



## **GATEWAY INNOVATION FUND - Call for Proposals**

### **Context for Gateway Innovation Fund (GIF)**

The Government announced, in the National Development Plan (NDP) 2007-2013, the establishment of the Gateway Innovation Fund (GIF) as a strategic targeted intervention to stimulate Gateway development in the context of the National Spatial Strategy (NSS).

The NSS, launched in 2002, is a long-term planning framework up to the year 2020 designed to help all regions achieve their potential, thereby facilitating a better balance of social, economic, physical development and population growth both within and between regions while also supporting better strategic land-use planning more generally.

The NSS identified nine Gateways to drive the development of their wider regions and to achieve the overall objective for more balanced regional development. The NDP sets out specific measures, in addition to the GIF, to achieve more balanced regional development including Gateways development. In addition, The *Gateway Investment Priorities Study* (2006), jointly commissioned by the Department of the Environment, Heritage and Local Government and Forfás, identified both short-term and long-term investment priorities for each of the Gateways.

### **Scope and objectives of the GIF**

The GIF is an incentive to stimulate and reward joined-up strategies and action at Gateway level by helping to fund targeted strategic projects that can trigger the accelerated development of the Gateways and their wider regions.

Investment under the GIF will be additional to the significant funds already available under the NDP sectoral investment programmes and will complement committed investments under the NDP and address areas where mechanisms to support Gateway development are either not readily apparent or where funding levels available would not result in the required pace of development or progress in the Gateway concerned. Therefore, any proposal for GIF funding must be consistent with and complement other

NDP-funded infrastructural investments in the Gateway and be broadly consistent with stated planning policy at national, regional, sub-regional and local levels. In this context, appropriate consultation should be undertaken by each Lead Gateway Authority with their relevant Regional Authority and Regional Assembly during the preparation of their proposal.

Additionally, the Fund is designed to stimulate a collaborative and co-operative approach at local and regional level in the pursuit of ambitious Gateway development objectives and to encourage strong private sector participation in the achievement of those objectives.

The GIF will operate with an Exchequer provision of €300 million over three years 2008-2010. Proposals will need to be of high quality with demonstrable prospects for success and substantial delivery during the period 2008 to 2010. It should also be noted that in the light of the number of Gateways eligible to apply for funding, it is probable that only some of the Gateways will be successful.

The GIF provides capital funding only. Any future current or operational costs related to proposals must be met from existing or realistically projected local resources and/or revenues.

### **Project Types**

Indicative examples of project types that bid proposals may include (but are not restricted to):

- ◆ Investment designed to leverage wider development of residential, commercial and industrial activities, particularly key strategic sites;
- ◆ Projects to strengthen linkages within Gateways and between Gateways and their wider hinterlands;
- ◆ Major city or town centre pedestrianisation schemes; enhancement of public open spaces, recreational amenities and cultural facilities; and/or
- ◆ Green transport initiatives designed to encourage significant modal shift from the private car towards public transport, cycling and walking.

While proposals under the GIF may consist of a single large-scale project, proposals under the GIF may also consist of a package of complementary and integrated projects (maximum of 4 projects per proposal with a minimum value per project of €5m) which are of a sufficient scale to stimulate Gateway development.

For the successful operation of the GIF, it will be vital that:

- ◆ Proposals have a demonstrable capacity to unlock substantial potential for development;
- ◆ Proposals are designed as a highly integrated and complementary package;
- ◆ Funding proposals are designed on the basis of agreement amongst all the relevant local authorities in the Gateway, as endorsed by the Managers of those authorities;
- ◆ There is a dynamic role for matching private investment;
- ◆ There is a high degree of fit with national, regional and local policies (e.g. Gateway development strategies); and
- ◆ Proposals must comply, as appropriate, with the Department of Finance Capital Appraisal Guidelines and Value for Money requirements.

Gateway authorities must be fully committed to the improvements proposed in terms of Gateway development and co-ordination, and to sustaining those improvements after GIF funding has ended.

Without seeking to unduly limit selection of projects by the Gateway authorities, the following sources may be helpful in identifying key investment priorities<sup>1</sup>:

- ◆ National Development Plan 2007-2013 - Chapter 3 - *Regional Development*;
- ◆ Joint DEHLG/Forfás report on Gateway Investment Priorities (2006);
- ◆ Atlantic Gateways Report (2006);
- ◆ Regional Planning Guidelines (2004);
- ◆ Existing Gateways land use/transportation frameworks; and
- ◆ Current Gateway city/county development plans.

### **Evaluation and Assessment**

The evaluation of proposals and allocation of funding will be based on six criteria. These criteria, listed below, are set out in more detail in Appendix 1 along with their weightings for the assessment process. Further information and explanations on the Capital Appraisal Guidelines and matching funding are also provided in this document.

