Subject: State aid N 100/2007 – Austria
Lower Austria Economic and Tourism Fund for Supporting Research, Development and Innovation

Dear Madam,

1. Procedure

(1) By letter dated 23 February 2007, registered at the Commission on the same day, the Austrian authorities, having regard to Article 88 (3) EC Treaty, notified to the Commission the above-mentioned measure. The Commission asked for additional information on 23 March 2007 and received a reply on 21 June 2007. The Commission asked again for supplementary information on 25 July 2007 and the Austrian authorities provided it on 30 August 2007. The Austrian authorities submitted additional information on 1 October 2007.
2. **DESCRIPTION OF THE MEASURE**

2.1. **Objective**

(2) Austria notified the Special Guidelines of Lower Austria Economic and Tourism Fund (Spezielle Richtlinien des Niederösterreichischen Wirtschafts- und Tourismusfonds für die Förderung von Forschung, Entwicklung und Innovation).

(3) The main objective of the Guidelines is to promote research, development and innovation (hereinafter: R&D&I) in Lower Austria (Niederösterreich). The basis of the scheme is the EU Structural Funds 2007-2013 programming documents. The scheme consist of the following measures: R&D projects, technical feasibility studies, industrial property rights costs for SMEs, young innovative enterprises, process and organisational innovation in services, and the loan for highly qualified personnel.

2.2. **Legal base, granting authority, budget and duration**

(4) The legal base is the Lower Austria Economic and Tourism Fund Law 7300 (Niederösterreichisches Wirtschafts- und Tourismusfondsgesetz 7300) and the Guidelines of the Lower Austria Economic and Tourism Fund (Allgemeine Richtlinien des Niederösterreichischen Wirtschafts- und Tourismusfonds) (thereafter – the Guidelines). The granting authority is the Lower Austria Economy and Tourism Fund (Niederösterreichischer Wirtschafts- und Tourismusfonds beim Amt der NÖ Landesregierung, Abteilung Wirtschaft, Tourismus und Technologie).

(5) The total amount of aid is EUR 63 million. The annual amount equals to EUR 9 million. The scheme will be funded from the Economic and Tourism Fund, the government of Lower Austria and the European Regional Development Fund (ERDF).

(6) The duration of the scheme is from the date of the Commission approval until 31 December 2013.

2.3. **Beneficiaries**

(7) Large enterprises, SMEs falling within the Community SME-definition\(^1\) as well as research organisations and innovation intermediaries that carry out economic activities are eligible for aid under the scheme. The economic activities of research organisations and innovation intermediaries, including contractual research on behalf of undertakings, shall be performed on market conditions.

(8) The aid to research organisations and innovation intermediaries carrying out economic activities shall be granted at the same conditions as the aid to private undertakings, i. e. the maximum aid intensities and the parameters of the Community SME-definition will be applied accordingly.

(9) Eligible beneficiaries shall have their legal domicile or an operating site in Lower Austria (Niederösterreich) or be willing to establish such domicile or site in the course of the granting of the aid.

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\(^1\) OJ L 124, 20.05.2003, p.36.
The estimated number of beneficiaries is from 501 to 1000 annually. The scheme is not sector specific, it does not apply to the agriculture sector and the transport sector. Aid to undertakings in difficulty within the meaning of the Community Guidelines on State aid for rescue and restructuring undertakings in difficulty\(^2\) is excluded from the scope of the scheme.

### 2.4. Collaborative research between enterprises and research organisations

Collaborative research between enterprises and research organisations where both parties share costs, risks and rewards shall comply with one of the following conditions in order to ensure that there is no indirect aid to undertakings through favourable conditions of cooperation:

(a) The participating undertakings bear the full cost of the project, or

(b) The results which do not give rise to intellectual property rights (IPR) may be widely disseminated and any IPR fully allocated to the research entities. The results of publicly financed R&I projects will be available to Community industry on a non-discriminatory basis, or

(c) The public entities will receive from enterprises compensation equivalent to the market price for the IPR resulting from the research project, and the results which do not give rise to IPR may be widely distributed.

