

# TOURISM CAPITAL INVESTMENT PROGRAMME

## Operational Guidelines



# CONTENTS

	Page
1. Introduction	2
2. Background	3
3. Project categories	4
4. Key appraisal criteria	8
5. Maximum aid rates	9
6. Eligibility	11
7. Method of calling for & processing grant applications	12
8. Conditions attaching to grant contracts	13
9. Eligible / Ineligible expenditure	16

# 1. INTRODUCTION

- 1.1 These are the explanatory operational guidelines for support for the development of international class visitor attractions and activity / adventure products to be administered and implemented by Fáilte Ireland as part of the National Development Plan 2007-2013 (NDP). The guidelines set out in some detail the eligibility criteria, grant levels, application and assessment process and monitoring arrangements. All applications must be submitted and processed in accordance with these guidelines.
- 1.2 Some €137 million of Exchequer funding within the NDP, has been designated for tourism product development. The current budget allocation to project categories is indicative and may be reviewed during the course of the programme depending on the availability of funding under each category. The eligible project categories do not include any grant funding for capital investment in accommodation facilities.
- 1.3 It is planned to set aside €70 million for the development of international class visitor attractions split as follows:
  - Some €50 million support for the upgrading and presentation to best international standards of some 20 existing visitor attractions.
  - In addition up to three new attractions will be sought with an indicative support budget of up to €14 million.
  - An initial allocation of €6 million is being set aside for further developments within historical and other major ornamental gardens to continue the programme of restoration and development of such gardens initiated in earlier NDPs.
- 1.4 It is planned to set aside €28 million for the development of activity / adventure products over the relevant six-year implementation period (2008-2013). The actual distribution of monies in any particular year may vary from the average and is in any case dependent upon the availability of funding and suitable projects being identified.

## 2. BACKGROUND

2.1 The Fáilte Ireland Tourism Product Development Strategy 2007-2013 available at [www.failteireland.ie](http://www.failteireland.ie) sets out a framework and policy guidance for the long-term development of the tourism product in Ireland. The recommendations cover areas that include:

- Capital investment in the hard tourism product;
- Infrastructure and services related to tourists;
- The physical environment;
- Packaging and presentation; and
- Expanding the skills and capability of people working in the industry.

The Strategy recommended that support for tourism product development should be market driven. It should optimise the industry's areas of strength so as to capture the maximum economic benefit. The focus must be on providing high-quality ancillary services and integrating existing products to provide a stimulating and rewarding product for consumers.

It is also vital to communicate and present these products to the consumer in a way that they can easily access. The proposed funding programme will enable the vision for Irish tourism to be fulfilled so that the industry:

- Achieves growth in market share with a higher yield;
- Has a pristine physical environment;
- Has key iconic attractions to entice visitors;
- Delivers a range of authentic experiences, in a friendly, engaging environment;
- Attracts investors and staff of the highest quality;
- Demonstrates and delivers continuous product innovation;
- Makes a sustained contribution to the development of the economy, especially from a regionally diverse viewpoint;
- Respects and supports Irish culture in all its diversity, and;
- Provides a positive international profile of Ireland.

# 3. PROJECT CATEGORIES

## 3.1 Fund to Create Attractions of International Class

This fund is divided into two sub-headings – Upgrading of Existing Attractions and Development of New Iconic Visitor Attractions of Scale.

### 3.1(a) *Upgrading of Existing Attractions*

In the past, the availability of European Structural funding encouraged a plentiful network of facilities like visitor attractions and interpretative centres throughout the country. Most of these are maintained and operated by groups in the voluntary, community and local government sector. They are not guaranteed ongoing central Government funding.

There is a clear need to identify the type of centres that have international appeal and have been proven to attract visitors. This type of centre should be prioritised for reinvestment, subject to some local funding also emerging.

