



**Enterprise  
Ireland**



**Údarás na  
Gaeltachta**

*Taighde, Forbairt & Nuálaíocht*  
**Research, Development and Innovation**

*Cáipeis Tagartha* - Reference Document 2022

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## Introduction

### Background

Research, Development and Innovation (RD&I) and the application of knowledge are critical drivers for the future success of Irish industry. It is therefore imperative that Ireland focuses on promoting the level, quality and commercial applicability of the RD&I undertaken, ensuring that industry leads the response to rapid changes in customer needs. In addition, innovation must pervade all aspects of the RD&I process.

The foremost innovating companies characteristically have a strong commitment to sustained RD&I investment. They are led by highly proficient management teams capable of identifying areas of opportunity and growing their companies to be flexible and responsive to market needs while successfully integrating the knowledge and technology they need. These companies also develop and actively participate in innovation networks and research groups to gain access to technology and new routes to market.

The RD&I Fund is designed to provide support for research, development and technological innovation relevant at all stages of company development, and which will enable companies to progress from undertaking an initial research project to high level Innovation and R&D activity.

R&D support by the State stems from the need to address market failures related to knowledge spill-overs from private investment in research and development (R&D), risks associated with imperfect information and costs associated with R&D activity. It also stems from the role of Government in incentivising and supporting the enterprise base to develop its capacity and capability in R&D in Ireland.

### Aims of the RD&I Fund

The direct aims of the RD&I fund are to;

- Incentivise company investment in new Product or Service Development in order to enhance the competitiveness of Irish industry.
- Incentivise the implementation of new process or organisational innovations that could lead to more innovative market offerings from Irish companies.
- Support the development of advanced manufacturing or development processes involving technical uncertainty.
- Build capability in Irish enterprises in R&D skills which enable the development of new products and processes and services.

Expected national benefits of the RD&I Fund include;

- An increase in the number of companies performing effective R&D in Ireland.
- An increase in the scale of the investment in R&D in Ireland.
- An increase the number of companies doing structured R&D for the first time.
- Ensure Irish based companies, particularly SMEs, protect their futures by helping them reach and exceed European and international norms for R&D investment.
- An increase the in quantity and quality of the R&D linkages between companies, either in Ireland or internationally, through collaborative research programmes such as EUREKA etc.

- More effective leveraging of products and services offered by companies through innovation at a business level through the implementation of new delivery methods or new business models.

Expected outcomes for companies participating in RD&I projects include;

- A significant, ongoing/established budget for new product or service development
- A culture of innovative thinking throughout the company which aims to harness the creativity of all the staff towards defined business goals.
- An established product or service development team with high level skills
- High quality facilities for new product or service development
- Good quality innovation management systems and procedures
- External linkages with other stakeholders, including customers, partners, suppliers as well as other knowledge providers (such as 3<sup>rd</sup> level Universities and Institutes)

### State Aid Basis

The EU State Aid basis for the overall initiative is;

General Block Exemption Regulation (GBER) for 2014–2020 (extended), published in Official Journal No 57, 26th June 2014 Commission regulation EU No.651/2014, extended to 31<sup>st</sup> December 2023.

GBER, Section 4, Article 25-30, deal with 'Aid for Research and Development and Innovation'.

The State Aid basis for Key Manager support is the De Minimis Aid Guidelines.

The State Aid basis for the Digital Process Innovation (DPI) support for large companies is the De Minimis Aid Guidelines.

GBER has been amended to broaden the scope of the application of the “undertaking in difficulty” rule temporarily. The Undertaking rule to be applied to all R&D projects seeking support under GBER.

The period of application of Regulation (EU) No 651/2014 (General Block Exemption Regulation (GBER)) has been extended by three years until 31 December 2023. The outcome of the representations by Member States was that the extension of the regulations provides that companies who are classed as undertakings in difficulty between 1<sup>st</sup> January 2020 and 31<sup>st</sup> December 2021, can still receive aid, under GBER, if they were not in difficulty on 31 December 2019.

