

# **A comparison of early-stage state supports for the indigenous tech sector in Ireland and Northern Ireland**

December 2025

Commissioned by



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# Key points

- The two financial support ecosystems are constructed in a similar fashion and consist of similar type interventions in support of start-up and scaling tech sector companies and entrepreneurs.
- Each deploys a mixture of measures to support early stage investment including grants for ideation and for specific purposes like employment and research. Each seeks to support the commercialisation of research at third level institutions. Each seeks to use public money to leverage and incentivise private sector involvement. Each uses a suite of tax measures to support early stage start-ups by way of incentivising private investment, offering tax relief in respect of research and development, capital gains tax relief for successful entrepreneurs/founders/investors and tax relief for employee share ownership schemes that incentivise and reward staff members of early stage start-ups.
- Ireland enjoys a significant advantage in terms of scale over its Northern Ireland counterpart, an advantage perhaps even greater than the relative size of their respective economies. There is widespread acceptance that the Irish market and ecosystem is at a more mature stage than that of Northern Ireland. Figures from TechIreland suggest that the investment level in Ireland may be as much as ten times that in Northern Ireland.
- Northern Ireland enjoys the benefits of the UK tax system which in some important aspects confers it with an advantage over its Irish counterpart although convergence is taking place. Despite the recent increase in UK capital gains tax, Northern Ireland continues to enjoy an advantage in that regard. The UK enterprise investment schemes are more highly regarded than the equivalent Irish schemes.
- The Irish ecosystem is more geographically diverse and benefits from a strong regional focus. While both systems have capital cities with strong ecosystems, by virtue of the greater regionalisation of the Irish third level sector, it has a greater regional reach than its Northern Ireland counterpart.
- The two ecosystems operate largely in isolation from each other though there are some growing indications of co-operation. InterTradelreland plays a vital role in supporting SME funding applications, and also by supporting a range of organisations in the ecosystem with an all-island focus.
- In our conversations, there was an openness to greater co-operation and the development of an all-island integrated ecosystem which would allow Irish companies additional funding leverage and increase the attractiveness of companies on the island to international investors. It was accepted that the implementation of a more integrated ecosystem would take time and that there would be obstacles to address.
- It was suggested by some that this openness could extend to allowing financial incentives, most likely direct funding, to operate on a cross border basis. It was felt that there is scope, at a minimum, for a more integrated marketing approach involving companies from Ireland and Northern Ireland. This could align with the Programme for Government in Ireland and its stated support for an all-island ecosystem. The potential merit of this idea and the extent to which it could benefit Irish companies might be a worthwhile subject for further assessment or study by the Shared Island/ ESRI economic unit.

- The commitment in the Programme for Government in Ireland to develop an all-Island innovation and entrepreneurial ecosystem may afford further impetus to developing cross border and all-island co-operation.
- We believe, as outlined in our *Recommendations* and *Next steps*, that additional data collection on both ecosystems is central to understanding the challenges faced by the sector.
- To support the development of a more integrated an-island ecosystem, the state agencies should initiate a forum with stakeholders on an annual or twice yearly basis. A joint funding initiative for companies in Ireland and Northern Ireland under the Shared Island initiative should also be explored.

# The project

Under the auspices of its clustering and network programme, Synergy, InterTradeIreland supported Scale Ireland and QUBIS to prepare a report on the comparative ecosystems (particularly with reference to financial supports available for early stage companies) supporting indigenous tech start-ups and scaling companies in Ireland and Northern Ireland.

Synergy is InterTradeIreland's cross-border cluster and networking initiative that aims to scale cross border collaboration among SMEs and other ecosystem players such as universities, third sector organisations, government agencies and multinationals using cluster and networking supports.

Given the nature of the high tech start-up sector, its requirement for high levels of pre-trading investment in many cases and its inherent need to address international problems, it is an obvious case study for the Synergy Programme. The increasing geo-political uncertainty has reinforced an existing view in Ireland and Northern Ireland of the importance of scaling indigenous companies capable of exporting and competing internationally. The potential of the tech sector to contribute to addressing many social problems, such as climate tech and innovations in the life sciences and health areas constitutes a further impetus in this regard.

For these reasons there has been growing interest in greater all-island innovation and tech sector co-operation between Ireland and Northern Ireland. Economic co-operation, for example, at local council level is well established and there are also initiatives specifically in the tech sector.

## Some examples include:

- InterTradeIreland understandably has a long track record of interest in the sector and has produced a number of reports on early stage collaboration across borders on innovation issues<sup>1</sup>, and the potential for a shared approach to technology transfer and engineering a knowledge island.<sup>2</sup> It also supports all-island data gathering through TechIreland.
- The Fintech Corridor<sup>3</sup> organisation, for example, seeks to encourage and develop fintech companies along the Dublin and Belfast corridor.
- Enterprise Ireland and Invest Northern Ireland, alongside the IDA, recently led the first all-island trade mission to Singapore to participate in a regional tech festival.<sup>4</sup>
- Local authorities and universities on both sides of the border have also come together to promote the Dublin Belfast Economic Corridor to promote economic co-operation between the two cities.<sup>5</sup>
- The establishment of a Shared Ireland Enterprise Scheme by the Irish Government and particularly the inclusion of an initiative to foster female entrepreneurship on an all-island basis<sup>6</sup> as part of a wider announcement of Shared Ireland measures to the value of €800m.<sup>7</sup> The recent Programme for Government in Ireland commits an additional €1 billion of funding out to 2035.<sup>8</sup>
- InterTradeIreland, Enterprise Ireland and Invest Northern Ireland recently collaborated to bring the TCI Global Conference to Dublin.<sup>9</sup>

1 <https://research.intertradeireland.com/regions-and-innovation-collaborating-across-borders>

2 <https://research.intertradeireland.com/engineering-a-knowledge-island-2020-full-report>

3 The Fintech Corridor - <https://thefintechcorridor.com/>

4 <https://www.enterprise-ireland.com/en/news/trade-mission-to-singapore-fintech-festival>

5 Dublin Belfast Economic Corridor - <https://www.dbec.info/>

6 Shared Ireland Enterprise Scheme - <https://intertradeireland.com/news/collaboration-at-the-fore-of-30m-share>

7 Department of An Taoiseach February 2024 - <https://www.gov.ie/en/press-release/2c23e-unprecedented-funding-of-over-800m-for-shared-island-investment-priorities-including-a5-road/>

8 Securing our Future, Programme for Government, P. 142. - <https://www.gov.ie/en/department-of-the-taoiseach/publications/programme-for-government-2025-securing-irelands-future/>

9 <https://www.tci-network.org/news/island-of-ireland-to-host-global-gathering-of-innovation-powerhouses/>

In discussions with stakeholders and ecosystem participants, there is a strong view that enhancing ecosystem co-operation is in the interests of both the sector and individual companies, and would help attract additional international investment. All parties agreed on the importance (to both Ireland and Northern Ireland) of the UK's prominence in the European wide ecosystem and of London, in particular, as a critical source of capital investment.

## Project definition

The primary aim of this report is to map and evaluate the financial support ecosystem as it applies to a particular cohort of the broader SME sector, the high tech start-up and scaling community. While companies in this sector are either micro-companies or SMEs, they differ from the wider SME sector in a number of ways.

- These companies are typically innovation driven enterprises (IDEs), often requiring significant upfront investment before trading. This longer path to revenue is perhaps the key distinguishing feature between this company type and standard SMEs. We have not included initiatives to support digitalisation of existing SMEs and public sector organisations.<sup>10</sup>
- They are inherently risky and suffer a high fatality rate requiring a different source of funding than is the case for many standard SMEs. While bootstrapping (developing the business based on sales revenue) does occur, it is rare. These company types are largely financed by development agencies and the support of family and friends in the early stages, and by venture capital investment for scaling.
- They are almost entirely export focussed, seeking to find solutions to international market opportunities and challenges.

In both Ireland and Northern Ireland the importance of this sector as a complimentary balance to the FDI tech sector has been recognised by the respective administrations. The UK is recognised as a world leader in this area.

As a result, a series of market interventions and supports are in place to encourage and foster the sector's development. In recent years attempts are being made to develop solutions for the sector specifically, in addition to more general assistance to the wider SME community. Again the UK was an early leader in this regard.

These interventions take the form of direct grant supports, both general financial support and purpose specific grants. Many are available via the wider supports available to micro and SME companies, others are specifically targeted at the tech sector.

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<sup>10</sup> An example of work of this kind are the 4 European Digital Innovation Hubs - <https://enterprise.gov.ie/en/what-we-do/innovation-research-development/european-digital-innovation-hubs/>



# Key aims of project

- Identify these supports as they apply in Ireland and Northern Ireland. We have deliberately sought to identify the supports we believe are of most relevance to this sector. To attempt to address the full range of SME supports would dilute the focus on the tech start-up ecosystem;
- Categorise the supports on a like by like basis as they are offered in Ireland and Northern Ireland, and examine the complementary strengths and weaknesses of each;
- Determine whether either ecosystem enjoys a significant scaling advantage over the other; and,
- Make recommendations about possible collaborative opportunities to strengthen both ecosystems from an all-island perspective.



# Project partners: InterTradelreland, Scale Ireland & QUBIS

## InterTradelreland

This is a shared project undertaken by Scale Ireland and the Queen's University Business commercialisation arm, QUBIS, commissioned and supported by InterTradelreland. As InterTradelreland is a significant driver of co-operation in this space, we have included its initiatives where appropriate.

InterTradelreland connects and helps businesses across the island to trade cross-border, and to collaborate, innovate and attract investment. It has directly assisted more than 60,000 businesses, while thousands more SMEs have benefitted from its specialist advice. It has generated more than €1.95bn / £1.7 billion in business development value.

Established under Strand 2 of the Belfast Good Friday Agreement, InterTradelreland's approach is 'value through collaboration'. Across the island there are many shared policy priorities and economic opportunities that can best be addressed by maximising collaboration. Funded by both the Department of Enterprise, Tourism and Employment and the Department for the Economy, InterTradelreland is uniquely positioned to accelerate economic growth across the island.

## Scale Ireland

Scale Ireland is the independent not-for-profit representative organisation for Irish tech start-up and scaling companies. Founded in late 2019, Scale Ireland has over 800 members of all stages, sizes and sectors in the tech start-up community. Its key mission is to make Ireland a leading location for innovation and entrepreneurship. Scale Ireland hosts a number of key events for its members and stakeholders including the Regional Start-up Summit which was launched by the current and previous Ministers for Enterprise in Limerick in 2024, and in Athlone 2025, and by the current and previous Taoisigh in Galway and Cork in 2023 and 2022.

Scale Ireland also hosts an annual International Women's Day event with leading female founders supported by InterTradelreland, Enterprise Ireland, Stripe and Deloitte. Scale Ireland also conducts an annual *State of Start-up Survey* on key issues, with 235 CEOs/founders taking part in 2025 - making it the biggest of its kind for the Irish tech sector. Scale Ireland also advocates for the sector and conducts research and submissions. The organisation is an active member of the global and EU start-up representative networks.

## QUBIS

QUBIS Ltd is the commercialisation arm of Queen's University Belfast, located in Northern Ireland. Established in 1984, QUBIS plays a pivotal role in fostering innovation and entrepreneurship by supporting the development and scaling of spin-out companies based on the university's cutting-edge research. It has a strong track record of nurturing successful businesses across sectors such as technology, life sciences, and engineering.

The organisation provides a range of services, including funding, business mentorship, and access to extensive networks. With a focus on high-growth potential ventures, QUBIS has helped position Northern Ireland as a hub for innovation and research-driven enterprise on the global stage. Although most of QUBIS investments are made off balance sheet, QUBIS also operates the QUBIS Innovation Fund (managed by Sapphire Capital), an SEIS & EIS fund, aimed specifically at university spin-out companies.

# Features of start-up ecosystems

What is a start-up ecosystem? An ecosystem is the broad environment in which start-up and scaling companies operate including the companies themselves, financial supports, service providers and the broader policy environments. It can be regional or national or pan-national. An early, but comprehensive German study describes 12 policy supports typically available to promote companies within start-up ecosystems.<sup>11</sup>

These include:

- Direct financial support
- Loans and guarantees
- Provision of venture capital
- Tax rebates
- Legal and management advice
- Infrastructure (hubs etc.)
- Marketing support
- Support for angel networks
- Awards and competitions
- Public awareness activity
- University supports
- Entrepreneurship training

All of these areas feature in the range of supports offered by Ireland and Northern Ireland. While every sector has its own characteristics, and always exists in a broader business policy environment which can influence effectiveness, this suite of policy instruments continues to define contemporary ecosystems.

