



Technical support to the implementation
and management of ENI CBC programmes

Factsheet on State aid and distortion of competition for Armenia

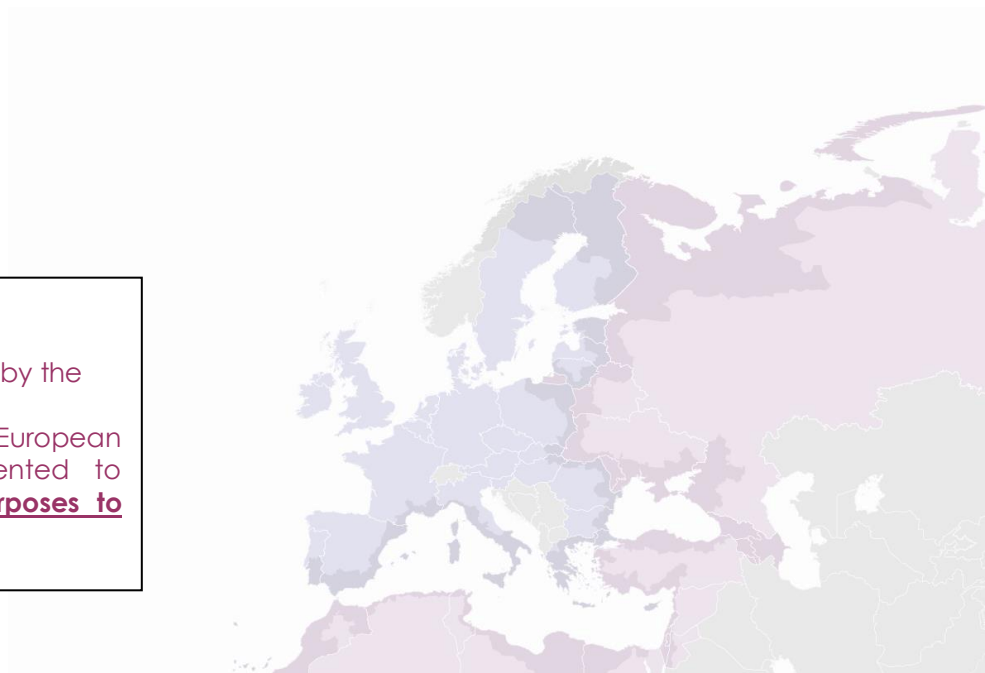
Applicable rules, tools, tips and recommendations

May 2018

DISCLAIMER

This **non-binding paper** has been developed by the
TESIM project.

It does not necessarily reflect the views of the European
Commission on the topic and is presented to
programme practitioners **for illustrative purposes to
support the decision making.**



Introduction

The article 12.3 of the ENI CBC Implementing Rules (Commission Implementing Regulation (EU) No 897/2014) stipulates that *“Aid granted under the programme shall comply with the applicable Union rules on State aid within the meaning of Article 107 of the treaty on the Functioning of the European Union.”*

This article is applicable only for goods and services tradeable across the EU Member States. Therefore, it does not affect any activity concerning trade within the CBC partner countries or between them and the EU. However, also CBC partner countries in the ENI CBC programmes should have a clear understanding whether they have any state-aid related implications stemming from international agreements with the European Union.

Taking into account that article 48.6 of the ENI CBC Implementing Rules allows the programmes to decide additional eligibility requirements, the applicants and beneficiaries must also consider the applicable programme rules agreed in the Joint Monitoring Committee (JMC) and published in the Guidelines for Applicants.

State aid rules in the Partnership and Cooperation Agreement and the programme rules

The Partnership and Cooperation Agreement between European Communities and the Republic of Armenia was published on the OJEU on the 9th September 1999. As the agreement does not contain any provisions in relation to the state-aid, any requirements for the applicants and beneficiaries established in the Republic of Armenia are not stemming from the agreement.

Nevertheless, the Guidelines for Applicants of the Black Sea Basin programme, following a decision by the JMC, stipulates in section 2.4.2. (page 31) the non-eligibility of the State-aid related activities for all beneficiaries, regardless of their nationality, following equivalent criteria to those of the EU Member States. As indicated in section 2.7, the only difference is that the last assessment criterion is the non-distortion of the trade between the CBC partner country and the European Union instead of between Member States.

In order to ensure equal treatment among beneficiaries from all participating countries, the Armenian beneficiaries will apply the same criteria as the beneficiaries in the other CBC partner countries.

Key criteria for assessing state aid relevant activities

The criteria for the assessment are similar to the ones for Member States, but with adapted criteria on the effect on the trade between Armenia and the EU, as indicated in the chart below:

