



Capital Investment Scheme for the Processing and Marketing of Agricultural Products

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**ENTERPRISE
IRELAND**

Orla Battersby & Neil Foley, Enterprise Ireland
Angela Robinson, DAFM
Paul Dixon, PE Dixon Ltd

Scheme for the Processing of Annex 1 Products: Overview

- Objective:** Support transformational capital investment in SME's & Large companies to enable them pursue **product/market diversification strategies to achieve greater value add.**
- Fund Size:** €100m (First Call is €70m)
- Fund Type:** Competitive
- Level of support:**
- Aid intensity of up to **30% of eligible costs** up to a maximum expenditure level of €25m with a max of €5m in grant.
 - Total aid to undertaking will be limited to €10m for the first call and €12m over the life of the scheme

Scheme for the Processing of Annex 1 Products: Overview

Eligible Companies: EU approved SME and Large Companies engaged in the production & processing of Annex 1 products.

Eligible Projects:

- Annex 1 → Annex 1
- Product/Market Diversification/Value Add
- Transformational Strategic Investments that will not occur without Scheme funding
- In full compliance with:
 - National and EU legislative and regulatory environmental requirements and standards
 - Minimum standards regarding hygiene and animal welfare
- Projects carried out by undertakings that must be members of Origin Green (or equivalent).

Scheme for the Processing of Annex 1 Products: First Call Key Dates

1st Call Opening: Thursday, 3rd February

Consultation Period 3rd February- 9th February

Application Period: 10th February - 15th April

1st Call Close: Thursday, 15th April

Evaluation Period: April – August 2021

Evaluation Panel: Enterprise Ireland, DAFM, DETE, Bord Bia, Private Sector reps

Approval: September 2021

Start Date: Only expenditure incurred after the call close **date** (from 16th April 2021) may be deemed eligible for support.

Project Completion: Projects should be completed within three years of the date of approval.

Scheme for the Processing of Annex 1 Products: Application Documents

- **Business Plan**
- **Project Plan**
- **Project Cost Sheet**
- **Financial Data Sheet**

Note: all sections of the Application documents must be completed for a valid application

Scheme for the Processing of Annex 1 Products: Evaluation Criteria

The following are the criteria that will be used to assess eligible projects forthcoming for funding:

Evaluation Criteria	Weighting Marks
1. Value-add - Product and/or Market Diversification	25
2. Impact on the Environment	20
3. Vulnerability to the External Trading Environment	20
4. Need for Money	15
5. Value for Money	15
6. Financial Robustness	5
Total	100

Scheme for the Processing of Annex 1 Products: Evaluation Criteria

1. Value-add – Product and/or Market Diversification (max 25 marks)

- The project is clearly aligned to a product and/or market diversification strategy within the enterprise and is supported by relevant market, customer and technical data
- The investment is strategic for the enterprise and will drive long term competitiveness and sustained growth
- Project focus is on the production of new and/or improved higher value add products and/or production processes required for new markets and is not principally focused on the processing of increased volumes
- Clearly demonstrates how the proposed investment in buildings and equipment will deliver on the transformative objectives of the project plan
- Proposed products are market driven as evidenced by accessible commercial and progressive end-user market outlets

2. Impact on the Environment (max 20 marks)*

All applicants must provide quantitative & qualitative analysis in relation to the following three areas;

- a) The applicant's current environmental strategy to include evidence of action taken to reduce GHG emissions, restore biodiversity and improve environmental performance to date. Where available evidence of Science Based Targets or absolute carbon emission reduction targets that are in place should be provided. Where companies have completed a climate risk analysis, as per TCFD or similar framework, this should also be included. (max 5 marks)
- b) The expected environmental impacts of the project that is the subject of this application, with project specific supporting data including, for example, forecasted levels of
 - Annualised energy use
 - GHG emissions
 - Water usage
 - Waste levels
 - Environmental load etc.

Applicants should also demonstrate how the project will underpin sustainable food production and contribute to balanced, sustainable regional development in line with national agri-food and agri-environmental policies and strategies. (max 5 marks)

- c) The expected downstream environmental effects of the proposed project at primary producer level with reference to GHG, biodiversity, animal welfare and ammonia emissions, along with any planned abatement measures/biodiversity initiatives including those which demonstrate alignment with the Ag Climatise Strategy (max 10 marks)

***Minimum scoring of 10 marks applies to this criteria. Projects that do not achieve the minimum score will be deemed ineligible for funding under this scheme.**

3. Vulnerability to the External Trading Environment (max 20 marks)

- 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

5. Value for Money (max 15 marks)

Provision of quantitative analysis to

- Demonstrate the direct benefit(s) to the Irish economy, including the extent to which existing employment will be maintained and/or increased , arising from the direct economic expenditure of the project
- Demonstrate the indirect benefit(s) to the Irish economy arising from the direct economic expenditure of the project
- Demonstrate any additional direct, indirect or induced benefit(s) to the Irish economy arising from the activities of the project, including impact on local suppliers, development of transferable skills and expertise, enhancement of the reputation of Ireland on world markets, etc.

6. Financial Robustness (max 5 marks)

- The enterprise has a satisfactory financial track record potentially including a proven track record in implementing previous State funded projects in a satisfactory manner. The company can demonstrate the ability to fund, implement and progress the project plan e.g. identification of co-financing, robust financial projections, project management plan/approach and specific resources that will be allocated to deliver the project on budget and on time

4. Need for Money (max 15 marks)

All applicants must

- Demonstrate the need for a minimum level of State investment and the extent to which the investment project would be impacted by State support through one or more of the following; increase in project size, scale, scope, and/or speed.