If the same entity carries out both economic and non-economic activities, in order to avoid cross-subsidisation of the economic activities, the two kinds of activities and their costs and funding will be separated.

### 2.5. Form of aid

Aid is provided in the form of non-repayable direct grants, guarantees and soft loans.

#### 2.5.1. Guarantees

Guarantees will be provided in accordance with Commission Regulation (EC) No 1998/2006 of 15 December 2006 on the application of Articles 87 and 88 of the Treaty to de minimis aid\(^3\).

#### 2.5.2. Soft loans

Soft loans may cover up to a maximum of 100% of the eligible project costs. In most cases, the loans shall be fully secured by commercial bank guarantees and only in rare cases no bank guarantee will be required. The Austrian authorities confirmed that the aid intensity of soft loans will comply with the aid intensities specified in the Community Framework for State aid for Research and Development and Innovation\(^4\) (hereinafter "the R&D&I Framework").

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\(^2\) OJ C 244, 1.10.2004, p.2.


\(^4\) OJ C 323, 30.12.2006, p. 1
The aid intensity of secured loans will be calculated in terms of grant equivalent, i. e. the difference between the market interest rate (the EU reference rate applicable at the time of granting the loan) and the interest rates charged to companies. According to the Austrian authorities, the EC reference rate represents the market interest rate, as the risk of soft loans secured by bank guarantees is low and does not bear higher risks due to the fact that it finances R&D&I projects. Soft loans payable in several instalments will be discounted to their value at the moment of being granted.

As for unsecured loans, the grant equivalent will be calculated as the difference between the market interest rate (the EU reference rate applicable at the time of granting the loan and the project-specific risk premium) and the interest rates charged to the company. The project-specific risk premium will be determined by the special purpose bank that will carry out risk assessment on the basis of the rating system approved by the national regulatory authority.

2.6. Aid for R&D projects, technical feasibility studies and industrial property rights for SMEs

2.6.1. Eligible activities and costs

The projects fall under the R&D stages industrial research and experimental development in the meaning of point 2.2 (f) and (g) of the R&D&I Framework. The aid for technical feasibility studies is preparatory to industrial research and experimental development.

The eligible costs of R&D projects are as follows:

(a) personnel costs employed solely on the research activity;

(b) costs of instruments and equipment to the extent and for the period used for the research project;

(c) costs for building and land, to the extent and for the duration used for the research project;

(d) costs of contractual research, technical knowledge and patents bought or licensed from outside sources at market prices and the costs of consultancy and equivalent services used exclusively for research;

(e) additional overheads and other operating expenses incurred directly as a result of research;

(f) other operating expenses including costs of materials (including prototype tooling), supplies, travel and subsistence, certification costs and similar products incurred directly as a result of the research activity.

The eligible costs of industrial property rights for SMEs are:

5 The Austrian authorities confirmed that the classification of the R&D activities will be according to the Commission practice or the specific examples and explanations provided in the Frascati Manual on the Measurement of Scientific and technological Activities, proposed Standard Practice for Surveys on Research and Experimental Development (Organisation for Economic Co-operation and Development, 2002).
(a) costs preceding the grant of the right in the first legal jurisdiction, including costs relating to the preparation, filing and prosecution of the application as well as costs incurred in renewing the application before the right has been granted (acquisition of industrial rights by SMEs);

(b) translation and other costs incurred in order to obtain the granting or validation of the right in other legal jurisdictions;

(c) costs incurred in defending the validity of the right during the official prosecution of the application and possible opposition proceedings, even if such costs occur after the right is granted.

2.6.2. Aid intensities and other conditions

(21) The basic aid intensities for R&D projects and SME industrial property rights are 50% for industrial research and 25% for experimental development. The aid intensifies for technical feasibility studies, calculated on the basis of the study costs for SMEs are 75% for studies preparatory to industrial research activities and 50% for studies preparatory to experimental development activities and for large companies are 65% for studies preparatory to industrial research activities and 40% for studies preparatory to experimental development activities.

