



EUROPEAN COMMISSION

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**PUBLIC VERSION**  
**WORKING LANGUAGE**  
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**Subject: State aid N 1/2007 – Bulgaria  
Regional aid map 2007-2013**

Sir,

## **1. PROCEDURE**

1. By letter dated 12 June 2006, registered at the Commission on 20 June 2006 (A/34736), the Bulgarian authorities submitted to the Commission a first proposal for their regional aid map for the period 1.1.2007 – 31.12.2013. As at that moment Bulgaria was not yet a full Member State of the European Union, the notification was registered as PN 70/2006, it was then transferred to the N register, as N 1/2007, on the date of the accession of Bulgaria to the European Union.
2. On 21 December 2005, the Commission adopted the Guidelines on National Regional Aid for 2007-2013<sup>1</sup> (hereinafter “RAG”). Pursuant to paragraph 100 of the RAG, each Member State should notify to the Commission, following the procedure of Article 88(3) of the EC Treaty, a single regional aid map covering its entire national territory. In accordance with paragraph 101, the approved regional aid map is to be published in the Official Journal of the European Union, and will be considered an integral part of the RAG.

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<sup>1</sup> Guidelines on National Regional Aid for 2007-2013, OJ C 54 of 4.3.2006, p. 13.

His Excellency IVAILO GEORGIEV KALFIN  
Minister for Foreign Affairs  
2, Alexander Zhendov Street;  
SOFIA 1040  
BULGARIA

## 2. DESCRIPTION

3. In the notification, the Bulgarian authorities propose that for the period 2007-2013 their entire territory to be eligible to receive investment aid under the derogation of Article 87(3)(a) of the EC Treaty with an aid ceiling of 50%.
4. The proposed aid ceiling is for investments by large enterprises. For medium sized enterprises this ceiling can be increased<sup>2</sup> by 10 percentage points and for small enterprises<sup>3</sup> by 20 percentage points.

### 2.1. Article 87(3)(a) regions: proposed for the whole period 2007-2013

5. All the Bulgarian NUTS-II regions are proposed for eligibility under the derogation of Article 87(3)(a) of the EC Treaty for the whole period 2007-2013 at an aid ceiling of 50% GGE:
  - BG11 Severozapaden
  - BG12 Severen tsentralen
  - BG13 Severoiztochen
  - BG21 Yugozapaden
  - BG22 Yuzhen tsentralen
  - BG23 Yogoiztochen

## 3. ASSESSMENT

6. The whole territory of Bulgaria is eligible for national regional aid for the period 2007-2013 under the derogation of Article 87(3)(a) of the EC Treaty.

### 3.1. 87(3)(a) regions: proposed for the whole period 2007-2013

7. Bulgaria consists of six NUTS<sup>4</sup> level II geographical units.
8. In accordance with paragraph 44 of the RAG, the aid ceiling of regional aid for regions falling under Article 87(3)(a) of the EC Treaty must not exceed 50% GGE for regions with less than 45% of average EU-25 GDP per capita, which is the case of all Bulgarian NUTS-II regions, as shown by their respective GDP per capita<sup>5</sup>:

– BG11 Severozapaden	25.57%
– BG12 Severen Tsentralen	24,37%
– BG13 Severoiztochen	24,47%

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<sup>2</sup> Except for aid awarded in the transport sector and aid for large investment projects.

<sup>3</sup> As defined in the Annex of Commission Regulation (EC) No 364/2004 of 25 February 2004 amending Regulation (EC) 70/2001, OJ L 63, 28.2.2004, p. 22, or any successor regulation.

<sup>4</sup> On the basis of the coding of Statistical Regions as defined by Eurostat in agreement with Bulgaria (Eurostat publication "Statistical Regions for the EFTA countries and CEC" published in 2001 and updated on

[http://ec.europa.eu/comm/eurostat/ramon/nuts/codelist\\_fr.cfm?list=cec](http://ec.europa.eu/comm/eurostat/ramon/nuts/codelist_fr.cfm?list=cec)). This is without prejudice to any subsequent amendment to Regulation (EC) No 1059/2003 of the European Parliament and of the Council of 26 May 2003 on the establishment of a common classification of territorial units for statistics (NUTS) (OJ L 154, 21.6.2003, p. 1).