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<sup>11</sup> Start-up promotion instruments in OECD countries and their application in developing countries - study conducted for the German Federal Ministry for Economic Co-operation and Development - <https://www.enterprise-development.org/wp-content/uploads/giz2012-en-start-up-promotion-instruments.pdf>

# The early stage high tech sector

All start-ups are SMEs but not all SMEs are start-ups. start-up and scaling companies represent a cohort of companies within the wider SME company cohort but are recognised as being a distinct SME type. SME policy and entrepreneurship policy are frequently discussed in tandem.<sup>12</sup> Academic research, like that undertaken by Fiona Murray and colleagues at MIT, has sought to illustrate the difference not just between traditional SMEs and Innovation Driven Enterprise start-ups, important though they are, but also the complexity of company type within those two categories. While the analysis was undertaken in the aftermath of the Covid pandemic, it emphasises the need for policy initiatives appropriate to company and sector categories.<sup>13</sup>

Investopedia defines a start-up as follows - *"the term "start-up" refers to a company in the early stages of its operations. Start-ups are founded by one or more entrepreneurs who want to develop a product or service for which they believe there is demand. These companies generally launch with high costs and limited revenue, which is why they look for capital from a variety of sources such as angel investors and venture capitalists. Start-ups typically require several years to make a profit, so significant, high-risk investments typically are needed to get one off the ground."*<sup>14</sup>

The term is not sector specific. For example, the indigenous tech sector includes companies seeking to apply technological solutions to solve business or social problems. Therefore it has many variants. Climate tech refers to companies seeking solutions to mitigate or adapt to the climate crisis. MedTech involves solutions to common and complex medical problems. The sector also comprises companies developing and selling solutions in the areas of human resources, business processes and supply chain management. Start-ups can be B2B, B2C or B2B2C.

The origin of companies is similarly diverse. Companies can be spin-outs from the third level sector, seeking to develop commercial and practical opportunities from a particular piece of research. Alternatively, companies can spin-out from other businesses or be founded by experienced professionals who see a solution to a problem that they have experienced in their working environment. In summary, the source of early stage start-ups is wide ranging and diverse as are the entrepreneurs that found them.

Writing in The Currency, the tech journalist and senior marketing leader in the tech sector, John Collins, puts it well.

"Definitions vary but we all know a start-up when we see one. They sell technology in some form or their business model is heavily dependent on technology. They are designed to grow fast and capture market share by bringing some kind of disruptive innovation to the market. The focus on innovation and rapid growth means that they have to rely on external funding if they are going to successfully grab market share before a competitor or the incumbent in the space."

Some legal attempts have been made to differentiate start-ups from the broader SME cohort. The Irish Finance Act 2024, for example, contains a device, inserted to afford tax angels investing in high risk start-ups a lower rate of capital gains tax upon disposal of their assets. The Act empowers the Revenue Commissioners to issue Certificates of Commercial Innovation to companies for the purpose of eligibility for this measure.<sup>15</sup>

12 See for example OECD report SME and Entrepreneurship Policy 2019 - [https://www.oecd.org/en/publications/sme-and-entrepreneurship-policy-in-ireland\\_e726f46d-en.html#:~:text=Ireland%20is%20a%20successful%20generator,SME%20productivity%20growth%20is%20stagnant](https://www.oecd.org/en/publications/sme-and-entrepreneurship-policy-in-ireland_e726f46d-en.html#:~:text=Ireland%20is%20a%20successful%20generator,SME%20productivity%20growth%20is%20stagnant).

13 Differentiating Small Enterprises in the Innovation economy: Start-ups, new SMEs and other growth ventures - <https://reap.mit.edu/assets/Differentiating-Small-Enterprises-IDEs-Innovation-Economy.pdf>

14 Investopedia - <https://www.investopedia.com/terms/s/startup.asp#:~:text=Key%20Takeaways,capitalists%2C%20crowdfunding%2C%20and%20loans>.

15 Finance Act 2024 - <https://www.irishstatutebook.ie/eli/2024/act/43/enacted/en/pdf>

In doing so, the Revenue Commissioners are explicitly tasked with securing the advice of Enterprise Ireland, the state's indigenous development agency. However, as the relevant section of the Act was only recently commenced, we have no substantial evidence yet as to how this will operate or its impact.

On foot of the Draghi Report on European competitiveness and the Letta Report<sup>16</sup> on the future of the single market, and in line with its Competitiveness Compass<sup>17</sup> adopted in January 2025, the EU Commission has initiated a review of its policy on start-up and scaling companies. Clearly this policy response will evolve into a fuller position over the next 18 months.

Its starting point is that Europe is failing to compete successfully with the United States and is not converting reasonable start-up volume and EU based funding into more successful outcomes. It argues that Europe has a venture capital funding problem with regard to scaling up large companies.

The Commission has also conducted research through the Europe Startup Nations Alliance (ESNA)<sup>18</sup> and Dealroom which includes a segment analysis on European supports for start-ups through the Horizon programme.<sup>19</sup> It concludes that only 5% of Horizon funding is channelled directly to start-ups and this level should increase given the successful outcomes generated by that support. It also recommends the simplification of the application processes for European funding and greater networking to promote the visibility of its programmes.

ESNA founded to advance the European Union's ambition to lead the global start-up ecosystem, is also currently reviewing uniform definitions for start-ups and scaling companies. Commissioner Michael McGrath is currently pursuing the 28th regime initiative which would allow scaling companies opt into a European wide legal company framework.

In March of this year the Commission unveiled its Savings and Investment Union strategy, one of the purposes of which is to connect savings to help meet the financing needs of SMEs and innovative companies. The Commission has announced a series of measures in 2025.<sup>20</sup> One such example is the launch of a multi-billion Scaleup Europe Fund alongside private investors with the intention of making its first investments in 2026.<sup>21</sup>

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16 Letta Report, Much more than a single market - <https://www.consilium.europa.eu/media/ny3j24sm/much-more-than-a-market-report-by-enrico-letta.pdf>

17 EU Compass - [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_25\\_339](https://ec.europa.eu/commission/presscorner/detail/en/ip_25_339)

18 European Start-up Nations Alliance - <https://esnalliance.eu/en/about>

19 ESNA/Dealroom analysis of European Start-ups - <https://dealroom.co/uploaded/2025/03/Dealroom-Startups-backed-by-the-EUs-Framework-Programmes.pdf?x63517>

20 Commission unveils Savings and Investments Union strategy to enhance financial opportunities for EU citizens and businesses - [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_25\\_802](https://ec.europa.eu/commission/presscorner/detail/en/ip_25_802)

21 Commission partners with private investors to set up multi-billion Scaleup Europe Fund - [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_25\\_2529](https://ec.europa.eu/commission/presscorner/detail/en/ip_25_2529)

# Defining the sector

In addition to limiting the primary inquiry of this report to companies that seek to apply digital/tech solutions to their product, we have focussed primarily on earlier stage start-up and scaling companies. As companies successfully scale, they require support of a different nature and move out of the ambit of start-up ecosystem support.

All of the supports considered and mapped here are relevant to companies that meet the widely used European Union definition of an SME (enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding 50 million euro, and/or have an annual balance sheet total not exceeding 43 million euro) and whose funding round does not go beyond Series A - typically half a million equity investment in pounds or euros. There are cases where supports are available to larger companies, but our primary focus is on their application to smaller company types.

# Issues facing the sector

State market interventions exist for a purpose, typically to address a need that is not or cannot be met by the market or to proffer support to relieve entrepreneurs of some of the risk burden involved in initiating a start-up or any SME. For the start-up community the primary challenge faced is the absence of funding. Typically not attractive to traditional high street banking and later stage venture capital, they are not generating revenue through immediate trading - thereby increasing capital intensity, so securing runway finance is the key goal. State intervention through agencies like Enterprise Ireland and Invest Northern Ireland is therefore necessary if the state is to achieve its policy goals.

A previous report commissioned by InterTradeIreland has referred to the start-up ecosystem in Ireland and Northern Ireland as 'mature', and that start-up and scaling companies are particularly well supported.<sup>22</sup>

Start-up and scaling companies themselves are clear that their key issue is funding. The Scale Ireland *State of Start-ups Survey*, in each of its four years to date, has found that funding has been the number one issue facing respondents.<sup>23</sup> While some companies bootstrap, (generate revenue in their start-up phase) most do not. Therefore they find it difficult to secure financial support from institutions like banks. It is this market failure that the state's financial support seeks to address.

A further issue that is emerging in Ireland and Northern Ireland is the comparative poor levels of pension fund investment into domestic venture capital support.

The UK via the Mansion House Compact is beginning to address this issue, with an aim of unlocking an additional £50bn<sup>24</sup> for investment in scaling businesses. The Finance for Scaling Group report in Ireland commits the Irish Government to 'Investigate options for pension fund and institutional investor participation in scaling equity funds and encourage corporate venturing in Ireland.'<sup>25</sup> A subsequent report conducted for the Department of Enterprise, Tourism and Employment identified a €1.1 billion gap in scaling finance for Irish companies over the next 2-5 years.<sup>26</sup> The recent European level initiatives, already described, will provide further impetus to this debate.

Other challenges facing the founders of start-ups are the complexity of the regulatory and administration constituents of the ecosystem environment. While these difficulties are not unique to start-ups and represent challenges to SMEs also, they can be particularly difficult for companies without the capacity to access specialised advice. This may be particularly true with regard to dealings with the Revenue authorities, an adverse engagement with which, may pose risks to existing and future funding rounds.

In response to this issue, the Irish Government initiated a simplification project involving the Revenue authorities and the professional tax advice community.<sup>27</sup> The ensuing report was published in 2024 and dealt solely with administrative and not legislative obstacles to the take up of schemes.

Notwithstanding the report, the issue remains one of concern to representative groups. In advance of last year's General Election in the UK, the representative organisation on behalf of the sector put financing and regulatory engagement at the heart of its request to an incoming Government.<sup>28</sup>

22 Steer Economic Development - Approaches to business supports and competitiveness on the Island of Ireland - Productivity, What Works, and Common Purpose -

<https://research.intertradeireland.com/business-supports-and-competitiveness-on-the-island-of-ireland>

23 Scale Ireland State of Start-ups Surveys 2022-2025 - <https://www.scaleireland.com/state-of-start-ups-surveys>

24 Pension schemes back British growth - <https://www.gov.uk/government/news/pension-schemes-back-british-growth>

25 Recommendations - Finance for Scaling Group Report 2024 - <https://enterprise.gov.ie/en/publications/finance-as-catalyst-to-develop-scaling-ecosystem.html#:~:text=This%20report%20provides%20recommendations%20for,Finance%20for%20Scaling%20Working%20Group.>

26 Market Demand and Supply of Scaling Finance in Ireland -

<https://enterprise.gov.ie/en/news-and-events/department-news/2025/july/20250731.html>

27 TALC sub-committee on administrative simplification of business reliefs for SMEs -

<https://www.revenue.ie/en/tax-professionals/talc/simplification-sub-committee/index.aspx>

28 Start-up Coalition Manifesto July 2024 - <https://startupcoalition.io/u/2024/07/Startup-Manifesto-2024-FOR-RELEASE.pdf> - Scale Ireland similarly made inputs into the recent Government formation process in the Republic.



# What is a state financial support?

There are a wide range of financial supports available to micro companies and SMEs. Some are focussed at the early ideation phase and offer assistance to entrepreneurs to develop and plan their business. Some supports are available to support general business development within a company and can include R&D, marketing and human resources support. R&D supports are of particular importance to the sector under review.

Other supports are available to companies for specific purposes and are provided in Ireland and Northern Ireland. For example, there is a wide range of grants available to companies who are considering sustainability and climate related issues within their business. In both Ireland and Northern Ireland attention has been paid to the challenge of potential applicants accessing these supports. Company founders are often time poor and hence find the navigation of the support ecosystem difficult and complex.

