



CORRIGENDUM No 1
to the
GUIDELINES FOR APPLICANTS
Call for proposals
No. 2014TC1615CB007 – 2015 – 1
Deadline for submission: January 18th, 2016

Based on Joint Monitoring Committee decision from 14th November 2015, the following aspects, concerning the provisions for identifying and declaring state aid by the Bulgarian project partners, **are modified** with respect to the Application package for the 1st Call for Proposals under the INTERREG – IPA Cross-border Cooperation Bulgaria – Serbia Programme (reference number 2014TC1615CB007 – 2015 – 1), published on 17th August 2015:

- 1) Guidelines for Applicants, Article 1.5 – State Aid, page 11

The original text:

“State aid” is any aid, granted by the State or through state or municipal resources, or on behalf of state or municipal resources, directly or through other persons, in any form whatsoever, which distorts or threatens to distort competition by favouring certain undertakings or the production or the trade of certain goods, or the delivery of certain services, in so far as it affects trade between Member States.

Any entity engaged in an economic activity that consists of offering goods or services on the market, regardless of its legal status and the way of financing, is considered an undertaking, by the meaning of the State aid regulations. With regard to this, public bodies are not excluded by definition, but the proposed activities are to be checked for profit generation. Commercial and profit-making **activities** are **not** eligible under this Call for Proposal.

All Bulgarian Applicants bear the responsibility to declare that the de minimis aid they apply for when accumulated with the one they have received before, will not exceed the de minimis aid ceiling, determined in § 1, point 3 of the Additional provisions of the Bulgarian State Aid Act. To this end, all Bulgarian partners under this Call for proposals must fill in the **De Minimis State Aid Declaration** (Annex A6).

All Serbian Applicants should follow the applicable national regulations regarding State aid.



Is replaced with the new text:

According to Article 107 (ex. Article 87) of the Treaty on the Functioning of the European Union, state aid is any aid granted by a Member State or through State resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods, therefore affecting trade between Member States.

Since no state aid shall be/is granted under the Interreg-IPA Cross-border Cooperation Bulgaria-Serbia Programme, any activities fulfilling all the criteria listed below cannot be financed under the programme. State aid applies when all five criteria are met (these criteria are cumulative, so if one of the State aid criteria is not met, the grant in question does not constitute State aid):

1. Presence of Public resources. The state aid norms comprise exclusively the measures that imply the public sources/resources transfer (including from national, regional and local authorities, banks and public foundations, etc.). Moreover, the aid does not need to be granted by the State as such. The aid can be granted by a public or private intermediate body appointed by the state. The criterion is always fulfilled for CBC Programmes.

2. The measure granted confers an economic advantage (a benefit) to an undertaking, which it would not have otherwise received. First of all it is important to analyse whether the recipient of the aid is an undertaking. The State aid case-law considers an undertaking any entity engaged in an economic activity, **regardless** of its legal status and the way in which it is financed (an undertaking can be a public body, a charity, a NGO, an association, an university etc.). Classification of an entity as an undertaking is always relative to a specific activity. An entity that carries out both economic and non-economic activities is to be regarded as an undertaking only with regard to the former. Any activity consisting in offering goods and services on a market is an economic activity. Economic activity means the supply of goods and services on a given market. The application of the State aid rules as such does not depend on whether the entity is set up to generate profits, as also non-profit entities can offer goods and services on a market too. The only relevant criterion is to decide whether or not the entity carries out an economic activity in the context of the ETC project. Also, the State authorities may themselves be considered as undertakings when they are involved in economic activities. With regard to the economic advantage, an advantage, within the meaning of Article 107(1) TFEU, is any economic benefit which an undertaking would not have obtained under normal market conditions, i.e. in the absence of State intervention.

3. The measure granted by the State is selectively favouring certain undertakings or the production of certain goods. Not all measures which favour economic operators fall under the notion of aid, but only those which grant an advantage in a selective way to certain undertakings or categories of undertakings or to certain economic sectors. An analysis of the selective nature is relevant when there is an indirect advantage.



4. The grant distorts or threatens to distort competition. A measure granted by the State is considered to distort or threaten to distort competition when it is liable to improve the competitive position of the recipient compared to other undertakings with which it competes. A distortion of competition within the meaning of Article 107 TFEU is thus assumed as soon as the State grants a financial advantage to an undertaking in a liberalized sector where there is, or could be, competition. A possible distortion of competition is excluded if (1) a given service is subject to a legal monopoly (established in compliance with EU law) and is not in competition with similar (liberalised) services and (2) the service provider cannot be active (due to regulatory or statutory constraints) in any other liberalised (geographical or product) market.

