

## State aid guide

*Please read this document and also check the FAQ section of the Programme website in order to fill the declaration correctly.*

### PART A: Introduction

To be in line with the EU legislation this document was elaborated based on the rules of Commission Regulation (EU) No 651/2014, Commission Regulation (EU) No 1407/2013, 44/2016. (III. 10.) Gov. Decree on state aid rules of ETC programmes State aid is an EC term for any public resource given selectively to undertakings engaged in economic activity that could potentially affect competition and trade between Member States. State aid can distort the market, which can result in lower competitiveness for business, less innovation or higher prices for consumers. The overall aim of the State aid rules is therefore to maintain a level playing field for free and fair competition in the market. State aid control is therefore an essential part of competition policy to ensure effective competition and free trade. This means that State aid must be awarded in line with the rules.

In the Interreg V-A Slovakia-Hungary Cooperation Programme the Project partners have to fill in a Declaration on State aid and attach to and submit with the Application form to the Joint Secretariat. This declaration means the base for examination the relevance of State aid to the project concerned.

#### The legislative base

- *Article 107* of the Treaty on the Functioning of the European Union (TFEU) declares that aid granted through state resources in any form which could distort competition and affect trade by favouring certain undertakings or the production of certain goods is incompatible with the common market unless the Treaty allows otherwise.
- The obligation to gain the Commission's approval for aid measures in advance of granting them arises from *Article 108* which states that it is each Member State's responsibility to inform the Commission of planned aid measures in advance and to allow sufficient time for the Commission to comment. Article 108 also requires each Member State not to implement proposed aid measures until it has received a final decision from the Commission.
- Communication from the Commission: Commission Notice on the notion of State aid pursuant to Article 107(1) TFEU
- General Block Exemption Regulation (GBER) (Commission Regulation (EU) No 651/2014) is a framework that declares specific categories of aid to be compatible with the Treaty if they fulfil certain conditions.
- De minimis Regulation (Commission Regulation (EU) No 1407/2013) declares that aid of up to €200,000 over 3 years doesn't distort trade between Member States.

## PART B: What is State aid?

**State aid is defined as an advantage in any form whatsoever conferred on a selective basis to undertakings by national public authorities.** Therefore, subsidies granted to individuals or general measures open to all enterprises are not covered by this prohibition and do not constitute State aid. There are four key features or questions which need to be considered in order to establish whether a measure constitutes State aid. These features are cumulative and all four must be met for State aid to be present. Furthermore based on Article 107(1) TFEU, the State aid rules generally only apply where the recipient of an aid is an “undertaking”.

Before the State aid tests can be applied it is necessary to determine whether the following two aspects are present:

- a) **Is the beneficiary an 'undertaking'?** An undertaking is defined as an entity engaged in an *economic activity*, regardless of their legal status and the way in which they are financed.
- b) **Is an undertaking engaged in economic activity?** Economic activity is defined as any activity consisting in offering goods and/or services on a market and which could, at least in principle, be carried out by a private operator for remuneration.

If these two initial assumptions are correct, the four tests must then be applied to determine the possible presence of State aid:

1. there has been an **intervention by the State or through State resources** which can take a variety of forms (e.g. grants, interest and tax reliefs, guarantees, government holdings of all or part of a company, or providing goods and services on preferential terms, etc.);
2. the intervention gives **the recipient an advantage on a selective basis**, for example to specific companies or industry sectors, or to companies located in specific regions;
3. **competition has been or may be distorted**;
4. the intervention is likely to **affect trade between Member States**.

### Undertaking

The classification of a particular entity as an undertaking depends entirely on the nature of its activities. The status of the entity under national law is not decisive. For example, an entity that is classified as an association under national law may nevertheless have to be regarded as an undertaking within the meaning of Article 107(1) TFEU. The only relevant criterion in this respect is whether it carries out an economic activity.