Some €50 million support is planned for the upgrading and presentation to best international standards of approximately 20 of the more strategically important existing visitor attractions in the country. Within this funding parcel, €15 million will be set aside for tourism-priority National Heritage attractions under the control of the Office of Public Works (OPW) or National Parks and Wildlife Service (NPWS), provided it can be demonstrated that such projects are primarily responding to identified visitor demand and strategic tourism priorities, as distinct from principally meeting a local recreational, educational or conservation priority. OPW / NPWS facilities in developing tourism areas will be prioritised, while those in a "mature tourism area" (viz, Dublin, Cork, Killarney, Limerick – Shannon, or Galway) will only be considered in the most exceptional circumstances.

In bringing forward reinvestment in existing attractions, the Fáilte Ireland team will identify up to 60 non-OPW / NPWS attractions nationwide judged to have the greatest potential for further development based on how they score on a number of yardsticks, including:

- Inherent international marketability of the product and concept
- Strength of financial performance to date
- Quality of management team in place
- Accommodation capacity in immediate catchment area
- Audited density and quality of local product

In addition to meeting the key initial qualification criteria, proposals must be able to demonstrate the following:

- Have proven ability to generate 25,000 or more visitors per annum over the most recent three year period
- Operate primarily as a pure visitor attraction, and not as a facility to assist in the marketing of a commercial product or services, or as a place of worship, or an educational institution
- Not a national cultural institution fully grant-supported by the Department of Arts, Sport and Tourism
- Not a national or forest / country park outside the remit of the NPWS, or a zoological or related facility

- Not developed substantially under the NDP 2000-2006
- Not a county museum or a facility which primarily serves the cultural / educational / entertainment needs of the local resident population.

These attractions will be invited to bring forward proposals for redevelopment up to a qualifying expenditure ceiling of €5 million per project. This ceiling does not exclude projects which have greater expenditures, it simply means that spend over €5 million will not qualify towards grant aid. All projects, including those in the public and voluntary sector, will be required to put up matching funding. The minimum matching funding which must be invested in any project is €250,000. This figure may be adjusted upwards and will be decided by Fáilte Ireland on a project by project basis.

The target will be to achieve 20 such developments requiring between €44 million and €50 million in support, and a maximum individual grant of €4.5 million.

Where the proposed redevelopment includes the creation of an events / banqueting space it must:

- Be primarily for the hosting of Irish Cultural events;
- Take place in a building that has been determined by an authority under the aegis of the Minister for Environment, Heritage and Local Government to be a building which is intrinsically of significant historical, architectural or aesthetic interest;
- Be in an area where it can be proven that the tourist accommodation base is of a significant level to warrant such a venue;
- Be clearly demonstrated that the nature of the facility is such that usage by local residents will be of minor importance and clearly subsidiary to use by tourist visitors.

It should be noted that given the amount of preparatory planning here, capital expenditure phasing is foreseen as primarily in the 2010-2012 period. In the event that the outcome of the targeted call for proposals is such that Fáilte Ireland form the view that the €50 million allocation will not be taken up within the lifetime of the Programme, the criteria above may be varied for subsequent calls for proposals, subject to the agreement of the Department of Arts, Sport and Tourism. Refer to the Fáilte Ireland corporate website ([www.failteireland.ie](http://www.failteireland.ie)) for updates regarding eligibility criteria.

### 3.1(b) *Development of New Iconic Visitor Attractions of Scale*

Up to three new attractions will be sought with an indicative support budget of €14 million. Any project to be considered must involve a minimum qualifying expenditure of €5 million, with a maximum qualifying ceiling of €12 million. While all projects, including those in the public and voluntary sector, will be required to put up matching funding, the public / voluntary sector percentage level above a minimum contribution of €500,000 will be at the discretion of Fáilte Ireland.

In addition to meeting the key project appraisal criteria, attractions eligible to benefit from this fund must satisfy the following criteria:

- Have an element of Irish culture and can be shown to excite genuine international interest;
- The attraction must on completion be a permanently established excursion destination, a primary purpose of which is to allow access for visitor information or enlightenment and interest rather than being primarily a retail outlet or a venue for sporting, theatrical, or film performances;
- It must be open to the public, without prior booking, for published periods each year and should be capable of attracting primarily day visitors / tourists;
- It must be a single business under a single management, so that it is capable of answering the economic questions on revenue, employment etc.;
- It must receive revenue directly from day visitors / tourists.