5. The grant affects trade between Member States. An advantage granted to an undertaking operating in a market which is open to competition will normally be assumed to affect trade between Member States. However, if the service in question is of a merely local interest there is no effect on trade between Member States. In order to assert that this criterion is not fulfilled, the project in question must have a mere local impact. If State support is granted to an activity which has a purely local impact, there may not be an effect on intra-EU trade, e.g. where the beneficiary supplies goods or services to a limited area within a Member State and is unlikely to attract customers from other Member States. Moreover, the measure should have no - or at most marginal – foreseeable effects on cross-border investments.

Considering the Interreg-IPA Cross-border Cooperation Bulgaria-Serbia Programme, the following are non-economic activities for which the beneficiaries do not act as economic operators and for which there are no considerations to assume that the competition will be distorted; these project activities will generally not be treated as subject to state aid rules:

Priority Axis 1 – Sustainable tourism

Specific Objective 1.1 Tourist attractiveness

- **Development of small-scale support infrastructure to touristic attractions and additional small scale technical infrastructure, encouraging the visits to the tourist attractions** including rehabilitation of access roads; upgrade of public utilities related to natural sites; small touristic border crossings and related facilities.
- Development of tourist paths and health paths.

Specific Objective 1.3 People-to-people networking

- **Organization of joint events to promote cross-border natural and cultural heritage** (e.g. promotion and cultivation of the common traditions of the borderland areas; support to activities in the fields of multiculturalism, cultural exchange and the establishment of connections on field of creative industry in order to increase cultural diversity; organisation of festivals, exhibitions, performances, etc.).



Priority Axis 2 – Youths

Specific objective 2.1 Skills & Entrepreneurship

- **Development of the entrepreneurial competences in the formal educational system** (e.g. support for projects that fostering entrepreneurial skills, knowledge and attitudes of students in elementary and secondary schools; promotion of entrepreneurial activities such as: develop and work of student companies, participation in student companies competition in region and student companies fairs; development and implementation specific training programs for teachers of different subjects in the field of entrepreneurial learning.

Specific objective 2.2. People-to-people networking

- **Support to youth networking initiatives** such as promotion of young people's participation in representative democracy and civil society; cross-border initiatives aimed at combating youth poverty and social exclusion; community initiatives to support and recognize the value of youth volunteering; supporting youth capacity and opportunities to be creative and youth access to culture; cross-border initiatives for promotion of health and well-being of young people, etc.
- **Support for public awareness activities** (e.g. awareness raising campaigns for common problems and challenges for youth; organisation of different events such as conferences, forums, seminars, platforms and networking meetings in order to improve the recognition and trust among existing partners and to assure the political commitment at all levels, etc.).

Priority Axis 3 – Environment

Specific objective 3.1 Joint risk management

- **Establishing joint early warning and disaster management systems** (e.g. surveys of actually applied procedures, policies and measures for disaster protection, prevention and previsions; establishing spatial data base for disaster risk assessment, containing terrestrial, meteorological and sociological features; preparing joint risk assessment and mapping strategies; preparing joint plans and procedures for emergency situation liquidation and disaster force accumulation responding to the incidents and emergency situations; developing joint protocols and communication channels for risk prevention and management of natural and man-made disasters.
- **Capacity building related to disaster resilience** (e.g. conducting joint theoretical-tactical exercises and field trainings for emergency situations management; trainings in the use of ICT technologies for risk management; exchange of experience and good practice such as study visits, round-tables, conferences; joint trainings and raising awareness of public service actors and population (volunteers) for disaster resilience; measures related to risk communication and to awareness-raising of population, accompanied with specific educational actions, information-sharing, drills and training for local population; cooperation activities within river basin districts promoting natural flood risk management approach, etc.).



- **Investments in equipment related to disaster resilience** (e.g. up-to-date ICT solutions in pre-fire, fire and post-fire activities; supply of specialized fire-fighting equipment; supply of specialized equipment for floods prevention, and for search and rescue interventions; supply of system for air surveillance of the surface and real time transmission of data, etc.);
- Support of small-scale interventions/investments (e.g. green infrastructure for natural water retention: restoration of flood plains and wetlands, afforestation, re-meandering; sanitation of river banks; building flood defence like dikes and canals; forestation of non-permanent vulnerable land; cuttings for emergency situations, etc.).

