

S&E Regional Operational Programme 2014-2020

Implementation Plan: Entrepreneurship in Micro-Enterprise

Operational Programme	S&E Regional Operational Programme 2014-2020
Priority	3: SME support, promotion and capability development
Thematic Objective	Enhancing the competitiveness of SMEs
Investment Priority	(a) Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators
Scheme	Entrepreneurship in Micro-Enterprise
Categorisation Code	01
ERDF Certifying Body	Department of Public Expenditure and Reform
Managing Authority	Southern Regional Assembly
Intermediate Body	Enterprise Ireland (IB1), Local Enterprise Offices (IB2)
Beneficiary	Local Enterprise Offices
Grant Rate	<p>Measure 1 Funding (LEO=IB)</p> <ul style="list-style-type: none"> ▪ Priming Grant of 50% of eligible investment up to €150,000. Grants in excess of €80,000 shall be exceptional. A maximum employment grant of €15,000 per full time job created. ▪ Business Expansion Grant of 50% of eligible investment up to €150,000. Grants in excess of €80,000 shall be exceptional. A maximum employment grant of €15,000 per full time job created. ▪ Feasibility/Innovation Grant of 50% of the investment or €15,000 whichever is the lesser. ▪ LEO Innovation Investment Fund (LIIF) of 50% of eligible investment. Maximum grant of €25,000. ▪ Technical Assistance for Micro Exporters'(TAM) of 50% of eligible investment. Maximum grant of €2,500. ▪ 30% of all grants to be in refundable form - determined by each LEO <p>Measure 2 Funding (EI=IB)</p> <ul style="list-style-type: none"> ▪ Training up to 100%, subject to proportionate contribution as deemed appropriate. ▪ Other financial supports as appropriate, to assist with marketing, mentoring and e-business. <p>IBYE Funding</p> <ul style="list-style-type: none"> ▪ Ireland's Best Young Entrepreneur (IBYE) <ul style="list-style-type: none"> - IBYE Training and Development (EI = IB), - Marketing and Promotion at local level (EI = IB)

	- IBYE Investment Fund (LEO = IB)
EU Co-financing Rate	50% of eligible public expenditure

Objectives of Intervention

The specific objective of this priority is to increase employment levels in micro-enterprises in the S&E Region by supporting business start-ups, business expansion and higher innovation levels in micro-enterprises.

This investment priority will support innovative and growth oriented micro-enterprise business start-ups and expansions, with a particular emphasis on high-growth and potentially high-growth sectors through the provision of business information, advisory services, capability building, mentoring and financial supports. The ERDF co-financed financial supports will be targeted at more value-added micro-enterprises in the manufacturing and traded services activities, with a particular emphasis on high-growth and potentially high-growth sectors which do not lead to deadweight and or displacement. The non-financial supports are broader and more generally focussed but will meet the specific needs of high growth and potential high growth companies.

Proposed Actions

In pursuing the above objective, the Local Enterprise Offices will:

- promote local enterprise culture and entrepreneurship throughout society through initiatives such as their Start-Your-Own-Business training courses, provision of business information and advisory services, schools enterprise programmes, awards schemes, networks including the Women-in-Business, Seniors and Youth enterprise networks. The LEOs run a range of Start-Your-Own-Business Programmes every year which are targeted at the unemployed to encourage them to develop their skills in addition to presenting self-employment as a career development option.
- support business start-ups and expansions with appropriate financial supports, including feasibility supports, priming supports and repayable assistance in addition to networking with appropriate private sector finance providers.
- encourage and facilitate higher levels of value-added businesses, including green enterprises and eco-innovation, by applying innovation, ICT strategies and export awareness.
- build the capability of owner/managers of micro-businesses through training and development actions including mentoring programmes, peer learning's and access to business networks, with a particular focus on high growth and potential high growth enterprises.

Companies will also benefit from the roll-out of high-speed fibre broadband in currently un-served areas. This will enable them to secure the maximum commercial and socioeconomic advantages.

Administrative Arrangements

The micro-enterprise support actions will be administered in each local authority area by the relevant Local Enterprise Office. Each Local Enterprise Office will operate in

accordance with a Service Level Agreement with Enterprise Ireland setting out the protocols relating to service delivery, operational arrangements, policy and support, budgets and performance metrics.

