

# INNOVATION PARTNERSHIP PROGRAMME

Guidelines 2019



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## Introduction

This document describes the key elements of the Innovation Partnership Programme. It aims to give the reader an understanding of the benefits of the programme, the programme's eligibility and funding criteria and the application and approval processes.

## Programme Benefits

The Innovation Partnership Programme funds Irish-based companies to work with Irish research institutes resulting in mutually beneficial co-operation and interaction. Companies can access expertise and resources to develop new and improved products, processes, services, and generate new knowledge and know-how. The participating company benefits in terms of its growth, the evolution of its strategic research and development and the creation of new knowledge that it can use to generate commercial advantage. The research institute benefits in terms of developing skill sets, intellectual property and publications.

## Contact the Programme Team

Advice and assistance is available from the Innovation Partnership Programme Team. Please confer with the team before applying.

General/Application Enquiries:	Application Forms should be emailed to:
<b>Lawrence Lee</b> Tel: 01 727 2232 <a href="mailto:lawrence.lee@enterprise-ireland.com">lawrence.lee@enterprise-ireland.com</a>	<a href="mailto:maureen.fox@enterprise-ireland.com">maureen.fox@enterprise-ireland.com</a> and copied to <a href="mailto:ipp@enterprise-ireland.com">ipp@enterprise-ireland.com</a>
<b>Cormac Cantwell</b> Tel: 01 727 2517 <a href="mailto:cormac.cantwell@enterprise-ireland.com">cormac.cantwell@enterprise-ireland.com</a>	<b>Maureen Fox</b> Contracts Unit Enterprise Ireland East Point Business Park, Dublin 3 Tel: 01 727 2543
<b>Company Liaison Post Funding</b>	
<b>Michael Treacy</b> Tel: 01 727 2740 <a href="mailto:Michael.treacy@enterprise-ireland.com">Michael.treacy@enterprise-ireland.com</a>	
This guide may be downloaded from <a href="http://www.enterprise-ireland.com/ipp">www.enterprise-ireland.com/ipp</a>	

