



EUROPEAN COMMISSION

Brussels, 25.06.2014  
C(2014) 4093 final

PUBLIC VERSION

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**Subject: State aid SA.38667 (2014/N) – Bulgaria**  
**Regional aid map 2014-2020**

Sir,

## **1. PROCEDURE**

1. On 28 June 2013, the Commission adopted the Guidelines on regional State aid for 2014-2020<sup>1</sup> (hereinafter "RAG"). Pursuant to paragraph 178 of the RAG, each Member State should notify to the Commission a single regional aid map applicable from 1 July 2014 to 31 December 2020. In accordance with paragraph 179 of the RAG, the approved regional aid map is to be published in the *Official Journal of the European Union* and will constitute an integral part of the RAG.
2. By electronic notification dated 28 April 2014, registered at the Commission on the same day (2014/046040), Bulgaria notified, following the procedure of Article 108(3) of the Treaty on the Functioning of the European Union (hereinafter "TFEU"), its proposal for a regional aid map for Bulgaria applicable from 1 July 2014 to 31 December 2020.

## **2. DESCRIPTION**

3. In the notification, the Bulgarian authorities propose all six NUTS 2 regions to be eligible for regional aid under the derogation of Article 107(3)(a) of the TFEU from 1 July 2014 to 31 December 2020. They also specify for each region the maximum aid intensity applicable to investment aid to large enterprises.
4. The Bulgarian authorities propose to apply maximum aid intensities of 50% GGE in five of those NUTS 2 regions. They propose a maximum aid intensity of 25% GGE for one NUTS 2 region.

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<sup>1</sup> OJ C 209, 23.07.2013, p.1.

5. The NUTS 2 regions proposed for eligibility under the derogation of Article 107(3)(a) TFEU for the whole period from 1 July 2014 to 31 December 2020 are set out in Table 1 below. The table also sets out the maximum aid intensities proposed for each region.

*Table 1: Article 107(3)(a) TFEU areas proposed by Bulgaria, showing maximum aid intensities proposed for each region*

NUTS Code	Name of NUTS 2 region	Max. aid intensities (in % GGE)
BG31	Severozapaden	50%
BG32	Severen Tsentralen	50%
BG33	Severoiztochen	50%
BG34	Yugoiztochen	50%
BG41	Yugozapaden	25%
BG42	Yuzhen Tsentralen	50%

6. The Bulgarian authorities indicate that the maximum aid intensity specified above can be increased by 10 percentage points for medium-sized enterprises and by 20 percentage points for small enterprises<sup>2</sup>.

### 3. ASSESSMENT

7. In accordance with Annex I of the RAG, six NUTS 2 regions of Bulgaria are eligible for regional aid under the derogation in Article 107(3)(a) TFEU for the whole period from 1 July 2014 to 31 December 2020.
8. The regions proposed by Bulgaria for eligibility for regional aid under the derogation in Article 107(3)(a) TFEU for the period from 1 July 2014 to 31 December 2020 are those listed in Annex I of the RAG.
9. Paragraph 172 of the RAG provides that maximum aid intensities applicable to investment by large enterprises in ‘a’ regions should not exceed:
- 50% GGE in NUTS 2 regions with a GDP per capita below or equal to 45% of the EU-27 average,
  - 25% GGE in NUTS 2 regions with a GDP per capita above 60% of the EU-27 average.
10. The aid intensities proposed by Bulgaria respect these provisions, as can be seen from Table 2 below:

*Table 2: Article 107(3)(a) TFEU regions with maximum aid intensities and GDP per capita*

NUTS Code	Name of NUTS 2 region	Maximum aid intensities (in %GGE)	GDP per capita <sup>o</sup>
BG31	Severozapaden	50%	27.00%
BG32	Severen Tsentralen	50%	29.33%
BG33	Severoiztochen	50%	36.33%
BG34	Yugoiztochen	50%	36.00%

<sup>2</sup> 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)..

BG41	Yugozapaden	25%	74.33%
BG42	Yuzhen Tsentralen	50%	30.00%

Measured in PPS, three year average for 2008-2010 (EU-27 = 100.00%)

### 3.1. Increase of maximum aid intensities for SMEs

11. The proposed increase of the maximum aid intensities by 10 percentage points for medium-sized enterprises and by 20 percentage points for small enterprises is in accordance with paragraph 177 of the RAG.
12. The Bulgarian authorities have confirmed that the increased intensities for SMEs will not apply to aid awarded for large investment projects as defined in paragraph 20(1) of the RAG.

### 3.2. Other commitments made by the Bulgarian authorities

13. The Commission takes note of the following commitments made 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 108(3) of the TFEU, 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 approved by the Commission and published in the *Official Journal of the European Union*.
  - (c) The Bulgarian authorities confirmed that, for large investment projects as defined in paragraph 20(1) of the RAG, the aid ceilings of the region concerned, as defined in the regional aid map approved and published by the Commission, will be adjusted according to the formula in paragraph 20(c) of the RAG.

### 3.3. Conclusion

14. In view of the above, the Commission takes the view that the regional aid map notified by Bulgarian for the period from 1 July 2014 to 31 December 2020 is in line with the RAG.
15. The Commission recalls that the maximum aid intensities specified in the regional aid map apply only to investments carried out in sectors that fall within the scope of the RAG as defined in paragraph 10 thereof. In particular, 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 and forestry sector<sup>3</sup>, or in any guidelines replacing them.

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<sup>3</sup> OJ C 319, 27.12.2006, p.1.

#### 4. DECISION

16. The Commission has accordingly decided:

- to approve the regional aid map of Bulgaria set out in the Annex for the period from 1 July 2014 to 31 December 2020, as it fulfils the conditions laid down in the Guidelines on regional State aid for 2014-2020.
- to publish the regional aid map as an 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 following Internet site: <http://ec.europa.eu/competition/elojade/isef/index.cfm>.

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

European Commission  
Directorate-General for Competition  
State Aid Registry  
**B-1049 Brussels**  
Fax No: +32 2 29 61242

Yours faithfully,  
For the Commission

*Joaquín ALMUNIA*  
Vice-President

ANNEX to the decision on case SA.38667

**Guidelines on regional State aid for 2014-2020**

*(OJ C 209, 23.07.2013, p. 1)*

**BULGARIA- Regional aid map applicable from 1.7.2014 to 31.12.2020**

**Regions eligible for aid under Article 107(3)(a) of the TFEU until 31.12.2020**

Zone Code	Zone Name	Maximum aid intensities applicable to regional aid granted to large enterprises <sup>4</sup>
BG	BULGARIA	
BG31	Severozapaden	50%
BG32	Severen Tsentralen	50%
BG33	Severoiztochen	50%
BG34	Yugoiztochen	50%
BG41	Yugozapaden	25%
BG42	Yuzhen Tsentralen	50%

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<sup>4</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 20(c) of the Guidelines on regional State aid for 2014-2020.