### Legal Basis

The RD&I Fund is administered in accordance with the following Irish legislation;

- Industrial Development (Amendment) Act 2019 see Appendix I

- Industrial Development Act 1986, Section 29
- Industrial Development (Enterprise Ireland) Act, 1998, Section 7

The Irish legislation *involves the payment of a research grant towards the costs of the project incurred within the State, with reference to the following section:*

(a) *Subject to paragraph (b), in respect of a project where part of the approved costs are incurred in the State and part of the approved costs are incurred outside the State, Enterprise Ireland may apply a different grant rate or rates in respect of the approved costs incurred in the State from the rate or rates in respect of the approved costs incurred outside the State.*

(b) *In relation to a project referred to in paragraph (a), the aggregate amount of the research grant or grants payable in respect of the approved costs incurred outside the State shall not exceed the amount of the research grant or grants payable in respect of the approved costs incurred in the State.*

***Note:***

All companies submitting an application for R&D support must be EBITDA positive in the previous accounting period, or EBITDA positive for at least the previous nine months prior to application and can demonstrate sustainable future EBITDA-positivity.

The majority of the project must be carried out in Ireland and the assessment criteria will require an analysis of costs incurred in the State and costs incurred outside the State.

In relation to salaries, overhead and travel costs, the cost relate to staff working on the R&D project in Ireland.

The established policy is to work to maximising the ‘in-house R&D’ and the materials that are required for the project will typically be used for the ‘in-house R&D’ in the State.

Therefore, where a company sources more than 50% of its materials for the R&D project in another State and/or more than 50% of the subcontract R&D work is carried out in another State then that would breach the legal and policy requirements in respect of building R&D capability and capacity in the State and in the applicant company.

In general, companies seeking to avail of RD&I funding support must intend – and display an actionable plan – to attract export sales from the outputs of the funding proposal. Suitable applicants should read Pages 1-13 of this document for further details.

Domestically traded services companies that operate in the residential construction sector who are eligible under Built To Innovate, an Enterprise Ireland action under Housing for All are exempt from this export requirement. Suitable applicants should read Pages 1-13 and Appendix 1 of this document for further details.

## Eligibility Criteria

### Eligible Companies

Eligible companies are limited to existing and potential clients of Enterprise Ireland<sup>1</sup>, Údarás na Gaeltachta or any of the Local Enterprise Offices subject to the prevailing policies of those agencies.

Exclusions apply to;

- Enterprise Ireland start-up clients who have received HPSU investment funding are typically not eligible for RD&I funding for a period of three years after the date of investment,

Applications will be accepted from established

- Individual companies,
- 2 or more companies acting in collaboration
- Companies who are part of consortia within Europe e.g. Eureka.

In the case of companies where there is collaboration between companies in different countries, only the R&D costs of the Irish companies are considered eligible for support under this RD&I Fund.

### Eligible Activities

Activities supported under the RD&I fund must be in the form of one or more projects. The definition of an R&D project from the EU RD&I framework<sup>2</sup> is helpful here.

*'R&D project' means an operation that includes activities spanning over one or several categories of research and development defined in this framework, and that is intended to accomplish an indivisible task of a precise economic, scientific or technical nature with clearly pre-defined goals. A R&D project may consist of several work packages, activities or services, and includes clear objectives, activities to be carried out to achieve those objectives (including their expected costs), and concrete deliverables to identify the outcomes of those activities and compare them with the relevant objectives. When two or more R&D projects are not clearly separable from each other and in particular when they do not have independent probabilities of technological success, they are considered as a single project.*

A single application may consist of multiple projects. Given the different grant rates and the different focus involved, R&D projects must be presented separately to Digital Process Innovation projects although they could be combined in a single application.

Project activities must fall within one or more of the following definitions from the RD&I framework;

*'experimental development' means acquiring, combining, shaping and using existing scientific, technological, business and other relevant knowledge and skills with the aim of developing new or improved products, processes or services. This may also include, for example, activities aiming at the conceptual definition, planning and documentation of new products, processes or services. Experimental*

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<sup>1</sup> As of March 2022, domestically traded services companies that operate in the residential construction sector may be eligible under Built To Innovate, an Enterprise Ireland action under Housing for All. See Appendix 1 for further details.

<sup>2</sup> Framework for state aid for research and development and innovation, 21.5.2014

*development may comprise prototyping, demonstrating, piloting, testing and validation of new or improved products, processes or services in environments representative of real life operating conditions where the primary objective is to make further technical improvements on products, processes or services that are not substantially set. This may include the development of a commercially usable prototype or pilot which is necessarily the final commercial product and which is too expensive to produce for it to be used only for demonstration and validation purposes. Experimental development does not include routine or periodic changes made to existing products, production lines, manufacturing processes, services and other operations in progress, even if those changes may represent improvements;*

Digital Process Innovation projects cover either process innovation or organisational innovation or a combination of both.