Specific objective 3.2. Nature Protection

- **Joint cooperation initiatives targeting the effective management of Natura 2000 sites and other protected areas** (e.g. development and implementation of joint management plans/coordinated concrete conservation activities for protected areas based on innovative concepts; exchange of experience and capacity building for protected areas/Natura 2000 sites administrations; community involvement, coordinated management planning, implementation and evaluation; public awareness about Natura 2000 sites and protected areas, with the help of e.g. the National Ecological and Rural Networks or the European Network for Rural Development; etc.)
- **Joint initiatives towards the protection and enhancement of biodiversity, nature protection and green infrastructure** (e.g. joint initiatives targeting the effective management of environmental resources; restoration activities targeting the achievement of favourable conservation status of the species and natural habitats, subject of conservation in the established in the area protected areas; education and awareness raising, as well as capacity building measures in the field of ecosystems protection and restoration, which should target predominantly the young people in the CBC region; introduction of Low Carbon practices shared for adaptation climate change, etc.)
- **Preservation and improvement of the quality of soils, air and water** (e.g. developing new governance tools and the "learning region" concepts towards multifunctional use of land and soil and inter-linkages to the regional development; cooperation initiatives and developing policy networks in the field of horizontal and vertical integration of air quality creation of "carbon proofing" tools for integrated spatial development policies, strategies and processes for setting up local/regional low carbon model areas and regions including special needs areas such as nature protection regions; as well as awareness-raising and training raising awareness about soil protection; actions for improvement of the quality of air, cooperation initiatives and networking tackling water pollution including Danube pollution and indirectly Black Sea pollution, etc.).



- **Capacity building and promotion initiatives** (e.g. provision of training to local and regional authorities in the field of environment related matters, such as waste or protected areas management; creating networks for exchange of good practices; creating knowledge networks for innovations in the field of sustainable use of common natural resources; awareness raising on all levels (individual persons, organizations, businesses, public administration, schools) on issues related to environmental and nature protection, including marginalized communities and other vulnerable groups).

Activities of potential economic character will be carefully analysed in connection with the state aid rules when the beneficiaries act as economic operators for projects under the following priority axes:

Priority Axis 1 – Sustainable tourism

Specific Objective 1.1 Tourist attractiveness

- **Preservation of natural and cultural heritage** such as restoration and maintenance of sites of historical and cultural importance; conservation and protection of both tangible and non-tangible natural, historical and cultural heritage, etc.
- **Development of small-scale support infrastructure to touristic attractions and additional small scale technical infrastructure**, encouraging the visits to cultural and historic tourism sites; ICT facilities development/upgrade, playgrounds; recreational and sports facilities; landscaping; signing and lighting; other support facilities serving tourist attraction and visitors, etc.
- **Development of joint transport access schemes and adventure routes** (e.g. cross-border public transport to touristic sites; climbing, horse riding and biking routes, etc.).
- **Development of tourist attraction accessible to persons with disabilities** (e.g. encouraging the modification of access points, washrooms, stairs, transportation vehicles, rough paths, etc.).
- **Development of information access facilities** such as info-centres and/or kiosks to guide potential visitors; joint GIS platforms; joint platforms for online reservations, payment, etc.
- **Support for public awareness activities** (information campaigns), promoting the region as a tourist destination.

Specific Objective 1.2 Cross-border touristic product

- **Development of joint cross-border touristic destinations** (e.g. development strategies and action plans based on innovative service concepts and products; carrying out joint researches on tourism demand for new tourist destinations; adoption of joint visitor management plans to ensure that tourism does not damage natural and cultural resources; risk management plans for cultural and natural heritage sites exposed to climate change; elaborating joint monitoring programmes to measure trends and impacts, and facilitate adaptive management of natural, cultural and historical heritage in the region, etc.).



- **Development of sustainable cross-border touristic products and services** (e.g. research activities to identify tourist products with potential for cross-border branding; development of new and innovative tourist products and services; development of local brand/s based on natural, historical and cultural heritage of the border region; establishment of networks/clusters/entities for management of joint tourist products; creating knowledge networks for tourism innovations in the border area, etc.).
- **Joint marketing and promotion of cross-border tourist destinations and products** (e.g. joint market perception analysis with the aim to assess the customer understanding of the border region as a consistent tourism destination; application of best practices in tourism promotion; preparation and dissemination of information and advertising materials; studies of the impact of the implemented marketing and advertising activities; organisation of tourism exhibitions and fairs; visualisation of local tourist products/ brand/s/ destinations, incl. 3D visualisation; mobile applications, social networks, tailor-made internet platforms, and other innovative tools; creating multi-lingual on-line tourist platforms, etc.).

Specific Objective 1.3 People-to-people networking

- **Support for public awareness activities and information services** (e.g. awareness raising campaigns on the values of cross-border cultural, historical and natural heritage, incl. joint events among youth; dissemination of relevant information to the touristic providers in the border region; organizing travel forums to promote effective two-way communication; participation and involvement of local touristic enterprises in recognizing and solve common problems; organisation of different events such as conferences, forums, seminars, platforms and networking meetings in order to improve the recognition and trust among existing partners and to assure the political commitment at all levels, etc.).
- **Capacity building activities addressed to local community and business** (e.g. training and consultancy support services for tourist enterprises/establishments to improve skills and performance; organising online forums for exchange of good practices in sustainable tourism management; support the cooperation of public and private institutions in fields of competence, etc.).