Where the proposed project involves the creation of an events / banqueting space it must:

- Be primarily for the hosting of Irish cultural events;
- Take place in a building which has been determined by an authority under the aegis of the Minister for Environment, Heritage and Local Government to be a building which is intrinsically of significant historical, architectural or aesthetic interest;
- Be in an area where it can be proven that the tourist accommodation base is of a significant level to warrant such a venue;
- Be clearly demonstrated that the nature of the facility is such that usage by local residents will be of minor importance and clearly subsidiary to use by tourist visitors.

In the event that the outcome of the targeted call for proposals is such that Fáilte Ireland form the view that the €14 million allocation will not be taken up within the lifetime of the Programme, the criteria above may be varied for subsequent calls for proposals, subject to the agreement of the Department of Arts, Sport and Tourism. Refer to the Fáilte Ireland corporate website ([www.failteireland.ie](http://www.failteireland.ie)) for updates regarding eligibility criteria.

### **3.2 Support for the Development of Great Gardens**

Up to €6 million of the attractions fund will be used to invest in historic or other 'Great Gardens'.

- Funding will be available to assist proposals for the restoration, conservation or appropriate development of Great Garden projects of major historic and horticultural merit as significant day visitor attractions
- Proposals will also be considered in a limited number of economically viable gardens which were assisted under the 1994-1999 / 2000-2006 Great Gardens of Ireland Restoration Programme. Programme should relate to further phases of restoration projects, including the provision of new facilities and / or the upgrading of existing visitor facilities
- Proposals will also be considered for new ornamental gardens of international significance judged independently to be of major tourism potential and merit
- In its appraisal of proposals, Fáilte Ireland will draw on external expertise where specialist advice is warranted but not readily available internally
- Great Garden projects will only be considered if they are professionally staffed

### **3.3 Fund for investment in Activity / Adventure products**

The Fáilte Ireland Tourism Product Development Strategy 2007-2013 identified 'Soft Adventure' as the theme under which Ireland can offer the largest range of tangible product. 'Soft Adventure' alone accounts for one third of Ireland's total amount of product across all themes and categories. Such activity / adventure facilities are usually, but not always, provided in an "outdoor" setting, involving the practice of, or acquisition of, a particular skill. Notably, many of the soft adventure activities have seen a decline in participants during the period 2000 to 2005.

High quality products are important to both the generalist visitor (sampling a number of different types of product) and the specialist (partaking in one activity while on holiday). A number of issues have been identified relating to various products and these will be eligible for assistance in order to rectify such deficiencies.

There are key products provided by the private sector that are critical to the continued viability of some rural tourism nodes. These products include:

■ **Water-sports centres and boat rental**

- Support will be available for the development of specialised water sports centres in both coastal and inland areas, and for the development of diving centres, sail training and other related water-based tourism facilities other than coastal infrastructure such as maritime marinas.
- With regard to inland cruising, support will be considered for the expansion and modernisation of cruising fleet available for inland boat rental and associated facilities. Assistance, at a maximum 30% rate, will be considered.

■ **Other outdoor activity centres and facilities**

Proposals are being sought for the development and / or upgrading of facilities at new and existing activity centres.

■ **Learn To / Resource facilities**

- Special provision is also being made to encourage the growing market wishing to develop outdoor activity skills in a controlled environment. Special proposals may be made for the provision of base infrastructure and dedicated usage areas for participants in “learn to” holiday packages. This may include facilities for activities and pastimes including, but not limited to, golf, tennis, painting and other studio-based activities provided that such facility is not available for ongoing and regular use by individuals on a membership or one-off “pay for play” basis.
- Provision is also being made for the development of soft adventure tourism archive resource facilities. Such facility should not be available for ongoing and regular use by individuals on a membership basis.

