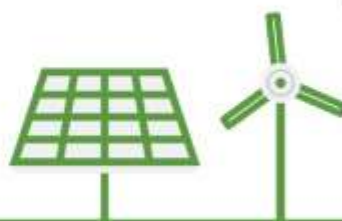


GREBE

Generating Renewable Energy
Business Enterprise



Entrepreneur Enabler Scheme – ‘Lessons Learned’ Report

August 2018



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The GREBE Project

What is GREBE?

GREBE (Generating Renewable Energy Business Enterprise) is a €1.77m, 3-year (2015-2018) transnational project to support the renewable energy sector. It is co-funded by the EU's Northern Periphery & Arctic (NPA) Programme. It focuses on the challenges of peripheral and arctic regions as places for doing business, and helps develop renewable energy business opportunities in areas with extreme conditions.

The project partnership includes the eight partners from six countries, Western Development Commission (Ireland), Action Renewables (Northern Ireland), Fermanagh & Omagh District Council (Northern Ireland), Environmental Research Institute (Scotland), LUKE (Finland), Karelia University of Applied Sciences (Finland), Narvik Science Park (Norway) and Innovation Iceland (Iceland).

Why is GREBE happening?

Renewable Energy entrepreneurs working in the NPA area face challenges including a lack of critical mass, dispersed settlements, poor accessibility, vulnerability to climate change effects and limited networking opportunities.

GREBE will equip SMEs and start-ups with the skills and confidence to overcome these challenges and use place based natural assets for RE to best sustainable effect. The renewable energy sector contributes to sustainable regional and rural development and has potential for growth.

What does GREBE do?

GREBE supports renewable energy start-ups and SMEs:

- To grow their business, to provide local jobs, and meet energy demands of local communities.
- By supporting diversification of the technological capacity of SMEs and start-ups so that they can exploit the natural conditions of their locations.
- By providing RE tailored, expert guidance and mentoring to give SMEs and start-ups the knowledge and expertise to grow and expand their businesses.
- By providing a platform for transnational sharing of knowledge to demonstrate the full potential of the RE sector by showcasing innovations on RE technology and strengthening accessibility to expertise and business support available locally and in other NPA regions.
- To connect with other renewable energy businesses to develop new opportunities locally, regionally and transnationally through the Virtual Energy Ideas Hub.
- By conducting research on the processes operating in the sector to improve understanding of the sector's needs and make the case for public policy to support the sector.

For more information, visit our website:

<http://grebeproject.eu/>

Follow our Blog:

<https://greberenewableenergyblog.wordpress.com/>

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Follow us on Twitter:

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The GREBE Entrepreneur Enabler Scheme

The GREBE project was established to address the challenges which entrepreneurs face in doing business in peripheral and arctic areas, and specifically to assist businesses in the Renewable Energy sector. It will do this by analysis of advanced RE options, provision of expert business mentoring, examining and establishing transnational models of successful growth strategies, analysing policies and provision of funding mechanisms and the support agencies available to SMEs.

Amongst the challenges that are faced by SMEs in the sector are:

- Lack of critical mass
- Dispersed settlements
- Poor accessibility
- Vulnerability to climate change effects

The project aims to enable SMEs and start-up businesses to overcome these challenges and address the issues which present barriers to growth and to use place-based natural assets to the best sustainable effect.

In addition to this the GREBE project will enable local SMEs in each region to achieve business growth, provide additional employment opportunities and address the energy needs of their respective local communities. The provision of expert mentoring support will extend to supporting business growth, and providing a range of skills enhancement opportunities to encourage working in this sector in addition to the provision of appropriate Renewable Energy tailored guidance so that the entrepreneurs are supported and provided with the tools to succeed in the sector.

The support will also extend to include the transnational sharing of knowledge through an on-line platform which will showcase innovations in RE technology and enhance accessibility of expertise and support both locally and in other NPA regions.

Specifically within the GREBE project, it has been agreed that as a minimum requirement the partners will provide the Entrepreneur Enabler Scheme to 45 businesses:

- Fermanagh and Omagh District Council (Northern Ireland) 12
- Western Development Commission (Ireland) 10

- Environmental Research Institute (Scotland) 5
- Karelia University of Applied Sciences (Finland) 3
- Narvik Science Park (Norway) 10
- Innovation Centre Iceland (Iceland) 5

Lessons Learned

The project has delivered many benefits to the participants and these are examined in detail through the individual support packages that were implemented for the individual businesses. These have been collated and as they contain commercially sensitive information for each business, they are held confidentially and shared only with the participants, project partners and NPA. It is useful to extract a number of lessons learned from this project in the context of the Entrepreneur Enabler Scheme.

Procurement

We have learned that the approach to mentoring taken across the various regions of the project have been diverse. In order to attain a degree of uniformity within the project, it was necessary to develop a common understanding so that comparisons could be made as well as meet funder requirements. Given that the partner in the EES pilot, Fermanagh & Omagh District Council (FODC) operates in a publicly funded context at all times, there are extremely clearly defined parameters for procurement, accountability and prudence.

These procedures dictate a level of detail that may not always be familiar to other organisations but which always meet and often exceed the procedures laid down by the other funders. Given that all partners in the GREBE project were administering public money, the adherence to the strict financial procedures around procurement was of paramount importance. FODC were charged with implementing the pilot of the EES and then assisting the other partners to rollout their commitments in the various other regions.

Whilst we established the procurement procedures for the EES, these were identified as the 'gold standard' and were implemented as appropriate in the other regions. It has been instructive to

observe the range of definitions and approaches taken to 'mentoring', and challenging to bring a level of consistency to the project.