Both Enterprise Ireland and LEO's will act as Intermediary Bodies, but with different functions depending on funding. LEOs provide Measure 1 grant investment payable to LEO micro-enterprise clients, Measure 2 soft support including training and mentoring to apply to LEO Clients and Ireland's Best Young Entrepreneur (IBYE) funding.

Enterprise Ireland will be deemed as an IB primarily in respect of Measure 2 (soft support including training and mentoring to apply to LEO Clients) funded projects and IBYE Training and Development, Marketing and Promotion at local level. For Measure 1 (grant investment payable to LEO micro-enterprise clients) and IBYE Investment funded projects, the primary responsibility for conducting and documenting verification checks on beneficiary (grantee) claims will lie with the LEOs as IBs.

Enterprise Ireland (EI) have entered into an Administrative Agreement with the Regional Assembly which has set out in detail the responsibilities of each. This agreement was prepared by the Regional Assembly. LEOs have also entered into an Administrative agreement with the Regional Assembly.

The LAs have established a dedicated cost centre for LEO operations and Grant payments. LEOs provide a quarterly report with their quarterly draw down request and can provide a detailed analysis to support the ERDF claim for re-imbusement.

Responsibilities of Intermediary Bodies

EI will be responsible for ensuring the effective implementation of the intervention and for full compliance with the Regulations, particularly those concerning financial management, control, publicity and public procurement. EI commits to revising the LEO Procedures Manual to comply with the requirements of the Assembly and the EU.

LEOs will be responsible for drafting a Systems description.

Measure 1 & IBYE Investment Fund

The primary responsibility for conducting and documenting verification checks on Beneficiary (grantee) claims will lie with LEOs as IBs. EI will carry out sample checks on both.

LEOs will ensure that the beneficiary firms are provided with a grant award document setting out the conditions of support for each operation, including the specific requirements concerning the products or services to be delivered under the operation, the financing plan, the time limit for execution and the conditions for use of the Structural Funds IT System 2014-2020.

They will be required to ensure a clear audit trail exists in relation to EU co-funded expenditure and that all claims are supported by receipted invoices or, where this cannot be done, by accounting documents of equivalent probative value.

LEOs will ensure that only eligible expenditure actually incurred and paid under the terms of the project/operation approved is claimed. LEOs will be responsible for the verification of all M1 and IBYE investment funding payments to beneficiaries.

Enterprise Ireland are an over-arching IB for Measure 1 and IBYE Investment Fund.

Measure 2 & IBYE Training and Development, Marketing and Promotion at local level

EI as IB for M2 and IBYE Training and Development, Marketing and Promotion at local level will be responsible for ensuring that all payment claims for Structural Fund expenditure, submitted by the LEOs, are supported by receipted invoices and audit documents, and that a clear and sufficient audit trail exists. Spot checks will be carried out by EI on management and control systems, these checks will include procedures to verify the delivery of the products and services co-financed and the reality of expenditure claimed and compliance with applicable national and community rules on, in particular, the eligibility of expenditure for support, public procurement, state aid including the rules on accumulations of aid, protection of the environment and the horizontal principles.

EI will also be responsible for ensuring in respect of M2 co-financed intervention/projects and that only eligible expenditure actually incurred is submitted to the Southern Regional Assembly. EI is responsible for the verification of M2 and IBYE Training and Development, Marketing and Promotion at local level expenditure incurred by the LEOs. EI will be responsible for the drawdown of funding from DJEI and for the processing and authorization of payments to the LEOs.

EI and LEOs will be responsible for submitting eligible expenditure in the format required by the Southern Regional Assembly and the Northern & Western Regional Assembly in order for payment claims to be prepared for submission to the Certifying Authority. Project level data will be updated as and when requested and specified by the EU Structural Funds IT System.

EI will compile monitoring/progress reports as requested by the Regional Assembly and cooperate with the OP level evaluations as required. These reports will provide data on the integration of the Horizontal principles by the LEOs. EI will liaise with the specialized bodies for support in this regard.