(22) For industrial research and experimental development the measure provides a 20% bonus for small companies and a 10% bonus for medium-sized companies. In addition, a 15% bonus may be added, up to a maximum aid intensity of 80%, under the conditions specified in point 5.1.3 (b) (i-iii) of the R&D&I Framework.

(23) In case an R&D project covers several aid instruments, the eligible costs will be allocated to a specific category of R&D. In case of collaborative research, when the research organisation carries out the economic activity, the aid intensities will be established for each participating undertaking.

2.7. Aid for young innovative enterprises

(24) The company shall be a small enterprise that has been in existence for less than 6 years at the time when the aid is approved and its R&D expenses must represent at least 15% of its total operating expenses in at least one of the three years preceding the granting of the aid or in the case of a start-up enterprise without any financial history, in the audit of its current fiscal period, as certified by an external auditor.

(25) The aid amount is up to EUR 1 million per beneficiary and up to EUR 1.25 million per beneficiary located in the Art 87(3)(c) regions, as defined in the Regional Aid Map for Austria 2007-2013. Each enterprise will be eligible to receive the aid only once during the period it qualifies as being a young innovative enterprise and up to the maximum aid amounts.

(26) The beneficiary may receive State aid other than R&D&I aid and risk capital only 3 years after the granting of the young innovative enterprise aid.

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2.8. Aid for process and organisational innovation in services

(27) The organisational innovation must always be related to the use and exploitation of Information and Communication Technologies (ICT) to change the organisation. Process innovation is defined as the implementation of a new or significantly improved production or delivery system.\(^7\) Compared to the state of the art in its industry in the Community. The routine or period changes do not qualify for support under this measure.

(28) The eligible costs of process innovation are the same as for the aid to R&D projects (section 2.6 above). In case of organisational innovation, however, costs of instruments and equipment cover costs of ICT instruments and equipment only. The maximum aid intensities are as follows: 15% for large enterprises (large enterprises are eligible for aid if they collaborate with SMEs in the aided activity and whereby the collaborating SMEs must incur at least 30% of the total eligible costs), 25% for medium enterprises and 35% for small enterprises.

(29) Further conditions for granting the aid under the measure:

(a) Innovation shall be formulated as a project with an identified and qualified project manager, as well as identified project costs;

(b) The novelty will be demonstrated on the basis of a precise description of the innovation, comparing it with state of the art process or organisational techniques used by other undertakings in the same industry. If necessary, outside experts will verify the above;

(c) The result of the aided project shall be the development of a standard, of a business model, methodology or concept, which can be systematically reproduced, possibly certified, and possibly patented;

(d) The projects must entail technical and economic risk.

2.9. Aid for the loan for highly qualified personnel

(30) The measure enables SMEs to receive highly qualified personnel seconded from a research organisation or a large company. The seconded personnel must be highly qualified and have been employed for at least two years in the research organisation or the large enterprise, which is sending the personnel on secondment. The hired personnel will not replace other personnel, will be employed in newly created function and work on R&D&I activities within the beneficiary undertaking.

(31) The eligible costs are the salary cost for the seconded person, the cost of the recruiting agency and the relocation costs. The maximum aid intensity shall be 50% of the eligible costs, for a maximum of 3 years per undertaking per person borrowed.

\(^7\) The Austrian authorities confirmed that the classification of process and organisational innovation in services will be according to the Commission practice or the specific definitions provided in the OSLO Manual, Guidelines for Collecting and Interpreting Innovation Data, 3rd Edition (Organisation For Economic Co-operation and Development, 2005).
2.10. Cumulation

Cumulation of aid for the same eligible costs up to the maximum allowed aid intensities of the relevant framework is allowed. The R&D&I aid shall not be cumulated with de minimis support in respect of the same eligible expenses in order to circumvent the maximum permissible aid intensities.

2.11. Incentive effect

The Austrian authorities confirmed that no state aid can be granted before the approval by the European Commission. The presence of the incentive effect for the aid to large enterprises and for process and organisational innovation in services will be verified ex-ante using the indicators, such as increase in project size, increase in scope, increase in speed, increase in total amount spent on R&D&I. In the annual reports the Austrian authorities will demonstrate how they have assessed the incentive effect of the aid before granting it.

