



Smart Regions

Enterprise Innovation Scheme

Réigiúin Chliste

Scéim Nuálaíochta Fiontar



Rialtas na hÉireann
Government of Ireland



Arna chomhchistiú ag
an Aontas Eorpach
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Tionól Réigiúnach
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Assembly





About Smart Regions Enterprise Innovation Scheme

This scheme is delivered by Enterprise Ireland as an Intermediary Body under two European Regional Development Fund (ERDF) Regional Programmes – the Southern, Eastern and Midland Regional Programme 2021-2027 and the Northern and Western Regional Programme 2021-2027.

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1. Introduction

The aim of the Smart Regions Scheme is to accelerate economic growth across all regions with a focus on enterprise development.

The Smart Regions Scheme will support the development of innovative services through local infrastructure, innovation clusters, Services to SME's and early-stage feasibility and priming research.

This will lead to the establishment of modern innovation infrastructure, organisations focused on disseminating knowledge, and innovation clusters.

The scheme, with a total value of €145.3m will support:

1. Local infrastructure projects
2. Innovation clusters and consortia
3. Services to SMEs to drive Innovative Solutions
4. Feasibility & Priming Grants

In accordance with Section 7 (1) (i) of the Industrial Development (Enterprise Ireland) Act 1998, this Scheme shall be administered by Enterprise Ireland, using funds made available for that purpose by the Department of Enterprise, Trade & Employment with the consent of both the Minister for Enterprise Trade & Employment and the Minister for Public Expenditure, NDP Delivery & Reform. From a European Regional Development Fund (ERDF) perspective, the scheme is being delivered by Enterprise Ireland as an Intermediary Body under two ERDF Regional Programmes. While overall responsibility for managing the Regional Programmes rests with the Managing Authorities, Article 71(3) of Regulation (EU) 2021/1060 allows that a Managing Authority may identify one or more intermediary bodies to carry out certain tasks under its responsibility. The Managing Authorities have identified Enterprise Ireland as the Intermediate Body for the delivery of the Smart Regions Scheme.

Please note, all queries relating to the Smart Region Scheme or if you would like to receive a copy of the application pack (including workbook) please email SmartRegions@Enterprise-Ireland.com

1.1 Background

The **Smart Regions** Scheme supported under the European Regional Development Fund (ERDF) is aimed at accelerating economic growth in all regions of the country, by working with stakeholders to deliver on their potential regional enterprise strengths and opportunities, and by strengthening the regional enterprise innovation system.

Regional Enterprise Development is a key policy focus for Government, and the Department of Enterprise, Trade & Employment (DETE), which launched a series of nine Regional Enterprise Plans to 2024. These plans build on the progress to date under the previous Regional Action Plan for Jobs, and complement priorities set out in Ireland's National Smart Specialisation Strategy for Innovation 2022–2027 (S3); the Department of Enterprise, Trade & Employment's White Paper on Enterprise 2022-2030; the Regional Spatial and Economic Strategies (RSES); Our Rural Future: Rural Development Policy 2021-2025; Project Ireland 2040; Climate Action Plan; Shared Island Initiatives and Enterprise Ireland's Strategy 2022–2024, Leading in a Changing World.

1.2 Smart Regions: Objectives

The overall objective of this Scheme is to drive job creation/retention and enterprise development in each region throughout Ireland. In addition, Smart Regions funding is targeted at strategic locations regionally where an identifiable deficit exists in key infrastructure, which is necessary to support the micro and SME client base.

These projects shall be:

- Collaborative in nature,
- Innovative,
- Financially viable, (must be profitable business propositions in the case of Infrastructure projects)
- Sustainable,
- Focused on delivering metrics and Key Performance Indicators (KPIs) which provide additionality to the existing regional infrastructure.

2. Scheme Outline



The Scheme has 4 Streams, which shall support the following activities / projects:

1. Local Infrastructure projects
2. Innovation clusters & consortia
3. Services to SMEs to drive innovation solutions
4. Feasibility and Priming Grants

Stream One will support Not-for-Profit Designated Activity Companies (DAC)s or Not-for-Profit Companies Limited by Guarantee's to construct and/or upgrade Local **Infrastructure Projects** which propose to have major regional, multi-regional or sectoral impact, with grant support from €1m up to €10m per project¹. These projects must address a defined need for Local Infrastructure in a sector and/or region. In addition, applicants must, through a comprehensive application and financial sustainability plan, demonstrate how they will finance costs associated with maintenance and operation of the Local Infrastructure.

These projects will involve the delivery of significant regionally based capital investment projects, which concerns infrastructure that contribute at a local level to improving the business and consumer environment and modernising and developing the industrial base. Enterprise Ireland will fund the infrastructure through the Funding Gap which is calculated as Total Build Cost (i.e. total investment costs in tangible and intangible assets for the construction and/or upgrade of the Local Infrastructure) less the total net operating profit over the useful lifetime (min. 15 years) of the infrastructure.

In assessing applications, it is important to note, under Stream One, that;

- » The total eligible project costs will be limited to the investment costs in tangible and intangible assets for the construction and/or upgrade of the infrastructure. Other costs, such as operating costs relating to the operation and maintenance of the infrastructure cannot be supported.
- » Projects must detail the market need they intend to address with this infrastructure; its intended function and purpose; and equipment which it intends to seek support for related to this purpose. Constructed or upgraded local infrastructure must be made available to interested users on an open, transparent and non-discriminatory basis at prices that correspond to market price (Article 56 (1) and (3) GBER).
- » Successful applicants for local infrastructure funding shall provide access to third parties or a separate independent unit under the control of the infrastructure owner on an open, transparent and non-discriminatory basis (and at prices that correspond to market price) to use the infrastructure for the delivery of their services and products.
- » A claw-back mechanism will apply, after the useful lifetime (minimum 15 years), where the infrastructure has exceeded the forecasted profit amount, that was provided by the applicant at the funding approval date.

¹ An 'Exceptional Project' will be determined during evaluation as meriting support outside the €10m upper limit for Stream One, based on the quality of the project, the needs that it meets, its strategic alignment and its contribution to the objectives of the Regional Programme and will require specific approval of the Managing Authority and the EI Board.

- » Where the infrastructure has a residual value and is to continue in use for economic activity, it may be sold at market rate, as an undertaking to a public authority, or other entity, carrying out an economic activity. Proceeds of the sale must be returned to Enterprise Ireland.
- » If the infrastructure has a residual value, the infrastructure may be transferred to a public authority where the facility is to be used for a non-economic activity at the end of the useful lifetime (min.15 years) of the infrastructure.

Stream Two will support significant **Innovation Clusters/Consortia** with grants of €50k up to €2m per project. The applicant must be a Not-for-Profit DAC or a Not-for-Profit CLG. Up to **50%** grant aid will be available for eligible programme support costs and relevant salary costs over the 3-year funding period.

Stream Three will support **Services to SMEs to drive Innovative Solutions**, with grants of €200k up to €1m per eligible project. This Stream will support the eligible Not-for-Profit DACs or Not-for-Profit CLGs. This funding will support programmatic costs over a minimum two-year / maximum three-year period under De Minimis Pass Through. The support will offer funding for delivery of a wide range of services to businesses, particularly to SMEs, to help them drive innovative solutions and enhance their competitiveness. The services provided must be valued at market rates and the amount of support must be recorded against the De Minimis aid balance of the supported company.

The grant rate will be up to 100% of eligible programme costs, capped at a maximum of 80% of the programmes market value. The support is designed to be strategic in supporting the transformation of Regional SMEs operating in an ecosystem that requires support. The services to be provided by Not-for-Profit DAC's / Not-for-Profit CLG's will be made accessible to eligible Regional SMEs by way of De Minimis Pass Through aid, meaning these SMEs will be able to benefit from these services at reduced rates, while other businesses who do not have a De Minimis balance will have to pay the higher market rates. The amount of that reduction will be recorded as De Minimis aid for the applicant SME.

Stream Four will support the **investigation of new projects** through Feasibility Study Funding for early-stage project concepts (with grants from €25k up to €50k) or through Priming Funding to support detailed preparation of more advanced projects (with grants from €50k up to €200k). Up to 80% grant will be offered towards eligible costs under this stream. Projects shall be administered in accordance with the EU Commission State Aid De Minimis Regulation 1407/2013.

2.1 Profile of Applicants

- Eligible applicants for Streams One, Two, Three and Four must be registered as a Not-for-Profit (DAC) or a Not-for-Profit Company Limited by Guarantee (CLG) under the Companies Act 2014 prior to submission of their applications.
- Applicants for Stream Four (Feasibility) must either be a Not-for-Profit DAC or Not-for-Profit CLG as defined above, or be a public body, such as Local Authority, Institute of Technology/ HEI (for Priming Grant), that is involved in a collaborative proposal with enterprise and other local and regional stakeholders. Please note where a project is led by a public body, the submitted project must be additional to the public body's existing work programme.

2.2 Scheme Structure

The Scheme has four Streams summarised as follows.

