
State aid and the de minimis rule in terms of vouchers assignment procedure



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List of acronyms

PA - Pilot action

HE&R - Higher education and research

LE - Large enterprises

SME - Small and Medium Enterprises

BSO - Business support organizations

GE - General Public

SCIP - Synergy Crowd Innovation Platform

1. The Pilot Action evaluation and selection procedure

1.1. General information

The pilot action evaluation and selection procedure will be conducted by an **expert commission** (jury) appointed by the partner responsible of the specific pilot action (CRIT or PROFACTOR, see above).

The jury will be generally formed by a representative of the entity proposing the challenge and by a member of the Synergy team. Moreover, KPAs experts external to the SYNERGY team could be invited in the jury according to the specific PA. The members of the SYNERGY team will be nominated on a rotating basis. Each jury member will be required to sign a declaration of non-disclosure and stating that there's no conflict of interest between the evaluator (jury) and participants.

Only the ideas submitted on time will access the evaluation process, which will follow common criteria. However, specific information on the evaluation and selection procedure of each specific PA are defined in chapters below. While the specific information on the organization and characteristics of each PA are available in D.T 3.2.2 Description of the plan on designing and implementing Pilot actions in T4.

Winners for each PA will receive by email a notification for winning, together with a pdf certificate stating the name of the winner, the proposed solution, the PA challenge that has been won and the value of the voucher.

1. Vouchers value for each PA

Selected services, obtained through vouchers, will be given to winners of PA challenges after the launch of international campaigns and the above-mentioned evaluation and selection procedure.

Below you can find the maximum amount of voucher allocated to each PA. However, the number of vouchers and their single value will be flexible and will mainly depend on the characteristics of the single PA and on the number of campaigns launched for each PA. The precise value of the voucher for each PA will be known after the evaluation of solutions and it will then be uploaded on the SCIP.

Table 6 Voucher value for each PA

PILOT ACTIONS	TOTAL VALUE OF VOUCHERS	MAXIMUM NUMBER OF VOUCHER PER PA	PARTNERS RESPONSIBLE FOR DISTRIBUTING VOUCHERS
PA Simulated Crowd-funding (O.T 4.1)	10.000,00 €	5	PROFACTOR
PA Vouchers for research and innovation projects (O.T 4.2)	5.000,00 €	1	PROFACTOR
PA Rent-A-Robot (O.T 4.3)	5.000,00 €	1	PROFACTOR
PA Crowd innovation for companies (O.T 4.6)	NO VOUCHER	NO VOUCHER	CRIT

PA Vouchers for developed solutions of the re-research project (O.T 4.7)	15.000,00 €	5	CRIT
PA Design the prototype model (O.T 4.8)	5.000,00 €	3	CRIT

1.1. Eligibility for the payment

Eligibility for the payment will be firstly verified when idea givers and takers will register on the platform - following the opening of a challenge - through the compilation of a specific form (see Chapter **Błąd! Nie można odnaleźć źródła odwołania.**). Once the challenge will be closed, the provision of services is confirmed through the drafting of a final report by both parties which details the exchange between the idea giver and the idea taker and the solutions the idea taker will provide (See Chapter 4.1 - 4.2) and the compilation of a self-declaration, by both parties, that they respect the de minimis rules ¹ (see Annex 2 - Self-declaration on the de minimis rule), which must be submitted no later than 14 days after the notification to the winner.

2. Voucher assignment procedure

It follows a description of the procedure and time schedule from the closing of challenges on SCIP to the communication by the PA winner of having received the services paid through vouchers. The documentation for transferring voucher, receiving and using the service is inserted in the Annex section (Annex 1).

Below there is a chart detailing the specific workflow and time schedule for vouchers' distribution. This chart takes into account all PAs in general terms, excluding PA Crowd innovation for companies (O.T 4.6), since no voucher is foreseen for this PA. Specific information on the procedures and timeline for the conduction of every PA can be find in D.T 3.2.2.

