

Hungarian position for the Framework for State aid for research and development and innovation 2021

Overall, the Hungarian authorities welcome the draft RDIF Framework as published by the European Commission (“Commission”) but they have the following comments about the draft.

1. In order to facilitate the rapid recovery of Member States' economies after the coronavirus pandemic, Hungary is taking the initiative to amend point 12 of the draft in order to allow undertakings that were not considered to be in difficulty on 31 December 2019 but became in difficulty after 1 January 2020 to be eligible for support under the Framework until 31 December 2023, i.e. until the prospective review of the General Block Exemption Regulation (GBER). In addition, Hungary proposes to consider the possibility of exempting SMEs from the limitation requirement for undertakings in difficulty also after 31 December 2023.

2. Undertakings participating in innovation clusters are mainly SMEs and innovative start-ups, thus cluster organisations address a permanent market failure. Therefore, in Hungary's opinion, there is no justification to limit the operating aid for innovation clusters to a time limit as proposed in point 14(f) of the draft. It is proposed to delete the 10-year period from the draft and to consider exempting SMEs from the requirement to pay the market price for the use of cluster facilities.

3. Hungary welcomes the provisions for the technological infrastructures to be introduced. However, as these types of facilities, as these facilities require high investment amounts and also according to the regulation are intended to serve the needs of SMEs, the aid intensity under the draft should be increased to 50% as the base intensity (the same as for research infrastructures), in the case of joint financing by two Member States, or if 80% of the capacity is allocated to SMEs, the intensity should be increased to 80%.

4. Due to the rapid technological progress in the field of tangible assets for research, development and innovation (particularly in the field of computer and other digital equipment), Hungary proposes to amend the draft text concerning the 10-year period for monitoring the ancillary economic activities in point 22 of the draft, so as to set the monitoring period at the same length as the depreciation period applicable in the Member State for the tangible assets concerned by the aid, but not exceeding 10 years.

5. Hungary welcomes the possibility of simplified cost accounting for indirect costs and requests the Commission to adapt the rules in point 81 of the draft to those of the ESI Funds.

6. Hungary opposes the reduction of the publication threshold to EUR 100,000, as it will considerably increase the administrative burden for which the Member States' administrations are not prepared.

7. Hungary joins a significant number of Member States in requesting the Commission to provide further detailed guidance on the distinction between economic and non-economic activities, particularly in the context of newer industries, technologies and activities.