

ENVIRONMENTAL PROTECTION AGENCY
An Ghníomhaireacht um Chaomhnú Comhshaoil

National Waste Prevention Programme
EPA Research Programme 2014-2020

GreenEnterprise

formerly: Cleaner Greener Production Programme

TECHNICAL DESCRIPTION AND GUIDE FOR APPLICANTS

UPDATED June 2014

This document provides general guidance for applicants under EPA call for proposals for the National Waste Prevention Programme (NWPP) & EPA Research Programme – Green Enterprise GE2, which continues on from the former Cleaner Greener Production Programme . For further information, please refer to the documents available on the EPA website (www.epa.ie).

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1.0 Introduction

National Waste Prevention Programme (NWPP)

The NWPP has been running since 2004 and is intended to assist businesses and institutions on matters dealing with eco-efficiency, which embraces water conservation, waste prevention and minimisation, and energy efficiency. Since its inception, the NWPP has sought to develop new prevention projects while also building on the foundations of previous sustainability initiatives. It is equally important to generate synergies and ensure that projects work together effectively and efficiently, and show potential for replicability and demonstrate good value. A number of the projects which were piloted through this programme have subsequently been launched by NWPP on a national scale. See www.nwpp.ie.

Green Enterprise

Environmental performance is fast becoming a marketing tool and there is an increasing demand for environmentally sound products and services both within the EU and across international markets. In 2001, the Environmental Protection Agency (EPA) launched the Cleaner Greener Production Programme (CGPP) as a grant scheme to encourage Irish companies and organisations to implement cleaner, greener work practices. Over six phases, the EPA has supported 90 demonstration projects using a co-funding model.

In 2013, the CGPP was rebranded as **Green Enterprise** to emphasise that the programme supports projects in services and institutional organisations as well as industrial production. The philosophy of the programme remains that prevention is better than cure and this change underlines the linkages with the other activities in the EPA National Waste Prevention Programme.

Green Enterprise challenges organisations & companies to produce goods and provide services in more environmentally friendly ways and to minimise emissions through cleaner production methods. The objective is to achieve a balance between economic activity and environmental protection.

The long-term aim of Green Enterprise is to ensure that cleaner greener production and eco-efficiency become the established norm in Ireland. The EPA intends that other businesses will learn from and build on past success stories. To date over five phases, the EPA has committed €7.2 million to 120 projects that have received part funding for demonstration projects under this programme.

2.0 Call for Proposals 2014

The theme of this phase of the programme is to link the terms of reference of the project to sustainable consumption and production, in line with the Europe 2020 Strategy, and its associated policy documents. These seek to address the negative environmental aspects of production and to empower consumers to move towards resource efficient consumption.

Green Enterprise provides grant aid to demonstration type projects across all sectors of economic activity in Ireland and is open to proposals from companies, institutions and public bodies. For 2014, the maximum amount of funding available is **€60,000 per company/organisation**. Grant aid is provided up to a maximum limit of **75% of the total eligible project costs** incurred – see Sections 3.2 and 5 for more details.

Thematic Areas of the Programme

This call has a strong focus on supporting the activities aligned to recent major policy statements from the government on the development of sustainable business activities and sectors. Priority will be given to supporting projects that demonstrate a linkage to key documents such as those listed below.

- a) Published in 2012, the document **A Resource Opportunity - Waste Management Policy in Ireland**¹ stresses the environmental and economic benefits of better waste management, particularly waste prevention. With regard to this call, key issues include:
 - **Prevention:** It is far preferable to avoid creating waste in the first place and prevention encompasses many measures such as eliminating superfluous packaging, reuse of products and smart purchasing, i.e. buying the right amount of goods such as food, so that none goes to waste.
 - **Reuse:** The next preferable approach is preparing for reuse, products for which an owner has no further use, but which could be prepared for reuse by a new owner. This includes for example, the repair of discarded items, such as computers and furniture, to facilitate their reuse by others.

- b) An emerging theme in 2013, through linkages with the Bord Bia “Origin Green” project, was sustainable production and consumption of food, and this theme continues on into 2014. The **Food Harvest 2020** strategy² provides a roadmap to make food production in Ireland a key driver of the “Smart, green economy.” Central to this is investment in, and development of, new ideas, knowledge and skills.