The Austrian authorities committed to notify aid amounts for projects under the scheme which exceed the thresholds hereunder (per undertaking, per project): EUR 20 million for predominantly fundamental research, EUR 10 million for predominantly industrial research, for EUR 7.5 million all other projects and EUR 5 million for process or organisational innovation in services-activities.

2.12. Reporting and monitoring

The Austrian authorities committed to comply with the reporting and monitoring requirements of section 10 of the R&D&I Framework. The Austrian authorities undertook to submit annual reports on the implementation of the notified aid scheme which will also include the information on the incentive effect. The Austrian authorities committed to communicate the internet address to the Commission where the full text of the scheme will be published.

In case that an individual aid granted under the scheme exceeds EUR 3 million, the Austrian authorities will provide the Commission with the information requested in the standard form laid down in the Annex to the R&D&I Framework. The Austrian authorities undertook to maintain detailed records regarding the granting of aid under the scheme for 10 years.

3. Existence of Aid

The Commission has assessed the existence of aid in relation to Art.87 and 88 EC and Article 61 (1) of the EEA Agreement. Given the nature of the notified measure, the presence of State aid has also been assessed on the basis of the criteria set out in chapter 3 of the R&D&I Framework.

3.1. Existence of Aid

3.1.1. Direct aid

Insofar as support is provided to enterprises or research organisations or innovation intermediaries engaged in economic activity, the proposed scheme falls under Art.87 (1) EC. The notified scheme is funded through the budget of the government of Lower
Austria, the state-owned Economic and Tourism Fund and the ERDF, and therefore through State resources. By providing the aid to certain enterprises and other entities that perform eligible activities the notified scheme gives a selective advantage to these undertakings. The undertakings concerned operate on markets subject to intra-community competition. The scheme improves the position of the recipients in relation to their competitors in the EU. Consequently, the scheme affects the trade between Member States. It therefore constitutes state aid within the meaning of Article 87 (1) of the EC Treaty and Article 61 (1) of the EEA Agreement.

3.1.2. Indirect aid

(39) The conditions for collaboration projects carried out jointly by enterprises and research organisations and innovation intermediaries, as indicated above (point 2.4 above), are in line with point 3.2.2 of the R&D&I Framework. Austria also confirmed that the economic and non-economic activities of research organisations and innovation intermediaries will be separated in order to avoid cross-subsidisation. In case of contract research carried out by research organisations on behalf of enterprises, the research organisations shall receive the market price for contractual research, in line with point 3.2.1 of the R&D&I Framework. Hence, the Commission concludes that contractual research on behalf of undertakings and collaborative research between undertakings and research organisations does not constitute indirect State aid to undertakings within the meaning of Article 87 (1) of the EC Treaty and Article 61 (1) of the EEA Agreement.

3.1.3. De minimis support

(40) The Commission notes that the measure will encompass de minimis-support, which, according to Austria, will be granted in accordance with Commission Regulation (EC) No 1998/2006 of 15 December 2006 on the application of Articles 87 and 88 of the Treaty to de minimis aid. Consequently, the present decision does not deal with this de minimis support.

3.2. Lawfulness of the aid

(41) The Austrian authorities have fulfilled their obligation according to Article 88 (3) of the EC Treaty by notifying the scheme before its implementation. The scheme enters into force after to the Commission’s approval.

4. ASSESSMENT

(42) The notified scheme will provide aid for R&D&I related activities listed above (point 2.7-2.12) subject to the R&D&I Framework.

(43) Pursuant to section 2.1 of the R&D&I Framework, it does not apply to aid for undertakings in difficulty within the meaning of the Community Guidelines on State aid for rescue and restructuring undertakings in difficulty8. As was explained further above (point 2.3), such undertakings will be excluded from the scope of the notified measure.

