Overview

The Grants Scheme for Small Tourism Projects was launched by Fáilte Ireland, the National Tourism Development Authority, on 14 May 2018. This Scheme is operating under General Block Exemption Regulation (GBER) rules and also the De Minimis Regulation (as set down in European Commission Regulation (EC) 1407/2013 of 18 December 2013. With further regard to the GBER, this Scheme seeks to avail of up to four categories under 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 (the “General Block Exemption Regulation”).

The categories are:

- Regional Investment Aid (Art. 14)
- Aid for consultancy in favour of SMEs (Art. 18)
- Aid for culture and heritage conservation – including related consultancy aid (Art. 53)
- Aid for sport and multifunctional recreational infrastructures (Art. 55)

Accordingly, the Scheme is laid out in the following sections in respect of each of the five GBER categories.

Regional Investment Aid

1. Objective of Scheme

The objective of this Scheme is to develop the tourism product in a sustainable manner that enhances the quality of the offering and visitor satisfaction levels and widens the regional and seasonal spread of tourism within Ireland. This is part of an overall regional development policy aiming at facilitating productive investment outside existing highly developed centres, where it tends to be concentrated at present, and targeting investment in the less developed locations demonstrating further potential.

The specific objective of the Scheme is to provide capital funding to assist tourism projects, visitor attractions and activity providers to improve their offering and/or business capability in order to win more customers, enhance the visitor experience and satisfaction levels and increase dwell time in the region. This, in turn, will assist Fáilte Ireland (the National Tourism Development Authority) in meeting its statutory and strategic objectives.

This Scheme will provide (a) regional investment aid to small tourism projects to make an initial investment and (b) regional investment aid to small tourism projects to make an initial investment in favour of a new economic activity. This aid will be available to tourism projects located in eligible regions as set out in the Regional Aid Map for Ireland 2014-2020 approved by the European Commission dated 21st May, 2014 (Ref: State Aid: C(2014) 3153 - Commission Decision – SA.38509).

2. Legal Basis and Rules

Legal Basis:
The Tourist Traffic Acts 1939 to 2016 – including the National Tourism Development Authority Act 2003, as amended.

State Aid basis:
The operation of this scheme is subject to the provisions applicable to regional investment aid under Article 14 of the Regulation (Official Journal of the European Union Vol 57 dated 26th June 2014).

3. Budget

The average annual budget of this Scheme shall not exceed EUR 10 million.

4. Who can apply?

This aid is only available to projects located in certain areas of the country referred to in the Regional Aid Map for Ireland 2014-2020 as “Assisted Areas”, which has been approved by the European Commission. Applicants will be eligible to apply for regional investment aid once the projects concerned meet such criteria as may be set out in Fáilte Ireland’s Application Guidelines relating to specific funding calls under the Grants Scheme for Small Tourism Projects. The right to apply does not impose any obligation on the State to provide funding to an applicant.

5. Incentive Effect

5.1 This Scheme shall apply only to aid which has an incentive effect.

5.2 Aid shall be considered to have an incentive effect if the beneficiary has submitted a written application for the aid to Fáilte Ireland before work on the project or activity starts. The application for the aid shall contain at least the following information:

(a) undertaking's name and size;
(b) description of the project, including its start and end dates;
(c) location of the project;
(d) list of project costs;
(e) type of aid (e.g. grant) and amount of public funding needed for the project;

5.3 If work begins before the applicant has submitted a written application to Fáilte Ireland the whole project will be ineligible for aid. Start of work means the earlier of either the start of construction works relating to the investment or the first legally binding commitment to order equipment or any other commitment that makes the investment irreversible. Buying land and preparatory works such as obtaining permits or conducting feasibility studies are not considered start of works.

6. Scope of Scheme

This scheme shall not apply to the following:-

(a) aid which favours activities in the steel sector, the coal sector, the shipbuilding sector, the synthetic fibres sector, the transport sector as well as the related infrastructure, energy generation, distribution and infrastructure;

(b) Aid for processing and marketing of agricultural products in the following cases
(a) where the amount of the 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 undertakings concerned; or
(b) where the aid is conditional on being partly or entirely passed on to primary producers;
(d) aid granted to the primary agricultural production sector,

6.2 The following aid is not permitted under the scheme:-
(a) Aid to export related activities towards third countries or Ireland, namely aid directly linked to the quantities exported, to the establishment and operation of a distribution network or to the other current expenditure linked to export activity;
(b) Operating aid;
   (a) Aid other than regional investment aid;
   (b) Ad hoc aid;
(c) Aid exceeding €7.5 million for SMEs and aid the adjusted aid amount calculated in accordance with the mechanism defined in Article 2 (20) of the Regulation for Large Enterprises;
(d) Aid subject to conditions that the beneficiary establish its headquarters in Ireland and or that the beneficiary use nationally produced goods or national services.