Compatibility with environmental targets are a key principle of Food Harvest 2020, but it is stressed that development of the agri-food industry must be scientifically robust and sustainable if Ireland is to become a world leader in sustainable food production.

Accordingly, and guided by these principles, a special theme for Green Enterprise 2 will be Sustainable Food. Applications related to food production, processing, distribution and consumption will be particularly welcome.

- c) Proposals are also invited to address the ambitions of the **Delivering Our Green Potential** policy statement.³ Some of the priorities and sectors identified in this document include:
 - Energy Efficiency and Resource Efficiency
 - Green Products and Services
 - Green Financial Services
 - Agriculture, Marine and Forestry
 - Tourism

- d) The area of sustainability has the opportunity to deliver benefits across all three pillars. Projects in areas such as re-use can obviously deliver environmental and economic benefits, but also social benefits. This might be in the area of job creation, re-training or re-integrating marginalised societal

¹ www.environ.ie/en/Environment/Waste/PublicationsDocuments/FileDownload,30729,en.pdf

² www.agriculture.gov.ie/agri-foodindustry/foodharvest2020/

³ www.enterprise.gov.ie/.../Delivering-Our-Green-Potential.html

groups, such as the long term unemployed, in the mainstream. Applications considering these added elements will be addressing a key area.

e) An area that has emerged as another potential area of interest is waste electrical and electronic equipment (WEEE). Proposals featuring re-use, upcycling, prevention and reduction of this resource stream are particularly welcomed.

Approaches

Suitable approaches for projects should focus on any of the following themes within the thematic areas:

- **Sustainable Production and Consumption** : conserving raw materials and energy, eliminating toxic raw materials, encouraging re-use and reducing the quantity and toxicity of all emissions and wastes. In addition, projects exploring how demand can be created for “green” products and services might also be considered.
- **Improving the Environmental Performance of Products and Services**: encouraging and supporting the development of higher environmental performance by incorporating environmental concerns into the provision of products and services within sectors including financial, transport, retail, healthcare, education etc. This might include exploring ways to account for the true environmental costs of products and services, through life cycle analysis for example.
- **Improving the Environmental Performance of Organisations/Sectors**: initiating and implementing a process that demonstrably reduces the environmental impact of an organisation or business sector.
- **Green Procurement and Supply Chains**: encouraging and demonstrating the utilisation of green credentials in the provision of goods and services, either within an open market, within an individual sector or within a specific supply chain.

Notes:

1. **End-of-pipe treatments such as composting and effluent treatment are NOT prevention focussed and are not eligible for Green Enterprise support.**
2. **Applicant organisations demonstrating significant resource use *(water, waste, energy, etc) are required to sign up to the Resource Efficiency programme under the EPA Green Business Programme www.greenbusiness.ie.** This is a free consultancy advice service made available by the EPA (NWPP) to aid Irish businesses in mapping their resource-use to identify resource efficiencies and cost savings. Contact Keiron Phillips if you wish to discuss the above in detail [K.Phillips@epa.ie].

** This will normally apply to companies with 10 or more employees but will also be influenced by the type of business activity that may consume high quantities of resources (water, waste, energy etc).*

3.0 How to apply?

Applications must be made using the EPA on-line Grant Application & Project Management Portal (Smart Simple). Terms and Conditions for support of Grant Awards and Guide for Applicants are available on the EPA website (www.epa.ie). Applicants and Grant Authorisers must register to use Smart Simple. To register please complete the Registration Form available at http://epa.smartsimple.ie/files/347278/f92681/grant_applicant_registration.html

1. Click on the icon: Create a new Application Form
2. Select the Call Topic Reference: Green Enterprise
3. Click on the button "Create New"

Online applications are carried out in a two-step process:

1. **Submission of proposals** by applicants (before the Call Deadline: **17.00 on Friday 1st August 2014**) for authorisation by Managing Director (or equivalent authorised signatory) for companies;
2. **Authorisation of Proposals** by Managing Director (or equivalent authorised signatory) for companies (before the Organisation **Approval Deadline: 17.00 on 12th August 2014**). Proposals **MUST** have Organisational Approval to be valid.

