

# Regional Aid Map for Ireland

Applicable from 01 July 2014 to 31 December 2020

## Commission Decision – SA.38509

### 1. Background

The EU Regional Aid Guidelines (RAGS) allow each Member State to provide enhanced rates of State Aid in the least economically developed areas of each country.

This enables the State's enterprise development agencies to grant State aid, at enhanced rates, to businesses in order to support new investment and new employment in productive projects in Ireland's most disadvantaged regions. Regional aid is also provided under schemes for tourism grants, marine tourism, urban and rural renewal and other tax-based development schemes.

Grants and other State aid under Regional Aid are funded from the exchequer, i.e. there is no EU or other external funding. Regional Aid is distinct from other forms of State aid, such as aid for research, development and innovation, training, energy, agriculture or for environmental protection which are covered under different State aid guidelines. It is important to note that the State, through its industrial development agencies and other State Departments and bodies, can provide support to both Irish and foreign companies under a range of State Aid measures

The 2014-2020 Regional Aid Guidelines enter into force on 01 July 2014. Under the terms of the RAGS, regions covering 51.28% of Ireland's population are to be designated as 'assisted areas'.

### 2. Eligible Areas (map attached as annex)

Name of Zone	NUTS Code	Name of NUTS/LAU Region	Counties/Regions
South-East + Arklow	IE024	South-East	Carlow, Kilkenny, South Tipperary, Wexford, Waterford
	IE022	Mid-East (partly)	Arklow LEA
Border + Kells	IE011	Border	Cavan, Donegal, Leitrim, Louth, Monaghan, Sligo
	IE022	Mid-East (partly)	Kells LEA
Midland + Athy	IE012	Midland	Laois, Offaly, Longford, Westmeath
	IE022	Mid-East (partly)	Athy LEA
West	IE013	West	Mayo, Roscommon, Galway
Mid-West	IE023	Mid-West	Clare, North Tipperary, Limerick
South-West (Partly)	IE025	Kerry	Kerry
South-West (Partly)	IE025	Eligible inhabited islands off Cork	List of designated islands in Annex 2
Dublin (Partly)	IE021	Eligible inhabited islands off Dublin	List of designated islands in Annex 2

The three LEAs designated in the Mid-East are:

- I. Kells
- II. Athy<sup>1</sup>
- III. Arklow

These priorities reflect an emphasis on the future development potential of specific counties with a view to optimising the potential of aid for the development of the nation as a whole. This map will cover all of Ireland's 51.28% population coverage.

In summary, all counties will be designated for Regional Aid apart from:

- Dublin City and County (apart from the named Islands in the memo)
- Cork City and County (apart from the named Islands in the memo)
- The Mid-East generally, i.e. Kildare, Meath and Wicklow. The only exceptions to the Mid East's exclusion is the designation of the below three Local Electoral Areas (LEAs), which contain Electoral Divisions with amongst the highest unemployment rates in the country.

SMEs in non-assisted areas (Dublin, Cork & Mid-East) can receive support for capital and employment under **Investment Aid for SMEs**. All enterprises can be supported under **De Minimis Aid**<sup>2</sup>. De Minimis Aid is small amounts of State Aid given to an enterprise which cannot exceed €200,000 over any three fiscal years to any company irrespective of size or location. De Minimis Aid can come from any State body, agency or department.

### 3. Applicable Aid Intensity Rates

Aid intensity rates will be maintained at their current levels. Both the current 2007-2013 Regional Aid Guidelines and the upcoming 2014-2020 Guidelines outline that the aid intensity in Ireland must not exceed:

Period 2014-2020			
Enterprise Type	Small Firm	Medium Firm	Large Firm <sup>3</sup>
Max Aid Rate (Gross Grant Equivalent)	30%	20%	10%

See Appendix Three for definitions of enterprises in terms of size, turnover etc.

<sup>1</sup> All of the Local Electoral Area of Athy has been added to the upcoming 2014-2020 RAG Map, with the exception of the Electoral District of Ballymore Eustace (population of 1,475). Ballymore Eustace was excluded from the designated map in order to ensure Ireland adhered to its overall allocated national coverage of 51.28% of population

<sup>2</sup> De Minimis Aid are regarded as falling outside the category of State aid and can be awarded to an enterprise without notification to or clearance from the European Commission. De Minimis Aid can be in the form of grant or equity.

<sup>3</sup> Restrictions in place for aid to large enterprises – see point four attached below. The maximum regional aid ceilings proposed for large enterprises, as well as the ceilings for small and for medium sized enterprises are only applicable to projects with eligible expenditure below €50 million.

#### **4. Investment to Large Enterprises Restricted**

The new guidelines adopt a stricter approach on aid for investments made by large enterprises in the more developed assisted areas. The revised guidelines assert that large enterprises tend to be less affected than SMEs by regional handicaps for investing or maintaining economic activity in a less developed area.

The compromise agreed with the Commission will allow Member States to provide investment aid to large enterprises for **new economic activities** and/or **diversification of existing enterprises into new products or new process innovation**.

DJEI has engaged with the Commission regarding the practicalities of implementing the above restriction. The Commission has stated that it will assess the two categories of 'new product' and 'new process innovations' on a case-by-case basis and in an open minded way. Investment provided to a large enterprise must be notified to the Commission for **case by case approval**.

#### **5. Other State Aid Measures**

The State, through its industrial development agencies and other State Departments and bodies, can provide support to both Irish and foreign companies under a range of State Aid measures, including:

- Research, Development and Innovation Aid
- Environmental Aid
- Risk Finance
- Training Aid

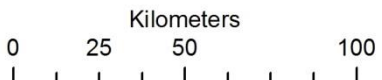
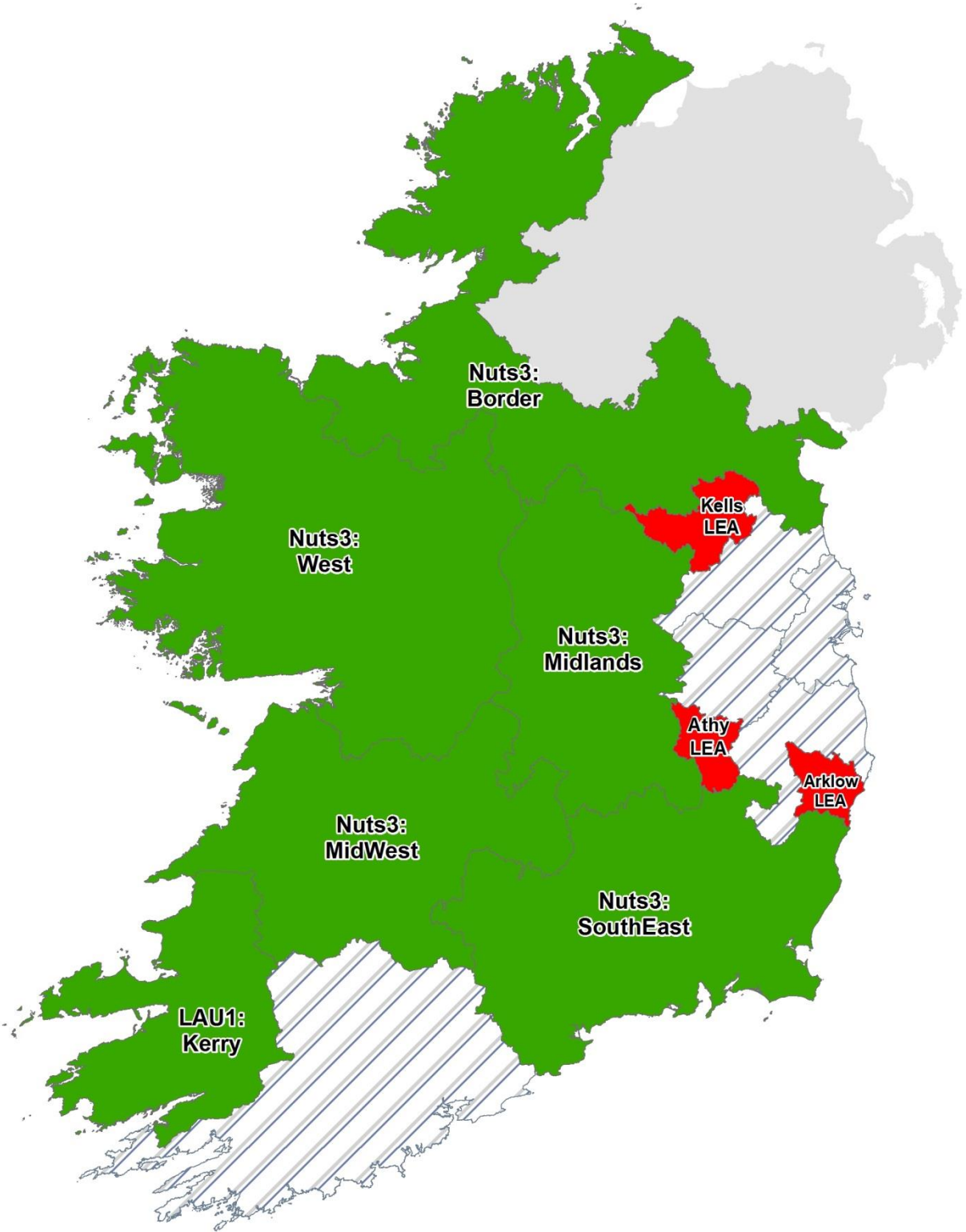
Such aid measures are available in every county in Ireland.

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#### **State Aid Unit**

Department of Jobs, Enterprise & Innovation

# Regional Aid Map for Ireland (2014-2020)



- LAU 2
- Nuts 3 and LAU 1
- Other Counties Not Designated Aid
- Northern Ireland

## Appendix 1 – Local Electoral Areas (LEAs) Designated

### Non-predefined 'c' area proposed under criterion 1 of paragraph 168 of the RAG

#### Kells

Name of zone proposed	NUTS Code	Name of NUTS 3 region concerned
Border + <b>Kells</b>	IE011	Border
	IE022	Mid-East (partly)

NUTS 3 Region Code	Name of eligible NUTS 3 / LAU 1 area
IE022	Mid-East (Partly - Kells)
<b>Kells:</b> Kells Rural; Athboy; Oldcastle; Kells Urban; Drumcondra; Grennanstown; Rathmore; Newtown; Teltown; Kilmainham; Nobber; Ardagh; Martry; Moynalty; Balrathboyne; Maperath; Carrickleck; Castlekeeran; Crossakeel; Kilbride; Moylagh; Newcastle; Staholmog; Loughan; Kilskeer; Girley; Killeagh; Cruicetown; Trohanny; Crosskeys; Boherboy; Killallon; Burry; Moybolgue; Stonefield; Ballinlough; Knocklough; Posseckstown.	

#### Athy

Name of zone proposed	NUTS Code	Name of NUTS 3 region concerned
Midland + <b>Athy</b> <sup>4</sup>	IE012	Midland
	IE022	Mid-East (partly)

NUTS 3 Region Code	Name of eligible NUTS 3 / LAU 1 area
IE022	Mid-East (Partly - Athy)
<b>Athy:</b> Athy East Urban; Athy Rural; Kilcullen; Athy West Urban; Ballyshannon; Castledermot; Ballymore Eustace(excluded); Ballitore; Nurney; Gilttown; Narraghmore; Graney; Skerries; Kilrush; Carrigeen; Kilberry; Grangemellon Ballybrackan; Churchtown; Usk; Dunmanoge; Moone; Harristown; Fontstown; Kilkea; Burtown; Belan; Inschaquire; Ballaghmoon; Johnstown; Bert.	

#### Arklow

Name of zone proposed	NUTS Code	Name of NUTS 3 region concerned
South-East + <b>Arklow</b>	IE024	South-East
	IE022	Mid-East (partly)

NUTS 3 Region Code	Name of eligible NUTS 3 / LAU 1 area
IE022	Mid-East (Partly - Arklow)
<b>Arklow:</b> Arklow No. 1 Urban; Arklow No. 2 Urban; Aughrim; Carnew; Tinahely; Arklow Rural; Ballyarthur; Kilbride; Avoca; Ballinacash; Shillelagh; Coolboy; Cronebane; Coolballintaggert; Kilpipe; Ballingate; Ennereilly; Kilballyowen; Killinure; Ballinacor; Coolatin; Rath; Knockrath; Ballinglen; Aghowle; Ballybeg; Cronelea; Money.	

<sup>4</sup> Electoral District of Ballymore Eustace excluded

## Appendix 2 – Islands Designated

Non-predefined 'c' areas proposed under criterion 3 of paragraph 168 of the RAG

NUTS 3 Code	Name of the eligible island
Cork (Part of IE025 South-West)	Bear
	Cléire
	Durseay
	Haulbowline
	Inchydoney
	Inishbeg
	Inishodriscol (or Hare)
	Long
	Ringarogy
	Sherkin
	Whiddy
Dublin IE021	North Bull (ED 038 Clonfarf East B)
	North Bull (ED 087 Raheny – St. Assam)
	Lambay

\* Islands off the coast of designated counties are deemed to be automatically included in the map and are eligible for regional aid.

## Appendix 3 – Company Size Definitions

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

- has fewer than 50 employees and
- has either an annual turnover and/or a balance-sheet total not exceeding EUR 10 million.

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

- has fewer than 250 employees and
- has either an annual turnover not exceeding EUR 50 million, and/or a balance-sheet total not exceeding EUR 43 million.

A **large enterprise** is one with 250 employees or more.