

ANNEX 9 – State aid

Regulations applicable to State aid granted to Partnerships, Joint Applied research projects, are:

- Community framework on State aid for research, development and innovation (2006 / C 323/01);
- Regulation no. 800/2008 of the European Commission (2008 / L 214 / 3);
- Authorization decision C (2007) 6545;
- Decision of the President of NASR no. 9451/2007 approving the state aid scheme "Financing RDI projects according to the National Research, Development and Innovation II".

They are available for consultation at:

<http://fonduristrutturale.ancs.ro/ro/categorie/1660/fonduri-structurale-legislatie-ue>

This appendix summarizes some of the most important provisions of normative acts mentioned above. To determine the entities to which this scheme applies state aid, it is necessary to make a distinction between two types of entities: enterprises and research organizations.

A research organization is an entity such as an university or research institute, irrespective of its legal status (public or private) or financing, whose primary goal is to conduct fundamental research, industrial research or experimental development and to disseminate its results through educational activities, publishing or technology transfer; all profits / proceeds are reinvested in these activities, dissemination or education; enterprises that can exert influence over such organizations as shareholders or members, for example, will not benefit from preferential access to the research capacities of the entities or research results yielded. Financing institutions falling within the definition of research organizations do not constitute state aid and legal provisions on state aid do not apply.

Enterprises are legally constituted entities with research and / or technological development as part of their activity and providing economic activities, namely activities consisting in offering goods and / or services on the market.

These include:

A - private:

- R & D units organized as enterprises;
- enterprises and their structure, carrying out research and development;

- accredited private higher education institutions or their components;
- NGOs carrying out research and development.

B - public:

- institutes or research and development centers organized in national societies, national companies and autonomous administrations;
- international centers of research and development established under international agreements.

The beneficiaries are also universities / research organizations engaged in activities both economic and non-economic, provided they do not keep separate accounts for the two activities, even in cases where aid is granted for their main non-economic activity. Under these conditions, research organizations qualify as enterprises.

Enterprises fall into three categories (Annex 9.2 - Statement of enterprises as small, medium and large), depending on respecting the following conditions, as follows:

- small businesses:

- have fewer than 49 employees;
- an annual net turnover or have total assets of up to 10 million euros, equivalent in lei;

- medium enterprises:

- have between 50 and 249 employees;
- annual net turnover of up to 50 million euros, equivalent in lei or have total assets not exceeding the equivalent in RON of EUR 43 million;

- large enterprises:

- more than 250 employees;
- over 43 million, equivalent in lei.

In the framework of the Partnership - Joint Applied Research Projects (PCCA) may finance the following activities:

- fundamental research,
- industrial research and
- experimental development (individually or in collaboration),
- technical feasibility studies,
- activities for obtaining and protecting intellectual property rights for SMEs.

For all activities funded under the scheme, these maximum rates of funding from the state budget can be applied as a percentage which shall be realised from public funds of the eligible costs of an enterprise conducted under the project supported by public funds:

Company Type	Category of activity *	Projects - PARTNERSHIPS		
		Big	Medium	Small
Fundamental research	A.1	100%		
Industrial research	A.2	65%	75%	80%
Experimental development	A.3	40%	50%	60%
Technical of feasibility studies (industrial research)	B.1	65%	75%	
Technical of feasibility studies (experimental development)	B.2	40%	50%	
Protecting of industrial property rights (fundamental research)	C.1	-	100%	
Protecting of industrial property rights (industrial research)	C.2	-	60%	70%
Protection of Industrial property rights (experimental development)	C.3	-	35%	45%

* The category of activity is in accordance with Annex 9.5 - Types of eligible RDI activities in the State aid scheme for PCCA - PARTNERSHIPS

The following types of expenditures from public funds are not eligible under the state aid scheme, but may be realized from the co-financing budget:

- Disseminating widely by national or international communication and publication of results;
- Participating in technical-scientific events (round tables, national / international workshops, national / international fairs);
- Participation in training and development;
- Organizing training courses and training;
- Connecting to national and international research networks;
- Working visits / exchanges of good practice.

