

The English Research, Development and Innovation State Aid Scheme

1. Member State

United Kingdom

2. Regions

East Midlands;
Eastern;
London;
North East;
North West;
South East;
South West;
West Midlands; and
Yorkshire and the Humber

3. Title of aid Scheme

The English Research, Development and Innovation State Aid Scheme

4. Government or statutory bodies authorised to implement the Scheme

The implementing body is the Department of Communities and Local Government.

The implementing body has a range of statutory functions which include funding projects in England which encourage research, development and innovation.

5. Legal Authority

The implementing body is authorised to award aid under domestic law. The legal authority for the implementing bodies to award aid is contained within:

- The European Communities Act 1972;
- The Local Government, Planning and Land Act 1980;
- The Leasehold Reform, Housing and Urban Development Act 1993;
- The Local Government Act 2000;
- The Public Contracts Regulations SI 2006 No 5;
- The Local Government Act 2007;
- The Housing and Regeneration Act 2008; and
- The European Communities (Finance) Act 2008.

6. Duration

The English Research, Development and Innovation State Aid Scheme allows the implementing bodies to award and provide aid in England between 1 July 2011 and 31 December 2013.

7. Basis of Scheme

The English Research, Development and Innovation State Aid Scheme is exempted from the notification requirements of Article 108(3) of the TFEU as aid is awarded in accordance with the General Block Exemption Regulation ([Commission Regulation No 800/2008](#)) of 6 August 2008 (“GBER”).

The scheme utilises the following instruments of GBER:

Article 31 Aid for research and development projects;

Article 32 Aid for technical feasibility studies;

Article 33 Aid for industrial property rights costs for SMEs;

Article 34 Aid for research and development in the agricultural and fisheries sectors;

Article 35 Aid to young innovative enterprises;

Article 36 Aid for innovation advisory services and for innovation support services; and

Article 37 Aid for the loan of highly qualified personnel.

8. Aid Intensity

The English Research, Development and Innovation State Aid Scheme allows the implementing bodies to award aid up to the maximum aid intensity allowable under Articles 31 to 37 of GBER, subject to the implementing body satisfying all the relevant provisions of GBER and the applicable terms of the scheme.

The maximum investment intensities are set out in the table below.

[Commission Recommendation C20031422/361/EC](#) (Official Journal L124, 20.5.2003) provides guidance on identifying the appropriate size of enterprise.

Aid Measure	Maximum % aid intensity levels for:			Notification thresholds (€)
	Large Enterprises	Medium Enterprises	Small Enterprises	
AID FOR RESEARCH AND DEVELOPMENT AND INNOVATION: GBER SECTION 7				

Aid Measure	Maximum % aid intensity levels for:			Notification thresholds (€)
	Large Enterprises	Medium Enterprises	Small Enterprises	
Article 31 Aid for research and development projects;	Fundamental Research 100% Industrial Research 50% Experimental Research 25%	Fundamental Research 100% Industrial Research 60% Experimental Research 35%	Fundamental Research 100% Industrial Research 70% Experimental Research 45%	Fundamental Research 20m Industrial Research 10m Experimental Research 7.5m
Article 32 Aid for Technical Feasibility Studies	Industrial Research 65% Experimental Research 40%	Industrial Research 75% Experimental Research 50%	Industrial Research 75% Experimental Research 50%	Industrial Research 10m Experimental Research 7.5m
Article 33 Aid for industrial property rights for SMEs	Not applicable	Contingent upon type of research that has led to the intellectual property right	Contingent upon type of research that has led to the intellectual property right	7.5m
Article 34 Aid for research and development in the agricultural and fisheries sectors	100%	100%	100%	5m
Article 35 Aid to young innovative enterprises	Not applicable	Not applicable	Not applicable	1m Increasing to 1.35m if the enterprise is in an Article 107(3)(c) area and to 1.5m if the enterprise is in an Article 107(3) (a) area

Aid Measure	Maximum % aid intensity levels for:			Notification thresholds (€)
	Large Enterprises	Medium Enterprises	Small Enterprises	
<u>Article 36</u> Aid for innovation advisory services and for innovation support services	Not applicable	Not applicable	Not applicable	200,000 over a 3 year cumulative period. The provider of the services can only receive 75% funding unless they have the appropriate certification.
<u>Article 37</u> Aid for the loan of highly qualified personnel	Not applicable	50%	50%	Costs incurred over a period of up to three years.