6.3 The following beneficiaries are ineligible for aid under the scheme:

(a) a beneficiary who is subject to an outstanding recovery order following a previous Commission decision declaring the aid illegal and incompatible with the internal market.
(b) a firm in difficulty as defined by Article 2(18) of the Regulation.
(c) a beneficiary that has closed down the same or similar activity in the European Economic Area in the two years preceding its application for regional investment aid or, at the time of the aid application has concrete plans to close down such an activity within a period of up to two years after the initial investment for which aid is requested is completed in the area concerned.

Same or similar activity means an activity falling under the same class (four digit numerical code) of the NACE Rev.2 statistical classification of economic activities.

7. Eligible Projects

Eligible projects are defined as:-
7.1 Initial investments in tangible and intangible assets which fall into one of the following categories:
(a) the setting up of a new establishment.
(b) the extension of the capacity of an existing establishment.
(c) diversification of the output of an establishment into products not previously produced in the establishment.
(d) a fundamental change in the overall production process of an existing establishment.
(e) the acquisition of assets belonging to an establishment that has closed had it not been purchased and is bought by an investor unrelated to the seller and excludes sole acquisition of the share of an undertaking; and

7.2 Initial investments in tangible and intangible assets in favour of a new economic activity which fall into one of the following categories:

(a) the setting up of a new establishment.
(b) the diversification of the activity of an establishment under the condition that the new activity is not the same or similar activity to the activity previously performed in the establishment.
(c) the acquisition of assets belonging to an establishment that has closed had it not been purchased and is bought by an investor unrelated to the seller under the condition that the new activity to be performed using the acquired assets is not the same or similar activity to the activity performed in the establishment prior to the acquisition.

7.3 A new economic activity means an activity falling under the same class (four-digit numerical code) of the NACE Rev. 2 statistical classification of economic activities.

To be considered for support, applications must first demonstrate that they are eligible for this aid. Schemes aimed at Tourist Activities are eligible for Regional Investment Aid. While individual undertakings may benefit from regional aid, the overall purpose of it being permitted is to provide for economic and social development of regions, either on the basis that they are especially disadvantaged (in comparative EU terms) or where they have been identified by the Member States as requiring development. This Aid is only available to projects located in certain areas of the Country referred to in the Regional Aid Map for Ireland 2014-2020 as “Assisted Areas” and which has been approved by the European Commission. If your project is located outside of the Assisted Areas, your project is not eligible for Regional Investment Aid.

8. Eligible Costs

The following costs will be regarded as eligible costs:

(a) Investment costs in tangible and intangible assets, or
(b) Estimated wage costs arising from job creation as a result of the initial investment, calculated over a period of two years.

It is open to an applicant to calculate eligible costs from both (a) and (b) provided that they do not exceed the higher of (a) or (b).

The investment must be maintained in the area for at least five years or three years for SMEs after the completion of the investment. Plant and machinery the subject of the investment can be replaced during this period if outdated or broken within the period, provided that the economic activity remains in the area.

Any initial investment started by the same beneficiary (at group level) within a period of three years from the date of start of works on another aided instrument in the same NUTS 3 Region should be considered to be part of the single investment project.

The beneficiary’s own contribution should cover at least 25% of the eligible costs.
8.1 Tangible Assets

Expenditure on land/building (including site development costs), plant/machinery and equipment. The investment in tangible assets should be maintained in the recipient area for at least five years in the case of large undertakings or three years in the case of SMEs, after completion of the investment.

8.2 Intangible Assets

Expenditure on the transfer of technology through the acquisition of patent rights, licences, know-how or unpatented technical knowledge provided that they are:
(a) used exclusively in the establishment receiving regional aid.
(b) are amortisable assets.
(c) purchased under market conditions from third parties unrelated to the buyer.
(d) included in the assets of the beneficiary receiving regional aid and remain associated with the project for at least 5 years in the case of large undertakings or 3 years in the case of SMEs.

