

Financial support to prepare grant applications targeted towards Horizon 2020 will be given as *de minimis* aid to companies

Financial support from PES2020 to prepare grant applications targeted towards Horizon 2020 is not defined as R&D activity, and can thus not be granted under the general Block Exemption Regulation for state aid under which the Research Council normally awards support. This applies to grant applications submitted under the PES2020 scheme as from 1 January 2015.

Categories of recipients

For enterprises that are entirely or partially engaged in economic activity, any award of financial support from the PES2020 scheme to prepare grant applications targeted towards Horizon 2020 will be given as *de minimis* aid. In cases where the applicant is a university, university college or research institute and the financial support received from the PES2020 scheme will be used for projects within the scope of the applicant's primary activity (conducting independent research and making the results of this research available through teaching, publication or technology transfer), this support is *not* considered to be state aid. Thus the rules regarding *de minimis* aid described below will not be applied here.

Companies	University/university college/ research institute (primary activity)
<i>De minimis</i> aid	Not state aid

What is *de minimis* aid, and why is the financial support being awarded in this manner under the PES2020 scheme?

As a general rule, granting of state aid to companies or other enterprises that are engaged in economic activity is prohibited, except where an explicit exemption exists. The general block exemptions for R&D activity do not apply for financial support to prepare grant applications. *De minimis* aid is another kind of exemption from the prohibition on state aid in which funding providers may grant small amounts without having to notify the EFTA Surveillance Authority (which monitors compliance with European Economic Area rules). The main grounds for this exemption are that the amount awarded is so small that it is deemed not to have any effect on trade and/or to distort or threaten to distort competition.

De minimis aid is regulated in Commission Regulation (EU) No 1407/2013 of 18 December 2013. The regulation is included in the EEA Agreement (Annex XV, State Aid, Item 1ea.) and implemented in Norwegian law through the Regulations of 14 November 2008 No 1213 concerning exemption from the notification requirement for state aid, Section 2.

The Commission Regulation on *de minimis* aid is available here:

http://ec.europa.eu/competition/state_aid/legislation/de_minimis_regulation_en.pdf

Ceiling amount

The amount of *de minimis* aid that may be awarded to a single undertaking is maximum EUR 200 000 over a period of three fiscal years. Thus to be eligible for financial support, the applicant may not have received more than a total of EUR 200 000 in *de minimis* aid during a period of three fiscal years (i.e. the year the aid was disbursed and the two preceding years). The disbursement of *de minimis* aid under the PES2020 scheme must not lead awardees to exceed this ceiling.

Procedures for awarding financial support

Prior to disbursement of any *de minimis* aid, the Research Council will request written confirmation and an overview of all other *de minimis* aid that the undertaking has received in the course of the three fiscal years in question. For enterprises that are a part of a group of linked enterprises, the ceiling amount generally applies to the group as a whole.