Furthermore the application of the State aid rules as such does not depend on whether the entity is set up to generate profit or not, non-profit entities can offer goods and services on a market too. Thus the 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.

**Economic activity:**

Any activity consisting in offering goods and services on a market is an economic activity.

**Exercise of public powers**

In so far as a public entity exercises an economic activity which can be separated from the exercise of public powers, that entity, in relation to that activity, acts as an undertaking. On the contrary, if that economic activity cannot be separated from the exercise of public powers, the activities exercised by that entity as a whole remain connected with the exercise of those public powers and therefore fall outside the notion of undertaking.

**Social security**

In general if a social security scheme is solidarity-based it does not involve an economic activity. Such solidarity-based schemes must be distinguished from economic schemes which are regularly characterised by optional membership, the principle of capitalisation, their profit-making nature and the provision of entitlements which are supplementary to those under a basic scheme.

**Health care**

In many other Member States, hospitals and other health care providers offer their services for remuneration, be it directly from patients or from their insurance. In such systems, there is a certain degree of competition between hospitals concerning the provision of health care services. Where this is the case, the fact that a health service is provided by a public hospital is not sufficient for the activity to be classified as non-economic.

**Education and research activities**

Public education organised within the national educational system funded and supervised by the State may be considered as a non-economic activity, 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 public education services must be distinguished from services financed predominantly by parents or pupils or commercial revenues. For example, higher education financed entirely by students clearly fall within the latter category. In certain Member States public entities can also offer educational services which, due to their nature, financing structure and the existence of competing private organisations, are to be regarded as economic.

In light of the above principles, the Commission considers that certain activities of universities and research organisations fall outside the ambit of the State aid rules. This concerns their primary activities, namely: education for more and better skilled human resources, the conduct of independent research and development for more knowledge and better understanding, including collaborative research and development; and the dissemination of research results.

**Infrastructure**

The construction of any type of infrastructure that is meant to be exploited economically, such as a commercial airport runway, is an economic activity in itself, which means that State aid rules apply to the way in which it is funded. Public funding of infrastructure that is not meant to be commercially

exploited is in principle excluded from the application of the State aid rules. This concerns, for instance, general infrastructures, such as public roads, bridges or canals, which are made available for public use without any consideration. Where an originally non-economic infrastructure is later re-assigned to economic use (e.g. where a military airport is converted to civilian use), only the costs incurred for the conversion of the infrastructure to economic use will be taken into account for the assessment under the State aid rules.

#### Intervention by the State or through State resources:

The granting of an advantage directly or indirectly through **State resources** and the **imputability of such a measure** to the State are two separate and cumulative conditions for State aid to exist.

#### Imputability

In cases where a public authority grants aid to a beneficiary or designates a private or public body to administer the measure, this transfer is imputable to the State, even if the public authority enjoys autonomy. Imputability is less evident, however, if the advantage is granted through one or more intermediate bodies, be they public or private, and in particular through public undertakings.

#### State resources

Only advantages granted directly or indirectly through State resources can constitute State aid within the meaning of Article 107(1) TFEU. State resources include all resources of the public sector<sup>69</sup>, including resources of intra-State entities (decentralised, federated, regional or other)<sup>70</sup> and, under certain circumstances, resources of private bodies.

A positive transfer of funds is not necessary. Waiving revenue which would otherwise have been paid to the State constitutes a transfer of State resources. For example, a “shortfall” in tax and social security revenue due to exemptions or reductions in taxes or social security contributions granted by the Member State, or exemptions from the obligation to pay fines or other pecuniary penalties, fulfils the State resources requirement of Article 107(1) TFEU.

#### Intervention gives the recipient an advantage on a selective basis:

#### 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.

Only the effect of the measure on the undertaking is relevant, neither the cause nor the objective of the State intervention. The precise form of the measure is also irrelevant in establishing whether it confers an economic advantage on the undertaking: relief from economic burdens can also constitute an advantage.

