

**CORRIGENDUM №1**

to the

**GUIDELINES FOR APPLICANTS**

**Call for Proposals No: 2014TC16I5CB006-2015-1**

**Deadline for submission of applications: 25th January 2016**

Based on Joint Monitoring Committee decision No1 from 16.11.2015, the following aspects are modified with respect to the Application package for the 1st Call for proposals under INTERREG - IPA Cross-border Cooperation Programme Bulgaria - the Former Yugoslav Republic of Macedonia, reference No 2014TC16I5CB006-2015-1, published on 23 September, 2015:

**Guidelines for Applicants**

**I. P.1.4. STATE AID** - the text had been modified as follows:

“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.

Within Interreg-IPA Cross-border Cooperation Programme Bulgaria - the Former Yugoslav Republic of Macedonia no state aid is granted, any activities fulfilling all the above 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 favoring certain undertakings or the production of certain goods. Not all measures which favor 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 activities financed under the Interreg-IPA Cross-border Cooperation Bulgaria- the former Yugoslav Republic of Macedonia, 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, the activities under projects will generally not be treated as subject to state aid rules:

Priority Axis 1 – ENVIRONMENT

Specific Objective 1.1 Environmental protection and sustainable use of the common natural resources of the CBC area

Investment measures:

* Joint environmental friendly initiatives and investments in small infrastructure, equipment and technologies for air, water and soil pollution control/monitoring and rehabilitation of rivers, contaminated lands, brown fields, etc.;
* Small scale investments for improving the management of Natura 2000 and nature protected sites;
* Small scale investments in Renewable Energy Sources (RES) and energy efficiency in public infrastructure;
* Joint initiatives towards the protection and restoration of ecosystems and endangered / protected species;
* Joint coordinated actions for restoration of the natural processes and characteristics of river habitats;
* Air pollution control / monitoring activities as cleaner domestic combustion installations, fuel switching abatement technologies;
* Soft measures:
* Joint initiatives, networks and partnerships for promoting nature protection, energy efficiency and sustainable use of natural resources among local population, including young people, marginalized communities and other vulnerable groups;
* Joint approaches, studies, plans, common databases focusing on protecting landscape and biodiversity;
* Development and implementation of management plans for the protected areas, existing and potential Natura 2000 sites;
* Cooperation, exchange of experiences and knowledge between institutions in the field of nature protection and pollution prevention;
* Specific Objective 1.2 Prevention and mitigation of consequences of natural and man-caused disasters of cross-border dimension and impact
* Investment measures:
* Small scale investments for consolidation of river beds, reconstruction or construction of dikes, prevention of landslides, construction of hydro technical facilities (weirs) for flood prevention, etc.;
* Small scale investments for risk prevention and response to natural and environmental hazards and the consequences of climate change, such as:
* supply of specialized fire-fighting equipment,
* supply of specialized equipment for control of floods and for search and rescue interventions,
* Support of small-scale interventions / investments as restoration of flood plains and wetlands, afforestation, re-meandering, sanitation of river banks; building flood defence (dikes, canals etc.); removal of river sediments; forestation of non-permanent or vulnerable land; cuttings for emergency situations; etc.

Soft measures:

* Joint approaches for promoting risk prevention awareness, adaptation and mitigation (e.g. risk mapping of accident risk spots, hazard and risk assessment and evaluation methods, joint databases, joint plans and methodologies, joint risk assessment strategies; early warning and disaster management systems);
* Preparation of technical documentation, feasibility studies and detailed designs for consolidation of river beds, for construction of dikes or prevention of landslides; Joint activities for improving cooperation and capacity for disaster management;
* Joint initiatives addressing water quality and management;
* Exchange of experience and good practices (study visits, round-tables, conferences, trainings) for public authorities and other concerned target groups on management of environmental emergencies;
* Awareness-raising campaigns in the field of risk prevention and management for all population groups (including young people and marginalised groups), the negative effects of climate change and possible mitigation measures;
* Conducting joint theoretical-tactical practices and field trainings for emergency situation management for local population (with special focus on young people);
* Specific actions in the field of education, information-sharing, training for local population and etc;

Priority Axis 2 – TOURISM

Specific Objective 2.3 Promoting cooperation among regional actors in the area of sustainable tourism

Soft measures:

* Organization of joint cultural events for the promotion of the region´s cultural identity in the field of music, theater, art and etc;
* Creating networks for addressing youth initiatives in the border area, incl. the participation of kids and young people in initiatives in the area of cultural, social, science and physical activities (music, philosophy, sports, regional exploration);

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

Priority Axis 1 – ENVIRONMENT

Specific Objective 1.1 Environmental protection and sustainable use of the common natural resources of the CBC area

Investment measures:

* Small scale investments in recycling, waste collection, waste separation, remediation of illegal damping sites and improving public hygiene;

Soft measures:

* Cooperation between public authorities and NGOs in the field of safe and sustainable low-carbon economy across borders;
* Awareness raising and training initiatives on all levels (individual persons, organizations, businesses, public administration, schools) on issues related to environmental and nature protection, reducing and recycling waste, etc.;
* Awareness raising initiatives related to the possibilities to mainstream air quality in agriculture (e.g. in livestock keeping, handling of manure, using fertiliser, burning of biomass and agricultural waste);

Priority Axis 2 – TOURISM

Specific Objective 2.1 Enhancing the tourism potential of the region through cooperation initiatives in better preservation and sustainable utilization of natural and cultural heritage

Investment measures:

* Restoration and maintenance of touristic sites of historical and cultural importance, including conservation and protection of tangible and intangible natural, historical and cultural heritage;
* Improvement of accessibility to natural, cultural and historical touristic sites through rehabilitation of access roads, building of new and/or reconstructing or upgrading of existing cycling routes and walking paths (including the accompanying elaborating a common standard for road signs and information tables, as well as a joint travel guides etc.);
* Building of new and/or rehabilitation and upgrading of tourist attractions, info-centres, kiosks to guide potential visitors, etc.
* Public utilities upgrade (electricity, water-supply, sewage, etc.) related to touristic sites;
* Development of facilities for access to or in the tourist sites for disabled people;

Specific Objective 2.2 Raising the competitiveness of the CBC region’s tourist offer

Soft measures:

* Elaboration and implementation of joint thematic routes and thematic tourism clusters (that are based on the region´s unique natural and cultural heritage);
* Development of new / alternative / sustainable tourism products and services;
* Joint actions, tools and initiatives for the promotion of the cross-border tourist products (e.g. joint participation in tourism trade fairs, exhibitions and other promotional events, joint advertising campaigns, etc.);
* Joint elaboration and implementation of plans for development of tourism activities, new tourist destinations and experience;
* Joint initiatives to improve the service quality in tourism (exchange of experience and good practices, trainings, study tours, etc.);
* Support to start-up initiatives for exploiting local assets to create new tourism products and services (incl. for women and marginalized groups);
* Development of cross-border transport schemes to touristic sites;

Specific Objective 2.3 Promoting cooperation among regional actors in the area of sustainable tourism

Soft measures:

* Creating / developing / strengthening of joint networks for exchange of good practices in sustainable tourism management;
* Developing / implementing joint policies, strategies, training and capacity building events for the valorization of the cultural and natural heritage through its restoration and promotion for sustainable economic uses;
* Awareness raising campaigns on all levels (individual persons, organizations, businesses, public administration, schools, universities) on issues related to sustainable utilization and promotion of the region´s intangible cultural and natural heritage;

Priority Axis 3 – COMPETITIVENESS

Specific Objective 3.1 Improving the competitiveness of regional businesses

Soft measures:

* Support to joint start-up and self-employment initiatives (especially for young people, women);
* Support to (creation of) social enterprises and social entrepreneurship;
* Joint approaches and promotion, development and implementation of innovations in businesses;
* Exchange of experience in innovation tools and products and joint actions for stimulating the growth of innovative/higher added-value industries (e.g. bio-farming, environmental technologies, ICTs, energy saving, pharmaceutical, electronic, etc.);
* Support for the development of cross-border business clusters;
* Promoting and implementing joint business development training, cooperation, exchange of experience and capacity building schemes;
* Joint initiatives for export promotion; organization and participation of cross-border fairs, exhibitions, trade missions; joint participation in fairs in third countries;
* Exchange of experience and good practices for boosting the economic development of the region for investment promotion;
* Cooperation between business, research and development and educational / training institutions in the field of technology transfer, innovative approaches / tools and the promotion of knowledge-based economy;
* Creating networks for enhancing the employment potential of young people, women and vulnerable/marginalized groups.

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 A3).

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 activities in project proposals affected by State aid relevance and to be made an assessment on the possibility of drafting recommendations ensuring the compliance of approved project with State aid rules. The State aid assessment is performed only for those project proposals which will be proposed to the Joint Monitoring Committee for approval for funding.

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. It should be considered:

- 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 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 MА is entitled to terminate the subsidy contract, in whole or in part, and to demand repayment of the amounts already paid.

All Macedonian Applicants shall not submit the State Aid De Minimis Declaration nor any other equivalent document and should follow the applicable national regulations regarding State aid.”

**II. Annex A3 “State Aid De Minimis Declaration”** (applicable and filled in only by the Bulgarian partners) is modified in order to incorporate the revision in point 1.4 of the Guidelines.

**All other parts of the Guidelines for Applicants remain unchanged.**