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Committee on Subsidies and Countervailing Measures

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SUBSIDIES

NEW AND FULL NOTIFICATION PURSUANT TO ARTICLE XVI:1 OF THE GATT 1994 AND ARTICLE 25 OF THE AGREEMENT ON SUBSIDIES AND COUNTERVAILING MEASURES

EUROPEAN UNION

Addendum

The following addendum to the notification of the European Union relates to subsidy programmes of **Bulgaria**.

BULGARIA

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1 INNOVATION FUNDING

1.1 SUPPORT TO INNOVATION FUNDING

1. Title of the subsidy programme

Scheme for support of innovative undertakings through the National Innovation Fund.

2. Period covered by the notification

2015; 2016

3. Policy objective and/or purpose of the subsidy

The scheme provides support for research and development activities of the enterprises working in collaboration with research organizations.

4. Background and authority for the subsidy (incl. identification of the legislation under which it is granted)

- Council of Ministers' Decision No. 723 of 8 September 2004 for Adoption of Innovation Strategy of the Republic of Bulgaria and Measures for its Implementation, as amended by Council of Ministers' Decision No. 385 of 22 May 2006;
- Council of Ministers' Decree No. 15 of 31 January 2005 for Providing Funds from 2005 State Budget to the Ministry of Economy for the Establishment of National Innovation Fund (NIF);
- NIF Management Rules and Guidance on Application for Funding of Innovative Enterprises, approved by Order No. RD-16-82/2005, Order No. RD-16-464/2005 and Order No. RD-16-1402/2006, issued by the Minister of Economy (with amendments).

Authority responsible for the subsidy: Small and Medium Enterprises Promotion Agency at the Ministry of Economy.

5. Form of the subsidy

Grant.

6. To whom and how the subsidy is provided

The grant is provided to innovative enterprises from all sectors and regions, research institutes, organizations and universities for support of research activities.

7. Subsidy per unit or in case where it is not possible, the total amount or the annual budgeted for that subsidy

In 2015 - payments effectuated at the amount of BGN 6.424 million.

In 2016 - payments effectuated at the amount of BGN 4.392 million.

8. Duration of a subsidy and/or any other time limits attached to it

For the period of 2009-2013, and a prolongation till 30 June 2014, based on the General Block Exemption Regulation (GBER) 800/2008 prolongation with Regulation 1224/2013. The same rules apply to payments in 2015 and 2016.

9. Statistical data permitting an assessment of the trade effects of the subsidy

Statistical data permitting an assessment of the trade effects of the subsidy are not available.

1.2 SUPPORT TO INNOVATION FUNDING

1. Title of the subsidy programme

Support for research and development activity of enterprises and research and knowledge dissemination organizations.

2. Period covered by the notification

2015; 2016

3. Policy objective and/or purpose of the subsidy

The scheme provides support for industrial research and experimental development activities of enterprises and organizations for research and dissemination of knowledge.

4. Background and authority for the subsidy (incl. identification of the legislation under which it is granted)

- Council of Ministers' Decision No. 723 of 8 September 2004 for Adoption of Innovation Strategy of the Republic of Bulgaria and Measures for its Implementation, as amended by Council of Ministers' Decision No. 385 of 22 May 2006;
- Council of Ministers' Decree No. 15 of 31 January 2005 for Providing Funds from 2005 State Budget to the Ministry of Economy for the Establishment of National Innovation Fund (NIF);
- NIF Management Rules and Guidance on Application for Funding of Innovative Enterprises, approved by Order No. RD-16-812 of 23 August 2016, issued by the Minister of Economy

Authority responsible for the subsidy: Small and Medium Enterprises Promotion Agency at the Ministry of Economy.

5. Form of the subsidy

Grant.

6. To whom and how the subsidy is provided

The grant is provided to enterprises and organizations for research and dissemination of knowledge from all sectors and regions.

7. Subsidy per unit or in case where it is not possible, the total amount or the annual budgeted for that subsidy

In 2015 – not applicable

In 2016 – no payment

8. Duration of a subsidy and/or any other time limits attached to it

For the period of 2016 - 2020, based on GBER 651/2014 (SA.46353).

9. Statistical data permitting an assessment of the trade effects of the subsidy

Statistical data permitting an assessment of the trade effects of the subsidy are not available.

2 ASSISTANCE TO ECONOMIC DEVELOPMENT AND STRUCTURAL ADJUSTMENT

2.1 SUPPORT TO REGIONAL DEVELOPMENT

1. Title of the subsidy programme

Corporate Tax Exemption Scheme for tax relief constituting regional aid in accordance with Article 184 (linked to Art. 189) of the Corporate Income Tax Act (CITA).

2. Period covered by the notification

2015; 2016

3. Policy objective and/or purpose of the subsidy

Regional aid for initial investment and job creation linked to the investment.

4. Background and authority for the subsidy (incl. identification of the legislation under which it is granted)

- Corporate Income Taxation Act (CITA), promulgated, State Gazette (SG) No. 105 of 22 December 2006, as last amended and supplemented, SG No..97 of 6 December 2016.

In accordance with Article 189 of the CITA the taxable persons must fulfill specified conditions in order to receive regional aid related to the initial investment in municipalities with rate of unemployment for the year of retention 25% or higher than the national average for the same period.

Authority responsible for the subsidy: National Revenue Agency at the Ministry of Finance.