Responsibilities of Beneficiaries

The LEOs within local authorities will be responsible for implementation of the intervention at local level. As the M2 beneficiaries in the cascade of reporting, they will be responsible for ensuring that only actual eligible expenditure incurred, and expenditure which comes under the terms of the project as approved, is certified.

They will be required to ensure a clear audit trail exists in relation to EU co-funded expenditure and that all claims are supported by receipted invoices or, where this cannot be done, by accounting documents of equivalent probative value. The LEOs will also provide monitoring/progress reports as requested by the Intermediary Body, such reports will provide data, information and activity reports on the integration of the horizontal principles.

The contribution of the Irish exchequer and the EU Structural and Investment Funds 2014-2020 will be acknowledged in all promotional material, annual reports, letters of offer websites etc, by use of appropriate logo and text references.

The LEOs will be responsible for maintaining a list of final recipients of expenditure incurred and will ensure that the beneficiaries comply with section 2.2 of Annex XII of Commission Regulation 1303/2013

The LEOs within local authorities will be responsible for implementation of the intervention.

Measure 1 & IBYE Investment Fund

In accordance with the CPR, beneficiaries have the following responsibilities:

- Only eligible expenditure actually incurred under the terms of the operation approved is claimed
- A clear audit trail exists in relation to ESIF: all claims are supported by receipted invoices or where this cannot be done, by accounting documents of equivalent probative value. A separate accounting code is kept for each project.
- Annex III data is recorded on the system required by Art. 125, 2, d).

The contribution of the Irish exchequer and European Structural and Investment Fund 2014-2020 must be acknowledged by beneficiaries.

Measure 2 Beneficiaries & IBYE Training and Development, Marketing and Promotion at local level

LEOs as M2 and IBYE Training and Development, Marketing and Promotion at local level beneficiaries will be responsible for ensuring that only actual eligible expenditure incurred, and expenditure which comes under the terms of the project as approved, is certified.

LEOs will be required to ensure a clear audit trail exists in relation to EU co-funded expenditure and that all claims are supported by receipted invoices or, where this cannot be done, by accounting documents of equivalent probative value.

The contribution of the Irish exchequer and the EU Structural and Investment Funds 2014-2020 will be acknowledged in all promotional material, letters of offer, websites, posters etc., by use of appropriate logo and text references.

M1, M2 & IBYE Beneficiaries

EI will also provide monitoring/progress reports as requested by the Intermediary Body for all measures, such reports will provide data, information and activity reports on the integration of the horizontal principles.

The LEOs will be responsible for maintaining a list of final recipients of expenditure incurred and will ensure that the beneficiaries comply with section 2.2 of Annex XII of Commission Regulation 1303/2013

Integration of Horizontal Principles

Following completion of the screening exercise, the following actions will be taken to integrate relevant horizontal principles:

1. In dealing with clients the LEOs will ensure the rights (enshrined in the Customer Service Charter) to equal treatment established by equality legislation are upheld. The LEOs do not discriminate on the grounds of age, disability, gender, family status, race, religious belief, sexual orientation and membership of the traveller community.
2. The LEOs will ensure that all offices, facilities and resources are fully accessible in line with the Disability Act 2005.
3. LEOs will generally seek to proactively gender- mainstream their operational activities and structures, particularly in regard to gender balance requirements,

with a view to achieving optimum levels of gender equality. The selection of projects for support or financial assistance will be monitored for gender balance.

4. Positive interventions such as The Women in Business Networks, Women's National Enterprise Day, Mentoring and tailored training programmes will be undertaken throughout the life of the programme.
5. Specific initiatives targeting non-Irish nationals such as Ethnic Entrepreneurship programmes will be promoted to maximize the potential of this latent entrepreneurship. Other initiatives including youth entrepreneurship, senior's enterprise and activity by minority groups will be encouraged
6. It is proposed that at a minimum the following disaggregate data will be available:
 - Number of Enterprises supported by Gender
 - Number of recipients for training including number of training days by Gender
 - Broad equality measures including number of schools and colleges engaged in enterprise education initiatives: Number of Youth Entrepreneurship enquiries/ start -ups (aged 18-30) : Number of Enquiries/Start Ups promoted by Seniors (>50):

Project Selection Process and Criteria effective from 1st January 2014

1. Project Selection Process

Approval of micro-enterprise support will be affected through the relevant Local Enterprise Office operating within local authorities. These will pursue a systematic appraisal of all project proposals. Support for projects should be distinguished between Measure 1 (M1), Measure 2 (M2) and IBYE.

1.1 Measure 1 (M1)

M1 support provides an investment in eligible start-up and business expansion projects which is subject to certain priorities and restrictions. i.e.

- priority must be given to enterprises in the manufacturing or internationally traded services sectors which over time can develop into strong export entities and graduate to the Enterprise Ireland Portfolio;
- salary support may be offered to unique tourism services projects that are focused predominantly on generating revenues from overseas visitors and which do not give rise to deadweight and/or displacement in the local economy;
- The Financial Instruments do not support those areas such as retail enterprises, personal services (e.g. hairdressers, gardeners, crèches etc), professional services (accountants, solicitors, etc.), construction/local building services, as this is considered to give rise to unacceptable deadweight (where projects would have proceeded anyway) and/or displacement (where the projects simply displace business from other players in the market).

1.2 Measure 2 (M2)

M2 Supports on the other hand are more broadly based and are provided to support investment in enterprise education, enterprise promotion, mentoring, training and management development. Exchequer funding from the Department of Jobs Enterprise and Innovation is allocated on a collective basis to Enterprise Ireland. Responsibility for the distribution of these funds to and between the County/City

Councils for the LEOs is transferred to EI in accordance with the legislation and/or an appropriate scheme.

The Centre of Excellence (CoE), EI manages the individual budget allocation, under an approved methodology. Each year the CoE goes out to LEOs to get estimated budgetary requirements for the following year under current and capital.

The Board of Enterprise Ireland has established a subcommittee to recommend the allocation of funding of Local Enterprise Offices to the Board of EI.

CoE prepares proposals in relation to annual allocations to LEOs. The proposed allocations are considered by the Local Enterprise Committee, and the Committee make recommendations to the Board of EI.

The allocations are subject to final approval by the Board of Enterprise Ireland, following which a budget letter is issued to the local authority. Allocation is to the local authority, for the benefit of the LEO operational unit. The Measure 2 project ERDF claim for re-imburement is the annual allocation to a particular LEO.

1.3 Ireland's Best Young Entrepreneur (IBYE)

IBYE is a national competition targeting young entrepreneurs between the ages of 18 to 35. Applicants apply online to be considered for the programme. Participants are selected from the applicant cohort to participate on the LEO run business boot camp following the completion of the boot camp participants will be afforded an opportunity to pitch to an investor panel who will decide on the applicants who are to receive IBYE investment.

2. Project Selection Criteria

2.1 M1 Support

The key selection criteria will be based on national guidelines and include the following for M1 Support.

- The quality, commercial viability of the project proposal and its local relevance;
- Overall costs of the project and its cost effectiveness;
- The contribution of the proposal to the development of the enterprise in terms of internal capacity;
- Potential for deadweight or displacement;
- Potential to increase the competitiveness of the enterprise and added value to local enterprise development;
- Adherence to cross cutting themes.

2.2 M2 Support

The annual allocation is explained in section 1.2 Project Selection Process above. The LEOs will engage, individually and collectively, in the development and establishment of training programmes and other M2 initiatives designed to promote entrepreneurial capability, entrepreneurship, and adaptation of new technology including ICT applications, on-line business opportunities and innovation, as well as increased export sales by micro enterprises. The training programmes as developed by the LEOs may be delivered by public and/ or private sector training providers. The selection of training providers will have regard to the suitability of a market-driven approach and the scope for private sector participation in delivery as well as to the capacity and experience of potential providers and adherence to cross-cutting themes.

The Measure 2 allocation is towards Enterprise Education, Enterprise Promotion, Mentoring and Consultancy, Training and Management, Development Programmes and other programmes for microenterprise. The Measure 2 project ERDF claim for reimbursement is the annual allocation to a particular LEO as explained in section 1.2 Project Selection Process above.

2.3 IBYE Support

The aim of Ireland's Best Young Entrepreneur is to encourage and support entrepreneurship as a career choice and to encourage the development of new innovative businesses by Ireland's young entrepreneurs. IBYE funding is allocated between direct investment support to new enterprises (Measure 1 equivalent) and investment in training, mentoring, marketing and local promotion (Measure 2 equivalent). A set criteria for assessing applications and the overall judging of County Finalists is used by all LEOs. An IBYE manual is issued to all Local Enterprise Office at start of competition.

The criteria for assessing applications and the overall judging of County Finalists is as follows;

- Promoter (25 marks)
- Market Opportunity (25 Marks)
- Ability to deliver key commercial milestones (20 marks)
- Innovation (10 marks)
- Potential to deliver economic impacts (10 marks)
- Quality of application & business plan (10 marks)

Total: 100 Marks

- Pitch and Interview (40 marks) N/A for initial application assessment

An IBYE manual is issued to all Local Enterprise Office at start of competition. Marking system as per the criteria outlined above on all applications submitted is retained on file. All applicants are notified whether they are successful or not – correspondence is issued to all applicants and retained on file.

- The guiding principle is that the winning entries should be presenting a credible business proposition which demonstrates what they intend to do with the investment and what the impact of that will be on the business/ business idea.
- Undertake an evaluation and marking of all application received.
- The objective is to select an even number from each category as Finalists/Boot Camp participants, however each LEO can decide to alter the spread depending on the applications they get. These finalists, target min. of 15, will go on to the next stage which is the training and development stage.
- Method of selection of the finalists is up to each LEO – it can be done by internal staff or in conjunction with external assessors but should involve the Head of LEO.
- When the LEO is informing the finalists that they have been selected, finalists are provided with Guidelines to the competition.

Appeals Procedure

Appeals will be dealt at LEO/Local Authority level as per the customer charter. For Measure 2 as it is a direct allocation there is no requirement for an appeal process. IBYE unsuccessful applicants are contacted offering them follow up advice and mentoring.



Programme Specific Result Indicators

ID	Indicator	Measurement Unit	Category of Region	Baseline Value	Baseline Year	Target Value	Source of Data	Frequency of Reporting
3a	% Increase in employment in micro enterprises in S&E Region	Full Time Equivalents (FTE)	More Developed	169,866 ¹	2011	186,852	Central Statistics Office	Annual

Priority-level Output Indicators

ID	Indicator	Measurement Unit	Fund	Category of Region	Target Value	Source of Data	Frequency of Reporting
CO 01	Productive investment: No. of enterprises receiving support	Enterprises	ERDF	More developed	51,736.00	Enterprise Ireland	Annual
CO 02	Productive investment: No. of enterprises receiving grants	Enterprises	ERDF	More developed	1,804.00	Enterprise Ireland	Annual
CO 04	Productive investment: No. of enterprises receiving non-financial support	Enterprises	ERDF	More developed	17,770.00	Enterprise Ireland	Annual
CO 05	Productive investment: No. of new enterprises supported	Enterprises	ERDF	More developed	2,398.00	Enterprise Ireland	Annual
CO 06	Productive investment: Private investment matching public support to enterprises (grants)	€	ERDF	More developed	13,649,599.00	Enterprise Ireland	Annual
CO 08	Productive investment: Employment increase in supported enterprises	Full time equivalents	ERDF	More developed	5,760.00	Enterprise Ireland	Annual
3.1	No. of participants of enterprise training programmes	No. of participants	ERDF	More developed	105,552.00	Enterprise Ireland	Annual

Performance Framework of the Priority

Indicator	ID	Definition	Measurement	Fund	Category	Milestone	Final	Source	Relevance
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¹ CSO (2011) Business Demography NACE Rev 2 by Employment Size, County, Year and Statistic;
<http://www.cso.ie/px/pxeirestat/Statire/SelectVarVal/Define.asp?maintable=BRA08&PLanguage=0>