	Stream 1	Stream 2	Stream 3	Stream 4
Brief Description	Local Infrastructure Projects Funding will be provided to Not-for-Profit DAC's / Not-for-Profit CLG's to construct or upgrade local infrastructure that supports enterprise development.	Innovation Clusters/Consortia Designed to support industry-led groups to maximise the benefits of collaborative opportunities. Applicant must be a Not-for-Profit DAC or Not-for-Profit CLG	Services to SMEs to drive innovative solutions Designed to support programmatic costs and overhead to provide programmes to be availed of by SMEs to help drive innovative solutions and enhance competitiveness. Applicants must be a Not-for-Profit DAC or Not-for-Profit CLG	Feasibility & Priming Grants (1) Feasibility – designed to support investigation of new projects through Feasibility Study Funding for early-stage project concept. (2) Priming – designed to support detailed preparation of more advanced project plans
Amount of Grant Support Available	Minimum of €1m up to a Maximum of €10m per project.	Minimum of €50k up to a Maximum of €2m per project over 3-year funding period.	Minimum of €200k up to a Maximum of €1m	Feasibility: from €25k to €50k Priming: from €50k to €200k
Funding limits / conditions	Fund up to the Funding Gap which is calculated as Total Build Costs less accumulated net operating profit over the useful lifetime (minimum 15-years) of the Local Infrastructure Note: balance of funding cannot be provided by way of grant from public bodies.	50% funded toward eligible programme support costs and relevant Salary costs. Balance of funding to be provided by companies within the cluster or consortium or private investment funding. Note: balance of funding cannot be provided by way of grant from public bodies.	The grant rate will be up to 100% of eligible programme costs, capped at a maximum of 80% of the programmes market value. Note: balance of funding must come from industry ie end beneficiaries and cannot be provided by way of grant from public bodies.	80% funded towards eligible programme support costs. Balance of funding 20% to be provided by private, community or public sector. Balance of funding must be in the form of finance Balance of funding cannot be in-kind.
State Aid Regulations	GBER – Article 56	GBER – Article 27	De-minimis Regulation 1407/2013	De-minimis Regulation 1407/2013
Eligible applicants	Not For Profit CLG or Not For Profit DAC Not For Profit DAC	Not For Profit CLG or Not For Profit DAC DAC	Not For Profit CLG or Not For Profit DAC Not For Profit DAC	Not For Profit CLG or Not For Profit DAC Public bodies may be eligible for Feasibility

2.3 Scheme Impact

The Smart Regions Scheme will be aligned to the priorities outlined in Ireland's strategic policy frameworks such as Smart Specialisation Strategy for Innovation 2022–2027 (S3), Enterprise White Paper 2022-2030, Regional Enterprise Plans (REPs) and the Regional Spatial and Economic Strategy (RSES). Successfully funded projects will develop regional strengths and opportunities through enterprise development.

Applicants will be required to demonstrate via their proposals and ongoing reporting to EI over the duration of the scheme, how they are working to support the regional priorities as set out in Ireland's Smart Specialisation Strategy (S3).

Enterprise Ireland takes a performance-based approach to the dispersal of funding, therefore, allocations and continued inclusion in the scheme is dependent on performance delivery, continued eligibility, and compliance with management and control systems. In addition, Smart Region Enterprise Innovation Scheme must comply with the agreed performance framework, which is composed of output and result indicators linked to the specific Scheme objectives.

Projects supported under **Smart Regions Scheme** are expected to contribute to the output indicators listed below (Performance Indicators). By delivering on these, the projects will contribute to the overall fund performance framework.

In the application template applicants will be required to detail how the project intends to meet the output targets/result indicators. Projects will then be required to report on progress against indicators bi-annually. The following sets of indicators will be achieved through the four Streams of this scheme, as follows:

Performance Indicators	Brief Description
Number of Enterprises supported	This indicator includes all Enterprises in receipt of monetary or in-kind support. For the purpose of this indicator, an Enterprise is an organisation that produces goods or provides services to satisfy a market need.
Number of Enterprises Supported (Non-Financial)	This indicator includes all Enterprises in receipt of non-financial support. e.g., an SME receiving incubator services, provision of training, work space etc.
Number of New Enterprises Supported	This indicator includes all new Enterprises in receipt of monetary or in-kind support. An Enterprise is considered "new" if it did not exist three years before the Enterprise applies for the support provided.
Capacity of Incubation Created	Number of Enterprises that can be served on a yearly basis by a newly created incubator or where an incubator was in existence pre the support the additional number of enterprises that can be served on a yearly basis due to the extension of the incubation capacity.
No. of SME's Introducing Product or Process Innovation	Product or process innovations must be new to the Enterprise supported but do not need to be new to the market. Product innovation is the market introduction of a new or significantly improved good or service with respect to its capabilities, user friendliness, components or sub-systems. Process Innovation is the implementation of a new or significantly improved production process, distribution method or supporting activity.
No. of SMEs using Incubator Services After Incubator Creation	Annual number of SMEs using the incubation capacity created with the support (ie not including the enterprises using the incubator services before the intervention)

3. State Aid Basis



The State Aid basis for support for local infrastructure projects and innovation clusters (Streams 1 and 2) under the Scheme is the General Block Exemption Regulation (GBER) for 2014-2020, extended to December 31st, 2026, and last amended under Commission Regulation (EU) 2023/1315. The State Aid basis for the services to SMEs to help them drive innovative solutions and enhance their competitiveness, and the feasibility and priming grants (Streams 3 and 4) is the De-minimis Regulation 1407/2013.

3.1 Stream 1 – Article 56 GBER – Investment Aid for local infrastructure

Article 56 GBER provides for Aid for local infrastructure. The Article is summarised as follows:

- Financing for the construction or upgrade of local infrastructures which concerns infrastructure that contribute at a local level to improving the business and consumer environment and modernising and developing the industrial base shall be compatible with the internal market within the meaning of Article 107(3) of the Treaty and shall be exempt from the notification requirement of Article 108(3) of the Treaty, provided that the conditions laid down in this Article and in Chapter I of the GBER are fulfilled.
- This Article shall not apply to aid for infrastructures that is covered by other sections of Chapter III of this Regulation with the exception of Section 1 — Regional aid. This Article shall also not apply to airport infrastructure and port infrastructure.
- The infrastructure shall be made available to interested users on an open, transparent, and non-discriminatory basis. The price charged for the use, or the sale of the infrastructure shall correspond to market price.
- Any concession or other entrustment to a third party to operate the infrastructure shall be assigned on an open, transparent, and non-discriminatory basis, having due regard to the applicable procurement rules.
- The eligible costs shall be the investment costs in tangible and intangible assets.
- The aid amount shall not exceed the difference between the eligible costs and the operating profit of the investment. The operating profit shall be deducted from the eligible costs ex ante, on the basis of reasonable projections, or through a claw-back mechanism.
- Dedicated infrastructure shall not be exempted under this Article.

3.2 Stream 2 – Article 27 GBER

– Aid for Innovation Clusters

Article 27 GBER provides for investment and/or operating aid for innovation clusters as summarised:

- Aid for innovation clusters shall be compatible with the internal market within the meaning of Article 107(3) of the Treaty and shall be exempted from the notification requirement of Article 108(3) of the Treaty, provided that the conditions laid down in this Article and in Chapter I of the GBER are fulfilled.
- Operating aid can be granted to the operator of the innovation cluster (DAC or CLG). The operator, when different from the owner, can either have a legal personality or be a consortium of undertakings without a separate legal personality. Where the operator is not also the owner, separate accounting for the costs and revenues of ownership, operation and use of the cluster is required.
- Access to the cluster's premises, facilities and activities shall be open to several users and be granted on a transparent and non-discriminatory basis.
- Fees charged for the use of the cluster and participating in cluster activities shall correspond to the market price or reflect costs including a reasonable margin.
- Operating aid may be granted for the operation of innovation clusters. It shall not exceed 10 years.
- The eligible costs of operating aid for innovation clusters shall be the personnel and administrative costs (including overhead costs) relating to:
 - » animation of the cluster to facilitate collaboration, information sharing and the provision or channelling of specialised and customised business support services
 - » marketing of the cluster to increase participation of new undertakings or organisations and to increase visibility
 - » management of the cluster's facilities; organisation of training programmes, workshops and conferences to support knowledge sharing and networking and transnational cooperation.
- The aid intensity of operating aid shall not exceed 50 % of the total eligible costs during the period over which the aid is granted.

3.3 Stream 3 – De Minimis Aid – Services to SMEs to drive innovative solutions

The support is designed to be strategic in supporting the transformation of Regional SMEs operating in an ecosystem that requires support. The services to be provided by Not-for-Profit DAC's / CLG's will be made accessible to eligible Regional SMEs by way of De Minimis Pass Through aid, meaning these SMEs will be able to benefit from these services at reduced rates, while other businesses will have to pay the higher market rates. The amount of that reduction will be recorded as De Minimis aid for the applicant SME.

The aid will be provided to SMEs by the full pass through of the funding received by the DAC's/CLG's. In this regard, the DAC's/CLG's will fully pass-on the entire benefit of the funding received to their eligible users (including, where applicable, interest reflecting the time advantage of funding received but not passed-on, which will be determined at the end of each year based on the Commission's standard rates and methodology) and any remaining benefit at the level of DAC's/CLG will have to be recovered at the end of the project.