5. Form of the subsidy

Tax relief

6. To whom and how the subsidy is provided

Any taxable person fulfilling the conditions specified under Article 184 (linked to Art. 189) of CITA can retain corporate tax and is obliged to invest it in material and immaterial assets as a part of his initial investment. The initial investment has to be made in municipalities where the rate of unemployment for the year of retention is 25% or higher than the national average for the same period. The activity related to the initial investment shall be implemented in the respective municipality for at least 5 years after the year of completion of the initial investment and this circumstance is to be declared annually by the annual tax returns until the lapse of the five-year period.

7. Subsidy per unit or in case where it is not possible, the total amount or the annual budgeted for that subsidy

In 2015 - BGN 9.758 million

In 2016 – BGN 6.747 million

8. Duration of a subsidy and/or any other time limits attached to it

For the period 31 March 2015 – 31 December 2020 pursuant to the European Commission's decision N° C(2015) 6174final of 14 September 2015

9. Statistical data permitting an assessment of the trade effects of the subsidy

Trade effects are assessed as minimal.

2.2 SUPPORT TO REGIONAL DEVELOPMENT

2.2.1 SUPPORT TO REGIONAL DEVELOPMENT

1. Title of the subsidy programme

Investment promotion with regional aid for investment and job creation under Investment Promotion Act.

2. Period covered by the notification

2015; 2016.

3. Policy objective and/or purpose of the subsidy

The measure consists of regional aid for initial investment and job creation linked to the investment. Investment promotion under the scheme aims to increase the investment for technological development of high-value-added manufacturing and services, and creation of highly productive jobs; decrease of regional disparities in the social and economic development.

4. Background and authority for the subsidy (incl. identification of the legislation under which it is granted)

Investment Promotion Act – promulgated, SG No. 97 of 24 October 1997, as last amended and supplemented, SG No. 98 of 28 November 2014;

Rules for Implementation of the Investment Promotion Act – promulgated, SG No. 76 of 21 September 2007, as last amended and supplemented, SG No. 94 of 24 November 2014.

Authority responsible for the subsidy: Ministry of Economy.

5. Form of the subsidy

Subsidy, other

6. To whom and how the subsidy is provided

The beneficiaries are SMEs and large companies. The subsidy covers the implementation and maintaining of investment projects of national importance (priority investment projects). Projects must meet the minimum requirements regarding the amount of investment and employment to be created, as stated in the Rules for Implementation of the Investment Promotion Act.

Priority investment projects under the measure can be promoted with the provision of grants:

- up to 50% of the cost for investment in education and scientific research;
- up to 10% of the cost for investment in the processing industry.

7. Subsidy per unit or in case where it is not possible, the total amount or the annual budgeted for that subsidy

In 2015 – BGN 2.445 million

In 2016 – BGN 6.086 million

8. Duration of a subsidy and/or any other time limits attached to it

For the period 1 May 2009 – 31 December 2013, and a prolongation till 30 June 2014, based on GBER 800/2008 prolongation with Regulation 1224/20013. The same rules apply to payments in 2015 and 2016.

9. Statistical data permitting an assessment of the trade effects of the subsidy

Trade effects are assessed as minimal.

2.2.2 SUPPORT TO REGIONAL DEVELOPMENT

1. Title of the subsidy programme

Regional investment aid scheme under Art. 2a of Investment Promotion Act.

2. Period covered by the notification

2015; 2016.

3. Policy objective and/or purpose of the subsidy

The measure consists of regional aid for initial investment and job creation linked to the investment. Investment promotion under the scheme aims to increase the investment for technological development of high-value-added manufacturing and services, and creation of highly productive jobs; decrease of regional disparities in the social and economic development.

4. Background and authority for the subsidy (incl. identification of the legislation under which it is granted)

Investment Promotion Act – promulgated, SG No. 97 of 24 October 1997, as last amended and supplemented, SG No. 66 of 11 August 2015;

Rules for Implementation of the Investment Promotion Act – promulgated, SG No. 76 of 21 September 2007, as last amended and supplemented, SG No. 88 of 13 November 2015.

Authority responsible for the subsidy: Ministry of Economy.

5. Form of the subsidy

Subsidy, other

6. To whom and how the subsidy is provided

The beneficiaries are SMEs and large companies. The subsidy covers the implementation and maintaining of investment projects of national importance. Projects must meet the minimum requirements regarding the amount of investment and employment to be created, as stated in the Rules for Implementation of the Investment Promotion Act.

7. Subsidy per unit or in case where it is not possible, the total amount or the annual budgeted for that subsidy

In 2015 – no payment

In 2016 – no payment

8. Duration of a subsidy and/or any other time limits attached to it

For the period 13 November 2015 – 31 December 2020 under GBER 651/2014.

9. Statistical data permitting an assessment of the trade effects of the subsidy

Statistical data permitting an assessment of the trade effects of the subsidy are not available.

3 OPERATIONAL PROGRAMME "DEVELOPMENT OF THE COMPETITIVENESS OF THE BULGARIAN ECONOMY 2007-2013"

1. Title of the subsidy programme

Priority Axis 2 "Increasing the Efficiency of Enterprises and Promoting Supportive Business Environment" and the following Schemes: "Implementation of Innovations in Enterprises" (case SA.36725), "Technical Modernization of SMEs" (case X216/2010, case SA.33710).

2. Period covered by the notification

2015; 2016

3. Policy objective and/or purpose of the subsidy

Primary objective – technological upgrade of enterprises. Secondary objective – support of enterprises.

4. Background and authority for the subsidy (incl. identification of the legislation under which it is granted)

EU legislation:

- Council Regulations (EC) No. 1080/2006, No. 1081/2006, No. 1082/2006; No. 1083/2006 (with amendments); No. 1084/2006;
- Commission Regulations (EC) No. 1828/2006; No. 800/2008; No. 846/2009.

