



STATE AID RULES and COVID-19

**The Temporary State Aid
Framework's rules applicable to
aid for research and testing of
coronavirus relevant products**

Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak

- Overall objective: to allow targeted, effective and rapid State aid in response to the COVID-19 outbreak
- Applies from 19 March until 31 December 2020.
- Commission may review and prolong the Temporary Framework
- All other State aid rules continue to apply!

Temporary Framework – specific rules for ‘COVID-19 crisis aid’

- to ensure liquidity and access to finance
- to compensate for direct damage suffered as a result of the COV-19 outbreak
- **for COV-19 relevant R&D and innovation projects**
- for the construction or upgrade of testing and upscaling infrastructures required to develop, test and upscale COV-19 relevant products
- for the setting up of additional capacities for the production of COV-19 relevant vaccines, medical products, treatments etc
- to protect jobs

State aid for COVID-19 and other antiviral relevant R&D&I – specific rules

- **Projects having received a COVID-19-specific Seal of Excellence quality label explicitly included**
- research into vaccines, medical products and treatments, medical devices, hospital and medical equipment, disinfectants, protective clothing and equipment, and into relevant process innovations
- Forms of aid: direct grants, repayable advances or tax advantages
- '*Temporary* rules' → aid must be granted by 31 December 2020
- Excluded: Undertakings that already on 31 December 2019 were 'in difficulties' (as defined by EU-State aid rules)

State aid for COVID-19 and other antiviral relevant R&D&I – specific rules

COVID-19-specific Seal of Excellence

- The Commission has assessed the project's relevance for accelerating R&D into COVID-19
- Advantage: The Member State does not need to perform another detailed relevance assessment

State aid for COVID-19 and other antiviral relevant R&D&I – specific rules

- ‘Incentive effect criterion’ – ‘start date requirement’:
 - project start *as of* 1 February 2020: project fully eligible
 - **‘COVID-19-Seal of Excellence’: fully eligible regardless of start date**
 - start before 1 February 2020 and no COVID-19-specific Seal of Excellence: *only* additional costs *necessary* to accelerate the project/widen its scope are eligible

State aid for COVID-19 and other antiviral relevant R&D&I – specific rules

- Eligible costs = all costs *necessary* for the R&D project during its duration, including
 - personnel costs
 - costs for digital and computing equipment, diagnostic tools, data collection and processing tools,
 - R&D services,
 - pre-clinical and clinical trials phases I-III
 - phase-IV clinical trials are also eligible (!) – *as long as* they allow further scientific or technological advance
 - obtaining, validating and defending patents and other intangible assets, obtaining conformity assessments and/or authorisations

State aid for COVID-19 and other antiviral relevant R&D&I – specific rules

- Basic aid intensity per beneficiary:
 - Up to 100% of eligible costs for fundamental research
 - Up to 80% of eligible costs for industrial research and experimental development
- 15 percentage points top-up on basic aid intensity
 - if more than one Member State supports the research project, or
 - project is carried out in cross-border collaboration with research organisations or other undertakings
- Cumulation with other public support (e.g. Horizon 2020) for the *same* eligible costs is allowed *up to* these ceilings

State aid for COVID-19 and other antiviral relevant R&D&I – specific rules

- Aid beneficiary must commit to grant non-exclusive licences under non-discriminatory market conditions to third parties in the EEA

'COVID-19 crisis aid' under the Temporary Framework – procedure

- COV-19 aid under the Temporary Framework is *not* exempt from the notification obligation – no 'block exemption'!
- Notification to the Commission (→ specific 'COV-19' notification form)
- **Also applies if a project has received a COVID-19-specific Seal of Excellence!**
- Rapid assessment procedure if complete notification
- E.g. Portugal's scheme to support COV-19 related R&D, testing-infrastructures etc. notified on 15 April → Commission approval on 17 April 2020



DG RTD's message to Member States and beneficiaries

- EU-wide coordination and knowledge sharing are essential for the success of COVID-19 research!
- Aid beneficiaries please consider
 - granting broad access to knowledge resulting from projects
 - participating in COVID-19 related Union measures such as the [European COVID-19 Data Platform](#) or working groups
 - Coordinating cross-border with undertakings and research organisations
- Member State please consider sharing with us a list of successful projects – the objective is to improve the collaboration between National R&I programmes and Horizon 2020

Information

- Information on Coronavirus-related State aid on Commission website
https://ec.europa.eu/competition/state_aid/what_is_new/covid_19.html
- Mailbox and telephone number, to assist Member States with any queries on the Temporary Framework or related State aid measures:
 - (+32) 2 296 52 00
 - COMP-COVID@ec.europa.eu