#### The state aid rules for Services of General Economic Interest (SGEI)

SGEI are services of an economic nature that public authorities identify as being of particular importance to citizens, but which are not supplied by market forces alone, or at least not to the extent and under the conditions requested by society. Their provision may therefore require public

intervention (e.g large commercial service sas postal services, energy security of supply, electronic communication services, public transport).

SGEI are carried out in the public interest under conditions defined by the state which imposes a public service obligation on the providers. Since SGEI provision under such conditions may not generate (sufficient) profit for the provider, public service compensation, might be needed to offset the additional costs stemming from the public service obligation. State intervention on a market can be source of distortion, therefore State aid control aims to ensure that public service compensation is necessary and proportionate to the objective pursued.

### **Altmark criteria**

As regards compensation for costs incurred to provide a service of general economic interest the granting of an advantage can be excluded if four cumulative conditions are met:

- the recipient undertaking must actually have public service obligations to discharge, and the obligations must be clearly defined;
- the parameters on the basis of which the compensation is calculated must be established in advance in an objective and transparent manner;
- the compensation cannot exceed what is necessary to cover all or part of the costs incurred in the discharge of public service obligations, taking into account the relevant receipts and a reasonable profit;
- the provider is either chosen through a public procurement procedure or the level of compensation is determined based on an analysis of the cost of an average „well-run” undertaking in the sector concerned.

### **Selectivity**

To fall within the scope of Article 107(1) TFEU, a State measure must favour “certain undertakings or the production of certain goods”. Hence, 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. General measures, which are effectively open to all undertakings operating within a Member State on an equal basis are not selective.

### **Material selectivity**

The material selectivity of a measure implies that the measure applies only to certain (groups of) undertakings or certain sectors of the economy in a given Member State (e.g those having a certain size, located in a certain area, active in certain sectors, having a certain legal form, companies incorporated during a particular period, etc.)

### **Regional selectivity**

In principle, only those measures whose scope encompasses the entire territory of the State escape the selectivity criterion laid down in Article 107(1) TFEU.

### **Competition has been or may be distorted:**

Public support to undertakings is only prohibited under Article 107(1) TFEU if it “distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods” and only insofar as it “affects trade between Member States”. These are two distinct and necessary elements of

the notion of aid. In practice, however, these criteria are often treated jointly in the assessment of State aid as they are, as a rule, considered inextricably linked.

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. For all practical purposes, 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 liberalised sector where there is, or could be, competition.

#### **The intervention is likely to affect trade between Member States:**

An advantage granted to an undertaking operating in a market which is open to competition will normally be assumed to distort competition and also be liable to affect trade between Member States. Indeed, “where State financial aid strengthens the position of an undertaking as compared with other undertakings competing in intra-Community trade, the latter must be regarded as affected by the aid”.

Public support can be considered capable to affect intra-EU trade even if the recipient is not directly involved in cross-border trade. For instance, the subsidy may make it more difficult for operators in other Member States to enter the market by maintaining or increasing local supply.

However, the Commission has in several cases considered that, due to their specific circumstances, certain activities had a purely local impact and consequently did not affect trade between Member States. Some examples are:

- swimming pools and other leisure facilities intended predominantly for a local catchment area;
- museums or other cultural infrastructure unlikely to attract visitors from other Member States;
- hospitals and other health care facilities aimed at a local population;
- news media and/or cultural products which, for linguistic and geographical reasons, have a locally restricted audience;
- a conference centre, where the location and the potential effect of the aid on prices is unlikely to divert users from other centres in other Member States

## PART C: If it is State aid, how can it be granted legally?

Where there is a genuine market failure, state aid might be necessary, justified, and compatible with EU rules. Generally, the Commission bases approvals on whether aid is:

- The minimum necessary to remedy the failure (proportionate)
- Really changing the behaviour of the organisation that receives it (incentive effect)
- The best way to address the failure (appropriate)
- Beneficial enough to outweigh any negative effects on competition (balancing test)

State aid can be given legally in two ways:

- a) by seeking approval for the particular scheme from the EU Commission on the basis that it meets the above tests (the State aid approval process is resource intensive and involves risk to delivery of projects and policies); or
- b) by complying with one of a set of approved EU mechanisms for state aid (the **De minimis** regulation or **block exemption regulation** in the first instance).

