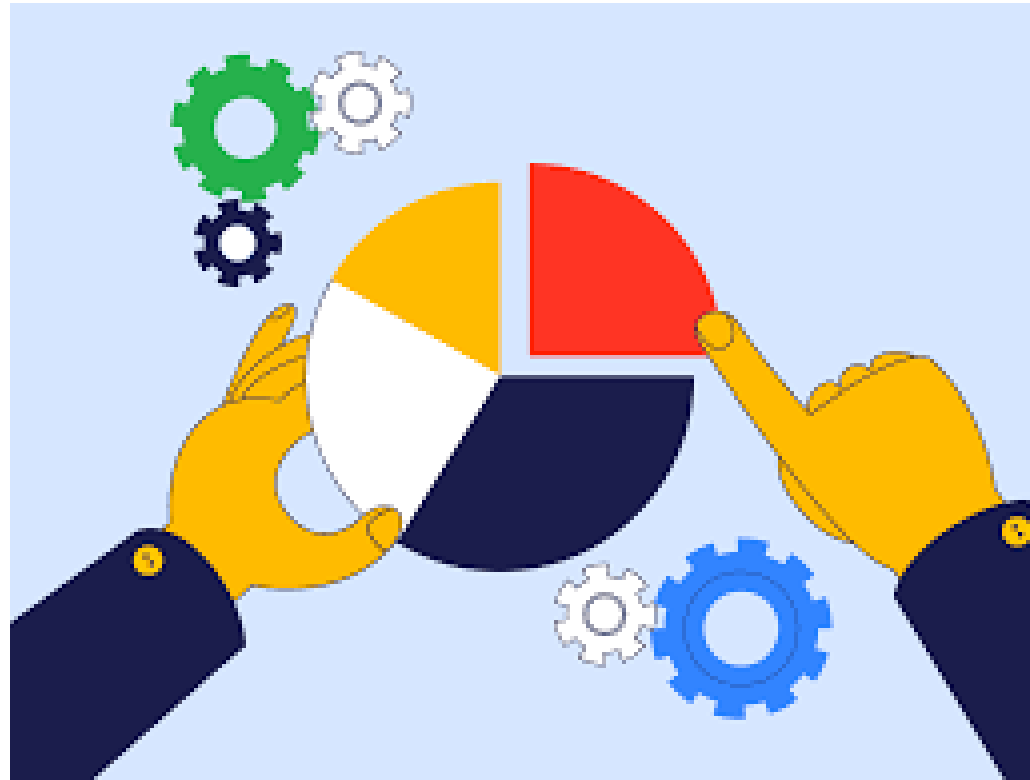


it is difficult to exclude an impact on intra-community trade, but not impossible

Questions



How to avoid state aid?



Local character = no impact on trade

The marginal impact of the support on other enterprises and cross-border investments, i.e.

- it will not attract customers from other EU countries
- it will not have an effect on the conditions of cross-border investments or establishment, will not discourage other foreign entrepreneurs from investing of a similar type

Evidence, e.g.

financial/statistical data confirms that:

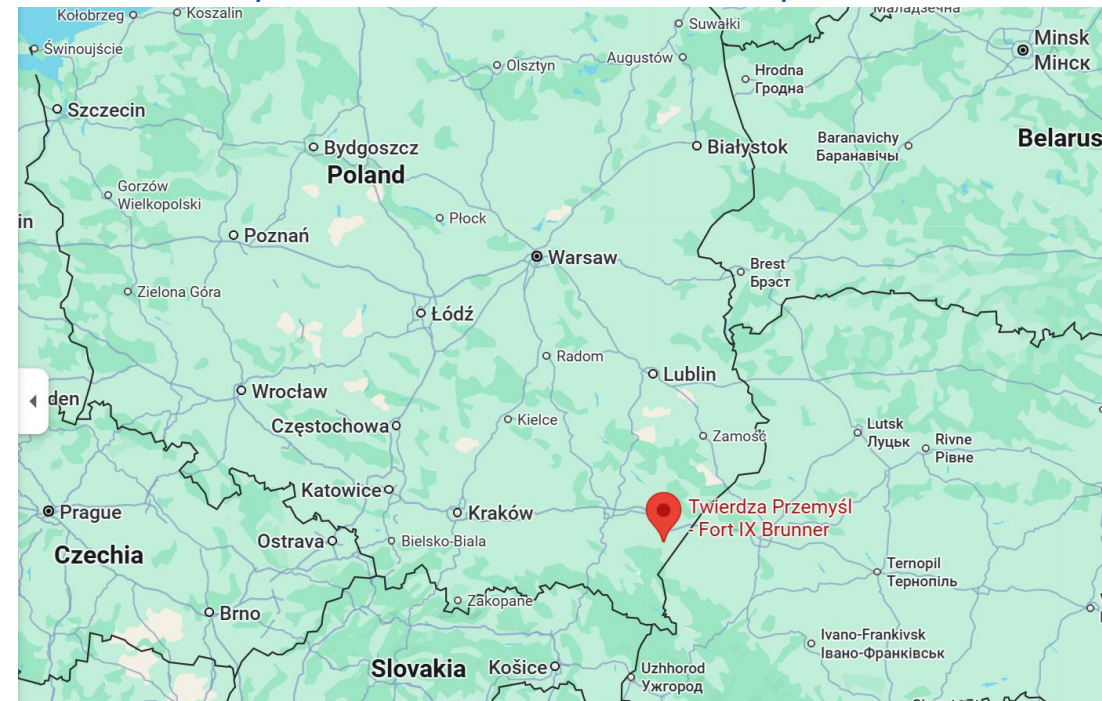
local paid parking, bike rental, museum, ski lift, swimming pool, cinema, spa, yacht marina, rehabilitation center, municipal infrastructure etc.