Bulgarian national legislation:

- 2015 or 2016 State Budget of the Republic of Bulgaria Act;
- Council of Ministers' Decree No 24 of 16 January 2015 on the Implementation of the 2015 State Budget of the Republic of Bulgaria, promulgated, SG No. 107 of 24 December 2014;
- Council of Ministers' Decree No 380 of 29 December 2015 on the Implementation of the 2016 State Budget of the Republic of Bulgaria, promulgated, SG No. 96 of 9 December 2015;
- Council of Ministers' Decree No. 121/2007 on Determining the Procedure on Grant Awarding under the Operational Programmes, co-financed from the Structural Funds and the Cohesion Fund, and under the PHARE Programme of the European Union; promulgated, SG No. 45 of 2007, as amended;
- Council of Ministers' Ordinance No. 18 of 4 February 2003 on Establishing a Council for the Co-ordination of Combating Against Irregularities Concerning the Financial Interests of the EU; promulgated, SG No. 13 of 11 February 2003, as amended;
- Council of Ministers' Ordinance on Determination of Procedures for Administering of Irregularities Concerning Funds and Programmes, co-financed from the EU; promulgated, SG No. 97 of 8 December 2009, as amended;
- Council of Ministers' Decree No. 202 of 13 August 2009 on Establishing a Co-ordination Mechanism for Management of EU Funds, promulgated, SG No. 67 of 21 August 2009;
- Small and Medium-Size Enterprises Act, promulgated, SG No 84 of 24 September 1999, as last amended and supplemented, SG No. 82 of 16 October 2009;
- Public Procurement Act, promulgated, SG No. 28 of 6 April 2004, as last amended and supplemented, SG No. 40 of 13 May 2014.

5. Form of the subsidy

Grant.

6. To whom and how the subsidy is provided

Granting authority: Ministry of Economy. Aid is granted to beneficiaries (selected after fulfilment of rules and procedure previewed under the Operational Programme) from the manufacturing industry and activities related to the nanotechnology; 85% co-financing from the European Regional Development Fund (ERDF) and 15% co-financing from the State budget of the Republic of Bulgaria.

7. Subsidy per unit, or in case where it is not possible, the total amount or the annual budgeted for that subsidy

In 2015:

- under case X216/2010 – payments effectuated at the amount of BGN 0.003 million co-financing from Bulgaria;
- under case SA.33710 – payments effectuated at the amount of BGN 0.738 million co-financing from Bulgaria;
- under case SA.36725 – payments effectuated at the amount of BGN 17,976 million co-financing from Bulgaria.

In 2016:

- under case X 216/2010 – not applicable (the measure has expired)
- under case SA.33710 – not applicable (the measure has expired);
- under case SA.36725 – payments effectuated at the amount of BGN 2.338 million co-financing from Bulgaria.

Rules applicable to payments in previous reporting periods apply also to payments in 2015 and 2016.

8. Duration of a subsidy and/or any other time limits attached to it

The terms are specified in the Guidance for Application for Granting of Financial Aid under the Operational Programme and differs for each measure.

9. Statistical data permitting an assessment of the trade effects of the subsidy

In view of the purpose of the subsidy trade effects are assessed as minimal.

4 OPERATIONAL PROGRAMME "INNOVATION AND COMPETITIVENESS 2014-2020"

1. Title of the subsidy programme

- Priority Axis 1 "Technological development and innovation" and the following aid measures: "Construction of a Science and Technology Park: Component 5 "Parking Floor"" (SA.41957), "Construction of a Science and Technology Park: Component 4 "Sports playgrounds and facilities" (SA.41956), "Construction of a Science and Technology Park: Component 3 "Museum/Experimentarium" (SA.41955), "Support for the introduction of innovation in enterprises" (SA.44088);
- Priority Axis 2: „Entrepreneurship and capacity for growth of SMEs" and the following Scheme: „Improvement of the production capacity in SMEs" (SA.41940).

2. Period covered by the notification

2015; 2016

3. Policy objective and/or purpose of the subsidy

Primary objective – technological upgrade of enterprises. Secondary objective – support of enterprises.

Policy objective - smart growth and contribution for the improvement of innovation and competitiveness of enterprises.

4. Background and authority for the subsidy (incl. identification of the legislation under which it is granted)

EU legislation:

- Council Regulations (EU) No. 1299/2013, No. 1300/2013, No. 1301/2013; No. 1302/2013; No. 1303/2013; No. 1304/2013 (with amendments);
- Commission Regulation (EU) No. 651/2014

Bulgarian national legislation:

- 2015 or 2016 State Budget of the Republic of Bulgaria Act;
- Council of Ministers' Decree No 24 of 16 January 2015 on the Implementation of the 2015 State Budget of the Republic of Bulgaria, promulgated, SG No. 107 of 24 December 2014;
- Council of Ministers' Decree No 380 of 29 December 2015 on the Implementation of the 2016 State Budget of the Republic of Bulgaria, promulgated, SG No. 96 of 9 December 2015;
- Management of the funding from the European Structural and Investment Funds Act, promulgated, SG No. 101 of 22 December 2015, last amended and supplemented, SG No. 74 of 20 September 2016;
- Small and Medium-Size Enterprises Act, promulgated, SG No 84 of 24 September 1999, as last amended and supplemented, SG No. 17 of 1 March 2016;
- Public Procurement Act, promulgated, SG No. 13 of 16 February 2016, as last amended and supplemented, SG No. 37 of 3 May 2016.