***'process innovation'*** means the implementation of a new or significantly improved production or delivery method (including significant changes in techniques, equipment or software), excluding minor changes or improvements, increases in production or service capabilities through the addition of manufacturing or logistical systems which are very similar to those already in use, ceasing to use a process, simple capital replacement or extension, changes resulting purely from changes in factor prices, customisation, localisation, regular, seasonal and other cyclical changes and trading of new or significantly improved products;

***'organisational innovation'*** means the implementation of a new organisational method in an undertaking's business practices, workplace organisation or external relations, excluding changes that are based on organisational methods already in use in the undertaking, changes in management strategy, mergers and acquisitions, ceasing to use a process, simple capital replacement or extension, changes resulting purely from changes in factor prices, customisation, localisation, regular, seasonal and other cyclical changes and trading of new or significantly improved products.

## Eligible Costs

Funding can be provided towards the costs of carrying out approved projects under the following headings;

- **Salaries** – personnel costs for company staff working directly on the project. The eligible staff salary costs are core salary costs and are exclusive of employers PRSI, employers Pension contributions, bonuses.
- **Overheads** incurred directly as a result of the project. This is calculated as a fixed percentage of salaries and is limited to 30%.
- **Consultancy** – costs to the company of availing of consultancy support directly related to the project or project work that is subcontracted to a third party. The maximum eligible cost for consultancy is €900 per day per project.

If the amount of eligible expenditure for subcontracted/consultancy work on the project exceeds 60% of the total costs, the project is deemed ineligible.

The requirement is that at least 40% of the expenditure on the R&D project (related to salaries) must be carried out in house in order to build R&D capability. However, it is important to recognise that this is a guidance on the maximum allowable, not a target – ideally the amount of in-house R&D should be far higher than the amount of subcontract/consultancy costs.

Also, the Industrial Development Act 1986 and 2019 (as amended) must be taken into account; with reference to what percentage of the work is carried out in Ireland.

- **Materials** and other operating expenses directly related to the project (including prototype/design costs, travel and subsistence, some certification or clinical trial costs).

**Travel And Subsistence** incurred directly as a result of the project. Subsistence rate to cover all out-of-pocket expenses including hotels, meals, taxis local fares, incidentals etc. Marketing, sales, or training related travel is NOT eligible for support.

**Certification / Clinical** – Funding towards market-led research / consumer focus panels / clinical trials (phase I and II) are eligible, provided that the results are a necessary input to develop the product/process as part of the R&D project and will not be used solely for consumer reaction to products. Projects focused solely on market-led research / consumer focus panels / consumer reaction to products are not eligible.

- **Capital** – costs of purchasing equipment which is specific to and to the extent to which it will be used on the project. Experimental production and testing of products, processes and services are also eligible, provided that these cannot be used or transformed to be used in industrial applications or commercially. The State can only support the costs of capital equipment that is intended for the R&D project. Capital costs are not supported for R&D Agile projects.

#### **Note: Depreciation of Capital cost for the R&D supports**

The EU State Aid rules require that capital costs requested by companies for R&D projects under the R&D offer can only be funded for the duration of the project. If companies have their own depreciation policy for different items included in their capital cost request, which will be used in their asset management / accounting systems, the assessors could use this as a guideline.

- **Patent costs**

For small and medium enterprises, costs preceding the granting of the patent or other industrial property rights in Ireland including costs relating to the preparation, filing and validating of the application as well as costs incurred in renewing the application before the patent/right has been granted; translation and other costs incurred in order to obtain the granting or validation of the right in other appropriate countries. Patent costs for large companies cannot be supported. Patent costs are not supported for R&D Agile projects.

Funding is only applicable for expenditure incurred within the approved project period, and exclusive and essential to the approved project. The costs set out in the project application will be assessed by Enterprise Ireland and only those costs that are considered to be reasonable and required for the

project will be approved. Additional guidelines on eligible costs are provided in the application documents.

Project expenditure incurred prior to the receipt of the application by Enterprise Ireland will render the project ineligible for support.

- **Key Manager**

The aim of the initiative is to provide funding towards the cost of recruiting a new Key Manager e.g. R&D Key Manager, with the necessary skills to provide for the building of technical capability in the company.

The Key Managers support is typically made under De Minimis Aid but can also be made under Regional Aid as appropriate:

**De Minimis Aid**

- 1 year Salary costs at 50% grant rate.

