



OPEN CALL FOR PROPOSALS

Enhancing STEM skills in primary schools and developing Regional Science Centres for primary education in the STEM area

Annex 6: Rules regarding State aid

Grants allocated within this Call intended for the activities related to component A. Development of STEM skills through equipping school classrooms with STEM equipment and component B. Establishment of Regional Science Centres for primary education in the STEM area do not constitute state aid when they are allocated to public institutions performing primary education activities which are organised within the national education system of the Republic of Croatia and completely or predominantly financed from public funds and supervised by the state and, therefore, not considered economic activities. In fact, by establishing the public education system which is financed from public funds and not by students or their parents, the state fulfils its obligation towards its citizens in the social, cultural and educational aspect. The non-economic aspect of public education is not disputed if, in addition to public institutions in the field of primary education, the same is delivered by religious or private institutions delivering educational programmes that are part of the public education system of the Republic of Croatia and predominantly financed from public funds and only partly by students or their parents.

Funds within this Call do not constitute State aid if they are granted to legal entities that are founders of public primary schools in the Republic of Croatia.

Specifically, in accordance with the above, funds within this Call which are intended for eligible activities such as: equipping/modernisation of STEM classrooms, upgrading/ restoration modernisation and equipping of Regional Science Centres for primary education in the STEM area; establishment of these centres, including professional training of teachers and other field professionals and employees, organisation of specialised fairs and workshops, activities for development/strengthening of STEM skills of primary school students, activities for developing skills of teachers and other educational workers in STEM teaching, development and implementation of educational programmes and extracurricular activities for primary school students in eligible subject areas, professional training activities for teachers and primary schools professionals in eligible subject areas, etc. do not contain elements of state aid if they are used for performing said activities in primary schools which are part of the

organised national education system of the Republic of Croatia and completely or predominantly financed from public funds.

Funds within this Call contain elements of state aid if they are allocated to project holders, i.e., private primary schools that perform the activity of primary education which is completely or predominantly funded by students or their parents or other private sources, i.e., if the activity entails the provision of a service for a fee that represents economic consideration for the provided service. In that case, it is an economic activity covered by the provisions of Article 107 (1) of the Treaty on the Functioning of the European Union (hereinafter: TFEU) falling within the scope of State aid, which implies that the funds for activities under components 1 and 2 may be allocated in the form of *de minimis* aid in accordance with Commission Regulation (EU) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid (OJ L 352/1, 24/12/2013), hereinafter referred to as *de minimis* Regulation.

The provisions of Article 107 (1) TFEU shall not apply to the allocation of funds within this Call to local and regional self-government units in the Republic of Croatia for activities under component A and component B, either as eligible applicants or as eligible partners in project activities, because local and regional self-government units do not nominally perform economic activities and are not considered undertakings within the meaning of Article 107 (1) TFEU.

The provisions of Article 107 (1) TFEU apply to funds allocated within this Call to legal entities which are founders of private primary schools in the Republic of Croatia that provide primary education services as undertakings. In order to be compatible with the internal market, these funds may be allocated in the form of *de minimis* aid within this Call in accordance with *de minimis* aid Scheme enclosed with this Call.

Furthermore, legal entities selected as eligible partners (in accordance with paragraph 2.2. of the Call) for the implementation of project activities within this Call, which perform economic activities in the Republic of Croatia or Donor States, regardless of their legal status, source of funding and profit or non-profit status, and provide services on the market, may also be granted funds in the form of *de minimis* aid in accordance with *De minimis* Scheme enclosed with this Call (Annex 7 of the Croatian version of the Call).

Eligible partners referred to in paragraph 2.2. of the Call that perform economic activities may be beneficiaries of funds within this Call by not being subject to the application of *de minimis* aid provisions provided that the Programme Operator establishes an appropriate mechanism to ensure that these partners act only as intermediaries who will transfer the total amount of aid and the entire benefit obtained by the allocation of project funds to the eligible

beneficiaries – holders of these projects by performing activities or providing services from component A or component B free of charge in accordance with the requirements of this Call.

If the project promoters or eligible beneficiaries within this Call are undertakings within the meaning of Article 107 (1) TFEU, the eligible partners engaged in economic activities may also act as intermediaries who will transfer the entire benefit obtained from the allocation of funds within the of this Call to eligible beneficiaries by providing them with services from component A or component B free of charge in the form of *de minimis* aid in accordance with the terms of *De minimis* Scheme which enclosed with this Call.

Within this Call, *de minimis* aid per country granting such aid, i.e., the Republic of Croatia, may be allocated to one undertaking for the purposes of this Call up to a maximum amount of EUR 200,000 during any period of three fiscal years. For the purposes of the maximum limit of EUR 200,000, the aid is expressed as a grant, and all applicable amounts are expressed as gross amounts, i.e., the amount before deduction of taxes and other charges. Aid paid in several instalments is discounted to the value of aid at the time of allocation (the date of the decision on the allocation of funds or the contract on the allocation of funds is considered the date of allocation). The Programme Operator shall grant *de minimis* aid in accordance with this Call and *de minimis* Regulation only after it has determined that such allocation will not increase the total amount of *de minimis* aid received by a certain undertaking in the Republic of Croatia up to the limit of EUR 200,000 in the current and previous two fiscal years, which is attested by the *De minimis* Declaration (Form 4 enclosed to the Call).

Applicants/partners who have received *de minimis* aid in the in the current and previous two fiscal years are obliged to fill in and enclose a *De minimis* Declaration to the grant application. Programme Operator shall assess if the project proposal constitutes state aid on the case-to-case basis and determine the maximum amount of aid which an individual applicant and/or partner shall receive.