5. Form of the subsidy

Grant.

6. To whom and how the subsidy is provided

Granting authority: Ministry of Economy. Aid is granted to beneficiaries (selected after fulfilment of rules and procedure previewed under the Operational Programme) from the manufacturing industry; 85% co-financing from the European Regional Development Fund (ERDF) and 15% co-financing from the State budget of the Republic of Bulgaria.

7. Subsidy per unit, or in case where it is not possible, the total amount or the annual budgeted for that subsidy

In 2015:

- under case SA.41957 - BGN 0.667 million co-financing from Bulgaria;

- under case SA.41956 - BGN 0.178 million co-financing from Bulgaria;
- under case SA.41955 - BGN 0.368 million co-financing from Bulgaria;
- under case SA.41940 - no payments;

In 2016:

- under case SA.41957 - BGN 0.324 million co-financing from Bulgaria;
- under case SA.41956 - BGN 0.096 million co-financing from Bulgaria;
- under case SA.41955 - BGN 0.443 million co-financing from Bulgaria;
- under case SA.41940 - BGN 13.666 million co-financing from Bulgaria;
- under case SA.44088 – no payments.

8. Duration of a subsidy and/or any other time limits attached to it

The terms are specified in the Guidance for Application for Granting of Financial Aid under the Operational Programme and differs for each measure.

9. Statistical data permitting an assessment of the trade effects of the subsidy

In view of the purpose of the subsidy trade effects are assessed as minimal.

5 FILM INDUSTRY SUPPORT

1. Title of the subsidy

Bulgarian Film Industry support

2. Period covered by the notification

2015; 2016

3. Policy objective and/or purpose of the subsidy

The aid is aimed at supporting the development and preservation of the Bulgarian film culture. The main priorities are the following: assistance in the production and distribution of films of high artistic merit and debut film projects; ensuring the right of public access to various forms of film-related creative work; protection of the rights and interests of audience; support to new talent and young writers; domestic and international promotion of Bulgarian films.

4. Background and authority for the subsidy (incl. identification of the legislation under which it is granted)

- Law on Film Industry – promulgated, SG No. 105 of 2 December 2003, as last amended and supplemented, SG No. 95 of 29 November 2016;
- Rules of Procedure of the National Film Centre Executive Agency;
- Protection and Development of Culture Act – promulgated, SG No. 50 of 1 June 1999, as last amended and supplemented, SG No. 16 of 26 February 2016;
- 2015 or 2016 State Budget of the Republic of Bulgaria Act;
- Council of Ministers' Decree No 24 of 16 January 2015 on the Implementation of the 2015 State Budget of the Republic of Bulgaria, promulgated, SG No. 107 of 24 December 2014;

- Council of Ministers' Decree No 380 of 29 December 2015 on the Implementation of the 2016 State Budget of the Republic of Bulgaria, promulgated, SG No. 96 of 9 December 2015;
- Granting authority: National Film Centre Executive Agency (NFCEA). In line with the Law on Film Industry, the Agency is a second-level budgetary spending unit of the Ministry of Culture. The transfer of funds from the budget of the Ministry of Culture to the NFCEA is determined annually under the State Budget Act for the respective year.

5. Form of the subsidy

Grant.

6. To whom and how the subsidy is provided

The beneficiaries are film production, distribution and promotion companies. Support may be provided to Bulgarian films associated with national displays and commemorations of events and notable historical figures, as well as debut films. The aid is not reserved exclusively for nationals and is provided regardless of the beneficiary's nationality or place of residence.

7. Subsidy per unit, or in case where it is not possible, the total amount or the annual budgeted for that subsidy

In 2015 – BGN 13.457 million;
In 2016 – BGN 13.2 million.

8. Duration of a subsidy and/or any other time limits attached to it

1 January 2010 – 31 December 2017.

9. Statistical data permitting an assessment of the trade effects of the subsidy

It is considered that the trade effects are minimal.

6 ENVIRONMENTAL PROTECTION

6.1 SUPPORT TO ENVIRONMENTAL PROTECTION

1. Title of the subsidy

Support to energy-intensive users in the form of a reduced surcharge

2. Period covered by the notification

2015; 2016

3. Policy objective and/or purpose of the subsidy

Support to compensate energy intensive users (EIUs) for part of the surcharge to finance the support for renewable electricity.

4. Background and authority for the subsidy (incl. identification of the legislation under which it is granted)

- Ordinance on Reducing the Burden Related to the Cost of Energy from Renewable Energy Sources, No E-RD-04-06 of 28.09.2016;
- Energy Law, promulgated, SG No. 107 of 9 December 2003, as last amended and supplemented, SG No. 51 of 27 June 2017;

- Guidelines on State Aid for Environmental Protection and Energy 2014-2020, OJ C 200, 28.6.2014 (EEAG).

Granting authority: Ministry of Energy. The aid measure is financed from the Electricity System Security Fund (the Fund). The establishment of the Fund is decreed by special provisions – Article 366 of the Energy Law.

5. Form of the subsidy

Grant.

6. To whom and how the subsidy is provided

The beneficiaries of the notified scheme are industrial companies that are active¹ in a sector listed in Annex 3 of the EEAG and industrial companies with an electro-intensity of at least 20% that are active in a sector listed in Annex 5 of the EEAG.

7. Subsidy per unit, or in case where it is not possible, the total amount or the annual budgeted for that subsidy

In 2015 – no payments;
In 2016 – BGN 72.775 million.

