



*The following scheme provides the legal cover for award of support in line with the General Block Exemption Regulation. The scheme does not provide any additional funding or budget.*

## **Advanced Design Engineering (ADE) Research, Development and Innovation Scheme**

State aid reference no: SA.60365

1. **Member State:** United Kingdom
2. **Region:** East Wales and West Wales and the Valleys
3. **Title of aid Scheme:** Advanced Design Engineering (ADE) Research, Development and Innovation Scheme
4. **UK legal basis:**
  - University of Wales Trinity Saint David – Royal Charter 1828
  - Section 47 Higher Education (Wales) Act 2015
  - Council Regulation 1083/2006 (OJ L 210 of 31.07.2006 page 25) {General Structural funds Regulation}
  - Council Regulation 1080/2006 (OJ L 210 of 31.07.2006 page 1) {ERDF Regulation}

### **5. EC legal basis:**

All aid provided under this Scheme will be within the limits set out in Articles 25, 28 and 29 of Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (General Block Exemption Regulation). A full version of the Regulation can be found at: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014R0651&from=EN>

Summary information relating to the Scheme has been registered with the Commission under reference **SA.60365**

### **6. Definitions:**

In this Scheme, the following expressions have the same meaning attributed to them as in the General Block Exemption:

**“Research and knowledge-dissemination organisation”**

Means an entity (such as universities or research institutes, technology transfer agencies, innovation intermediaries, research-oriented physical or virtual collaborative entities), irrespective of its legal status (organised under public or private law) or way of financing, whose primary goal is to independently conduct fundamental research, industrial research or experimental development or to widely disseminate the results of such activities by way of teaching, publication or knowledge transfer. Where such

entity also pursues economic activities the financing, the costs and the revenues of those economic activities must be accounted for separately. Undertakings that can exert a decisive influence upon such an entity, in the quality of, for example, shareholders or members, may not enjoy preferential access to the results generated by it.

**“Fundamental research”**

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

**“Industrial research”**

Means 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 a significant improvement in existing products, processes or services. It comprises the creation of components parts of complex systems, and may include the construction of prototypes in a laboratory environment or in an environment with simulated interfaces to existing systems as well as of pilot lines, when necessary for the industrial research and notably for generic technology validation.

**“Experimental development”**

Means acquiring, combining, shaping and using existing scientific, technological, business and other relevant knowledge and skills with the aim of developing new or improved products, processes or services. This may also include, for example, activities aiming at the conceptual definition, planning and documentation of new products, processes or services; Experimental development may comprise prototyping, demonstrating, piloting, testing and validation of new or improved products, processes or services in environments representative of real life operating conditions where the primary objective is to make further technical improvements on products, processes or services that are not substantially set. This may include the development of a commercially usable prototype or pilot which is necessarily the final commercial product and which is too expensive to produce for it to be used only for demonstration and validation purposes. Experimental development does not include routine or periodic changes made to existing products, production lines, manufacturing processes, services and other operations in progress, even if those changes may represent improvements.

**“Feasibility study”**

Means the evaluation and analysis of the potential of a project, which aims at supporting the process of decision-making by objectively and rationally uncovering its strengths and weaknesses, opportunities and threats, as well as identifying the resources required to carry it through and ultimately its prospects for success.

**“Personnel costs”**

Means the costs of researchers, technicians and other supporting staff to the extent employed on the relevant project or activity.

**“Arm's length”**

Means that the conditions of the transaction between the contracting parties do not differ from those which would be stipulated between independent enterprises and contain no element of collusion. Any transaction that results from an open, transparent and non-

discriminatory procedure is considered as meeting the arm's length principle.

**“Effective collaboration”**

Means collaboration between at least two independent parties to exchange knowledge or technology, or to achieve a common objective based on the division of labour where the parties jointly define the scope of the collaborative project, contribute to its implementation and share its risks, as well as its results. One or several parties may bear the full costs of the project and thus relieve other parties of its financial risks. Contract research and provision of research services are not considered forms of collaboration.

**“Research infrastructure”**

Means facilities, resources and related services that are used by the scientific community to conduct research in their respective fields and covers scientific equipment or sets of instruments, knowledge-based resources such as collections, archives or structured scientific information, enabling information and communication technology based infrastructures such as grid, computing, software and communication, or any other entity of a unique nature essential to conduct research. Such infrastructures may be ‘singlesited’ or ‘distributed’ (an organised network of resources) in accordance with Article 2(a) of Council Regulation (EC) No 723/2009 of 25 June 2009 on the Community legal framework for a European Research Infrastructure Consortium (ERIC).