<sup>5</sup> Gross Domestic Product expressed in Purchasing Power Standards per capita for the years 2000-2002. (EU-25 = 100)

– BG21 Yugozapaden	38,97%
– BG22 Yuzhen Tsentralen	23,10%
– BG23 Yogoiztochen	25,00%

### **3.2. General provisions of the map**

9. In accordance with paragraph 49 of the RAG, except for aid awarded in the transport sector, the preceding aid ceiling is increased to 60% GGE for medium-sized enterprises and 70% GGE for small enterprises. However, in accordance with paragraph 67 of the RAG, no SME bonuses are allowed for investment projects with eligible expenses exceeding EUR 50 million.
10. The Commission recalls that in accordance with paragraph 8 of the RAG, these aid ceilings apply to the processing and marketing of agricultural products only to the extent laid down in the Community guidelines for State aid in the agriculture sector<sup>6</sup>, or any replacement guidelines.
11. The Commission takes note of the following commitments undertaken by the Bulgarian authorities in the notification:
  - (a) The Bulgarian authorities confirmed that all intentions to grant regional aid will be notified to the Commission in accordance with Article 88(3) of the Treaty, either as an aid scheme, or as an individual notification unless a block exemption regulation applies.
  - (b) The Bulgarian authorities confirmed that all regional investment aid will respect the aid ceilings of the region concerned as defined in the regional aid map published by the Commission pursuant to this notification.
  - (c) The Bulgarian authorities confirmed that for large investment projects the aid ceilings of the region concerned as defined in the regional aid map published by the Commission pursuant to this notification will be adjusted according to the formula in paragraph 67 of the RAG.
  - (d) The Bulgarian authorities confirmed that all large investment projects, for which the amount of aid proposed is more than the maximum allowable amount of aid an investment with eligible expenses of EUR 100 million can receive under the adjusted regional aid ceiling as laid down in the scaling down mechanism as described in paragraph 67 of the RAG, will be notified individually to the Commission.

## **4. DECISION**

12. The Commission has accordingly decided:

- to consider the Bulgarian regional aid map for 2007-2013 as set out in the Annex to be compatible with the EC Treaty as it fulfils the

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<sup>6</sup> OJ C 28 of 1.2.2000, p.2. Corrigendum OJ C 232, 12.8.2000 p. 17.

conditions as stipulated in the Guidelines on national regional aid for 2007-2013. This map is valid from the effective date of accession of Bulgaria to the European Union until 31 December 2013.

- to publish the map as presented in the Annex to this decision in the Official Journal of the European Union. The full text of this letter in the authentic language will be published on the Internet site: [http://ec.europa.eu/community\\_law/state\\_aids/index.htm](http://ec.europa.eu/community_law/state_aids/index.htm)

Any request concerning this letter should be sent by registered letter or fax to:

European Commission  
Directorate-General for Competition  
Directorate for State Aid I  
State Aid Greffe  
B – 1049 Brussels  
Fax No: 0032.2.296 12 42

Yours faithfully,  
For the Commission

*Neelie KROES*  
Member of the Commission

**Guidelines on National Regional aid for 2007-2013**

*(OJ C 54, 4.3.2006, p. 13)*

**BULGARIA - National regional state aid map 1.1.2007-31.12.2013**

(Approved by the Commission on 24.01.2007)

Zone Code	Zone Name	Ceiling for regional investment aid <sup>7</sup> (applicable to large enterprises)
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**1. Regions eligible for aid under Article 87(3)(a) of the EC Treaty until 31.12.2013**

BG	BULGARIA	50%
BG11	Severozapaden	50%
BG12	Severen Tsentralen	50%
BG13	Severoiztochen	50%
BG21	Yugozapaden	50%
BG22	Yuzhen Tsentralen	50%
BG23	Yugoiztochen	50%

<sup>7</sup> For investment projects with eligible expenditure not exceeding EUR 50 million this ceiling is increased by 10 percentage points for medium sized companies and 20 percentage points for small companies as defined in the Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises (OJ L 124, 20.5.2003, p. 36). For large investment projects with eligible expenditure exceeding EUR 50 million, this ceiling is subject to adjustment in accordance with paragraph 67 of the Guidelines on national regional aid for 2007-2013.