Where the total funding from all public sources will exceed the above thresholds, no aid may be granted or otherwise committed until approval has been obtained from the European Commission.

For administration purposes, aid will be awarded under sub-schemes which align with the relevant measures of Section 7 of GBER. These schemes can be found at Appendix A. The implementing body should inform the aid recipient of the relevant sub-scheme.

9. **Scheme Objectives**

The object of the English Research, Development and Innovation State Aid Scheme is to provide State Aid cover for awards of aid that incentivise business to engage in activities related to research, development and innovation.

Any award made under the English Research, Development and Innovation State Aid Scheme will be made at the discretion of the implementing body, taking into account considerations such as whether the award of aid will help incentivise business to engage in research, development and innovation related activities and whether State Aid is the appropriate instrument to achieve the objective.

10. **Forms of aid**

Aid for projects funded under this scheme may take the form of grants only.

Each project under this scheme shall comply fully with the relevant identified sub-schemes.

11. Procurement of suppliers

Aid provided under the English Research, Development and Innovation State Aid Scheme shall only usually be made available on the condition that the recipient agrees to select all goods and services funded under the scheme through an open and competitive tender process consistent with the Public Contracts Regulations 2006 (as amended). Where, for whatever reason, an open and competitive tender is not adopted, the recipient is required to keep records to demonstrate that the costs for each item or service are equal or lower than that which would have been established had the goods or services been selected through an open and competitive tender process. The implementing body reserves the right to require the recipient to instruct an independent expert, at the recipient's cost, to verify whether the costs are equal or below that which would have been established through an open and competitive tender process.

12. Incentive Effect

The implementing body will take all necessary steps to ensure the Incentive Effect requirements in Article 8 of GBER are satisfied before aid is awarded.

In accordance with European Commission notice "Incentive effect in relation to large enterprises" Comp/H4/CS/dg-D*2011/097439, dated 20 September 2011, to ensure compliance with Article 8 (3) of GBER, all projects using this scheme involving large enterprises will:

- Produce an internal document analysing the viability of the aided project activity with the proposed aid and without the proposed aid;
- Ensure the document contains credible analysis and demonstrates the incentive effect; and
- Shall submit that document to the implementing body, prior to the aid being legally committed.

13. Excluded aid

The English Research, Development and Innovation State Aid Scheme allows aid to all sectors other than those listed below:

- Fisheries and aquaculture;
- Shipbuilding;
- Coal industry;
- Steel industry;
- Synthetic fibres; and
- Primary production of agricultural products (listed in Annex 1 of the Treaty; cork products under CN codes 4502, 4503, 4504; products used to substitute for milk/milk products).

This scheme shall not allow aid:

- which constitutes export aid or favours domestic over imported products;
- that has the objective of the establishing and /or financing of distribution networks in other countries;
- where implementing body has reasonable grounds to believe the recipient of funds will be within the definition of undertaking in difficulty (as set out in 2.1 of the

¹; and

- where the recipient of the aid is the subject of an outstanding recovery order relating to a previous European Commission decision in which aid has been declared illegal and / or incompatible with the Common Market.

14. Cumulation

The aid exempted in this Scheme may be cumulated with any other aid under the GBER as long as those aid measures are for different identifiable, eligible costs.

However aid under the English Research, Development and Innovation State Aid Scheme may not be cumulated with any other aid exemption (for example another measure under GBER or the De Minimis Regulations 1998/2006) where the funding covers the same eligible costs and the effect is to exceed the applicable maximum aid intensity or aid amount applicable.