For example, the SME online guide issued by the Local Employment Service in Ireland details 170 Government supports available to businesses.<sup>29</sup> The recently founded National Enterprise Hub<sup>30</sup> in Ireland and NI Business Info<sup>31</sup> in Northern Ireland also provide searchable databases of supports and initiatives accessible by SMEs and start-ups. There is a view expressed among some stakeholders that untargeted supports can act as a distraction for some founders, encouraging a phenomenon known as 'grant shopping' which distracts founders from core business development tasks. Even initiatives like the National Enterprise Hub, designed to address the communications challenge, reveal how complex and fragmented the ecosystem has become.

Clearly these guidance supports apply to all company types. We have sought to include supports that are germane to the sector under review and exclude others. However, there are no hard and fast rules which can be applied simply. The support system is complex and made up of many interacting parts. State agencies also have flexibility to adopt solutions to suit individual problems and challenges.

We have also made the decision to include taxation expenditure as financial supports. While an overall taxation environment obviously impacts on a range of individual companies, we have focussed our attention on tax schemes that are directed primarily at our profiled company types. The R&D tax credit, available in both Ireland and Northern Ireland, is a good example of a general tax scheme with a particular relevance to this sector. There have been a number of these schemes introduced in recent years and again, Ireland has largely followed the lead set by the United Kingdom.

The overall impact of the two respective tax jurisdictions also is noteworthy. Northern Ireland, enjoys a lower income tax burden on salaries from mid-ranging upwards. It also benefits from a lower cost of living environment than Ireland.<sup>32</sup> The 2023 Scale Ireland *State of Start-ups Survey* indicated two thirds of businesses were concerned about the impact of cost of living issues on their business.<sup>33</sup> In 2025 the figure was 11%.<sup>34</sup>

We have also chosen to include supports delivered by way of services, as these can play an important role in mentoring and supporting start-ups. The New Frontiers programme offered by Enterprise Ireland is one such example. Many of these supports are more material to this sector than, for example, small support grants. However, they add to the complexity of this exercise.

<sup>29</sup> Local Employment Offices Services - <https://www.localenterprise.ie/About-Us/Services/>

<sup>30</sup> National Enterprise Hub - <https://www.neh.gov.ie/our-partners>

<sup>31</sup> NIBusinessInfo - <https://www.nibusinessinfo.co.uk/business-support>

<sup>32</sup> See UK Tax Calculators for comparisons at different income levels - <https://www.uktaxcalculators.co.uk/world/tax/compare/>

<sup>33</sup> Scale Ireland State of Start-ups Survey 2023 - [https://cdn.prod.website-files.com/60143b5fbd7810f8017304c7/65d69cfd1247a6ffbf25b5e5\\_63f665d0dfe2aafb23759e8\\_Final%202023%20State%20of%20Start-up%20survey.pdf](https://cdn.prod.website-files.com/60143b5fbd7810f8017304c7/65d69cfd1247a6ffbf25b5e5_63f665d0dfe2aafb23759e8_Final%202023%20State%20of%20Start-up%20survey.pdf)

<sup>34</sup> State of Start-ups Survey 2025 - [https://cdn.prod.website-files.com/60143b5f4bfa6c7e7f2266fb/681bd5ee455f10c8a32195fe\\_2025%20Final%20Scale%20Ireland%20State%20of%20Start-ups%20Survey%20.pdf](https://cdn.prod.website-files.com/60143b5f4bfa6c7e7f2266fb/681bd5ee455f10c8a32195fe_2025%20Final%20Scale%20Ireland%20State%20of%20Start-ups%20Survey%20.pdf)



# Nation state versus a region - Ireland and Northern Ireland

The significant difference between Ireland and Northern Ireland is that the former is a nation state in itself, while the latter is a devolved region within the larger state of the United Kingdom. This affords Ireland full and direct control over its start-up and scaling ecosystem. Irish policy makers are in a position to respond specifically to issues within their ecosystem and while innovation and enterprise policy for example, is a devolved function to the Northern Ireland executive, taxation policy is a reserved Westminster prerogative. It is also the case that UK wide bodies are also active (and equally important) in supporting research and business in Northern Ireland.

Likewise, data for Ireland is compiled at a national level whereas data produced with respect to Northern Ireland is compiled on a regional basis, often making it more difficult to locate. This is particularly true of the industry generated comparative dataset comparisons.

Clearly the question also arises as to how Northern Ireland performs within the context of the United Kingdom, an established European powerhouse in the sector and the location of a mature funding market. However, this question is not confined to Northern Ireland. London remains important to both ecosystems. Issues around access to later stage funding in the UK and London markets were raised by interviewees from Ireland and Northern Ireland. Similarly, breaking into these capital markets were identified as shared challenges which might be better addressed on an all-island basis.

Policy makers in Ireland also worry about the draw of London in particular, and worry whether through exits or otherwise, Ireland is perhaps denied the benefits of its early stage investments.<sup>35</sup>

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<sup>35</sup> See, for example, the Ministerial introduction to the Finance for Scaling Report - <https://enterprise.gov.ie/en/publications/publication-files/the-use-of-finance-as-a-catalyst-to-develop-a-scaling-ecosystem.pdf>

# Comparative economic environments

No indigenous tech ecosystem sits in isolation from the economy in which it operates. The comparative size of the two economies, Ireland and Northern Ireland, is a relevant factor in assessing the two ecosystems. The greater the level of economic activity, the greater the opportunity for start-up innovation. And in so far as the UK enjoys a considerable advantage over Ireland in this regard, so too does Ireland over Northern Ireland. In 2002 Northern Ireland GDP was measured at £63bn.<sup>36</sup> The comparative figure for Ireland, using the adapted GNI\* methodology in 2022 was €422bn.<sup>37</sup>

The Economic and Social Research Institute in Dublin has published their comparative analysis of the two economies which suggests that the gap between the two economies is widening. However, as the more open of the two economies, the report suggests that Ireland is more susceptible to labour market volatility.<sup>38</sup>

Other issues for consideration which can influence the sector include comparative levels of productivity and educational attainment. Recent work done by the ESRI has sought to measure comparative productivity in Ireland and Northern Ireland. On all these measures Ireland enjoys a significant advantage over Northern Ireland with one author indicating that:

*"The research shows a widening productivity gap between Ireland and Northern Ireland; with productivity per worker being approximately 40 per cent higher in Ireland compared to Northern Ireland in 2020."*<sup>39</sup> Ireland also enjoys a considerable advantage in terms of third level degrees with the third highest performing level in the OECD with 54% attending third level courses.<sup>40</sup>

In December 2025, the ESRI published the first in what will be an annual assessment of the Irish and Northern Irish economies. The series will report on indices of economic growth and forecasting, labor market engagement, living standards and public policy.<sup>41</sup>

One additional obstacle to the development of a more integrated island ecosystem is the comparative lack of student mobility within Ireland and Northern Ireland.<sup>42</sup> While both jurisdictions have skills issues, these might be better progressed in an all-island context. Ireland in particular has become hugely dependent on attracting skills from overseas as evidenced by the share of the non EEA work permits being offered to the wider ICT sector which is only second to the health sector.<sup>43</sup>

36 Gross Domestic Product by UK country and region 2023 - Table 2 - <https://www.ons.gov.uk/economy/grossdomesticproductgdp/bulletins/regionaleconomicactivitybygrossdomesticproductuk/1998to2023#gross-domestic-product-by-uk-country-and-region>

37 CSO Annual National Accounts 2024 - <https://www.cso.ie/en/releasesandpublications/ep/p-ana/annualnationalaccounts2024/gniandde-globalisedresults/>

38 Comparative analysis of the economies of Ireland and Northern Ireland - <https://www.esri.ie/news/comparative-analysis-of-economies-of-ireland-and-northern-ireland>

39 New ESRI research compares productivity levels in Ireland and Northern Ireland - <https://www.esri.ie/news/new-esri-research-compares-productivity-levels-in-ireland-and-northern-ireland>

40 OECD report on third level education - <https://www.gov.ie/en/press-release/70777-minister-harris-welcomes-publication-of-oecd-report-on-third-level-education/#:~:text=Key%20statistics,cycle%20tertiary%20qualifications%20with%209%25>.

41 ESRI, Assessing Economic Trends in Ireland and Northern Ireland, December 2025 - <https://www.esri.ie/news/tanaiste-and-minister-for-finance-launches-the-first-esri-annual-economic-survey-of-ireland>

42 News report of ESI study - <https://trinitynews.ie/2023/10/analysis-esri-report-finds-low-numbers-of-students-crossing-the-border-for-third-level-education/>

43 Employment Permit Statistics 2024 - <https://enterprise.gov.ie/en/publications/employment-permit-statistics-2024.html>

# Cross border economic activity & research

Any discussion about the comparative performance of the respective start-up and scaling ecosystems gives rise to questions about shared economic activity between Ireland and Northern Ireland and the degree of interest in shared solutions to the challenges faced by both. Again recent ESRI research is instructive. A survey published in 2023 indicates increasing trade between Ireland and Northern Ireland, using data from Northern Ireland, since Brexit.<sup>44</sup> The importance the of the economic link is laid bare:

*"Ireland purchased 53 per cent of total Northern Ireland exports and accounted for almost 35 per cent of Northern Ireland's imports. The next most important export partner for Northern Ireland, outside the rest of the United Kingdom, is Germany, accounting for 15 per cent of total exports."*<sup>45</sup>

The recent 'Comparative Analysis' report confirms this trend and notes declining Northern Ireland Great Britain trade volumes.<sup>46</sup>

Of some significance, the research was funded by the Irish business representative group, IBEC, as part of a broader research programme on the all-island economy involving both the ESRI and the National Institute of Economic and Social Research.<sup>47</sup> IBEC and the CBI also cooperate on shared island economy issues and have been doing so for up to 50 years, regularly holding joint conferences and publishing policy position papers.<sup>48</sup>

A recent InterTradeIreland report<sup>49</sup> on the changing nature of trade between Ireland and Northern Ireland since Brexit points to a changing environment alongside underlying resilience despite the challenges posed by Brexit itself, the Covid pandemic and the global economic instability and energy challenge caused by the Russian invasion of Ukraine. Cross Border trade has grown by almost 60% Ireland/Northern Ireland and 90% Northern Ireland/Ireland in the period under review. At almost £16bn in sales value, Great Britain remains Northern Ireland's most significant market.<sup>50</sup>

The potential of the all-island economy has also been a focus of the Shared Ireland Unit operating out of the Department of the Taoiseach in Ireland. Since 2021 a dedicated team within the ESRI have been working on the 'The Economic and Social Opportunities from Increased Cooperation on the Shared Island' project addressing specific policy issues such looking at the economies of the two jurisdictions on a comparative basis.<sup>51</sup>

A focus on, and an assessment of the impact of a more collaborative and integrated start-up ecosystem would sit well in this context.

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44 New ESRI research highlights strong trade relationship between Ireland and Northern Ireland - <https://www.esri.ie/news/new-esri-research-highlights-strong-trade-relationship-between-ireland-and-northern-ireland>

45 ibid.

46 Comparative Analysis of Economies of Ireland and Northern Ireland - <https://www.esri.ie/news/comparative-analysis-of-economies-of-ireland-and-northern-ireland>

47 Launch of the All-Island Economy research project - <https://www.esri.ie/events/launch-of-the-all-island-economy-research-project>

48 Ibec and CBI NI Joint Business Council Annual All-Island Economy Conference Supporting All-Island Business - <https://www.ibec.ie/connect-and-learn/events/upcoming-events/2024/ibec-and-cbi-all-island-economy-conference/general-details>

49 InterTradeIreland - the changing nature of trade on the island of Ireland - <https://research.intertradeireland.com/changing-nature-of-trade>

50 ibid.

51 The Economic and Social Opportunities from Increased Cooperation on the Shared Island - <https://www.esri.ie/current-research/the-economic-and-social-opportunities-from-increased-cooperation-on-the-shared>

# Role of InterTradelreland

As already noted, InterTradelreland is the only public body with a specific cross border mandate and again as noted, has since its inception been interested in and supportive of start-up and scaling companies through research and the provision of supports. The new Programme for Government in Ireland specifically highlights the need to continue to support the work of InterTradelreland 'in helping SME businesses to identify and pursue public procurement opportunities across the island of Ireland.'<sup>52</sup>

Services and interventions to this sector currently being provided by InterTradelreland include:

- Annual Venture Capital Conference
- A Guide to Equity Funding (published with the Irish Venture Capital Association)
- The Seedcorn Investor Readiness Competition
- Funding Advisory Services (including advice on tax based support schemes)
- Equity advisory clinics

The agency has a long track record, stretching back to the early 2000's, of supporting research in innovation and entrepreneurship.