... are only marginally exploited by users outside the Member State concerned

EXAMPLE

Fortress Przemyśl (SA.33149)

COM decision: no evidence of relevant cross-border investments for such services like restaurant, conference room for 20 persons, accommodation for 20 persons.



Local karakter

Take into account:

- 🚗 location and access (easy/difficult access)
- 🗣️ language (national/or others) used as part of the events (music, dance, theatre)
- 🌍 international promotion and advertising (exists/does not exist)
- 👥 type of audience/customers (international or national/local)
- 🎭 the scale and subject of the events (local or universal problems)
- 👤 number of participants (small, large)
- 🏠 the presence of tourist infrastructure (e.g. lodgings, hotels, guesthouses), etc.



EC Decision of 12 January 2001 in Case N 258/2000 – Aid for the Dorsten Water Park

Financing a swimming pool will not meet the condition of affecting trade if the following conditions are met jointly:

- its services will not be used by citizens of other Member States or the percentage of these people will be marginal (about 90% of visitors come from the area up to 50 km from the pool)
- The facility will not be the subject of active promotion aimed at attracting foreign customers
- in nearby towns there are no facilities of a comparable nature, providing similar services

EC decision on investment in the small port of Wyk on the island of Föhr - SA.44692

- Investment:** modernisation and renovation of infrastructure (no construction of new infrastructure, no dredging – no increase in port capacity)
- Value of public support:** EUR 6.5 million (60% of costs)
- Historical data:** Only ships from the island of Föhr or neighbouring islands entered the Port of Wyk (for 10 years only 3 ships from other Member States). An exception – in 2015, 26 vessels from other Member States arrived – but this was due to the need to deliver materials to the island for large road investments
- Tourist vessels entering:** – approx. 98% of tourists are Germans
- NO competing ports** - inability to create a potential new competing port (limitations due to ecology)
- EC:** no state aid, competition at the purely local level; the port will not attract shipowners from other Member States (no expansion – only modernization); the catchment area of the port is completely closed – the island cannot be served by a port on the mainland; no competing ports (including potentially in the future)

Exclusions - examples

1. museums and other cultural sites
 - which are unlikely to be of interest to visitors from other Member States (N 630/2003)
2. hospitals and other healthcare facilities
 - intended for local residents (SA.37432)
3. fishing ports and marinas
 - for recreational purposes (SA.39403)
4. business and personnel consulting offices
 - e.g. activities are limited to one district of the city) – are financed from public funds and provide services to local SMEs and individual clients without charging them (SA.33149)
5. conference centres
 - which location and prices, despite the public funding, are unlikely to attract users from other Member States (N 486/2002)
6. catering and hotel facilities
 - also in combination with meeting rooms, which provide small-scale services (SA.34891)

Recommendations:

- Always analyse whether your economic activity in the project has a cross-border dimension
- Use the **Commission Notice on state aid notion** as a guide, verify with case law and Commission decisions
- Prepare arguments based on statistical data (e.g. national statistic)

Cofinancing of a photovoltaic installation on the infrastructure of the public hospital

The hospital building = 1000 m²:

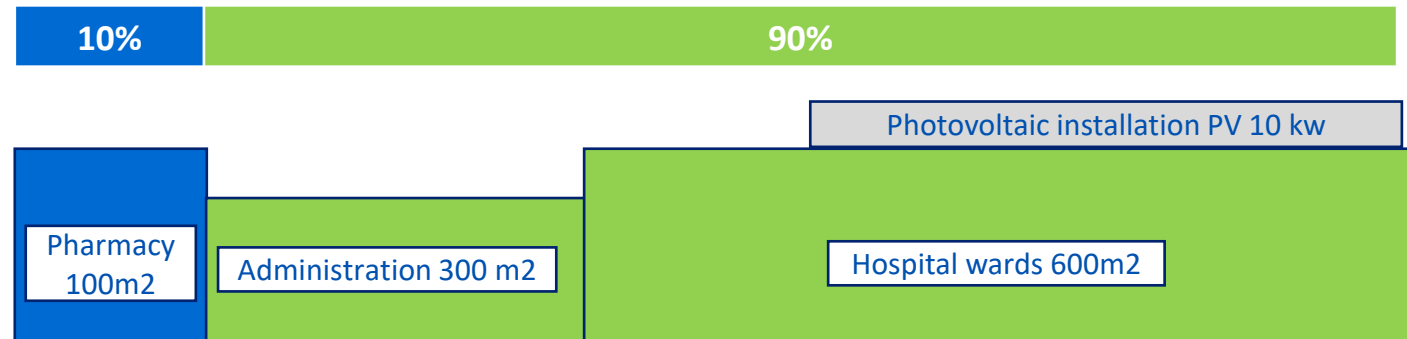
- a pharmacy - 100 m²,
- hospital administration - 300 m²
- medical departments – 600 m²

Ancillary activity

The financing of infrastructure almost exclusively used for non-economic activities may go entirely outside the scope of State aid rules if its use for economic purposes **does not exceed 20% of the total annual capacity of the infrastructure, measured by area or duration of use.**

Analysis:

90% of the hospital area is used for medical activity (administration + medical services)



***Share of "economic activity":**

10% of 1000m² = 100 m² - rental for a pharmacy

5% of 900m² = 45m² - commercial medical activity

The total economic activity is 14.5% (145m² of 1000 m²)



Co-financing of the project does not constitute state aid, below 20%
(point 207 of Commission Notice on notion of state aid)

In addition, in the opinion of the European Commission

... public financing of ordinary infrastructure such as:
bar/café/small restaurant/canteen, souvenir shop,
paid parking or cloakroom in a museum, hospital, university,

... which is located in the vicinity of facilities used in
almost exclusively for non-business activities,

...does not normally have any effect on trade because:

- low probability of attracting customers from other MS
- marginal impact on cross-border investment and entrepreneurship

Commission notice on the notion of State aid (2016)



Unlikely that state aid will occur?

The project activities concern:

educational activities

- as part of the public education system (e.g. modernisation of the facility, its equipment)

cultural activities

- libraries, museums, theatres, art galleries, etc., which operate free of charge or are maintained primarily from public funds - fees for using the cultural offer cover only a fraction of the actual costs

research and development activities

- if carried out for the purpose of dissemination and implementation of science and research free of charge (e.g. laboratories, technology parks, research institutes)

public infrastructure

- which is used by the whole community and has not been designed to favour one entrepreneur (e.g. a road, bicycle paths, hiking trails available for free public use)

activities related to environmental protection

- e.g. protection of flora and fauna, national parks, investments in energy-saving solutions on public buildings

What indicates no economic benefit?

1. Free of charge:

- **Events** - open to all type of participants in the project e.g. concerts /exhibitions/seminars
- **Materials** - published on websites, printed and available for everyone e.g. folders, folders, calendars, guides



Provide information about free entrance or distribution in the application form

2. The target group is not entrepreneurs:

The project activities are addressed to families with children, people with disabilities, seniors, youth, children, tourists etc.

3. Project tasks related to public places, events and cultural facilities e.g.

- teaching about the history of local cultural places, educational paths, exhibitions, promotion of these places
- organization of cultural events in these places, including festivals of children's talents, available to a wide audience
- workshops and specialist training, e.g. on promotion and communication tools, free public services on employment, consulting (SA.33149)

4. Small infrastructure in public places e.g:

- touristic signs
- digitization
- development of green areas
- integrated communication and promotion systems
- interactive devices, etc.