- ◆ Gateway Strategy: The proposal will have to demonstrate how it will aid the delivery of the vision for the Gateway and enhance its development on a sustainable basis.
- ◆ Funding Proposal and Value for Money: All proposals will have to demonstrate compliance with the Department of Finance Capital Appraisal Guidelines and VFM requirements. It should be noted that the requirement for matching funding of at least 20% is a pre-requisite.

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<sup>1</sup> The majority of these are available to download/view on the internet

- ◆ **Collaboration:** Lead Authorities will be required to demonstrate that GIF proposals have been developed with the active participation and agreement of each of the local authorities in each Gateway and that delivery of the proposal(s) will be effectively integrated within wider Gateway development and co-ordination structures such as those recommended in Section 5 of the *Gateway Investment Priorities* report. In the case of the Gateways of Letterkenny-Derry and Dundalk, GIF proposals should be developed in co-operation with relevant local authorities and Government Departments in Northern Ireland and in a manner that will support cross-border co-operation.
  
- ◆ **Innovation:** Proposals will be assessed by reference to the opportunities for coherence and synergy between GIF proposals, other mainstream NDP funding measures, other local authority investments and activities and in their capacity to leverage significant private sector investment in the Gateway and its wider region.
  
- ◆ **Strategic Fit:** Proposals must demonstrate a high degree of fit with stated national, regional and local plans, strategies and other guidance documents relevant to gateway development such as the NDP, NSS, Regional Planning Guidelines, statutory Development Plans and other development frameworks.
  
- ◆ **Delivery:** Proposals will be required to set out information on their project management arrangements including milestones, targets, deadlines and outcomes. A detailed risk analysis covering potential pitfalls, delays or impediments must also be submitted.

### ***Matching Funding***

As noted above, the provision of matching funding of at least 20% (and preferably more) of the cost of GIF proposals is a prerequisite of all proposals.

Matching funding may take the form of:

- ◆ Direct local authority investment;
- ◆ Private investment;
- ◆ Development contributions.

Consideration may also be given to the incorporation of monetarised value of assets (e.g. local authority lands) within GIF proposals, where appropriate and justified.

### ***Project Appraisal***

Projects must be appraised in accordance with best practice embodied in the Department of Finance's *Guidelines for the Appraisal and Management of Capital Expenditure Proposals in the Public Sector* published in February 2005, as amended by

Department of Finance Public Procurement and Capital Appraisal Circular Letter of 25 January 2006. These should be consulted for further information.

For projects costing over €5m, it is necessary to complete both a Preliminary and a Detailed Appraisal. The Preliminary Appraisal determines if a project justifies more detailed consideration. The Detailed Appraisal builds on the Preliminary Appraisal to determine if a project should go to the planning and implementation stages. The type of Detailed Appraisal required depends on the scale of the project as follows:

- ♦ projects costing between €5m and €30m – Multi Criteria Analysis (MCA);
- ♦ projects costing over €30m – Cost Benefit Analysis (CBA).

These thresholds apply to the cost of individual projects, not to the aggregated cost of a group of projects making up an application. For example, if the aggregated cost of a group of projects making up an application is over €30m, but each individual project costs less than €30m, a CBA is not required. However, if a single project costs over €30m, a CBA of that project is required.

It is the responsibility of the project's Sponsoring Agency to demonstrate completion<sup>2</sup> of project appraisals in the prescribed format. Rigorous appraisal, completed in accordance with the best practice set out in the Guidelines, will ensure that only the best projects are put forward in applications for funding under the GIF, thus enhancing the chances of the application being successful. The Guidelines and the Public Procurement and Capital Appraisal Circular Letter of 25 January 2006 are available to view/download on the Department of Finance website - [www.finance.gov.ie](http://www.finance.gov.ie)

Further advice on the application of the Guidelines is available from the Central Expenditure Evaluation Unit of the Department of Finance (Contact details available on the NSS website).

### **GIF Management Committee**

A GIF Management Committee will be established with representatives from the Departments of the Environment, Heritage and Local Government and Finance to oversee the operation of the GIF. Other Departments and Agencies may be consulted as necessary. The GIF Management Committee will report and make recommendations on projects to be funded to the Minister for the Environment, Heritage and Local

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<sup>2</sup> It should be noted that, under Section 8 of the National Development Finance Act, 2002 and the relevant guidelines issued by the Minister for Finance, projects in excess of €20m must be referred to the National Development Finance Agency for advice on optimum financing. The Dept. of Finance Capital Appraisal Guidelines also states that Sponsoring Agencies must consider the option of PPP procurement for projects over €20m.

Government and the Minister for Finance who will then jointly bring recommendations to Government.

### **Timeframes**

Following the issuing of the call for funding proposals on Wednesday, 6 June 2007, Lead Gateway Authorities will be required to submit their final proposals to the Department by **3pm** on **Thursday, 15 November 2007** at the latest (i.e. allowing 23 weeks). At this point, all supporting documentation including any Multi-Criteria Analysis or Cost Benefit Analysis must accompany the final bid submission. It is envisaged that the evaluation and decision-making process will be completed in early 2008.

