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**Subject: State Aid SA.61580 (2021/EV) – Greece  
Evaluation plan of the Entrepreneurship for Small and Micro  
Enterprises scheme of Development Law 4399/2016**

Excellency,

## **1. PROCEDURE**

- (1) By electronic notification of 31 July 2019, Greece submitted a summary information sheet pursuant to Article 11(a) of the Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty<sup>1</sup> (hereinafter "GBER") on the Entrepreneurship for Small and Micro Enterprises scheme, which it planned to implement until the end of 2020 with an average annual budget of EUR 75 million (equivalent of EUR 150 million over the period 3 July 2019 – 31 December 2020). This submission was registered as SA.55082 (2019/X).
- (2) By electronic notification of 28 January 2021, Greece submitted a summary information sheet pursuant to Article 11(a) of the GBER on Entrepreneurship for Small and Micro Enterprises scheme, prolonging this scheme until the end of 2021 and increasing its average annual budget to EUR 666 million (equivalent of EUR 2 000 million over the period 3 July 2019 – 31 December 2021). This submission was registered as SA.61585 (2021/X).

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<sup>1</sup> OJ L 187, 26.6.2014, p. 1.

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- (3) Pursuant to Article 1(2)(a) of the GBER, the GBER does not apply to aid schemes with an average annual budget exceeding EUR 150 million from six months after their entry into force. However, the Commission may decide that the GBER shall continue to apply for a longer period to such aid schemes following the assessment of an evaluation plan of the scheme to be notified by the Member State concerned.
- (4) In order to obtain the prolongation of the application of the GBER to the Entrepreneurship for Small and Micro Enterprises scheme, Greece notified an evaluation plan on 28 January 2021, registered by the Commission on the same day as SA.61580 (2021/EV). This notification included the letter of 20 November 2020 that the Greek authorities had sent to the Commission requesting to incorporate the evaluation of Entrepreneurship for Small and Micro Enterprises scheme into the ongoing evaluation of the scheme “General Entrepreneurship”<sup>2</sup> because of the similarities of the two schemes. The evaluation plan for the Entrepreneurship for Small and Micro Enterprises scheme is therefore identical to the evaluation plan of the General Entrepreneurship scheme, which was assessed by the Commission under the State aid case number SA.47412 (2017/EV) and approved by decision C(2018)4206 final of 6 July 2018 (hereinafter “the 2018 evaluation plan decision”)
- (5) On 19 March 2021, the Commission services sent a request for information on the evaluation plan of the Entrepreneurship for Small and Micro Enterprises scheme, to which the Greek authorities replied by letter on 20 April 2021 and 30 April 2021.
- (6) Greece exceptionally agrees to waive its rights deriving from Article 342 of the Treaty on the Functioning of the European Union (“TFEU”), in conjunction with Article 3 of Regulation 1/1958<sup>3</sup> and to have this Decision adopted and notified in English, owing to the urgency of the case.

## **2. DETAILS ON THE GREEK DECISION TO INCREASE THE BUDGET**

- (7) Each notice for applications under the Entrepreneurship for Small and Micro Enterprises scheme follows a budget allocation that covers the aid to be granted to the successful applicants.
- (8) In that context, on 27 June 2019 Greece set<sup>4</sup> the total budget of the Entrepreneurship for Small and Micro Enterprises scheme, for notices for applications to be issued in 2019, to EUR 150 million (aid to be awarded in 2019 and 2020). On 1 July 2019, the first notice for applications<sup>5</sup> was issued with a final application deadline, following several extensions, on 28 February 2020.

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<sup>2</sup> SA.47412 and SA.61579.

<sup>3</sup> Regulation No 1 determining the languages to be used by the European Economic Community, OJ 17, 6.10.1958, p. 385.

<sup>4</sup> Joint Decision of the Ministers of Finance and Economy and Development No 67918/27-06-2019 published in the Government Gazette 2612/issue B on 28 June 2019.