5. Open competitions or public procurement used to select infrastructure operators or contractors for remuneration or use of amateur teams without remuneration

Example

Project activities:

1. supporting local public authorities in improving public services for young people to improve their mental health
2. development of a conceptual model for the joint redesign of youth spaces without features of commercial use
3. public dissemination of results

Project partner's explanation:

- *The dissemination of the results resulting from the project will not involve any commercial transactions*
- *All achieved results will be easily accessible, without any financial obligation, for those expressing an interest in the results of the project*
- *Educational resources and facilitating knowledge transfer will be carried out at no cost to participants*
- *The Partner will refrain from deriving any monetary benefits from the implementation of the activities related to the project*

Questions



Forms of aid in South Baltic projects



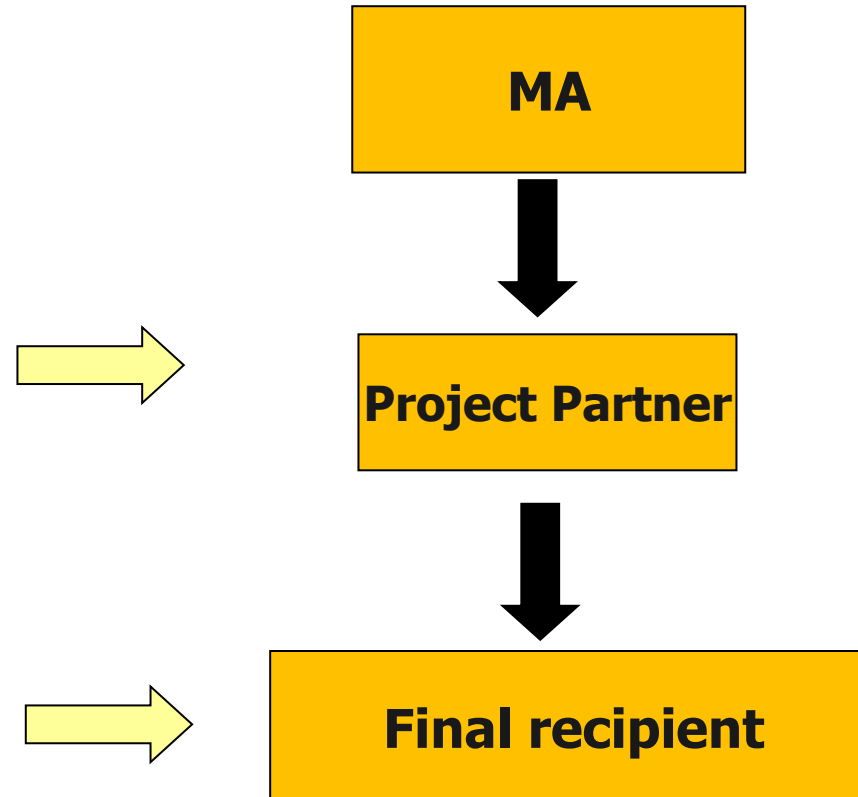
- non-refundable subsidy from ERDF (80%)
- national reserve to cover 20% of own contribution
- interest-free loan
- tax exemption/preferential tax rate
- loan / preferential credit
- deferral of the tax payment deadline / penalty
- payment in installments
- remission of the fee/penalty
- reduction of the amount / exemption from the fee
- sale of real estate at a preferential price
- selecting an operator outside the procurement procedure

<https://www.ewt.gov.pl/strony/o-programach/poznaj-dodatkowe-wsparcie-finansowe-dla-polskich-beneficjentow-2021-2027>

State Aid levels

Level I: project partner benefits from ERDF co-financing in the project
(DIRECT AID)

Level II: project partner uses ERDF to provide benefits to the final recipients
(INDIRECT AID)



Moment of granting state aid/de minimis aid



To the Project partner (direct aid)

date of signing a subsidy contract with the MA

To final recipients (indirect aid)

date of signing the contract or carrying out the event

EXAMPLE of an indirect aid



The project partner conducts a series of free trainings/workshops for SMEs.

Subject of the training:

How to increase the energy efficiency of the company in order to achieve savings and develop business

How to calculate the value of aid?

Divide the training costs by the number of participants

How to avoid indirect state aid?