It is the responsibility of the Applicant to ensure that the proposals are submitted before the Call Deadline, and of the relevant Grant Authoriser to ensure that the proposals are approved before the Organisation Approval Deadline.

Please note the following:

- Register as soon as possible as you may need to request to have your Company/organisation validated.
- Any proposed project partners must also be Registered Users.
- The Grant Authoriser for your company/organisation must also be a Registered User
- Respect the page/word limit and file format requirements.
- Missing data, wrong file format or excessive number of pages will prevent you from submitting your proposal.
- Save your changes by clicking on the Save Draft button.
- Only click on the Submit button when you have completed all your application and you are ready to submit your proposal for authorisation.
- Check that you have completed all fields and uploaded all the necessary documents (incl. budget spreadsheet) before submitting.
- Call deadlines are absolute and are enforced by the system automatically.

Note on Authorisation process:

Once submitted, your proposal must be authorised by the relevant person in your company/organisation (i.e. Managing Director, Financial Controller etc.). Authorisation **MUST** be done before the Organisation Approval Deadline.

Who is the *Grant Authoriser* (Authorised Signatory)

- Managing Directors or designated staff (this cannot be the Applicant)

The *Grant Authoriser* (Authorised Signatory) can:

- Authorise your submission – Your proposal is then accepted by EPA and sent for evaluation. No further action is required.
- Decline your submission – Your proposal will NOT be processed.
- Ask for revisions – You will be notified that your proposal requires revision. The revised proposal will then be subject again to review and authorisation by the Grant Authoriser.

Please read the Quick Guide to Smart Simple (available on the EPA website) as it will provide you with important guidance on how to submit your proposal. A detailed step-by-step guide is also available on the EPA Grant Application Portal. Queries in relation to the EPA Grant Application & Project Management Portal should be sent to: research@epa.ie

Applications will be scored based on the following criteria:

Criteria	Marks
Technical Quality & Research Innovation	30%
Management of the Project & Technical Expertise available to project	20%
Transferability	25%
Costing and value for money	25%

3.1 Indicative Timeframe

An indicative timeframe for this call is shown below.

27th June 2014	Announcement of funding opportunity via national newspapers and EPA website
1st August 2014	Deadline for Submission of applications
12th August 2014	Organisation Approval Deadline for authorisation by Managing Directors (or equivalent authorised signatory) for companies
October 2014	Evaluation process completed, Applicants notified.
November 2014	Successful projects grant-awarded

All projects selected for funding should normally be completed within 12-18 months. However projects must be completed within 24 months.

3.2 Participant Company/Organisation

The size of the participant company/organisation has a bearing on the grant aid percentages; SME's can receive up to 75% in grant aid whereas non-SME's can only receive up to 50% in grant aid. See Appendix 1 for SME definition. The participant company/organisation must be located in the Republic of Ireland.

In general funding is provided to reimburse participants for the cost of carrying out the project, subject to the funding limits outlined above. The level of funding will vary between 25% and 75% depending on the nature of the company/organisation undertaking the project (see Table 1 below) and the category of expenditure. Applicants must state the nature of their company/organisation and the level of grant aid sought in the budget details section of their application.

Table 1 – Applicable Cost Categories

Cost categories	SME	Non-SME
Staff costs (on an actual salary cost basis)	75%	50%
Consumables	75%	50%
External Assistance & Consultancy	75%	50%
Travel	75%	50%
Plant and Equipment	25%	25%
Indirect costs (Overheads) – calculated as 30% of modified costs	75%	50%

3.3 Payment Schedule

Following the approval and acceptance of the grant agreement, an advance payment of up to 50% of the total grant-aid will be made. All subsequent payments will be made on a reimbursement basis following the submission and certification of financial cost statements and approval of technical progress reports.

A sum of up to 35% of the EPA grant aid may be retained, in all cases, pending satisfactory completion of the project. A project will be deemed to be completed satisfactorily, following the certification of the final cost statement, the submission of suitable publicity material and the approval of the final technical report for the project.

