



EUROPEAN COMMISSION

Competition DG

State aid: General Scrutiny and Enforcement

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Permanent Representation of
Lithuania to the European Union
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**Subject: SA.51025 (2018/PN) – Lithuania – Creation of Science and Innovation
Dissemination Centre**

Dear Madam/Sir!

1. The Lithuanian authorities prenotified on 7 May 2018 the above support measure, explaining that they consider the measure to be covered Art. 56 GBER 2014; nonetheless, the Lithuanian authorities felt the need to clarify various legal uncertainties (a.o., the measure allegedly financing non-economic activities as well). By letter of 27 June 2018 the Commission services requested supplementary information and evidence, which were provided by the Lithuanian authorities on 23 July 2018.
2. The Commission services note that the Ministry of Education and Science of the Republic of Lithuania and Kaunas city municipality intend to set up a so-called "Science and Innovation Dissemination Centre". The Centre shall be operated by a public law entity still to be established for that purpose.

The Centre is eligible for co-financing¹ once the legal entity to operate the Centre is established and has launched an application. A total budget of EUR 22.99 million is planned.

The main objectives of the Centre are informal education and knowledge dissemination/ promotion of science and innovation achievements in Lithuania. Exhibitions and events shall present and spread knowledge on science and innovation aspects. This comprises permanent and temporary exhibitions, a virtual planetarium and a set of simple scientific experiments for the visitors, workshops and laboratories for pupils. Events such as "science cafes" and trainings or students on innovation and entrepreneurship issues are also foreseen. The main activity of the Centre will be informal education of pupils. Hence, target groups are mainly pupils regardless of age, and also students, teachers, parents and tourists.

Access fees to exhibitions and attendance of events will be charged; pupils receive a discount.

Total investment costs of the project are EUR 22.99 million, with EUR 0.8 million coming from the private sector, EUR 4 million to be provided by local authorities, and EUR 18.19 million to be financed from EU structural funds.

The annual operating income is predicted to amount to EUR 1.65 million (ticket sales and rent for souvenir shop; and café as ancillary amenities); to cover the total annual operating costs of the Centre, estimated at EUR 2.09 million, an annual operating aid of EUR 0.44 million is required.

3. DG Competition notes that the measure seems to be dedicated to a large extent to exhibitions on science and innovation aspects, mostly targeting pupils of different age (according to preliminary estimations, pupils will represent about 80% of the estimated visitors on annual basis), which seem to qualify as "**cultural activity**".
4. The funding of cultural infrastructure not meant to be commercially exploited (or only at ancillary level) is in principle excluded from the application of State aid rules².
5. In contrast, cultural activities predominantly financed by entry fees or by other commercial means (i.e. more than 50%, which seems to be the case for the pre-notified measure) should be qualified as economic in nature. Therefore, support to such cultural infrastructure could qualify as state aid in the meaning of Article 107(1) TFEU.

¹ According to Lithuanian authorities, the measure might be based on the Operational Programme for the European Union Funds' investments in 2014 – 2020, priority axis 1 "Strengthening research and development and innovation", specific objective 1.1.1.

² For details you could refer to Infrastructure analytical grid for culture, heritage and nature conservation, available at http://ec.europa.eu/competition/state_aid/modernisation/notice_aid_en.html

6. Based on the information submitted by your authorities, DG Competition considers that the measure can be designed in a way to comply with Art. 53 GBER 2014 ("aid for culture and heritage conservation"), which allows Member States to put into effect investment and operating aid for cultural and heritage conservation activities without prior notification, provided the specific conditions of that Article and all the provisions in Chapter I of the GBER are met. Hence DG Competition considers that a notification of the pre-notified measure is not necessary.
7. The Commission services therefore close the pre-notification file.

E-signed
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Senior Expert

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