

Dear Sir/Madam,

1. **PROCEDURE**

(1) On 5 December 2013, the Swedish authorities notified, in accordance with Article 108(3) of the Treaty on the Functioning of the European Union (hereinafter "TFEU"), the prolongation of an existing State aid measure, namely "Research, development and innovation scheme (Vinnova)", hereinafter "Vinnova".

(2) On 9 December 2013, the Swedish authorities pre-notified the prolongation of the existing scheme "Energy research, development and innovation scheme (STEM)", hereinafter "STEM", which they subsequently notified to the Commission on 17 December 2013, requesting the use of the simplified notification procedure laid down in Article 4 of Regulation (EC) No 794/2004¹ (hereinafter "the Implementing Regulation").

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The two existing aid schemes had been authorised by the Commission in a joint decision of 1 August 2008\(^2\).

On 13 December 2013, the Commission requested additional information, which the Swedish authorities provided on 16 December 2013.

2. **DESCRIPTION OF THE EXISTING AID SCHEMES (VINNOVA AND STEM)**

The aim of the Vinnova and STEM aid schemes, which were assessed on the basis of the Community Framework for state aid for research and development and innovation\(^3\) (hereinafter "the R&D&I Framework"), is to promote research, development and innovation. Both schemes support R&D projects, technical feasibility studies, SMEs\(^1\) costs for industrial property right, young innovative enterprises, process and organisational innovation in services, innovations advisory and support services, the loan of highly qualified personnel and innovation clusters. However, under STEM, support is limited to the energy field, in order to promote energy research creating conditions for effective energy markets, secure energy supply and the protection of the environment, health and climate.

The existing schemes provide for aid in the form of direct grants, soft loans and repayable advances. All companies, universities and research organisations can be eligible for aid under the schemes.\(^4\)


The total budget of the Vinnova scheme is SEK 4,100 million (ca. EUR 454 million), while the corresponding figure for STEM is SEK 1,200 million (ca. EUR 133 million).

While the granting authority of aid under Vinnova is the Swedish Governmental Agency for Innovation Systems (Vinnova)\(^5\), the granting authority for aid under STEM is the Swedish Energy Agency (Statens energimyndighet).

Both existing schemes expire on 31 December 2013.

3. **AMENDMENTS TO THE EXISTING SCHEMES**

The Swedish authorities notified prolongations of the two existing schemes extending their duration until 31 December 2014. In order to cover this additional year, the budgets of the two schemes will be increased by SEK 1,300 million (ca. EUR 143 million) for Vinnova and by SEK 700 million (ca. EUR 77 million) for STEM. All other elements of the existing schemes remain unchanged.

\(^4\) Except for undertakings in the agricultural sectors and undertakings which are in difficulty within the meaning of the Community Guidelines on State aid for rescue and restructuring (OJ C 244, 1.10.2004, p. 2).
\(^5\) Minor support under the scheme may however be delegated to other government agencies, such as the County Councils (Länsstyrelserna) or the Agency for Economic and Regional Growth (Tillväxtverket).
The proposed duration goes beyond the expiry date of the R&D&I Framework on 30 June 2014. The Swedish authorities have, however, committed themselves to undertaking any necessary appropriate measures to bring the schemes in line with the new rules, if required.

4. **ASSESSMENT**

The described prolongations and budget increases of the two existing schemes were notified by the Swedish authorities in compliance with Article 108(3) TFEU.

With respect to N 561/2007 (STEM), the Commission notes that, since it had not obtained all the annual reports of the aid provided on the basis of the existing scheme but had to request one of these (as well as certain additional information) from the Swedish authorities, the simplified notification procedure set out in Article 4 of the Implementing Regulation does not apply.

The Commission finds that the extension in the duration of the existing schemes does not affect its earlier assessments of the schemes. The amended schemes will thus continue to operate in line with the conditions approved by the Commission in that decision and therefore comply with the relevant provisions of the R&D&I Framework. Consequently, the Commission maintains its reasoning set out in its previous decision approving the two existing schemes.

The Commission takes note that the Swedish authorities have committed themselves to undertaking any necessary appropriate measures to bring the schemes in line with the new rules, if required, after the expiry of the R&D&I Framework on 30 June 2014.

On this basis, the Commission considers that the proposed prolongations until 31 December 2014 of the existing schemes are compatible with the internal market pursuant to Article 107(3)(c) TFEU.

5. **CONCLUSION**

The Commission concludes that the notified State aid measures SA.37897 (2013/N) "Prolongation of R&D&I aid scheme (Vinnova, N 560/2007)" and SA.37915 (2013/N) "Prolongation of R&D&I aid scheme in the energy field (STEM, N 561/2007)" are compatible with the internal market, pursuant to Article 107(3)(c) TFEU. It accordingly decides not to raise objections to the measures.

The Commission reminds the Swedish authorities that, in accordance with Article 108(3) TFEU, all plans to refinance or change the aid measures in question have to be notified to the Commission.

Prior to implementing the measures, the Swedish authorities shall publish the full text of the final aid measures on the internet.

The Commission further reminds the Swedish authorities to submit annual reports on the implementation of the notified measures.

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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/competition/elojade/isef/index.cfm

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

Joaquín Almunia
Vice-President