3.4 Tax Certificates and Insurance

Successful applicants will be required **prior to grant award** to provide a valid in date tax clearance certificate in accordance with Department of Finance regulations.

Successful applicants will also be required to provide valid copies of Public and Employer's Liability insurance and where relevant Professional Indemnity insurance prior to awarding of grants.

3.5 Gender Mainstreaming

In line with government policy, the principles of gender mainstreaming apply to Green Enterprise. To this end, participants will be required to report the ratio of males and females working on the project and to encourage females to take a lead role in projects where possible.

3.6 Freedom of Information (FOI)

Information supplied to the Environmental Protection Agency may be disclosed in response to a request under the Freedom of Information Act, 1997 and Freedom of Information (Amendment) Act, 2003. Should

you wish that any of the information supplied by you in this application should not be disclosed because of its sensitivity, you should, when providing that information, identify the same and specify the reasons for its sensitivity. The Environmental Protection Agency will consult with applicants about this information before making a decision on any Freedom of Information request received.

3.7 GREEN ENTERPRISE Publicity Requirements

Publicising the results and achievements of the projects supported by the Green Enterprise Programme is a key element of the programme. The purpose of this publicity is to encourage others to adopt cleaner greener production practices. Successful company/organisations will be required to provide publicity information including photographs and technical data on the project, to participate in publicity events or, possibly host site visits. A portion of the budget should be reserved for this purpose. It should be noted that even if the project is not as successful as originally anticipated, there is still a publicity requirement as the lessons learned should be shared with others interested in future similar cleaner production projects.

The level of information to be provided should include a good description of the project. Specific aspects of the project, identified as commercially sensitive, will be respected when producing publicity material.

4.0 Reporting Requirements

Financial Reports (Cost Statements) and Technical Progress Reports should be submitted to the EPA during the lifetime of the project, via the EPA Grant Application & Project Management Portal (<https://epa.smartsimple.ie>), as per the schedule outlined in the table below.

	<i>Technical Progress Reports</i>	<i>Financial Cost Statements</i>
<i>GreenEnterprise Awards</i>	<i>28th January & 28th July</i>	<i>28th January & 28th July</i>

It is the responsibility of the principal investigator/programme manager to ensure that reports are submitted on time and that they are of a satisfactory standard that clearly details progress on the project. Any difficulties arising should also be reported as well as the actions planned to overcome these difficulties.

The information provided in these reports, may be used by the EPA, to report to the Department of Finance.

The Final Report must be submitted in 2 formats. A 2-page Case Study format, and a longer Final Report format. This will be between 8 and 15 pages long, with appendices as required. The templates are available on the SmartSimple website. Projects will not be signed off until both reports are completed to the satisfaction of the EPA.

5.0 Grant Aid and Eligibility

The aim of Green Enterprise is to encourage companies to apply innovative, integrated preventive environmental strategies to processes, products and services to increase overall efficiency and reduce the risks of pollution to humans and the environment.

Applicants should familiarise themselves with the project management and reporting requirements for Green Enterprise funded projects as detailed in the relevant Terms and Conditions document and Guide for Grantees.

5.1 Grant amount

The percentage grant aid available to each grant awarded project is calculated based on the applicant company/organisation size. Section 3.2 describes the grant aid percentage applicable to staff, training, consumables, travel, external assistance, consultancy, promotion, publicity, equipment, and other costs categories for the project. The maximum funding available is **€60,000 per company/organisation** and this is subject to compliance with State Aid De Minimis Rules. All successful applicants will be required to provide written confirmation (in the format as per Appendix 2) that the rules in regard to De Minimis have been observed. The Declaration of De Minimis Aid should be SIGNED and submitted using the standard declaration via the EPA Grant Application & Project Management Portal (<https://epa.smartsimple.ie>).

5.2 Eligible & Non-Eligible Costs

Financial reporting is on the basis of the total costs of the project, so grant aid will be provided based on the full eligible costs.