For SMEs, the full costs of investments in intangible assets will be eligible. For large companies, such costs are eligible only up to a limit of 50% of the total eligible investment expenditure of the project.

8.3 Wage costs of jobs linked to an Initial Investment

(a) The expected wage costs arising from a job creation project as a result of an initial investment project are an eligible cost. The salary cost is defined as the gross wage before tax plus compulsory social security contributions such as PRSI.
(b) The amount of aid must not exceed a certain % of the expected wage cost of the person hired, calculated over a two year period. The percentage is equal to the intensity allowed for regional aid in the area in question.
(c) These jobs must be directly created by an investment project.
(d) The investment project shall lead to a net increase in the number of employees in the establishment concerned compared with the average over the previous 12 months.
(e) Each post shall be filled within three years of completion of the works.
(f) Each job created through the investment shall be maintained in the area concerned for a period of at least five years for large undertaking and in the case of SME’s three years.

Small Investment Projects

The formula to calculate the adjusted aid available for such projects is set out at Article 2(20) of Regulation 651/2014.

In assisted areas fulfilling the conditions of Article 107(3)(c) of the Treaty, regional investment aid may be granted to SMEs for any form of initial investment. Aid to large enterprises shall only be granted for an initial investment in favour of new economic activity in the area concerned. This can be demonstrated by confirming the NACE code for any existing activity and the NACE code for the proposed activity (see list of NACE codes).

Level of Support

Should a project be deemed to have met all the criteria applying to the relevant funding calls under this Scheme and be eligible for Regional Investment Aid, Fáilte Ireland has discretion to provide grant assistance for eligible costs.
Fáilte Ireland’s guidelines for specific funding calls will set out the particulars regarding grant rates and minimum/maximum grant amounts available. Generally speaking, however, the maximum aid intensity for regional investment aid will range from 10% of eligible costs (for large enterprises) to 30% of eligible costs (for small enterprises).

9. Second Hand Equipment

(a) SMEs are eligible to seek support for second hand equipment.
(b) Large undertakings are not eligible to seek support for second hand equipment except where there is an acquisition of an establishment. If aid has already been granted for the acquisition of assets prior to the acquisition of an establishment the costs of those assets, shall be deducted from the eligible costs.

10. Leases

The assets shall be new except for SMEs and costs related to the lease of tangible assets may be taken into account where for land and buildings the lease must continue for at least five years for large undertakings and for three years for SMEs. For plant or machinery the lease must take the form of financial leasing and must contain an obligation for the beneficiary of the aid to purchase the asset upon expiry of the term of the lease.

To be eligible the assets must be bought from third parties unrelated to the buyer (with the exception of the takeover of a small enterprise by a family member or employee) and the transaction shall take place under market conditions.

11. Acquisitions

In the case of acquisition of the assets of an establishment within the meaning of Article 2 point 48 (b) of the Regulation, only the costs of buying the assets from third parties unrelated to the buyer shall be taken into consideration. The transaction shall take place under market conditions. If aid has already been granted for the acquisition of assets prior to their purchase, the costs of those assets shall be deducted from the eligible costs related to the acquisition of an establishment. Where a member of the family of the original owner, or an employee, takes over a small enterprise, the condition that the assets be bought from third parties unrelated to the buyer shall be waived. The acquisition of shares does not constitute initial investment.

12. Aid granted for a fundamental change in the production process (SME)

The eligible costs must exceed the depreciation of the assets linked to grant aided activity in the course of the preceding three fiscal years.

13. Aid granted for a diversification of an existing establishment (SME)

The eligible costs must exceed by at least 200 % the book value of the assets that are reused in the grant aided activity as registered in the fiscal year preceding the start of works.

14. Aid for research infrastructures
Regional investment aid can only be granted for research infrastructures if the aid is made conditional on giving transparent and non-discriminatory access to third parties to the aided infrastructure.

15. Form of Aid

Only transparent forms of aid may be paid by Fáilte Ireland (i.e. in which it is possible to calculate precisely the gross grant equivalent as a percentage of eligible expenditure ex ante without need to undertake a risk assessment) such as capital grants, employment grants and technology acquisition grants.

16. Definitions

For the purposes of this scheme the definitions set out Article 2 in the Regulation including those set out definitions section for regional investment aid in the Regulation, on the application of Articles 107 and 108 of the TFEU to regional investment aid, shall apply.