# Data on the scale and size of both start-up sectors

As previously referenced, all company types considered in this report fall within the SME sector but there is, as of yet, no definition of a high tech or scalable start-up for the purpose of official statistics collection. As such official data on the size and scale of these companies is not readily available and this hinders the development of specific start-up and IDE policy development. Even if that data was available, the growth potential value of these companies will be considerably greater than their performance levels in the early stage of their development.

In the absence of state led data, private non-profit organisations, both here and internationally, have measured the size and performance of the sector. For example, the TechIreland database, a sectoral tracker operating in both Ireland and Northern Ireland contains 4,500 companies.<sup>53</sup> A recent Google Report on AI suggests there are 1,900 innovative digital businesses in Ireland employing 47,000 people.<sup>54</sup>

In addition, there are also other methods available to assess the size of the sector and whether it is contracting or growing. Typically these focus on comparative surveys of the volume of venture capital investment into companies. These are typically conducted by sectoral organisations.

There are a number of industry based surveys that track investment levels on a national and international basis and/or rate the ecosystems of individual countries or cities. International based organisations like Dealroom and Pitchbook seek to gather this data on a commercial basis. Similarly, individual elements of ecosystems are scored on individual or groups of policies. The Index Ventures assessment of share based remuneration is one example.<sup>55</sup>

These surveys are more established in Ireland than Northern Ireland. For example, the Irish Venture Capital Association publishes a quarterly report on investment levels into the sector in Ireland.<sup>56</sup> This survey is primarily focussed on activity in Ireland. Catalyst publishes a deal tracker for Northern Ireland which tracks investment there.<sup>57</sup> The international accountancy practice, KPMG, also publishes national and global investment rankings.<sup>58</sup>

TechIreland also publishes quarterly and annual reports based on investment levels. Significantly, its annual funding reviews, contain figures for both Ireland and Northern Ireland.

And while data on the volume of deal making is notoriously difficult to establish, dependent, in part, on self-reported data from companies and VC firms, there is sufficient data available to give us a broad indication of the comparative size of the Irish and Northern Irish ecosystems.

The TechIreland Annual Funding Review contains comparative reporting on the two respective ecosystems, and even allowing for time based fluctuation, presents a clear picture on the level of investment in Ireland and Northern Ireland.

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53 TechIreland - [www.techireland.ie](http://www.techireland.ie)

54 The AI Innovation Opportunity - Implement Consulting Group, commissioned by Google - <https://cms.implementconsultinggroup.com/media/uploads/articles/2025/Irelands-innovative-digital-businesses/The-AI-innovation-imperative-Ireland.pdf>

55 Index Ventures, Rewarding Talent - <https://www.indexventures.com/rewarding-talent/>

56 ICVA Venture Pulse - [https://www.ivca.ie/publication\\_category/venture-pulse/](https://www.ivca.ie/publication_category/venture-pulse/)

57 Catalyst - <https://wearecatalyst.org/>

58 KPMG Venture Pulse - <https://kpmg.com/xx/en/our-insights/operations/venture-pulse-q4-2024.html>

## Investment levels

| Year                                                         | Island of Ireland (# companies) | Ireland (# companies) | Northern Ireland (# companies) |
|--------------------------------------------------------------|---------------------------------|-----------------------|--------------------------------|
| 2024 (2024 survey covers the period from Q1 2024 to Q1 2025) | €978m (307)                     | €907m (287)           | €71m (20)                      |
| 2023                                                         | €847m (403)                     | €728m (368)           | €117m (35)                     |
| 2022                                                         | €1,300m (279)                   | €1,250m (259)         | €50.9m (20)                    |
| 2021                                                         | €1,600m (292)                   | €1,520m (265)         | €83m (27)                      |

(Tech Ireland Funding Review 2025 - Funding raised - Ireland versus Northern Ireland<sup>59</sup>)

Based on these figures, it suggests the relative size of the Northern Ireland ecosystem may be approximately one tenth the size of the Irish system in terms of deal size, though there are obviously fluctuations from year to year. It is also the case that large individual deals can have a considerable impact on the results of individual years and potentially mask underlying trends at particular stages of the funding environment.

As indicated, there are other barometers of international comparative performance available. The Global Innovation Index is one of the most widely global reported surveys. It is a wide ranging report which measures how all aspects of economic performance contribute to a country's innovation performance.

In the 2025 report the United Kingdom is ranked at the sixth most innovative country globally - an increase of one place from the previous year's survey. Ireland is ranked 18th, recovering to a position it last achieved in 2019. It is worth noting the countries who perform better than Ireland despite being of comparative size. Finland, Denmark and Estonia all outperform Ireland despite Ireland's performance being enhanced by ICT exports from its multinational sector.<sup>60</sup>

The StartUp Blink Global Ecosystem report<sup>61</sup> contains indices on performance by cities and is a useful window into comparative performance at a regional level. In 2025 for instance, Dublin was ranked 55th, down one place on its 2024 ranking. In comparison, Belfast climbed 16 places to 204th. Belfast also re-entered the top ten UK cities for the first time in three years, recording growth of over 40%. To put this in a broader all-island context, Belfast is clearly identified as Ireland's second largest tech hub. The comparative ratings for Cork and Galway for example, are 284th and 313rd, both recording growth in 2025. Only Limerick, ranked at 356th, is the only other Irish city featured in the top 1,000 locations.

Startup Genome also publishes a broad based global index, across a range of different categories including knowledge, talent, funding, performance, market access, policy environment, and general connectedness. In the 2025 survey, Dublin enjoys an eighth place ranking in its Emerging Ecosystems category and 10th overall in its European Index. In this category however, Dublin outperforms Estonia (Tallinn) and the Edinburgh/Glasgow axis but is outperformed by Copenhagen and Amsterdam.<sup>62</sup>

Other random surveys also contribute to our broader understanding. In Northern Ireland, Belfast is a significant hub within NI's equity-deal ecosystem - especially for academic spinouts, reflecting a highly centralised ecosystem compared to Ireland's more distributed model.<sup>63</sup>

59 Tech Ireland Funding Review 2025 - <https://techireland.org/hubfs/Irish%20Startup%20Funding%20Trends%20Q1%202024-Q1%202025%20FINAL.pdf?hsLang=en>

60 Global Innovation Index 2025 - (<https://www.wipo.int/web-publications/global-innovation-index-2025/en/index.html>). The Irish National Competitiveness and Productivity Council had previously argued in relation to the 2023 GII report that the use of Ireland's GDP figures as opposed to GNI\* had reduced Ireland's potential placing from 12th to 23rd -

[https://www.competitiveness.ie/media/eyvn0nva/20230327-ncpc-bulletin-revisiting-innovation\\_-28-march\\_forpub.pdf](https://www.competitiveness.ie/media/eyvn0nva/20230327-ncpc-bulletin-revisiting-innovation_-28-march_forpub.pdf)

61 The StartUp Blink Global Startup Ecosystem Report for 2025 is available at <https://lp.startupblink.com/report/#lp-pom-block-71>

62 Startup Genome - the Global Startup Ecosystem Report 202 - <https://startupgenome.com/report/gser2025/introduction>

63 British Business Bank Nations and Regions Tracker - <https://www.google.com/url?q=https://www.british-business-bank.co.uk/sites/g/files/sovrnj166/files/2023-11/nations-and-regions-tracker-2023-devolved-nations-briefing-notes.pdf&sa=D&source=docs&ust=1764855080521351&usg=AOvVaw0rs27dHLh9FvixwNMvSHWz>



Investment levels in Belfast have grown by over 27% between 2019 and 2023.<sup>64</sup> Regional initiatives like Derry's Catalyst Innovation Centre aim to address this imbalance, though their impact remains nascent.

What these figures confirm, unsurprisingly, is that the Irish ecosystem is significantly bigger in scale than the Northern Irish ecosystem. Interviewees cited the significance of the scale and reach of Enterprise Ireland as being of particular importance, and that Ireland's ecosystem was getting to the level at which exits and sales were recycling into the system - a feature of a more maturing capital market.

The publication of the Atomico State of European Tech Report for 2024<sup>65</sup> identifies interesting long-term international trends. First and foremost is the domination of the European ecosystem by the United Kingdom. In its tenth anniversary year, the report usefully focuses on the development of the European ecosystem over that decade. In categories such as capital invested, the number of unicorns, and employment levels within the sector, the UK ecosystem performs at a level practically double those of its nearest competitor.<sup>66</sup>

The report is also broadly positive about the development of the Irish ecosystem. Ireland experienced almost ten fold increase in funding levels over the decade. In capital invested into start-ups, Ireland is ranked as the 11th largest (improved to 9th in the 2025 report) in Europe and Dublin is rated the 7th largest tech hub in the region. Ireland's number of unicorns is rated at 7th in Europe according to the report. By some distance, London is the number one ranked city in Europe. Nonetheless, both Ireland and the UK have made significant progress over the last two decades.

The report confirms the funding challenge identified by European tech when set against its American competitors. However, it also points to the significant progress made by the European tech ecosystem over the period covered and serves as a counterpoint, or at least a qualifier, of the concerns expressed in the recent Mario Draghi report on European competitiveness which highlights the challenge faced by European companies in keeping up with their US counterparts.<sup>67</sup> The 2025 report has just been published and once more presents a comparatively upbeat analysis of the challenge facing Europe despite difficulties. It identifies a series of policy issues for progress in 2026 as central to the sector.<sup>68</sup>

As a region, Northern Ireland doesn't feature in the Atomico report but it is also evident that its ecosystem has made progress in recent years. Catalysts' deal tracker report suggested investment in Northern Ireland companies had achieved record levels in 2023 reaching £143m.<sup>69</sup> Global Bank, HSBC, has suggested that investment in Northern Ireland companies has grown by over 200% over the last five years.<sup>70</sup> Entrepreneurial activity also reached record levels, with the Global Entrepreneurship Monitor reporting a 9.7% early-stage activity rate, including 8.2% among women.<sup>71</sup>

However, the British Business Bank's *Small Business Finance Markets 2024/25* report highlights a significant slowdown in equity investment in Northern Ireland during the first three quarters of 2024, with the number of deals falling by 29.4% and the total value of investment dropping by 34% compared with the same period in 2023. This suggests that, despite record levels of investment in 2023 - such as the £143m reported in Catalyst's Deal Tracker - Northern Ireland's equity activity declined sharply in 2024, which may indicate a relative weakening compared to its earlier performance.<sup>72</sup>

64 UK Startup Ecosystems on the rise outside London -

<https://dealroom.co/blog/uk-startup-ecosystems-on-the-rise-outside-london>

65 Atomic State of European Tech Report 2024 - <https://www.stateofeuropeantech.com/#previous-reports>

66 Ibid, p. 26.

67 EU Competitiveness - Looking ahead -

[https://commission.europa.eu/topics/strengthening-european-competitiveness/eu-competitiveness-looking-ahead\\_en](https://commission.europa.eu/topics/strengthening-european-competitiveness/eu-competitiveness-looking-ahead_en)

68 Atomico State of European Tech Report, p. 56 - [https://www.stateofeuropeantech.com/?utm\\_source=mailchimp&utm\\_medium=email&utm\\_campaign=soetlaunch191125#chapters](https://www.stateofeuropeantech.com/?utm_source=mailchimp&utm_medium=email&utm_campaign=soetlaunch191125#chapters)

69 Catalyst Deal Tracker - <https://wearecatalyst.org/2024/03/21/catalyst-deal-tracker-2023/>

70 IT Pro - Tech Sector investment in Northern Ireland reaches record levels -

<https://www.itpro.com/business/tech-sector-investment-in-northern-ireland-reaches-record-levels#:~:text=According%20to%20HSBC%2C%20VC%20funding,Digital%20Economies%20of%20the%20Future.>

71 Global Entrepreneurship Monitor -

[https://www.enterpriseresearch.ac.uk/wp-content/uploads/2023/07/105637\\_GEM\\_Report\\_UK\\_2023\\_FINAL.pdf](https://www.enterpriseresearch.ac.uk/wp-content/uploads/2023/07/105637_GEM_Report_UK_2023_FINAL.pdf)

72 Small Business Finance Markets Report -

<https://www.british-business-bank.co.uk/about/research-and-publications/small-business-finance-markets-report-2025>

# Public policy landscape

## How is the sector regarded by the respective Governments?

The importance and potential of the indigenous tech sector has become increasingly recognised by Governments in Ireland and Northern Ireland. More rigorous representation of the sector's needs, global political economic convergence on the importance of indigenous businesses in a world less committed to free trade, fear of over dependence on foreign direct investment, have all contributed to pushing the issue of scaling domestic business higher up the political agenda. InterTradeIreland has been interested in the sector since the early 2000s, producing a series of reports and analysis on the sector.<sup>73</sup>

### Ireland

Ireland produced its first report on entrepreneurship as early as 2014<sup>74</sup> and since then public policy has considered the sector within the broader confines of enterprise and export policy. This analysis has largely treated the sector as a cohort within the broader SME sector.