**“Innovation clusters”**

Means structures or organised groups of independent parties (such as innovative start-ups, small, medium and large enterprises, as well as research and knowledge dissemination organisations, not-for-profit organisations and other related economic actors) designed to stimulate innovative activity through promotion, sharing of facilities and exchange of knowledge and expertise and by contributing effectively to knowledge transfer, networking, information dissemination and collaboration among the undertakings and other organisations in the cluster.

**“Innovation advisory services”**

Means consultancy, assistance and training in the fields of knowledge transfer, acquisition, protection and exploitation of intangible assets, use of standards and regulations embedding them.

**“Innovation support services”**

Means the provision of office space, data banks, libraries, market research, laboratories, quality labelling, testing and certification for the purpose of developing more effective products, processes or services.

**“Organisational innovation”**

Means the implementation of a new organisational method in an undertaking's business practices, workplace organisation or external relations, excluding changes that are based on organisational methods already in use in the undertaking, changes in management strategy, mergers and acquisitions, ceasing to use a process, simple capital replacement or extension, changes resulting purely from changes in factor prices, customisation, localisation, regular, seasonal and other cyclical changes and trading of new or significantly improved products.

<b>“Process innovation”</b>	Means the implementation of a new or significantly improved production or delivery method (including significant changes in techniques, equipment or software), excluding minor changes or improvements, increases in production or service capabilities through the addition of manufacturing or logistical systems which are very similar to those already in use, ceasing to use a process, simple capital replacement or extension, changes resulting purely from changes in factor prices, customisation, localisation, regular, seasonal and other cyclical changes and trading of new or significantly improved products.
<b>“Secondment”</b>	Means temporary employment of staff by a beneficiary with the right for the staff to return to the previous employer.
<b>“Assisted area”</b>	Means any of the regions in Wales designated as 1 107 (3) (a) or 107 (3) (c) area as identified in the UK Regional Aid Map 2014 - 2020 (SA.38113 (2014/N)).
<b>“Date of granting the aid”</b>	Means the date when the legal right to receive the aid is conferred on the beneficiary under the applicable national legal regime.
<b>“Highly qualified personnel”</b>	Means staff having a tertiary education degree and at least 5 years of relevant professional experience which may also include doctoral training.
<b>“Intangible assets”</b>	Means assets that do not have a physical or financial embodiment such as patents, licenses, know how or other intellectual property.
<b>“Large enterprise”</b>	Means any enterprise that is not an SME as defined in the definition of micro, small and medium-sized enterprises contained in the Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises (2003/361/EC), which took effect on 1 January 2005. <sup>1</sup>
<b>“Non-assisted areas”</b>	Means any of the regions in Wales not designated as an assisted area.
<b>“The Regional Aid Map”</b>	Means the map approved by the Commission for the UK and published in accordance with paragraph 101 of the Guidelines on National Regional Aid for 2013-2020 (2006/C 54/08) (SA38113 (2014N)).
<b>“SME”</b>	Means an enterprise that falls within the criteria and parameters of the definition of micro, small and medium-sized enterprises contained in the Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises (2003/361/EC), which took effect on 1 January 2005 <sup>2</sup> .
<b>“Tangible assets”</b>	Means assets consisting of land, buildings and plant, machinery and equipment.

<sup>1</sup> [http://europa.eu/eur-lex/pri/en/oj/dat/2003/l\\_12420030520en00360041.pdf](http://europa.eu/eur-lex/pri/en/oj/dat/2003/l_12420030520en00360041.pdf)

<sup>2</sup> [http://europa.eu/eur-lex/pri/en/oj/dat/2003/l\\_12420030520en00360041.pdf](http://europa.eu/eur-lex/pri/en/oj/dat/2003/l_12420030520en00360041.pdf)

**“Undertaking in difficulty”**

Means an undertaking in respect of which at least one of the following circumstances occurs:

(a) In the case of a limited liability company (other than an SME that has been in existence for less than three years or, for the purposes of eligibility for risk finance aid, an SME within 7 years from its first commercial sale that qualifies for risk finance investments following due diligence by the selected financial intermediary), where more than half of its subscribed share capital has disappeared as a result of accumulated losses. This is the case when deduction of accumulated losses from reserves (and all other elements generally considered as part of the own funds of the company) leads to a negative cumulative amount that exceeds half of the subscribed share capital. For the purposes of this provision, "limited liability company" refers in particular to the types of company mentioned in Annex I of Directive 2013/34/EU34 and "share capital" includes, where relevant, any share premium.

