

Innovation

Fund Ireland



Ireland - The Smart Economy

Innovation Fund Ireland

The Irish Government is committed to the further development of Ireland as a Global Innovation Hub. The provision of 'smart capital' to support vibrant companies is a crucial pillar of Ireland's Smart Economy. Innovation Fund Ireland provides a unique opportunity for leading international venture capital fund managers to establish their European headquarters in Ireland and access entrepreneurs and innovative companies. Ireland already has a very active venture capital industry and Innovation Fund Ireland is an initiative to further increase the availability of risk capital for innovative companies.

Structure and investment criteria

The €500 million Innovation Fund Ireland has been created to increase the availability of risk capital for early-stage and high-growth companies, and is central to the Irish Government's strategy to develop Ireland as a Global Innovation Hub.

The main objectives of Innovation Fund Ireland are to:

- Increase the number and scale of innovation driven and high-growth businesses in Ireland.
- Increase the availability of smart risk capital for early stage and high-growth companies.
- Attract top-tier venture capital fund managers to Ireland.
- Attract, leverage and develop entrepreneurial talent.

Innovation Fund Ireland will have up to €250 million available to make commitments. This funding runs along two parallel tracks.

The first one comprises a €125 million pool of funds provided by the Exchequer and managed by Enterprise Ireland. Successful applicants who receive an investment from Enterprise Ireland will have to commit to investing an equivalent amount in Irish companies or companies with significant Irish operations over the lifetime of their fund.

The second one is for a similar amount and designed to allow Ireland's National Pension Reserve Fund to make a similar level of commercial investments assuming its criteria are met.

The first call for expressions of interest was launched on September 23, 2010 with a closing date of **4:00pm GMT on November 26, 2010.**

Expressions of interest should be submitted to: innovationfundireland@enterprise-ireland.com

For further information and contact details see www.innovationfundireland.com

Fund managers must meet, at a minimum, the following criteria to be considered for investment:

- An established global profile and network with a reputation for market leadership in venture capital investment.
- A proven track record of raising funds and generating superior returns for investors.
- A capacity to access high potential international investment opportunities with an investment team capable of attracting world-class entrepreneurs.
- An intention to establish a new and significant presence in the venture capital market in Ireland and a willingness to invest a meaningful proportion of their venture capital fund in Irish companies or companies with significant Irish operations.



Why Europe and why Ireland?

Ireland is one of the most open economies in the world and a longstanding member of the European Union. Ireland offers unhindered access to a market of 500 million people and its membership of the Euro currency makes Ireland a gateway for investment in the region.

Ireland has re-invented itself over the last forty years through the combined force of sheer determination and growing, vibrant ambition. Its young, highly educated workforce has seized the opportunities provided by investments from foreign and Irish-owned enterprises to transform Ireland into a dynamic, knowledge-based economy for the 21st century.

Some key indicators

- Youngest population in Europe with one in three under 25.
- Demographic forecasts show the population growing 20% by 2020. This means sustained growth in the labour supply that will far outstrip that of other EU countries.
- Highest proportion of graduates amongst the 25-34 age group in the EU.
- Third highest proportion of maths, science and computer graduates in the 20-29 age group in the EU.
- Seven in ten current school leavers go on to participate in higher education.
- Exports of goods and services represented over 90% of GDP in 2009.
- Foreign direct investment stock is three times greater than the OECD average. In 2009, the number of foreign owned firms investing in Ireland for the first time increased by 11% compared with the previous year.
- Amongst the highest performing countries for rate of return on US investment, and significantly higher than the EU15.
- Strategic clusters of leading global companies in life sciences, ICT, engineering, services, digital media, and consumer brands.

Most attractive location for innovative businesses in Europe

- Corporate taxation – lowest combined rate of corporate income tax in the OECD
- A highly competitive R&D and IP tax regime – R&D tax credits and a tax incentive against expenditure incurred on the acquisition of intangible assets
- Ireland has one of Europe's most comprehensive legal frameworks for the protection of IP rights
- Global networks and diaspora - strong cultural links to the US
- Skills base – presence of leading technology and pharmaceutical multinationals
- Venture Capital friendly legal community

Ireland as a gateway to Europe

- English speaking and a ready supply of multilingual skills
- Excellent transport links
- International mindset amongst entrepreneurs
- Time zone allows coverage of US and Asia within the working day

Ireland's talent pool

- Established entrepreneurs
- Strong entrepreneurial culture
- Active and growing R&D base
- Workforce with an excellent reputation for customer service, flexibility and creativity
- Significant numbers employed by leading global technology and pharmaceutical multinationals

The Smart Economy

Knowledge is the key source of competitive advantage in today's advanced economies. That's why Ireland's Smart Economy strategy involves boosting productivity and performance through better use of knowledge.