17. Cumulation

Aid under this Scheme may be cumulated with other State aid only in accordance with Article 8 of the Regulation.

18. Period of Validity

This scheme shall operate from 14 May 2018 until 31 December 2020.
Aid for Consultancy in favour SMEs

1. Objective of Scheme
The objective of this Scheme is to develop the tourism product in a sustainable manner that enhances the quality of the offering and visitor satisfaction levels and widens the regional and seasonal spread of tourism within Ireland. This is part of an overall regional development policy aiming at facilitating productive investment outside existing highly developed centres, where it tends to be concentrated at present, and targeting investment in the less developed locations demonstrating further potential.

The specific objective of the Scheme is to provide capital funding to assist tourism projects, visitor attractions and activity providers to improve their offering and/or business capability in order to win more customers, enhance the visitor experience and satisfaction levels and increase dwell time in the region. This, in turn, will assist Fáilte Ireland (the National Tourism Development Authority) in meeting its statutory and strategic objectives.

2. Legal Basis and Rules

Legal Basis:
The Tourist Traffic Acts 1939 to 2016 – including the National Tourism Development Authority Act 2003, as amended.

State Aid basis:
The operation of this scheme is subject to the provisions applicable under Article 18 of the General Block Exemption Regulation (Official Journal of the European Union Vol 57 dated 26th June 2014) relating to aid for consultancy in favour of SMEs.

3. Budget
The average annual budget of this Scheme shall not exceed EUR 10 million.

4. Who can apply?

Applicants will be eligible to apply for Aid for Consultancy in favour of SMEs once the project concerned meets the criteria set out in Fáilte Ireland’s Application Guidelines relating to specific funding calls under the Grants Scheme for Small Tourism Projects. The right to apply does not impose any obligation on the State to provide funding to an applicant.

5. Incentive Effect

5.1 This Scheme shall apply only to aid which has an incentive effect.

5.2 Aid shall be considered to have an incentive effect if the beneficiary has submitted a written application for the aid to Fáilte Ireland before work on the project or activity starts. The application for the aid shall contain at least the following information:

(a) undertaking's name and size;
(b) description of the project, including its start and end dates;
(c) location of the project;
(d) list of project costs;
(e) type of aid (e.g. grant) and amount of public funding needed for the project;
5.3 If work begins before the applicant has submitted a written application to Fáilte Ireland the whole project will be ineligible for aid. Start of work means the earlier of either the start of construction works relating to the investment or the first legally binding commitment to order equipment or any other commitment that makes the investment irreversible. Buying land and preparatory works such as obtaining permits or conducting feasibility studies are not considered start of works.

6. Scope of Scheme

Funding shall only be provided under this scheme where it qualifies as exempted from the notification requirement of Article 108(3) of the Treaty pursuant to the Block Exemption Regulation, provided that the conditions laid down in Article 58 are fulfilled.

For an undertaking to avail of this support, the proposed infrastructure must also fulfil the criteria of promoting tourism in the State.

7. Eligible Projects

In cases where specific funding calls under the Grants Scheme for Small Tourism Projects may wish to apply the exemption relating to aid for consultancy in favour of SMEs, applications will be accepted from the public, private and voluntary sectors as defined in the Application Guidelines applying.

This aid applies to costs of consultancy services provided by external consultants.

8. Eligible Costs

The eligible costs shall be the costs of consultancy services provided by external consultants.

The services concerned shall not be a continuous or periodic activity nor relate to the undertaking’s usual operating costs, such as routine tax consultancy services, regular legal services or advertising.

Should the project be deemed to have met all the criteria for this grant and be eligible for Aid for Consultancy for SMEs a grant for up to 50% of the eligible costs may be awarded.

Fáilte Ireland’s guidelines for specific funding calls under the Grants Scheme for Small Tourism Projects will set out the grant rates and minimum/maximum grant amounts available. Generally speaking, however, the maximum grant amount will not exceed €200,000. The grant rate offered may be less than that requested by the applicant and is at the full discretion of Fáilte Ireland.

9. Form of Aid

Only transparent forms of aid may be paid (i.e. in which it is possible to calculate precisely the gross grant equivalent as a percentage of eligible expenditure ex ante without need to undertake a risk assessment).

10. Definitions

For the purposes of this scheme the definitions set out Article 2 in the Regulation shall apply.
11. **Cumulation**

Aid under this Scheme may be cumulated with other State aid only in accordance with Article 8 of the Regulation.