## Eligibility

### Eligible Companies

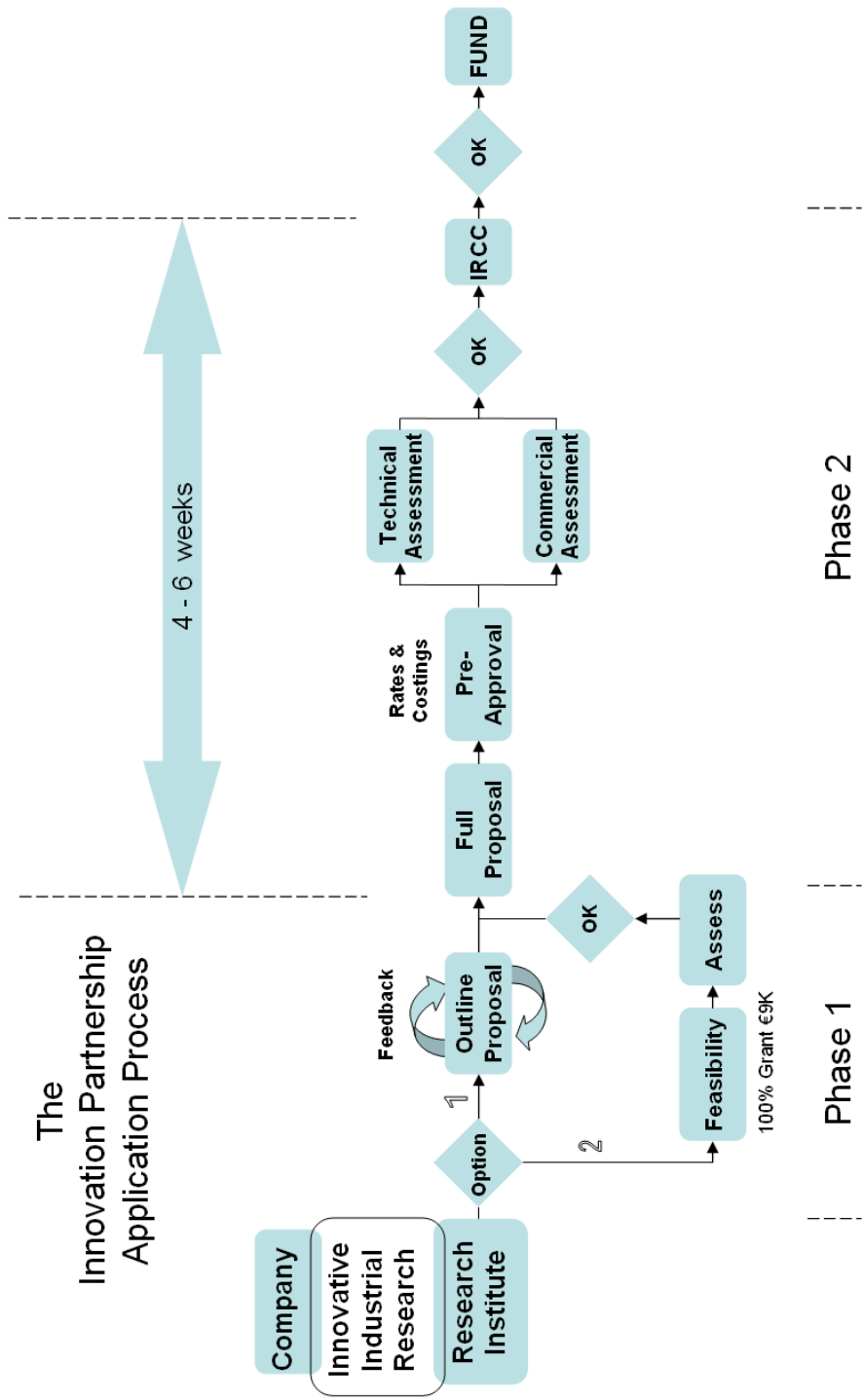
A manufacturing or internationally traded services company with an operating base in the Republic of Ireland that wishes to collaborate with one or more research institutes, also based in the Republic of Ireland, is eligible to participate. The company must be a registered client of one of the following state development agencies: Enterprise Ireland, IDA Ireland, Local Enterprise Office (LEO), Údarás na Gaeltachta. The company must have the full support of their assigned Development Adviser / Agency Contact to participate in the programme. This support must be confirmed before any application forms are submitted.

### Eligible Research Institutes

Applications for grants will be considered from researchers (or group of researchers) based in research institutes in the Republic of Ireland to collaborate with companies where the lead company is based in the Republic of Ireland.

# Application Process

## Process Outline



## Application Process

**Who applies:** The submission of the proposal application to Enterprise Ireland and the administration of the project are managed by the Principal Investigator in the participating research institute. Applications, which may be submitted at any time, must have the approval of the research institute. Upon receipt of a full and complete eligible proposal, Enterprise Ireland will aim to provide the consortium with a decision, from Enterprise Ireland's Industry Research and Commercialisation Committee, within 6 weeks. Upon approval, the grant is paid directly to the research institute.

**Application Forms:** All related forms are available to download at: [www.enterprise-ireland.com/ipp](http://www.enterprise-ireland.com/ipp) . Outline, Feasibility and Full Partnership application documents must be formatted using Verdana font, Size 10, Single spacing.

There are two phases associated with an Innovation Partnership application.

- In Phase 1, there are two options.
  - Option 1 is to submit an Innovation Partnership Outline Proposal.
  - Option 2 is to apply for an Innovation Partnership Feasibility Study.
- Phase 2 is a Full Innovation Partnership Proposal Application.

### Phase 1: Option 1: Innovation Partnership Outline Proposal

The Principal Investigator in the research institute prepares the Innovation partnership Outline Proposal Application Form. The company partner must discuss this proposal in detail with its Development Adviser/ Agency Contact before the research institute partner submits it. Outline Proposals can be submitted at any time. No funding is available for submitting an Outline Proposal document.