3.4 Stream 4 – De Minimis Aid – Feasibility & Priming

De-Minimis Regulation 1407/2013 establishes the framework for providing De Minimis aid, which allows EU Member States to provide limited financial assistance to businesses. The Regulation sets out the maximum thresholds, which this Scheme will comply with, and conditions under which De Minimis aid can be granted to companies over a rolling three-year period, currently up to €200,000 but this amount is expected to slightly increase from 1 January 2024.





4. Funding Period

The continuance of funding throughout the funding period shall be contingent upon delivery of agreed milestones/key performance indicators (KPIs) and timelines for the project.

Funding allocated under the ERDF Regional Programmes will be for a defined phase of the project and shall be awarded, expenditure incurred and paid, and fully drawn down within the lifetime of the EU programme cycle. This shall be set and agreed with Enterprise Ireland at the commencement of the supported project. The project will need to report regularly on the achievement of the KPIs on a schedule agreed with Enterprise Ireland. The duration of each project under each funding stream is outlined below and will be set out in the '**Grant Agreement**'.

Stream	Duration
One - Local Infrastructure	Useful lifetime (min.15 years), or as agreed with Enterprise Ireland. Contingent on business plan.
Two - Innovation Clusters	Min. 2 years - Max. 3 Years
Three - Services to SMEs	Min. 2 years - Max. 3 Years
Four - Feasibility and Priming	Conclude within 1-year of approval

Please also note:

1. The activity being proposed for funding must be additional to the activities currently being undertaken if any, and additional to activities, if any, currently funded by the State.
2. Project funding may be provided by way of advance payments of up to one third of the approved grant, if certain criteria are met, and sanction is obtained from the Department of Enterprise, Trade & Employment and the Department of Public Expenditure, NDP Delivery & Reform.
3. All actual project spend incurred must be documented and claimed by the applicant within the project duration and will be inspected and validated by Enterprise Ireland Grant Inspection personnel. In addition, audits can be conducted by ERDF agents, including Audit Authority and others.
4. All expenditure must align with the 2021 – 2027 ERDF National Eligibility Rules in order to be compliant with ERDF spending rules. Failure to comply with these, risks project expenditure being deemed ineligible.
5. Enterprise Ireland shall make no commitment to funding the successful applicant after the agreed period of funding.
6. Funding for approved calls will be provided in consultation with the Department of Public Expenditure, NDP Delivery & Reform (National Body) and the relevant Regional Assemblies (Managing Authority) & the Department of Enterprise, Trade & Employment.
7. All Capital Projects (new building or refurbishment) supported by Stream One must commence within 12 months and must be completed within 30 months of the date of approval, unless otherwise agreed in advance with Enterprise Ireland.
8. Personnel supported under Stream Two must be recruited within 9 months of the date of approval of the grant, unless otherwise agreed in advance with Enterprise Ireland.

5. Application Process



The **Smart Regions Scheme** is a competitive offer run on an open competitive call basis until available funds are exhausted, or the scheme terminates, whichever is the sooner. Applications for funding will be invited through a public call. The call will be announced in the National Press, and on **www.enterprise-ireland.com**

All Applications will be subject to a rigorous Assessment and Selection process against the defined evaluation criteria outlined below. All queries, and requests for application forms or workbooks should be sent by email to: SmartRegions@Enterprise-Ireland.com

Evaluation Criteria	Weighting
Impacts, Value for Money and Project Delivery	20%
Collaboration and Participation	15%
Viability and Sustainability	20%
Building Regional Strengths	20%
Innovation & Capability Building	25%
Total	100%

Application Forms, in two parts (Word and Excel), can be downloaded from the Enterprise Ireland website and completed applications must be submitted electronically in Word and Excel format to Enterprise Ireland by email to GA-SREIS@enterprise-ireland.com.

On receipt of completed Application Forms relevant for the Stream being applied to, including the completed relevant appendices set out in the pre-grant State Aid Checklist for Applicants, etc., and any supporting documentation required, an email will be sent to confirm that Enterprise Ireland has received the application form.

When initial eligibility checks are carried out, each application will be acknowledged within three working days. Applicants who do not receive either acknowledgement should immediately contact the Application Mailbox at GA-SREIS@enterprise-ireland.com.

5.1. Open Competitive Call Basis

The first tranche of funding under the Smart Regions Scheme will be available following the official launch by the Minister of Enterprise, Trade & Employment.

Call 1 opened in **October 2023**, with a proposed call close of **31st of March 2024**. Eligible applicants may apply for funding under the scheme providing they meet the defined evaluation criteria for support.

Please note that eligible expenditure, if successful, **can only** be incurred **after** the date of a valid **application being received and acknowledged by the Enterprise Ireland Grant Applications Team**.

It is envisaged that up to four calls with specific budget allocations will be announced with any unallocated funds on a call being rolled forward to inclusion in a subsequent call. Eligible promoters may apply for funding under the scheme providing they meet the defined evaluation criteria for support.

5.2. What will an application consist of?

An Applicant will be required to submit:

1. A fully completed Smart Regions (Enterprise Innovation Scheme) application form (part 1 of 2) which clearly addresses the required project evaluation criteria as set out in Appendix D below.
2. The Applicant **must also complete the Project Cost Workbook** (part 2 of 2) which outlines the project funding requirements under specific cost categories.
3. A fully complete **State Aid Checklist** for the relevant Stream.

All of these documents are required for a valid application.

Note: Appendices to the application form and additional documentation referred to in the Checklist section of the application form must also be completed/submitted. Limited support/backup documentation will be accepted to provide clarity on the project for the evaluation committee.

In order to support applicants, a Business Financial Planning Grant will be available to support Stream 2 and Stream 3 applications. The purpose of the Grant is to assist eligible applicants prepare a detailed financial plan.

The Smart Regions Business Financial Planning Grant offers up to €5,000 (100% of expenditure) for an engagement with an approved external consultant. Please contact Enterprise Ireland for more information.

5.3 Application Screening

Each application will be assessed by the grant administration and regional funds teams within Enterprise Ireland to ensure the application is eligible for evaluation. This assessment will include:

- a. Confirmation that all the required sections have been completed and the application is signed by an authorised officer.
- b. Confirmation that the proposed activities are consistent with the objectives of the relevant strategies underlying the programme, the call documentation and Ireland's Smart Specialisation Strategy, and that the project has not commenced prior to Enterprise Ireland receiving a completed eligible application form.
- c. Confirmation that the proposed activities fall within the scope of the ERDF and primarily benefiting SMEs and make an effective contribution towards the achievement of the Specific Objectives and Performance Indicators of the programme.
- d. Evidence that the Applicants have the necessary financial resources and effective mechanisms in place to cover operation and maintenance costs for operations comprising investment in infrastructure, so as to ensure their financial sustainability under Stream One.

- e. Copy of completed environmental impact assessment or screening procedure for selected operations which fall under the scope of Directive 2011/92/EU of the European Parliament and of the Council², and that the assessment of alternative solutions has been taken into account, on the basis of the requirements of that Directive under Stream One.
- f. Copy of Climate Proofing Assessment for both mitigation of climate change and adaption to climate change that has been completed in accordance with the Commission Technical Guidance on Climate Proofing of Infrastructure in the period 2021-2027³ for all investments in infrastructure which has a lifespan of at least 5 years under Stream One.
- g. Evidence that the proposed activity respects the 6 principles of “Do No Significant Harm” (DNSH) within the meaning of Regulation (EU) 2020/852 of the European Parliament and of the Council⁴ and incorporates recommendations to mitigate any impact as outlined in the Report for Do No Significant Harm Assessment of the Southern, Eastern and Midland Programme and Northern and Western Programme 2021-2027 dated July 2022 within the DNSH Checklist Part 2 for policy objective 1.3. under Stream One.
- h. Confirmation that the beneficiaries have effective mechanisms in place to ensure that all public procurement is consistent with National⁵ and EU procurement legislation.
- i. Confirmation that any state aid would be lawful, and that the applicant is eligible to receive grant aid at the requested level within the State Aid regulations, if applicable.
- j. Confirmation that any aid granted through the project to third parties is permissible under and would be managed in accordance with State Aid regulations.
- k. Confirmation that applicants have effective mechanisms in place to ensure compliance with the Charter of Fundamental Rights of the European Union⁶ and with the United Nations Convention on the Rights of Persons with Disability (UNDRPD)⁷.
- l. Confirmation that the application does not include activities which were part of an operation subject to relocation in accordance with Article 66 of the Common Provisions Regulation (CPR)⁸ or which would constitute a transfer of a productive activity in accordance with point (a) of Article 65(1) of the CPR.
- m. Initial clarification that the application is not directly affected by a reasoned opinion by the Commission in respect of an infringement under Article 258 TFEU that puts at risk the legality and regularity of expenditure or the performance of operations. This assessment of any potential infringement must be completed successfully by Enterprise Ireland before an offer of support is made to the beneficiary.