8. Duration of a subsidy and/or any other time limits attached to it

1 August 2015 - 31 December 2020; the scheme is based on EEAG (SA.45861), Commission Decision N° C(2016) 5204 final of 04 August 2016.

9. Statistical data permitting an assessment of the trade effects of the subsidy

It is considered that the trade effects are minimal.

6.2 SUPPORT TO ENVIRONMENTAL PROTECTION

1. Title of the subsidy

Support for renewable energy generation in Bulgaria

2. Period covered by the notification

2015; 2016

3. Policy objective and/or purpose of the subsidy

The primary objective is environmental protection through promotion of energy production from renewable energy sources. According to the Bulgarian authorities the State support for renewable energy is necessary in order to achieve the national target for the share of renewable energy in the gross final energy consumption of the country in 2020 as established in the Directive 2009/28/EC on the promotion of the use of energy from renewable sources².

4. Background and authority for the subsidy (incl. identification of the legislation under which it is granted)

- The Energy from Renewable Sources Act (ZEVI), promulgated, SG No. 35 of 3 May 2011, as last amended and supplemented, SG No. 100 of 18 December 2015;

¹ This is demonstrated by having a minimum of 60% of the annual revenue for the preceding calendar year from the activity in a sector in Annex 3 or Annex 5 of EEAG respectively.

² Official Journal (OJ) of the European Union L 140, 5.6.2009, p. 16–62

- Ordinance No 1 of 18 March 2013 on the Regulation of Electricity Prices issued by the president of the State for Energy and Water Regulatory Commission (DKEVR)³, promulgated SG No. 33 of 05 April 2013, effective 5 April 2013), amended No. 17 of 28 February 2014, effective 28 February 2014, No. 4 of 16 January 2015, effective 1 February 2015;
- Ordinance on the Regulation of Electricity Prices, adopted under Council of Ministers Decree No 35 of 20 February 2004, SG No. 17 of 2 March 2004, amended No. 62 of 31 July 2007, No. 42 of 5 June 2012, effective 5 June 2012;
- Guidelines on State Aid for Environmental Protection and Energy 2014-2020, OJ C 200, 28.6.2014 (EEAG).

The granting authority is the Ministry of Energy, which is the entity legally responsible for implementing Bulgaria's policy for promoting the production and use of energy from renewable sources, through the Energy and Water Regulatory Commission.

5. Form of the subsidy

Grant (preferential purchase prices to renewable energy producers).

6. To whom and how the subsidy is provided

The beneficiaries of the scheme are operators of installations producing renewable electricity.

The financing mechanism involved a green energy premium added on the transmission price. The premium was paid per MWh of electricity by all users of the distribution and transmission systems. The premium was set by the Bulgarian Energy Regulator.

7. Subsidy per unit, or in case where it is not possible, the total amount or the annual budgeted for that subsidy

In 2015 – no payments;
In 2016 – BGN 1059.467 million.

8. Duration of a subsidy and/or any other time limits attached to it

3 May 2011 - 31 December 2021; the scheme is based on EEAG (SA.44840), Commission Decision N° C(2016) 5205 final of 04.08.2016.

9. Statistical data permitting an assessment of the trade effects of the subsidy

It is considered that the trade effects are minimal.

COMMON AGRICULTURAL POLICY (CAP)

7 THE EUROPEAN AGRICULTURAL GUARANTEE FUND

7.1 Fruit and vegetables

7.1.1 Producer organisations

1. Title of the programme

Producer organisations.

2. Period covered by the notification

1 January 2015 - 31 December 2016.

³ Currently Energy and Water Regulatory Commission (KEVR)

3. Policy objective and/or purpose of the programme

The objectives of the fruit and vegetables scheme remain to improve the competitiveness and market orientation of the fruit and vegetable sector, reduce producers' income fluctuations resulting from crises, promote consumption – so contributing to improved public health – and enhance environmental safeguards. The support measures include:

- (a) planning of production, including production and consumption forecasting and follow-up;
- (b) improvement of product quality, whether in a fresh or processed form;
- (c) boosting products' commercial value;
- (d) promotion of the products, whether in a fresh or processed form;
- (e) environmental measures, particularly those relating to water, and methods of production respecting the environment, including organic farming;
- (f) crisis prevention and management.

4. Background and authority for the programme

Ministry of Agriculture, Food and Forestry and State Fund Agriculture.

5. Form of assistance granted

The aid is in the form of grants.

6. To whom and how the assistance is provided

Funding is available for producer organisations recognized by the Member State.

7. Total expenditure under the programme

Expenditure (million EUR)

2015 – 7,35

2016 – 5,11

8. Duration of the programme

The financial perspectives cover the period from 2013 to 2018.

9. Trade effects

No trade distorting effects.

7.1.2 EU School Fruit and Vegetables Scheme (SFVS)

1. Title of the programme

EU School Fruit and Vegetables Scheme (SFVS).

2. Period covered by the notification

1 January 2015 - 31 December 2016.

3. Policy objective and/or purpose of the programme

The objectives of the scheme is to encourage the consumption of fruit and vegetables products which in turn contribute to shaping healthy eating habits in young people. This has positive implications for agriculture and can contribute to larger efforts to fight against obesity and overweight.

4. Background and authority for the programme

Ministry of Agriculture, Food and Forestry and State Fund Agriculture.

5. Form of assistance granted

The aid is in the form of grants.

6. To whom and how the assistance is provided

Funding is available for school children.

7. Total expenditure under the programme

Expenditure (million EUR)

2015 – 1,75

2016 – 2,82

8. Duration of the programme

The financial perspectives cover the period from 2014 to 2020.