In 2019 an OECD report on SME and Entrepreneurship Policy in Ireland identified productivity issues within the sector generally and called for a more coordinated policy response across Government. It specifically cited the need to increase the number of start-ups, and its publication was to eventually lead to the formulation of the White Paper on Enterprise.<sup>75</sup>

In response, the Irish Government established an SME and Entrepreneurship Taskforce in September 2020 which produced a *National SME and Entrepreneurship Growth Plan*<sup>76</sup> in January of 2021. An implementation group was established the following month (February 2021) to progress work on its recommendations.

The outcome of this work became the White Paper on Enterprise in which the sector's potential figured prominently.<sup>77</sup> Produced by the Department of Enterprise, Tourism and Employment it features targets for the sector expressed in terms of number of Higher Potential Start Ups (HPSUs) and SME export targets. A parallel report by the Commission on Tax and Welfare<sup>78</sup> which considered the relevant tax incentives which impacted the sector and focussed on the administrative complexity experienced by start-up companies. The White Paper identified a funding challenge for scaling companies seeking to raise between €3 to €10m. This finding led to the appointment of a Finance for Scale-Ups Working Group and a subsequent report.<sup>79</sup>

The White Paper also commits Ireland to increase overall expenditure on Research and Development (R&D) to 2.5% of GNI\* by 2030. Enterprise Ireland has been vocal about the scale of its ambition for Ireland's ecosystem indicating that its performance can be transformed over the next decade.<sup>80</sup> The organisation's new corporate strategy covering the years 2025-2029 aims to support 1,000 new start-ups over the lifetime of the strategy.

73 InterTrade Ireland - Publications - Innovation and Entrepreneurship -

<https://research.intertradeireland.com/innovation-and-entrepreneurship>

74 National Policy on Entrepreneurship in Ireland -

<https://enterprise.gov.ie/en/publications/national-policy-statement-on-entrepreneurship-in-ireland-2014.html>

75 SME and Entrepreneurship Policy in Ireland -

[https://www.oecd.org/en/publications/sme-and-entrepreneurship-policy-in-ireland\\_e726f46d-en.html](https://www.oecd.org/en/publications/sme-and-entrepreneurship-policy-in-ireland_e726f46d-en.html)

76 National SME and Entrepreneurship and Growth Plan -

<https://enterprise.gov.ie/en/publications/report-of-the-sme-taskforce-national-sme-and-entrepreneurship-growth-plan.html>

77 White Paper on Enterprise - <https://enterprise.gov.ie/en/publications/white-paper-on-enterprise-2022-2030.html>

78 Foundations for the future - Report of the Commission on Taxation and Welfare -

<https://www.gov.ie/en/campaigns/92902-commission-on-taxation-and-welfare/?referrer=https://www.gov.ie/COTW/>

79 The use of finance as a catalyst to develop a scaling ecosystem -

<https://enterprise.gov.ie/en/publications/publication-files/the-use-of-finance-as-a-catalyst-to-develop-a-scaling-ecosystem.pdf>

80 For example see <https://www.siliconpublic.com/Start-ups/enterprise-ireland-ceo-leo-clancy-international-market-weeks>

The strategy also places significant emphasis on the scaling of Irish companies, including both jobs and export volume targets.<sup>81</sup> The new Government Plan on Competitiveness and Productivity confirms the establishment of a new scaling fund for Irish companies and the establishment of a new body, start-up Ireland, to coordinate initiatives for the sector. This level of ambition is recognised by some stakeholders from Northern Ireland who point to the volume of unicorns that have emerged from Ireland.<sup>82</sup>

At a political level the sector features prominently in national discussions about rebalancing the roles played by foreign direct investment and indigenous enterprise.

## Northern Ireland

As a devolved region within the UK, the Northern Ireland Executive does not have authority over wider fiscal policy, financial services regulation, monetary policy or trade policy, which remain reserved to Westminster. However, it retains significant control over business supports, skills, innovation policy and employment law - giving it meaningful scope to shape its own economic development strategy.

Northern Ireland's entrepreneurship policy has long sought to cultivate an environment that supports innovation, start-up growth and scalable, high-value firms. Earlier strategic frameworks, such as the 10X Economic Vision, played an important role in articulating a long-term ambition for a more innovative and inclusive economy. While that high-level vision has since given way to a more pragmatic and delivery-focused approach, its core objective - strengthening innovation as a driver of economic transformation - continues to underpin current policy direction.

Today, entrepreneurship and innovation policy is framed within the Department for the Economy's four strategic priorities, outlined by then Economy Minister Conor Murphy in February 2024: creating Good Jobs, raising Productivity, promoting Regional Balance, and Decarbonising the economy. Investment is also being directed into productivity-enhancing measures such as innovation adoption, digitalisation, and research-led growth in high-potential sectors. Efforts to address regional imbalance include the new Sub-Regional Economic Plan, supported by initiatives such as the expansion of Ulster University at Magee to bolster the North West's economic role.

Within this broader landscape, a range of initiatives support entrepreneurship and business growth, from financial and advisory support delivered through Invest Northern Ireland, to skills and upskilling programmes, and innovation-oriented interventions that promote collaboration between academia and industry. Cross-border and international initiatives further position Northern Ireland as a competitive, outward-facing location for business, investment and research.

Building on this evolving framework, Northern Ireland's innovation and entrepreneurship policy has recently been strengthened and better connected through the introduction of the Collaborative Innovation Plan for Northern Ireland developed by Innovate UK, the Department for the Economy, and Invest NI.<sup>83</sup> Rather than representing a departure from previous strategies, the new plan complements and deepens existing efforts by providing a more coordinated mechanism for delivering innovation support. It reinforces the region's shift toward practical implementation while maintaining the long-term innovation ambitions expressed in earlier strategies.

81 Enterprise Ireland, Delivering for Ireland, Leading Globally 2025-2029 - <https://www.enterprise-ireland.com/en/news/enterprise-ireland-launches-new-five-year-strategy#:~:text=It's%20ambition%20over%20the%20next,driver%20of%20the%20Irish%20economy.>

82 Unicorn Start-ups in Ireland - [https://tracxn.com/d/unicorns/unicorns-in-ireland/\\_9l0N-IPO4CQLkug5v7jJAs9p\\_la0FixP-hVJ5iqXhdI#t-8-techmet](https://tracxn.com/d/unicorns/unicorns-in-ireland/_9l0N-IPO4CQLkug5v7jJAs9p_la0FixP-hVJ5iqXhdI#t-8-techmet)

83 Innovation Plan for Northern Ireland - [https://iuk-business-connect.org.uk/wp-content/uploads/2025/09/Innovate-UK-Northern-Ireland-Action-Plan\\_TW\\_AW1-Digital-Final-1.pdf](https://iuk-business-connect.org.uk/wp-content/uploads/2025/09/Innovate-UK-Northern-Ireland-Action-Plan_TW_AW1-Digital-Final-1.pdf)

## Key elements of the new Northern Ireland plan

The Collaborative Innovation Plan centres on three interlinked themes: enhancing collaboration, strengthening connectivity, and collectively supporting strategic priorities. These strands are designed to make it easier for Northern Ireland companies — including SMEs, start-ups and scale-ups - to navigate innovation supports, access UK-wide funding opportunities, and deepen engagement with universities, research organisations and industry partners. The plan also aligns closely with Invest Northern Ireland's corporate strategy, *Our Future in Focus 2024-2027*<sup>84</sup>, which prioritises productivity improvements, good-quality job creation, regional balance, sustainability transitions and stronger R&D activity across the region

## Implications for the Northern Ireland innovation ecosystem

- **More coordinated funding and support pathways:** By bringing together DfE, Innovate UK and Invest Northern Ireland, the plan streamlines support for firms, particularly those that may previously have lacked the resources or capacity to engage in innovation programmes.
- **Stronger connectivity across actors:** The focus on collaboration fosters deeper links between universities, research institutes, SMEs, larger firms and the public sector, strengthening Northern Ireland's innovation ecosystem.
- **More targeted support for strategic sectors:** The plan reinforces existing sectoral action plans by directing resources to areas of competitive strength, including advanced manufacturing, digital and cyber, life sciences, agri-tech and low-carbon technologies.
- **Expanded opportunities for SMEs and under-represented firms:** By widening access to UK-wide funding and simplifying support pathways, the plan aims to broaden participation in innovation activity.

## Relationship to prior policy frameworks

While the policy environment has moved on from broad, overarching strategies toward more immediate and delivery-focused economic policymaking, the Collaborative Innovation Plan represents a natural continuation of this trajectory. It builds on existing instruments — such as cluster programmes, innovation grants, SME support schemes and digital skills initiatives — and provides a more connected and coherent architecture for supporting innovation across the region.

In essence, the new plan does not replace previous policy frameworks but weaves them together more effectively, re-centring innovation as a cross-cutting enabler of Northern Ireland's economic ambitions. It supports productivity growth, strengthens the region's ability to scale innovative firms, and positions Northern Ireland to compete more effectively within both the wider UK and global innovation landscape.

## The United Kingdom

The transition from a Conservative to a Labour government in July 2024 has brought significant changes to policies affecting tech start-ups and entrepreneurship in the UK. While the previous government prioritised deregulation, tax incentives, and targeted funding through initiatives like Innovate UK and the Digital Growth Grant, the new government has signaled a shift towards a more interventionist approach, focusing on long-term investment and infrastructure. The chancellor has emphasized creating "Europe's Silicon Valley" between Oxford and Cambridge, with plans to invest in tech clusters, ease planning regulations, and attract institutional investment into start-ups. Labour has also pledged to reform business rates to support small businesses and tackle late payments, which have historically hindered start-up growth.

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84 Our future in focus - (<https://www.investni.com/sites/default/files/2024-10/business-strategy-invest-ni-2024-2027.pdf>)

Additionally, while the government remains committed to fostering innovation, there may be a reassessment of direct funding mechanisms, as seen (indicated in July 2025, for the 2025/6 financial year) in the temporary pause of Innovate UK's Smart Grants scheme. Overall, Labour's policy shift suggests a stronger emphasis on public-private partnerships, infrastructure investment, and regulatory reforms designed to create a more stable and supportive environment. In its second budget the Government made a number of enhancements to tax incentive schemes and published a paper on Entrepreneurship in the UK.<sup>85</sup>

## Prospective future developments in public policy - direction of travel

Governments have been increasing their focus on the sector's potential in recent years. In the 2024 General Election in Ireland, the main political parties all sought to address the sector's requirements in their election manifestos. The need in Ireland to complement its highly successful FDI strategy with the development of a strong indigenous export oriented sector has been a strong recent focus of Enterprise Ireland.<sup>86</sup> This requirement has been afforded additional impetus arising from geo-political uncertainty and the possibility of a retreat from globalisation arising from the change in administration in the United States.