**Regional Aid**

- Grant aid for salaries for full time staff are defined by the Regional aid map, paid over 2 years.

The role is a senior management function and the salary level should reflect the strategic nature of the role. A guideline minimum salary of €45K outside Dublin and €50K within Dublin is recommended.

- the position is a new role and not a replacement for an existing position and may not be filled by way of promotion from within the company
- the role provides new professional external expertise to the company.
- a competitive interview process will be used to select the successful candidate.
- the role is to be based in Ireland

**Maximum Funding levels**

The maximum grant for Digital Process Innovation projects is €150,000 with a maximum expenditure of €300,000.

The maximum grant for Agile Innovation projects is €150,000 with a maximum expenditure of €300,000.

Built To Innovate projects have a maximum project value of €500k.

Companies with projects seeking financial support in excess of this amount will be evaluated on a case-by-case basis by the Enterprise Ireland Investment Committee.

The **grant rates** are given in the table below based on the EU General Block Exemption Regulations and provided for under the Irish Industrial Development Act 2019 as amended:

	Small Enterprise	Medium Enterprise	Large Enterprise
Experimental development (Agile Innovation, R&D)	45%	35%	25%
Experimental Development with Collaboration: - subject to effective collaboration between undertakings (for large enterprises, cross-border or with at least one SME).	60%	50%	40%
Digital Process Innovation (process and/or organisational innovation)	50%	50%	50%*

\*Note that support for Digital Process Innovation for Large companies is De Minimis Aid funding.

The Committee may offer grant at a lower rate than the maxima above. Considerations for setting a grant rate includes value for money the incentive effect and the nature of the technological or innovation challenge.

#### **Form of Aid**

Funding will normally be in the form of an R&D grant, but may be offered in the form of equity or a Convertible loan note (CLN), at the discretion of Enterprise Ireland, based on the financial position of the company.

#### **Fund Size**

The fund size is determined on an annual basis. Where budget constraints require it, projects will be ranked based on the evaluation criteria outlined in the next section.

#### **Public Procurement**

Where the grant rate is greater than 50%, public procurement guidelines must be followed for expenditures on the project. The grant inspection team will validate that this requirement has been met. An information sheet on public procurement requirements for projects with greater than 50% funding will be available on the EI website and as an information e-leaflet for clients

## Application, Assessment and Approval Processes & Claims Process

### Application Process

Applications for funding can be submitted anytime. Application forms and company guidelines are available on the Enterprise Ireland website.

In order to streamline the process for R&D Agile projects (involving Grants of up to €150,000), proposals will be considered under Delegated Powers to Line Management or to the Management Approvals Committee (MAC).

For R&D projects (involving Grants of over €150,000), proposals will be considered by the Investment Committee.

### Assessment of Applications

Project evaluation will consist of a commercial assessment and a technical assessment. The approving committee/authority will be presented with an assessment of the application, which incorporates comments on the following criteria:

- Value for money<sup>3</sup> for the State taking into account the performance against targets set in previous investments,
- The overall amount of State funding received by the company in the last seven years,
- How the RD&I plan is an integral part of the strategic development plan of the company,
- The financial track record of the company,
- The development needs of the company,
- Previous track record in implementing any previously State funded RD&I projects,
- The proposed increase in RD&I capability within the company,
- The technical feasibility of the project(s),
- That the costs to be approved are reasonable and required for the project(s).

### Approval Process

The Committee (or delegated Manager(s) in the case of smaller applications), in making its decision on the funding rate to be applied, will take into account an assessment of the technical, commercial and financial risks associated with the project(s) as well as the need for funding (the incentive effect).

To demonstrate the incentive effect, the company must show in their application that the project would not have proceeded at all without the aid and/or the grant aid will result in a material increase in at least one or more of the following;

- Size of the project(s), or

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<sup>3</sup> For additional value for money information on the Built to Innovate initiative please refer to Appendix 1

- Scope of the project(s), or
- Total amount spent on the project(s), or
- Speed of completion of the project(s)

Where applications are approved through delegated powers to line management, those projects will be submitted to the MAC for information. While the line management approval will be final in those cases, the MAC may seek to review the process if it decides that is appropriate.

Other points to note with regard to approvals;

- It is a requirement of the State Aid rules under which this initiative is approved that the project must not commence prior to the company submitting the application to Enterprise Ireland.
- Projects should begin within six months of the formal approval, otherwise approval may be withdrawn. Projects approved for aid must be completed by the deadline for completion stated in the grant agreement or by the revised deadline where an extension has been given.