At our summative event held in Thurso in Scotland in May 2018, a number of organisations who had benefitted from involvement in the project were given the opportunity to speak about their involvement. This proved to be extremely informative and without exception, it indicated that the benefits of mentoring which had been envisaged had been delivered. It is undoubtedly an indicator of the quality of mentoring that was available through the programme and this success can be linked to the efficacy of the procurement processes undertaken.



Diane Robinson of Moffitt and Robinson speaking at the Energy Conference in Thurso, Scotland June 2018



Chief Executive Terry Stebbings of Proterra speaking at the Energy Conference in Thurso, Scotland June 2018

Time Frames

It is always a difficulty in managing mentoring relationships to bring an acceptable timeframe to bear on the conclusion of the relationship. Clearly in terms of a time bound project such as GREBE, the mind has to be focussed in order to achieve closure in this regard. As stated previously this requires a watching brief to be held by the manager of the process to ensure that slippage is minimised. There were also concerns expressed that the time limits of the project were too short.

A total of twelve sessions were made available to all participating businesses and this was deemed to be a very limited window of mentoring. It was also noted that often the first session was in essence used as an introductory session and that this reduced the time available to the business and mentor to begin the process.

It is perhaps indicative of the need for suitably detailed sharing of information between the mentor and the project co-ordinator, to set up the first meeting. However, there may also be a cultural difference across the regions, with a relaxed approach to the initial meeting being a cultural

indicator in the pilot region that might not be replicated across the other regions. It is the cultural norm within the pilot region, that some time is spent at the beginning of any meeting to establish common ground.

Difficulties

Renewable Heat Incentive (RHI) in Northern Ireland

It would be impossible to examine work undertaken in the context of the Renewable Energy sector in the timeframe of this project and not mention the RHI, and the fallout from the implementation and difficulties experienced with this initiative in Northern Ireland. Set up in 2012 and managed by the then Department of Trade and Investment (DETI), the scheme was designed to encourage businesses and non-domestic properties to use renewable heat sources.

This was incentivised through generous subsidies to encourage take-up. There were targets established through the Programme for Government (PfG) in Northern Ireland and a budget allocated to the programme. There was a significant underspend - £15M in 2014-15, however, when changes to the provision were announced, there appeared to be a surge in applications to beat the deadline for the proposed changes. Eventually the scheme closed in February 2016 with fears about the financial implications of leaving it unchanged being cited as the reason for the changes.

The scheme had been subject to a number of concerns about abuse, raised initially in 2013 and again in 2014 by a 'whistle-blower'. These claims were apparently not given credence by those who investigated them. It appears that weaknesses in the system permitted the heating of properties which had previously not been heated, which could now be heated and avail of the generous subsidy. On a macro scale, government sources estimated the projected costs of continuing to fund the scheme at the rates contracted, and given the magnitude of the projections, questions were asked about how these commitments would be met.

Given this as the backdrop to the project which ran from September 2015 – August 2018, the fallout from the alterations to the scheme were felt sharply by many of the participants in GREBE. Businesses involved in GREBE spanned those who were engaged in installations of boilers right

through to those who had boilers installed and were impacted on through the alterations to the scheme.

Initial concerns within the project were that the alterations to the scheme would essentially drive those businesses adversely affected by the changes to the project in an attempt to forestall negative impacts on their business models. We feared that the project would be seen as some kind of lifeboat for businesses whose operating climate had altered and that they would essentially try to use the project to identify other avenues of business. For this to have happened would have weakened the potential of the project to promote Renewable Energy.

Whilst some businesses were in this category – to some extent – it was not as big a problem as it might have been. However, it cannot be denied that the cause of promoting Renewable Energy has been damaged in Northern Ireland – and perhaps beyond, by the on-going difficulties that are being uncovered as a result of RHI.

Policy vacuum

Another consequence of the RHI debacle, whether attributed as a direct consequence of the problems with the RHI, has been the collapse of the Stormont Executive in Northern Ireland. This happened in January 2017. This fact has impinged upon the capacity for any active policy initiatives to maintain focus on any positive aspects of renewables.

Whilst the policy aspects of the Renewable Energy sector form a key focus of one of the work packages of the GREBE project, it must be recognised that this has had a very real impact on the businesses within the sector in Northern Ireland. The extensive and strong focus on negative aspects of renewable energy has ensured that there is a strong reticence to address the needs of the sector.

BREXIT

Again within the period of this project, the United Kingdom voted to leave the European Union – styled as Brexit. Many Renewable Energy targets were driven by European Union regulations. It

appears that the commitment to these targets will remain under the current government, so it is hoped that this remains the case as we move forward in somewhat indefinite waters.

Businesses chosen

Fermanagh and Omagh District Council whilst covering the largest geographical area of all the Council areas, also has the smallest percentage of the population of all the Northern Ireland council areas, and the smallest percentage of NI jobs. Bearing this in mind, it was always going to be a challenge to recruit 12 businesses to take part in the project. Ultimately, we had 15 applications for the 12 places in GREBE.

We therefore ended up with sufficient numbers, and in retrospect, the three who were unsuccessful in gaining a place on the project, were all rejected on the basis of unsuitability for the project. As the FODC provides general support to businesses within the region, they were offered support outside of the project should this be of interest to them. We believe that the project could have had a more positive impact on the FODC region, if we could have had a wider selection of businesses.

However, given a number of the other factors mentioned above, the political and economic climate made for a less than ideal backdrop to this project. Generally, in other regions, the identification of businesses did not seem to be a problem. Perhaps this reflects each region's specific commitment to Renewable Energy and in fact highlights the poorly defined policy imperatives of the Northern Ireland government to the sector, and therefore its lack of capacity as an economic driver.



GREBE

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Project Partners

GREBE will be operated by eight partner organisations across six regions:



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