



## FAQ's – Capital Investment Scheme for the Processing and Marketing of Agricultural Products

### 1. What is the minimum/maximum expenditure that can be applied for under this scheme?

Aid will not be provided under this Scheme for projects where total eligible costs are less than €1 million or exceed €25 million.

### 2. The minimum expenditure threshold is quite significant. Is there potential for a smaller capital investment scheme to be opened with the remaining €30 million at a later stage?

Future calls will employ the same eligibility criteria as the first call, as stipulated in the European Commission's approval of this fund.

Enterprise Ireland offers a range of supports for its clients. Companies should discuss their needs with their Development Adviser to identify appropriate supports.

### 3. Is this Scheme open to IDA clients?

This scheme is open to meat (incl. beef, sheep meat, pig meat and poultry) and dairy companies who are clients of Enterprise Ireland. As Food FDI is the remit of EI, this scheme is not be open to IDA clients.

### 4. Can the grant be applied to several projects under one specific application?

Applications must refer to one specific project. However, a single project can incorporate a number of activities/investments that support the project's overarching objectives. Grants awarded under this Scheme must be spent on the eligible activities stated in the project application approved by Enterprise Ireland. Companies can apply for more than one project, if they are within the funding limits outlined in the Scheme Reference Document.

### 5. Can a single project span across multiple sites?

A project may span across multiple sites if the investment supports that project's overarching objectives (see Q4). At assessment stage, applicants will be required to set out the planned location of any machinery/equipment in respect of which a claim is intended to be made. Applicants must seek the prior written consent of Enterprise Ireland for any change in location of that equipment during the term of the grant. When making a claim in respect of activities at two different locations, applicants will be required to submit one claim form per site.

Where a multi-site project relates to separate entities within a group structure having different CRO numbers, the project should be applied for by Joint Grantees. In this scenario, the names, addresses and CRO numbers of all applicant grantees should be included in the application form. Additionally, the company declaration in Section 5 of the Business Plan should be replicated and signed by all applicant grantees. On submission of the application to Enterprise Ireland, the applicant should advise EI that it is applying for a joint project. The applicant may also designate a mandated payee to whom the grant will be paid.



## 6. How can a company apply to become an Enterprise Ireland client?

Companies who are not currently clients of Enterprise Ireland, and would like to assess their eligibility to become one, can contact our Exporter Development team at [exporterdevelopment@enterprise-ireland.com](mailto:exporterdevelopment@enterprise-ireland.com).

## 7. I'm unsure if my sector is eligible for support. Where can I find more information?

Processors of beef, sheep meat, pig meat and poultry who are unsure if their product is eligible for support should check their relevant CN code(s) against the Annex I list in Article 38 of the Treaty on the Functioning of the European Union. In any case of doubt, applicants can contact DAFM at [annex1productqueries@agriculture.gov.ie](mailto:annex1productqueries@agriculture.gov.ie).

## 8. Does a company with a lower corporate IRR hurdle rate have a greater chance of support than a company with a higher corporate IRR hurdle rate (assuming all else is equal)?

No – Companies could receive support at differing IRR hurdle rates reflecting their respective capital structures. Support will depend on the justification of need for funding and evidence provided for the overall Company IRR hurdle rate and its components (debt, equity, risk premium) as well as the consistency of this information with Company Financials. Assuming that valid reasoning is provided, the use of differing IRR hurdle rates by different Companies should not confer any advantage.

## 9. What is meant by 'no particular negative environmental effect'?

Under the terms of the scheme approved by the EU Commission, investments supported must demonstrate that, where the project has an environmental impact, it will comply with national and EU legislative and regulatory environmental requirements and standards (i.e. will have 'no particular negative environmental effect'). Project applications will be required to contain a commitment to comply with environmental protection legislation and must be supported by relevant permits, approvals permissions or consents.

Please see the relevant [section](#) of the *European Union Guidelines for State aid in the agricultural and forestry sectors and in rural areas 2014 to 2020* for further information.

It is noted that, additional to compliance with legislative and regulatory environmental standards, projects will be evaluated based on their overall impact on the environment, including the applicant's overall environmental strategy, the expected environmental impact of the project, and the expected downstream environmental effects of the proposed project at primary producer level (See the Scheme [Reference Document](#) for further information).

## 10. Does economic sustainability with direct impact on primary producers have the same scoring as environmental and social sustainability as it's one of the fundamental 3 pillars of sustainability?

The criteria listed at point 2 of the Evaluation Criteria refer to the **Impact on the Environment** and are framed in that regard. There is no sub-breakdown of marks for those criteria other than as provided in the published document. The individual marks for the Environmental Impact criteria (a) (5 marks), (b) (5 marks) and (c) (10 marks) will be awarded based on the applicant's submission addressing the detail included in the explanation of those criteria as set out in the published document.



It is also open to applicants to refer to economic sustainability in their response to point 2 of the Evaluation Criteria **Value for Money** (max 15 marks) which includes reference to benefits to the economy including impact on local suppliers. The 15 marks are divided equally across each sub criterion in that section. The marks referring to benefit on local suppliers are not weighted higher for any of the three pillars of sustainability referred to in the question.

#### **11. Do applicants need to demonstrate Brexit exposure to apply for support under the Capital Investment Scheme for the Processing and Marketing of Agricultural Products?**

There is no requirement for applicants to demonstrate Brexit exposure to participate in this scheme. One of the assessment criteria which applicants will be scored against is their vulnerability to the external trading environment. This is worth a max of 20 marks out of the 100 marks available.

As outlined in the reference document this criterion will be assessed in terms of the following:

- Level of exposure arising from external shocks due to the impacts on the current business model such as impacts on the existing supply chain, increased costs, low profitability, level of cashflow
- Level of exposure to external shocks due to impacts arising from currency fluctuations, trade barriers, credit restrictions and/or other external factors

#### **12. Is a project that involves the initial processing of Annex I products, with further processing into non-Annex I products at a later stage, eligible for support?**

Support provided under the scheme is for capital investment for the processing and marketing of agricultural products (Annex I products). Eligible projects are those that concern the processing of Annex I products which, following the processing activity, will still be categorised as Annex I products. In addition, projects must clearly demonstrate an increase in value-add and alignment to a product and/or market diversification strategy.

#### **13. Can eligible costs can be apportioned where assets are used for a combination of processing Annex I and non-Annex I products?**

No. In line with the objectives of the scheme, equipment/machinery supported by Enterprise Ireland must be used for the processing of Annex I food products only.

#### **14. What is the Contingent Grant Liability for this scheme?**

Contingent Grant Liability (CGL) is a potential future liability which grant assisted companies take on for the period of the EI Grant Agreement. This liability will crystallise if the grant-assisted company is in material breach of the provisions of the grant agreement. In the event of such a breach occurring, the company will be required to repay all grants received under that particular agreement.

The CGL for this offer is 5 years from the date of the last grant payment.



**15. The *Impact on the Environment* criterion refers to the “expected downstream environmental effects of the proposed project at primary producer level”. Should this refer to the upstream environmental effects prior to the production process?**

Yes. Applicants should address the expected upstream environmental effects of their proposed investment(s) under this criterion.

The scheme reference document and application form have been updated to reflect this amended terminology and are available to download from the Enterprise Ireland website. Should a company submit an application in the original format, it will not impact the assessment of their application if the environmental impact of the project **at farm level** is addressed.

**16. In the case of a newly established entity with no financial track record, can a project application be submitted without historical financial accounts?**

New entities may apply for support without historical financial accounts; however, they must demonstrate financial robustness, the ability to deliver on the objectives of the proposed investment and provide financial projections. Note that newly established entities with no financial track record may be marked lower under the ‘Financial Robustness’ criterion.

**17. We have prepared year end management accounts; are these acceptable for a valid CIS application?**

Applicants must submit their latest set of management accounts, ideally no more than 3 months old, but we will accept accounts for the last quarter of 2020. Please note that we may request a more recent set of accounts later in the assessment process, but applicants will not be disadvantaged if they submit accounts for Q4 2020 when submitting their application.

**18. Do equipment supplier quotes, estimates, etc. need to be included as part of the application?**

Supplier quotes are not required at the application stage; however, they may be requested during project assessment. Enterprise Ireland’s Grant Inspections team will seek quotes/additional detail at the Grant Claim Stage.

**19. Section 3 of the Business Plan states: “*This summary of the proposed project should cover the business reasons for taking on the project and the link to the business strategy above*”. What does the “business strategy above” refer to?**

Applicants should address this section with reference to the company’s product/market diversification strategy as outlined in section 3.1: Value-Add Product and/or Market Diversification.

The business plan has been updated to reflect this change and the updated version is available to download from the Enterprise Ireland website. Should a company submit an application in the original format, it will not impact the assessment of its application.

The content of all applications will be scored and assessed against the scheme evaluation criteria.



**20. My files are too large to submit via email. Is there another way I can submit my application?**

Applicants may submit their application via Microsoft OneDrive. Please forward the relevant link, including passwords for all protected files, to [GA-CIS@enterprise-ireland.com](mailto:GA-CIS@enterprise-ireland.com).

**21. Where is the Declaration referred to in section 5 of the Business Plan?**

The **Declaration by Authorised Officer of the Applicant** was unintentionally omitted from section 5 of the Business Plan. A revised version of this document is now available to download from this webpage. We are requesting that all applicants complete this Declaration before submitting their application.

Should a company submit an application without this Declaration, it will not impact the eligibility of its application. However, Enterprise Ireland will require the applicant to submit a completed Declaration before the project can be recommended for approval.

**22. The IRR calculation assumes the full project spend (cash outflow) will take place at the start of Year 0. However, the cashflows in the financial projections outline a project spend over several years. Does it matter if these two cashflows are completed on a different basis?**

No. The IRR calculation is discrete from the cashflow projections and an entirely separate exercise to address the Need for State Support.

**23. When projecting the capital spend for the project, should we input the capital spent assuming no grant aid?**

Yes. Input the capital spend assuming no state support. EI will input the proposed eligible grant separately. Equally in Company Input Sheet 3 (IRR calculation) input the full capital spend (without state support) in cell F24 as a negative figure.

**24. Should we make any assumptions on capital allowances available for this project which would reduce corporation tax in our IRR calculation?**

For the purposes of the IRR calculation, please ignore any capital allowance related reductions in corporation tax.