## Claims Process

Companies to complete the claims checklist for each claim and submit with all required documents.

If any of the required documents are missing, the claim will be returned.

## Contingent Grant Liability

Contingent Grant Liability (CGL) is a potential future liability, which grant assisted companies take on for the period of the EI Agreement. This liability will come into being if the assisted company is in material breach of the provisions of the agreement

In the event of such a breach occurring the company will be required to repay all grants received under that particular agreement.

Where grant assisted companies are part of a group structure, the parent/holding company will generally be required to underwrite the CGL at approval stage.

[Contingent Grant Liability applies for a period of 5 years for both R&D & BII](#)

## Definitions

### Company Size

The full definition of a Small or Medium-sized Enterprise (SME) is given in ANNEX 1 of COMMISSION REGULATION (EU) No 651/2014 of 17 June 2014 and that should be consulted if there is any doubt in a particular case.

The key considerations relate to staff headcount and financial thresholds which are given in Article 2 of that ANNEX as;

1. *The category of micro, small and medium-sized enterprises ('SMEs') is made up of enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding EUR 50 million, and/or an annual balance sheet total not exceeding EUR 43 million.*
2. *Within the SME category, a small enterprise is defined as an enterprise which employs fewer than 50 persons and whose annual turnover and/or annual balance sheet total does not exceed EUR 10 million.*

A company that exceeds the upper limits of the Medium Enterprise is automatically classed as a Large Enterprise.

### **Collaboration**

In order to be eligible for a collaborative bonus there must be at least two companies, which are independent of each other. No single company can bear more than 70% of the costs of the collaboration project. The collaborative project must either; involve at least one SME, or, where no SME is involved, then the R&D must be carried out in at least two Member States.

Subcontracting is not considered collaboration.

The RD&I Fund supports collaboration between companies. Collaboration between companies and research organisations are covered under the Enterprise Ireland Innovation Partnership Fund.

## **Appendix 1: Built To Innovate, an Enterprise Ireland action under Housing for All – RD&I Fund Eligibility Criteria**

### **1. Background and purpose of this Appendix:**

On September 2<sup>nd</sup> 2021, the *Housing for All* plan was announced by Government. Under Pathway five of the plan Enterprise Ireland has been tasked with providing productivity, innovation and research supports to the domestic residential construction industry.

Action 23.4 reads “*Expand the role of enterprise agencies to include funding and supports for innovation and productivity related projects in the domestic residential construction sector, with funding for research, innovation and productivity to be provided, commensurate with the scale of construction in the domestic economy and in compliance with State Aid rules.*”

Several existing Enterprise Ireland offers are being utilised to deliver on these actions. This Appendix sets out the specific eligibility and other criteria required to make the RD&I Fund (including the Agile R&D Offer) compatible with *Housing for All*.

## **2. Product Details**

### **2.1 Funding, Including Eligible Expenditure and Ineligible Expenditure**

Applicants for the *Housing for All* Offer must meet the specific eligibility and other requirements for the RD&I Fund in accordance with the Reference Document for that offer, subject to the additional specific criteria outlined in this Appendix. This includes all funding being awarded in accordance with the Legal and State Aid Frameworks that govern the RD&I Fund.

While Capital Depreciation costs are typically allowed under normal R&D applications; these costs are not allowable under this Built to Innovate initiative. All other expenditure rules remain the same as the existing R&D support.

### **2.2 Eligible Applicants and Ineligible Applicants**

In addition to the established eligibility criteria for the RD&I Fund, the offer is also available to companies who qualify for Enterprise Ireland’s *Housing for All* Offer. Applicants who qualify for the *Housing for All* Offer are exempt from the requirement of being an existing or potential client of Enterprise Ireland, Údarás na Gaeltachta or any of the Local Enterprise Offices to avail of the RD&I Fund.

Enterprise Ireland’s *Housing for All* Offer is open to Irish companies who employ 10 or more full time people equivalents working in homebuilding and can demonstrate an ability to deliver on the objectives of this fund. This includes, but is not limited to:

- Contractors;
- Builder developers;

- Sub-contractors;
- Modern Methods of Construction (MMC) manufacturing companies.