15. Notice of Scheme

Where aid is provided under the English Research, Development and Innovation State Aid Scheme, the implementing body shall inform the recipient in writing of the name of the scheme and that it is notified under GBER.

16. Administration

The European Commission requires information on the use of all GBER schemes. Therefore whenever an implementing body project makes use of the English Property Development State Aid Scheme, they shall:

- write to Alexander Rose at the Legal Department, Department of Communities and Local Government to inform him that they are using the scheme and shall provide the required reporting information upon reasonable notice; and
- agree to collect information to meet the requirements of Articles 10 and 11 of GBER.

The requirements of Articles 10 and 11 of GBER, include records of the:

- Scheme title;
- Commission block exemption reference number;
- the decision date;
- the name and address of recipients;
- the amount of aid and evidence of gap calculations;
- the date and amount of aid payments;
- information on the form of each tranche of aid;
- the status of any undertaking where the level of aid is dependent on its status as an SME; and
- evidence that the incentive effect has been met for each award of aid.

Failure to provide information may mean that the aid is invalid. The implementing body requires that beneficiaries take reasonable steps to ensure records are retained for at least 10 years from the date of the last payment.

¹ other than SMEs that have been incorporated for less than 3 years unless they are insolvent under UK legislation

In the event that any part of this scheme is inconsistent with GBER, the provisions of GBER shall take priority.

17. Clawback

Any recipient of aid under this scheme may be required to pay back the award with interest in the event of a breach of State Aid law, including but not limited to a failure to follow the requirements of GBER.

18. Budget

The maximum sum allowable in each calendar year under the English Research, Development and Innovation State Aid Scheme shall be £350m per sub-scheme. This sum is provided for State Aid purposes only and does not reflect a committed government budget.

19. Sources of Funding

The awards of aid provided under each sub-scheme may come from structured funds or otherwise.

20. Contact Details

Alexander Rose
Senior Projects Solicitor
Re: State Aid
Legal Department
Department of Communities & Local Government
Citygate
Gallowgate
Newcastle upon Tyne
NE1 4WH

Appendix 1

The Sub-Schemes

Sub-scheme 1	Article 31	Aid for research and development projects;
Sub-scheme 2	Article 32	Aid for technical feasibility studies;
Sub-scheme 3	Article 33	Aid for industrial property rights costs for SMEs;
Sub-scheme 4	Article 34	Aid for research and development in the agricultural and fisheries sectors;
Sub-scheme 5	Article 35	Aid to young innovative enterprises;
Sub-scheme 6	Article 36	Aid for innovation advisory services and for innovation support services; and
Sub-scheme 7	Article 37	Aid for the loan of highly qualified personnel.

Sub-Scheme 1: 'Aid for research and development projects;

Article 31 – Aid for research and development projects.

Availability of Aid

Aid is given entirely at the discretion of the respective implementing body. The levels of assistance listed, represent the maximum values and percentages legally possible. The publication of this scheme does not indicate current availability of aid of this type.

Grant funding for individual projects is awarded in accordance with the implementing body's project appraisal and investment decision making process, as well as available budgets. Publication of this scheme can not be considered to constitute any expectation of assistance.

Purpose of the Scheme

The purpose of the Scheme is to promote the efficiency and competitiveness by:

- encouraging innovation and research within the UK and the EU, in line with the Lisbon Strategy; and
- promoting the ancillary skills of the EU population.

The scheme utilises to the provisions of GBER Section 7, Article 31 allowing up to the relevant maximum threshold.

Definitions

Experimental development - the acquiring, combining, shaping and using existing scientific, technological, business and other relevant knowledge and skills for the purpose of producing plans and arrangements or designs for new, altered or improved products, processes or services.

These may include, for instance, other activities aiming at the conceptual definition, planning and documentation of new products, processes or services. Those activities may comprise producing drafts, drawings, plans and other documentation, provided that they are not directly intended for commercial use. The development of commercially usable prototypes and pilot projects is also included where the prototype is necessarily the final commercial product and where it is too expensive to produce for it to be used only for demonstration and validation purposes.