12. **Period of Validity**

This scheme shall operate from 14 May 2018 until 31 December 2020.
1. **Objective of Scheme**

The objective of this Scheme is to develop the tourism product in a sustainable manner that enhances the quality of the offering and visitor satisfaction levels and widens the regional and seasonal spread of tourism within Ireland. This is part of an overall regional development policy aiming at facilitating productive investment outside existing highly developed centres, where it tends to be concentrated at present, and targeting investment in the less developed locations demonstrating further potential.

The specific objective of the scheme is to provide capital funding to assist tourism projects, visitor attractions and activity providers to improve their offering and/or business capability in order to win more customers, enhance the visitor experience and satisfaction levels and increase dwell time in the region. This, in turn, will assist Fáilte Ireland (the National Tourism Development Authority) in meeting its statutory and strategic objectives.

2. **Legal Basis and Rules**

Legal Basis:
The Tourist Traffic Acts 1939 to 2016 – including the National Tourism Development Authority Act 2003, as amended.

State Aid basis:
The operation of this scheme is subject to the provisions applicable under Article 53 of the General Block Exemption Regulation (Official Journal of the European Union Vol 57 dated 26th June 2014) relating to Cultural and Heritage Conservation and Consultancy Aid.

3. **Budget**

The average annual budget of this Scheme shall not exceed EUR 10 million.

4. **Who can apply?**

Applicants will be eligible to apply for Culture and Heritage Conservation and Consultancy Aid once the project concerned meets the criteria set out in Fáilte Ireland’s Application Guidelines relating to specific funding calls under the Grants Scheme for Small Tourism Projects. The right to apply does not impose any obligation on the State to provide funding to an applicant.

5. **Incentive Effect**

5.1 This Scheme shall apply only to aid which has an incentive effect.

5.2 Aid shall be considered to have an incentive effect if the beneficiary has submitted a written application for the aid to Fáilte Ireland before work on the project or activity starts. The application for the aid shall contain at least the following information:

(a) undertaking’s name and size;
(b) description of the project, including its start and end dates;
(c) location of the project;
(d) list of project costs;
(e) type of aid (e.g. grant) and amount of public funding needed for the project;

5.3 If work begins before the applicant has submitted a written application to Fáilte Ireland the whole project will be ineligible for aid. Start of work means the earlier of either the start of construction works relating to the investment or the first legally binding commitment to order equipment or any other commitment that makes the investment irreversible. Buying land and preparatory works such as obtaining permits or conducting feasibility studies are not considered start of works.

6. **Scope of Scheme**

Funding shall only be provided under this scheme where it qualifies as exempted from the notification requirement of Article 108(3) of the Treaty pursuant to the Block Exemption Regulation.

7. **Eligible Projects**

Applicants may receive funding for the following cultural purposes and activities:

- (a) Museums
- (b) Tangible heritage including all forms of movable or immovable cultural heritage and archaeological sites, monuments, historical sites and buildings; natural heritage linked to cultural heritage or if formally recognised as cultural or natural heritage;
- (c) Intangible heritage in any form, including folklorist customs and crafts;
- (d) Art or cultural events and performances, festivals, exhibitions and other similar cultural activities;
- (e) Cultural and artistic education activities as well as promotion of the understanding of the importance of protection and promotion of the diversity of cultural expressions through educational and greater public awareness programs, including with the use of new technologies.

8. **Eligible Costs**

**Operating Aid**

Applicants may be eligible for operating aid, for example costs for advisory and support services provided by outside consultants and service providers, incurred directly as a result of the project.

The other eligible costs shall be:
- (a) the cultural institution’s or heritage site’s costs linked to continuous or periodic activities including exhibitions, performances and events and similar cultural activities that occur in the ordinary course of business;
- (b) costs of the improvement of public access to the cultural institution or heritage sites and activities including the costs of digitisation and of use of new technologies as well as costs of improving accessibility for persons with disabilities;
- (c) costs for advisory and support services provided by outside consultants and service providers, incurred directly as a result of the project.