The Outline Proposal allows for the pre-screening of a potential proposal and to confirm eligibility and study emphasis.

The Principal Investigator in the research institute submits the Innovation partnership Outline Proposal Application Form to: [ipp@enterprise-ireland.com](mailto:ipp@enterprise-ireland.com) .

Based on the Outline Proposal, Enterprise Ireland provides feedback and advice on:

- The eligibility of the proposed research under the Innovation Partnership Programme
- The appropriate next steps i.e. proceed to a Full Innovation Partnership Project application or consider an Innovation Partnership Feasibility Study.
- The appropriate grant rates that will apply to the proposed applications

### Phase 1: Option 2: Innovation Partnership Feasibility Study

An Innovation Partnership Feasibility Study is a small, short-term study designed to enable the Principal Investigator to develop a proposal for a full Innovation Partnership Application. Maximum funding for an Innovation Partnership Feasibility Study is 100% to a limit of €9,000. Feasibility proposals are submitted to Enterprise Ireland by the research institute partner. The grant is paid directly to the research institute upon approval.

The objective of the Feasibility Study is to provide the research team with an opportunity to explore a new idea in preparation of a full proposal. Completion of a Feasibility Study is not mandatory.

**To apply, please complete and submit the Innovation Partnership Feasibility Proposal Application to:** [ipp@enterprise-ireland.com](mailto:ipp@enterprise-ireland.com)

### Phase 2: Full Innovation Partnership Proposal Application

A Full Innovation Partnership Proposal Application will be accepted following the approval of an Outline Proposal or following the submission of an Innovation Partnership Feasibility Study report. The Abstract in the Innovation Partnership Full Proposal form must be non-confidential and is based on the Outline Proposal.

The company must discuss this proposal in detail with their Development Adviser/ Agency Contact and their support must be confirmed before any application forms are submitted by the research institute partner.

Full Proposal applications can only be processed following prior approval of an Outline Proposal. A Feasibility study proposal may be submitted without the prior completion an outline proposal.

To apply, please complete and submit the Full Innovation Partnership Proposal Application to: [ipp@enterprise-ireland.com](mailto:ipp@enterprise-ireland.com)

## **The Approval Process**

### **Pre-Approval**

When the Full Proposal is received by Enterprise Ireland it will go through a pre-approval stage. This stage is to review proposed grant rates and financial costing. The details of the Heads of Agreement will also be examined to ensure that they are in line with 'Section E: Ownership and access to IP in collaborative research, outlined on pages 29-38 of the document: *Putting public research to work for Ireland - Policies and procedures to help industry make good use of Ireland's public research institutions* (available to download at [www.enterpriseireland.com/ipp](http://www.enterpriseireland.com/ipp)) and State Aid Rules'.

### **Technical Assessment**

The Full Proposal is subjected to a technical evaluation by experts in Enterprise Ireland and/or external evaluators to ensure that the project is feasible, can be completed in the time available with the resources requested and will have identifiable benefits for both the company and the research institute. This review process will be completed in strict confidence.

If there are issues identified during the technical assessment stage, a dialogue may take place between the proposer(s) and the evaluator for the project. The programme manager facilitates this dialogue by handling all written communication between the two parties.

This written procedure and the resulting documentation, forms an important part of the presentation of the proposal to the Industry Research and Commercialisation Committee (IRCC) which approves projects on behalf of Enterprise Ireland.

In cases where the Enterprise Ireland Contribution exceeds €100,000, the assessor will be expected to meet the Principal Investigator at their laboratory. This allows the Principal Investigator to present the project to the assessor and the assessor can review the laboratory equipment and facilities.

### **Commercial Assessment**

A commercial assessment is undertaken by the Enterprise Ireland Development Adviser for the company. If a Development Adviser is not in place, an independent consultant will be appointed.