2 [Directive 2011/92/EU of the European Parliament and of the Council of 13 December 2011 on the assessment of the effects of certain public and private projects on the environment \(OJ L 26, 28.1.2012, p. 1\).](#)

3 [European Commission – Technical Guidance on the Climate Proofing of Infrastructure in the period 2021-2027](#)

4 [Regulation \(EU\) 2020/852 of the European Parliament and of the Council 18/06/2020 on the establishment of a framework to facilitate sustainable investment](#)

5 [The Office of Government Procurement – The National Public Procurement Policy Framework](#)

6 [Charter of Fundamental Rights of the European Union](#)

7 [United Nations Convention on the Rights of Persons with Disability](#)

8 [Regulation \(EU\) 2021-1060 of the European Parliament and of the Council 24/06/2021 – Common Provisions Regulation](#)



Appendices

Appendix A - Eligibility

To be eligible:

- All applicants for **Stream One** must be registered as a Not-for-Profit⁹ Designated Activity Company (DAC) or a Not-for-Profit Company Limited by Guarantee (CLG) under the Companies Act 2014 prior to submission of their applications.
- All applicants for **Stream Two** must be registered as a Not-for-Profit Designated Activity Company (DAC) or a Not-for-Profit Company Limited by Guarantee (CLG) under the Companies Act 2014. **Applicants** must be an incorporated DAC or CLG by the application date and be linked, for the purposes of the cluster, with at least five independent unrelated companies at regional/county/local level who will create a collaborative proposal with other local and regional stakeholders, to build and improve the regional innovation ecosystems.
- Applicants for **Stream Three** must be registered as a Not-for-Profit Designated Activity Company (DAC) or a Company Limited by Guarantee (CLG) under the Companies Act 2014 prior to submission of their applications.
- Applicants for **Stream Four Feasibility** will be Not-for-Profit entities that are registered Designated Activity Company, (DAC) or a Company Limited by Guarantee, (CLG) with the CRO under the Companies Act 2014 prior to submission of their applications, **OR** be a public body, such as Local Authority, Institute of Technology/HEI, that is involved in a collaborative proposal with enterprise and other local and regional stakeholders,
- Applicants for **Stream Four Priming** support must be registered as a Not-for-Profit Designated Activity Company (DAC) or a Not-for-Profit Company Limited by Guarantee (CLG) under the Companies Act 2014 prior to submission of their applications.
- All projects must submit a detailed and costed business proposal which clearly demonstrates how it plans to address identified enterprise needs/gaps, and the range of solutions they propose to deliver. These enterprise projects should directly align to the implementation of the actions outlined in the 9 Regional Enterprise Plans published by Department of Enterprise, Trade & Employment.
- The Boards of Directors and/or the shareholders/members of these DAC's or CLG's should be comprised of a number of representatives of national/regional, county and local stakeholders, with a purpose of benefiting the wider needs of the community and region as defined in the relevant streams outlined below. In the case of stream 3, the Boards of Directors should be comprised of a representatives of a diverse range of such stakeholders.

⁹ The constitution of the Applicant shall provide that no payment (other than reasonable and proper payments for services rendered, vouched expenses or rent for premises let to the Company), transfer or distribution may be made directly or indirectly to a member and that, upon a winding up or dissolution of the company, no transfer, payment or distribution may be made to a member but that instead all net assets shall be given up or transferred to some other institution or institutions having main objects similar to the main objects of the Company and which shall prohibit the distribution of its or their income and property amongst its or their members to an extent at least as great as is imposed on the Company.

Ineligible Applicants

The Scheme is **not** open to the following:

- Applications that do not meet the set minimum funding threshold, (i.e. below €1m grant for Stream One; <€50k for Stream Two; <€200k for Stream Three; <€25k for Stream Four (Feasibility) or <€50k for Stream Four (Priming).
- Applicants for Stream One, Stream Two, Stream Three, or Stream Four (other than a public body applying for Stream Four Feasibility), that are not a registered Not-for-Profit Designated Activity Company (DAC) or a Not-for-Profit Company Limited by Guarantee (CLG) under the Companies Act 2014 prior to submission of their application.
- Applications for projects focussed on developing Retail; Tourism; Transport; and large infrastructural projects (e.g., Ports; Roads; By-pass; etc.); as well as primary production projects in the agricultural and fisheries sectors.
- Applications which include or relate to activities that Enterprise Ireland considers as ineligible or 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.
 - » Activities of a primarily military relevance.

Appendix B – Requirements on Horizontal Principles for ERDF Support

The following requirements regarding compliance with the Horizontal Principles for eligible Applicants must be confirmed during the application process to be compliant with ERDF requirements. Ongoing reviews will be undertaken to ensure compliance with these principles over the lifetime of the scheme to ensure continued compliance with ERDF funding requirements.

- All Applicants will confirm that they have taken steps to prevent any discrimination based on gender, racial or ethnic origin, religion or belief, disability, age or sexual orientation during the preparation, implementation, monitoring, reporting and evaluation of projects and in particular, accessibility for persons with disabilities.
- Stream One applicants will need to incorporate recommendations to mitigate any impact as outlined in the Report on the Do No Significant Harm Assessment (conducted by RSK on behalf of Managing Authorities).
- All Applicants will confirm the promotion of sustainable development including the 6 principles of "Do No Significant Harm (DNSH)" - climate change mitigation, climate change adaption, the sustainable use and protection of water and marine resources, the circular economy, including waste prevention and recycling, pollution prevention and control to air, water, and land and the protection and restoration of biodiversity and ecosystem.

- All Applicants will be encouraged to consider and report on any positive contribution their activities can have in supporting the 6 principles of DNSH.

Appendix C – Procurement Guidelines

Public Procurement is governed by EU legislation and national rules and guidelines with the aim of promoting an open, competitive and non-discriminatory public procurement regime which delivers best value for money. The EU Procurement Directives were transposed into Irish Law in 2016 and 2017 under S.I. No. 284/2016 (the “2016 Regulations”); S.I. No. 286/2016 (the “2016 Utilities Regulations”) and S.I. No. 203/2017 (the “2017 Concessions Regulations”). In addition, successful applicants should be aware that the public funding of expenditures of private bodies gives rise to procurement obligations for those bodies. This is particularly so where the public funding represents a substantial portion of the costs (i.e. over 50%), as is the case in this fund.

The extent of those obligations will depend on the value and type of the expenditure.

In general, the higher the value of the expenditure, the greater the obligation.

- National Thresholds are set out in 2.1 and 2.2 of Circular 05/2023 - Initiatives to assist SMEs in Public Procurement.
- Accordingly, expenditures (a) over €215,000 (excluding VAT) for goods and/or services contracts and (b) over €5,382,000 (excluding VAT) for construction works contracts, bring the relevant contract within the terms of current Regulations requiring advertising on the European Journal.
- Where the value of the relevant works, goods or services supply contract is below the relevant threshold then less prescriptive tender (or obtaining quotations for very low-cost works) requirements apply, which are set out in the Government Procurement Guidelines of November 2019 and updated on 7th September 2021¹⁰.

Appendix D – Evaluation Process

The completed Application (both parts) will be subjected to a detailed evaluation process in 3 stages, post eligibility checks being successfully completed:

Evaluation Stage 1: (All Streams)

- Due diligence and project evaluation will be completed by Enterprise Ireland on eligible applications received, but Commercial & Technical Evaluators may also be used during this stage.
- Enterprise Ireland reserves the right to employ an external Commercial and/or Technical Evaluator to assist in the evaluation process. These Evaluators will submit their reports to an Enterprise Ireland Evaluation Panel.

¹⁰ gov.ie - Thresholds (www.gov.ie)

- The documentation provided by applicants for each Stream will be evaluated and scored by Enterprise Ireland Regional Team (with input from Commercial or Technical Evaluators including Quantity Surveyors, as required for Stream One).
- The Enterprise Ireland Regional Team will prepare a Proposal Document with a provisional score awarded against the stated evaluation criteria. Evaluation scoring throughout the process will be completed using a defined scoring matrix based on the Evaluation Criteria outlined below.
- Project Proposals with a provisional score within 5% of the minimum supportable mark at Evaluation Stage 1 will proceed to the Evaluation Panel in Evaluation Stage 2.
- If, following this process, the project has identified weaknesses and scores lower than 5% below the minimum supportable mark it will be returned to the applicant with observations around areas that need to be addressed/improved. Once these aspects have been addressed, the application can be resubmitted, and the project will restart the Evaluation Stage 1 process. Resubmissions of a project will only be accepted once at any stage during an open call period.

Evaluation Stage 2: (For Stream One, Stream Two & Stream Three Applications)

- On successful completion of Evaluation Stage 1, the project proposal will be forwarded to Evaluation Stage 2.
- An Evaluation Panel containing Enterprise Ireland and external members and Chaired by Enterprise Ireland's Division Manager Regions & Local Enterprise (or their designate), will assess all eligible applications against the stated evaluation criteria (see below). This will be based on the detail submitted with the Application, the proposal from Evaluation Stage 1 and reports from the Commercial and/or Technical Assessor(s).
- All applicants for support under Stream One along with applicants for Stream Two or Stream Three with a grant request of more than €200k, will be requested to pitch their project to the Evaluation Panel in Evaluation Stage 2. However, the Evaluation Panel reserves the right to invite any Stream Two or Stream Three applicants to pitch their proposal should it be deemed that further information is required.
- The Evaluation Panel will determine if the project meets the required standard to receive support and will make appropriate recommendations to the Enterprise Ireland Investment Committee and/or Board. Enterprise Ireland reserves the right to reduce or disallow proposed costs, or to schedule some or all of the costs in stages over the term of the funding.
- Only project proposals with a final score of 70% or more will be forwarded to Evaluation Stage 3 and recommended for approval.
- Unsuccessful projects which score lower than 70% will be given feedback on areas that may be addressed to improve their application. Once these aspects have been addressed the application can be resubmitted and the project will restart the Evaluation Stage 1 process. Resubmissions of a project will only be accepted once at any stage during an open call period.