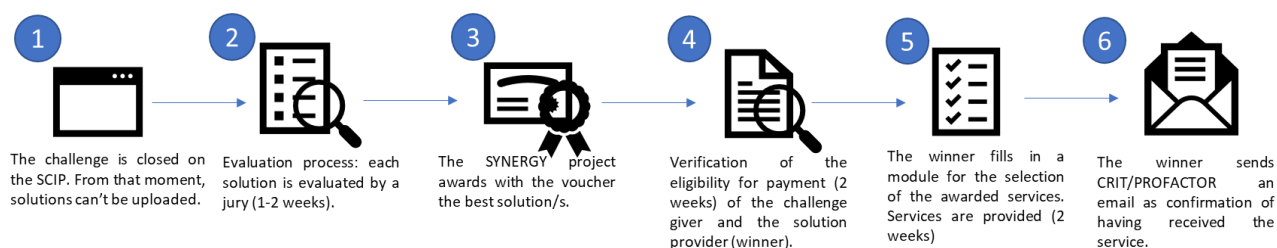


Figure 1 - Voucher assignment procedure

1. The challenge is closed on SCIP. From that moment, solutions can't be uploaded anymore.
2. Evaluation process: each solution is evaluated by a jury (1-2 weeks). The jury's composition depends on the specific PA. Further information can be found in Chapter 1 of the present document.
3. The SYNERGY project awards with the voucher up to 5 solution providers, according to the PA. Further information can be found in Chapter 1 of the present document.

¹ The de minimis rule, see paragraph 7.1

4. Verification of the eligibility for payment. The SYNERGY partner responsible for each PA (CRIT and PROFACTOR) asks the winner to fill in:

- 4.1 A report on the solution (see Chapter 4.1 - 4.2). The report will provide a brief description of the plan to implement the solution; an indicative budget; the time schedule/workflow of the implementation; information on technological innovation, its impact and pertinence with the KPAs.

- 4.2 A self-declaration on the de minimis rule (See Annex 1 CE indirect aid declaration).

Project partners, after the jury's evaluation, decide who are the final undertaking beneficiaries for each PA. Then, CRIT or PROFACTOR, according to the PA, verifies the compliance of beneficiaries' declarations with the de minimis threshold, according to this formula:

$$(\text{indirect aid received by the beneficiary in the last 3 years} + \text{value of the granted service}) < 200.000\text{€}$$

If the threshold is overcome, the beneficiary can't get the service (voucher). If not, the final beneficiary, after the conclusion of the specific PA, will fill in the «Annex 2 CE indirect aid notification» for receiving state aid.

5. The final recipient of state aid then fills in a module for the selection of the services they would like to receive. Services will be directly purchased by CRIT or PROFACTOR on the basis of the choice made by the winner and a list of services provided by Synergy partners (see above Chapter **Błąd! Nie można odnaleźć źródła odwołania.** and Annex 1 - Application for services). These services could be used either for achieving the challenge solution or for purposes separate from the PA challenge.

Following a pilot action challenge there will be a "winner" - solution provider (natural person/company/university); the "challenge giver" that could benefit from the service if it will be used to achieve the challenge solution and the "external service provider".

6. Eventually, the service provider sends CRIT or PROFACTOR an invoice for the payment of the service and the winner who received the service sends CRIT or PROFACTOR an email to communicate the delivery of the service. CRIT and PROFACTOR will be responsible, according to the PA they're responsible of, for receiving the invoice from the service providers and the email from the winners that the services were delivered. Both partners will identify the contact person, within their organisations, responsible for the service supply and their contacts will be made available to the challenge providers and winners for each PA.

3. State aid and the *de minimis* rule

3.1. General information on State aid and the *de minimis* rule

State aid and *de minimis* rules are governed in the SYNERGY project according to the regulatory framework of the European Union; Interreg Europe Programme Manual (2018) and the national regulatory framework, in application of the European directives, of responsible partners for PAs (CRIT and PROFACTOR). All the information below derives from these regulations.

The primary provision regulating state aid control in the EU countries is the Commission Regulation (EU) No 1407/2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid, following the EC Regulation No 1998/2006. These articles generally prohibit state aid and define the rules to be followed by the Member States on the granting of aid that is in line with the state aid law.

In order to determine whether a public grant involves state aid, the following criteria apply:

- The beneficiary is an undertaking, i.e. an entity engaged in an economic activity
- The grant confers a benefit or advantage to the beneficiary which it would not have otherwise received
- The grant is selective
- The grant distorts or threatens to distort competition
- The grant affects trade between the Member States

3.2. State aid and *de minimis* rule in Interreg Europe

Interreg Europe Programme manual of December 19th, 2018 is the reference manual for the management of state aid and *de minimis* rule in Interreg projects.

In phase 1 of the project implementation, Interreg Europe will not grant funds that could be regarded as state aid. The general objective of Interreg Europe is to improve the effectiveness of regional and local policies, and the programme is primarily targeted at local and regional public authorities. The goal being that the knowledge gathered through such activities is used by the project partners to improve their local and regional policies for the benefit of the whole local/ regional community (and not for the benefit of a selected individual economic operator). The kinds of activities co-financed by the programme during phase 1 (e.g. site visits, interregional thematic seminars/ workshops, peer-reviews, staff exchanges) should not distort competition (no direct financing of economic activity). Moreover, the knowledge and experience gathered by the projects is public and is made openly available via the Platform.