<sup>5</sup> Decision of the Minister of Economy and Development No 69395/01-07-2019 published in the Government Gazette 2764/issue B on 3 July 2019.

Due to a large number of applications, Greece increased<sup>6</sup> the initial budget of EUR 150 million to EUR 986.5 million on 4 January 2021, effective from 4 February 2021.

- (9) On 14 May 2020 Greece set<sup>7</sup> the total budget of the scheme, for notices for applications to be issued in 2020 to EUR 150 million (aid to be awarded in 2020 and 2021). This budget was increased on 3 August 2020<sup>8</sup> to EUR 300 million and on 3 December 2020<sup>9</sup> to EUR 620 million. This increased budget was the basis for the second<sup>10</sup>, third<sup>11</sup> and fourth<sup>12</sup> notices for applications that would cover the years 2020 and 2021.
- (10) The Greek authorities stated that the most recent estimates for the total budget of the Entrepreneurship for Small and Micro Enterprises scheme amount to EUR 2 200 million. The remaining amount of up to EUR 2 200 million concerns the aid that will be granted to investment projects submitted as a reply to the future fifth notice for applications.
- (11) The Greek authorities confirmed that, until May 2021, no individual administrative acts (decisions of inclusion) have been issued in relation to the applications submitted in response to the first, second, third or fourth notice for applications, and thus no aid has been granted.

### **3. DETAILED DESCRIPTION OF THE KEY ELEMENTS OF THE NOTIFIED EVALUATION PLAN**

- (12) As required by Article 2(16) of the GBER and in line with best practices<sup>13</sup>, the notified evaluation plan contains the description of the following main elements: the objectives of the aid scheme to be evaluated, the evaluation questions, the result indicators, the envisaged methodology to conduct the evaluation, the data collection requirements, the proposed timing of the evaluation including the date for submission of the final evaluation report, the approach for the selection of the independent body conducting the evaluation, and the modalities for ensuring the publicity of the evaluation.

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<sup>6</sup> Joint Decision of the Deputy Ministers of Finance and Development and Investments No 266/04-01-2021 published in the Government Gazette 401/issue B on 4 February 2021.

<sup>7</sup> Joint Decision of the Ministers of Finance and Development and Investments No 47640/14-05-2020 published in the Government Gazette 1847/issue B on 14 May 2020.

<sup>8</sup> Joint Decision of the Ministers of Finance and Development and Investments No 82415/3-8-2020 published in the Government Gazette 3219/issue B on 3 August 2020.

<sup>9</sup> Joint Decision of the Deputy Ministers of Finance and Development and Investments No 128460/3-12-2020 published in the Government Gazette 5342/issue B on 3 December 2020.

<sup>10</sup> Decision of the Minister of Development and Investments No 50095/20-05-2020 published in the Government Gazette 1937/issue B on 20 May 2020.

<sup>11</sup> Decision of the Deputy Minister of Development and Investments No 90574/01-09-2020 published in the Government Gazette 3641/issue B on 1 September 2020.

<sup>12</sup> Decision of the Deputy Minister of Economy and Development No 130092/08-12-2020 published in the Government Gazette 5398/issue B on 8 December 2020.

<sup>13</sup> See Commission Staff Working Document on Common methodology for State aid evaluation, Brussels, 28.5.2014, SWD(2014) 179 final.