1. **Use** an open, transparent and non-discriminatory procedure to select service providers / infrastructure operators
2. **Organize** public events open to all interested groups, institutions
3. **Ensure** that the results of the research are publicly available and accessible to all interested parties
4. **Avoid** advertising/promoting private business entities



Example

Partners: museum, municipalities, universities, tourism information centre, the association of sea cities and municipalities

Target groups: local stakeholders in tourism development (owners of the boats)

- Local and regional administrations
- Local NGOs connected to tourism and maritime heritage
- Local SMEs and potential entrepreneurs in the field of heritage tourism

Main activities:

- boat renovation, exhibited, will serve for trainings and as tourist attraction



NO state aid if the boat used for:

- general social purpose (public activity)
- ancillary economic activity
- local economic activity

Legal basis

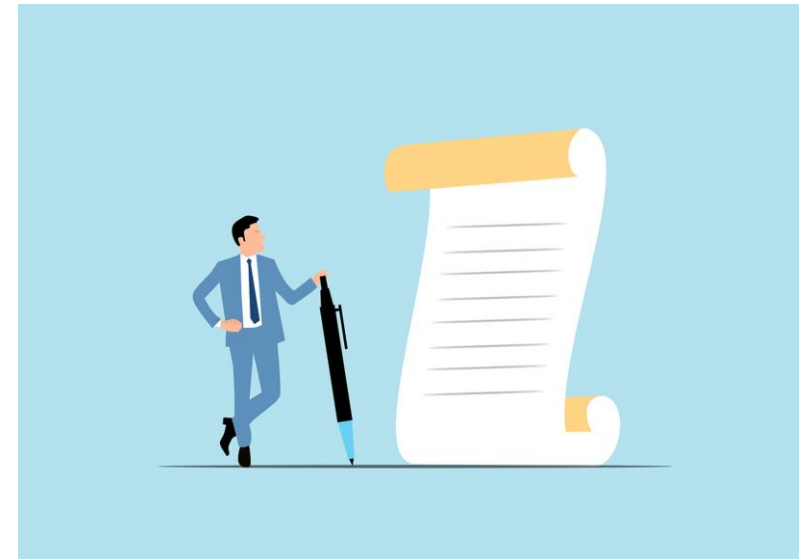
1. EC regulations

- Commission Regulation (EU) No 651/2014, known as the General Block Exemption Regulation (GBER)
- Commission Regulation (EU) 2023/2831, known as de minimis regulation

2. State aid scheme for INTERREGs programmes

- Regulation of the Minister of Development Funds and Regional Policy on granting de minimis aid and state aid under Interreg programmes for 2021-2027

3. Program Manual, chapter 9



State Aid

in the South Baltic programme
is granted based on:

- Article 20 of Reg. 651/2014 (GBER)
(**direct state** aid granted the MA)

up to EUR 2,2 million EUR or
up to max. aid intensity = 80% of co-financing rate from
art. 13 of INTERREG Regulation

- Article 20a of Reg. 651/2014 (GBER)
(**indirect state** aid granted the project partner)

max 22 000 EUR

- Regulation 2023/2831 (de minimis aid)
(**direct state** aid granted the MA)

up to 300 000 EUR in the last 3 years

Who cannot receive state aid



an enterprise if it:

- is subject to an order to repay the aid by the EC
- is in a **difficult situation** (except in the case of natural disasters)
- intends to use the aid for activities related to the export of products to third countries or Member States

Enterprise in difficult situation



has lost more than half of its share capital



is subject to collective insolvency proceedings



has received rescue which it has not been reimbursed or restructuring aid for which the plan is still in force

Who cannot receive de minimis aid



an enterprise if:

- exceeds the limit of EUR 300,000 in the last 3 years
- is a bankrupt and applies for de minimis aid in a form of loans and guarantees
- intends to use the aid for activities related to the export of products to third countries or Member States
- carries out primary production of agricultural products and primary production of fishery and aquaculture products

Is



eligible?

GBER Article 7(1)

The calculation of aid intensity and eligible costs shall not take into account the tax which is refundable in accordance with the applicable national tax law

Projects up to 5 million EUR without public aid (CPR) – recoverable VAT is eligible

Projects up to 5 million EUR with public aid (GBER) – recoverable VAT is not eligible, ERDF co-financing on net expenditure

- declaration on VAT in AF, and on the level of the controller
- monitoring in payment claims on the level of the controller