### **Ineligible Companies**

Enterprise Ireland's *Housing for All* Offer is not open to companies that meet any one (or more than one) of the below criteria:

- Property developers who do not self-perform any construction work.
- Companies employing less than 10 full time people.
- Companies that currently derive less than 20% of annual revenue from the homebuilding sector and do not have a validated plan to achieve this objective, this plan being satisfactory to Enterprise Ireland. Large companies that may have less than 20% revenue derived from homebuilding but are considered to be capable of delivering substantial numbers of units will also be considered.
- Do not meet the eligibility criteria as outlined in this Appendix
- Are operating in the coal or steel sector.
- Are active in the primary agricultural, fishery or aquaculture sectors.
- Are covered by specific rules for Financial Services.<sup>4</sup>
- Include or relate to activities that Enterprise Ireland considers as ineligible or as involving an unacceptable reputational risk. Ineligible activities include activities relating to:
  - The gambling sector, including 'gaming' (as defined in the Gaming and Lotteries Act 1956).
  - Adult entertainment.
  - Tobacco products.
  - Cannabis-based products which are not authorised as medicines.

**Note:** In 2022, under this fund, eligible companies can apply for multiple projects up to a maximum of €500k per undertaking. Funding above this level will be approved in exceptional cases and will be subject to review.

In addition, it is expected that a company will not be availing of more than one offer under *Housing for All* at one time.

### **Application, Evaluation and Approval Process**

#### **3.1 Eligible Application**

The application documentation required is the same as required for the RD&I Fund with one additional document requested to facilitate an eligibility and package sizing assessment. This document is a simple

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<sup>4</sup> Financial institutions are those included in the Communication from the Commission on the application, from 1 August 2013, of the State aid rules to support measures in favour of banks in the context of the financial crisis ('Banking Communication') (OJ C 216, 30.7.2013, p. 1).

excel table which detail the company's total revenue, the percentage derived from homebuilding, number of employees and the number of housing units delivered over a seven-year period and a brief housing impact statement. This is two previous years, current year and four future years.

### 3.2 Application Process

<b>Inquiries</b>	<ul style="list-style-type: none"> <li>Inbound inquiries to the Enterprise Ireland webpage on these supports will direct people to contact an email address for further information. The Enterprise Ireland Housing team will engage with the potential applicant to initiate the assessment of eligibility.</li> </ul>
<b>Assessment of Eligibility:</b>	<ul style="list-style-type: none"> <li><b>Step 1:</b> Applicants will complete a Housing Impacts Statement, setting out the following: <ul style="list-style-type: none"> <li>table of current and projected residential and other activities,</li> <li>statement of housing impacts arising from the proposed project.</li> </ul> </li> <li><b>Step 2:</b> The Housing Impacts Statement will be assessed to determine project eligibility and maximum grant per job.</li> </ul>
<b>Client Registration:</b>	<ul style="list-style-type: none"> <li>Non-EI clients will be registered as temporary clients on the CES.</li> </ul>
<b>Application Process:</b>	<ul style="list-style-type: none"> <li>Following assessment of a Housing Impacts Statement, a formal application will be submitted using existing application documents. The current process for the management of these applications will be used.</li> <li>The current commercial and technical due diligence process will be conducted. This will include the project team analysing the nature of the project for the purpose of determining package size.</li> </ul>
<b>Approval Process:</b>	<ul style="list-style-type: none"> <li>The only change to existing approval processes will be the inclusion of a Housing Impacts Statement in the online or Committee proposal document.</li> </ul>
<b>Post Approval</b>	<ul style="list-style-type: none"> <li>Projects will be tagged on the CES as Housing for All related by the Housing team (TBC)</li> </ul>

Inquiries from ineligible companies or companies with ineligible projects will be adjudicated on by the Department Manager responsible for Housing and recorded by the Housing team. Appeals to these decisions will be directed to the Secretary of the Enterprise Ireland Board.

### 3.3 Evaluation and Approval Process

Applications received will be processed within the current Enterprise Ireland approvals structures for the RD&I Fund with the same grant aid limits being applied.

## Assessment Process for the RD&I Fund

The Value for Money measures of cost per job and Cost Benefit ratio will continue to be relevant. There is no requirement for projects to show exports or export growth and as such an alternate assessment is required to ensure that the objectives of the initiative are being achieved, namely: A project must have a demonstrable impact on homebuilding by accelerating the delivery of new homes and/or reducing the cost of home building.

Applications will be subject to the assessment process that has been established for Mid-Size and Transformative Offerings under the *Housing for All Offer* to establish Value for Money, in addition to the other assessment criteria for the RD&I Fund, outlined in the Reference Document for that Offer.

