



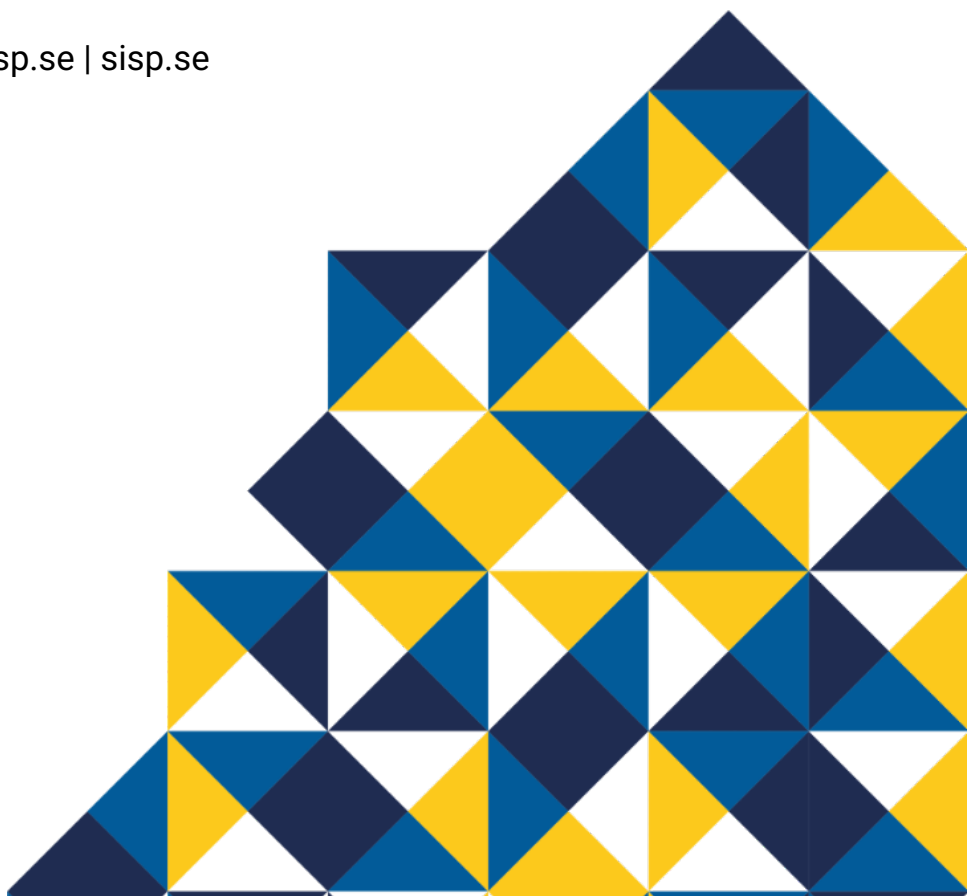
**SWEDISH INCUBATORS
& SCIENCE PARKS**

European Commission Public Consultation on the General Block Exemption Regulation (GBER)

Stockholm, 23 May 2025

Submitted by: Swedish Incubators & Science Parks (SISP)
Stockholm, Sweden – April 2026

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Executive Summary

Swedish Incubators & Science Parks (SISP) represents 60 innovation intermediaries across Sweden, supporting more than 5,000 startups, scaleups and innovative companies. Our members are at the operational front line of Europe's innovation ecosystem – working daily to translate research into businesses, connect startups to capital and help young companies grow.

We welcome the Commission's draft revision of the General Block Exemption Regulation (GBER) as a step toward a more modern and flexible state aid framework. The draft makes meaningful progress in expanding the use of financial instruments, improving simplification and creating a new category for small mid-cap enterprises.

At the same time, significant structural gaps remain. The draft does not yet reflect the operational realities of the intermediaries that deliver innovation support across Europe. Incubators, science parks and other regional innovation actors remain caught in a regulatory architecture designed for a different era: one that treats public-interest ecosystem builders the same as commercially driven industrial clusters, and that prevents the very organisations closest to startups from channeling startup-specific support.

This response focuses on five priority areas where targeted improvements to the draft would generate the greatest impact for Europe's startup and scaleup ecosystems.

#	Priority	Key ask
1	Startup aid via intermediaries	Allow incubators and science parks to channel Article 29 aid
2	Innovation cluster differentiation	100% public funding for public-good ecosystem actors
3	Extended eligibility for deep tech	10 years general; 15 years for biotech, cleantech, quantum
4	Collective incentive effect (Art. 6)	Let regional agencies apply on behalf of multiple SMEs
5	Reporting threshold	Revert individual aid publication threshold to €500,000

1. Startup Aid via Intermediaries (Article 29)

1.1 Current situation

Article 29 of the Commission's draft creates a new framework for aid to young enterprises and start-ups. However, the article does not explicitly provide a mechanism for public-interest intermediaries – incubators, science parks, regional innovation agencies – to channel this aid to eligible companies. Under the current framework, intermediaries can formally channel aid through Article 28 (risk finance aid via financial intermediaries), but Article 29 startup aid is not accessible through the same route.