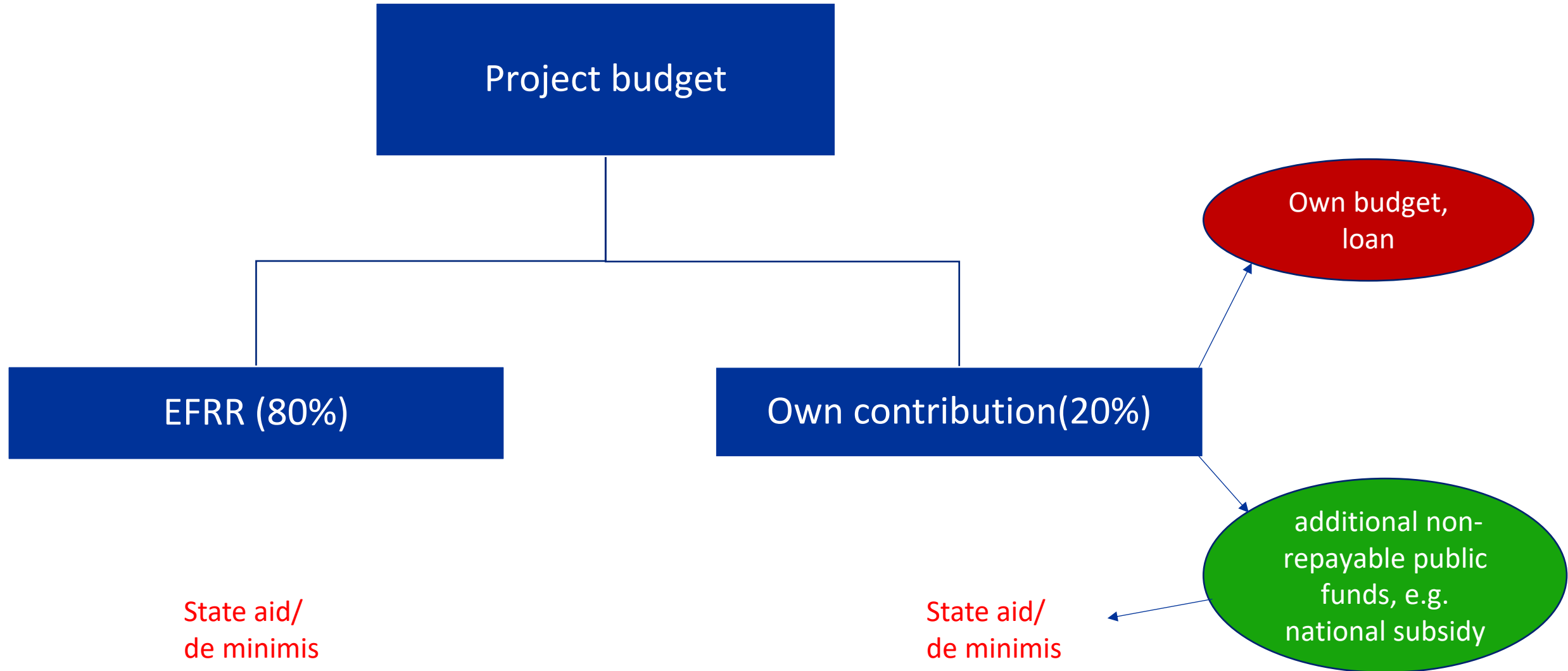
Does not apply to de minimis aid!

