



R&D and Government Incentives Announcement from the Ministry of Development & Competitiveness

A message from **Stelios Sbyrakis** | Principal R&D/GI | Tax Services

New ESPA programs announced

The Ministry of Development and Competitiveness recently announced that the first two funding programs under the Competitiveness, Entrepreneurship & Innovation Operational Program (ESPA) are expected to open in 2015:

- **Dynamic Business** program that targets existing small and medium-sized enterprises (SMEs) wishing to upgrade the organization of their business and operations.
- **Business Opportunity** program that targets long-term unemployed citizens wishing to start a business and hire an additional person.

Final announcements on the new programs are expected to be published after the new national institutional and regulatory framework for the projects are finalized; the programs will be co-financed under the terms of the new programming period 2014-2020.

A summary of the main features of the “Dynamic Business” program is presented below.

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Dynamic Business

Funding organization

Ministry of Development and Competitiveness

Scope of the program

The program will support research projects carried out by domestic enterprises that operate in select sectors. The basic aim is to promote innovation to enhance the competitiveness of enterprises by producing high value-added products and services, and to create a competitive advantage for Greece in certain areas.

Sectors covered

To qualify for the program, a company must operate in one of the following strategic sectors:

- Agro-food

- Culture and creative industries
- Materials and construction
- Supply chain
- Energy
- Environment
- Information and communication technologies
- Health

Beneficiaries and conditions

An enterprise with one of the following legal forms is eligible to participate: corporation (SA), limited liability company (EPE), partnership (OE, EE), private capital company (IKE), personal company in the private sector. Additionally, on the date the entity submits its grant proposal it must have drawn up at least one set of financial statements with productive activity in one of the qualifying sectors. Each enterprise may submit only one proposal.

Budget limits and funding rates

The program provides for a cash subsidy under the “de minimis” state aid regulation; the total budget for each proposal can range between EUR 20,000 and EUR 300,000, while the cash subsidy is calculated at 50% of eligible expenses. Following approval, an entity can opt to receive an advance payment of up to 40% of the subsidy provided it produces an equal-value letter of guarantee from a recognized financial institution.

Supported activities, expenses and support rates

Expense categories eligible for support under the program are as follows:

- **Equipment modernization**
- **Buildings and fixture upgrade for business purposes**
- **Technical and business consulting for organizational and productivity improvements, new markets orientation, support of innovative / technological entrepreneurship**
- **Technological upgrade through the increased use of technology**
- **Technology licensing to assist in the production yield of products and services**
- **Promotion in target markets**
- **Certification of management systems, design and standardization**

The expense categories eligible to be supported by the program are the following:

Eligible expenses include costs incurred as from 1 January 2014, provided the proposed expenditure spending ends after the date of the grant application.

Dates

The duration of each project is set at eighteen (18) months.

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