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Changes in the Programme for supporting investments of significant importance to the Polish economy for the years 2011-2030

On 26th March 2021 the Polish Investment and Trade Agency has published long-awaited changes to the **Programme for supporting investments of significant importance to the Polish economy for the years 2011-2030**.

They include lowering state aid eligibility thresholds, streamlining project assessment criteria and simplifying the application process. The form of state aid remains unchanged – a grant financed directly from the state budget.

The changes have been introduced in order to promote investments and offset disadvantageous economic situation in Poland caused by the COVID-19 pandemic. They will be in force until the end of 2021 with the possibility of extension.

Below, a brief summary of rules and changes in the Programme is presented.

Form and amount of support

Support in the Programme can be obtained under the following two titles:

- eligible costs of investment (investment grant),
- creating new jobs (employment grant).

Moreover, it is possible to obtain a complementary measure in the form of a training grant.

In the case of **investment grant**, the level of support depends on the type of investment (Strategic/Innovative or R&D Centre) and the size of enterprise (large, developing

or SME). **State aid intensity ranges between 5 percent and 25 percent of total eligible costs of the new investment.** Projects carried out in areas at the risk of exclusion and in Eastern Poland enjoy preferential treatment.

In case of **employment grant**, the amount of state aid varies from **PLN 7 500 to PLN 20 000 for each newly created position**. Support level is identical for SMEs and large enterprises, depends on the type of investment (Business Services Centre or R&D Centre) as well as its location (preference granted to areas at the risk of exclusion and in Eastern Poland).

In the case of the training grant, the amount of state aid remains unchanged. Beneficiaries can get up to PLN 5 000 or PLN 7 000 (in areas at the risk of exclusion and in Eastern Poland) for each employee.

Areas at the risk of exclusion

Increased level of support and lowered requirements regarding the fulfilment of quantitative criteria may be obtained in the case of locating the investment in areas at the risk of exclusion. They include:

- 122 medium-sized cities, losing their socio-economic functions and municipalities bordering municipalities where such cities are located,
- areas of poviats or cities with poviat rights, where unemployment rate is at least 160 percent of the national average.

Favourable conditions may also be granted to investments located in any of the five voivodeships in Eastern Poland (warmińsko-mazurskie, podlaskie, lubelskie, świętokrzyskie or podkarpackie).

Developing enterprise

Another novelty introduced in the Programme is the **creation of a new group within the classification of entities, the so-called 'developing enterprise'**. It comprises of companies which hire less than one thousand employees and whose annual turnover or balance sheet total does not exceed EUR 250 million.

The maximum intensity of support for developing enterprises is identical as for medium-sized enterprises. Quantitative criteria are slightly higher compared to medium-sized enterprises, but are kept at a lower level than those for large entities.

Quantitative criteria

The most important change in quantitative criteria is **the differentiation of eligibility thresholds not only by reference to the type of investment, but also the size of enterprise** applying for aid.

Previous thresholds could have been fulfilled only by the largest enterprises. After the amendment, they have been replaced with individual thresholds adjusted even to the micro enterprises.

The second change concerns decreasing the number of accepted types of investments from 5 to 4, due to the combination of previous Business Professional Offices and Centres of Excellence into Business Services Centres having identical levels of support and criteria, regardless of the advancement of offered services.

Qualitative criteria

Qualitative criteria have been unified with the criteria relevant in case of applying for CIT exemption under the Polish Investment Zone measure. This means that investors can combine both measures effectively.

Fulfilling each criterion means obtaining 1 point with the maximum number of criteria being 10. Eligibility thresholds amount to:

- 4 points – in the area with maximum state aid intensity at the level of 50 percent and in the areas at the risk of exclusion,
- 5 points – in the areas with the maximum state aid intensity at the level of 35 percent,
- 6 points – in all other areas.

Obligatory cooperation with higher education institutions

Obligatory cooperation with higher education institutions or secondary schools, consisting in incurring costs in the amount of at least 15 percent of the awarded grant, has been maintained.

Cooperation can take the form of i.e. equipping the institutions with specialised equipment, sponsorship of scientific research or the organising internships for students.

Summary

Introduced changes facilitate applying for support for planned investments and increase the potential pool of aid beneficiaries. This is important considering the economic uncertainty caused by the COVID-19 pandemic.

If you are interested in finding out more about applying for the grant under the Programme, please do not hesitate to contact us.

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