- Enterprise Ireland reserves the right to operate a ranking procedure where the number of applicants reaching the required standard exceeds the budget available under the relevant call.

Evaluation Stage 2: (For Stream Four Applications)

- On successful completion of Evaluation Stage 1 the project proposal will be forwarded to Evaluation Stage 2.
- Stream Four applicants scoring within 5% of the minimum supportable score (60% for Feasibility Study or 70% for Priming grant) at Evaluation Stage 1 will be evaluated by an Evaluation Panel at Evaluation Stage 2. An Evaluation Panel containing Enterprise Ireland and external members and Chaired by Enterprise Ireland's Division Manager Regions & Local Enterprise (or their designate), will assess all eligible applications against the stated evaluation criteria. This will be based on the detail submitted with the Application, the proposal and scoring from Evaluation Stage 1. Depending on the volume of applications to be reviewed a sub-panel may be required to evaluate and recommend eligible applications for the panel's consideration.
- Stream Four applicants will not be expected to pitch their projects to the Evaluation Panel. However, the Evaluation Panel reserves the right to invite Stream Four applicants to pitch their proposal should it be deemed that further information is required.
- Only project proposals with a final score of 70% or more for Priming, or 60% or more for Feasibility, will be forwarded to Evaluation Stage 3 and recommended for approval.
- Unsuccessful projects which score lower than the minimum supportable mark will be given feedback on areas that may be addressed to improve their application. Once these aspects have been addressed the application can be resubmitted and the project will restart the Evaluation Stage 1 process. Resubmissions of a project will only be accepted once at any stage during an open call period.
- Enterprise Ireland reserves the right to operate a ranking procedure where the number of applicants reaching the required standard exceeds the budget available under the relevant call.

Evaluation Stage 3: (All Streams)

- Recommended project proposals from the Evaluation Panel will be presented to Enterprise Ireland's Investment Committee for review. The Investment Committee will, after review, approve projects with proposed funding of less than €3m and may include conditions related to the approval.
- The Investment Committee will review larger scale projects (exceeding €3m in grant funding recommended by the Evaluation Panel) and recommend these to the Board of Enterprise Ireland for review and approval. The Enterprise Ireland Board will assess and approve funding to successful projects and may include specific conditions related to the approval.
- In the case of an exceptional project, the Board of Enterprise Ireland, and Managing Authority, may consider approval of additional exchequer funding beyond the €10m ERDF supported limit, on a case-by-case basis.

Evaluation Panel meetings will be scheduled monthly over the duration of the open competitive call but may be more or less frequent if the circumstances so require, at the discretion of the Chair.

Evaluation criteria to be applied to Scheme applications

Funding will be awarded to successful applications following the evaluation process.

All applications will be evaluated against the following criteria:

Evaluation Criteria	Weighting
Impacts, Value for Money and Project Delivery	20%
Collaboration and Participation	15%
Viability and Sustainability	20%
Building Regional Strengths	20%
Innovation & Capability Building	25%
Total	100%

Applicants that are being considered for support under Stream One, Stream Two, Stream Three, and for Stream Four (Priming) must have attained a minimum 70% of the score available. Applicants for Stream Four (Feasibility) must attain a minimum 60% of the available score. A minimum score of 41% of marks available in each of the 5 criteria is also required for support.

Impacts, Value for Money and Project Delivery – 20%

- Demonstrate the additional regional gaps which have been identified and are being addressed, and the alignment of the proposal with Smart Regions objectives.
- Demonstrate that projects can commence and start implementation within 12 months of approval. As part of this, applicants should demonstrate the structure and resources to deliver against KPIs.
- Demonstrate how the project can deliver economic impacts and benefits to enterprises within the region within the first 5 years and during the lifetime of the project.
- Demonstrate value for money. As part of this, demonstrate how the project will have positive enterprise impacts for start-ups, scaling companies or entrepreneurs in the region.

Collaboration and Participation – 15%

- Demonstrable industry support/need/benefit. Evidence of collaboration between a range of stakeholders to develop and implement the proposal and having appropriate governance and structures and a diverse range of shareholders.
- Building linkages between different sectors and subsectors on convergence and innovation opportunities and other issues so as to enable the end-users of Stream One and Three projects to receive enhanced services, or to enable Stream Two projects to develop the clustering/consortia offering, or to facilitate enhanced feasibility or priming projects under Stream Four. That is, to build on the ecosystem of MNCs and exporting/sub supply SMEs, and start-ups and between micro enterprise and other businesses and interests.

- Appropriate industry, 3rd level, R&D and/or Local Authority linkages locally, regionally and nationally e.g., collaboration with key stakeholders (e.g., EI, LEO, Regional Skills Fora, Education & Training Board (ETB), Higher and Further Education Institutes, and Chambers of Commerce etc

Viability and sustainability – 20%

- Demonstrate a clear path toward financial self-sustainability¹¹.
- Outline proposed climate actions initiatives, or targets proposed in this project in support of the 6 principles of DNSH and Climate Proofing where appropriate.
- Workable business /project plan with cash flows, including other sources of finance for project identified.
- Proven track record of promoters in delivering and implementing projects.
- Outline key performance metrics and timelines for project delivery. Show a credible value proposition for the regions.

Building Regional Strengths – 20%

- Building on existing or potential geographical strengths by sectors.
- Projects demonstrate how they will have a positive impact on entrepreneurial activity and/or the productivity and/or the innovative capability of enterprises in the Region.
- Projects which align with and support strategic objectives of the Regional Enterprise Plans and Ireland's Smart Specialisation Strategy.
- Leveraging of existing public/private infrastructure in the area.

Innovation & Capability Building – 25%

- Define the key enterprise capability building initiatives.
- Define the target enterprise audience for these initiatives and their potential impact.
- Outline how this initiative will build innovation in target companies in the region.
- Additionality of these initiatives to enterprise in the regions.
- How the initiatives will build resilience in enterprise in the region to respond to market challenges.

In the event that funding in a competitive call is limited, and two or more applicants (of the same Stream) have the same overall score, the projects will be ranked in the following order:

- a. The applicant with the highest score under the 'Innovation and Capability Building' criteria,
- b. If the scores are still even the applicant with the highest score under 'Impacts, Value for Money and Project Delivery' criteria, and
- c. If the scores are still even, the applicant with the highest score under 'Viability and Sustainability' criteria.

¹¹ For Stream 3 applicants will be evaluated against an available De Minimis balance

ERDF approval for the overall Smart Regions (Enterprise Innovation Scheme) provides 21.1% of funding to projects in the Northern & Western Regional Assembly area, with the balance (78.9%) allocated to projects in the Southern, Eastern and Midlands Regional Assembly area, providing that projects have reached the minimum score required for support.

Post approval stage

Enterprise Ireland will inform each applicant company of the non/funding decision in their case. In the case of successful applicants, a formal letter of offer will be issued.

Appeals Process

Enterprise Ireland's procedure for dealing with appeals is as follows:

- Potential beneficiaries have the right to contact the Enterprise Ireland Manager Regional Funds to discuss committee decisions and individual scoring.
- Potential beneficiaries have the right to appeal to the Secretary to the Board of EI.
- If appeal is successful, re-application will be invited.

Appendix E – Compliance

Programme Reviews

Enterprise Ireland will undertake an internal programme review no more than two years after the commencement of the Scheme.

In addition, monitoring will be undertaken of each successful applicant in relation to delivery of the project objectives and achievement of agreed performance metrics, as reported by projects annually and/or on a schedule agreed with Enterprise Ireland.

Enterprise Ireland will conduct detailed project reviews with successful Stream One applicants after 5 years, and subsequently at 3-year intervals until the project ceases to operate. Successful Stream Two applicants will have a detailed project review after 3 years.

There is a requirement for projects to supply updates, progress reports and financial information on request within 2 weeks of receiving such requests from Enterprise Ireland.

Integration of Horizontal Principles

Following the screening of the EI co-funded schemes, the following actions will be taken:

- To monitor and report the gender balance on the Board, Executive Committee, Investment Committee and Project Evaluation Panel.
- Monitor and report on the gender balance within the Board and staff complement of the DACs or CLGs approved for funding under this programme.
- Require all applicants to have the appropriate policies and/or guidelines in respect of Equality, Diversity, and Inclusion as part of the application process.

False Statements

If, for the purposes of obtaining aid under this Scheme, a person knowingly makes a false or misleading statement or withholds essential information, the person who made such false statements or withheld essential information (or entity on whose behalf the statement was made) shall be liable for the full amount of the funds paid. On discovery or reasonable suspicion of any circumstances all further funding will be withheld.