(b) In the case of a company where at least some members have unlimited liability for the debt of the company (other than an SME that has been in existence for less than three years or, for the purposes of eligibility for risk finance aid, an SME within 7 years from its first commercial sale that qualifies for risk finance investments following due diligence by the selected financial intermediary), where more than half of its capital as shown in the company accounts has disappeared as a result of accumulated losses. For the purposes of this provision, "a company where at least some members have unlimited liability for the debt of the company" refers in particular to the types of company mentioned in Annex II of Directive 2013/34/EU.

(c) Where the undertaking is subject to collective insolvency proceedings or fulfils the criteria under its domestic law for being placed in collective insolvency proceedings at the request of its creditors.

## **7. Objective of the Scheme**

The objectives of the University shall be to advance education and disseminate knowledge by teaching, scholarship and research for the public benefit (University of Wales Trinity Saint David - Supplemental Charter 2010 paragraph iii). Advanced Design Engineering (ADE) will enable transformational and sustainable growth in the manufacturing industry of East Wales and West Wales and the Valleys by facilitating the adoption of Industrial Digital Technologies (IDT's). The scheme will address two interlinked problems faced by manufacturing SMEs within Wales evidenced by 1) global changes in manufacturing technologies and 2) increasing their productivity.

The global changes in manufacturing technologies centre on the adoption of Industrial Digital Technologies (IDT's) and are contextualised in a broader shift in manufacturing capabilities, commonly referred to as the fourth industrial revolution, or Industry 4:0. While IDTs cover a broad spectrum of technologies, the Advanced Design Engineering operation will focus on additive manufacturing (AM), which is a key enabler of the 4th Industrial Revolution and lies

at the heart of the High Value Manufacturing (HVM) industry, which in the UK contributes more than £100bn GVA and employs an estimated 1 million skilled people. Despite this exciting potential and progress to date, many companies within the Welsh SME community, lack the awareness, resources or confidence to apply additive manufacturing as a core and integral part of their manufacturing toolkit. The scheme will therefore increase the commercialisation of RD&I by Welsh businesses by addressing the lack of capacity on the part of manufacturing SMEs to engage with research, innovation and development activities. The scheme will increase the ability of manufacturing networks as a whole to engage with the innovation activities which are critical to their sustainability. It will also increase the ability of anchor companies to look to their supply chains as a source of innovation.

There is also an urgent need for SMEs in Wales to increase their productivity and creativity in problem solving and creating new products, processes and services. Lower than UK average productivity has long been recognised as a structural issue within the Welsh manufacturing economy, with a number of factors cited. Creativity as a key and essential skill in advanced design engineering, will be one of the main qualities sought by employers and companies from the world's largest economies by 2020, and be a key determinant in driving productivity, competitiveness and growth. Future employment and growth in all sectors of the economy will emphasise the need for creative approaches in the application of new technology, the design and realisation of new products and services. The support provided under the scheme will therefore help increase RD&I capacity, the levels of RD&I expenditure in businesses and increase the number of businesses performing RD&I.

The main objective of the scheme is to address these market failures in order to meet the challenges and opportunities inherent in Industrial Digital Technologies. In doing so, ADE will bring these technologies, materials and knowledge to specifically targeted SME's in order to increase their capacity to innovate and remain competitive.

## **8. Body authorised to implement the Scheme**

University of Wales Trinity Saint David

## **9. Scope of the scheme**

The scheme will be open to all enterprises in East Wales and West Wales and the Valleys excluding those active in the processing and marketing of agricultural products when (1) the amount of aid is fixed on the basis of the price or quantity of such products purchased from primary producers or put on the market by the enterprise concerned or (2) the aid is conditional on being partly or entirely passed on to primary producers.

Where an undertaking is active in both an excluded sector and a non-excluded sector, aid may be given to fund non-excluded activities with the condition that activities in the excluded sector do not benefit from aid granted under this scheme.

In addition, aid will not be allowed in the following circumstances:

- Aid to export related activities towards third countries or Member States, namely aid directly linked to the quantities exported, to the establishment and operation of a distribution network or to other current costs linked to the export activity;
- Aid to facilitate the closure of uncompetitive coal mines, as covered by Council Decision No 2010/787;
- Where aid is subject to the obligation for the beneficiary to have its headquarters in the relevant Member State or to be predominantly established in that Member State;
- Where the granting of aid is subject to the obligation for the beneficiary to use nationally produced goods or services;
- Aid contingent upon the use of domestic over imported goods;
- Where the aid measure restricts the possibility for the beneficiaries to exploit the

- research, development and innovation results in other Member States.