### Mid-Size and Transformative packages

- For Mid-Size or Transformative packages, as increasing employment and exports are not objectives of this initiative, traditional value for money measures of exports and the cost benefit ratio are not informative for these projects. The standard grant rates for Enterprise Ireland packages will be implemented but a further methodology for ascertaining the maximum possible grant package for a company is also required.
- For these larger packages, the size of the package will primarily be shaped by the size of the company, the nature of the business and the impact of the project on homebuilding in Ireland. A range up to €7.5k per employee is recommended. These figures have been informed by a study of 32 OPEX projects approved between 2019 and 2021.

The impact assessment criteria for Mid-size and Transformative products uses three core criteria summarised in the table below.

Impact	Measurement of Impact	Justification for Impact
<b>Housing Impact:</b>	– Percentage of company or business unit turnover relating to housing, employees, number of units produced.	– Determines company eligibility. – Informs ability to impact on headline objectives.
<b>Business Activity Impact:</b>	– The nature of business activity conducted by the applicant and its position in the supply chain for homebuilding.	– Recognising that homebuilders, general contractors, and offsite manufacturers are able to have a greater impact than subcontractors or component suppliers.
<b>Project Impact:</b>	– The ambition of the project to be undertaken. – Level of Lean & Industry 4.0 digitalisation being implemented.	– The project will be assessed on the level of its ability to deliver on the objectives of the fund.

### **Housing Impact:**

It is recognised that for many firms the homebuilding sector is one of many that they may service. This criterion places a higher ranking on companies that are more focused on homebuilding. This is important as companies that are undertaking company-wide projects, for example lean training, will include domestic construction activities that Enterprise Ireland does not support. In these instances, the grant per job will be reduced in line with the percentage of revenue from homebuilding, i.e. if 50% of revenue is from homebuilding, the maximum possible grant per job will be reduced from €7.5k to €3.75k.

### **Business Activity Impact**

The nature of the objective to be achieved places a priority on those firms that can have the most influential impact on the delivery of a housing project. Companies that operate at the top of the supply chain such as General Contractors and Homebuilders will be assessed as having a 'Very High' impact. Other companies will be assessed by categorising them within the Modern Methods of Construction Framework (Detailed in Section 3.4 of this Appendix) developed by the UK Government. See Project Impact for details of the categories and the associated indicative assessment level, Moderate, High, Very High.

### **Project Impact**

The ambition, quality and impact of the project seeking support will be assessed and graded by the project team as moderate, high or very high. This will include examining:

- Improvement in productivity.
- The technical maturity or challenge of completing the project.
- Impact on the adoption and optimisation of Modern Methods of Construction (MMC).
- Impact of product on speeding construction processes.
- Increasing Pre-Manufactured Value in offsite manufacturing.
- Improved efficiencies brought to the supply chain.
- Reduced cost of product.

For a project to be assessed overall as 'Very High', and thus enabling a grant per existing job of between €5k and €7.5k the company will need to have been assessed as scoring in the Very High range on all three criteria:

<b>Impact</b>	<b>Very High</b>
<b>Housing Impact:</b>	– Revenue is more than 75% derived from Homebuilding.
<b>Business Activity Impact:</b>	– The company is at or near the top of the supply chain or is within the Very High rated MMC categories
<b>Project Impact:</b>	– The project is deemed to be industry leading. – The project has a clearly identifiable impact on the reduction of construction costs.

	<ul style="list-style-type: none"> <li>– The project has an advanced level of Lean &amp;/or Industry 4.0 digitalisation being implemented.</li> <li>– Productivity increases are above 15% or can be seen to have a multiplier effect on the supply chain.</li> </ul>
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For a project to be assessed as 'High' with funding per existing employee of between €2.5k and €5k, the overall the following characteristics may be present.

Impact	High
<b>Housing Impact:</b>	<ul style="list-style-type: none"> <li>– Revenue is between 50 and 75% derived from Homebuilding.</li> </ul>
<b>Business Activity Impact:</b>	<ul style="list-style-type: none"> <li>– The company is a major sub-contractor such as MEP or civil works.</li> <li>– The company is categorized within the MMC criteria as High</li> </ul>
<b>Project Impact:</b>	<ul style="list-style-type: none"> <li>– The project is being undertaken results in a step change for the business.</li> <li>– The project has a clearly identifiable impact on the reduction of construction costs.</li> <li>– The project is beyond introductory level of Lean &amp;/or Industry 4.0 digitalisation being implemented.</li> </ul>

For a project to be assessed as 'Moderate' with funding per existing employee up to €2.5k, the overall the following characteristics may be present.

