

Opening MEP Maria da Graça Carvalho,

Mr. Pierre Larouche, *Professor of Competition Law at Tilburg University.*

Comments:

- **MEPs**
- **European Commission**
 - DG COMP**
 - DG RTD**
 - DG Enterprise**
 - DG CONNECT**
 - DG Regio**
 - DG Energy**

Wrap-up Richard Hudson, rapporteur EIN WG

Speaking points:

- Welcome to this breakfast debate
- State Aid Modernisation is underway
- Communication on State Aid Modernisation and JTI's (8May 2012) sets out an ambitious objectives:
 - Foster growth in a strengthened, dynamic and competitive internal market
 - Focus enforcement on cases with the biggest impact on the internal market
 - Streamlined rules and faster decisions
- State Aid Modernisation, issues have emerged that can directly impact the strength of the Horizon 2020 and national R&D programmes.

Turning now to the question of the impact of H2020 on the Framework on State aid, there are basically three points that I should like to make.

* The first is that it is necessary to be careful about the way in which state aid is considered. The amount of reimbursement that will be granted to beneficiaries of state aid, being it 100% or 70% of the direct costs, plus 25% of overheads will have a direct impact on the framework for state aid.

* Secondly, Under H2020, bodies involved in research and innovation are entitled to claim funds from the EU but

also from other public sources. This is particularly important with regard to synergies with the structural funds - especially for demonstration and innovation activities. Creating the right conditions for these synergies is something that is dear to my heart. This was not the case in previous framework programmes. The advantage of this is that it will allow these bodies to take advantage of multiple streams of funding. However, we have to be careful that this does not give rise to overfunding or the privileging of one company or public body over another. This would mean distortion of competition in the market.

* Thirdly, I would like to mention that the final version of H2020 adopts a clear classification of the stage a given project is at within the innovation chain. The OECD Technological Readiness Level offer 9 levels ranging from 1 (basic research) to 9 (early deployment of near-commercial technologies). This range of levels will help establish the amount of state aid that should be devoted to a given project in relation to its degree of development. It is now under discussion if this classification should be used as well for the activities under the JTIs.

** Finally, I am gratified to see that DG Competition has already made significant efforts to introduce greater flexibility and simplification into the process of granting state aid. It is my belief that as much flexibility and simplification as possible in order to encourage faster movement through the innovation cycle. My cry would be "simplify, simplify". My own report on simplification suggested around 60 measures,

most of which were then included in the final draft version H2020.

- Give the floor to Mr. Pierre Larouche, Professor of Competition Law at Tilburg University