Eligible costs are the costs defined as **direct** or **indirect costs** as detailed below. They shall fulfil the following conditions:

- Be actual,
- Relate to expenditure on the Green Enterprise project,
- Be reasonable and wholly necessary for the Green Enterprise project,
- Be incurred and paid during the duration of the Green Enterprise project (as set out in the grant agreement),
- Be incurred solely to advance the research project or if any single item shall benefit both the research project and other work then such costs shall be eligible only in the proportion that such costs bear to the proportionate benefit derived from them by the research project,
- Be determined in accordance with the normal accounting principles, based on historic costs and the usual internal rules of the Grantee, provided that they are regarded as being acceptable by the EPA,
- Be recorded in the Grantees accounts and be separately identifiable and traceable,
- Exclude any profit (e.g. staff costs must be charged at actual salary rates and not charge-out rates),
- Where the company/organisation is VAT registered, costs should be shown at the VAT exclusive cost.

Non-eligible costs are in particular the following:

- any interest, or return on capital employed,
- provisions for possible future losses or charges (including social costs),
- interest owed, provisions for doubtful debts,
- resources made available to a Grantee free of charge,
- unnecessary or ill-considered expenses,
- marketing, sales and distribution costs for products & services,
- entertainment or hospitality expenses except such reasonable expenses accepted as wholly and exclusively necessary for carrying out the work under the Agreement,

- company/organisation bonuses and dividends.

Moderate transfers of budgets between cost headings (in the case of multi-partner projects) is generally permitted but MUST be agreed with the EPA in advance.

5.3 Eligible Cost Categories

Grant aid under the Green Enterprise is aimed primarily at assisting staff costs associated with introducing or enhancing cleaner greener production. A contribution to equipment costs may be eligible but only where there is a clear and quantifiable cleaner greener production benefit arising from the use of the new equipment. Please note that “End-of-pipe” emission treatment equipment is not eligible.

The following suggested cost categories are provided to assist applicants in preparing their Budget & Financial Reporting Forms. Applicants need only provide total staff costs for each individual staff member over the course of the project. Standard Financial reporting templates will be provided to successful applicants.

Staff Costs - Implementation, Monitoring, Reporting, Training & Publicity

Actual and verifiable staff costs can be charged for all employees working directly on the project. This includes time incurred on Implementation, Monitoring, Reporting (direct administration time specific to Green Enterprise), Staff Training and Staff Publicity.

Staff costs are grant aided at the appropriate percentage for the company/organisation as set out in Table 1. Timesheets are required for **staff dedicating less than 100%** of their working time to the Project. **Staff working exclusively on the project and spending 100% of their time need not provide a timesheet** however they must complete and sign a “**time declaration**” for each reporting period.

In all cases, the person-day costs are limited to the actual salary cost (charge-out rates are not eligible) including employers PRSI. This rate must be specified in the budget and must be verifiable (through appropriate payroll documentation, including but not limited to copy of payslips and contracts of employment).

In limited circumstances for qualifying SME owner-managers or self-employed individuals who are not remunerated through traditional salary methods the EPA may at its absolute discretion permit the use of an alternative mechanism based on flat rates of pay to recover the cost of their time input to the project. Participants who wish to be considered for the flat rate basis should submit their request in writing to the EPA as part of their application.

Where applicants are uncertain at the time of submitting an application as to the exact identity of personnel involved in the project then rates may be used for categories of staff, where staff are paid on specified salary grades or scales. These rates must be verifiable and where an application is successful, must be adjusted to the actual rate of pay for each individual at the time of submitting a claim for reimbursement of expenditure.

Monitoring progress and the achievement of objectives and targets of the project is an important aspect of Green Enterprise. A budget should therefore be allocated for any monitoring to be undertaken by the company/organisation. When this involves the employment of external assistance or the purchase of equipment, the appropriate eligibility rules will apply. Progress in achieving the project deliverables should be borne in mind at all times for these cost categories.

Staff training costs (i.e. time spent by internal staff on project related training) must clearly relate to the Green Enterprise project. Companies must detail the type of training to be undertaken, and the benefits to

be gained from this. Internal training costs must be separated into the time costs of the trainee and the trainer and any related consumable costs.

Staff publicity costs (i.e. time incurred by internal staff) must clearly relate to the Green Enterprise project. Participants must detail the type of activities to be undertaken.

