



25th September 2019

To: European Commission Directorate-General for Competition Unit 03 (Ref.: HT 5224)

Suggestions for improvement of General block exemption regulation

Lithuanian Innovation Center analyzed the General Block Exemption Regulation project, wants to point out that the terms and definitions used in the Commission Regulation are not in line with the Frascati Manual, which is widely recognised as a cornerstone of internationally accepted definitions of R&D and classifications of its component activities. This can cause improper interpretation of the GBER provisions in the evaluation of the project's compliance with state aid requirements or collecting statistics about research and development:

	SOURCES		
	COMMISSION REGULATION (EU) .../... of XXX amending Regulation (EU) No 651/2014	Frascati Manual 2015	Suggestions
Fundamental research	"Fundamental research" means experimental or theoretical work undertaken primarily to acquire new knowledge of the underlying foundations of phenomena and observable facts, without any direct commercial application or use in view (corresponding to Technology Readiness Level 1)	Basic research is experimental or theoretical work undertaken primarily to acquire new knowledge of the underlying foundations of phenomena and observable facts, without any particular application or use in view.	<ul style="list-style-type: none">• Align definitions, taking into account the concept used in Frascati Manual 2015.• Fundamental (basic) research corresponds not to first (1) but to zero (0) Technology Readiness Level, as interpreted by the European Research Council (https://enspire.science/trl-scale-horizon-2020-erc-explained/). Taking into account this interpretation, we suggest abandon or modify the interpretation in parentheses as follows: (corresponding to Technology Readiness Level 0)
Industrial research	"Industrial research" means the planned research or critical investigation aimed at the acquisition of new knowledge and skills for developing new products, processes or services or for bringing about a significant improvement in existing	Applied research is original investigation undertaken in order to acquire new knowledge. It is, however, directed primarily towards a specific, practical aim or objective.	<ul style="list-style-type: none">• The term "industrial research" by definition includes both applied research and experimental development. However, by the meaning and considering the fact that the hereafter is given a separate definition of experimental development, industrial research means only applied research. We suggest replacing the term "industrial

	<p>products, processes or services.</p> <p>It comprises the creation of components parts of complex systems, and may include the construction of prototypes in a laboratory environment or in an environment with simulated interfaces to existing systems as well as of pilot lines, when necessary for the industrial research and for generic technology validation</p> <p>(corresponding to Technology Readiness Levels 2, 3 and 4)</p>	<p>Experimental development is systematic work, drawing on knowledge gained from research and practical experience and producing additional knowledge, which is directed to producing new products or processes or to improving existing products or processes.</p>	<p>research" with "applied research" by choosing the definition proposed by Frascati Manual 2015 or abandoning in the current term "industrial research" this sentence "It comprises the creation of components parts of complex systems, and may include the construction of prototypes in a laboratory environment or in an environment with simulated interfaces to existing systems as well as of pilot lines, when necessary for the industrial research and for generic technology validation" which leads to misinterpretations.</p> <ul style="list-style-type: none"> • Industrial research corresponds to Technology Readiness Levels 1 as interpreted by the European Research Council (https://enspire.science/trl-scale-horizon-2020-erc-explained/), therefore, the sentence in parentheses needs to be changed to "corresponding Technology Readiness Levels 1, 2, 3 and 4".
Experimental development	<p>"Experimental development" means acquiring, combining, shaping and using existing scientific, technological, business and other relevant knowledge and skills with the aim of developing new or improved products, processes or services.</p>	<p>Experimental development is systematic work, drawing on knowledge gained from research and practical experience and producing additional knowledge, which is directed to producing new products or processes or to improving existing products or processes.</p>	<ul style="list-style-type: none"> • Align definitions, taking into account the concept used in Frascati Manual 2015.

Director of Lithuanian Innovation Centre

Mantas Vilys