In the case of a subsequent commercial use of demonstration or pilot projects, any revenue generated from such use must be deducted from the eligible costs. The experimental production and testing of products, processes and services shall also be eligible, provided that these cannot be used or transformed to be used in industrial applications or commercially. Experimental development shall not include routine or periodic changes made to products, production lines, manufacturing processes, even if such changes represent improvements.

Fundamental research - experimental or theoretical work undertaken primarily to acquire new knowledge of the underlying foundations of phenomena and observable facts, without any direct practical commercial application or use in view

Industrial research - 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 significant improvements in existing products, processes or services. It comprises the creation of component parts to complex systems, which is necessary for the industrial research, notably for generic technology validation, to the exclusion of prototypes.

Eligible Costs

- Overheads incurred directly as a result of the research activity;
- All costs Personnel costs of staff engaged in working on the project;
- Costs of instruments and equipment to extent used on the research project, if not used for the whole life of the asset on the project, only pro rata depreciation costs are eligible;
- Costs for building and land used for the research project. Only the depreciation costs related to the life of the research project are eligible;
- Cost of contractual research, technical knowledge and patents bought or licensed from outside sources at market prices;
- Cost of consultancy used exclusively to support the project; and
- All costs must be allocated to a specific category or research (fundamental, industrial or experimental).

Aid Intensity and Conditions

The aid intensity covers the cumulative benefit from all public sources to the project, including that arising through research organisations.

Fundamental Research – Aid can be provided up to a threshold of 100%.

Industrial Research – Aid can be provided up to a threshold of 50% for a Large or 60% for a Medium or 70% for a Small enterprise.

Experimental Research - Aid can be provide up to a threshold of 25% for a Large, 35% for a Medium and 45% for a Small enterprise.

Collaboration

For both industrial and experimental research the allocation can be increased through collaboration, for example by 15% up to a total maximum of 80% of the costs, where:

(a) the project includes a collaboration between two independent enterprises where one of them is a SME and no single entity bears more than 70% of the eligible costs; or

(b) the project involves a collaboration between an enterprise and a research organisation, where the research organisation bears at least 10% of the costs and has the right to publish the results of the research projects as far as it stems from its own research.

For the avoidance of doubt, subcontracting is not considered to be collaboration.

Maximum Aid

The Maximum aid per enterprise is €20m for fundamental research, €10m for industrial research and €7.5m for experimental research.

Sub-Scheme 2: “Technical Feasibility Studies”

Article 32 - Aid for Technical Feasibility Studies

Availability of aid

Aid is given entirely at the discretion of the respective implementing body. The levels of assistance listed, represent the maximum values and percentages legally possible. The publication of this scheme does not indicate current availability of aid of this type.

Purpose of the Scheme

The purpose of the Scheme is to promote the efficiency and competitiveness by:

- encouraging innovation and research within the UK and the EU, in line with the Lisbon Strategy; and
- promoting the ancillary skills of the EU population.

The scheme utilises to the provisions of GBER Section 7, Article 32 allowing up to the relevant maximum threshold.

Definitions

Experimental development - the acquiring, combining, shaping and using existing scientific, technological, business and other relevant knowledge and skills for the purpose of producing plans and arrangements or designs for new, altered or improved products, processes or services.

These may include, for instance, other activities aiming at the conceptual definition, planning and documentation of new products, processes or services. Those activities may comprise producing drafts, drawings, plans and other documentation, provided that they are not directly intended for commercial use. The development of commercially usable prototypes and pilot projects is also included where the prototype is necessarily the final commercial product and where it is too expensive to produce for it to be used only for demonstration and validation purposes.

In the case of a subsequent commercial use of demonstration or pilot projects, any revenue generated from such use must be deducted from the eligible costs. The experimental production and testing of products, processes and services shall also be eligible, provided that these cannot be used or transformed to be used in industrial applications or commercially. Experimental development shall not include routine or periodic changes made to products, production lines, manufacturing processes, even if such changes represent improvements.