8 OJ C 244, 1.10.2004, p. 2.
4.1. Aid intensity of soft loans

(44) Pursuant to point 2.2(c) of the R&D&I Framework, where aid is awarded in a form other than a grant, the aid amount shall be the grant equivalent of the aid. The aid payable in several instalments shall be discounted to its value at the moment of granting. The interest rate to be used for discounting purposes and for calculating the aid amount of a soft loan shall be the reference rate applicable at the time of grant, calculated in accordance with the Commission notice on the Method for Setting the Reference and Discount Rates.

(45) The aid in the form of soft loan, as indicated above (point 2.5), is calculated as the grant equivalent, applying the market interest rate, is in line with the provisions of the point 2.2(c) of the R&D&I Framework and the Commission notice on Reference and Discount Rates.

4.2. Aid for R&D projects, technical feasibility studies and industrial property right costs for SMEs

(46) Point 5.1.1 of the R&D&I Framework stipulates that the aid for R&D projects must fall within one or more of R&D categories of fundamental research, industrial research and experimental development. The R&D definitions laid down in section 2.2 of the R&D&I Framework also apply.

(47) Point 5.1.1 of the R&D&I Framework specifies that the aided part of the research project must completely fall within one or more of the R&D categories (the classification of R&D activities based on the OECD Frascati manual). In cases where a project encompasses different tasks, each task must be qualified as falling under one of the R&D categories.

(48) The basic aid intensities are 50% for industrial research and 25% for experimental development. The aid intensity must be established for each beneficiary of aid, including in a collaboration project. The ceilings for industrial research and experimental development may be increased by 10 percentage points for medium-sized enterprises and by 20 percentage points for small enterprises. Up to a maximum aid intensity of 80% a bonus of 15 percentage points may be added for effective collaboration and wide dissemination of industrial research under the conditions specified in point 5.1.3(i-iii) of the R&D&I Framework.

(49) Point 5.1.4 of the R&D&I Framework defines the following eligible cost categories: personnel costs, costs of instruments and equipment, costs of building and land, costs of contractual research, technical knowledge and patents, additional overheads and other operating expenses incurred directly as a result of the research activity.

(50) The aid for R&D projects, as described above (point 2.6) complies with the conditions of point 5.1 of the R&D&I Framework, namely:

(a) projects eligible for aid under the measure will fall within one or more of the R&D stages defined in line with point 2.2 f) and g) of the R&D&I Framework and activities will be classified in accordance with the OECD Frascati manual;

(b) the aid intensities correspond to the basic aid intensities under point 5.1.2, bonuses will be granted in compliance with point 5.1.3.a) and 5.1.3.b) (i-iii) of the R&D&I Framework and the method for establishing the aid intensities is in line with point 5.1.of the R&D&I Framework;

c) The eligible costs are in conformity with the eligible cost categories specified in point 5.1.4 of the R&D&I Framework;

(51) Pursuant to point 5.2 of the R&D&I Framework, the aid intensities for the aid for technical feasibility studies is 75% for industrial research and 50% for preparatory to experimental development, for large undertakings 65% for industrial research and 40% for preparatory to experimental development.

(52) Point 5.3 of the R&D&I Framework stipulates that the aid intensities for industrial property right costs for SMEs shall be the same as for R&D projects. The eligible cost categories are the preparation, renewal and defending the validity of the property rights.

(53) The aid intensities for technical feasibility studies, as described above (point 2.6), comply with point 5.2 of the R&D&I Framework. The aid intensities and eligible costs of the aid for industrial property right costs for SMEs, as indicated above (point 2.6) are in line with point 5.3 of the R&D&I Framework.

(54) The Commission can therefore conclude that the aid for R&D projects, technical feasibility studies and industrial property right costs for SMEs is in line with the R&D&I Framework.

4.3. Aid for young innovative enterprises

(55) Point 5.4 of the R&D&I Framework stipulates that the beneficiaries shall be small enterprise that have been of existence for less than 6 years at the time when the aid is granted, the R&D expenses shall represent at least 15 % of its total operating expenses, the aid shall be not be higher than EUR 1 million and EUR 1.25 million in regions eligible for the derogation in Article 87(3)(c) of the EC Treaty.