Consumables

Consumable or material costs must be separately identifiable and wholly necessary for the project.

Consumables usually relate to the purchase, fabrication, repair or use of any materials, goods or equipment and software which:

- Are not placed in the inventory or durable equipment of the participant
- Are not treated as capital expenditure in accordance with the accounting conventions and policies of the participant (i.e. Balance Sheet)
- Have a short life expectancy, certainly not greater than the duration of the project

All consumables and material costs related to the project are deemed to be eligible. **Off the shelf software and personal computing equipment (including laptops) costing less than €10,000 are considered to be consumable items and are fully reimbursable at the appropriate grant aid rate.**

Travel

It is not envisaged that there will be a significant travel element in any of the projects. Where it is incurred, it should be separately identifiable, limited to the actual cost and should be a specific requirement for the implementation of the Green Enterprise project. The EPA or their agents will organise workshops/meetings to provide guidance on participation, reporting and publicity requirements. Provision should be made for the cost of attending such events. Where mileage is being claimed the purpose of the journey, the number of miles and the rate should be clearly stated. These rates should not exceed the current civil service or other Revenue approved rates and should be in agreement with normal policies of the company/organisation.

The prior approval of the EPA is required for travel to any destination outside the EU. The request should be made via Smart Simple (<https://epa.smartsimple.ie>)

Promotion and Publicity

Promotion and publicity of the project is an important aspect of Green Enterprise and will also provide marketing opportunities for all companies involved. A budget should be allocated for publicity events to be undertaken by the company/organisation.

This includes a budget for the production of a final report and a 2 page case study report at the end of the project. (EPA will bear the cost of printing and copy-editing). All publicity deliverables should be detailed in the application.

Training

Costs of external training may include the relevant course fees or trainer costs incurred by the participant.

Overheads

Indirect costs (overheads) are calculated at a rate of 30% of eligible modified costs. Modified costs are defined as all eligible costs excluding plant and equipment and external assistance.

Plant and Equipment

Plant and equipment is considered to be an eligible cost, provided it is essential and purchased exclusively for the Green Enterprise project. The cost of plant and equipment should be included at the full VAT exclusive cost (where applicable). The grant aid for this category is a maximum of **25%** of the cost of the plant/equipment.

Please note that second-hand equipment is eligible for grant aid provided such equipment has not previously been the subject of any other sources of funding. Participants must be able to demonstrate that such equipment has not been funded from other sources.

All purchases must comply with National and European Public Procurement Guidelines. Evidence of this compliance must be retained by the participant for audit purposes.

For further information please see <http://www.e-tenders.gov.ie/>.

Green Enterprise should not be viewed as a source of capital funding. A good balance is required between the cost categories. This factor will be taken into account during the evaluation of proposals.

External Assistance

Technical expertise may be needed to implement the project and may be budgeted for under the heading of External Assistance. Fees should be stated in days at the appropriate daily rate (this rate should not exceed €600 per/day or exceed 20% of the total cost of the overall project). External Assistance can also include the cost of consultancy fees, provided that such fees are not excessive.

The purpose of the consultancy to be provided must be clearly stated and must be relevant to the project. It must also be external to the participant and not a continuous or periodic activity relating to the participant's usual operating costs. In addition there should be a clear transfer of knowledge into the participant company/organisation.

All such external assistance or consultancy arrangements, the costs of which are to be claimed as an eligible cost, must be awarded to the bid offering the best value for money (when comparing best price to quality ratio), under conditions of transparency and equality. Any external assistance or consultancy arrangement must be offered to the best bid in compliance with National and European Public Procurement Guidelines.

Other Costs

Other costs are amounts that are project specific and do not fit into any of the categories above. Costs under this heading must adhere to the general eligibility requirements of the Programme.

A detailed examination of project costs will be carried out on all successful applications. Any costs considered to be outside the eligibility rules will be removed from the budget during grant negotiation. These discussions are likely to take place prior to September 2014 therefore relevant personnel must be available at this time to meet with EPA officers or their appointed agents.