Aid may not be given where the proposed recipient is:

- Subject to an outstanding order for the recovery of aid which has been declared by the Commission to be illegal and incompatible with the common market; or
- Where aid is granted to an undertaking in difficulty.

## **10. Duration of the Scheme**

Aid under this Scheme may be granted until 31/12/2023

## **11. Budget for aid under the Scheme**

The budget over the scheme period has been estimated at £2,868,833 and will comprise a combination of University resources and European structural funds. Should the budget for this scheme increase, the University of Wales Trinity Saint David will inform the European Commission.

## **12. Form of aid**

All aid awarded under the Scheme will be transparent and in line with criteria set out in Article 5 of the General Block Exemption Regulation. Aid is awarded by way of grant towards the collaborative research and technology transfer activities of the University of Wales Trinity Saint David.

## **13. Eligible activities to be supported under the scheme**

The Scheme supports various RD&I activities. Detailed descriptions of the eligible activities that can be supported are set out in Schedules 1 and 2.

### **Schedule 1: activity supported on a no State aid basis**

- a) Support for the primary activities of research organisations;
- b) Support to research organisations for technology transfer activities;
- c) Support for research organisations to undertake certain collaborative R&D&I projects;

### **Schedule 2: activity where support is classed as State aid**

Support will be given in respect of the following activities under the Scheme:

- a) Research & Development projects;
- b) Innovation aid for SMEs;
- c) Aid for process and organisational innovation;

Where support is classed as State aid, details are provided of the eligible costs<sup>3</sup>, the relevant aid intensities and maximum amount of support that can be awarded under the Scheme.

## **14. Incentive effect**

Aid recipients must demonstrate that the aid is required for projects to proceed by submitting a completed project proposal form before work on the project activity has started. The project proposal will as a minimum contain the following information:

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<sup>3</sup> Eligible costs must be transparent and directly and exclusively related to the project being funded

- a) Name and size of the undertaking receiving the aid;
- b) Description of the project, including its start and end dates;
- c) Location of the project;
- d) List of project costs;
- e) Form of and amount of public funding needed for the project.

### **15. Cumulation**

In determining whether the individual notification thresholds and the maximum aid intensities are respected, the total amount of State aid for the activity or project shall be taken into account, regardless of whether that support is financed from local, regional, national or Union sources.

Aid provided under this Scheme will not be cumulated with other forms of aid nor with aid classed as de minimis aid in regard to the same eligible costs if the result would breach the applicable aid intensities.

A mechanism is in place as part of the application process to ensure that cumulation of aid does not exceed the maximum allowable aid intensities of the Scheme. Due diligence checks will be carried out during the awarding process.

### **16. Monitoring and Reporting requirements**

All recipients of aid under the Scheme will be informed that aid has been provided under the Scheme, registered under **SA.60365** pursuant to Articles 25, 28, 29, of Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (General Block Exemption Regulation).

Records will be kept for 10 years from the date the last award of aid under the Scheme. Records will be sufficiently detailed to establish that the conditions of the Scheme are met.

Details of any award exceeding €500,000 given under this scheme will be made publicly available on the European Commission's Transparency Award Module within six months of award.

An annual report on the expenditure under this Scheme will be provided to the Commission.

The University of Wales Trinity Saint David shall provide the Commission with all the information and documentation it considers necessary to monitor the application of this Regulation within 20 days of such request from the Commission.

For the purpose of calculating aid intensities and eligible costs, all figures used shall be taken before any deduction of tax or other charge. The eligible costs shall be supported by documentary evidence which shall be clear, specific and contemporary.

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### **Schedule 1: Funding awarded on a no State Aid basis**

Funding of the following activities is not considered to be State Aid:

In line with the criteria set out in the Commission Framework for State Aid for Research and Development and Innovation (2014/C 198/01) (the Framework), the following activities will be funded on a no State Aid basis:

#### **a) Funding awarded directly to research and knowledge dissemination organisations and research infrastructures to carry out their primary activities.**

The primary activities which are deemed non-economic in nature include:

- Provision of public education for more and better skilled human resources – public education organised within the national educational system, predominantly or entirely funded by the State and supervised by the State;
- The carrying out of independent R&D to increase knowledge and gain better understanding, including collaborative R&D where the research and dissemination organisation or research infrastructure engaged in effective collaboration; and
- The wide dissemination of research results on a non-exclusive and non-discriminatory basis, for example through teaching, open-access databases, open publications or open software.