9. Trade effects

No trade distorting effects.

7.2 Wine

1. Title of the programme

Promotion on third-country markets.

2. Period covered by the notification

1 January 2015 - 31 December 2016.

3. Policy objective and/or purpose of the programme

This support covers information or promotion measures concerning EU wines in third countries, thereby improving their competitiveness in those countries. The support relates to wines with a protected designation of origin or geographical indication or wines with an indication of the wine grape variety. The EU contribution to promotion activities shall not exceed 50% of the eligible expenditure. The measures may consist only of:

- public relations, promotional or advertisement measures, in particular highlighting the advantages of the EU products, especially in terms of quality, food safety or environmental friendliness;
- participation at events, fairs or exhibitions of international importance;
- information campaigns, in particular on the EU systems covering designations of origin, geographical indications and organic production;
- studies of new markets, necessary for the expansion of market outlets;

- studies to evaluate the results of the promotional and information measures.

4. Background and authority for the programme

Ministry of Agriculture, Food and Forestry and State Fund Agriculture.

5. Form of assistance granted

The aid is in the form of grants.

6. To whom and how the assistance is provided

Funding is available for associations related in the wine sector.

7. Total expenditure under the programme

Expenditure (million EUR)

2015 - 0

2016 - 0,13

8. Duration of the programme

The financial perspectives cover the period from 2014 to 2018.

9. Trade effects

No trade distorting effects.

7.3 Promotion of agricultural products

1. Title of the programme

Promotion of agricultural products.

2. Period covered by the notification

1 January 2015 - 31 December 2016.

3. Policy objective and/or purpose of the programme

This support covers measures for the information on and promotion of agricultural products and food on the EU internal market and in third countries. These measures can consist of public relations, promotional or publicity actions, participation at events and fairs, in particular those that highlight the advantages of EU products, especially in terms of quality, hygiene, food safety, nutrition, labelling, animal welfare or environmental friendliness of their production. Also covered are information campaigns on the EU system of protected designations of origin (P.D.O), protected geographical indications (P.G.I) and traditional speciality guaranteed (T.S.G.), information on EU quality and labelling systems and on "organic farming"

4. Background and authority for the programme

Ministry of Agriculture, Food and Forestry and State Fund Agriculture.

5. Form of assistance granted

The aid is in the form of grants.

6. To whom and how the assistance is provided

Funding is available for associations related in different agricultural sector.

7. Total expenditure under the programme

Expenditure (million EUR)

2015 – 1,96

2016 – 1,45

8. Duration of the programme

The financial perspectives cover the period from 2014 to 2020.

9. Trade effects

No trade distorting effects.

7.4 Milk and dairy product

1. Title of the programme

Aid for the supply of milk products to pupils.

2. Period covered by the notification

1 January 2015 – 31 December 2016.

3. Policy objective and/or purpose of the programme

The objectives of the scheme is to encourage the consumption of milk products which in turn contribute to shaping healthy eating habits in young people. This has positive implications for agriculture and can contribute to larger efforts to fight against obesity and overweight

4. Background and authority for the programme

Ministry of Agriculture, Food and Forestry and State Fund Agriculture.

5. Form of assistance granted

The aid is in the form of grants.

6. To whom and how the assistance is provided

Funding is available for school children.

7. Total expenditure under the programme

Expenditure (million EUR)

2015 – 0

2016 – 2,27

8. Duration of the programme

The financial perspectives cover the period from 2014 to 2020.

9. Trade effects

No trade distorting effects.

7.5 Bee-keeping

1. Title of the programme

National bee-keeping programme.

2. Period covered by the notification

1 January 2015 - 31 December 2016.

3. Policy objective and/or purpose of the programme

The objectives of the scheme is to improve general conditions for the production and marketing of apiculture products.

4. Background and authority for the programme

Ministry of Agriculture, Food and Forestry and State Fund Agriculture.

5. Form of assistance granted

The aid is in the form of grants.

6. To whom and how the assistance is provided

Funding is available for beekeepers.

7. Total expenditure under the programme

Expenditure (million EUR)

2015 – 0,93

2016 – 0,92

8. Duration of the programme

The financial perspectives cover the period from 2014 to 2016.

9. Trade effects

No trade distorting effects.

7.6 Direct aids

1. Title of the programme

Single Area Payment Scheme.

2. Period covered by the notification

1 January 2015 - 31 December 2016.

3. Policy objective and/or purpose of the programme

The objectives of the scheme is to facilitate and reduce the cost of the preparatory work to be made before and during the first years of accession with only payments per ha of agricultural land.

4. Background and authority for the programme

Ministry of Agriculture, Food and Forestry and State Fund Agriculture.

5. Form of assistance granted

The aid is in the form of grants.

6. To whom and how the assistance is provided

Funding is available for farmers.

7. Total expenditure under the programme

Expenditure (million EUR)

2015 – 102,8

2016 – 93,3

8. Duration of the programme

The financial perspectives cover the period from 2014 to 2020.

9. Trade effects

No trade distorting effects.

8 EUROPEAN AGRICULTURAL FUND FOR RURAL DEVELOPMENT (EAFRD)

1. Title of the programme

Common Agricultural Policy: Rural Development ("Second Pillar").

2. Period covered by the notification

1 January 2015 - 31 December 2016.

3. Policy objective and/or purpose of the programme

Contribute to the achievement of the Common Agricultural Policy's objectives as laid down in the Treaty on the Functioning of the European Union, in particular Title III of Part III. Rural development policy should also take into account the general objectives for economic and social cohesion policy set out in the Treaty and contribute to their achievement, while integrating other major policy priorities as spelled out in the conclusions of the Lisbon and Göteborg European Councils for competitiveness and sustainable development.