The funding shall not exceed what is necessary to cover the operating losses and a reasonable profit over the relevant period. This shall be ensured ex ante, on the basis of reasonable projections, or through a claw-back mechanism.
Fáilte Ireland’s guidelines for specific funding calls under the Grants Scheme for Small Tourism Projects will set out the grant rates and minimum/maximum grant amounts available. Generally speaking, however, the maximum grant rate will not exceed 80% of eligible capital costs and grant amounts available will not exceed €200,000. The grant rate offered may be less than that requested by the applicant and is at the full discretion of Fáilte Ireland.

**Investment Aid**

For investment aid, the eligible costs shall be the investment costs in tangible and intangible assets. A tangible asset means assets consisting of land, buildings, plant and machinery and equipment. Intangible assets means assets that do not have a physical or financial embodiment including for example; patents, licences, know-how or other intellectual property. Eligible costs include:

(a) Costs for the construction, upgrade, acquisition, conservation or improvement of infrastructure, if at least 80% of either the time or the space capacity per year is used for cultural purposes;
(b) Costs for the acquisition, including leasing, transfer of possession or physical relocation of cultural heritage;
(c) Costs for safeguarding, preservation, restoration and rehabilitation of tangible and intangible cultural heritage, including extra costs for storage under appropriate conditions, special tools, materials and costs for documentation, research, digitalisation and publication;
(d) Costs for improving the accessibility of cultural heritage to the public, including costs for digitisation and other new technologies, costs to improve accessibility for persons with special needs (in particular, ramps and lifts for disabled persons, braille indications and hands-on exhibits in museums) and for promoting cultural diversity with respect to presentations, programmes and visitors;
(e) Costs for cultural projects and activities, cooperation and exchange programmes and grants including costs for selection procedures, costs for promotion and costs incurred directly as a result of the project;

The funding shall not exceed the difference between the eligible costs and the operating profit of the investment. The operating profit shall be deducted from the eligible costs ex ante, on the basis of reasonable projections, or through a claw-back mechanism.

Fáilte Ireland’s guidelines for specific funding calls under the Grants Scheme for Small Tourism Projects will set out the grant rates and minimum/maximum grant amounts available. Generally speaking, however, the maximum grant rate will not exceed 80% of eligible capital costs and grant amounts available will not exceed €200,000. The grant rate offered may be less than that requested by the applicant and is at the full discretion of Fáilte Ireland.

**9. Form of Aid**

Only transparent forms of aid may be paid (i.e. in which it is possible to calculate precisely the gross grant equivalent as a percentage of eligible expenditure ex ante without need to undertake a risk assessment).

**10. Definitions**

For the purposes of this scheme the definitions set out Article 2 in the Regulation shall apply.

**11. Cumulation**
Aid under this Scheme may be cumulated with other State aid only in accordance with Article 8 of the Regulation.

12. **Period of Validity**

This scheme shall operate from 14 May 2018 until 31 December 2020.
Aid for Sport and multifunctional recreational infrastructure

1. Objective of Scheme

The objective of this Scheme is to develop the tourism product in a sustainable manner that enhances the quality of the offering and visitor satisfaction levels and widens the regional and seasonal spread of tourism within Ireland. This is part of an overall regional development policy aiming at facilitating productive investment outside existing highly developed centres, where it tends to be concentrated at present, and targeting investment in the less developed locations demonstrating further potential.

The specific objective of the scheme is to provide capital funding to assist tourism projects, visitor attractions and activity providers to improve their offering and/or business capability in order to win more customers, enhance the visitor experience and satisfaction levels and increase dwell time in the region. This, in turn, will assist Fáilte Ireland (the National Tourism Development Authority) in meeting its statutory and strategic objectives.

2. Legal Basis and Rules

Legal Basis:
The Tourist Traffic Acts 1939 to 2016 – including the National Tourism Development Authority Act 2003, as amended.

State Aid basis:
The operation of this scheme is subject to the provisions applicable under Article 55 of the General Block Exemption Regulation (Official Journal of the European Union Vol 57 dated 26th June 2014) relating to aid for sport and multifunctional recreational infrastructures.

3. Budget

The average annual budget of this Scheme shall not exceed EUR 10 million.

4. Who can apply?

Applicants will be eligible to apply for Aid for Sport and Multi-Functional Leisure Facilities once the project concerned meets the criteria set out in Fáilte Ireland’s Application Guidelines relating to specific funding calls under the Grants Scheme for Small Tourism Projects. The right to apply does not impose any obligation on the State to provide funding to an applicant.