Productivity is about making the most of available resources, combining them in new ways, and creating new sources of value. It is the key driver of economic performance and sustainability.

Ireland is focused on the development of new skills, new ways of working and an openness to change across all sectors of the economy. Along with other advanced economies, Ireland faces new challenges in conserving natural resources, protecting the environment, and planning sensibly for longer life expectancies. That's why a smarter economy is also a more sustainable economy – characterised not least by the capacity to adapt quickly to changing circumstances.

Ireland has a clear pathway to sustainable economic renewal, based on real strengths and a clear strategy to restructure and reposition its economy.

Building Ireland's Smart Economy: A Framework for Sustainable Economic Renewal was produced in December 2008.

For more information see:
www.taoiseach.gov.ie/eng/building_ireland's_smart_economy/

The Smart Economy Framework is focused on five key action areas:

- 1 Securing the enterprise economy and restoring competitiveness.
- 2 Building the ideas economy – creating 'The Innovation Island'.
- 3 Enhancing the environment and securing energy supplies.
- 4 Investing in critical infrastructure.
- 5 Efficient and effective public services and smart regulation.

The Entrepreneurial Island

- Ireland is ranked fourth in the world in terms of availability of skilled labour and openness to new ideas
- Ireland is ranked thirteenth of 58 countries for innovation
- Twenty five university/third-level incubation centres
- Entrepreneurs starting businesses as percentage of population

Ireland	4.3%
EU average	2.7%
OECD average	3.3%

Ireland – A Global Innovation Hub

Ireland has developed unrivalled strengths in attracting internationally mobile investment. It is the European headquarters of eight of the top ten companies globally in the ICT and life sciences sectors, including household names such as Microsoft, Google, Pfizer and GlaxoSmithKline.

Most of the top multinational corporations based in Ireland are now connected to growing niches of research excellence, supported by the work of Science Foundation Ireland (SFI). Ireland is now ranked nineteenth internationally for its international citations, up from thirty-sixth as recently as 2003.

There is also a growing emphasis on embedding this research investment more deeply in linkages with indigenous enterprise. This means providing the best incubation environment for Irish entrepreneurs within a research, innovation and commercialisation ecosystem that nurtures and rewards talent.

Across all of its programmes, SFI-funded researchers are currently working with nearly 350 companies, both SMEs and multinationals.

Between 2000 and 2008, exports by client companies of Enterprise Ireland grew by just under 50%. Services exports generally are up five-fold since 2000, now accounting for almost half of total exports, and are projected to reach 70% by 2025.

Ireland's two top-ranked universities, Trinity College Dublin and University College Dublin, are implementing a joint venture in enterprise development, providing new and stronger education and research programmes, and enhancing mechanisms for technology transfer and business support through their TCD-UCD Innovation Alliance.

A strategic alliance between National University of Ireland, Galway and the University of Limerick has also been established which includes a commercialisation relationship with Georgia Tech.

Useful links:

www.innovationfundireland.com
www.enterprise-ireland.com
www.idaireland.com
www.sfi.ie

The Innovation Taskforce

The Taskforce was established by the Irish Government to advance the development of Ireland as a Global Innovation Hub.

In its Report launched in March 2010, the Taskforce sets out a range of recommendations to refocus and reinvigorate all parts of the innovation ecosystem around the needs of the entrepreneur and enterprise.

These recommendations address a wide range of areas including seed, angel and venture capital, the education system, intellectual property, enterprise supports and incentives, public procurement, and marketing Innovation Ireland. A High Level Group has been established to oversee implementation of these recommendations and significant progress has already been made.

For more information see:
www.innovationtaskforce.ie

Ireland: where great brands gather

A country is known by the company it keeps.

Ireland is home to the very best. Here are some examples of global companies successfully operating in Ireland.

Abbott	Liebherr
Accenture	Medtronic
Airtricity	Merck
Alps	Microsoft
Amazon.com	Mitsui
Analog Devices	Nivalis
Astellas	Novartis
Axa	PayPal
Big Fish Games	Pfizer
Boston Scientific	Prudential Financial
Business Objects	Ranbaxy
Cameron	Roche
Citi	Sage
Crompton Greaves	SAP
DePuy	Satir
dts	Shimadzu
Facebook	Siemens
Fujitsu	Solaris Mobile
Genzyme	Sophis
Google	Synopsys
GlaxoSmithKline	Takeda
Helsinn	Tata Consultancy Services
HSBC	Trend Micro
IBM	Vodafone
Ingersoll Rand	Wockhardt
Intel	Wyeth
Kellogg's	Zimmer



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