Questions

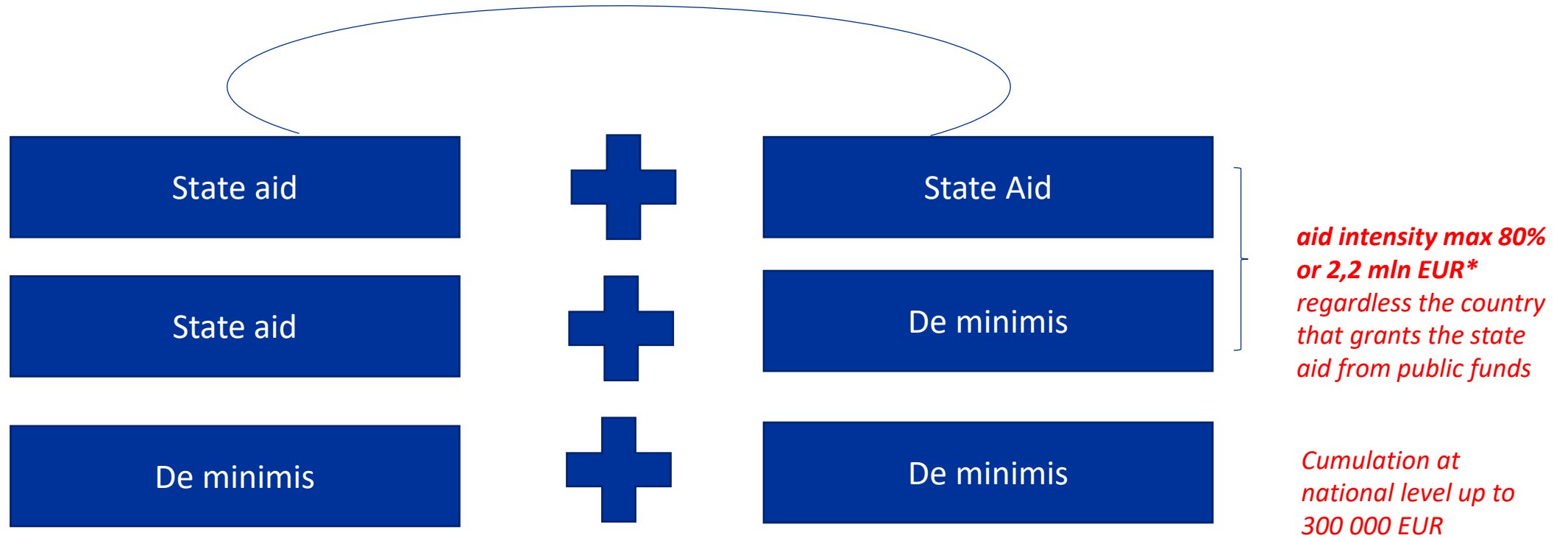


Cumulation of state aid





CUMULATION



**The partner may receive a maximum of 80% of the project budget for each project separately or a maximum of EUR 2.2 million, depending on what occurs first, the % limit or the amount.*

CUMULATION - art. 8 of GBER

Aid with **identifiable eligible costs** (clearly defined eligible costs directly linked to the project under budget categories) may be **cumulated with:**

- a) any other State aid, in relation to **the same eligible costs**, partly or fully overlapping, only if such cumulation does not result in exceeding the **highest aid intensity or aid amount** applicable to this aid



80% of ERDF (state aid) + 20 % of own contribution (state aid/de minimis) = 100% of intensity
2,2 mln from art. 20 + 22 000 EUR from art. 20 a + 300 000 EUR de minimis

INTENSITY vs. CUMULATION

- Intensity of state aid defined only in art. 20 up to 80%
- **NO intensity rule in art. 20a and de minimis aid !!!**
 - only the amount limit up to 22 000 EUR per partner per project and 300 000 thousand EUR per partner in the last 3 years received in the same Member State
(no 80% intensity calculated for those amounts)

Questions



State Aid

Self - check assessment test

NOTE the information on self – check assessment test:

- Completes the information on activities (more precised)
- Allows to recognise the way the activities will be carry out
- Provides details on intended use of project results (economic – non economic)
- Provides information significant to recognise possibility of excluding state aid

Expected result: better recognistion of state aid in projects

Please answer all the questions and give the justification for yes or no!

State Aid

Self - check assessment test

Do you perform economic activity,
i.e. do you offer goods/services for
which a market exists regardless of
your legal form?

- check on definition of enterprise
- do not be deceived by the national definition of an enterprise
- be clear on your economic activity
- do not take for granted that you have to generate profit

Non-economic (safe) activities

- Joint studies, reports, or strategies made freely available
- Networking events without participation fees
- Public campaigns, awareness raising, open trainings
- Infrastructure used only for non-commercial, public purposes

State Aid

Self - check assessment test

Do you keep separation of accounts for economic and non-economic activity if you perform both types of activities regardless of your legal form?

- No separation – support for the project will be regarded as related to economic activities
- Separation possible also if SMEs take part in activities carried out of general public interest
- Helps to recognise if economic activities are not cross financed with public subsidy – subject of check by controllers/auditors

State Aid

Self - check assessment test

Is the implementation of your tasks, planned as part of the project, an economic activity?

- Indicate how you are going to use the outputs of the project:
 - sale
 - use for promotion purposes the solutions in your economic activity
 - commercialise the effects of the research
 - Charge for advisory or consulting based on the project results
 - Rent the equipment bought in the project, or provide paid services with the use of the equipment during durability period
 - offer lab testing, prototyping, or certification to companies for a fee.
- If you are not sure of your future intentions, leave an open door for yourself.
- If your answer in the test is contradictory to the type of activities describe you might be asked for explanation
- Indicate ancillary or local character of the economic activity

State Aid

Self - check assessment test

4. Do you plan to transfer benefits from project activities on final recipients that are undertakings in the meaning of state aid rules?

- Indicate if you transfer benefits to third parties as a result of the project activities. Such third parties might be project target groups like SMEs.