### **Format of proposal**

Lead Authorities are requested to make a single proposal for GIF funding over its three-year operational period and such proposals must be signed by the Manager of the Lead Authority on behalf of all the Local Authorities within the Gateway.

The format of GIF proposals should follow the assessment framework and criteria template outlined at Appendix 1 and shall not exceed 20 pages in length<sup>3</sup>. Ten full copies will be required, and a soft copy of the proposal (i.e. on CD) can also be submitted.

### **Monitoring**

In terms of project management, successful implementation of the GIF will be based on effective partnership between Central Government operating the GIF and the Lead Authorities, which will deliver approved proposals on behalf of all the local authorities in each Gateway. Progress reports will be required to be submitted every six months to the GIF Management Committee by the Project Manager on behalf of the Gateway Lead Authority project team. Payments from the GIF will be linked to the achievement of key project milestones and on the basis of expenditure already incurred. A reporting template will be drawn up by the Management Committee to assist the reporting process. You should also note the monitoring and review procedures set out in the Capital Appraisal Guidelines.

### **Queries and clarifications**

The Spatial Policy Section in the Department will accept queries from all authorities for a period of four weeks after the call is issued i.e. to [Appropriate date to be inserted]. All queries and responses will be dealt with via a publicly accessible page on the NSS website – [www.irishspatialstrategy.ie](http://www.irishspatialstrategy.ie)

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<sup>3</sup> Excluding supporting technical appendices e.g. financial appraisals etc.

Please send any queries you have to [gif@environ.ie](mailto:gif@environ.ie).

### **Contact points**

Each Lead Local Authority is required to identify a project manager who will:

- ◆ co-ordinate and assemble the GIF funding proposal under the GIF;
- ◆ drive the implementation at Gateway level, including the leadership of a wider pan-local authority implementation team; and
- ◆ act as the Department's contact point for the project monitoring and reporting arrangements.

The contact details of the project manager should be forwarded to the Department as soon as he/she is appointed.

The Department will also arrange for the contact personnel and details within the key Departments to be inserted onto the GIF page on the NSS website.

## Appendix 1: GIF Proposal Template and Assessment Framework

<i>Marking Criteria</i>	<i>Marks (Out of 300)</i>
<p><b>1. Gateway Strategy</b></p> <ul style="list-style-type: none"> <li>◆ The vision for the Gateway to 2020.</li> <li>◆ Assessment of the key strengths and weaknesses of the Gateway.</li> <li>◆ Summary of the GIF proposal including project description, cost and location.</li> <li>◆ How the GIF proposal will support delivery of the Gateway vision and <u>demonstrably</u> enhance the critical mass, economic and social development of the Gateway and its wider region, on a sustainable basis.</li> </ul>	<b>50</b>
<p><b>2. Funding Proposal and Value for Money</b></p> <ul style="list-style-type: none"> <li>◆ Detailed description of the proposal including detailed costings and the appraisal required under Department of Finance Capital Appraisal Guidelines.</li> <li>◆ Extent and source of matching funds (Note: 20% minimum is an absolute requirement).</li> <li>◆ Synergy between projects within overall GIF submission and wider NDP, local authority and private sector investment.</li> <li>◆ Proposed annual expenditure account over the life of the GIF proposal.</li> </ul>	<b>50</b>
<p><b>3. Collaboration:</b></p> <ul style="list-style-type: none"> <li>◆ Details of the principal partners in delivering the GIF proposal.</li> <li>◆ Information on the mechanisms used to secure as broad a consensus as possible in developing the GIF proposal.</li> <li>◆ Description of the wider institutional arrangements in place to secure strategic planning and co-ordination of Gateway development.</li> <li>◆ The relationship between implementation of the GIF proposal and wider arrangements outlined above.</li> </ul>	<b>65</b>
<p><b>4. Innovation:</b></p> <ul style="list-style-type: none"> <li>◆ The degree to which the GIF will provide a new and innovative stimulus to Gateway development e.g. establish new partnerships between public agencies and the private sector in accelerating the economic and social development of the Gateway and how such stimulus will be maintained.</li> </ul>	<b>50</b>
<p><b>5. Strategic fit:</b></p> <ul style="list-style-type: none"> <li>◆ Degree of fit with NSS / RPG objectives, and other national policies.</li> <li>◆ Evidence of existing development consents/mechanisms to be put in place to secure any necessary development consents.</li> </ul>	<b>35</b>
<p><b>6. Delivery:</b></p> <ul style="list-style-type: none"> <li>◆ Timeframe for delivery including project management arrangements including proposed project milestones, targets and outcomes.</li> <li>◆ Details of overall project management arrangements (i.e. steering group representing key stakeholders) and nominated project manager.</li> <li>◆ Risk analysis of the GIF proposal including potential project pitfalls, delays or other impediments to delivery of the proposal within the stated budget and timescale.</li> <li>◆ Statement of what the lead authority and its partners will have achieved upon the completion of the GIF proposal.</li> </ul>	<b>50</b>