State Aid Self-Assessment questionnaire

***This questionnaire has been developed for the Applicants/Partners to make an initial assessment of whether State aid is involved in the Operation (insert title of the Operation).***

### What is State aid?

In accordance to Article 107(1) of TFEU, State aid as any aid granted by a Member State or through State resources in any form whatsoever which distorts or threatens to distort competition by favoring certain undertakings or the production of certain goods insofar as it affects trade between Member States.

In that respect, State aid is usually understood to be aid given to an economic undertaking that is seen as distorting or threatening to distort competition in the internal market. Subsidies granted to individuals or general measures open to all enterprises do not constitute State aid.

It is very important to be aware of the definitions of a number of key terms:

* Undertaking: An undertaking is an entity carrying out an economic activity, regardless of the legal status of the entity and whether it aims to make a profit. Participating in an economic activity is enough to determine whether an entity is an undertaking or not. If an entity is not profit-oriented, state aid rules will apply as long as it competes with companies that are profit-oriented. Therefore, not only private companies are subject to state aid rules but also public authorities if they carry out an economic activity on the market.
* An economic activity is defined as any activity involving the offer of goods or services on a given market.
* Non-economic activities are understood as activities that can only be carried out by the state, such as issuing passports and the provision of similar public goods for which there is no market. This is a fluid term, and understanding is subject to frequent modification. Many operation activities could be considered economic activities but are not considered State Aid because they do not confer a competitive advantage.
* Competitive advantage is defined as any economic benefit the undertaking would not normally gain under normal market conditions.

### Key questions that should be considered are:

Consider these questions from the perspective of any organization which could benefit directly (e.g. beneficiaries) or indirectly (e.g. target groups) from the Operation.

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| **1. Is the support provided/granted by the state or through state resources?**  The definition of state resources is aid that is granted by the state; this includes all public and private bodies controlled by the state to distribute public funds. State resources include Funds not permanently belonging to the state, but which the state may award, such as European funds like IPA, ERDF, etc.  This criterion is automatically fulfilled for Interreg IPA Programmes.  **Yes No**  **If no, please provide an explanation.** |
| 1. **Does the support confer a selective advantage to an undertaking?**   The intervention gives an advantage on a selective basis, for example to specific companies or industry sectors, or to companies located in specific regions.  *or*  A benefit which is granted for free or on favourable (non-commercial) terms to some selected undertakings (but not others), could be state aid.  As grants within Interreg IPA Programmes are awarded only to certain entities, the selective criterion is always present.  **Yes No**  **If no, please provide an explanation.** |
| 1. **Does the support distort or have the potential to distort competition?**   If the support has the potential to strengthen the position of the beneficiary in relation to other competitors, then this criterion is likely to be met. The potential to distort competition does not need to be substantial or significant, and this criterion can apply to relatively small amounts of financial support and companies with little market share.  If all the above conditions under this point (3) are fulfilled, this criterion is automatically met (except for the case when the beneficiary has a legal monopoly.)  **Yes No**  **If no, please provide an explanation:** |
| 1. **Does the support affect trade between Member States?**   It is sufficient that a product or service is tradeable between Member States, even if the recipient of support does not itself export to other EU markets. This test is not met only in very limited circumstances, e.g. where a single, small business is involved in much localized activity, e.g. hairdressers.  **Yes No**  **If no, please provide an explanation:** |

## If all of four criteria above are marked as “yes” please consider the following questions:

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| **Please provide a summary of your initial assessment of whether the part or entire Operation is state aid:** |
| **Please also provide details of any particular areas of uncertainty or questions which you would like the Joint Steering Committee to consider:** |

Signed on behalf of the Applicant/Partner

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*(Date/month/year)*

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*(Signature and stamp)*