### De minimis

A useful approved EU mechanism for State aid is the de minimis regulation, based on the Commission's view that small amounts of aid are unlikely to distort competition. The De Minimis Regulation allows small amounts of aid – less than €200,000 over 3 rolling years – to be given to an undertaking for a wide range of purposes. If you use this mechanism, you don't need to notify or get approval, but records of aid granted must be kept and all the rules of the de minimis regulation must be followed.

Please note, that you as a Beneficiary has €200,000 de-minimis ceiling per Member State. It means that if you get €200,000 de-minimis aid from the programme, it will decrease your Hungarian de-minimis with €100,000 and the Slovakian with €100,000.

Please note, that in the case of mergers or acquisitions, all prior de minimis aid granted to any of the merging undertakings shall be taken into account in determining whether any new de minimis aid to the new or the acquiring undertaking exceeds the relevant ceiling. De minimis aid lawfully granted before the merger or acquisition shall remain lawful. If one undertaking splits into two or more separate undertakings, de minimis aid granted prior to the split shall be allocated to the undertaking that benefited from it, which is in principle the undertaking taking over the activities for which the de minimis aid was used. If such an allocation is not possible, the de minimis aid shall be allocated proportionately on the basis of the book value of the equity capital of the new undertakings at the effective date of the split.

Cumulation: De minimis aid granted may be cumulated with de minimis aid granted in accordance with Commission Regulation (EU) No 360/2012 (15) up to the ceiling laid down in that Regulation. It may be cumulated with de minimis aid granted in accordance with other de minimis regulations up to the €200,000 ceiling.

De minimis aid shall not be cumulated with State aid in relation to the same eligible costs or with State aid for the same risk finance measure, if such cumulation would exceed the highest relevant aid intensity or aid amount fixed in the specific circumstances of each case by a block exemption regulation or a decision adopted by the Commission. De minimis aid which is not granted for or

attributable to specific eligible costs may be cumulated with other State aid granted under a block exemption regulation or a decision adopted by the Commission.

Beneficiaries shall submit a de-minimis declaration with the Application and are obliged to retain the document connected to de-minimis aid for 10 years.

### The General Block Exemption Regulation (GBER)

The GBER is a useful mechanism. It provides a simple way of providing assistance for a range of aid measures considered not to unduly distort competition. If you use this mechanism, you don't need prior approval, but you must notify the Commission. The GBER shall not apply to all sectors of the economy; e.g.: in fisheries and aquaculture, agriculture, for companies in difficulties, for export-related activities, etc.

Applicable GBER categories in Interreg V-A Slovakia-Hungary Cooperation Programme

#### 1) Regional Investment Aid (Article 14)

Regional aid is to promote the development of the less-favoured regions mainly by supporting initial investment. Eligible regions are designated in a regional aid map, where the standard of living is abnormally low or where there is serious underemployment or defined on the basis of national indicators proposed by the Member States. Regional aid cannot be given under GBER to steel sector, coal sector, energy generation, distribution, and infrastructure, synthetic fibres sector, shipbuilding, transport sector and related infrastructure.