■ **Equestrian / Horse Riding facilities**

Proposals are being sought for further development of the equestrian product including trail development, creation of base infrastructure, and also major arenas which address an identified gap in the international equestrian activities market, will be considered. Proposals should demonstrate how the project integrates with local accommodation facilities.

■ **Angling**

The purpose of grant assistance in this category is to ensure that the angling product is maintained and where necessary upgraded to increase supply and improve the quality of the product to bring it in line with best international standards. Assistance will be available in the following areas:

- Safety Equipment
- Stands
- Specialist angling equipment
- Bait rooms
- Drying rooms
- Other angling tourism specific facilities

**There will be a minimum eligible investment level of €250,000 pertaining to Activity / Adventure project proposals. Fáilte Ireland may consider exceptions to this minimum only in locations where funding is not available to rural / community micro-enterprises under the funding programmes of the Department of Community, Rural and Gaeltacht Affairs.**

**Activity / Adventure projects will also be required to satisfy such requirements relating to safety and other standards as may be determined by the recognised national governing body for the relevant sport(s) / activity. Refer to the Fáilte Ireland corporate website ([www.failteireland.ie](http://www.failteireland.ie)) for updates regarding eligibility criteria.**

# 4. KEY APPRAISAL CRITERIA

The following information is required for the appraisal of project proposals.

- 4.1 There will be a strong emphasis on integration and coherence of proposed projects with existing attractions and tourist activities in the area, to maximise potential for the creation of groups of mutually complementary tourism attractions and facilities and, accordingly, impartial and sustainable tourism in the area concerned.
- 4.2 **Proposals will be required to demonstrate:**
- That they are consistent with The National Development Plan and Fáilte Ireland's Tourism Product Development Strategy 2007-2013;
  - Cost-effectiveness and financial sustainability including explicit provision for expert management, financial control systems and international marketing expertise as appropriate, and proposals for further promotion and ongoing management and development of the facilities;
  - That the proposed project will have an emphasis on servicing the tourism market (the marketing plan must fully address this issue) and participate in any appropriate strategic product marketing partnerships approved by Fáilte Ireland;
  - That the project promoters have proven ability to deliver a project of the type proposed;
  - Evidence that the investment will lead to increased visitor numbers and / or bednights resulting in increased revenue and better employment opportunities (account will be taken of the extent to which a proposed project will generate more secure local employment and employment opportunities for those who have experienced social exclusion);
  - Access and the necessary facilities at the principal buildings for people with disabilities and / or impaired mobility;
  - Evidence that statutory planning and environmental consents will be in place prior to full approval of the project for grant assistance. If the project is of a certain scale, nature or location, Fáilte Ireland may, at its discretion, require applicants to submit an appropriate environmental statement. This may be additional to what is already requested by other statutory authorities;
  - Environmental sustainability, having regard to best practice in relation to environmental protection and the stated conditions set by the planning authorities and Fáilte Ireland. In general, projects must demonstrate their ability to have a benign or satisfactory impact on the environment;
  - That the relevant local authorities and other agencies have invested, or plan to invest, in the necessary physical infrastructure (especially in terms of non-national roads / access routes, signposting, visitor management, sanitary services and pollution, including effluent, litter and noise control).

# 5. MAXIMUM AID RATES

- 5.1** Except where otherwise indicated, the maximum aid rates for non-commercial public sector (including voluntary and community bodies – however see 6.2 below) projects will be up to 75%. Higher rates may be available in limited circumstances as in the case of upgrading of existing attractions, subject to the minimum matching funding requirement being met.

These rates are fixed for the 2007-2013 period. Projects will not necessarily qualify for the maximum permissible aid rates.

- 5.2** Assistance for private sector projects must comply with the European Commission's Guidelines on National Regional Aid, and, in particular, the Regional Aid (Tourism) Scheme 2007-2013 operated under these Guidelines. The maximum ceilings (in percentage terms) for regional aid for all sectors in Ireland were approved on 24 October, 2006 and are as set out in the following table. Assistance for private sector projects and public sector commercial projects must comply with the European Commission Guidelines on Regional Aid.