Information and Publicity

Prospective applicants should note that details of awards made under this Scheme may be publicised.

As Smart Regions is co-funded by the Government of Ireland and the European Union through the ERDF Programme 2021-27, all recipients of Smart Region funding must adhere to the communications requirements for their relevant region in line with Articles 22 (3) and 50 (1) (e) of the Common Provisions Regulations 2021/1060.

Successful applicants will be supplied with a guidance document outlining these requirements. Some of the key requirements for Smart Regions include:

- Recipients of Smart Region funding must use the programme logo and funding statement on all physical and online communications elements.
- A permanent plaque highlighting ERDF support must be erected by the DAC/CLG on commencement of the project implementation.
- A dedicated webpage must be created on the main website to highlight the ERDF co-funded project.
- Social media posts of the Smart Regions activities must include the hashtag #euinmyregion.

Recipients of Smart Region funding must ensure ERDF support and the Managing Authority is acknowledged in all advertisements, press releases and other promotional materials related to the Smart Region activities.

During the funding period, recipients of Smart Region funding may be asked to participate in events and site visits, as well as the publication of case studies or beneficiary stories to highlight the successes and benefits of ERDF co-funding. Additionally, a list of project recipients under the ERDF Programme 2021-27 will be published on the relevant Managing Authority's website and on the European Commission's Europe-wide EU funds beneficiary search platform, Kohesio.

Non-compliance with Communications Requirements can result in a loss of up to 3% of ERDF financial support.

Document Retention

All material related to any grant award should be retained for audit purposes, including financial, administrative, scientific and communications activities records to enable future audits related to the Reg (EU) 2021/1060, which requires that documents are retained for a 5-year period from 31 December of the year in which the last instalment of the grant payment is made by the Enterprise Ireland.

Confidentiality

Enterprise Ireland will not release any information received as part of this application except for evaluation as set out above or as may be required by law, including the Freedom of Information (FOI) Acts 2014 and applicable Data Protection Legislation (including GDPR).

As part of its evaluation process, the application will be given to an assessment panel which will include external assessors as well as Enterprise Ireland employees.

All external assessors will have signed a confidentiality agreement with Enterprise Ireland and will be required to declare any conflict of interest where their involvement in the evaluation of any proposal could be inappropriate.

Appendix F – State Aid Application

Stream 1 – Investment Aid for Local Infrastructure GBER (Article 56)

Funding will be provided to Not-for-Profit DAC's / CLG's to construct or upgrade local infrastructure that supports enterprise development. The total eligible project costs will be limited to the investment costs in tangible and intangible assets for the construction and/or upgrade of the infrastructure. Other costs, such as operating costs relating to the operation and maintenance of the infrastructure cannot be supported.

The funding gap, i.e. the maximum aid amount that can be provided is the difference between (i) the overall investment costs in tangible and intangible assets for the infrastructure and (ii) the total net operating profit over the lifetime of the infrastructure. The calculation should be based on the actual projected lifetime of the infrastructure and is expected to be at least a 15-year period.

If the infrastructure has a residual value the infrastructure may be transferred to a public authority where the facility is to be used for a non-economic activity at the end of the useful lifetime of the asset.

A claw-back mechanism will apply where the infrastructure has a residual value and is used for economic activity; it could be sold to an undertaking or a public authority carrying out an economic activity at market price and the amount of the sale returned to Enterprise Ireland.

Stream 2 – Aid for Innovation Clusters and Consortia (Article 27)

The Scheme aims to fund collaborative activity between undertakings i.e. startups, SMEs and other stakeholders in the ecosystem, enabling enterprises to grow and scale.

This funding is designed to maximise enterprise collaboration through clustering and thereby stimulating growth and development of new or established clusters and consortia in a regional, cross-regional, or national setting. The funding will provide support to enable personnel to drive collaboration, marketing and managing of the cluster/consortia.

Stream 3 – Services to SMEs to drive innovative solutions (De Minimis)

The support is designed to be strategic in supporting the transformation of Regional SMEs operating in an ecosystem that requires support. The services to be provided by Not-for-Profit DAC's / CLG's will be made accessible to eligible Regional SMEs by way of De Minimis Passthrough/pass-on aid, meaning these SMEs will be able to benefit from these services at reduced rates, while other businesses will have to pay the higher market rates. The amount of that reduction will be recorded as De Minimis aid for the applicant SME.

The aid will be provided to SMEs by the full passthrough/pass-on of the funding received by the DAC's/CLG's. In this regard, the DAC's/CLG's will fully pass-on the entire benefit of the funding received to their eligible users (including, where applicable, interest reflecting the time advantage of funding received but not passed-on, which will be determined at the end of each year based on the Commission's standard rates and methodology) and any remaining benefit at the level of DAC's/CLG will have to be recovered at the end of the project.

Stream 4 – Feasibility and Priming Grant (De Minimis Aid application)

This aid will fund costs towards the investigation of new projects from early-stage project concepts to development of business propositions or through priming funding to support detailed development of projects through design/costing and planning to enable an application for project support at a future stage.

Appendix G – Eligible Costs Stream 1-4

All expenditure must comply with the National Eligibility Rules (NERs) for the 2021-27 ERDF Programme. The eligibility rules shall cover all expenditure declared for Programmes co-financed by the ERDF under the Partnership Agreement for the 2021-2027 programming period and shall be applied when considering items of expenditure to be included in the declarations of expenditure.

STREAM ONE

Funding for Stream One – Local Infrastructure Projects

- A funding decision under Stream One (GBER Article 56) will be made based on the evaluation of a detailed business plan submitted by the applicant, that meets or exceeds the 70% scoring threshold.
- The Article 56 GBER funding will be for Strategic Change Infrastructure Projects where the infrastructure aligns with the strategic objectives set out within the Department of Enterprise, Trade & Employment's Enterprise White Paper 2022-2030; Regional Enterprise Plans, Our Rural Future: Rural Development Policy 2021-2025 Project Ireland 2040, Climate Action Plan, Enterprise Ireland's Strategy 2022 –2024 and the National Smart Specialisation Strategy 2022 – 2027 or future national/regional strategies within the lifetime of the fund.
- Funding will be provided to Not-for-Profit DAC's / CLG's to upgrade or construct local infrastructure that supports enterprise development.

- The total eligible project costs will be limited to the investment costs in tangible and intangible assets for the construction and/or upgrade of the infrastructure. Other costs, such as operating costs relating to the operation and maintenance of the infrastructure cannot be supported.
- The funding gap, i.e. the maximum aid amount that can be provided is the difference between (i) the overall investment costs in tangible and intangible assets for the infrastructure and (ii) the projected total net operating profit over the lifetime of the infrastructure. That is, the projected profit is subtracted from the investment costs. The calculation of the projected profit should be based on the actual projected lifetime of the infrastructure and is expected to be at least a 15-year period.
- The price charged for the use of the infrastructure shall correspond to the market price.
- If the infrastructure has a residual value the infrastructure may be transferred to a public authority where the facility is to be used for a non-economic activity at the end of the useful lifetime of the asset.
- The profit calculation will be assessed ex ante and post the actual delivery period. If profits exceed the projected figure, then these excess profits will be subject to a claw-back mechanism and will be repaid to the funding agency.
- A claw-back mechanism will apply where the infrastructure has a residual value and is used for economic activity; it could be sold to an undertaking or a public authority carrying out an economic activity at market price and the amount of the sale returned to Enterprise Ireland.
- This plan will identify a gap in the regional ecosystem that the promoters propose to provide a local infrastructure solution for; it must define the sector/s and company categories to which the local infrastructure will be provided; and give details of the local infrastructure to be constructed or upgraded by the promoters. The applicants must provide detail on their operational plans to deliver the local infrastructure over the life of the project; and the potential to maintain and/or scale the provision of the local infrastructure further.
- Aid may not be given where the proposed recipient is subject to an outstanding order for the recovery of aid which has been declared by the Commission to be illegal and incompatible with the common market or where the proposed recipient is an undertaking in difficulty.

Article 56 of the General Block Exemption Regulation (GBER) provides funding for the investment costs for the upgrade/construction of the local infrastructure projects **only**, this includes both tangible and intangible investment costs.

Eligible Costs¹²

Eligible costs are limited to the upgrade/construction of the local infrastructure.

Eligible cost categories include:

- **Supportable Capital, New Build costs** – Enterprise Ireland will support the construction of a new stand-alone building or an upgrade of infrastructure to an existing building to create dedicated space for the project. Eligible costs include construction costs and the related architectural and engineering design fees as well as the fit out and equipment costs.

¹² All eligible costs exclude VAT. Where applicants can certify through the Revenue Commissioners that they have unrecoverable VAT and, if so indicated at application it may be deemed an eligible expense under this fund.

- **Supportable Capital infrastructure Renovation/Upgrade costs** – Eligible costs include the building purchase cost, building modification costs¹³ and related architectural and engineering design fees.

Enterprise Ireland will allow modification costs for renovation and upgrade under the following headings:

- » Internal structural work such as conversion of manufacturing space to office space or vice versa
- » Upgrade of Broadband/Wi-Fi access
- » Equipment/Fit out including hardware and software¹⁴
- » Hot desk Facilities
- » Architectural/Design fees

Upgrades of infrastructure will not include works that can be considered by Enterprise Ireland as routine/minor wear and tear/maintenance work etc.