Impact	Moderate
<b>Housing Impact:</b>	<ul style="list-style-type: none"> <li>– Revenue is between 20 and 50% derived from Homebuilding.</li> </ul>
<b>Business Activity Impact:</b>	<ul style="list-style-type: none"> <li>– The company is a subcontractor servicing the homebuilding industry.</li> <li>– The company is categorized within the MMC criteria in categories 3-7.</li> </ul>
<b>Project Impact:</b>	<ul style="list-style-type: none"> <li>– The project will have a quantifiable impact on the operations of the company.</li> <li>– The project has an identifiable impact on the reduction of construction costs.</li> <li>– The project may include introductory lean or digitalization projects.</li> </ul>

**Project sizing process:**

1. Using the Housing impacts document supplied by the applicant determine the initial maximum grant per existing employee. This is done by applying the percentage of revenue from Homebuilding to the upper ceiling of €7.5k per job.
2. Grade the nature of the business from 'Moderate' to 'Very High' impact.
3. Grade the nature of the project as 'Moderate' to 'Very High' impact.

Apply the following matrix (example below assumes the company is delivering 100% to homebuilding):

Project Impact	Grant Cost per Job			
	Very High	€3,000	€5,000	€7,500
	High	€1,500	€3,000	€5,000
	Moderate	€750	€1,500	€3,000
Moderate		High	Very High	
Business Activity Impact				

### 3.4 Modern Methods of Construction Framework

Business Activity	Description of Activity	Activity Impact Assessment
<b>Category 1: MODULAR (VOLUMETRIC) SYSTEMS</b> Pre-Manufacturing (3D primary structural systems)	Factory produced enclosed structural sections (modules) that combine to form completed buildings as follows: (a) frame only (Open Panel); (b) frame with internal fitout; (c) frame with internal fitout cladding & roofing; (d) modules with internal & external finishes, M&E services and full fitout, including bathrooms/kitchens.	<b>Very High:</b> Levels (b) (c) & (d).  <b>Moderate:</b> Level (a).
<b>Category 2: PANEL SYSTEMS</b> Pre-Manufacturing (2D primary structural systems)	Factory produced structural wall, floor and roof panels that are assembled onsite as follows: (a) frame only (Open Panel); (b) frame with insulation & lining; (c) frame with insulation & lining, cladding, doors, windows, internal finishes and M&E services.	<b>Very High:</b> Levels (b) (c).  <b>Moderate:</b> Level (a).
<b>Category 3:</b> Pre-Manufacturing components (non-	(a) piling, pile caps/ring beams; (b) columns, shear walls, beams, floor slabs; (c) integrated columns, beams, floor slabs; (d) staircases, pre-assembled roof structures (trusses).	<b>Project assessment required*</b>

systemised primary systems)		
<b>Category 4: Additive Manufacturing</b>	(a) structural and non-structural components.	
<b>Category 5: Pre-Manufacturing components (non-structural assemblies and sub-assemblies)</b>	<p><u>Volumetric podded assemblies:</u></p> <p>(a) bathroom/kitchen pods with enclosing structure;</p> <p>(b) M&amp;E pods (plant rooms, utility cupboards).</p> <p><u>Panelised / linear assemblies:</u></p> <ol style="list-style-type: none"> <li>1. non-structural façade assemblies (glazing, cladding);</li> <li>2. roof assemblies / cassettes;</li> <li>3. M&amp;E distribution and infrastructure assemblies;</li> <li>4. floor &amp; partition cassettes (services/finishes added);</li> <li>5. doorsets (pre-hung, finished with ironmongery).</li> </ol>	<p>– <b>Very High:</b> Volumetric.</p> <p>– Panelised &amp; Linear: <b>Project assessment required</b></p>
<b>Category 6: Site labour reduction</b>	– fast assembly systems, including large format products, pre-cutting and easy jointing.	<b>Project assessment required</b>
<b>Category 7: Site process improvements</b>	– Lean and Industry 4.0 site automation processes.	

### 3.5 Closing Date for Applicants

This offer will be open to the domestic residential industry from March 2022 until the end of 2024 or until advised by Government.

### 3.6 Post Approval Claims Process

The existing claims process will be used to draw down funding. The Development Advisors in the Housing team will provide claims clearance for the new temporary clients.