Priority Axis 2 – Youths

Specific objective 2.1 Skills & Entrepreneurship

- **Development of youth-related small-scale infrastructure, and training and information facilities** (e.g. construction/ reconstruction/ rehabilitation/ refurbishment of youth, education-related and recreational infrastructure and facilities – for instance: lecture facilities, libraries, laboratories, sport facilities, campuses; investments to ensure physical accessibility to youth and education-related and recreational infrastructure and facilities; investments in ICT- facilities' development and upgrade, etc.).



- **Development of small-scale “entrepreneurship” infrastructure** (business incubators, shared workspace, start-up factories and “start-up garage”, equipment provision/sharing, etc.).
- **Support to youth entrepreneurship schemes and initiatives** (e.g. initiatives to encourage learning in support of young people's innovation, creativity and entrepreneurship; students' mini-companies, school-entrepreneur/ business activities and events; simulation games [e.g. computer-based]; business skills training, guidance and counselling services such as one-stop-shops and youth enterprise centres, on-the-job training and workshops, mentor support and business coaching, online portals and web sites, etc.; support to joint market initiatives and networking, incl. promotion and marketing campaigns for youth entrepreneurs, encouraging the development of joint initiatives for research and innovations, etc.).

Priority Axis 3 – Environment

Specific objective 3.2. Nature Protection

- Visitor management and tourism development measures.
- Sustainable urban mobility plans; small-scale infrastructure investments, provision of modern supplies about the needs of reducing and recycling waste, waste and water management;
- Establishment of help-desks with mobile expert groups helping regions and cities resolving environmental problems

Public support given by the Programme to undertakings for activities of economic character will be granted under the de minimis rule. This implies that undertakings will receive grants only if they have not received public aid under the de minimis rule totaling more than **200,000 EUR** within three fiscal years from the date of granting the aid. This ceiling is reduced to **100,000 EUR** in the road transport sector. The public aid considered for the applicable de minimis ceiling comprises all aids granted by the national, regional or local authorities, regardless of whether the resources are provided from domestic sources or are partly financed by the European Union. However, this will not affect the possibility of an undertaking to receive public support under other state aid schemes.

As a consequence, undertakings (i.e. not only private companies but also public authorities, NGOs etc.) carrying out state aid relevant activities in the project might receive limitations on the public contribution to their budgets.

All Bulgarian Applicants bear the responsibility to declare that all State Aid and de minimis provisions are strictly observed for any type of action (Annex A.6).

The Lead partner and the project partners have to ensure that the planned activities are set up and implement in compliance with national legislation related to competition.

The observance of the above mentioned conditions is closely verified / monitored by the Programme bodies at all levels (first level controllers, JS and MA) during the pre-contracting phase and the implementation period of the projects.



The aim of the analysis in the pre-contracting phase is to identify all affected by State aid rules activities in the selected project proposals and to assess the possibility of drafting recommendations ensuring the compliance of the approved project with State aid rules. The State aid assessment is performed only for those project proposals approved for financing by the Joint Monitoring Committee.

The State aid analysis is performed on the basis of the information included in the full Application form as well as in the Lead partner and project partners' declarations (only for Bulgarian institutions/organizations) and in public registers. Furthermore, other information sources might be used from the Lead partner and/or the partner. The following may be taken into consideration when performing the analysis:

- the character of the project;
- whether economic activities are included in the project proposal and whether those activities are connected with the economic activity of the beneficiary (if any);
- whether the applicants are to be regarded as undertakings carrying out economic activities in the context of the project;
- whether the aid is giving an economic advantage (a benefit), which an undertaking would not have obtained under normal market conditions, including the potential possibility for development of economic activity as a result of the project and whether as a result of the project the market will be changed;
- whether the aid is selectively favouring certain undertakings;
- whether the aid distorts (or threatens to distort) competition and trade within the European Union;
- whether the beneficiary has separate accounting system for the project;
- whether there is a case of "linked undertakings".

The aim of the control in the implementation period of the projects is to identify any potential situation of state aid at the current stage of the project development. The checks are to be made by the first level controllers and JS and if such situation is identified it should be reflected in the respective checklists issued by them and immediately reported to the MA.

In case the Programme bodies find out that the Lead partner or any project partner made false declarations regarding state aid, the MA is entitled to terminate the subsidy contract, in whole or in part, and to demand repayment of the amounts already paid.

All Serbian Applicants **shall not submit** Annex A.6 - De Minimis State Aid Declaration nor any other equivalent document and should follow the applicable national regulations regarding State aid.

2) Annexes to the Guidelines for Applicants

The original **Annex A.6 "De Minimis State Aid Declaration"** is replaced with a new, updated version of **Annex A.6 "De Minimis State Aid Declaration"**.

All other parts of the Guidelines for Applicants and the Annexes remain unchanged.