In the second phase of the project implementation, in case pilot actions are approved, Interreg Europe may grant funds that could be regarded as state aid. The ERDF contribution to eligible costs incurred by any partner (either public or private) carrying out project activities falling under the scope of the state aid discipline will be limited to the thresholds set by the *de minimis* regulation². In case partners receive additional public funding (e.g. through national co-financing schemes), this will also be regarded as aid granted under the *de minimis* rule and thus taken into consideration. In cases where third parties receive benefits from the project (e.g. through trainings, business supports etc.) they can be the recipient of state aid if they receive an advantage that they would not have received under normal market conditions. This would

² Commission Regulation (EU) No 1407/2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid

be considered indirect state aid. Where such indirect state aid is provided, projects partners bear the responsibility to ensure that state aid rules are respected by the third parties and the relevant institutions (i.e. first level controllers and national authorities, where applicable) shall verify that such rules are complied with.

3.3. Indirect state aid

Indirect state aid is granted to third parties in the case they benefit from advantages granted by the project (i.e. services, trainings courses provided for free, consultancy, use for free of research facility by companies, ...) that they would have not received under normal market conditions. This is the case of the undertaking beneficiaries of PAs.

3.3.1. Indirect state aid and national provisions

Indirect state aid will be administered by CRIT or PROFACTOR on the basis of their national regulations about and the grant is considered to be provided by the Member State of CRIT & PROFACTOR, according to the PA.

For this purpose, INTERREG Central Europe National Contact Point (NCP) in Italy and Austria have been contacted to receive further information on the management of state aid in Italy and Austria, thus the information included in this deliverable are cross-checked with NCPs' recommendations.

According to the response received by the Italian NCP, in Italy there aren't any national dispositions about State aid management, thus CRIT will make reference to the European regulation mentioned in 3.1. General information on State aid and the de minimis rule.

3.3.2. Quantification of indirect state aid

Quantification of indirect state aid will be calculated following the formula below and considering the value of each service, requested by the final beneficiary, on market price:

$$\text{Amount of prospective indirect aid} = \text{Overall cost planned for the service} / \text{Number of entities receiving the service}$$

Where the "Overall cost planned for the service" is the economic value of the voucher for each specific PA and the "Number of entities receiving the service", the number of possible final beneficiaries (winners) in each PA.

3.4. De Minimis rule for beneficiaries of indirect state aid

According to the Interreg Europe Programme Manual (pp. 258), if indirect de minimis is granted, that is third parties receive benefits from the project in the form of services (e.g. through trainings, business supports, etc.) they can be the recipient of state aid if they receive an advantage that they would not have received under normal market conditions. This is considered indirect state aid.

When such indirect state aid is provided, projects partners - PROFACTOR and CRIT - according to the specific PA they're responsible of, have to:

- Inform the undertaking beneficiaries (according to the notion of "single undertaking" as defined in Article 2(2) of Regulation (EU) No 1407/2013 on de minimis aid) that they are receiving state aid under de minimis regime;

- Collect state-aid self-declarations from the final recipients of the indirect aid prior to granting the aid (See Annex 1 CE indirect aid declaration);
- Verify if each possible beneficiary exceeds the de minimis threshold (EUR 200.000). If this occurs, then the undertaking beneficiary who won the challenge is excluded from the voucher application and the voucher will be assigned to the following beneficiaries in classification;
- Notify in writing the final beneficiary of the indirect aid on the prospective amount granted under the de minimis rule as well as to fulfil any other obligation as provided for in the de minimis regulation and in their respective national (Italian and Austrian) regulations;
- Collect from the final recipients the notification for receiving state aid (See Annex 2 CE indirect aid notification).

Both declarations, Annex 1 and Annex 2 must be kept available for 10 fiscal years from the date on which the aid was granted.

4. Modules for the evaluation of proposals

4.1. Problem profile by the idea giver

The idea giver will present the problem or challenge published on SCIP through a concrete description of the problem with the use of data (costs, quality, quantity ...) and pictures. They will also add information exchanged with the solution provider.

4.2. Solution description and implementation proposal by the solution provider

Solution description: Provide a concise description of the solution being proposed for solving the problem (provide text, photos, additional data), which were exchanged between you and the challenge giver

1. Brief description of the plan (1500 characters);
2. Indicative budget;
3. Time schedule/workflow of the implementation;
4. Technological innovation and its impact;
5. Pertinence with the KPAs;

Solution implementation proposal: Provide a concise description of how the proposed solution should be implemented in the concrete production (provide sketch, text, photos, additional data) (min. 1 page).

Annexes

Annex 1 - CE indirect aid declaration

Annex 2 - CE indirect aid notification