Where the same research and knowledge dissemination organisation or research infrastructure carries out activities of both an economic and non-economic nature, the two kinds of activities and their costs, funding and revenues will be clearly separated so that cross subsidisation of the economic activity is avoided.

#### **b) Funding awarded directly to research organisations to undertake technology transfer activities.**

Where technology transfer activities are conducted either by the research and knowledge dissemination organisation or research infrastructure (including their departments or subsidiaries or jointly with or on behalf of other such entities where all profits from those activities are reinvested in the primary activities of the research and knowledge and dissemination organisation or research infrastructure. The non-economic nature of those activities will not be prejudiced by contracting the provision of corresponding services to third parties by way of open tenders.

Where a research organisation or research infrastructure is used for both economic and non-economic activities, public funding only falls under State aid rules where it covers costs linked to economic activities. Where a research organisation or research infrastructure is used almost exclusively for a non-economic activity, its funding may still fall outside the State aid rules in its entirety as long as the economic use remains purely ancillary i.e. corresponds to an activity which is directly related to and necessary for the operation of the research organisation or research infrastructure or intrinsically linked to its main noneconomic use, and which is limited in scope. This is considered to be the case when the economic activities consume exactly the same inputs (e.g. material, equipment, labour and fixed capital) as the non-economic activities and the capacity allocated each year to economic activities does not exceed 20% of the entity's overall annual capacity.

**c) Collaborative research and development projects funded on a no State aid basis**

The University of Wales Trinity Saint David will carry out collaborative research with enterprises in order to stimulate the development of more hi-tech RD&I driven businesses.

For these collaborations there will be no indirect State aid granted through the research organisation to the enterprises if one of the following conditions, as outlined in section 2.2.2 of the Framework, is met:

- a) The participating undertakings bears the full cost of the project; or
- b) Results which do not give rise to intellectual property rights may be widely disseminated and any intellectual property rights which result from the activities of the research organisations or research infrastructures are fully allocated to the research organisation or research infrastructure concerned; or
- c) Any IPR generated by the project, as well as related access rights are allocated to the different collaboration partners in a way which adequately reflects their work packages, contributions and respective interests; or
- d) The research organisations or research infrastructures receives from the participating undertaking compensation equivalent to the market price for the intellectual property rights which result from their activities and are assigned to the participating undertakings, or to which participating undertakings are allocated access rights. Any contribution by the participating undertaking (either financial or non-financial) to the costs of the research organisation or research infrastructure that resulted in the IPR concerned can be deducted from that compensation.

Any compensation received will be considered to be equivalent to market price if it enables the research organisations or research infrastructure concerned to enjoy the full economic benefit of those rights, where one of the following conditions are met:

- a) The amount of the compensation has been established by means of an open, transparent and non-discriminatory competitive sale procedure; or
- b) An independent expert valuation confirms that the amount of the compensation is at least equal to the market price; or
- c) The research organisation or research, as seller, can demonstrate that it effectively negotiated the compensation, at arm's length conditions, in order to obtain the maximum economic benefit at the moment when the contract is concluded, while considering its statutory objectives; or
- d) In cases where the collaboration agreement provides the collaborating undertaking with a right of first refusal as regards IPR generated by the collaborating research organisations or research infrastructures, where those entities exercise a reciprocal right to solicit more economically advantageous offers from third parties so that the collaborating undertaking has to match its offer accordingly.

Where collaboration projects are operated on a no State aid basis, research organisations or research infrastructures must ensure that no indirect State aid is awarded to the enterprise.

If the conditions of section 2.2.2 of the Framework cannot be demonstrated or evidenced, the full value of the contribution of the research organisation to the project will be considered as aid to the enterprise. Funding of such activity would need to be provided with the appropriate State aid cover (see Schedule 2 Section 2).

## **Schedule 2 (a): Aid for research and development projects**

### Objective of the aid

To provide direct support to undertakings to allow them to undertake research and development projects. The part of the project supported must fall completely within one or more of the following categories:

- i. Fundamental research;
- ii. Industrial research;
- iii. Experimental development;
- iv. Feasibility studies.

