

Comments to the draft amendment of the Regulation (EU) No 651/2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty

Masaryk University is a big supporter of closing the innovation gap and promoter of greater practical synergies between national and EU funds, incl. Seal of Excellence. Therefore we welcome the notion of progress brought by the new GBER proposal put forward in the second public consultation, including removal of reference to the Technology Readiness Level.

However, we still have the following concerns and suggestions for improvement:

1. **Article 25a** – current wording refers only to Seal of Excellence label projects that are currently given for specific projects, i.e., for Marie Curie aid for SMEs. Under the lifetime of Horizon Europe additional Seal of Excellence could be provided, and GBER shall be open to including those under general conditions. An example can be the ERA chair project that has a similar structure to Marie Skłodowska Curie actions. Therefore we suggest to include a general principle in Article 25a that would provide general guidance on principles to be used such as:
 - The eligible activities of the aided research and development project or feasibility study shall be those defined as eligible under the Horizon 2020 or the Horizon Europe programme rules, excluding activities going beyond experimental development activities.
 - The categories, maximum amounts and methods of calculation of eligible costs of the aided research and development project or feasibility study shall be those defined as eligible under the Horizon 2020 or Horizon Europe programme rules.
 - The total public funding provided for each aided action shall not exceed the maximum level of support provided for in the Horizon 2020 or the Horizon Europe programme.
2. **Article 25a** still speaks only about SMEs, whereas Small midcaps are eligible for funding under Horizon Europe Accelerator, where EIC supposes to deliver Seal of Excellence label. We therefore suggest adding small midcaps.

If small midcaps are not added, more bureaucracy will be created on the side of research funding organisation as they will have to create two different approaches - one for SMEs with SoE which could be financed under Horizon 2020/Horizon Europe rules and one for small midcaps to which other state aid rules will apply.
3. **Article 25a** modifies rules for SoE project only when awarded to SMEs. However, when the SoE is awarded, it remains open, upon the statement in the call text (even if now it concerns only mono beneficiaries, a solution for multi beneficiaries could be found during Horizon Europe implementation). As stated now in Article 25a, other entities - especially midcaps and other companies - would be excluded, which would introduce extra bureaucracy and discourage financing of SoE projects on national/regional levels.
4. **Article 25c quotes** Co-funded actions does not mention Co-funded partnerships. A clear reference to the Co-funded partnerships would be very helpful as only institutionalized partnerships are clearly quoted.

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5. **Article 25d, para 1** quotes that the Teaming action is involving at least 2 Member States. This information is redundant and incorrect. In the first place, the relevant conditions, who is eligible, are subject to be specified by work programme. Secondly, the Teaming action is focused on Widening countries, so the beneficiaries can be not only from EU Member States, but also from Associated Countries. Furthermore Teaming does not limit the partner institution to be only from EU Member States either. The partner institution should be a university or a research organisation with an international reputation in research and innovation excellence (without the specification of its location). Therefore we suggest to keep the paragraph simple and remove the information about the involvement at least 2 Member States: "Aid provided to co-funded Teaming actions, involving at least 2 Member States and evaluated, ranked and selected ...".

6. Seal of Excellence for Teaming actions – Article 25d, para 1 and 2 (and Article 25a)

The amending Regulation covers most of the actions where a Seal of Excellence quality label is issued. Unfortunately, one action is missing, and it is Teaming.

We believe it is not intentional. In our opinion the new article 25a cannot be used for Teaming Seal of Excellence projects, although the name of the article indicates it. The limitations are focus on SMEs (applicant organisation in Teaming is a national/regional authority or a research funding agency or a university or a research organisation), the eligible activities (research and development project or feasibility study, while Teaming projects are not research projects) or maximum aid amount (2,5 mil. EUR, while H2020 limitation for Teaming Phase 2 is 15 mil. EUR).

The new suggested paragraph 25d does not mention Seal of Excellence, hence it seems it cannot be used for Seal of Excellence Teaming projects with current wording. Because the projects awarded with Seal of Excellence in MSCA or ERC P-o-C are clearly written in article 25b, we suggest adapting the article 25d likewise. Our suggestion is hereinafter.

Draft Article 25d

Aid for Teaming actions

1. *Aid provided to ~~co-funded~~ Teaming actions **or Teaming actions awarded a Seal of Excellence quality label**, ~~involving at least 2 Member States and~~ evaluated, ranked and selected by independent experts following transnational calls under the Horizon 2020 or the Horizon Europe programme rules, shall be compatible with the internal market within the meaning of Article 107(3) of the Treaty and shall be exempted from the notification requirement of Article 108(3) of the Treaty provided that the conditions laid down in this Article and in Chapter I are fulfilled.*
2. *The eligible activities of the ~~co-fund~~ Teaming action shall be those defined as eligible under the Horizon 2020 or Horizon Europe programme rules, excluding, where applicable, activities going beyond experimental development activities.*

We also recommend adjusting the name of the article 25a so it involves reference to SMEs.