In the case of large enterprises:

- Aid will be limited to the net extra costs of implementing the investment, compared to the counterfactual scenario in the absence of aid. The measurement that is recommended for use to quantify this comparison is Internal Rate of Return (IRR). Payback Period, Net Present Value (NPV) and other relevant financial information may be provided. The aid granted should incentivise the beneficiary to carry out the investment while providing an Internal Rate of Return for the project no greater than the rates typically achieved by the beneficiary for investment projects (or, where available, by comparison with sectoral norms). The maximum aid intensity will be calculated based upon the return on investment that the project will achieve.

Large enterprises must provide:

- Evidence that the threshold and measure for financial return (IRR is preferred and recommended for use) in the company policy for capital investment projects has not been met in the absence of assistance under this Scheme
- Financial analysis and relevant commentary demonstrating that the minimum amount of State aid funding has been requested to achieve the project outcomes

4. Need for Money (max 15 marks)

- Structure Driven by State Aid Rules
- All Companies
 - Demonstrate need for funding & how investment project would be impacted by Support
 - Maximum aid is 30% of eligible cost up to maximum of € 5m
 - Consistency of documents critical– business plan, project plan / costs & FDS financials
- Large Companies *
 - What level of aid is required to bridge the gap between the project return & the required Company discount/hurdle rate? (minimum acceptable rate of return)
 - Compare above using Internal Rate of Return (“IRR”) – example to follow
 - Onus on applicants to provide evidence & detailed commentary in respect of Company discount/hurdle rate
 - Aid application will be lower of :
 1. 30% of eligible capital expenditure

AND

 2. Aid required to increase project return up to required Company Discount/Hurdle rate

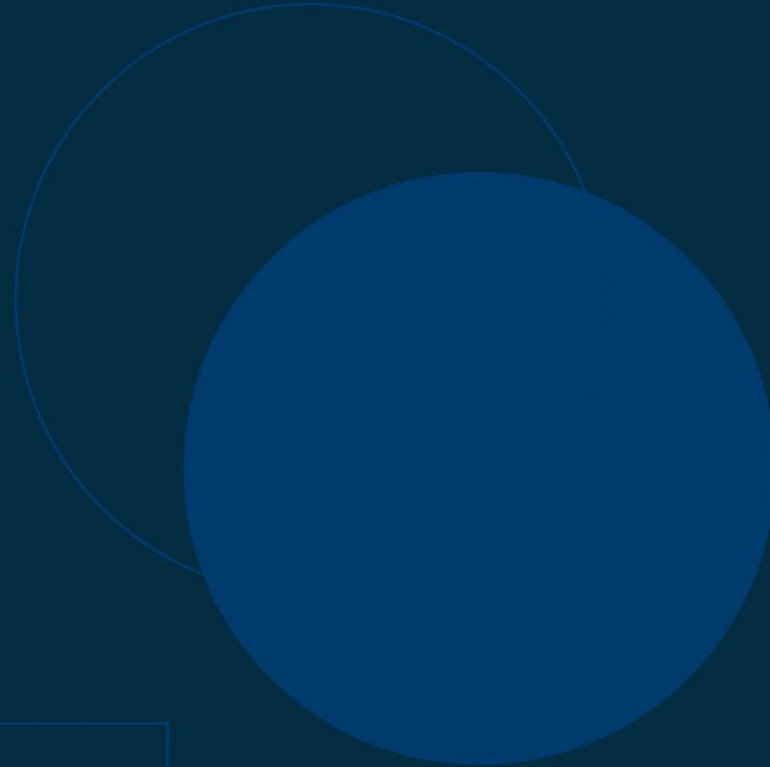
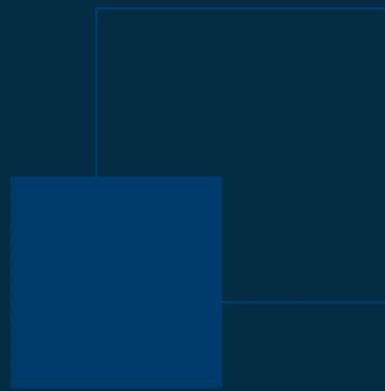
AND

 3. Maximum award of € 5m per project

* A large company is a company that employs greater than 250 employees, has either an annual turnover of greater than €50m or an annual balance sheet of greater than €43m

Completing FDS Sheet 3

- Walkthrough & Example



The background is a dark blue gradient with several abstract geometric shapes. There are two large, overlapping circles on the left side. In the center, there is a smaller circle and a square. On the right side, there is a large, solid blue circle and a square. The overall composition is modern and minimalist.

ANNEX I AND NON-ANNEX I PRODUCTS

Annex I vs non-Annex I products

Annex I products refers to Agricultural Products - *the products of the soil, of stockfarming and of fisheries and products of **first-stage** processing directly related to these products* (Article 38, TFEU).

Non-Annex I products (Processed agricultural products (PAPs)) - non-agricultural food and drink items made out of agricultural products

include products such as chocolate, confectionary, sweet drinks, beers, spirits, biscuits and bakery products (https://ec.europa.eu/growth/sectors/food/processed-agricultural-products/definition_en)

Examples of Annex I and Non-Annex I provided in Appendix 1. Eligible companies will be approved exporting enterprises, which are engaged in the primary processing of certain agricultural products (beef, pig meat, sheep meat, poultry, dairy).

Q & A

For further queries, please contact:
CIS@enterprise-ireland.com