Industrial research - 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 significant improvements in existing products, processes or services. It comprises the creation of component parts to complex systems, which is necessary for the industrial research, notably for generic technology validation, to the exclusion of prototypes.

Eligible Beneficiaries

Enterprises and research organisations based in England which are seeking to invest in research projects which require preparatory investigation.

The scheme will be available to large enterprises and SMEs as defined in Commission Recommendation C20031422/361/ec on the definition of small and medium size enterprises.

Eligible costs

The eligible costs are the costs of the study.

Aid Intensity and Conditions

The aid intensity covers the cumulative benefit from all public sources to the project, including those funded from research organisations.

The threshold for aid for technical feasibility studies conducted prior to industrial research to enterprises will be up to 50% for a Large enterprise and 75% for an SME enterprise.

The threshold for technical feasibility studies conducted prior to experimental research for enterprises will be up to 40% for a Large enterprise and 65% for an SME enterprise.

The maximum grant will not exceed €10m per enterprise per project for industrial research or €7.5m per enterprise per project for experimental research.

Sub-Scheme 3 “Aid for Intellectual Property Rights”

Article 33 - Aid for Intellectual Property Right Costs for SMEs

Availability of aid

Aid is given entirely at the discretion of the respective implementing body in their respective regions. The levels of assistance listed, represent the maximum values and percentages legally possible. The publication of this scheme does not indicate current availability of aid of this type.

Purpose of the Scheme

The purpose of the Scheme is to promote the efficiency and competitiveness by:

- encouraging innovation and research within the UK and the EU, in line with the Lisbon Strategy;
- enabling SMEs to protect and exploit their industrial property rights; and
- promoting the ancillary skills of the EU population.

The scheme utilises to the provisions of GBER Section 7, Article 33 allowing up to the relevant maximum threshold.

Eligible Beneficiaries

The measure is limited to SMEs.

Eligible costs

All costs directly related to and required for obtaining and validating patents and other industrial property rights incurred:

- (a) prior to the grant of the right of protection in the first jurisdiction, including costs relating to the preparation, filing and prosecution of the application (as well as costs incurred in renewing the application before the right has been granted);
- (b) translation and other costs incurred in order to obtain the granting or validation of the right in other legal jurisdictions; and
- (c) costs incurred in defending the validity of the right during the official prosecution of the application and possible opposition proceedings, even if such costs occur after the right is granted.

Aid Intensity

The maximum aid intensity is contingent upon the relevant activity which first led to the industrial property rights concerned:

Industrial Research – Aid can be provided up to a threshold of 50% for a Large or 60% for a Medium or 70% for a Small enterprise.

Experimental Research - Aid can be provide up to a threshold of 25% for a Large, 35% for a Medium and 45% for a Small enterprise.

Sub-Scheme 4: “Aid for R&D in the Agriculture and Fisheries sectors”

Article 34 – Aid for research and development in the agricultural and fisheries sectors

Availability of aid

Aid is given entirely at the discretion of the respective implementing body. The levels of assistance listed, represent the maximum values and percentages legally possible. The publication of this scheme does not indicate current availability of aid of this type.

Purpose of the Scheme

The purpose of the Scheme is to encourage research and development projects in the relevant sectors.

The scheme utilises to the provisions of GBER Section 7, Article 34 allowing up to the maximum allowable threshold.

Eligible Beneficiaries

Research Organisations (within the definition set out in the Research and Development and Innovation Guidelines 2006) who propose a project related to advancing understanding in one or both of the agriculture and fisheries sectors.

Eligible Projects

To be within the Scheme, the Research Organisation must publish, prior to the start of any funded research on the internet:

- the name of the project;
- the objective of the project;
- the expected date that results will be obtained from the research;
- where the results will be published; and
- that the results will be published at no cost.

The Research Organisation shall take all reasonable steps to promptly publish the results of any research funded under this scheme on the internet and shall seek to ensure the results remain on the same website for not less than five years.

Prior to publication, steps shall be taken to ensure the results are kept confidential and are not distributed in an unequal manner which could enable an organisation to receive a commercial advantage from the research.

