

Comments on the amending Regulation (EU) No 651/2014

Generally

The Austrian Research Promotion Agency (FFG) appreciates the initiative to amend the GBER. Nevertheless FFG has some suggestions to further improve this draft.

Art I paragraph 4 lit c Undertakings in difficulty

The regulations concerning undertakings in difficulty cause many problems especially for R&D measures for start-ups and SME's. FFG criticized several times that the rigid interpretation of the definition hampers young and small innovative enterprises from R&D&I funding. According to the GBER, a company is classified as an „undertaking in difficulty" when more than half of its subscribed share capital has disappeared as a result of accumulated losses. This situation can easily occur especially in a start-up, when they have to expend significant funds on their R&D-activities. This can cause losses in their financial statements.

Thus, we see high barriers for SME by focusing exclusively on one balance based figure when assessing a company status. Taking into account established rating processes in the banking & finance sector, the focus on one single figure does in many cases not represent the true financial capability of an undertaking. Although they are classified as "undertaking in difficulty" by GBER, they could already achieve positive cash-flows and have excellent market and investment perspectives. We would not like to exclude such SME from our funding schemes in order not to discriminate them against "well established" enterprises.

Therefore FFG suggest adding in Art I paragraph 4 lit c R&D&I as an exception.

Art 21 paragraph 16

FFG appreciate the new instrument of quasi-equity investments. Additionally FFG suggest using this instrument not only in Art 21 but also generally in other state-aid cases.

Art 22 Paragraph 2

For FFG the period of 5 years after the registration is an inconsistency with other provisions like in Art 2 lit. 18 (Undertakings in difficulty – 3 years) therefore FFG suggest to harmonize all these provisions inclusive the definition of start-ups to 5 years.

Furthermore we do not understand lit a-c. For FFG these provisions can be a restriction to the present situation. By example, why should the new small enterprise start a new activity to be eligible? First new small enterprises have to deal with their main activity and not to start new activities, but maybe that wasn't the intention, then we would suggest to rephrase the amendment.

Art 31 paragraph 3 lit b

We strongly appreciate the change concerning accommodation costs.

R&D&I Section

FFG suggest reacting to the present situation in this area. There are a rising number of initiatives combining several different grants like Horizon 2020 and national state aid. The GBER doesn't support such initiatives en contraire it hinders such initiatives.

Due to this fact as an example we suggest to amend or sharpen the definition of start of the work (Art. 2 point 23). In some European and international granting instruments the applicants have to apply formally several times for the same project. In such cases this definition can lead to problems because of the time lack between the different applications. In such cases the first application should be the relevant for all applications. This concerns also the possibilities to continue projects after a first granting period.

Furthermore FFG suggest opening the R&D&I sector also more for social innovations.

Additionally in Art 26 of the GBER FFG suggest adding personal cost to the eligible costs for infrastructures. The first experiences with infrastructures show the problems concerning the personal costs. In infrastructure projects the personal costs are often very high due to the fact that the objects of investment have to be build and installed by the personal. Therefore FFG suggest adding personal costs as eligible costs in Art 26.

Art 28 Innovation aid for SMEs

In order to facilitate more coherence between H2020 and the national funding schemes we suggest extending the definition of eligible costs. This definition is in accordance with the SME instrument.

d) Costs for prototyping, miniaturisation, scaling-up, design, performance verification, testing, demonstration, development of pilot lines, validation for market replication, including other activities aimed at bringing innovation to investment readiness and maturity for market take-up.