5. Incentive Effect

5.1 This Scheme shall apply only to aid which has an incentive effect.

5.2 Aid shall be considered to have an incentive effect if the beneficiary has submitted a written application for the aid to Fáilte Ireland before work on the project or activity starts. The application for the aid shall contain at least the following information:

(a) undertaking’s name and size;
(b) description of the project, including its start and end dates;
(c) location of the project;
(d) list of project costs;
(e) type of aid (e.g. grant) and amount of public funding needed for the project;

5.3 If work begins before the applicant has submitted a written application to Fáilte Ireland the whole project will be ineligible for aid. Start of work means the earlier of either the start of construction works relating to the investment or the first legally binding commitment to order equipment or any other commitment that makes the investment irreversible. Buying land and preparatory works such as obtaining permits or conducting feasibility studies are not considered start of works.

6. Scope of Scheme
Funding shall only be provided under this scheme where it qualifies as exempted from the notification requirement of Article 108(3) of the Treaty pursuant to the Block Exemption Regulation, provided that the conditions laid down in Article 55 and Chapter 1 are fulfilled.

For an undertaking to avail of this support, the proposed infrastructure must also fulfil the criteria of promoting tourism in the State.

The following aid is not permitted under the scheme:

- Aid where the sport infrastructure shall be used exclusively by a single professional sport user. Use of the sport infrastructure by other professional or non-professional sport users shall annually account for at least 20% of time capacity. If the infrastructure is used by several users simultaneously, corresponding fractions of time capacity usage shall be calculated.

Access to the sport or multifunctional recreational infrastructures shall be open to several users and be granted on a transparent and non-discriminatory basis. Undertakings which have financed at least 30% of the investment costs of the infrastructure may be granted preferential access under more favourable conditions, provided those conditions are made publicly available.

If the sport infrastructure is used by professional sports clubs, the pricing conditions for its use must be made publicly available.

Any concession or other entrustment to a third party to construct/upgrade and/or operate the sport or multifunctional recreational infrastructure shall be assigned on an open, transparent and non-discriminatory basis, having due regard to the applicable procurement rules.

7. Eligible Projects
In cases where specific funding calls under the Grants Scheme for Small Tourism Projects may wish to apply the exemption relating to aid for sport and multifunctional recreational infrastructure, applications will be accepted from the public, private and voluntary sectors as defined in the Application Guidelines applying.

Multifunctional recreational infrastructure shall consist of recreational facilities with a multifunctional character offering, in particular, cultural and recreational services with the exception of leisure parks and hotel facilities.
8. Eligible Costs

The aid may take the form of:

(a) Investment aid, including aid for the construction or upgrade of sport and multifunctional recreational infrastructure;
(b) Operating aid for sport infrastructure;

For investment aid for sport and multifunctional recreational infrastructure, the eligible costs shall be the investment costs in tangible and intangible assets.

For operating aid for sport infrastructure the eligible costs shall be the operating costs of the provision of services by the infrastructure. Those operating costs include costs such as personnel costs, materials, contracted services, communications, energy, maintenance, rent, administration, etc., but excluded depreciation charges and the costs of financing if these have been covered by investment aid.

For investment aid for sport and multifunctional recreational infrastructure, the aid amount shall not exceed the difference between the eligible costs and the operating profit of the investment. The operating profit shall be deducted from the eligible costs ex ante, on the basis of reasonable projections, or through a claw-back mechanism.

For operating aid for sport infrastructure the aid amount shall not exceed the operating losses over the relevant period. This shall be ensured ex ante, on the basis of reasonable projections, or through a claw-back mechanism.

Fáilte Ireland’s guidelines for specific funding calls under the Grants Scheme for Small Tourism Projects will set out the grant rates and minimum/maximum grant amounts available. Generally speaking, however, the maximum grant rate will not exceed 80% of eligible capital costs and grant amounts available will not exceed €200,000. The grant rate offered may be less than that requested by the applicant and is at the full discretion of Fáilte Ireland.

9. Form of Aid

Only transparent forms of aid may be paid (i.e. in which it is possible to calculate precisely the gross grant equivalent as a percentage of eligible expenditure ex ante without need to undertake a risk assessment).

10. Definitions

For the purposes of this scheme the definitions set out Article 2 in the Regulation shall apply.

11. Cumulation

Aid under this Scheme may be cumulated with other State aid only in accordance with Article 8 of the Regulation.

12. Period of Validity

This scheme shall operate from 14 May 2016 until 31 December 2020.