Please note that the relevant ceiling is the one in force on the date of approval of the grant. The maximum aid rates for private sector investment in activity / adventure products (extending in this instance to voluntary and community bodies) will be 50%.

The maximum ceilings (in percentage terms) for regional aid for all sectors in Ireland under the Guidelines on National Regional Aid for 2007-2013 are set out as follows:

Region	Type of Enterprise	Aid Ceiling 2007-2010	Aid Ceiling 2011-2013
<b>IE01 BMW</b> Donegal, Sligo, Leitrim, Cavan, Monaghan, Louth, Longford, Westmeath, Offaly, Laois, Galway City and County, Mayo, Roscommon	Small	50%	35%
	Medium	40%	25%
	Large	30%	15%

Region	Type of Enterprise	2007-2008	2009-2013
<b>IE025 South West</b> Cork Urban Regeneration Area <sup>5</sup> , Kerry	Small	30%	30%*
	Medium	20%	20%*
	Large	10%	0%
Cork City & County	Small	30%	15%
	Medium	20%	7.5%
	Large	10%	0%
<b>IE023 Mid West</b> Clare, Limerick City and County, Tipperary NR	Small	30%	30%*
	Medium	20%	20%*
	Large	10%	0%

\*2009-2013 no aid may be awarded for investment projects with eligible expenditure exceeding €25m.

<sup>1</sup> Cork Urban Regeneration Area: The district Electoral Divisions (LAU) of Knockree B, City Hall B, St Patrick's A, Montenotte A, Montenotte B, Mayfield, The Glen A, Tivoli B (part south of the railway), Mahon A and Mahon B

Region	Type of Enterprise	Aid Ceiling 2007-2013
<b>IE024 South East</b>	Small	30%
Carlow, Tipperary SR, Waterford City and County, Wexford, Kilkenney	Medium	20%
	Large	10%
<b>IE025 South West (Islands)</b>	Small	30%
Bear, Cape Clear, Durseley, Heir, Long, Sherkin, Whiddy	Medium	20%
	Large	10%
<b>Other Areas</b>	Small	15%
Kildare, Meath and Wicklow, Dublin City and County	Medium	7.5%
	Large	0%

**5.3** In line with European Commission regulations, when approving actual grants, account will have to be taken of the total state aid (including any accelerated capital allowances, subsidised loans etc.) available to the project, to ensure that the ceilings for the particular location, as shown in the table above, are not exceeded.

A project is not considered eligible for grant assistance under this scheme if it is to receive state aids under any of the following schemes:

- N564/93, Rural Renewal;
- NN 118/00, Accelerated Capital Allowances for Hotels;
- N 489/00, Town Renewal;
- N 832/00, Accelerated Capital Allowances for Hotels;
- BES/SCS Schemes.

Where a project, whether approved under the Local Enterprise Development Priority of the NDP 2000-2006 and / or seeking or being funded under the schemes related to the support for entrepreneurship and micro enterprise category of the NDP 2007-2013, is concerned, a full declaration of the supports sought or obtained must be provided.

**5.4** Given the complex procedures required to fully implement the assessments and independent evaluations required, project financing plans should be predicated on grant rates applicable at least one year or more after date of submission. The percentage grant rate payable for the totality of the project will be determined by the rate current at date of full approval of grant (as set out in table above), as amended by the requirement in 6.3 above.

**5.5** Works commenced prior to grant approval will not be considered for grant purposes.

**5.6** Except where agreed with Fáilte Ireland in relation to a particular product group, projects will not be considered where the grant would be expected to be below €150,000.

# 6. ELIGIBILITY

**6.1** In assessing all projects, emphasis will be laid upon the consistency of the proposal with national and regional tourism policy, as informed by the overall National Spatial Strategy, and as specifically outlined in the Tourism Product Development Strategy 2007-2013, published by Fáilte Ireland.