Eligible costs

- Overheads incurred directly as a result of the research activity;
- All costs Personnel costs of staff engaged in working on the project;
- Costs of instruments and equipment to extent used on the research project, if not used for the whole life of the asset on the project, only pro rata depreciation costs are eligible;
- Costs for building and land used for the research project. Only the depreciation costs related to the life of the research project are eligible;
- Cost of contractual research, technical knowledge and patents bought or licensed from outside sources at market prices;
- Cost of consultancy used exclusively to support the project; and
- All costs must be allocated to a specific category or research (fundamental, industrial or experimental).

The implementing body shall monitor the project to oversee that the project does not contravene Article 34 (4) of the GBER by direct granting non-research related aid to any company producing, processing or marketing agricultural products or provide any measure which provides price support to the producers of such products.

Aid Intensity

The maximum percentage of eligible costs which can be funded under this measure is 100%.

Sub-Scheme 5: “Aid for Young Innovative Enterprises”

Article 35 – Aid to Young Innovative Enterprises

Availability of aid

Aid is given entirely at the discretion of the respective implementing body. The levels of assistance listed, represent the maximum values and percentages legally possible. The publication of this scheme does not indicate current availability of aid of this type.

Purpose of the Scheme

The purpose of the Scheme is to encourage promising young innovative enterprises to grow and realise their commercial potential through the allocation of targeted aid.

The scheme utilises to the provisions of GBER Section 7, Article 35 allowing up to the maximum allowable threshold.

Eligible Beneficiaries

The measure can only be provided to assist a small enterprise (within the meaning set out in [Commission Recommendation C20031422/361/EC](#) Official Journal L124, 20.5.2003) which has been in existence for less than six years.

Support under this measure can only be applied where either:

- (a) The enterprise's research and development costs during at least one of the three financial years prior to the award of aid have been established, to the satisfaction of the implementing body, to represent at least 15% of the enterprise's total operating costs for the relevant year; or
- (b) Where the enterprise has no financial history for the implementing body to assess, an independent external auditor provides confirmation, to the satisfaction of the implementing body, that it is reasonable to expect that during at least one of the three subsequent financial years that research and development costs shall represent at least 15% of the enterprise's total operating costs for the relevant year.

Aid Intensity

The measure does not apply an aid intensity percentage. Instead it allows for the enterprise to receive a one off investment of up to:

- €1.5m where the enterprise is located in an Article 107(3) (a) assisted area;
- €1.25m where the enterprise is located in an Article 107(3) (c) assisted area;
- €1m where the enterprise is not located in an assisted area.

Legal Conditions

Any award of aid under this scheme shall only be valid where the aid recipient, prior to receiving the funding agrees, by way of a legally binding contract with the implementing body obligations which are materially similar to:

- The award of aid shall become repayable at the implementing body's discretion (with interest calculated in accordance with the European Commission's reference rate) if:
 - (a) more than 25% of the enterprise's shares are sold or a commitment is made to sell the shares at a later date (or a proportion of a controlling corporate entity's

- (b) the enterprise has not within three calendar years of the award, taken reasonable steps to fulfil specific representations made to the implementing body which were material to the aid being awarded (for example, an assurance to create specified new roles or commercial operation in the territory of the implementing body).
- The recipient shall not receive any further Article 35 GBER aid, from either the implementing body or from any other source.

Cumulation

For a period of three years after the award of the aid, the recipient of Article 35 support cannot benefit from any further aid under any of the other measures under GBER with the exception of those set out in Section 6 (Articles 28 and 29) and Section 7 (Articles 31 to 37).

Sub-Scheme 6 - “Aid for Innovation Support and Advisory Services”

Article 36 – Aid for innovation advisory services and for innovation support services

Availability of aid

Aid is given entirely at the discretion of the respective implementing body. The levels of assistance listed, represent the maximum values and percentages legally possible. The publication of this scheme does not indicate current availability of aid of this type.