### 3.1. Objectives of the aid scheme to be evaluated

- (13) This scheme is an important Greek regional investment aid scheme. It aims to contribute to closing the investment gap and to increase employment in the country. The aid is directed towards small and micro enterprises<sup>14</sup>. It applies in all regions of Greece and in terms of sectors it focuses on manufacturing and internationally traded services and products allowed by the GBER.
- (14) The scheme is organised in two sections: a general and a specific one.
- (15) Under the general section, the following incentives can be granted: financial grant of up to 70% of the total allowed aid amount, income tax relief, leasing subsidies (either in the form of a tax break or in the form of a financial grant, disbursed in several instalments - at the time when the lease is paid by the beneficiary), wage subsidies (in the form of a financial grant, disbursed in several instalments - at the time when the wages are paid by the beneficiary).
- (16) Under the special section, based on either geographic or form/performance criteria, a financial grant of up to 100% of the total allowed aid amount can be granted.
- (17) The maximum aid intensity available to aid beneficiaries takes into account the different levels of economic development of the individual regions. In line with the regional aid map 2017-2020 for Greece<sup>15</sup>, as prolonged until 31 December 2021<sup>16</sup>, the maximum aid intensity ranges from 25% to 35% for 'a'-areas and from 10% to 20% for 'c'-areas.
- (18) The main objectives of the Entrepreneurship for Small and Micro Enterprises scheme are to:
- Support less-favoured regions in the country
  - Increase employment
  - Increase networking
  - Promote growth of businesses
  - Promote technological upgrade
  - Promote the creation of a new national branding international projection
  - Boost competitiveness in high value added and knowledge-intensive sectors
  - Upgrade along value chains towards the production of more complex products, offer better services

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<sup>14</sup> As defined in Annex I of the GBER.

<sup>15</sup> SA.46230 Mid-term review of the Greek Regional Aid Map 2017-2020, OJ C 36, 3.2.2017, p.5.

<sup>16</sup> SA.58433 Prolongation of the Greek regional aid map for the period 1.1.2021-31.12.2021, OJ C 430, 11.12.2020, p.8 and 9.

- Attract foreign direct investment
- (19) The selection of the aid beneficiaries is organised through regular notices for applications. Every project selection is based on criteria set-up a priori and published.
- (20) According to the Greek authorities, possible negative effects that could be associated with the aid scheme are lower productivity of assisted enterprises, inefficient use of public resources, attracting activities from neighbouring regions and the crowding out of non-supported private investments.
- (21) The evaluation plan covers the measure's duration from 3 July 2019 to 31 December 2021.

### **3.2. Evaluation questions and result indicators**

- (22) The evaluation questions and result indicators are the same as for the General Entrepreneurship scheme and are summarized in recitals (15) to (20) of the 2018 evaluation plan decision. In addition to those questions, the Greek authorities envisage to evaluate how and to what extent the COVID-19 pandemic has affected firms in general and the implementation of their projects under the scheme in particular. To that end, relevant questions will be added to the surveys of aid beneficiaries.<sup>17</sup>

### **3.3. Envisaged methodology to conduct the evaluation**

- (23) The envisaged methodology to conduct the evaluation is the same as for the General Entrepreneurship scheme and is summarized in recital (21) of the 2018 evaluation plan decision.

### **3.4. Data collection requirements**

- (24) The data collection requirements are the same as for the General Entrepreneurship scheme and are summarized in recitals (22) to (24) of the 2018 evaluation plan decision.

### **3.5. Proposed timing of the evaluation, including the date of submission of the final evaluation report**

- (25) According to the Greek authorities, the envisaged schedule for the evaluation is composed of the following phases:

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<sup>17</sup> The COVID related questions addressed to all beneficiaries inquire on the existence of a COVID effect on operations, the importance of strategies (such as temporarily reduced employment, teleworking, etc.) and the appropriateness of government measures (such as employment programmes, tax waivers etc.) in coping with the crisis and the likelihood of closing down due to the pandemic. For firms in operation at least one year before the COVID outbreak, questions are being developed on the relative changes of sales and employment compared to the period before the pandemic. For projects that have not yet become operational questions are explored on the effect of the pandemic or of the measures taken by the government on the progress of the project and the likelihood of completely abandoning the project due to the pandemic.

