

European Commission has launched a public consultation on the review of the EU state aid rules for research, development and innovation (R&D&I)

The European Commission has launched a public consultation with a view to assessing the application of the **Community framework for state aid for research and development and innovation** and on Research, Development and Innovation policy at large.

The Europe 2020 Communication makes an explicit reference to the role of State aid: *"State aid policy can also actively and positively contribute to the Europe 2020 objectives by prompting and supporting initiatives for innovative, efficient and greener technologies, while facilitating access to public support for investment, risk capital and funding for research and development"*.

State aid for R&D&I can be declared compatible with the internal market where the aid addresses a market failure in R&D&I and is necessary to increase R&D&I, provided that the ensuing distortion of competition and effect on trade is not contrary to the common interest. The aim of the R&D&I-Framework is to ensure this objective and to make it easier for Member States to better target the aid to the relevant market failures.

The R&D&I-Framework recognises that without public support R&D&I might be lower than what is socially desirable. At the same time, it highlights the possible risks of distortions in competition between firms and in the location of investments across the Union. R&D&I-State aid that is not well targeted could crowd out competitors, thus reducing the market's overall innovation output (by reducing the incentives of other players in the market to continue to do R&D), maintaining an inefficient market structure (by artificially supporting the market presence of the firm in the market) and/or increasing or maintaining the aid beneficiary's market power.

In view of the expiry of the R&D&I-Framework and the GBER in December 2013 and as a first preparatory step for the new rules, on 10 August 2011 the Commission published a Mid-term review on the application of the R&D&I-Framework¹, thereby delivering on commitment 13 of the Innovation Union Communication. As a second step, it now seeks further feedback from Member States and stakeholders on the application of the R&D&I rules and substantive input for its revision.

The Commission has published a questionnaire addressed to the Member States and all other interested parties. The results of this public consultation will serve as a basis for evaluating the R&D&I-Framework and for eventually proposing improvements.

The period for this consultation is: 20.12.2011 – 24.02.2012.

The public consultation is available in:

http://ec.europa.eu/competition/consultations/2012_stateaid_rdi/index_en.html

¹ http://ec.europa.eu/competition/state_aid/legislation/rdi_mid_term_review_en.pdf