In assisted areas fulfilling the conditions of Article 107(3)(a) of the Treaty the aid may be granted for an initial investment regardless of the size of the beneficiary. Assisted areas established according to Article 107(3)(a) of the Treaty and the maximum support in the eligible area:

- Győr-Moson-Sopron megye, Trnavský samosprávny kraj, Nitriansky samosprávny kraj: 25%
- Banskobystrický samosprávny kraj, Košický samosprávny kraj, Komárom-Esztergom megye: 35%
- Nógrád megye, Heves megye, Borsod-Abaúj-Zemplén megye and Szabolcs-Szatmár-Bereg megye: 50%

In assisted areas fulfilling the conditions of Article 107(3)(c) of the Treaty the aid may be granted to SMEs for any form of initial investment. Aid to large enterprises shall only be granted for an initial investment in favour of new economic activity in the area concerned. Assisted areas established according to Article 107(3)(c) of the Treaty and the maximum support:

- part of Pest megye<sup>1</sup> with the rate of support of 35%

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<sup>1</sup> Abony, Alsónémedi, Áporka, Aszód, Bag, Bernecebaráti, Cegléd, Csemő, Dabas, Domony, Dömsöd, Dunaharaszti, Ecser, Érd, Farnos, Felsőpakony, Galgagyörk, Galgahévíz, Galgamácsa, Gödöllő, Gyal, Gyömrő, Halásztelek, Hévízgyörk, Iklad, Ipolydamásd, Ipolytölgyes, Jászkarajenő, Kartal, Kemence, Kiskunlacháza, Kislémedi, Kocsér, Kóspallag, Kőröstetetlen, Letkés, Lórév, Maglód, Makád, Márianosztra, Mikebuda, Monor, Nagybörzsöny, Nagykáta, Nagykőrös, Nagytarcsa, Nyársapát, Ócsa, Örkény, Pécel, Perőcsény, Péteri, Püspökhatvan, Püspökszilágy, Ráckeve, Szentmártonkáta, Szigetbecse, Szigetszentmiklós, Szob, Szokolya, Táborfalva, Tápióbicske, Tápiógyörgye, Tápióság, Tápiószéle, Tápiószentmárton, Tápiószőlős, Tatárszentgyörgy, Tésa, Törtel, Tura, Újhartyán, Újszilvás, Üllő, Vác, Váckisújfalu, Valkó, Vámosmikola, Vecsés, Verőce, Verseg, Zebegény



- part of Pest megye<sup>2</sup>: with the rate of support of 20%

The aid **beneficiary must provide a financial contribution of at least 25% of the eligible costs**, either through its own resources or by external financing, in a form, which is free of any public support.

The intensity of support can be raised by 10% point in the case of medium-sized enterprises, and 20% point in the case of small enterprises.

The aid intensity of the area in which the initial investment<sup>3</sup> is located shall apply to all beneficiaries participating in the project. If the initial investment is located in two or more assisted areas, the maximum aid intensity shall be the one applicable in the assisted area where the highest amount of eligible costs is incurred.

The eligible costs shall be as follows:

- (a) investment costs in tangible and intangible assets;
- (b) the estimated wage costs arising from job creation as a result of an initial investment, calculated over a period of two years; or
- (c) a combination of points (a) and (b) not exceeding the amount of (a) or (b), whichever is higher.

This type of Aid shall not apply to:

- (a) aid which favours activities in the steel sector, the coal sector, the shipbuilding sector, the synthetic fibres sector, the transport sector as well as the related infrastructure, energy generation, distribution and infrastructure;
- (b) regional aid in the form of schemes which are targeted at a limited number of specific sectors of economic activity; schemes aimed at tourism activities, broadband infrastructures or processing and marketing of agricultural products are not considered to be targeted at specific sectors of economic activity;
- (c) regional aid in the form of schemes which compensate the transport costs of goods produced in the outermost regions or in sparsely populated areas and granted in favour of:
  - (i) activities in the production, processing and marketing of products listed in Annex I to the Treaty;  
or
  - (ii) activities classified in Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90 as well as certain EC Regulations on specific statistical domains (53) as agriculture, forestry and fishing under section A of the NACE Rev. 2 statistical classification of economic activities, mining and quarrying under section B of the NACE Rev. 2 and electricity, gas, steam and air conditioning supply under section D of the NACE Rev. 2; or
  - (iii) transport of goods by pipeline;

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<sup>2</sup> Piliscsaba, Pilisjászfalu, Pilisvörösvár, Solymár

<sup>3</sup> see Article 2 point 48 of Commission Regulation (EU) No 651/2014.