It seems likely that the development of an all-island ecosystem will figure as an element of a response to these developments. As one interviewee put it there is a soft consensus that in the face of these international challenges, and the need to compete more effectively for investment - we are 'better together'. Co-operation amongst sector participants is already evident on the ground. One such example is the Irish Tech Hub network, a collaborative network of ecosystem participants working in Ireland and Northern Ireland. Its stated ambition is to '*create an island of innovation*'.<sup>87</sup>

The new Programme for Government agreed in Ireland between Fianna Fáil, Fine Gael and the Regional Group of Independent deputies takes this idea a stage further and commits the incoming administration to 'develop an all-island innovation and entrepreneurial ecosystem'.<sup>88</sup> The programme leaves open how that ambition is to be pursued, but by definition it must involve increased levels of co-operation amongst the state agencies involved in the sector.

The scale of the task however, should not be understated. As we have found, while the two ecosystems are broadly familiar, engagement with them by companies and entrepreneurs is largely constrained by geography. Companies and founders focusing on an all-island ecosystem would be a significant cultural departure. It would also seem to follow that such an initiative would involve Ireland and Northern Ireland funding initiatives in the other jurisdiction, either directly or by way of additional shared funding arrangements.

85 Entrepreneurship in the UK - <https://www.gov.uk/government/publications/entrepreneurship-in-the-uk>

86 For examples of mainstream media discussion of these issues see Ian Guider in the Sunday Business Post - <https://www.businesspost.ie/analysis-opinion/ian-guider-enterprise-ireland-and-the-ida-have-been-very-successful-but-remaining-static-is-not-an/> and Cantillon in the Irish Times - <https://www.irishtimes.com/business/2025/01/16/latest-enterprise-ireland-and-trade-figures-underscore-irelands-vulnerability-to-us-protectionism/>

87 See Irish Tech Hub Network - <https://www.irishtechhubnetwork.com/>

88 Securing Ireland's Future - draft Programme for Government 2025 p. 15.

# State agencies involved in the sector

The delivery of financial supports to the indigenous tech sector involves a multi-faceted range of government and state agencies at local and national level. This section sets out some of the key actors in the ecosystem.

## Ireland

- **Department of Enterprise, Tourism and Employment**

The Department of Enterprise, Tourism and Employment is the state department responsible for enterprise policy and creating an environment which enables employment creation and sustainability. The department is also charged with promoting fair competition in the marketplace, protecting consumers and safeguarding workers. The Department is the parent department of Enterprise Ireland and InterTradeIreland.

- **Department of Finance**

The Department of Finance's responsibility is to lead in the achievement of the government's economic, fiscal and financial policy goals. It is the Government

Department responsible for taxation policy, and leads in this area with regard to the sector and in negotiations with the European Union around the application, for example, of state aid rules, as they apply to sectoral tax reliefs applicable to the sector.

- **Enterprise Ireland**

Enterprise Ireland is the Irish government's enterprise development agency charged with investing in and supporting the development of Irish-owned companies on their journey to achieving greater scale and to become global leaders in their field. This provides a platform for strong economic growth, and creating and sustaining jobs in communities around the country. Enterprise Ireland also determines the policy remit for the Local Employment Service.

The agency is responsible for an annual budget of over €500m<sup>89</sup> and has been described as Europe's 'most active domestic venture capital investor' by Pitchbook.<sup>90</sup> It recently published its new five year strategy.<sup>91</sup>

It supports the export activity of Irish companies through a network of 39 international offices and seeks to assist Irish companies to develop high-growth strategies and to enter new markets with innovative and sustainable solutions.

- **Revenue Commissioners**

The Revenue Commissioners is the state agency responsible for the collection of taxes in Ireland. They liaise with the Department of Finance on the setting of tax policy and are a critical agency that founders and early stage start-ups engage with. Revenue hosts a deliberative forum with tax practitioners called

89 EI Annual Report 2024 - <https://www.enterprise-ireland.com/resource/blob/160112/4327961e495998130f07056c7749b423/2024-annual-report-and-accounts-download--data.pdf>

90 Enterprise Ireland ranked as Europe's most active domestic venture capital investor by PitchBook - <https://www.enterprise-ireland.com/en/news/enterprise-ireland-ranked-as-europe-s-most-active-domestic-venture-capital-investor-by-pitchbook>

91 Enterprise Ireland - Delivering for Ireland, Leading Globally : Strategy 2025-29 - <https://www.enterprise-ireland.com/documents/strategy-2025-2029-en-151544.pdf>



the Tax Advisory Liaison Committee, in which they engage with tax practitioners/advisors on issues arising from the administration of the tax system. They also host consultations on the tax system in which wider representative groups participate.

- **Local Employment Offices (LEOs)**

Local Enterprise Offices or LEOs seek to promote entrepreneurship, foster start-ups and develop existing micro and small businesses to drive job creation and business growth. The LEOs are an agency established within the policy responsibility of Enterprise Ireland, although funded by local authorities, and there are 31 across the country mirroring the local government structure. Their goals, KPIs and scope of engagement are set by the parent agency. The LEOs are charged, since last year, with supporting microbusiness of up to 50 employees. Some core LEO programmes typically involve the requirement for a company to trade which can limit its effectiveness in dealing with high-tech start-ups.

- **Western Development Commission**

The WDC provides equity finance and loans to business, communities, social enterprises, strategic initiatives and the creative industry in the Western Region of Ireland. It invests and lends on a commercial basis and looks for both a financial return and a social-economic dividend for the region. All proceeds from investments are reinvested in new ventures. It invests across multiple sectors and at all stages of the business lifecycle, from start-up to scale-up.

- **MicroFinance Ireland (MFI)**

MFI provides small loans through the Government's Microenterprise Loan Fund. The purpose of the fund is to help start-ups and established businesses to get the finance they need for their business.

- **Strategic Banking Corporation of Ireland (SBCI)**

The SBCI was established in September 2014 following Ireland's exit from the EU/IMF programme, to ensure that businesses could access funding when the private sector could not or would not provide funding. Today, the SBCI aims to help SMEs grow, innovate and prosper, leading to a better economy for all. It provides loans to companies in conjunction with MFI.

- **NTMA/Ireland Strategic Investment Fund**

The Ireland Strategic Investment Fund, managed and controlled by the National Treasury Management Agency (NTMA), is Ireland's sovereign wealth development fund. Its mandate is to invest on a commercial basis to support economic activity and employment in Ireland. While direct ISIF investments in companies are very much in the later stage, it also invests in VC funds that invest in earlier stage ventures.

- **Research Ireland**

The newly merged body, Research Ireland, is the agency charged with funding research projects across the third level sector. It was established in 2024 following a merger between Science Foundation Ireland and the Irish Research Council.

## Northern Ireland / UK

- **Department for the Economy**

The Department of the Economy is the devolved Northern Ireland executive department responsible for innovation and enterprise policy. It is the parent department of Invest Northern Ireland and also funds the Enterprise Northern Ireland network. It is also a funder of InterTradeIreland.

- **Invest Northern Ireland**

Invest NI is Northern Ireland's regional business development agency, It is an agency of the Department for the Economy with responsibility for providing government support for business by effectively delivering the Government's economic development strategies. Its role is to grow the local economy.

With a £115m annual budget, Invest NI supports over 1,000 tech-focused clients annually, with £143m invested in 2023 (Catalyst, 2024). Its Co-Fund NI, managed by Clarendon, matched £5m in private investment in 2024 alone." InvestNI covers the remit of two separate state agencies in Ireland - Enterprise Ireland and the Industrial Development Authority. It operates the website nibusinssinfo.co.uk. It defines a client as a company with over 25% of sales outside Northern Ireland.<sup>92</sup>

Integral to this ecosystem is Techstart Ventures LLP, which manages Invest NI's tech-focused Access to Finance initiatives. The firm oversees a £4.5 million Proof of Concept Grant Fund offering Concept Grants (up to £10k-£15k) and Concept Plus Grants (up to £35k-£40k) to support early-stage innovators in validating and developing their ideas.<sup>93</sup> In addition, Techstart Ventures manages approximately £50 million in equity funds aimed at supporting early-stage technology businesses and university spin-outs. In 2025, Invest NI announced a new wave of Access to Finance funding: notably, TechStart III, a £55 million fund (including a £7 million Proof of Concept grant component), managed by TechStart Fund Managers, which builds on previous funding rounds.<sup>94</sup>

- **UK Research and Innovation / Innovate UK**

UK Research and Innovation (UKRI) is the UK's national funding body for research and innovation, driving scientific discovery and technological advancement to address global challenges and boost economic growth. It supports universities, research institutes, and businesses by investing in cutting-edge projects, fostering collaboration, and translating research into practical solutions across disciplines such as health, climate, and digital technology. Established in 2018, UKRI operates as a non-departmental public body under the Department for Science, Innovation and Technology, overseeing nine councils - including Innovate UK - each specializing in distinct research and innovation domains, with a combined budget exceeding £8 billion annually.<sup>95</sup>

Northern Ireland's participation in UKRI funding schemes (e.g. Biomedical Catalyst and Smart Grants) is understandably a small fraction of the UK's. The London region generally dominates funding allocation, with Northern Ireland attracting around 2% of funding, suggesting limited regional penetration of initiatives in Northern Ireland, relative to the broader UK.<sup>96</sup>

92 Invest NI Business Strategy 2024-2027 - <https://www.investni.com/sites/default/files/2024-10/business-strategy-invest-ni-2024-2027.pdf>

93 Proof of Concept TechStart NI - <https://www.investni.com/support-for-business/innovation-research-and-development/proof-of-concept-techstart>

94 Minister announces £250 million of Access to Finance funding to support start-ups and SMEs - <https://www.investni.com/media-centre/news/minister-announces-ps250-million-access-finance-funding-support-start-ups-and>

95 UK Research and Innovation - <https://www.ukri.org/>

96 FOI to UKRI. Ref (FOI ref: FOI2024/01142)

Innovate UK is the UK's innovation agency. It seeks to assist UK businesses to grow through the development and commercialisation of new products, processes and services, supported by an outstanding innovation ecosystem that is agile, inclusive and easy to navigate.

- **HMRC**

Her Majesty's Revenue and Customs is the UK's tax, payments and customs authority, and collect the money that pays for the UK's public services. UK wide taxation is a reserved responsibility of Westminster but Northern Ireland enjoys limited devolution powers with respect to Corporation Tax.<sup>97</sup>

- **British Business Bank**

The British Business Bank (BBB) is 100% Government owned, but independently managed. It brings expertise and Government money to the smaller business finance markets. It doesn't lend or invest directly. Instead it works with over 200 partners such as banks, leasing companies, venture capital funds and web-based platforms. Businesses apply for finance through partners who have additional lending capacity because of their relationship with BBB, especially younger and faster growing companies.

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<sup>97</sup> Corporation Tax - Devolution of Tax Raising Powers to Northern Ireland - [https://assets.publishing.service.gov.uk/media/5a7eec0240f0b62305b84051/TIIN\\_-\\_Corporation\\_Tax\\_-\\_devolution\\_of\\_rate-setting\\_power\\_to\\_Northern\\_Ireland.pdf](https://assets.publishing.service.gov.uk/media/5a7eec0240f0b62305b84051/TIIN_-_Corporation_Tax_-_devolution_of_rate-setting_power_to_Northern_Ireland.pdf)

# Methodology

## Desktop review

The first stage of the report preparation was to gather basic data on all financial supports available in both jurisdictions by way of a desktop review from agency websites. We then proceeded to categorise the data so that we could present similar type supports alongside each other for comparative purposes. This analysis is presented in the accompanying spreadsheet. As previously stated, we sought to filter the data to primarily include supports that seem targeted at the referenced sector.

## Interviews with stakeholders

As already alluded to, one of the challenges which has emerged during the course of our work was finding founders with comparative experience of both ecosystems. There are quite a small number of companies or founders that have first-hand experience of the operation of the two respective financial support ecosystems. This has made direct comparisons difficult to achieve.

To secure an overview into how the respective ecosystems operate, we have conducted a series of interviews with stakeholders operating at different perspectives across the two ecosystems. These interviews have been conducted on the basis of anonymity, allowing contributors to speak frankly about aspects of the respective ecosystems. Participants have shared their perspectives on their respective ecosystems, clarified queries around the operation of the particular interventions and commented on the potential co-operation between the ecosystems and their respective state agencies. Twenty-one such interviews have taken place over a three month period.

## Information requests with state agencies

In cases where the publicly available data has been insufficient for our purposes, or requires clarification as to its precise meaning, additional information has been requested directly from the relevant state agency, or by way of freedom of information requests. This approach has been particularly helpful with regard to costings and expenditure levels information.