Ineligible Costs

Site purchase costs are not eligible. Own labour/own management costs related to the construction are also not eligible costs for support.

Preparing a funding application for Stream One

Each project needs to establish as accurately as possible the following costs, to enable them to submit an eligible application for Stream One funding support. Building projects will be expected to have completed a full design and build costing and ideally will have progressed to planning application stage with their project. Both Feasibility (up to €50k grant) and Priming (up to €200k grant) supports are available to assist projects to progress to full planning stage. Projects are expected to be able to move to submission of planning and completion of tendering/procurement within three to four months of approval of funding, with build completion within two years of approval.

Project Costs (Infrastructure)

These should include the full cost of new building works; refurbishment; professional fees; building fit-out, plus equipment necessary to ensure functionality of the local infrastructure, including for specific economic activities that will be provided by a private operator to be selected in an open and transparent procedure.

¹³ Regarding modification costs the groups must own the building or must hold a lease with not less than 15 years remaining on the lease.

¹⁴ Equipment must be less than 5 years old; hardware and software must be new.

Operational Costs

Operational costs include personnel overheads – heat, light, insurance, maintenance, etc. These costs are relevant for the calculation of the funding gap, i.e. the maximum amount of aid that can be granted, but these costs cannot be supported (support is limited to investment costs in tangible and intangible assets).

Projected Profit

Funding is **only available** to projects which can demonstrate they are viable, sustainable and **profitable** over the life of the project. It must be shown that there will be a projected **cumulative profit** at the end of a minimum 15-year period.

STREAM TWO

Funding for Stream Two – Aid for Innovative Enterprise Clusters and Consortia

The projects supported in this Stream will range from €50k up to €2m per project. The types of linkages and activities that are important in clusters include: promotion of mutual interests and addressing mutual challenges (e.g., developing and sourcing skills and talent), sharing of facilities, exchange of knowledge and expertise, networking, information dissemination, and collaboration among the businesses and other organisations in the clusters.

The Stream Two Grant will be made exclusively to the legal entity owning and operating the innovation cluster which shall:

- demonstrate industry networks/linkages that are at nascent or early phase of organised innovation cluster collaboration with the potential to scale and deepen their level of engagement that will generate some identifiable and measurable impact on the participant businesses; and /or
- have as members (whether as shareholders or as non- shareholder cluster members) participants in already established informal clusters or participants in already established business networks that are seeking to undertake activity that is additional to the activities currently being undertaken (and additional to activities currently funded by the State) that will generate some identifiable and measurable impact on the participant businesses.

Eligible Costs

All eligible costs¹⁵ must be directly related to the implementation of the work programme.

Programme Support Cost categories are strictly limited to the personnel and administrative costs (including related apportioned overhead costs) relating to:

- a. Animation of the cluster to facilitate collaboration, information sharing and the provision or channelling of specialised and customised business support services;
- b. Marketing of the cluster to increase participation of new undertakings or organisations and to increase visibility

¹⁵ All eligible costs exclude VAT. Where applicants can certify through the Revenue Commissioners that they have unrecoverable VAT, it may be deemed an eligible expense under this fund.

- c. Management of the cluster's facilities; organisation of training programmes, workshops and conferences to support knowledge sharing and networking and transnational cooperation.
- **Strategic Staffing** (Salary & Overhead): A maximum grant of up to 50% of eligible salary, or €50,000 per year, whichever is the lesser, for a period of no more than 3 years. The eligible salary is the percentage of total working time spent by the person¹⁶ on activities listed in a) to c) above (which must be duly substantiated, e.g., by time sheets kept during the year at least on a weekly if not daily basis). Where the person's role is entirely dedicated to activities listed in a) to c), the full annual salary is eligible.
- **Salary** (excluding employers PRSI, bonus and commission) is capped at €100,000 per annum, per person. Such personnel¹⁷ must have fixed term contracts and be employed directly by a successful applicant to drive the various elements of the work programme over the period of funding. **Strategic Staffing Grant Payments will be made in yearly instalments based on an agreed Schedule. The person must be appointed within 9 months from the offer date and the post must be maintained for a period of 3 years from the date of recruitment.**
- **Overheads:** 15% of eligible direct salary costs are allowable for overheads.
- **Travel and subsistence:** A maximum grant of **€50,000** or 50% of eligible travel and subsistence costs, whichever is the lesser, over the period of funding to support domestic and foreign travel.
- Eligible travel and subsistence costs are only travel and subsistence costs for which it can be established that they are directly related to one or more of the activities listed in a) to c) above. This may include attendance and participation at trade fairs. All travel and subsistence expenses are subject to Enterprise Ireland's current rate of travel and subsistence.
- **Promotional Activities:** A maximum grant of **€9,000** or 50% of eligible costs, whichever is the lesser, over the period of funding to support communication activities. Eligible costs are costs for which it can be established that they are directly related to the promotion of one or more of the activities listed in a) to c) above required to implement its work programme by a successful applicant. This may include awareness events and marketing of the connectivity to increase participation, promotional material to increase visibility and website costs (excluding design).
- **Organisation of training programmes:** Funding of a maximum of 50% of eligible trainer costs deemed appropriate, reasonable and justified in the applicant's business case submission. This activity must be linked to agreed milestones and KPIs for successful delivery of the project. The maximum daily rate of up to €900 per day, (subject to agreement with Enterprise Ireland) to support the hiring of appropriate external experts required to drive key elements of the work programme.

¹⁶ Only key management personnel or key technical personnel charged with the management and delivery of the overall project or specific elements of the proposed project will be eligible for support.

¹⁷ A maximum of four personnel can be supported for funding in Stream Two to drive the various elements of the Cluster programme.

- **Trade Fairs:** The cost of participation in any recognised Trade Fair outside Ireland may be eligible for assistance at up to 50% of eligible costs. Eligible costs are cost for which it can be established that they are directly related to one or more of the activities listed in a) to c) above. This may include the costs incurred for **renting, setting up and running the stand** at a trade show. Attendance at conferences, summits, forums, symposiums, stand-alone company events, demonstrations or meetings are **not eligible** for support. The maximum financial assistance grant available for Trade Fair participation is €75K overall. An innovation cluster project can participate at the same Trade Fair on three occasions (maximum) irrespective of location, over the funding period.
- **Rental of Temporary Project Space:** In exceptional circumstances where it is necessary to rent a temporary premises from which to perform one or more activities listed in a) to c) above (which must be duly substantiated), the cost of renting/leasing this accommodation for the period of time strictly needed for this purpose will be eligible at a grant rate of 50%. This support will not exceed 24 months on aggregate and there **must be** a commercial lease/license in the name of the grantee in place.

STREAM THREE

Funding for Stream Three – Services to SMEs to drive innovation solutions

The support is designed to be strategic in supporting the transformation of Regional SMEs operating in an ecosystem that requires support. The services to be provided by Not-for-Profit DAC's / CLG's will be made accessible to eligible Regional SMEs by way of De Minimis Passthrough/pass-on aid, meaning these SMEs will be able to benefit from these services at reduced rates (based on a pre-defined rate card), while other businesses will have to pay the higher market rates. The amount of that reduction will be recorded as De Minimis aid for the applicant SME.

The aid will be provided to SMEs by the full passthrough/pass-on of the funding received by the DAC's/CLG's. In this regard, the DAC's/CLG's will fully pass-on the entire benefit of the funding received to their eligible users (including, where applicable, interest reflecting the time advantage of funding received but not passed-on, which will be determined at the end of each year based on the Commission's standard rates and methodology) and any remaining benefit at the level of DAC's/CLG will have to be recovered at the end of the project.

Eligible Costs

All eligible costs¹⁸ are required to be directly related to the implementation of the work programme. Cost categories include:

Programme Support Costs

Direct costs include: the purchase of hardware or software; personnel costs of the DACs and CLGs which are directly linked to the delivery of services; sub-contractors involved in the delivery of these services; and travel and subsistence costs for hub personnel and sub-contractors. Indirect Costs include; of 7% of eligible direct costs for overheads, and a reasonable mark-up.

¹⁸ All eligible costs exclude VAT. Where applicants can certify through the Revenue Commissioners that they have unrecoverable VAT, it may be deemed an eligible expense under this fund.

(Note: The grant rate will be up to 100% of eligible programme costs, capped at a maximum of 80% of the programme market rate.)

The value of the supports provided by the Grantee Company (i.e. the supported intermediary) must be at market rates and the amount of this support must be recorded against the De Minimis aid balance of the supported company (i.e. the end beneficiary).

The following general conditions apply to this funding:

- For each enterprise availing of the services delivered by the grantee companies over any rolling three-year period, such subsidies cannot be of a value in excess of the end user's De Minimis entitlement under the EU Commission State Aid De Minimis Regulation 1407/2013. Any further services can only be provided by the grantee company to the enterprise at full market rate.
- The grantee company shall maintain records of the subsidisation of services so that it can ensure that the aggregate of all subsidies paid to all end users over the 3 years starting with the project commencement date is at least equal to the amount of grant monies received under this fund. Any funding not passed on by the end of the three-year period, will be liable for interest penalties.
- The grantee company shall require each end user/beneficiary to submit to it, on an annual basis, a De Minimis declaration addressed to the grantee company stating the amount of De Minimis aid it has received over the previous three years.