Task	Deadline
Preliminary analysis of collected survey data	August 2021
Consolidated version of the evaluation plan for both schemes and 1 <sup>st</sup> annual report	December 2021
2 <sup>nd</sup> annual report – early evidence of the evaluation	October 2022
Final evaluation report	April 2023

- (26) The same timing applies to the evaluation of the General Entrepreneurship scheme in view of its interconnection with the evaluation plan for the Entrepreneurship for Small and Micro Enterprises scheme (recital (4)).

### **3.6. Independent body selection to conduct the evaluation, or criteria for its selection**

- (27) The independent body selected to conduct the evaluation is the same as for the General Entrepreneurship scheme and the details of it are provided in recital (28) of the 2018 evaluation plan decision.

### **3.7. Modalities for ensuring the publicity of the evaluation**

- (28) The modalities for the publicity of the evaluation are the same as for the General Entrepreneurship scheme and are summarized in recitals (29) and (30) of the 2018 evaluation plan decision.

## **4. ASSESSMENT OF THE EVALUATION PLAN**

- (29) The correct application of the GBER is the responsibility of the Member State. The present decision on the evaluation plan does not assess whether the aid scheme to be evaluated was put into effect by the Member State in full respect of all applicable provisions of the GBER. It does therefore neither create legitimate expectations, nor does it prejudice the position the Commission might take regarding the conformity of the aid scheme with the GBER when monitoring it, or assessing complaints against individual aid granted under it.
- (30) Pursuant to Article 1(2)(a) GBER, certain aid schemes<sup>18</sup> in the meaning of Article 2(15) GBER<sup>19</sup>, if their average annual State aid budget exceeds EUR 150 million, should be made subject to evaluation. The Commission notes that the average annual budget of the aid scheme concerned currently exceeds EUR 150 million as set in Article 1(2)(a) GBER.
- (31) As the Commission explained in recital 8 of the GBER, the evaluation of large schemes is required "*in view of the greater potential impact of large schemes on*

<sup>18</sup> Schemes under Sections 1 (with the exception of Article 15), 2, 3, 4, 7 (with the exception of Article 44), and 10 of Chapter III of this Regulation (Article 1(2)(a) GBER).

<sup>19</sup> 'Aid scheme' means any act on the basis of which, without further implementing measures being required, individual aid awards may be made to undertakings defined within the act in a general and abstract manner and any act on the basis of which aid which is not linked to a specific project may be granted to one or several undertakings for an indefinite period of time and/or for an indefinite amount (Article 2(15) GBER).

*trade and competition". The required "evaluation should aim at verifying whether the assumptions and conditions underlying the compatibility of the scheme have been achieved, as well as the effectiveness of the aid measure in the light of its general and specific objectives and should provide indications on the impact of the scheme on competition and trade." State aid evaluation should in particular allow the direct incentive effect of the aid on the beneficiary to be assessed (i.e. whether the aid has caused the beneficiary to take a different course of action, and how significant the impact of the aid has been). It should also provide an indication of the general positive and negative effects of the aid scheme on the attainment of the desired policy objective and on competition and trade, and could examine the proportionality and appropriateness of the chosen aid instrument.<sup>20</sup>*