# Mapping of financial supports

## Grouping of supports by kind as per spreadsheet

Business supports in Ireland and Northern Ireland are manifold. Some, but clearly not all, are relevant to the indigenous high tech sector. Some tax measures are clearly identifiable as being tailored to meet the sector's requirements. Some offer direct financial support, in many cases the support is indirect and may involve the provision of services free of charge or at a subsidised lower cost.

The full suite of supports is set out in the attached table which is embedded [here](#).

## Spreadsheet outlining supports

Here we set out a broad summary and analysis of supports under the categories mirrored in the spreadsheet. The categorisation is based on a number of factors. It can refer to both the nature of the support, be it direct grant or equity investment for example. We have sought to include supports that appear to be particularly relevant to the indigenous high tech sector though, as pointed out, also have a wider SME application. All start-ups and early stage scaling companies are SMEs, though not all SMEs are start-ups or potentially scaling companies.

Some interview participants pointed out the sheer volume of supports available, which give rise to issues of ecosystem complexity and a risk that companies and founders can be attracted into grant shopping. It is also the case that some supports not included here, might become more relevant if tweaked slightly. One such case raised was InterTradelreland's Innovation Boost support.

# Categorisation

The listings included in this report are presented by support type. However, we have sought to apply a number of additional categories in the embedded spreadsheet which can filter the supports under a number of different headings. We have focussed on initiatives and measures that are in receipt of taxpayers money, directly or indirectly. Private sector initiatives do exist under these categories but have not been included.

## Heading Title 1: Category

Description of the nature of the financial or service support.

### **Accelerators:**

A service involving a mixture of learning, development mentoring to founders or a company sometimes involving equity investment.

### **Angels:**

Angles are private sector actors who invest in companies either individually or in a consortium. An angel network is a support or support structure designed to encourage private sector investors to invest in early stage start-up or scaling companies.

### **Competitions:**

A competition involving start-ups competing against each for early stage investment by way of a prize fund.

### **Funds:**

Providers of equity investment into start-up and scaling companies at early and later stages by way of direct investment or an instrument convertible into the same.

### **Pre-seed/Seed Grants:**

A grant afforded to a company to support company development often associated with the transition from research to commercialisation but also conceptual work around prospective companies / founders with business ideas.

### **Loans:**

Typically a state supported loan scheme to provide start-ups with early stage or venture debt capital.

### **Support Grants:**

Typically a grant provided to a company to support a particular type of activity within a company such as research, product development or employment supports. (The approach was taken by the authors to limit the number of support grants included to those that seemed particularly germane to the business development. Supports, for example, to enhance company sustainability or digitalisation were not included.)

### **Tax:**

Typically a tax incentive aimed at or relevant to encouraging investment into start-up and scaling companies or to support company activity with a particular purpose.



## Heading Title 2: Stage

A description of the stage at which a company, in receipt of the particular support, might be at in its scaling journey. We have deployed the following categories.

### **Ideation:**

Very early stage support designed to support conceptual work around a possible business idea or an innovation within an existing company.

### **Commercialisation:**

Typically an intervention aimed at facilitating the transition of research into a marketable product or innovation.

### **Pre Seed:**

Investment into an early stage company typically having previously raised money from its own resources, angels or family members. Typically ranges from 50,000 to 100,000.

### **Seed:**

Investment into a company typically involving a state agency with matching private sector VC or angel investment.

### **Post Seed:**

Later stage scaling investment into a company nearly always alongside private and VC investment.

### **Established/Scaling:**

Support for innovation or additional capacity within an established scaling company.

## Heading Title 3: Value Range

For simplicity, the authors have sought to attribute a monetary value to the individual support. Some will be as indicated by the provider, others attributable to assessment by the authors:

**Ranges included:** (no currency distinction applied)

- 0-25,000
- 25,000 to 49,000
- 50,000, to 100,000
- 100.000 to 250.000
- 250.000+

## Heading Title 4: Sub-type

This category is used primarily, but not exclusively, to differentiate between certain types of support grants to provide additional information as to the purpose of the grant offered. It was also used to distinguish between full accelerators and pre-accelerators.

Categories include:

- R&D supports
- Intellectual Property development supports
- Employment supports

## How things differ - more typical SME categorisation

As an illustration of how this categorisation can differ from a broader SME dataset, we have reproduced below some of the filters used in Ireland's National Enterprise Hub.<sup>98</sup> For obvious reasons this is a wider categorisation than that applied to tech start-ups.

### Business size

- Less than 10 employees
- Between 10 - 49 employees
- Between 50 - 249 employees

### Type of Support

- Advice and Mentoring
- Grants and Funding
- Loans
- Training and Programmes

### Business goals

- Become more digital
- Become more productive
- Become more sustainable
- Employ new people
- Get help with cash flow
- Get support to expand
- Invest in innovation
- Sell into new markets
- Upskill your team

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<sup>98</sup> National Enterprise Hub - <https://www.neh.gov.ie/>

# Funding based supports

## Pre-Seed grants

The below are a series of financial supports made to companies by direct grant and which do not involve an equity investment. They are made to founders and to companies and range widely in terms of their value and cost. They include support for initial ideation and conception and support for particular aspects of business development, available to all company types. Grants are also available for research commercialisation, both for ideation and implementation. These supports are in the higher range in terms of amounts. As indicated previously, this is not the full range of grants available for specific purposes. It does not include support, for example, on sustainability implementation, or digitalisation.

### Northern Ireland

| Category              | Name                                                                                 | Provider           | Description                                                                                                                                                                                                                                     | Eligibility                                                                                  | Value              |
|-----------------------|--------------------------------------------------------------------------------------|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|--------------------|
| Pre-seed / Seed Grant | <a href="#">Invest NI Proof of Concept 1</a>                                         | Invest NI          | Supports activity to validate and develop early-stage, research-derived technologies with commercial potential or commercialisation stage.                                                                                                      | Northern Ireland research organisations (e.g. universities or publicly-funded institutes)    | £15,000            |
| Pre-seed / Seed Grant | <a href="#">Invest NI Proof of Concept 2</a>                                         | Invest NI          | Provides grant funding to help translate early-stage, research-derived technologies toward commercial readiness.                                                                                                                                | Northern Ireland research organisations (e.g. universities or publicly-funded institutes)    | £150,000           |
| Pre-seed / Seed Grant | <a href="#">Student to First Sale</a>                                                | InvestNI           | Aimed at fostering innovation and entrepreneurship among students and helping student entrepreneurs in Northern Ireland transform their business ideas into commercial ventures.                                                                | Targeted at current students who are studying at a college or university in Northern Ireland | £15,000            |
| Pre-seed / Seed Grant | <a href="#">Medical Research Council (MRC) Impact Acceleration Account (MRC IAA)</a> | MRC / QUB          | Aims to accelerate the transition from discovery science to the early stages of therapeutic and biomarker development and rapidly de-risk projects across the translational lifecycle, so that they become competitive for substantial funding. | Must be within a University that has been awarded funding                                    | £30,000 - £100,000 |
| Pre-seed / Seed Grant | <a href="#">Techstart Proof of Concept Grant</a>                                     | Techstart Ventures | To explore the viability and commercial potential of an innovative concept                                                                                                                                                                      | NI Company. Not connected to a university.                                                   | £15,000            |

|                      |                                                   |                    |                                                                                                                                                           |                                                                                                                                                    |                  |
|----------------------|---------------------------------------------------|--------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|------------------|
| Pre-seed /Seed Grant | <a href="#">Techstart Proof of Concept+ Grant</a> | Techstart Ventures | To explore the viability and commercial potential of an innovative concept                                                                                | NI Company. Not connected to a university.                                                                                                         | £40,000          |
| Pre-seed/ Seed Grant | <a href="#">Biomedical Catalyst</a>               | Innovate UK        | Accelerate the development of new treatments, diagnostics, medical devices, and digital health solutions from early-stage concept to commercial viability | Led by a business (can collaborate with University)<br>UK Based SME<br>The project should have a clear path to commercialisation and market impact | Up to £2,000,000 |
| Pre-seed/ Seed Grant | <a href="#">UKRI POC</a>                          | Proof of Concept   | Help UK-based research organisations commercialise their research by validating ideas, technologies, processes                                            | Based at UKRI-eligible institution                                                                                                                 | £80k-£200k       |

## Ireland

| Category              | Name                                                                 | Provider | Description                                                                                                                                                                                                     | Eligibility                      | Value                                      |
|-----------------------|----------------------------------------------------------------------|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|--------------------------------------------|
| Pre-seed / Seed Grant | <a href="#">Commercialisation Fund</a>                               | EI       | Supports third-level researchers to translate their research into innovative and commercially viable products, services and companies                                                                           | Third Level Researchers          | Various (up to €500k) (34 awarded in 2024) |
| Pre-seed / Seed Grant | <a href="#">Feasibility Study Grants</a>                             | LEO      | Support for assessing market demand etc. - regional differentiation                                                                                                                                             | General - On Application         | S&E 50% or €15,000, BMW 60% or €15,000     |
| Pre-seed / Seed Grant | <a href="#">Priming Grants</a>                                       | LEO      | Business Start Up Grant - micro under 19 months - manufacturing or internationally traded services sector                                                                                                       | Micro Enterprises on application | €150,000 or 50% whichever is the lesser    |
| Pre-seed / Seed Grant | <a href="#">Commercialisation Fund Feasibility Grant &amp; Award</a> | EI       | The Commercialisation Fund Award provides significant funding and supports to help researchers develop, build and validate their technology both technically and commercially using a tailored development plan | General - On Application         | €15,000 (55 awarded in 2024)               |

## Equity type investment

These supports are available to companies in return for equity investment in the company. They can range from initial early stage investments to follow on investment and later stage investments. A variety of funding instruments from direct investment to instruments like Convertible Loan Notes (CLN) or Simple Agreements for Future Equity (SAFE) can be deployed.

The requirement for equity funding is a defining feature of the innovation sector. These companies can be locked out of funding mechanisms by virtue of the risk factor attached to their development, and because in many cases there is a longer time gap to revenue raising than with typical micro and small businesses. A healthy capital market is critical for a healthy innovation ecosystem.

Funding, as already outlined, is the critical issue facing founders of early stage enterprises. In Ireland and Northern Ireland, state intervention has been deemed necessary to address this historic lack of capital. As we will see later, the tax system is also used to incentivise private capital inflows into the market. Amongst our interviewees, there was a general consensus that Ireland is a more mature ecosystem than Northern Ireland in that regard - that as it is further down the road in developing an ecosystem with a better capacity to recycle funding from its successes. However, the scale of the ambition that both Governments are asking of the sector suggests that they will remain committed to supporting it.

In some cases the state provides co-funding or leverage funding to private VC investors. Enterprise Ireland's early stage investment tool, the Pre-Seed Start Fund (PSSF), is offered directly to companies. High Potential Start Up (HPSU) funding is typically matched with private sector investment. Enterprise Ireland has considerable flexibility with respect to follow-on funding and other direct investment mechanisms where it deems it appropriate. It should be noted too that the National Digital Research Centre, which operates as the national accelerator, is also an equity investor in companies participating in its full accelerator programme. Some interview participants suggested that Northern Ireland lacked a similar scale of pre-seed support offering.

Invest NI's equity fund Co-Fund NI, operated by Clarendon on its behalf, is also a matched fund. Similarly, the Investment Fund for Northern Ireland, also operated by Clarendon, offers equity investment up to £5m and disbursed £10m in its first year of operation. The fund also offers a venture debt facility provided by Whiterock. Complementing these, Techstart Ventures manages early-stage equity funds of around £50 million, with Techstart III, launched in 2025, providing a £55 million fund to support technology-focused start-ups and university spin-outs.