- (d) individual regional investment aid to a beneficiary that has closed down the same or a similar activity in the European Economic Area in the two years preceding its application for regional investment aid or which, at the time of the aid application, has concrete plans to close down such an activity within a period of up to two years after the initial investment for which aid is requested is completed in the area concerned;
- (e) regional operating aid granted to undertakings whose principal activities fall under Section K 'Financial and insurance activities' of the NACE Rev. 2 or to undertakings that perform intra-group activities whose principal activities fall under classes 70.10 'Activities of head offices' or 70.22 'Business and other management consultancy activities' of NACE Rev. 2.

## **2) Investment aid to SMEs (Article 17)**

To facilitate the development of the economic activities of SMEs, the Regulation therefore exempts certain categories of aid when they are granted in favour of SMEs.

The eligible costs shall be either or both of the following:

- (a) the costs of investment in tangible and intangible assets;
- (b) the estimated wage costs of employment directly created by the investment project, calculated over a period of two years.

The aid intensity shall not exceed:

- (a) 20% of the eligible costs in the case of small enterprises;
- (b) 10% of the eligible costs in the case of medium-sized enterprises.

## **3) Aid for cooperation costs incurred by SMEs participating in European Territorial Cooperation projects (Article 20)**

The eligible costs shall be the following:

- (a) costs for organisational cooperation including the cost of staff and offices to the extent that it is linked to the cooperation project;
- (b) costs of advisory and support services linked to cooperation and delivered by external consultants and service providers;
- (c) travel expenses, costs of equipment and investment expenditure directly related to the project and depreciation of tools and equipment used directly for the project.

The aid intensity shall not exceed 50% of the eligible costs.

## **4) Training Aid (Article 31)**

The promotion of training constitutes a central objective of the economic and social policies of the Union and its Member States. Training usually generates benefits for society, increasing the pool of skilled workers and improving the competitiveness of industry. Aid to promote training is therefore exempted from the notification requirement under certain conditions.

The eligible costs shall be the following:

- (a) trainers' personnel costs, for the hours during which the trainers participate in the training;
- (b) trainers' and trainees' operating costs directly relating to the training project such as travel expenses, materials and supplies directly related to the project, depreciation of tools and equipment,

to the extent that they are used exclusively for the training project. Accommodation costs are excluded except for the minimum necessary accommodation costs for trainees' who are workers with disabilities;

(c) costs of advisory services linked to the training project;

(d) trainees' personnel costs and general indirect costs (administrative costs, rent, overheads) for the hours during which the trainees participate in the training.

The aid intensity shall not exceed:

50% of the eligible costs, it may be increased, up to a maximum aid intensity of 70% of the eligible costs, as follows:

(a) by 10% if the training is given to workers with disabilities or disadvantaged workers;

(b) by 10% if the aid is granted to medium-sized enterprises and by 20% if the aid is granted to small enterprises;

### **5) Aid for culture and heritage conservation (Article 53)**

The aid shall be granted for the following cultural purposes and activities:

(a) museums, archives, libraries, artistic and cultural centres or spaces, theatres, opera houses, concert halls, other live performance organisations, film heritage institutions and other similar artistic and cultural infrastructures, organisations and institutions;

(b) tangible heritage including all forms of movable or immovable cultural heritage and archaeological sites, monuments, historical sites and buildings; natural heritage linked to cultural heritage or if formally recognized as cultural or natural heritage by the competent public authorities of a Member State;

(c) intangible heritage in any form, including folklorist customs and crafts;

(d) art or cultural events and performances, festivals, exhibitions and other similar cultural activities;

(e) cultural and artistic education activities as well as promotion of the understanding of the importance of protection and promotion of the diversity of cultural expressions through educational and greater public awareness programs, including with the use of new technologies;

The aid may take the form of:

(a) investment aid, including aid for the construction or upgrade of culture infrastructure;

(b) operating aid.