Example:

- Consultancy, training courses, pilot test or other services (e.g., energy audits) provided for free to companies

Positive assessment of state aid

what does this mean?



Assessment steps

- Assessment procedures are established by the MA/JS
- Assessment of state aid/de minimis is carried out by external independent experts
- Assessment is made based on information in the application form, including the state aid self – check assessment test
- During the assessment, additional explanations and documents, e.g. financial statements, might be requested by experts

Assessment impact

The probability of positive assessment is higher if:

- activities generally described
- not clear division of responsibilities between partners
- no clear separation on how the results will be spread with economic benefit or not
- lack of a clear answers and or justification in the state aid self-check assessment test

Assessment result



Positive

- The forms for information on state aid /de minimis
- Guidance how to fill in the forms available

<https://southbaltic.eu/for-project-partners/state-aid>

Other documents available:

- State aid and de minimis manual
- Regulations
- State aid scheme
- Training materials



Direct state aid – art. 20 / de minimis aid

- 1. Fill in** the state aid /de minimis form before the subsidy contract is signed
- 2. Provide** documents required in case of de minimis:
 - **all certificates** concerning de minimis aid and de minimis aid in agriculture or fisheries that it received in the last 3 years in Poland
 - **or a statement** on the amount of such aid received
 - **or a statement** on not having received such aid
- 3. Keep** the documents for ten years for verification

Indirect state aid - art. 20a

1. **Calculate** the amount of indirect aid for final recipients, make sure it is within the limit of 22 000 EUR per final recipient in your project
2. **Indicate** in the payment claim the positions of expenditures that are indirect aid relevant
3. **Inform** final recipients on granting the aid and follow national rules on granting the state aid based on art. 20 a of GBER, if required
4. **Polish partners in addition:**
 - **collect** the state aid form from third entities (obligation based on national provisions)
 - **resister** the aid in System for Scheduling Registration and Monitoring of Aid - SHRIMP 2 - shrimp.uokik.gov.pl (dedicated code for art. 20 a measure is a25.1) within 7 days since granting the aid)
 - **update** information on state aid in the system in case the amount changes

Changes in the project

if a project partner goes bankrupt

- recovery procedure is launched on state aid

if a project partner resigned and replaced by another partner

- the new partner will be assessed as an undertaking with regard to state aid rules (annex)

if the type of the state aid is changed

- the new applicable state aid /de minimis aid form is required (date of the annex signature is a date of granting new type of aid)

if new activities approved

- an annex to the subsidy contract and the assessment of the activity in terms of state aid

if the decrease in the limit of state aid

- the new amount of state aid granted is registered by the MA upon the final payment claim is paid - no annex, no state aid assessment required

Control/ audit

The controller verifies:

- if the correct form of state aid was applied
- if declared expenditures are in the limit of granted state aid/ de minimis aid
- VAT (if eligible)
- obligations of the project partner granting indirect state aid under Article 20a (requirement to present documents, e.g. collected state aid forms)

The auditor (AA, EC, ECA) verifies:

- if the conditions for granting state aid/de minimis have been met

Type of irregularities (number) – comparison – acc. year 2022/2023

Type	All	Interreg
Ineligible expenditure	2,429	431
Missing supporting information or documentation	1,634	187
Public Procurement	1,100	187
Sound Financial Management	506	39
Accounting and calculation errors at project level	403	132
Simplified Cost Options	225	7
Performance indicators	177	6
State aid	143	6
Information and publicity measures	117	17
Ineligible project	53	2
Financial instruments	49	-
Revenue Generating projects	13	1
Equal Opportunities / Non discrimination	10	-
Data protection	4	-
Total	6,863	1,015

Pros and cons of state aid/de minimis aid in projects



PROS



- ✓ Goals and results can be achieved faster and in larger numbers
- ✓ A more diverse group of final recipients (private sector inclusion)
- ✓ The effectiveness of projects is increasing and the positive impact e.g. on the business sector and the employment
- ✓ Effects better identified and a greater chance for capitalisation
- ✓ An opportunity for more innovative solutions and development in the region
- ✓ An opportunity to solve current cross-border problems

CONS



- ✓ Cumulation problems due to the intensity limit
- ✓ Additional procedures to be established and followed
- ✓ Ineligible VAT (but only art. 20)
- ✓ Administrative obligations, e.g. state aid / de minimis forms (very detailed), registration in SHRIMP in Polnad also in case of article 20a
- ✓ Assessment failure if not enough experienced experts, lack of knowledge on state aid among project partners, lack of information in application forms.

Questions