Purpose of the Scheme

The purpose of the Scheme is to support innovative behaviour by SMEs by providing appropriate support measures.

The scheme utilises to the provisions of GBER Section 7, Article 36 allowing up to the maximum allowable threshold.

Eligible Beneficiaries

The recipient shall be an appropriate service provider, assessed for capability by the implementing body, who shall receive the funding upon the basis that they direct the aid through to the innovative SMEs.

Where the service provider has a national or European certification they may receive up to 100% of their costs incurred in delivering the programme. Where they do not hold such certification, they may only receive up to 75% of their delivery costs.

The service provider's eligible costs are the costs of delivering the innovation advisory and support services, including any investment in necessary facilities, equipment or expertise. The service provider shall retain suitable evidence to demonstrate value for money in incurring any eligible costs and compliance with the Public Contracts Regulations 2006.

The beneficiaries of the advisory and support services shall be SMEs involved in innovative practices. Innovative practices relate to a process connecting knowledge and technology with the objective of exploiting market opportunities for new or improved products, services and business processes compared to those already widely available in the market, and encompassing a certain degree of risk.

SMEs involved in innovative practices may receive up to €200,000 worth of eligible costs in a three year period. The service provider shall record how much aid each SME has received under Article 36 and shall inform the SME of this sum from time to time. SMEs who receive Article 36 aid should retain this information and provide it if offered Article 36 aid in the future.

Eligible Costs

The eligible costs are:

- a) with regard to innovation advisory services, the costs relating to: management consulting, technology assistance, technological transfer services, training, consultancy for acquisition, protection and trade in Intellectual Property Rights and for licensing agreements, consultancy on the use of standards; and
- b) with regard innovation support services, the costs relating to: office space, data banks, technical libraries, market research, use of laboratory, quality labelling, testing and certification.

The SME threshold of up to €200,000 of eligible support in a three year period shall be calculated by reference to:

- the market rate for the service; or
- where the provider is a not for profit entity directly providing the service, by establishing the cost of the service and an appropriate profit margin.

If an enterprise has received capital under an Article 29 GBER risk capital measure, for the 3 years following this investment, the maximum intervention rates will be reduced by 50% in non assisted areas and 20% in assisted areas.

Sub-Scheme 7: “Aid for the loan of highly qualified personnel”

Article 37 - “Aid for the loan of highly qualified personnel”

Availability of aid

Aid is given entirely at the discretion of the respective implementing body. The levels of assistance listed, represent the maximum values and percentages legally possible. The publication of this scheme does not indicate current availability of aid of this type.

Purpose of the Scheme

The purpose of the scheme is to encourage the sharing of expertise, best practice and innovative resources between organisations,

The scheme utilises to the provisions of GBER Section 7 Article 37 allowing up to the maximum available thresholds.

Eligible Beneficiaries

The beneficiaries of the measure are the SMEs who receive highly qualified personnel. The costs of the employer of the highly qualified personnel may be subsidised through State Aid under this measure.

Eligible Costs

The eligible costs are the personnel costs for borrowing and employing highly qualified personnel, including the costs of using a recruitment agency and of paying a mobility allowance for the seconded personnel. The personnel shall have the right to return to their original employer after the secondment.

This measure shall not apply to consultancy costs as defined in Article 26 of GBER.

Personnel

The measure only applies to Highly Qualified Personnel who have worked at either a Research Organisation or a large enterprise for two years. Highly Qualified Personnel means researchers, engineers, designers and marketing managers with tertiary education degree and at least 5 years of relevant professional experience; doctoral training may count as relevant professional experience.

The personnel must not be replacing other staff but must take up a role which is newly created in the SME and relates to innovative practice (as defined in the Article 36 sub-scheme). .

Aid Intensity and conditions

50% of the eligible costs, for a maximum of 3 years per undertaking and per person borrowed.

If an enterprise has received capital under a state aid risk capital measure, for the 3 years following this investment, the maximum intervention rates will be reduced by 50% in non assisted areas and 20% in assisted areas.