Depending on the type of organization, each partner in a PCCA type project must complete and submit the following statements:

No. Annex	Name Annex	Type of entity that must complete
9.1	Declaration on compliance with the definition of research organization	Entities stating research organizations
9.2	Declaration on enterprise definition as small, medium and large	Entities other than research organizations
9.3a	Declaration on own responsibility of eligibility for research organization	Research Organizations
9.3b	Declaration on own responsibility of eligibility for enterprise	Entities which are aid recipients
9.4	Declaration for certification the stimulating effect	Entities which are state aid beneficiaries

Besides declarations, the Contracting Authority reserves the right to require supporting documentation to prove their reality.

DEFINITIONS:

- "**small and medium enterprises**", or SMEs, "**small**" and "**medium-sized enterprises**" are defined as those enterprises defined in Commission Regulation (EC) Nr. 70/2001, or under any regulation replacing it;

- "**large enterprise**" is the company that does not fit the definition of small and medium enterprises;

- "**aid intensity**" is the gross amount of aid, expressed as a percentage of eligible project costs. All figures used shall be calculated before deducting fees or taxes. Aid paid in installments will be updated when the value of the grant is awarded. The interest rate that will be used for updating will be the reference rate applicable at the time of grant. The aid intensity is calculated per beneficiary;

- "**research organization**" is an entity such as an university or research institute, irrespective of its legal status (public or private) or financing, whose primary goal is to conduct fundamental research, industrial research or experimental development and to disseminate its results through

educational activities, publishing or technology transfer, all profits / proceeds are reinvested in these activities, dissemination or education, enterprises can exert an influence on such organizations, as shareholders or members, for example, will not benefit from preferential access to research capabilities of the entity or the research results generated by it;

- "**fundamental research**" means experimental or theoretical work undertaken primarily to acquire new knowledge about the causes of phenomena and observable facts, without any direct practical application or use envisaged;

- "**industrial research**" means planned research or critical investigation that serves to acquiring new knowledge and skills to develop new products, processes or services or the discovery of a significant improvement in products, processes or services. Includes components to create complex systems required for industrial research, especially for generic technology validation and excludes prototypes which are within the scope of experimental development;

- "**experimental development**" means the acquisition, merge, consolidate and use of existing knowledge and skills in science, technology, business and other relevant knowledge and skills, to produce plans and designs for products, processes and services, modified or improved. These can include other activities in order to define, conceptual planning and documentation products, processes or services. Activities may comprise producing drafts, drawings, plans and other documentation, provided that they are not intended for commercial use. Development of prototypes and pilot projects which may be given a commercial use is also included where the prototype is necessarily the final commercial product and its production is too costly for it to be used exclusively for demonstration and validation. In a subsequent commercial use of demonstration or pilot projects, any revenue generated from such use must be deducted from eligible costs. The experimental production and testing of products, processes and services are also eligible, provided that such products, processes and services cannot be used or converted for use in industrial applications or commercially. Experimental development does not include routine or periodic changes made to products, production lines, manufacturing processes, existing services and other operations in progress, even if such changes represent improvements;

- "**economic agent**" is an institution providing economic activities, activities consisting in offering goods and / or services on the market, regardless of its legal or financial way. Economic agents may be of large enterprise, medium or small;

- **"firm in difficulty"** within the meaning of the Community guidelines on State aid for rescuing and restructuring firms in difficulty (2004/C244/02). According to guidelines, a company is in difficulty if not able, from its own resources or with funds that can be obtained from the owner / shareholders or creditors, to stem losses which, without outside intervention by public authorities , will almost certainly condemn it to going out of business in the short or medium term.

"types of institutions":

- INCD - National Institute for Research and Development
- I-AR - Romanian Academy Institute of coordination
- I-AS, I-AGR, I-ASM - Institute of ASAS coordination, the Ministry of Agriculture, that the Academy of Medical Sciences
- IP - a public institution
- UNI - Public higher education institutions
- SNC - company, National Companies, state
- SACD - limited liability companies
- SRL - limited liability company
- NGO - non-profit non-governmental organization (associations, foundations, etc.)
- ALT - others