This creates a fundamental misalignment: the organisations closest to startups – which provide mentoring, coaching, facilities and networks – cannot formally act as delivery channels for the aid specifically designed for their beneficiaries.

1.2 What the draft does

Article 29(3) allows aid in the form of loans, guarantees, grants, equity investments, quasi-equity and tax incentives. The article allows aid schemes, which suggests a degree of programmatic delivery. However, it is silent on whether intermediaries can act as programme operators or distributors of the aid.

1.3 Our recommendation

Recommendation 1 – Startup Aid via Intermediaries

→ Amend Article 29 to explicitly allow public-interest intermediaries (incubators, science parks, regional innovation agencies) to act as operators and distributors of startup aid.

→ Define “public-interest intermediary” as a non-commercial entity whose primary mission is to support the creation and growth of innovative enterprises.

→ Allow such intermediaries to provide startup aid without themselves qualifying as financial intermediaries under Article 28.

→ This change would align the legal framework with the operational reality of how startup support is delivered across Europe.

2. Differentiating Innovation Cluster Aid (Article 40)

2.1 Current situation

The Commission's draft maintains a single category for innovation cluster aid. It does not differentiate between clusters that operate as public goods – such as science parks, incubators and regional innovation hubs – and commercially driven clusters managed by private industrial actors. Both types are subject to the same market-price access requirements and co-financing conditions.

This one-size-fits-all approach systematically disadvantages public-interest ecosystem builders. Science parks and incubators frequently provide below-market-price services to startups precisely because their mission is to lower barriers to innovation, not to generate profit. Under current rules, this practice triggers state aid concerns rather than being recognised as legitimate public-good activity.

2.2 What the draft does

The draft retains the 50% aid intensity ceiling for investment aid to innovation clusters, with regional bonuses up to 15 percentage points. Operating aid is available for up to 10 years (extendable by 10 further years). Access to cluster facilities must be granted on transparent and non-discriminatory terms at market price.

These provisions are workable for industry-driven clusters with private revenue streams. They are poorly suited to science parks and incubators that are structured as public-good actors and rely predominantly on public funding to deliver their mission.

2.3 Our recommendation

Recommendation 2 – Differentiated Cluster Aid

→ Create a distinct sub-category for “public-good innovation intermediaries”: entities whose primary mission is the support of innovative startups and scaleups, with no obligation to distribute profits to private shareholders.

→ Allow public-good intermediaries to receive up to 100% public funding for both investment and operating aid, removing the requirement for private co-financing.

→ Exempt public-good intermediaries from the market-price access requirement, allowing them to provide below-market services to startups and scaleups as part of their mission delivery.

→ Maintain current co-financing requirements for commercially driven, industry-led clusters.

→ Allow long-term operational funding (beyond the current 10+10 year cap) for established science parks and incubators with a demonstrable public-good track record.

3. Extended Eligibility for Deep Tech Startups (Article 29)

3.1 Current situation

Article 29 of the draft defines “young enterprises” as companies up to five years following registration. Start-ups receive doubled aid amounts but remain within the same five-year eligibility window (the article is silent on a separate time limit for “start-ups” as distinct from “young enterprises”).

Five years is insufficient for companies working in deep technology sectors. Biotech, advanced manufacturing, clean energy, quantum computing and medical devices routinely require ten years or more to progress from research through regulatory approval to first commercial deployment. During this entire period, these companies face the same financing constraints as early-stage startups but may no longer qualify for startup-specific support.

3.2 What the draft does

The draft creates eligibility for aid to innovative enterprises that are unlisted and have been operating for less than 10 years (Article 1.5(g)), which partially addresses the concern for R&D and innovation aid. However, Article 29 startup-specific aid – with its more flexible conditions – does not carry an equivalent extension. The basic eligibility structure for startup aid remains anchored at five years.

3.1 Our recommendation

Recommendation 3 – Extended Eligibility

- Extend baseline startup eligibility under Article 29 from 5 to 10 years for all sectors.
- For deep tech sectors (biotech, cleantech, advanced manufacturing, quantum, medical devices), extend eligibility to 15 years.
- Define eligible deep tech sectors by reference to the Commission’s existing strategic technology frameworks (e.g. STEP regulation, IPCEI criteria).
- Increase the maximum aid amounts for deep tech startups to €2 million (grants/equity) to reflect actual capital intensity.
- These changes would align state aid rules with the real development cycles of the companies most critical to European technological sovereignty.

4. Collective Application for Incentive Effect (Article 6)

4.1 Current situation

Article 6 of the GBER requires individual undertakings to submit aid applications before a project commences in order to demonstrate the “incentive effect” of the aid. For SME support programmes delivered through regional innovation agencies, this requirement is operationally unworkable.

When a science park or incubator runs a programme for 50 or 100 portfolio companies, requiring each company to individually file and have approved an incentive effect application creates an administrative burden that either defeats the purpose of the programme or concentrates resources on paperwork rather than company support.

4.1 What the draft does

The draft does not address this issue. The incentive effect requirement in Article 6 remains unchanged, and there is no provision for collective or proxy applications through programme operators.