For investment aid, the eligible costs shall be the investment costs in tangible and intangible assets, including:

(a) costs for the construction, upgrade, acquisition, conservation or improvement of infrastructure, if at least 80% of either the time or the space capacity per year is used for cultural purposes;

(b) costs for the acquisition, including leasing, transfer of possession or physical relocation of cultural heritage;

(c) costs for safeguarding, preservation, restoration and rehabilitation of tangible and intangible cultural heritage, including extra costs for storage under appropriate conditions, special tools, materials and costs for documentation, research, digitalisation and publication;

(d) costs for improving the accessibility of cultural heritage to the public, including costs for digitisation and other new technologies, costs to improve accessibility for persons with special needs (in particular, ramps and lifts for disabled persons, braille indications and hands-on exhibits in museums) and for promoting cultural diversity with respect to presentations, programmes and visitors;

(e) costs for cultural projects and activities, cooperation and exchange programmes and grants including costs for selection procedures, costs for promotion and costs incurred directly as a result of the project;

For operating aid, the eligible costs shall be the following:

(a) the cultural institution's or heritage site's costs linked to continuous or periodic activities including exhibitions, performances and events and similar cultural activities that occur in the ordinary course of business;

(b) costs of cultural and artistic education activities as well as promotion of the understanding of the importance of protection and promotion of the diversity of cultural expressions through educational and greater public awareness programs, including with the use of new technologies;

(c) costs of the improvement of public access to the cultural institution or heritage sites and activities including costs of digitisation and of use of new technologies as well as costs of improving accessibility for persons with disabilities;

(d) operating costs directly relating to the cultural project or activity, such as rent or lease of real estate and cultural venues, travel expenses, materials and supplies directly related to the cultural project or activity, architectural structures for exhibitions and stage sets, loan, lease and depreciation of tools, software and equipment, costs for access rights to copyright works and other related intellectual property rights protected contents, costs for promotion and costs incurred directly as a result of the project or activity; depreciation charges and the costs of financing are only eligible if they have not been covered by investment aid;

(e) costs for personnel working for the cultural institution or heritage site or for a project;

(f) costs for advisory and support services provided by outside consultants and service providers, incurred directly as a result of the project.

The aid intensity:

- available only for projects not exceeding EUR 1 million
- the maximum amount of aid is 80% of eligible costs.

**6) Investment aid for local infrastructures (Article 56)**

This article allows for the state to invest in infrastructure at a local level which contributes to improving the business and consumer environment and modernising and developing the industrial base.

The eligible costs shall be the investment costs in tangible and intangible assets.

The aid amount shall not exceed the difference between the eligible costs and the operating profit of the investment.

### Airport and port

On 22 July 2013 Regulation (EC) No 994/98 was amended by Council Regulation (EU) No 733/2013 of 22 July 2013 amending Regulation (EC) No 994/98 on the application of Articles 92 and 93 of the Treaty establishing the European Community to certain categories of horizontal State aid (4) **to empower the Commission to extend the block exemption to new categories of aid**, in respect of which clear compatibility conditions can be defined. Such new categories of block exempted aid include: aid to make good the damage caused by certain natural disasters, social aid for transport for residents of remote regions, aid for broadband infrastructures, aid for innovation, aid for culture and heritage conservation, aid for sport and multifunctional recreational infrastructures. Provided that sufficient case experience is further developed allowing the design of operational exemption criteria ensuring the ex-ante compatibility of other categories of aid, **the Commission intends to review the scope of this Regulation with a view to including certain types of aid in those areas. In particular, the Commission envisages developing criteria for port and airport infrastructure. Please, be noted that if the GBER will be modified, those rules shall apply.**

