



State Aid Modernisation and the revision of the R&D&I rules

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State Aid Modernisation: the context of the reform

- Ensuring effective and efficient state aid to support the EU 2020 objectives
- Macroeconomic context: limited budgetary means, limited growth dynamics
- Three main objectives: supporting growth, better prioritised enforcement and streamlining of decision making



1. Supporting growth

Foster "good" aid aiming at rectifying actual market failures and directly linked to EU 2020 objectives

- Facilitating the granting of well-designed aid targeted at common interest objectives and proven market failures
- Fostering the quality and the efficiency of public support
- Ensuring a well-functioning internal market (limiting distortions of competition)

⇒ *stimulate innovation, growth and employment objectives, strengthen efficiency in times of budgetary constraints for MS*



2. Better prioritised enforcement

Increase efficiency through focusing on most important and potentially distortive cases

- State aid control at EU level to be prioritised on most significant cases (large and potentially distortive aid)
- Enforcement at EU and national level (cf. GBER)
- Proportionate and differentiated rules
- Reducing regulatory burden

⇒ *less red tape for administrations and for cases with limited effects, enhanced cooperation and partnership at EU and MS level*



3. Streamlining of decision making

Address shortcomings of the state aid framework and related procedures

- Clarify and simplify the rules
- Enhance consistency and streamline the assessment process (consolidate horizontal and substantive rules)
- Well-informed decisions within business-relevant timelines

⇒ *accelerated procedures, simplified/clarified rules for aid grantors and beneficiaries, facilitated assessment process*



Delivering the SAM objectives: new rules for R&D&I aid

- Adjustment of scope to enhance effectiveness in supporting EU 2020 objectives where necessary
- Improvement of general architecture to facilitate wider use of the GBER and ensure prioritisation of enforcement
- Better design of compatibility rules to ensure predictability and proportionality of assessment



1. Adjustment of scope

Review and clarification to foster growth in a strengthened, dynamic and competitive internal market

- Treatment of EU-funded projects
- Definition of research categories (e.g. better coverage of experimental development and demonstration projects) and innovation (including non-technological innovation)
- Collaboration between research organisations and undertakings
- Research infrastructures



2. Improvement of general architecture

Ensuring the right balance between simplification and rigour in the assessment of aid

- Facilitating the granting of well-designed aid targeted at common interest objectives and proven market failures (clearer distinction between an enlarged GBER and the R&D&I Framework)
- Proportionate assessment of compatibility, possibly including notification/monitoring thresholds on aid to regular beneficiaries
- Treatment of (large) aid schemes



3. Better design of compatibility rules

Encouraging well-targeted public intervention so as to improve the level of efficiency in the economy

- Presence of a market failure (filters and benchmarking)
- Need to ensure incentive effect to avoid "free money" (net extra cost approach to ensure that aid is limited to the minimum and use of appropriate aid instruments)
- Preserving dynamic incentives to invest (avoiding foreclosure of future markets)
- Ensuring a well-functioning internal market (limiting distortions of competition and territorial restrictions)