- (32) In light of these considerations, Article 2(16) of the GBER defines as evaluation plan *"a document containing at least the following minimum elements: the objectives of the aid scheme to be evaluated, the evaluation questions, the result indicators, the envisaged methodology to conduct the evaluation, the data collection requirements, the proposed timing of the evaluation including the date of submission of the final evaluation report, the description of the independent body conducting the evaluation or the criteria that will be used for its selection and the modalities for ensuring the publicity of the evaluation."*<sup>21</sup>
- (33) The Commission considers that, as described in section 3 of this decision, the notified evaluation plan contains these minimum elements. The Commission considers that the average annual State aid budget, calculated over the entire period of the scheme 2019 to 2021, exceeded the annual average of EUR 150 million on 3 December 2020, as at that point the budget for the scheme totalled EUR 770 million (recitals (8) and (9)), resulting in an average annual State aid budget of EUR 257 million. However, before the increase of the budget, with the letter of 20 November 2020, Greece had already informed the Commission of its request to incorporate the evaluation of Entrepreneurship for Small and Micro Enterprises scheme into the existing evaluation plan of the scheme "General Entrepreneurship" (recital (4)).
- (34) The Greek authorities provided a concise description of the key objectives of the Entrepreneurship for Small and Micro Enterprises scheme. It provides sufficient information to understand the underlying 'intervention logic'. As stated in recital (36) of the 2018 evaluation plan decision, the scope of the evaluation is defined in an appropriate way. This also applies with the addition of Entrepreneurship for Small and Micro Enterprises scheme to the scope of that evaluation. The evaluation plan also identifies and justifies pertinent result indicators that integrate the evaluation questions and explains the data collection requirements and availabilities necessary in this context. The addition of the COVID-19 related questions to the surveys of the aid beneficiaries aims to explore the COVID-19 effect on firms and on the projects implemented under the scheme. Therefore such addition is considered as appropriate and not significantly affecting the content of the approved evaluation plan under the 2018 evaluation plan decision.
- (35) As stated in recital (37) of the 2018 evaluation plan decision, the evaluation plan sets out and explains the main methods that will be used in order to identify the

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<sup>20</sup> See the Staff Working Document cited in footnote 2 (footnote 3, section 2, second paragraph).

<sup>21</sup> Further guidance on evaluation plans is given in the Staff Working Document cited in footnote 2.

impacts of the scheme, and discusses why these methods are likely to be appropriate for the scheme in question. The proposed evaluation methodology sufficiently allows identifying the causal impact of the scheme itself.

- (36) The proposed timetable is reasonable in view of the characteristics of the scheme concerned and the relevant implementation periods for projects supported under the scheme. This timeline is considered reasonable in line with the workload to produce the reports as well as the availability of data to carry out the evaluation.
- (37) As stated in recital (39) of the 2018 evaluation plan decision, the selected evaluation body meets the independence and skills criteria.
- (38) As stated in recital (40) of the 2018 evaluation plan decision, the proposed modalities for the publication of the evaluation results are appropriate and ensure transparency. In particular, the Commission takes note of the commitment to make publicly available the results of the evaluation report and underlying data to stimulate research and assessment of the functioning of the Entrepreneurship for Small and Micro Enterprises scheme.
- (39) In view of the above, the Commission considers that the evaluation plan meets all requirements laid down in the GBER, is established in line with the common methodology proposed in the Staff Working Document, and is suitable given the specificities of the large aid scheme to be evaluated.
- (40) The Commission notes the commitment made by the Greek authorities to conduct the evaluation according to the plan described in the present decision and to inform the Commission of any element that might seriously compromise the implementation of the plan. The Commission also notes the commitment by the Greek authorities to fulfil the obligation to submit the final evaluation report by April 2023.
- (41) Therefore, pursuant to Article 1(2)(a) of the GBER, the Commission decides that the exemption for the aid scheme for which the evaluation plan was submitted is prolonged beyond the initial six months until 31 December 2021.
- (42) Alterations to this scheme, other than modifications which cannot affect the compatibility of the scheme under the GBER or cannot significantly affect the content of the approved evaluation plan, are pursuant to Article 1(2)(b) of the GBER excluded from the scope of the GBER.

## **5. CONCLUSION**

After having assessed the evaluation plan notified by Greece, the Commission has accordingly decided:

- to prolong the exemption of the scheme under the GBER until 31 December 2021;
- to publish this decision.

If this letter contains confidential information which should not be disclosed to third parties, please inform the Commission within fifteen working days of the date of receipt. If the Commission does not receive a reasoned request by that deadline, you will be

deemed to agree to the disclosure to third parties and to the publication of the full text of the letter in the authentic language on the Internet site:

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Yours faithfully,

For the Commission

Margrethe VESTAGER  
Executive Vice-President