The objectives of the scheme is:

1. fostering knowledge transfer and innovation in agriculture, forestry and rural areas;
2. enhancing the viability / competitiveness of all types of agriculture, and promoting innovative farm technologies and sustainable forest management;
3. promoting food chain organisation, animal welfare and risk management in agriculture;
4. restoring, preserving and enhancing ecosystems related to agriculture and forestry;
5. promoting resource efficiency and supporting the shift toward a low-carbon and climate-resilient economy in the agriculture, food and forestry sectors;
6. promoting social inclusion, poverty reduction and economic development in rural areas.

4. Background and authority for the programme

Ministry of Agriculture, Food and Forestry and State Fund Agriculture.

5. Form of assistance granted

Grants.

6. To whom and how the assistance is provided

Farmers, forest holders, SMEs, public-private partnerships in rural areas and rural municipalities.

7. Total expenditure under the programme

Expenditure (million EUR)

2015 – 53,47

2016 – 37,79

8. Duration of the programme

2014 - 2020.

9. Trade effects

No trade distorting effects.

9 STATE AIDS

9.1 Aid to make good the damage caused by natural disasters in the agricultural sector

1. Title of the programme

Aid to make good the damage caused by natural disasters in the agricultural sector.

2. Period covered by the notification

1 January 2015 - 31 December 2016.

3. Policy objective and/or purpose of the programme

Aid schemes to make good the damage caused by natural disasters.

4. Background and authority for the programme

Ministry of Agriculture, Food and Forestry and State Fund Agriculture.

5. Form of assistance granted

Grants.

6. To whom and how the assistance is provided

The aid is paid to farmers and SMEs.

7. Total expenditure under the programme

Expenditure (million EUR)

2015 – 0,14

2016 – 0,05

8. Duration of the programme

2015 - 2020.

9. Trade effects

No trade distorting effects.

9.2 Aid for the costs of the prevention, control and eradication of animal diseases and plant pests and aid to make good the damage caused by animal diseases or plant pests

1. Title of the programme

Aid for the costs of the prevention, control and eradication of animal diseases and plant pests and aid to make good the damage caused by animal diseases or plant pests.

2. Period covered by the notification

1 January 2015 - 31 December 2016.

3. Policy objective and/or purpose of the programme

Aid to SMEs active in primary agricultural production for the costs of the prevention, control and eradication of animal diseases or plant pests and aid to compensate such undertakings for losses caused by those animal diseases or plant pests.

4. Background and authority for the programme

Ministry of Agriculture, Food and Forestry and State Fund Agriculture.

5. Form of assistance granted

Grants.

6. To whom and how the assistance is provided

Aid shall be paid directly to the undertaking concerned or to a producer group or organisation of which that undertaking is a member.

7. Total expenditure under the programme

Expenditure (million EUR)

2015 – 9,69

2016 – 7,47

8. Duration of the programme

2015 - 2020.

9. Trade effects

No trade distorting effects.

9.3 Aid for the payment of insurance premiums

1. Title of the programme

Aid for the costs of the prevention, control and eradication of animal diseases and plant pests and aid to make good the damage caused by animal diseases or plant pests.

2. Period covered by the notification

1 January 2015 - 31 December 2016.

3. Policy objective and/or purpose of the programme

Aid granted to SMEs active in primary agricultural production for the payment of insurance premiums to cover losses caused by:

(a) natural disasters;

(b) an adverse climatic event which can be assimilated to a natural disaster and other adverse climatic events;

(c) animal diseases or plant pest;

(d) protected animals.

4. Background and authority for the programme

Ministry of Agriculture, Food and Forestry and State Fund Agriculture.

5. Form of assistance granted

Grants.

6. To whom and how the assistance is provided

Aid is granted to SMEs active in primary agricultural production.

7. Total expenditure under the programme

Expenditure (million EUR)

2015 – 0,58

2016 – 0,73

8. Duration of the programme

2015 - 2020.

9. Trade effects

No trade distorting effects.

9.4 Aid for promotion measures in favour of agricultural products

1. Title of the programme

Aid for promotion measures in favour of agricultural products.

2. Period covered by the notification

1 January 2015 - 31 December 2016.

3. Policy objective and/or purpose of the programme

Aid for promotion measures in favour of agricultural products cover the costs for the organisation of and participation in competitions, trade fairs and exhibitions and publications aimed at raising awareness of agricultural products among the wider public.

4. Background and authority for the programme

Ministry of Agriculture, Food and Forestry and State Fund Agriculture.

5. Form of assistance granted

Grants.

6. To whom and how the assistance is provided

Aid is granted to producer groups or other organisations.

7. Total expenditure under the programme

Expenditure (million EUR)

2015 – 0,27

2016 – 0,78

8. Duration of the programme

2015 - 2020.

9. Trade effects

No trade distorting effects.

9.5 Aids to the livestock sector and aid for fallen stock

1. Title of the programme

Aids to the livestock sector and aid for fallen stock.

2. Period covered by the notification

1 January 2015 - 31 December 2016.

3. Policy objective and/or purpose of the programme

Aid for the establishment and maintenance of herd books and for determination of the genetic quality or yield of livestock.

4. Background and authority for the programme

Ministry of Agriculture, Food and Forestry and State Fund Agriculture.

5. Form of assistance granted

Grants.