(56) Point 5.4 of the R&D&I Framework also states that the beneficiaries may receive the young innovative enterprise aid once during the period in which it qualifies as a young innovative enterprise and may receive State aid other than R&D&I aid and risk capital aid only 3 years after the granting of the young innovative enterprise aid.

(57) The eligible beneficiaries, the definition of an innovative enterprise, the maximum aid amounts and other conditions for granting aid, as indicated above (point 2.4), correspond to the provisions of point 5.4 of the R&D&I Framework. The Commission can therefore conclude that the aid for young innovative enterprises is in line with the R&D&I Framework.

4.4. Aid for process and organisational innovation in services

(58) Point 5.5 of the R&D&I Framework stipulates that the aid intensities shall be 25% for medium sized enterprises and 35% for small enterprises. Large enterprises are only eligible for such aid if they collaborate with SMEs in the aided activity, whereby the collaborating SMEs must incur at least 30 % of the total eligible costs. The eligible costs shall be the same as for aid to R&D projects, with the exception that in case of organisational innovation costs of instruments and equipment cover ICT costs only.
Point 5.5 (a-e) of the R&D&I Framework provides a list of detailed compatibility criteria, such as that process and organisational innovation must be new or substantially improved compared to the state of the art in its industry in the Community and entail a clear degree of risk. Organisational innovation must always be related to the use of ICT to changes the organisation. The innovation must be formulated as a project with a project manager and project costs the result of which is the development of a standard, a business model, methodology of concept, which can be systematically reproduced, possibly certified and patented.

The definitions of process and organisational innovation, the eligible costs and aid intensities, as well as other conditions for granting the aid under the measure, as outlined above (point 2.8), comply with 5.5 of the R&D&I Framework. The Commission can therefore conclude that the aid for process and organisational innovation in services is in line with the R&D&I Framework.

4.5. Aid for the loan for highly qualified personnel

Pursuant to point 5.7 of the R&D&I Framework, the seconded personnel must not be a replacement of an existing staff member and shall work on R&D&I activities in a newly created position in the SME and must have been employed for at least two years in the research organisation or the large enterprise. Eligible costs are all personnel costs for borrowing and employing highly qualified personnel, the costs of using a recruitment agency, as well as a mobility allowance for the seconded personnel. The maximum aid intensity shall be 50% of the eligible costs for a maximum of 3 years per SME and per person borrowed.

As indicated in point 2.9 above, the conditions for borrowing highly qualified personnel, the eligible costs and aid intensities correspond to those specified under point 5.7 of the R&D&I Framework. The Commission can therefore conclude that the aid for the loan for highly qualified personnel is in line with the R&D&I Framework.

4.6. Cumulation

Section 8 of the R&D&I Framework stipulates that, where the expenditure eligible for aid for R&D&I is eligible in whole or in part for aid for other purposes, the common portion will be subject to the most favourable ceiling under the applicable rules. This limitation does however not apply to aid granted in accordance with the Community guidelines on State aid to promote risk capital investments in SME10. Also, aid for R&D&I shall not be cumulated with de minimis support in respect of the same eligible expenses in order to circumvent the maximum aid intensities laid down in the Framework.

The rules on cumulation of state aid under the scheme, as indicated above (point 2.10), comply with point 8 of the R&D&I Framework.

4.7. Incentive effect and necessity of aid

As required by Section 6 of the R&D&I Framework, State aid must have an incentive effect, i.e. result in the recipient changing its behaviour so that it increases its level of R&D&I activity.

As for aid schemes, point 6 of the R&D&I Framework stipulates that for project aid and feasibility studies where the beneficiary is an SME and where the aid is up to 7.5 million for a project per SME, aid for industrial property right costs for SMEs, aid for young innovative enterprises, aid for innovation advisory and support services and aid for the loan of highly qualified personnel the incentive effect is automatically met.

As for project aid for large undertakings, for SME project aid where the aid is above EUR 7.5 million for a project per SME and for aid for process and organisational innovation in services, the presence of an incentive effect has to be verified at the moment of the application. Annual reports shall be submitted to the Commission demonstrating how the incentive effect has been assessed before granting the aid, in accordance with the criteria specified in section 6 of the R&D&I Framework.

Based on the commitment by the Austrian authorities to verify the incentive effect and to demonstrate the incentive effect in annual reports, as indicated above (point 2.11), section 6 of the R&D&I Framework is complied with.

Pursuant to Section 7.1 of the R&D&I Framework, the Commission will carry out a more detailed assessment of certain aid measures, which accordingly have to be notified individually. Firstly, this concerns individual notification rules pursuant to the Block Exemption Regulations. Secondly, this concerns certain schemes governed by the R&D&I Framework. Section 7.1 sets forth specific aid-intensity thresholds and categories of projects subject to this individual notification requirement, namely: the aid above EUR 20 million in case of predominantly fundamental research, EUR 10 million in case of predominantly industrial research, EUR 7.5 million for all other cases and EUR 5 million for process or organisational innovation.

The Austrian authorities committed to notify the individual aid, as specified above (point 2.11), in accordance with point 7.1 of the R&D&I Framework.

The Commission can therefore conclude that the scheme complies with the incentive effect and individual notification requirements of the R&D&I Framework.

4.8. Transparency of the measure

Pursuant to point 10.1.1 of the R&D&I Framework, annual reports must be submitted to the Commission, specifying the name of the beneficiary, the aid amount per beneficiary, the aid intensity, the sectors of activity where the aided projects are undertaken, including also the information necessary to demonstrate the incentive effect of aid.

Point 10.1.2 of the R&D&I Framework requires the full text of all final aid schemes to be published on the internet and the internet address of the publication to be communicated to the Commission. The scheme must not be applied before the information is published on the internet.

Point 10.1.3 of the R&D&I Framework stipulates that detailed records regarding the granting of aid for all R&D&I measures must be maintained for 10 years. In case that an individual aid granted under the scheme exceeds EUR 3 million, the information requested in the standard form laid down in the Annex to the R&D&I Framework must be provided to the Commission.

The reporting and monitoring provisions of the scheme, as indicated above (point 2.12), are in line with point 10.1 of the R&D&I Framework.
(76) The Commission can therefore conclude that the scheme complies with the transparency requirements of the R&D&I Framework.

4.9. Conclusion

(77) Based on the above reasoning, the Commission concludes that the scheme Lower Austria Economic and Tourism Fund for Supporting Research, Development and Innovation is in line with the Community Framework for State aid for Research and Development and Innovation.

5. DECISION

(78) The Commission finds that the aid granted on the basis of the notified scheme Lower Austria Economic and Tourism Fund for Supporting Research, Development and Innovation is compatible with the common market in accordance with Article 87 (3) (c) of the EC Treaty and Article 61 (3) (c) of the EEA Agreement and has accordingly decided not to raise objections to the notified measure.

(79) The Commission reminds the Austrian Government that, in accordance with Article 88 (3) of the EC Treaty, all plans to refinance, alter or change this aid scheme have to be notified to the Commission.

(80) Prior to implementing the scheme, the Austrian Government shall publish the full text of the final aid scheme on the internet and communicate it to the Commission.

(81) The Commission further reminds the Austrian Government to submit annual reports on the implementation of the notified scheme which comprise the information demonstrating the incentive effect.

If this letter contains confidential information, which should not be disclosed to third parties, please inform the Commission within fifteen working days of the date of receipt. If the Commission does not receive a reasoned request by that deadline, you will be deemed to agree to the disclosure to third parties and to the publication of the full text of the letter in the authentic language on the Internet site:

http://ec.europa.eu/community_law/state_aids/index.htm

Your request should be sent by registered letter or fax to:

European Commission
Directorate-General for Competition
Directorate for State Aid
State Aid Greffe
B – 1049 Brussels
Fax No.: +32 2 296 12 42

Yours faithfully,
For the Commission
Neelie KROES
Member of the Commission