STREAM FOUR

Funding Stream Four – Investigation and Scoping of new projects through Feasibility funding or Priming funding

This aid will fund costs towards the investigation of new projects from early-stage project concepts to development of business propositions or through priming funding to support detailed development of projects through design/costing and planning to enable an application for project support at a future stage.

Note on Stream Four

Stream Four will support the **investigation of new projects** through Feasibility Study Funding for early-stage project concepts (with grants from €25k up to €50k) or to support Priming Funding (that is, funding to support detailed preparation of more advanced infrastructural project concepts with grants from €50k up to €200k). Such Priming Funding may also be used towards costs related to completion of an Environmental Impact Assessment if the project is required to complete same.

The outcome of this Stream should be projects which have confirmed the opportunity they are targeting and made progress towards developing detailed plans for delivery of the ensuing project¹⁹. The completion of this process should enable the development of a high-quality application for more significant future funding under Stream One, and Stream Two.

¹⁹ Note that support under Stream Four does not confirm any rights, obligations or commitment by the State to further funding of the ensuing project.

Feasibility Funding is targeted at applicants which meet the eligibility criteria of Smart Regions and that wish to explore the feasibility of developing plans for regional or sectoral projects aligned with the scheme objectives. A grant of €50k max or 80% of eligible costs, whichever is the lesser, is available to support Stream Four Feasibility projects.

Feasibility funding will be open to **new projects**²⁰ which have not been previously supported by Enterprise Ireland and can be led by existing or new Not-for-Profit applicants, or public bodies.

Feasibility funding is available for Consultancy and Travel and subsistence expenditure to assist early-stage project development and to enable promoters design and test their project concept and establish how they would develop detailed plans to fund the design, planning and tendering costs related to preparing an application for further state funding.

The activity being proposed for funding must be additional to the activities currently being undertaken, if any, and additional to activities currently funded by the State²¹, if any.

Feasibility Study projects should focus on developing innovative supports for enterprise in the first instance. If an infrastructure gap becomes apparent and is justified, then the project can apply for further funding to contribute to costs of preparing a suitable business case as the basis for an application under current or future open competitive calls for Smart Regions. Such a further application could, if timing allowed, be made within the period before closure of the same call or under a further call.

While the objective of these Feasibility projects may be to confirm the need for further funding to progress the realisation of an ensuing project, Smart Regions (Enterprise Innovation Scheme) support does not confirm any rights or commitment by the state to further funding of the project. Enterprise Ireland shall make no commitment to funding the successful applicant after the approved period of feasibility or priming funding.

Where there is a border county or international nexus to a particular project, Enterprise Ireland will have regard to the needs of the project and, having regard to its statutory powers, may consider projects for evaluation which have a cross border or international dimension in the form of other cluster or consortium members being incorporated in Northern Ireland or another jurisdiction, provided however, that Enterprise Ireland shall not provide funding to companies or public bodies incorporated or founded in Northern Ireland or another jurisdiction. Similarly, individual promoter applicants for funding must be resident in the State.

Priming Funding is targeted at new regional based infrastructural projects which meet the eligibility criteria of the scheme, who will develop detailed plans to deliver new transformational regional or sectoral projects aligned with the objectives of the scheme. The output of these Priming projects may lead to a subsequent Stream One – Stream Three application. A grant of €200k max or 80% of eligible expenditure, whichever is the lesser is available.

Priming Funding is available for Consultancy, Travel and subsistence and Promotion costs as well as the cost of Rental of Office space for larger scale more significant scoping projects²².

20 Not for profit companies which have existing projects supported by Regional Funds such as REDF, BEDF or RETS can apply if eligible for new projects which are not directly associated with the previously supported project.

21 Double funding is not allowable and will be reclaimed in the event of being discovered.

22 Smart Regions Stream Four support does not confirm any rights, obligations or commitment by the state to further funding of the project under future competitive or non-competitive schemes administered by Enterprise Ireland.

The output of the priming project should:

- **Confirm the Opportunity:** Clearly define the market need/fit for the project and the proposed solutions that the project will offer, identify key stakeholders who will support/benefit or utilise the project offering. Develop an outline Capital plan and draft Operational business plan which may be used to apply for more significant future Regional Enterprise funding.
- **Create Detailed Designs:** Support the creation of architectural drawings of proposed Capital projects and the appropriate plans to minimise the carbon footprint of the project.
- **Develop Detailed Financial Plans:** Support the creation of a robust financial model (P&L, Balance Sheet, Cash Flow, etc.) demonstrating the viability and sustainability of the proposed project and outlining the underlying assumptions, partner contributions, funding etc.
- **Define KPIs & Metrics:** Clearly set out the key performance indicators and indicative metrics for the proposed capital project with indicative timelines for delivery.
- **Support the submission of a planning application:** the project should focus on all planning requirements and facilitate preparation of documentary backup required for the submission of a planning application, such as:
 - » Architectural Drawings
 - » Environmental Impact Surveys/Reports
 - » Consortium building (identification of partners)
 - » Planning consultations and submission preparation

Priming Grant funding will be for a maximum 12-month period from the grant offer date.

Funding can also be used to assist early-stage project development which will enable promoters design and test their project concept; deliver virtual or site-based solutions from temporary or rented premises to their target audience; and fund the design, planning and tendering costs related to a subsequent application for potential future state funding of the ensuing project.

Funding may also be used towards costs related to completion of an Environmental Impact Assessment if the project is required to complete same.

Eligible Costs of Stream Four Feasibility Projects²³

Feasibility funding is available for Consultancy and Travel expenditure. The maximum funding limit per applicant across both of these categories under this Feasibility Study will be up to €50,000 in grant aid per project, or 80% of eligible expenditure, whichever is the lesser. Applicant projects must have a minimum expenditure of €31,250 to be considered eligible for Feasibility funding (i.e. minimum grant of €25,000).

Consultancy Support: to support the hiring of appropriate external experts required to drive key elements of the work programme. The maximum daily consultancy rate is €900 per day, (subject to evaluation panel approval), which includes the cost of domestic travel and expenses in Ireland.

²³ All eligible costs exclude VAT. Where applicants can certify through the Revenue Commissioners that they have unrecoverable VAT, it may be deemed an eligible expense under this fund.

Optional Travel: A maximum grant of €10,000 or 80% of eligible travel and subsistence costs, whichever is the lesser, over the period of funding to support domestic and foreign travel, which can be shown to have been reasonably incurred by employees of the applicant company and wholly for the implementation of the work programme.

Modest foreign travel and subsistence for Irish-based consultants, specified at application stage and relating entirely to the proposed project, may also be eligible. All air/rail travel costs incurred must be for economy seat fares. All travel and subsistence expenses are subject to Enterprise Ireland's current rates of travel and subsistence.

Eligible Costs of Stream Four Priming Projects²⁴

The funding limit per project under Stream Four Priming overall will be up to a maximum €200,000 in grant aid per Priming Project, or 80% of total eligible expenditure, whichever is the lesser. Priming Funding is available for Consultancy, Travel and subsistence and Promotion costs as well as the cost of Rental of Office space for larger scale more significant scoping projects.

Consultancy Support: The maximum daily rate of up to €900 per day including travel and expenses, (subject to evaluation panel approval) to support the hiring of appropriate external experts required to drive and deliver key elements of the work programme.

Travel and subsistence: A maximum grant of €10,000 or 80% of eligible costs, whichever is the lesser, over the period of funding to support domestic and foreign travel which can be shown to have been reasonably incurred and wholly for the implementation of the work programme. Modest foreign travel and subsistence for Irish-based consultants, specified at application stage and relating entirely to the proposed project, will also be eligible. All air/rail travel costs incurred must be for economy seat fares. All travel and subsistence expenses are subject to Enterprise Ireland's current rate of travel and subsistence costs.

Promotional Activities: A maximum grant of €9,000 or 80% of eligible costs, whichever is the lesser, over the period of funding to support communication activities required to implement its work programme by a successful applicant. This may include awareness events, promotional material and website costs (excluding website design).

Rental of Temporary Project Space: Where it is necessary to rent a temporary premises in the initial phase to commence the delivery of the project, the cost of renting/leasing this accommodation will be eligible up to a maximum grant of €10,000 at a grant rate of 80% of eligible expenditure from the effective start date of the project (call close date) post approval. This rental/lease support will be provided for up to 1 year only. The space is to be used for the purposes of the project only and there must be a commercial lease/licence in the name of the grantee in place. Rental cost can be paid 12 months in advance once a signed lease is entered into (subject to approval by the evaluation panel).

²⁴ All eligible costs exclude VAT. Where applicants can certify through the Revenue Commissioners that they have unrecoverable VAT, it may be deemed an eligible expense under this fund.

Smart Regions

Enterprise Innovation Scheme

Réigiúin Chliste

Scéim Nuálaíochta Fiontair



Rialtas na hÉireann
Government of Ireland



Arna chomhchistiú ag
an Aontas Eorpach
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Enterprise
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