### Eligible costs

The costs of the project must be transparent and directly and exclusively related to the project. Each eligible cost identified for the project must be allocated to a specific category of research and development. The eligible costs are:

- Personnel costs: researchers, technicians and other supporting staff to the extent that they are employed on the project;
- Costs of instruments and equipment to the extent and for the period used for the project. When such instruments and equipment are not used for their full life for the project, only the depreciation costs corresponding to the life of the project, as calculated on the basis of generally accepted accounting principles are considered as eligible;
- Costs of buildings and land, to the extent and for the duration period used for the project. With regards to buildings, only the depreciation costs corresponding to the life of the project, as calculated on the basis of generally accepted accounting principles are considered as eligible. For land, costs of commercial transfer or actually incurred capital costs are eligible;
- Costs of contractual research, knowledge and patents bought or licensed from outside sources at arm's length conditions, as well as costs of consultancy and equivalent services used exclusively for the project;
- Additional overheads and other operating expenses, including the costs of materials, supplies and similar products, incurred directly as a result of the project.

The eligible costs for feasibility studies are the costs of the study.

### Aid intensities

The aid intensities for each beneficiary shall not exceed:

- a) 100 % of the eligible costs for fundamental research;
- b) 50 % of the eligible costs for industrial research;
- c) 25 % of the eligible costs for experimental development;
- d) 50 % of the eligible costs for feasibility studies.

The aid intensities for industrial research and experimental development may be increased up to a maximum aid intensity of 80 % of the eligible costs as follows:

- a) by 10 percentage points for medium-sized enterprises and by 20 percentage points for small enterprises;
- b) by 15 percentage points if one of the following conditions is fulfilled:
  - i. the project involves effective collaboration:
    - between undertakings among which at least one is an SME, or is carried out in at least two Member States, or in a Member State and in a Contracting Party of the EEA Agreement, and no single undertaking bears more than 70 % of the eligible costs, or
    - between an undertaking and one or more research and knowledge-dissemination organisations, where the latter bear at least 10 % of the eligible costs and have the right to publish their own research results;
  - ii. the results of the project are widely disseminated through conferences, publication, open access repositories, or free or open source software.

The aid intensities for feasibility studies may be increased by 10 percentage points for medium-sized enterprises and by 20 percentage points for small enterprises;

<b>Aid for R&amp;D projects</b>	<b>Small Enterprise</b>	<b>Medium Enterprise</b>	<b>Large Enterprise</b>
<b>Fundamental research</b>	100%	100%	100%
<b>Industrial research</b>	70%	60%	50%
<b>(subject to effective collaboration or widescale dissemination of results)</b>	80%	75%	65%
<b>Experimental development</b>	45%	35%	25%
<b>(subject to effective collaboration or widescale dissemination of results)</b>	60%	50%	40%
<b>Feasibility studies</b>	70%	60%	50%

**Schedule 2 (b): Innovation aid for SMEs**

Objective of the aid

To provide support for innovation for SMEs.

Eligible costs

The costs of the project must be transparent and directly and exclusively related to the project. The following costs are eligible:

- Costs for obtaining, validating and defending patents and other intangible assets
- Costs for secondment of highly qualified personnel from a research and knowledge dissemination organisation or a large enterprise, working on research, development and innovation activities in a newly created function within the beneficiary and not replacing other personnel;
- Costs for innovation advisory and support services.

Aid intensities

The aid intensity shall be up to 50% of eligible costs.

In the particular case of aid for innovation advisory and support services the aid intensity can be increased up to 100 % of the eligible costs provided that the total amount of aid for innovation advisory and support services does not exceed EUR 200 000 per undertaking within any three-year period.

**Schedule 2(c): Aid for process and organisational innovation**

Objective of the aid

To provide aid for process and organisational innovation.

Aid to large undertakings will only be eligible if they effectively collaborate with SMEs in the aided activity and the collaborating SMEs incur at least 30% of the eligible costs.

Eligible costs

The costs of the project must be transparent and directly and exclusively related to the project. The following costs are eligible:

- Personnel costs;
- Costs of instruments, equipment, buildings and land to the extent and for the period used for the projects;
- Costs of contractual research, knowledge and patents bought or licensed from outside sources at arm's length conditions;
- Additional overheads and other operating costs, including costs of materials, supplies and similar products, incurred directly as a result of the project

Aid intensities

The aid intensity shall not exceed 15 % of the eligible costs for large undertakings and 50 % of the eligible costs for SMEs.