Items covered in the commercial assessment include:

- Has the company got the finances to fund the project?
- Does the Principal Investigator have an interest in the company?
- What evidence is there that the company has the business plans, resources, experience etc. to commercialise the outcomes?
- Are there any links to other EI funding – e.g. R&D Fund, Commercialisation Fund?

### **Selection of Evaluation Experts**

The selection of an Evaluation Expert is the prerogative of Enterprise Ireland. All reasonable measures will be taken to ensure objectivity, fairness, quality and confidentiality. Several options may be pursued by the Enterprise Ireland Programme Manager including:

**Option 1:** Enterprise Ireland selects an evaluator from an Evaluation Experts Panel. The Panel represents a pool of suitably qualified national and international experts who have expressed a willingness to undertake evaluations across a range of Enterprise Ireland's programmes.

**Option 2:** In the case of technical and/or commercial sensitivity the proposer(s) may present a list of potential evaluators for their proposal. At least three names must appear on the list and they must be independent of both the company and the research group. Enterprise Ireland reserves the right to accept or reject any or all of the proposed evaluators.

**Appeal:** In the event of a negative recommendation and the proposer(s) disagrees with the technical evaluation, the proposal may be presented to two further technical evaluators. A final recommendation will be made based on the majority view.

### **Presentation for Approval at the Industry Research and Commercialisation Committee (IRCC)**

The evaluation is a cornerstone of each proposal and presentation to the IRCC cannot be circumvented.

Following positive recommendation by the Technical and Commercial evaluators, the proposal is presented for approval to the Industry Research and Commercialisation Committee.

The Committee is chaired by Enterprise Ireland's Director of Science & Innovation and comprises members drawn from academia and industry. (Details of the membership of the Industry Research and Commercialisation Committee are available upon request.)

### **Express Application Process**

For first time applicants who have gone through the Outline or Feasibility stage, approval for projects of less than €85,000 (EI contribution <€68,000) may be possible without the requirement of going through the IRCC. Commercial and Technical assessments are still required, and the same terms and conditions apply.

## Funding Levels & Criteria

### Funding Levels

Under the state aid guidelines, funding rates can vary from 40% to 80% depending on the size of company and the type of research.

Type of Research	Company Size		
	Small company	Medium company	Large company
<i>Industrial Collaborative Research</i>	80%	75%	65%
<i>Experimental Collaborative Development</i>	60%	50%	40%

### Funding Criteria - Company Size

The table below to establish the size of the collaborating company (or companies):

Company Size	No. of Employees	Annual Turn Over	Annual Balance Sheet
<b>SMALL</b>	1-49	<€10M	<€10M
<b>MEDIUM</b>	50-249	<€50M	<€43M
<b>LARGE</b>	More than 250	>€50M	>€43M

### Large Company – Full Definition

Excluded from the holding company threshold in the above definition are public investment corporations, venture capital companies and institutional investors provided that they do not exercise control. However, an enterprise cannot be considered as meeting either definition if 25% or more of the capital or voting rights are directly or indirectly controlled, jointly or individually, by one or more public bodies. If a company is part of a group, the employee, turnover, annual balance sheet and ownership limits apply to the group.

### Special Consideration:

If the enterprise is more than 25% owned by one or more enterprises or itself has a holding of more than 25% in any other enterprise, it will be necessary to consult the full definition in the “Official Journal of the European Commission (L 124/36) 20th May 2003 – Commission Recommendation of 6th May 2003 concerning the definition of micro, small and medium-sized enterprises.

Each company partner will be expected to pay a minimum of 20% of the project costs in cash irrespective of company size or category of research.

- Under some of the categories this will leave a funding gap to be filled which can be covered by the company via cash or acceptable in-kind contributions.
- Company researchers can apply to have their time considered as an in-kind contribution.
- The Principal Investigator will be required to sign off on the extent and nature of the company researcher time spent working on the project.
- The in-kind value will be computed on the basis of pay-roll costs and not any charge-out rates.

