



R&D and Government Incentives New ESPA 2014–2020 funding programs available

Four new funding programs will provide grants to businesses

On 11 February 2016, the Greek Ministry of Economy, Development and Tourism announced four programs to provide grants to enterprises, under the National Strategic Reference Framework (ESPA) for 2014–2020. These programs, and the dates to submit a proposal for funding under each program, are as follows:

- “Upgrading micro & small existing businesses to develop their capacity in new markets” (submission period from 7 April 2016 to 20 May 2016);
- “Encouraging self-employment of graduates of higher education” (submission period from 8 March 2016 to 15 April 2016);
- “Startup entrepreneurship” (submission period from 17 March 2016 to 27 April 2016); and
- “Strengthening tourism small and medium-sized enterprises (SMEs) for their modernization and improvement of service quality” (submission period from 29 March 2016 to 17 May 2016).

A summary of the main features of the new “Strengthening tourism SMEs for their modernization and improvement of service quality” program is presented below.

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Strengthening tourism SMEs for their modernization and improvement of service quality

Funding organization

Ministry of Economy, Development and Tourism, under the Operational Programme for

Scope of the program

The main objective of the program is to support investment projects of micro , small and medium-sized enterprises in the tourism sector. Eligible investment projects should aim to modernize the enterprise's infrastructure and operations, to improve and enrich the services offered or to upgrade and certify the enterprise's products and services. The program aims to improve the enterprise's position in the domestic and international tourism market.

Beneficiaries and relevant conditions

Eligible beneficiaries for the program include certain new and existing enterprises that were established on or before 31 December 2015 and that employ at least 0.5 full-time employees (FTEs).

Enterprises with one of the following legal forms are eligible to participate in the program: corporation (SA), limited liability company (EPE), partnership (OE or EE), private capital company (IKE), personal company, social cooperative enterprise or partnership in the private sector. The enterprise must be active in one or more specific economic sub-activities, as defined in the official program guide, that fall under the following economic activities

NACE rev. 2 classification	Activity
49.39	Other passenger land transport not elsewhere classified (n.e.c.)
50.10	Sea and coastal passenger water transport
50.30	Inland passenger water transport
52.22	Service activities incidental to water transportation
55.10	Hotels and similar accommodation
55.20	Holiday and other short-stay accommodation
55.30	Camping grounds, recreational vehicle parks and trailer parks
77.11	Rental and leasing of cars and light motor vehicles
77.21	Rental and leasing of recreational and sports goods
77.34	Rental and leasing of water transport equipment
77.35	Rental and leasing of air transport equipment
77.39	Rental and leasing of other machinery, equipment and tangible goods n.e.c.
79.11	Travel agency activities
79.12	Tour operator activities
82.30	Organization of conventions and trade shows
85.51	Sports and recreation education
93.11	Operation of sports facilities
93.29	Other amusement and recreation activities

Note: The table above is indicative of activities that may be eligible for the program, but eligibility must be verified according to the official program guide.

Other relevant conditions include that the duration of an eligible project may be up to 24 months, and that each enterprise may submit only one proposal to participate in the program.

Regional budgets, project budget limits and funding rates

The overall state contribution to the program is EUR 70 million, allocated to the regions as follows:

East Macedonia and Thrace, Central Macedonia, Epirus, Thessaly, Western Greece	28.756 million
Western Macedonia, Ionian Islands, Peloponnese, Northern Aegean, Crete	23.044 million
Attika	9.8 million
Central Greece	2.8 million
Southern Aegean	5.6 million
Total	70 million

The budget also is allocated according to projects' main activities, and between new and existing enterprises, as follows:

Budget	New enterprises (EUR)	Existing enterprises (EUR)	Total (EUR)
Accommodation activities	10 million	40 million	50 million
All other activities	5 million	15 million	20 million
Total	15 million	55 million	70 million

The budget for each project may range between EUR 15,000 and EUR 150,000 and, for existing companies, the budget cannot exceed the company's fiscal year 2015 turnover. Projects with budgets over EUR 150,000 may be funded up to the EUR 150,000 limit. The state funding granted to an approved project is 40% of the eligible expenses, which may be increased to 50% where the enterprise increases its personnel by 1 FTE.

Eligible expenses

Eligible expenses include expenses in specified categories that are incurred on or after 11 February 2016. The categories of expenses eligible for the program are the following:

- Buildings, facilities and surroundings;
- Machinery: Equipment;
- Equipment and services for environmental protection and energy/water savings;
- Certification of quality assurance systems and environmental management;
- Promotion: Advertising up to EUR 15,000;
- Software and software services up to EUR 20,000;
- Vehicles up to EUR 15,000;
- Professional services for monitoring the implementation of the investment plan, up to EUR 2,500;
- Studies/market research up to EUR 5,000 total, and up to EUR 2,500 per study; and
- Wage costs of personnel up to EUR 24,000 (EUR 12,000 per existing or new FTE, for up to two FTEs).

Specific restrictions to eligible expenditure are detailed in the program guide.

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