### **European Commission - Press release**





# State aid: Commission invites interested parties to provide comments on proposed revision of State aid Framework for research, development and innovation

Brussels, 8 April 2021

The European Commission has launched today a <u>public consultation</u> inviting all interested parties to comment on a proposed targeted revision of the **State aid Framework for research, development and innovation** (the "RDI Framework"). Interested parties can respond to the consultation for eight weeks, until 3 June 2021.

Executive Vice-President Margrethe **Vestager**, in charge of competition policy, said: "We want to further simplify our existing State aid Framework to make it easier for Member States to support research, development and innovation, including by small and medium sized enterprises, while ensuring that possible competition distortions are kept to the minimum. We now invite stakeholders to share their views. All this to provide the right incentives to tackle the challenges we are facing and enable Europe's green and digital transition."

The <u>RDI Framework</u> aims at facilitating research, development and innovation ("RDI") activities, which, due to market failures, would not occur in the absence of public support. In this respect, the RDI Framework enables Member States, subject to certain conditions, to provide the necessary incentives to companies and the research community to carry out these important activities and investments in this field.

The Commission has conducted an evaluation of the current RDI Framework as part of the <u>State aid Fitness Check</u>. The evaluation revealed that the current provisions of the RDI Framework work well overall, and constitute an effective tool in facilitating research, development and innovation activities at both national and European level.

At the same time, the evaluation showed that some targeted adjustments of the existing rules may be necessary to reflect the latest regulatory, economic and technological developments. Furthermore, the RDI Framework may need to be aligned to the Commission's new strategic priorities, such as the European Green Deal and the EU's Digital Strategies.

In this context, the Commission is proposing a number of targeted changes. More specifically, the proposed revisions consist in:

- Improving and updating the existing definitions of research and innovation activities eligible for support under the RDI Framework, in particular to clarify their applicability with respect to digital technologies and activities related to digitalisation. This aims at providing legal certainty to Member States and stakeholders, while facilitating RDI investments that will enable the digital transformation of companies in the EU.
- Introducing new provisions to enable public support for technology infrastructures (e.g. facilities, equipment, capabilities and support services required to develop, test and upscale technology, such as testing labs) with a view to incentivise RDI investments in this type of infrastructures. This aims at further enabling the swift development of innovative technologies especially by small and medium sized enterprises (SMEs) and facilitating the green and digital transition of the EU economy;
- **Simplifying certain rules**, for example by introducing a simplified indirect cost calculation methodology for determining the eligible costs, in order to facilitate the practical application of the RDI Framework, where the evaluation has identified possible excessive administrative burden for companies and managing authorities.

The draft RDI Framework and all the details about the public consultation are available online.

# Next steps

In addition to the consultation launched today, the proposed text of the RDI Framework will also be discussed in a meeting between the Commission and Member States that will take place towards the

end of the consultation period. This process will ensure that both Member States and other interested parties will have sufficient opportunities to comment on the draft Commission proposal.

The adoption of the new RDI Framework is foreseen for the second half of 2021.

## **Background**

The RDI Framework sets out the conditions under which State aid for research, development and innovation activities may be considered compatible with the Internal Market. It applies to all technologies, industries and sectors to ensure that the rules do not prescribe in advance which research paths would result in new solutions for innovative products, processes and services.

The provisions of the RDI Framework are complemented by the <u>General Block Exemption Regulation</u> ("GBER"), which lays down ex ante compatibility conditions on the basis of which Member States can implement State aid measures without prior notification to the Commission.

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