### Funding HPSU companies

The funding of HPSU companies\* can be approved under a number of key conditions:

- The research must come under the category of Collaborative Industrial Research
- The academic partner will own any foreground IP produced during the project and will agree an exclusive licensing arrangement with the company partner.
- Project funding from EI to early stage companies including companies classified High Potential Start Ups will be capped at **€100,000** unless there's a clear justification why additional funding is needed, and this must be supported by the Commercial Assessor.
  - Grant funding is limited to **€200,000** for all other companies.
  - Established companies may request more if here's a clear that the project impact is likely to lead to a substantial increase in employment, sales and exports and this must be supported by the Commercial Assessor.
- The programme is supported under the National Development Programme.

\* *HPSU stands for High Potential Start Up Company. This is a classification that Enterprise Ireland applies to a new start-up company with clear potential to employ 10 people or more and / or achieve sales great than €1 million within 3 years of starting to trade. HPSUs are early stage companies.*

## **Funding Criteria - Type of research**

Project types can be grouped as subsets of either Industrial Research or Experimental Development. The 'Full Grant Rate' CANNOT exceed 80% for Industrial Collaborative Research and 60% for Experimental Collaborative Development.

### **Industrial Research**

- Industrial Research focuses on bringing together new knowledge and skills for developing new products, processes or services or bringing about a significant improvement in existing products, processes or services.
- Industrial research does not include the development of prototypes.

### **Industrial Collaborative Research**

- This is a research project that involves significant input on behalf of both partners in designing and undertaking the projects.
- The company is dependent on the college know-how and / or background IP to deliver the project.
- Both parties share risk and the college partner will own the foreground intellectual property.

### **Experimental Development**

- Experimental Development focuses on bringing together existing knowledge and skills to produce plans designs for new, altered or improved products, processes or services.
- This may also include producing drafts, drawings, plans and other documentation, if they are not intended for commercial use.
- The research leads to a product which a company could expect to commercialise without significant additional development.
- Experimental development projects will be funded at a lower rate

### **Experimental Collaborative Development**

- This research leads to a product which the company could expect to commercialise without significant additional development.
- There is input on behalf of both partners in designing and undertaking the work plan and the company is dependent on the college know-how and /or background IP to deliver the project.
- Both parties share risk and the college partner will own the foreground intellectual property.

## **EU Definitions of Research Type**

### **Industrial Research**

- The EU defines industrial research as “planned research or critical investigation aimed at the acquisition of new knowledge and skills for developing new products, processes or services or for bringing about a significant improvement in existing products, processes or services.
- Industrial research comprises the creation of components of complex systems, which is necessary for the industrial research, notably for generic technology validation, to the exclusion of prototypes.”
- Measures; MSc or PhD level research, Originality, Publications or patents, commercial benefit etc (Technical risk is generally medium to high).

### **Experimental Development**

- The EU Defines experimental development as the acquiring, combining, shaping and using of existing scientific, technological, business and other relevant knowledge and skills for producing plans and arrangements or designs for new, altered or improved products, processes or services.
- These may also include, for example, other activities aiming at the conceptual definition, planning and documentation of new products, processes and services.
- The activities may comprise producing drafts, drawings, plans and other documentation, provided that they are not intended for commercial use.
- The development of commercially usable prototypes and pilot projects is also included where the prototype is necessarily the final commercial product and where it is too expensive to produce for it to be used only for demonstration and validation purposes.
- In case of a subsequent commercial use of demonstration or pilot projects, any revenue generated from such use must be deducted from the eligible costs.
- The experimental production and testing of products, processes and services are also eligible, provided that these cannot be used or transformed to be used in industrial applications or commercially.



## Payments

### Enterprise Ireland Payments

If the proposal is approved by the Industry Research and Commercialisation Committee, a payment schedule is agreed between Enterprise Ireland and the research institute.

Payments can only be drawn down when a signed Heads of Agreement or IP Agreement between the college and the company is in place, the Company Agreement is signed, and the Budget Summary Sheet is signed.

Payments are made directly to the Finance Office in the research institute.

Projects may be subjected to evaluations at any stage, either internally by Enterprise Ireland or by an external expert appointed.

The grant payment will be in three instalments, the second and third instalment will be based on a review of eligible expenditure:

1. 20% of the grant upon acceptance and receipt of the project contract.
2. Reported eligible grant expenditure + 20%, upon receipt and approval of the mid-term (interim) report.
3. Final payment up to the amount of the approved grant, upon receipt and approval of the final report. Payments may only be issued pending submission of reports, which are satisfactory to Enterprise Ireland.

Grant moneys shall be applied only in the manner and for the purposes approved.

Grant moneys may be withheld from a research institute, which does not comply with these conditions.

On termination of a grant contract all unexpended grant moneys, which have not been committed, shall be refunded to Enterprise Ireland.

Approval for funding will be based on the costing supplied in the project proposal approved by the Industry Research and Commercialisation Committee.

No additional funding for cost overruns will be considered.

The College may not deviate from the approved projects costing without the explicit approval of the Enterprise Ireland Programme Manager.

### Company Payments

- Projects should be of potential benefit to a company (or group of companies), which demonstrates confidence in the proposal and make a significant financial contribution of at least 20% of the total costs to the project.
- Company payments will be payable to the research institute.
- A payment schedule will be agreed between the company and the research institute.
- A minimum of 20% should be paid upon acceptance and receipt of the project contract.
- In all cases the research institute must control access to its own background and all foreground IPR until a final payment is made by the industrial partner.
- Projects will involve in-company costs for the participating industrial partner.
- Any in-company costs are not eligible.
- Enterprise Ireland will only support the costs incurred by the research institute at the appropriate grant level.

## Eligible Costs

### Stipends / Salaries

- The stipends / salaries of persons employed to work directly on the project are eligible for grant support.
- Graduate or technical staff appointed in a full-time capacity under a grant may, with the approval of the person directing the research, engage in teaching (up to 4 hours) or demonstrating (up to 6 hours) each during normal working hours, related to the work on which they are engaged.
- In completing the application, allowance must be made for reasonable salary increases over the period of the project.
- Subsequent to approval of the proposal, no additional funds will be provided.
- The salaries / wages of permanent academic staff are not eligible for grant support.

### Equipment

- The procedures for purchasing, installing and maintaining items of equipment and materials shall be those of the research institute.
- The research institute shall, to their full replacement value, insure items of equipment purchased under the Innovation Partnerships programme for a period of six years from the date of receipt of such equipment.
- Items of equipment and materials purchased under a grant shall, during the currency of the project become the property of Enterprise Ireland.
- On termination of their use in connection with the project, unless Enterprise Ireland decides otherwise, such items of equipment (and any unused materials) shall become the property of the research institute, subject to such equipment being:
  - adequately maintained
  - accessible on reasonable terms and conditions to other research workers

### Materials/Consumables

- Materials / Consumables which are required specifically for the project.
- Materials, which may be regarded as normal in a research laboratory, will not be provided from grant funds.

### Travel/Subsistence

- Travel and subsistence expenses necessarily incurred for the purpose of a project will normally be payable at the same rates and under the same conditions as are customary in the research institute.
- Conferences, seminars, etc. for which funds are sought must be directly relevant to a project and attendance should be expected to result in specific benefit to the project.
- The travel budget must never exceed 10% of total project cost and necessity must be justified.

### Project Reporting Requirements

- All Technical and Financial Project reports should be submitted to the Contracts Unit in Enterprise Ireland at [Institutes.contracts@enterprise-ireland.com](mailto:Institutes.contracts@enterprise-ireland.com).
- The Financial Report should be approved and signed by the Finance Office of the research institute.
- Both the cash and in-kind contribution of the industrial partner should be clearly stated.
- An **Interim Progress Report** shall be submitted by the research institute at the mid-term stage of projects that are over 12 months duration.
- The report shall include both a technical and a financial account of the project to date.
- A **Final Report**, (including final technical report and final financial accounts), shall be submitted by the research institute within 2 calendar months of the completion or termination of a project.
- **All reports must strictly follow the report templates available to download from the Enterprise Ireland website.**
- Enterprise Ireland may at any time request the research institute to submit a **Supplementary Report** on a project in addition to or instead of reports referred to in the above paragraphs.
- Enterprise Ireland may make such additional enquiries into a project, as is deemed necessary.
- All reports should be cleared for confidentiality with the industrial partner before submission to Enterprise Ireland.

## General Terms and Conditions

- If a project is not commenced within 6 months of notification of approval, the grant may be withdrawn.
- The EI Programme Manager must be informed, in a timely manner, of any problems that will delay the project by more than 6-8 weeks.
- Enterprise Ireland reserve the right to terminate a grant at any time, subject to reasonable notice and the payment of such final instalment as may be necessary to cover outstanding and unavoidable commitments.
- Enterprise Ireland will undertake no responsibility, financial or otherwise, for liability arising out of the project.
- All questions as to eligibility to participate in the programme, scope of the programme and support obtainable are within the ultimate decision of the Industry Research and Commercialisation Committee and Enterprise Ireland.
- Enterprise Ireland reserves the right to vary or rescind these conditions from time to time, as it considers appropriate.
- Research Institutes must accept:
  - Full responsibility with regard to all claims for compensation or other claims for which it may become liable as the employer.
  - Full responsibility for tracking company in-kind contributions including company personnel lab work at the college (using monthly time sheets), and allotted time given for work on specialist equipment located at the company site.
  - That where a designated research institute wishes to provide insurance against any claims which might arise from a project, the cost of such insurance may be met out of the grant funds
  - That annual leave, sick leave, transfer of pension rights and other conditions of employment for personnel employed under a grant will be in accordance with those generally applicable within the employing research institution.
  - All normal duties and responsibilities of an employer in relation to any person whose services are provided there, by means of the grant.

NOTE: Applicant colleges and institutions are required to consider equality issues in line with the Equality Authority's guidelines when applying for funding.

## Management of Intellectual Property

- As part of its contract with the company, the research institute should have a prior agreement concerning the exploitation of Intellectual Property.
- A signed agreement covering Intellectual Property Rights (IPR) is required for all approved Innovation Partnership projects.
- This can be supplied after the approval date but must be in place before the project start date.
- In all cases, the Intellectual Property Rights Heads of Agreement with the industrial partner should be made available to the programme manager **2 weeks** prior to the target IRCC meeting.
- Please refer to 'Guidelines of Intellectual Property in the Innovation Partnership Programme' (available to download at [www.enterprise-ireland.com/ipp](http://www.enterprise-ireland.com/ipp) )
- Consideration should be given to making the results of the research accessible to other researchers either through patenting or publishing as appropriate.
- Publishing or other dissemination of valuable IPR should not take place before adequate patent protection is in place.
- IP matters are best referred to the IP/Tech Transfer/ILO office within your respective institution.

## Project Duration

The normal duration of a project will be from **six months** up to a maximum of **two years**. Longer projects are occasionally considered but only in exceptional circumstances.

## Acknowledgement of Innovation Partnership Programme

**Acknowledgement** must be made in published papers to the support received from Enterprise Ireland under the aegis of the Innovation Partnership programme. The following statement is proposed: '.....supported by Enterprise Ireland, Innovation Partnership Project IP-201n-... ..'

## CONTACT DETAILS

**Innovation Partnership Programme email address:** [ipp@enterprise-ireland.com](mailto:ipp@enterprise-ireland.com)

**Innovation Partnership Programme website:** [www.enterprise-ireland.com/ipp](http://www.enterprise-ireland.com/ipp)

### **Innovation Partnership Programme Application Team**

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### **Innovation Partnership Programme Company Liaison**

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