APPENDIX 1: Definition of Small and Medium-sized Enterprises

1. Small and medium-sized enterprises, hereinafter referred to as 'SMEs', are defined as enterprises which:

- have fewer than 250 employees, and have either,
 - an annual turnover not exceeding €50 million, or
 - an annual balance-sheet total not exceeding €43 million, and
 - conform to the criterion of independence as defined in paragraph 3.

2. Where it is necessary to distinguish between small and medium-sized enterprises, the 'small enterprise' is defined as an enterprise which:

- has fewer than 50 employees and has either,
 - an annual turnover not exceeding €10 million, or
 - an annual balance-sheet total not exceeding €10 million,
 - conforms to the criterion of independence as defined in paragraph 3.

3. Independent enterprises are those which are not owned as to 25 % or more of the capital or the voting rights by one enterprise, or jointly by several enterprises, falling outside the definitions of an SME or a small enterprise, whichever may apply. This threshold may be exceeded in the following cases:

- if the enterprise is held by public investment corporations, venture capital companies or institutional investors, provided no control is exercised either individually or jointly,
- if the capital is spread in such a way that it is not possible to determine by whom it is held and if the enterprise declares that it can legitimately presume that it is not owned as to 25 % or more by one enterprise, or jointly by several enterprises, falling outside the definitions of an SME or a small enterprise, whichever may apply.

4. In calculating the thresholds referred to in paragraphs 1 and 2, it is therefore necessary to cumulate the relevant figures for the beneficiary enterprise and for all the enterprises that it directly or indirectly controls through possession of 25 % or more of the capital or of the voting rights.

5. Where it is necessary to distinguish micro-enterprises from other SMEs, these are defined as enterprises having fewer than 10 employees, annual turnover not exceeding €2 million and/ or annual balance sheet total not exceeding €2 million.

6. Where, at the final balance-sheet date, an enterprise exceeds or falls below the employee thresholds or financial ceilings, this is to result in its acquiring or losing the status of 'SME', 'medium-sized enterprise', 'small enterprise' or 'micro-enterprise' only if the phenomenon is repeated over two consecutive financial years.

7. The number of persons employed corresponds to the number of annual working units (AWU), that is to say, the number of full-time workers employed during one year with part-time and seasonal workers being fractions of AWU. The reference year to be considered is that of the last approved accounting period.

8. The turnover and balance-sheet total thresholds are those of the last approved 12-month accounting period. In the case of newly established enterprises whose accounts have not yet been approved, the thresholds to apply shall be derived from a reliable estimate made in the course of the financial year.

APPENDIX 2: Monitoring of De Minimis Aid

Article 3 (1) of the De Minimis Regulation (EC) No 1998 /2006 states that where a Member State grants De Minimis aid to an enterprise it shall inform the enterprise about the De Minimis character of the aid and obtain from the enterprise concerned full information about other De Minimis aid received during the previous three years. It is recommended that the Department/ Agency concerned should include the following text in their correspondence with applicants for De Minimis aid:

The aid being sought is provided under the European Commission Regulation on De Minimis Aid. Small amounts of State aid, up to €200,000 (as and from 1 January 2007) in any three-year period to any one enterprise, are regarded as too small to significantly affect trade or competition in the common market. Such amounts are regarded as falling outside the category of State aid that is banned by the EC Treaty and can be awarded without notification to or clearance by the European Commission. A Member State is required to have a mechanism to track such aid (called 'De Minimis aid') and to ensure that the combined amount of De Minimis aid payments from all sources to one enterprise in any three-year period respects the €200,000 ceiling. Please provide details of all other De Minimis aid which has been granted to your company/organisation within the past three years. It should be noted that a false declaration by a company/organisation resulting in the threshold of €200,000 being exceeded could later give rise to the aid being recovered with interest.

The applicant should sign and submit the following declaration as part of the application:

*I wish to apply for [insert name of grant/aid sought] under the De Minimis Regulation (EC) No 1998 /2006.
I confirm that:*

*the company/organisation has been granted only the following De Minimis aid within the past three years
(details to be supplied)*

Signed for Company/organisation:

Date:

or...

no De Minimis aid has been granted to the company/organisation within the past three years

Signed for Company/organisation:

Date: