

RESEARCH AND INNOVATION – ENHANCE INNOVATION CAPACITY OF SMES

1. Summary of call

The INTERREG VA Programme is making a call for applications under specific objective 1.2:

To increase the number and capacity of SMEs engaged in cross-border research and innovation activity in the region aimed at the development of new products, processes and tradable services.

The total value of call is €15.9 million ERDF

Opening Date: 7 September 2015

Closing Date: **21 October 2015 (15:00)**

Steering Committee Date: 16 December 2015

The result indicator:

An increase in the percentage of SMEs and micro-businesses in the eligible area which are involved in research and innovation involving cross-border collaborations. The baseline value for 2014 is 22%. The target value for 2023 is 33%.

The output indicators:

- 1,408 enterprises receiving support – Strand 1
- 1,408 enterprises receiving non-financial support – Strand 1
- 469 enterprises receiving one to one innovation advice – Strand 2
- 94 enterprises in receipt of an Innovation Capability Development Programme – Strand 3
- 50 enterprises cooperating with research institutions – Strand 4
- 70 enterprises engaging an Innovation Intern on a cross border basis – Strand 4
- 5 research institutions participating in cross border, transnational or interregional research projects – Strand 5
- 19 enterprises participating in cross border, transnational or interregional research projects – Strand 5
- 19 enterprises receiving grants – Strand 5

Applicants should note that each of the proposed 19 R&I projects in Strand 5 includes collaborations between a number of SMEs and research institutions on a cross border basis, therefore the total number of SMEs supported within this strand may exceed 19.

2. Essential information

This call for applications should be read in conjunction with the following:

- Cooperation Programme, and associated Citizens' Summary
- The Programme Rules
- Guide for Applicants
- Commission Guidance for the Preparation of Unit Costs

Please consult these documents before completing the application form as they contain essential information to assist you in making the best application possible.

Applicants may also find it useful to consult the 'Impact Assessment Toolkit for Cross Border Cooperation'. This toolkit has been developed by the Centre for Cross Border Studies, as part of an INTERREG IVA funded project and is intended to be a practical guide to assist with planning cross-border projects. A copy of the toolkit can be downloaded from our website.

3. Project Selection Criteria

The following selection criteria will be used:

- a. Contribution of the project to the defined results and outputs of the Programme.

Applicants will need to demonstrate that their project proposal will deliver all of the Output Indicators sought within this specific objective. Applicants who cannot deliver the output indicator targets in full need not apply.

- b. Quality of project design;
 - Programmes that support SMEs to participate in cross-border research and innovation activity;
 - Programmes must operate across the eligible area;
 - SMEs with export potential within manufacturing and tradable services only;
- c. Quality of project team and implementation arrangements;

- d. Value for money - Cost effectiveness of impacting on the result indicator
- e. Quality of cross-border co-operation with demonstrable added value;
- f. Contribution towards sustainable development;
- g. Contribution towards equality.

4. Background to INTERREG Programme

The INTERREG VA 2014-2020 Programme is one of approximately 60 programmes across the European Union designed to promote greater levels of cross-border cooperation.

Northern Ireland, the Border Region of Ireland and Western Scotland share a number of common features with other border areas across Europe where developmental problems are exacerbated by the existence of borders. Borders can distort infrastructure and communication networks resulting in reduced economic development and different policy approaches which hinder joined-up service delivery.

The INTERREG VA Programme has been designed to address many of these issues in order to promote greater economic, social and territorial cohesion across the region.

5. Eligible Region

The eligible area for the INTERREG VA Programme is:

- Northern Ireland;
- The Border Counties of Ireland (Monaghan, Leitrim, Cavan, Louth, Sligo and Donegal);
and
- Western Scotland (Dumfries & Galloway, East Ayrshire and North Ayrshire mainland; South Ayrshire; Lochaber, Skye & Lochalsh, Arran & Cumbrae and Argyll & Bute and Eilean Siar/Western Isles).

Projects must comply with the cross-border requirements of Article 12 of 1299/2013 as detailed in the Programme rules.

6. What is the theme “Research and Innovation” going to achieve?

The Socio Economic Profile of the Region has identified the need for an increase in the capacity of SMEs to engage in R&I activities that will lead to innovative product, process and service development. This investment by the programme will lead to an increased number of SMEs that are research and innovation active. It will increase the number of SMEs engaged

in cross-border research and innovation activities and will build their capacity for cross-border collaboration in R&I. The investment in this activity will also increase the number of SMEs that are cooperating actively with research institutions.

Whilst the programme will support SMEs from a number of sectors, SMEs from the Life and Health Sciences and Renewable Energy sectors will be identified specifically by the lead partner. Lead Partners should ensure that SMEs from these two sectors will be introduced to the appropriate research institutions and clusters involved in Investment Priority 1a Enhancing Research and Innovation. This is to ensure that these SMEs receive the maximum benefit of the research activities funded under Investment Priority 1a.

It is envisaged that SMEs in the eligible region will be the main beneficiaries and will be involved in each of these five strands:

Strand 1 - Preparatory Interventions delivered via workshop

An initial series of preparatory workshops for SMEs in the region, aimed at raising awareness of R&I and identifying those SMEs with potential to progress to more intensive development activities.

This element describes a series of workshops to educate and influence SMEs on the importance of the innovation ecosystem enabling them to leverage this on a cross-border basis to advance their business. It is anticipated that these workshops will have cross-border participation and will serve to raise knowledge and awareness of other innovation actors and support systems across the border.

Strand 2 – Preparatory Interventions delivered on a one to one basis

A more intensive preparatory intervention with individual SMEs, providing them with one to one advice and support in the identification of R&I opportunities.

This element describes an in-firm activity to assess their current approach to innovation and how the local and cross-border innovation ecosystem is utilised. The output will identify specific areas where cross-border collaboration will be beneficial and the appropriate cross-border intervention for each individual SME. Where progression to strands 3 or 4 or 5 is not appropriate, SMEs will be signposted to alternative local and cross-border support mechanisms.

Strand 3 – Innovation Capability Development Programme

Engaging with a targeted group of SMEs in an intensive R&I capability development programme.

Participation in this element is optional and is dependent on the outcome of strand 2. Where participation does occur, the support provided will aim to address any internal barriers that will prevent the participating firms realising the full potential of the cross-border innovation providers and programmes.

Strand 4 - Cross-border Innovation Internship Programme

Providing selected and targeted SMEs with the opportunity to avail of a cross-border internship programme that will make available to them a qualified graduate with the necessary skills to contribute to the R & I activity within their company.

Strand 5 – Cross-border R&I Projects

Engaging targeted SMEs in cross-border R&I projects that have been identified as having significant potential for economic impact within their companies and within the economy of the region.

Strands 1, 2 and 3 are necessary to promote, identify and in many cases prepare businesses, in terms of developing innovative capability, to participate in Strands 4 and 5.

The Programme will utilise these tried and tested models of intervention to engage with SMEs across the eligible region and to support them to form effective collaborations both between SMEs, and between SMEs and research institutions. Whilst there has been some existing activity between Northern Ireland and Ireland, there is currently less collaboration with Western Scotland. The Programme will bring a new dynamic to this work by involving all three jurisdictions, facilitating the creation of new and relevant collaborations.

7. Anticipated Actions

It is anticipated that the Programme will fund the following types of actions.

- Education and awareness building programmes aimed at SMEs;
- One to one mentoring and advice programmes for SMEs.
- Innovation capability audits within SMEs;

- Development and implementation of innovation actions plans tailored to the needs of the SME which addresses innovation capability deficiencies;
- Innovation internship programmes incorporating technology job creation; designed to address the capability deficiencies;
- A collaborative research and development programme designed to create and support collaborative research projects between SMEs and research institutions
- The Key Enabling Technologies, identified in the UK and Ireland Partnership Agreements, are priority technologies for programme support

This list is not exhaustive.

8. Budget and co-financing rate

€15.9m million ERDF is available under this call. Successful projects will be offered a grant in Euro. The maximum intervention rate that can be applied is 85 %

This means that applicants are required to bring a minimum of 15% match funding to the eligible project costs over the lifetime of the project. Applicants may seek match funding from the member states through this application process. Please see the Programme rules for further details on match funding.

However, please be aware the intervention rate (grant rate) may decrease depending upon the state aid implications of your project. It is the responsibility of the Lead Partner to ensure that State Aid implications have been fully considered. The application should clearly demonstrate how State Aid compliance will be achieved.

The level of grant aid may also be adjusted to take due account of anticipated future revenue streams. Please consult the Programme rules for further details.

Grants and payments may take any of the following forms:

- (a) Reimbursement of eligible costs actually incurred and paid;
- (b) Standard scales of unit costs;
- (c) Flat-rate financing, available for overhead costs or salary costs.

The above options may be combined only where each option covers different categories of costs or where they are used for different projects forming a part of an operation or for successive phases of an operation.

8.1 Simplified Cost Option (SCO)

In order to simplify the administration of grant aid the SEUPB would propose to use simplified costs options for the administration of this theme. Simplified costs will be established at Stage 2 of the Application process in consultation with the successful applicant and in accordance with the Commission guidance. It is envisaged that the relevant simplified cost options will include unit costs and flat rate costs as outlined in the Programme Rules.

8.2 Applicant Proposed Unit Cost Option

Applicants have the opportunity at Stage 1 to present unit costs for each of the strands of activity. Where applicants take this opportunity the information must be presented in accordance with the Commissions guidance for the preparation on unit costs.

Unit costs must be:

- Fair – based on reality, not excessive or extreme
- Equitable – it does not favour some beneficiaries or projects over others
- Verifiable – determination of flat rates, standard scales of unit costs or lump sums should be based on documentary evidence which can be verified.

Applicants must document as a minimum:

- The description of the calculation method, including key steps of the calculation
- The sources of data used for the analysis and the calculations, including an assessment of the relevance of the data to the project(s), and an assessment of the quality of the data
- The calculation itself to determine the value of the Simplified Cost Option (unit cost).

The Common Provisions Regulation (CPR) specifies that the following may be used in evidence to support Simplified Cost Options:

- ‘Statistical’ data or other objective information
- The verified historical data of individual beneficiaries

- The application of the usual cost accounting practices of individual beneficiaries.

When providing calculations of unit costs, applicants must provide accounting data over at least three years so as to identify any potential exceptional circumstance which would have affected costs in a specific year as well as the tendencies in the cost amounts.

Unit Costs are not to be used where a project is outsourced or implemented exclusively through the procurement of works, goods or services.

9. Application process.

A two stage process will be in place for this call as detailed in the Guide for Applicants. Full details of the assessment process, including admissibility criteria is also available in the Guide for Applicants.

You can apply on line through the SEUPB website. (Note: the on-line process will not be fully operational until the end of December 2015, in the interim an application form is available from the SEUPB).

Completed Applications should be submitted to brenda.hegarty@seupb.eu or SEUPB, EU House, 11 Kevlin Rd., Omagh, Co Tyrone BT78 7ES.

10. Contact Us

For general enquiries about this call please contact the SEUPB on: Tel: + 44 28 82 255750

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