Indicator Type	Indicator Code	Description of the Indicator	Measurement Unit	ERDF	Priority of Region	2018	Target	Source of Data	Notes
Output	COO8	Employment increase in supported enterprises	No. of employees	ERDF	More Developed	2,880	5,760	EI	Captures a key outcome of the supported intervention
Financial	F1	Eligible Priority Expenditure Certified	€	ERDF	More Developed	€13.84m	€34.6m	Certifying Authority	Assumes 40% of eligible expenditure declared by 2018

Financial Management

Funding for the theme will be provided by Central Government and will be maintained under a separate sub head (G1) to be provided by the Department of Jobs, Enterprise and Innovation on a collective basis to EI which has established a unit, called the Micro Enterprise and Small Business Division Unit, to provide central direction, technical support, shared services and quality assurance to the LEOs.

EI have entered into an Administrative Agreement with the Southern Regional Assembly and the LEOs which will set out in detail the responsibilities at each level in respect of financial management and control.

The LEOs will submit to the EI Micro Enterprise and Small Business Division Unit details of their Programme and funding requirements for the year and will request from the Unit funding, in instalments, to cover ongoing activities. The Unit will examine, validate and process such requests and will authorise the EI Finance Unit to make the necessary payments, by electronic transfer, to the relevant LEO/LA bank account.

The LEOs will provide, as requested detailed certification reports (claim for reimbursement) to the EI Micro Enterprise and Small Business Division Unit outlining eligible expenditure claimed. The Unit will examine such reports and will from time to time carry out spot checks to verify actuality of expenditure claimed. For Measure 1 and IBYE Investment Fund, the primary responsibility for conducting and documenting management verification checks on beneficiary (grantee) claims will lie with the LEOs, while for Measure 2 and IBYE Training and Development, Marketing and Promotion at local level the primary responsibility for verifying expenditures incurred by the LEOs will rest with EI.

The LEOs will prepare annual reports and accounts of their activities. The books and accounts of the LEOs will be available on request for examination by the Managing Authority, the Certifying Authority, the Comptroller and Auditor General, the ERDF Audit Authority, the European Commission and the European Court of Auditors.

Document Retention

In accordance with Article 140 of the Common Provisions Regulation (EC) 1303/2013, EI and the LEOs will ensure that all supporting documents regarding expenditure, verification checks, certification and audits on operations for which total eligible

expenditure is less than €1,000,000.00 are kept available for the EU Commission and Court of Auditors for a period of three years from 31 December following the submission of the accounts in which the expenditure of the operation is included. In the case of operations over €1,000,000.00 all supporting documentation shall be kept for a 2-year period from 31 December following the submission of accounts in which the **final** expenditure of the completed operation is included.

The Managing Authority will inform EI and the LEO's of the start date of the period referred to above.

Monitoring and Reporting arrangements

The reporting arrangements require that a progress report be submitted annually to the Monitoring Committee in a format to be specified by the Committee. In addition, Intermediary Bodies will be required to provide data on the EU Structural Funds IT system which will be used to transfer information to the Commission.

The LEOs will be responsible for monitoring the implementation of the theme locally while EI will monitor the theme at Regional level and will report to the Regional Assembly in the matter. The LEOs will confirm in relation to each project that the agreed proposals have been implemented, and that the enterprises supported have commenced or are continuing to trade.

An annual employment and capability development survey will be undertaken in respect of each LEO. This information will be transmitted electronically by each LEO to EI using the GMIS System (Grant Monitoring Information System).

EI will compile reports on performance at intervention level setting out progress against agreed intervention objectives and targets and performance on the horizontal principles as laid out in the reporting template. Progress reports will cover financial management details, performance indicators and qualitative information where appropriate. EI will agree the composition and format of these reports with the Managing Authority. The IT System will be used to report on the intervention and to transfer information on to the Commission, including information on operations as appropriate.

Information and Publicity

The contribution of the Irish exchequer and the European Structural and Investments Funds 2014-2020 will be acknowledged in all promotional material, annual reports, letters of offer etc., by use of appropriate logo and text references. The relevant Structural Funds regulations on Information and Publicity will be complied with in this regard.

EI will ensure that the beneficiaries will comply with section 2.2 of Annex XII of Commission Regulation 1303/2013 and with Articles 4 and 5 of Commission Implementing Regulation 821/2014.