## **6.2 Who can apply?**

Certain funds within the Programme are targeted at public bodies, e.g. state agencies or local authorities undertaking developments which provide essential tourism facilities that are either free to the public or for which only nominal usage fees are charged. These agencies will be invited to apply directly for specified funding envelopes within the Programme. Other sub-programmes / "Funds" will be advertised through public calls for proposals. The Applicants, who may be any legal persona, must indicate into which category of eligible body, as described below, they fit.

The categories of Eligible Bodies are as follows:

- Private Sector: companies and other legal entities and individuals.
- Public Sector: companies established to operate facilities on behalf of the public sector.
- Public Sector bodies directly responsible for the operation of facilities e.g. Office of Public Works, National Parks and Wildlife Service.
- Voluntary Organisations: not-for-profit bodies, including companies limited by guarantee.

Where private sector entities qualify as small or medium enterprises (SMEs), they are generally eligible for higher rates of grant aid. SMEs are defined by the European Commission as follows:

**Medium-sized enterprise** is an enterprise satisfying all of the following criteria:

- has fewer than 250 employees<sup>2</sup>, and;
- has either an annual turnover<sup>3</sup> not exceeding €50 million, and / or a balance-sheet total<sup>4</sup> not exceeding €43 million, and;
- is independent.<sup>5</sup>

**Small enterprise** is an enterprise that satisfies all of the following criteria:

- has fewer than 50 employees<sup>2</sup>, and;
- has either an annual turnover<sup>3</sup> and / or annual balance-sheet total<sup>4</sup> not exceeding €10 million, and;
- is independent.<sup>5</sup>

The criteria must be applied to the enterprise as a whole i.e. including enterprises controlling or controlled by the applicant enterprise to the extent of 25% or more, and including parent companies and subsidiaries located in other Member States and outside the European Union. All tests must be satisfied.

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2 "employees" means the number of full-time equivalents employed in a year. These definitions (1 through 4) are as contained in Annex 1 to Commission Regulation (EC) No. 364/2004 of 25 February 2004 (OJ No. L63 of 28 February 2004, page 22).

3 "Annual Turnover" is defined as gross income from all sources, excluding VAT, before deduction of any costs, but after deduction of sales rebates and trade discounts.

4 "Balance Sheet Total" means fixed assets, including intangibles, financial assets and investments plus current assets.

5 Independent means that the enterprise is considered independent unless 25% or more of the capital and / or voting rights is owned by an enterprise which itself would not qualify as an SME (unless that latter enterprise is a public investment corporation, a venture capital corporation or institutional investor).

# 7. METHOD OF CALLING FOR, AND PROCESSING GRANT APPLICATIONS

This section outlines the procedure for individual grant applications, from first call to grant decision.

- 7.1 Other than for the specific circumstances applying to reinvestment in strategic visitor attractions, public calls for proposals will be made via advertisement in national newspapers and notified on the Fáilte Ireland corporate website [www.failteireland.ie](http://www.failteireland.ie). Each call will clarify such matters as types of projects sought and closing dates for calls. Applicants must use the prescribed application form, to be submitted to Fáilte Ireland online in the specified format. Applicants should refer to the Fáilte Ireland corporate website for updates regarding eligibility criteria and closing dates for submission of applications.
- 7.2 Applications must initially demonstrate that they have the potential to meet *all* the key appraisal criteria above, with particular emphasis on their financial sustainability and coherence with The National Development Plan. A Project Summary Memorandum (PSM) will be prepared for each project.
- 7.3 PSMs will be submitted to the Capital Investment Assessment Group. This committee will comprise 7 tourism experts (3 from the private sector, 3 from Fáilte Ireland and 1 from the Department of Arts, Sport and Tourism).
- 7.4 The purpose of the Capital Investment Assessment Group will be to review assessments / evaluations of all the applications received and make a recommendation to the National Tourism Development Authority (NTDA).
- 7.5 Following receipt of NTDA approval decision, and any necessary notifications a Letter of Offer shall be issued by Fáilte Ireland.
- 7.6 The letter of offer will form the basis of the legal contract between Fáilte Ireland and the grantee.

# 8. CONDITIONS ATTACHING TO GRANT CONTRACTS

This section outlines the various other requirements that applicants should be aware of.

**8.1.** Successful applicants will receive a letter of offer. This letter will form the basis of the contract between Fáilte Ireland and the promoter. The letter of offer will cover the various requirements including:

- Purpose
- Completion of work
- Drawdown of grant
- Security
- Monitoring
- Retention of records
- Visitor use
- Repayment / Disposal
- Marketing
- Public Procurement
- Freedom of Information
- Publicity

**8.2** **Completion of work**

The date by which work must be completed, the particular conditions in relation to industry standards and meeting statutory and local authority requirements, will be specified. The schedule of expenditure, and timing of grant claims, will be targeted to correspond to the programme forecasting and cash drawdown arrangements.

**8.3** **Drawdown of Grant**

A timetable for the development, project milestones, and the timing of grant claims, will be agreed before development commences. Any changes to same during the course of the development must be agreed in advance with Fáilte Ireland.

Payments will be made on receipt of a completed grant claim form in the prescribed format incorporating an independent auditor's certificate and details of vouched expenditure and supporting documentation.

The grant will be released by way of reimbursement of paid eligible expenditure, pro rata with the expenditure of matching moneys, subject to Fáilte Ireland being in receipt of sufficient funds to meet the claim. In the event of any delays in such funds, there will be no liability on the part of Fáilte Ireland or the Exchequer to make good any shortfall. Grantees should note that Fáilte Ireland may itself carry out an audit check, on site, on the component parts of a grant claim before passing it for grant payment.

Grantees will also be required, at time of grant claim, to certify to Fáilte Ireland that the project has not become eligible for additional grant-aid from other sources, or for accelerated capital allowances under any tax scheme (other than as previously notified to Fáilte Ireland).

Grant payments will only be made to the body specified as the grantee. Expenditure incurred / paid by a third party, unless reimbursed by the grantee, will not be grant-aided. The final grant instalment will only be released on satisfactory delivery of the full project, and all statutory requirements, in accordance with the grant contract. Certain expenditure, forming part of the project but ineligible for grant under the criteria, will be required to be satisfactorily completed before the final grant instalment is released, if that expenditure is considered by the agency to be essential to the grant-approved project.

The final date for effecting payment of all NDP tourism-related grants is 31 December 2013 or as otherwise advised.

#### **8.4 Security**

The terms of the Deed of Covenant and Mortgage to secure the grant will be set out in the contract (including the period for which the tourism facilities must be operated - generally 10 years - and the value of the fixed charge). Special arrangements will apply to grant-aided moveable assets. In the case of public sector projects a Deed of Covenant will suffice.

In certain circumstances Fáilte Ireland may require personal guarantees regarding operating costs of the grant aided facility for the grant period.

#### **8.5 Monitoring**

During the course of the grant period, the grantee will file annual financial statements with Fáilte Ireland and also, if requested, more frequent management accounts, visitor and facility usage details etc. The grantee must also co-operate in monitoring checks and reviews during the grant period. The grantee must comply with on-going requirements of Fáilte Ireland during the development of the project and during the grant period.

Grantees may also be required to provide evidence that satisfactory management and financial control procedures are in place during the course of development (the agencies reserve the right to appoint a consultant to oversee the project development including representation on the project's Management Team or Board and during the operation phase).

#### **8.6 Retention of records**

Grantees must comply with all conditions in relation to the retention of records, which extends also to Contractors and Sub-Contractors engaged on the development.

All relevant records must be made available on request for examination by authorised officials of Fáilte Ireland, the Department of Arts, Sport and Tourism, other relevant Government Departments and the Office of the Comptroller and Auditor General.

In addition to the statutory period for retaining records of account under Irish law (generally 6 years), projects will be required to retain records of account related to the funded development, including documentation (as relevant) relating to the tendering procedures, technical specifications, business plans etc., for the full grant period (generally ten years from date of final grant instalment payment) and until notified by Fáilte Ireland that all conditions have been fulfilled.

#### **8.7 Visitor use**

During the grant period the project must be open to the public at all reasonable times and hours. The times and hours of opening for each element of the project and the fees charged to visitors in respect of the facilities must be agreed with Fáilte Ireland on an annual basis. Fáilte Ireland staff and / or its consultants must have access to the project at all reasonable times, for the purposes of inspection, during the grant period.

#### **8.8 Repayment / Disposal**

The grant is repayable if the project ceases to be operated as agreed during the grant period. Fáilte Ireland will require the immediate repayment of the grant if any of the conditions of the grant offer are not fulfilled.

#### **8.9 Marketing**

It is essential that the capital investment be complemented by suitable investment in marketing the Project.

#### **8.10 Public Procurement**

Please note that EU public procurement procedures must be followed where applicable.

#### **8.11 Freedom of Information**

Fáilte Ireland wishes to advise applicants that, under the Freedom of Information Act (which came into force on 21st April 1998), the information supplied in the application form may be made available on request, subject to Fáilte Ireland's obligations under law.

# 9. ELIGIBLE / INELIGIBLE EXPENDITURE

## 9.1 Expenditure, to be eligible for grant assistance, must have the following general characteristics:

- It must be relevant and appropriate to the project being grant-aided.
- It must be additional, i.e. it would not have been incurred without the existence of the grant-aided project.
- It must be actually incurred and paid, and be evidenced by invoices, payment records, bank statements and other appropriate documentation
- The grant is paid to the body which incurred the expenditure on which the grant is based.
- Expenditure must be incurred and paid between the following dates; date project is fully approved and 31 December 2013, unless otherwise advised by Fáilte Ireland.
- Design-related consultancy fees on the project (eg architects, quantity surveyors) once they are justified, but in any event not exceeding 12% of the first €250,000 of eligible costs of the grant-aided project, and 10% of additional eligible costs above €250,000 but not exceeding 50% of all verified consultancy costs.

## 9.2 Ineligible expenditure

The following expenditure is ineligible in all cases:

- Expenditure on food and beverage facilities other than in a building subject to a determination as set out in 3.1 above (creation of events / banqueting space), and expenditure on retail and accommodation facilities. Proposals seeking assistance should not include a financing plan predicated upon any grant support for any of these aspects of any overall development.
- Purchase of land and buildings
- Financing costs (including bank interest and charges)
- Depreciation
- Loose fittings, furniture and road vehicles
- Repairs, maintenance and replacement expenses
- Marketing, including start-up marketing
- Expenditure not capitalised in the grantee's financial statements
- Expenditure incurred and / or paid before date of approval of the project
- Expenditure incurred and / or paid after 31 December 2013
- Expenditure derived from estimates or valuations and not supported by actual payment documentation
- Unpaid expenditure
- Fines, penalty payments, legal costs, audit fees, insurances
- Recoverable Value Added Tax (VAT)

- In-Kind contributions
- Expenditure already grant-aided, sub-vented or assisted by this, or any other EU or Government scheme (including employment and training schemes)
- Expenditure paid for by a person other than the grantee
- Costs of public sector administration, unless it can be shown that the costs are additional, and would not have been incurred but for the grant-aided project
- All legal and financial consultancy costs
- All planning and tendering fees
- Costs incurred by the project applicants or their agents in connection with grant application / grant claims
- Salary, wage & overhead costs, unless it can be shown that the costs are additional, and would not have been incurred but for the grant-aided project.

*This scheme cannot be applied to the sectors of transport, fisheries and agriculture nor to processing and marketing of agricultural products as listed in Annex I to the EC Treaty<sup>6</sup>, nor to transport, steel, shipbuilding, or motor vehicle sectors.*

The above lists are not exhaustive.

Applicants should discuss with the designated Investment Services Manager in the grant-aiding agency the specific items making up their proposed spend, on which they intend seeking grant aid, before embarking on the spend. Failure to agree on specific expenditure for grant-aid in advance may render certain types of expenditure ineligible.

# NOTES

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