6. To whom and how the assistance is provided

Aid is granted to farmers and SMEs.

7. Total expenditure under the programme

Expenditure (million EUR)

2015 – 2,04

2016 – 2,80

8. Duration of the programme

2015 - 2020.

9. Trade effects

No trade distorting effects.

9.6 Aid for the participation of producers of agricultural products in quality schemes

1. Title of the programme

Aid for the participation of producers of agricultural products in quality schemes.

2. Period covered by the notification

1 January 2015 - 31 December 2016.

3. Policy objective and/or purpose of the programme

Aid for new participation in quality schemes for high quality seeds.

4. Background and authority for the programme

Ministry of Agriculture, Food and Forestry and State Fund Agriculture.

5. Form of assistance granted

Grants.

6. To whom and how the assistance is provided

Aid is granted to SMEs.

7. Total expenditure under the programme

Expenditure (million EUR)

2015 – 0,69

2016 – 0,66

8. Duration of the programme

2015 - 2020.

9. Trade effects

No trade distorting effects.

9.7 Aid for investments in connection with the processing of agricultural products and the marketing of agricultural products

1. Title of the programme

Aid for investments in connection with the processing of agricultural products and the marketing of agricultural products.

2. Period covered by the notification

1 January 2015 - 31 December 2016.

3. Policy objective and/or purpose of the programme

Aid for investments in tangible assets or intangible assets in connection with the processing of agricultural products and the marketing of agricultural products.

4. Background and authority for the programme

Ministry of Agriculture, Food and Forestry and State Fund Agriculture.

5. Form of assistance granted

Grants.

6. To whom and how the assistance is provided

Aid is granted to SMEs.

7. Total expenditure under the programme

Expenditure (million EUR)

2015 - 0

2016 - 0,01

8. Duration of the programme

2015 - 2020.

9. Trade effects

No trade distorting effects.

9.8 De minimis aids

1. Title of the programme

De minimis aids.

2. Period covered by the notification

1 January 2015 - 31 December 2016.

3. Policy objective and/or purpose of the programme

Aid granted to undertakings active in the primary production of agricultural products, with the exception of:

(a) aid the amount of which is fixed on the basis of the price or quantity of products put on the market;

(b) aid to export-related activities towards third countries or Member States, namely aid directly linked to the quantities exported, to the establishment and operation of a distribution network or to other current expenditure linked to the export activity;

(c) aid contingent upon the use of domestic over imported goods.

4. Background and authority for the programme

Ministry of Agriculture, Food and Forestry and State Fund Agriculture.

5. Form of assistance granted

Grants.

6. To whom and how the assistance is provided

Aid is granted to farmers.

7. Total expenditure under the programme

Expenditure (million EUR)

2015 – 16,75

2016 – 9,32

8. Duration of the programme

2015-2020.

9. Trade effects

No trade distorting effects.

9.9 Aid for animal welfare commitments

1. Title of the programme

Aid for animal welfare commitments.

2. Period covered by the notification

1 January 2015 - 31 December 2016.

3. Policy objective and/or purpose of the programme

Aid to undertakings active in the primary agricultural production which undertake, on a voluntary basis, to carry out operations consisting of one or more animal welfare commitments and which are active farmers

4. Background and authority for the programme

Ministry of Agriculture, Food and Forestry and State Fund Agriculture.

5. Form of assistance granted

Grants.

6. To whom and how the assistance is provided

Aid is granted to farmers.

7. Total expenditure under the programme

Expenditure (million EUR)

2015 – 28.12

8. Duration of the programme

2015.

9. Trade effects

No trade distorting effects.

9.10 Aid for investments in tangible assets or intangible assets on agricultural holdings linked to primary agricultural production

1. Title of the programme

Aid for investments in tangible assets or intangible assets on agricultural holdings linked to primary agricultural production.

2. Period covered by the notification

1 January 2015 - 31 December 2016.

3. Policy objective and/or purpose of the programme

Aid for investments in tangible assets or intangible assets on agricultural holdings linked to the primary agricultural production.

4. Background and authority for the programme

Ministry of Agriculture, Food and Forestry and State Fund Agriculture.

5. Form of assistance granted

Grants.

6. To whom and how the assistance is provided

Aid is granted to SMEs.

7. Total expenditure under the programme

Expenditure (million EUR)

2015 - 0

2016 – 18,42

8. Duration of the programme

2015-2020.

9. Trade effects

No trade distorting effects.

10 THE EUROPEAN MARITIME AND FISHERIES FUND (EMFF)

1. Title of the programme

Operational programme for support from the European Maritime and Fisheries Fund (EMFF).

2. Period covered by the notification

1 January 2015 - 31 December 2016.

3. Policy objective and/or purpose of the programme

The EMFF achieves the following objectives:

(a) promoting competitive, environmentally sustainable, economically viable and socially responsible fisheries and aquaculture;

(b) fostering the implementation of the CFP;

(c) promoting a balanced and inclusive territorial development of fisheries and aquaculture areas;

(d) fostering the development and implementation of the Union's IMP in a manner complementary to cohesion policy and to the CFP.

4. Background and authority for the programme

Ministry of Agriculture, Food and Forestry and State Fund Agriculture.

5. Form of assistance granted

Grants.

6. To whom and how the assistance is provided

Aid is granted to companies, associations and organisations in the maritime and fisheries sectors.

7. Total expenditure under the programme

Expenditure (million EUR)

2015 – 7,48

2016 – 1,75

8. Duration of the programme

2014-2020.

9. Trade effects

No trade distorting effects.