4.3 Our recommendation

Recommendation 4 – Collective Incentive Effect

- Amend Article 6 to allow regional innovation agencies, science parks, incubators and other public-interest programme operators to apply for and document incentive effect on behalf of SME beneficiaries within a defined programme.
- Require programme operators to document individual eligibility at the level of the programme design rather than individual application.
- This change would substantially reduce administrative burden for both public authorities and SMEs, while maintaining the policy purpose of the incentive effect requirement.

5. Publication Threshold for Individual Aid (Article 10)

5.1 Current situation

Article 10 of the draft requires Member States to publish information on individual aid grants above €100,000. The previous GBER set this threshold at €500,000. This five-fold reduction in the transparency threshold significantly increases the reporting burden for all aid-granting authorities, with a disproportionate impact on smaller

public agencies and regional bodies that lack dedicated state aid compliance infrastructure.

5.2 What the draft does

The draft lowers the publication threshold from €500,000 to €100,000. It frames this as a transparency improvement. However, the practical effect is a major increase in administrative reporting requirements for Member State authorities, without a corresponding improvement in substantive transparency for aid amounts below €500,000.

5.3 Our recommendation

Recommendation 5 – Publication Threshold

- Revert the individual aid publication threshold to €500,000.
- Alternatively, allow Member States to apply a simplified reporting format for awards between €100,000 and €500,000, reducing the reporting burden while preserving transparency.
- Require the Commission to publish an impact assessment showing the public benefit of the lower threshold before it enters into force.
- The reduction disproportionately burdens smaller regional agencies and innovation intermediaries, which are precisely the actors the Commission seeks to empower through other parts of the GBER reform.

6. Additional Observations

6.1 Venture capital as a market test and the Undertakings in Difficulty definition

SISP reiterates its October 2025 recommendation that venture capital participation should be recognised as an explicit marker of market validation for the purposes of GBER eligibility. Under the current draft, the undertakings-in-difficulty (UiD) test can still exclude VC-backed companies with accumulated losses, despite the fact that such companies have demonstrably passed a market test through the investment decision of professional investors. This remains one of the most significant structural barriers for early-stage startups.

We note that the Commission has indicated this issue will be addressed through parallel work on the Undertakings in Difficulty definition. We urge the Commission to ensure that the revised definition is in place before the new GBER enters into force, so that the two frameworks are coherent from day one.

We also recommend introducing a safe harbour threshold of €1,000,000 below which no UiD check is required. For the incubators and science parks that make up SISP's membership, this would have an immediate practical effect: small grants to early-stage portfolio companies routinely fall below this level, yet currently trigger a full UiD assessment for each recipient. A safe harbour threshold would reduce administrative burden for both intermediaries and grant-awarding authorities, while ensuring that public support reaches companies at the earliest and most critical stage of their development – the stage at which the UiD exclusion is at its most counterproductive.

6.2 Regulatory sandboxes

We welcome the Commission's indication that regulatory sandboxes will be addressed in the forthcoming Innovation Act. However, we note that the delay to that Act creates a regulatory gap for innovative companies that currently face regulatory barriers as significant as financing constraints. We urge the Commission to include a bridging provision in the GBER that explicitly allows aid for participation in regulatory sandboxes pending the Innovation Act's entry into force.

6.3 Article 25 – R&D project categorisation

The current requirement that R&D projects fully fit a single category (basic research, industrial research, experimental development) forces artificial separations that slow the commercialisation of research. Many projects at the frontier of innovation span multiple categories. We recommend that the Commission allow projects to primarily fall into a category rather than requiring exclusive categorisation, and that it simplify the bonus criteria in Article 25(6) by replacing them with generally higher aid intensities.

6.4 Early implementation – Commission guidance ahead of entry into force

The revised GBER is not expected to enter into force until 1 January 2027. However, the consequences of the current framework are already being felt. Across Sweden and the wider European ecosystem, SISP members report that startups in their portfolios are seeing grants converted to loans, funding applications withdrawn and consortium arrangements restructured specifically to exclude companies that fall foul of the UiD rules. The harm is not future or theoretical – it is happening now.

We therefore call on the Commission to issue guidance to Member States on how existing flexibility within the current GBER can be used to reduce unnecessary exclusions ahead of the new regulation's entry into force. We also ask the Commission to explore fast-track mechanisms for early adoption of the most critical provisions – in particular those relating to the UiD definition and startup eligibility – so that the

most innovative companies do not have to wait until 2027 for relief that the Commission has already acknowledged is necessary.

Conclusion

The Commission's draft GBER represents a genuine step forward. We commend the work that has gone into simplification, the expansion of financial instruments and the recognition that firms beyond the traditional SME category require support.

Our five priority recommendations are targeted, legally grounded and operationally significant. Together, they would address the most pressing structural misalignments between the current framework and the operational reality of Europe's innovation ecosystem.

Europe's incubators and science parks are not peripheral actors in the innovation system. They are the infrastructure through which startup support is delivered, through which research is commercialised, and through which regions across the EU build the capacity to compete globally. A GBER that works for them is a GBER that works for Europe's startups.

SISP welcomes further dialogue with the Commission on any of the issues raised in this response.