Of particular significance here in Ireland is the EI Seed and Venture Capital Scheme which draws in matching funding from private VC funds. The public money commitment to the fund has recently been raised from €175m over five years to €250m. The most recent iteration of the scheme, which ran between 2019 & 2024, helped generate 14 different funds with the state commitment of €175m, leveraging an investment level of around €1bn.<sup>99</sup> A similar matched funding model has been used to deploy funding under the Irish Innovation Seed Fund established in 2022 (operated by Enterprise Ireland and the National Treasury Management Agency supported by the European Investment Fund) in response to concerns about the level of funding going into pre-seed and seed stages.<sup>100</sup> Likewise, the National Treasury Management Agency through the Irish Strategic Investment Fund also supports domestic and international seed funds.<sup>101</sup>

The Pre-Seed Start Fund (PSSF) operated by Enterprise Ireland involves a later equity conversion injection by way of a convertible loan note (CLN) and has proven a popular successor to the Competitive Start Fund which it had operated for a number of years. Enterprise Ireland investment into start-ups in 2024

99 Enterprise Ireland, Annual Report and Accounts 2024 - <https://www.enterprise-ireland.com/resource/blob/160112/4327961e495998130f07056c7749b423/2024-annual-report-and-accounts-download--data.pdf>

100 Irish Innovation Seed Fund - <https://www.gov.ie/en/department-of-enterprise-tourism-and-employment/press-releases/ministers-coveney-and-mcgrath-welcome-second-allocation-of-funding-under-irish-innovation-seed-fund/>

101 How ISIF invests - <https://isif.ie/indigenous-businesses>

measured €26m by way of PSSF and HPSU funding, and the agency also deployed follow-on-funding and direct investment where appropriate. 70 PSSF investments were made by Enterprise Ireland in 2023 at a cost of €6.4m, implying an average investment close to the €100,000 mark in each company, which is the maximum under the scheme. 85 HPSU investments were undertaken at a cost of €17.5m. In total almost 160 start-ups were supported by EI from these sources.<sup>102</sup>

## Northern Ireland

| Category | Name                                                                | Provider                                        | Description                                                | Eligibility                                           | Value                 |
|----------|---------------------------------------------------------------------|-------------------------------------------------|------------------------------------------------------------|-------------------------------------------------------|-----------------------|
| Fund     | <a href="#">Investment Fund for Northern Ireland Equity Finance</a> | British Business Bank / Clarendon Fund Managers | Funding to early-stage and high-growth potential companies | Small and medium sized NI companies                   | £250,000 - £5 million |
| Fund     | <a href="#">Co-Fund NI</a>                                          | Clarendon Fund Managers                         | Pre-Seed / Seed Funding                                    | NI companies Investment matched to private investment | £150,000 - £1,500,000 |
| Fund     | <a href="#">Techstart Ventures Equity Fund</a>                      | Techstart Ventures                              | Pre-Seed / Seed Funding                                    | NI companies                                          | £50,000 - £250,000    |

## Ireland

| Category | Name                                                      | Provider    | Description                                                                                                                                                                                                                                      | Eligibility              | Value                                                   |
|----------|-----------------------------------------------------------|-------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|---------------------------------------------------------|
| Fund     | <a href="#">Pre-Seed Start Fund</a>                       | EI          | Early Stage Investment                                                                                                                                                                                                                           | General - on application | €50k to €100k                                           |
| Fund     | <a href="#">Innovative HPSU Fund</a>                      | EI          | 6 month scaling programme                                                                                                                                                                                                                        | General - on application | Up to €1.2m                                             |
| Fund     | <a href="#">Business Investment Funds</a>                 | WDC         | Regional SME investment fund                                                                                                                                                                                                                     | General - on application | €250,000 to €1m                                         |
| Fund     | <a href="#">EI Seed &amp; Venture Capital Scheme Fund</a> | EI          | To increase the availability of risk capital for start-ups to support economic growth through continued development of the Seed and Venture Capital industry in Ireland to achieve a more robust, commercially viable and self-sustaining sector | Application by funds     | €250m (2024-29) (2019-24 allocation supported 14 funds) |
| Fund     | <a href="#">Irish Innovation Seed Fund</a>                | EI/EIB/ISIF | VC partnership fund targeted at supporting seed stage SMEs across the State and prioritises areas such as sustainability, climate change and female entrepreneurship                                                                             | Application by funds     | €90m Fund size                                          |

<sup>102</sup> Figures supplied by Enterprise Ireland

|      |                                                 |           |                                          |                          |                     |
|------|-------------------------------------------------|-----------|------------------------------------------|--------------------------|---------------------|
| Fund | <a href="#">Irish Strategic Investment Fund</a> | ISIF/NTMA | Invests in VC funds                      | Application by funds     | Various             |
| Fund | EI Follow-on Investment                         | EI        | Follow-on investment in existing clients | Former HPSU              | Various (€10m 2023) |
| Fund | <a href="#">Furthr Venture Capital Funds</a>    | Furthr    | Seed to Series A fund                    | General - on application | Various (€50m fund) |

It is important to illustrate the depth of the offering being made in Ireland. While the EI Seed and Venture Capital Scheme for example, merits a single line in the above table as a single state based financial support, it is deployed to leverage additional private capital as illustrated below. The same is true of the Ireland Strategic Investment Fund and the Irish Innovation Seed Fund.

### EI SVC VC funding 2019-2024<sup>103</sup>

To illustrate the range of capital generated for investment by the Seed and Venture Capital Scheme, here are the funds leveraged by the previous scheme.

| Fund                                             | EI Commitment €m | Sector                 | Stage     |
|--------------------------------------------------|------------------|------------------------|-----------|
| Sure Valley Ventures                             | 15               | AI/Software            | Early     |
| Middle Game Ventures Seed Fund I                 | 8                | Fintech                | Seed      |
| Finch Capital Europe Fund III Cooperatief U.A.   | 5                | Fintech                |           |
| Earlybird Health II Fund GMBH & Co KG            | 5                | Health                 | Early     |
| Elkstone Ireland Ventures I                      | 20               |                        | Early     |
| Delta Fund IV                                    | 15               |                        | Early     |
| ACT VI Venture Capital Fund Limited Partnership  | 8.5              | ICT, health, cleantech |           |
| ACT VI Side Car Fund Limited Partnership         | 12.5             | Technology             | Seed      |
| Seroba Life Sciences Fund IV Limited Partnership | 10               | Life Sciences          | Mid-stage |
| Redesdale                                        | 15               | Beverages              |           |
| University Bridge Fund                           | 20               | Spin-outs              |           |
| Irish Smart Tech Fund                            | 16               |                        | Early     |
| Atlantic Bridge IV                               | 15               |                        |           |
| MiddleGame Ventures Fund 1                       | 10               | FinTech                |           |
|                                                  | 175              |                        |           |

It has already been announced that the same fund will amount to €250m over the course of the next five years. On a comparative basis it should leverage well in excess of €1bn worth of funding.<sup>104</sup> As indicated, the Ireland Strategic Investment Fund and Irish Innovation Seed Fund also leverage additional funding. Taken with the pre-seed supports, it is an indication of the higher level of financial support to companies available in Ireland.

<sup>103</sup> Enterprise Ireland Annual Report 2023

<sup>104</sup> Minister Bruke announces €250m Seed and Venture Capital Scheme -

<https://www.enterprise-ireland.com/en/news/minister-burke-announces-new-250m-seed-and-venture-capital-scheme>



There is a further funding line which SME/start-up collaborations can procure investment in - the Disruptive Technology Innovation Fund. The fund is worth €500m and to date over €300m has been allocated. Its purpose is to facilitate co-operative research between companies and third level institutions on a project basis involving particular research and operational challenges.

## Angel investing

Angels are private investors who invest in companies. They typically either invest individually or through syndicates. Angel investors play a critical role in recycling investment back into the ecosystem and are encouraged by both states through direct support and tax incentives.

While angels can operate as part of syndicates or as individual private investors, and private sector syndicates operate on both parts of the island, the Halo Business Angel Network of angels has been supported by the state through both InterTradeIreland itself and Enterprise Ireland and it invests on an all-island basis. The contract to run HBAN is subject to periodic tender and run by a franchise operator. It is perhaps the most significant area of all-island co-operation in the ecosystem, and is currently being operated by the members of the Irish Tech Hub Network. Historically, HBAN in Northern Ireland has accounted for approximately 30% of overall deal volume.<sup>105</sup>

Notwithstanding its all-island mandate, angels also are likely to invest within their respective ecosystems despite the all-island infrastructure. Between April 2023 and year end 2024, HBAN have invested over €25m into 82 different start-ups and have recruited over 290 new investors into the network.<sup>106</sup>

### Northern Ireland

| Category | Name                          | Provider | Description           | Eligibility     | Value   |
|----------|-------------------------------|----------|-----------------------|-----------------|---------|
| Angels   | <a href="#">HBAN</a>          | Various  | Pre-Seed/Seed Funding | Open            | Various |
| Angels   | <a href="#">Awaken Angels</a> | ITI/BBB  | Pre-Seed/Seed Funding | Female Founders | Various |

### Ireland

| Category | Name                 | Provider | Description             | Eligibility | Value   |
|----------|----------------------|----------|-------------------------|-------------|---------|
| Angels   | <a href="#">HBAN</a> | Various  | Pre-Seed / Seed Funding | Open        | Various |

In addition to angel networks supported by the state, there are a number of private networks that co-ordinate the investing of individual angels.

Figures provided by HBAN for deals conducted by the syndicate between 2021 and 2023, while obviously indicating a higher value of activity in Ireland, also suggest a better comparative performance in Northern Ireland than in other funding areas.

| Year | Republic of Ireland (000) | Northern Ireland (000) |
|------|---------------------------|------------------------|
| 2023 | 7,859                     | 627                    |
| 2022 | 27,752                    | 5,208                  |
| 2021 | 13,472                    | 4,139                  |

<sup>105</sup> Invest NI HBAN evaluation 2022 - <https://www.investni.com/sites/default/files/2022-08/halo-business-angel-network-evaluation-final-report-april-2022.pdf>

<sup>106</sup> HBAN Angels invest €25 Million into 82 High potential start-ups - <https://www.hban.org/blog/hban-angels-invest-25-million-into-82-high-potential-startups>

## Competitions

Publicly-backed competitions with prizes can be a small source of funding and provide a focus for the ecosystem. The InterTradelreland Seedcorn Competition is run on a cross border basis and the prize fund is significant.

### Northern Ireland

| Category    | Name                            | Provider          | Description                                 | Eligibility                                               | Value            |
|-------------|---------------------------------|-------------------|---------------------------------------------|-----------------------------------------------------------|------------------|
| Competition | <a href="#">Catalyst INVENT</a> | Catalyst          | Promotion of entrepreneurship               | Open to students and start-ups. Must have basic prototype | £50,000 (prize)  |
| Competition | <a href="#">Seedcorn</a>        | InterTradelreland | Investor Readiness - early stage/ new start | General                                                   | €300k prize fund |

### Ireland

| Category    | Name                     | Provider          | Description                                | Eligibility | Value            |
|-------------|--------------------------|-------------------|--------------------------------------------|-------------|------------------|
| Competition | <a href="#">Seedcorn</a> | InterTradelreland | Investor Readiness - early stage/new start | General     | €300k prize fund |

It should be noted that competitive processes are a common feature of the tech eco-system and typically can feature at the culmination of an accelerator programme for example. Student competitions, such as the Student Entrepreneur Award supported by Enterprise Ireland<sup>107</sup> in Ireland and the Catalyst Student Invent<sup>108</sup> in Northern Ireland, also feature.

<sup>107</sup> Student Entrepreneurship Awards - <https://www.enterprise-ireland.com/en/student-entrepreneur-awards/>

<sup>108</sup> Student Invent - <https://www.invent25.co/studentinvent>

## Acceleration support

Tech Target defines an accelerator as a business programme that supports early-stage, growth-driven companies through education, mentorship and financing.<sup>109</sup>

A broad based application of the concept has been used here in an attempt to capture the extent of support available to both individual potential founders and companies. We are including what are called pre-accelerators for the same reason. There are also additional programmes, for instance, the Innovators Initiative offered by Enterprise Ireland in conjunction with Research Performing Organisations, that offer accelerator type models to participants.<sup>110</sup>

Ireland has been supporting a state financed national accelerator, the National Digital Research Centre (NDRC) for over a decade and was an early innovator in this space. Continued support for NDRC was the subject of some political discussion in 2024, but the issue was resolved in the Programme for Government.

The New Frontiers programme, run by Enterprise Ireland in conjunction with the third level sector, is notable for the volume of throughput through its programmes. Over 500 potential founders completed level one in 2023.

Many accelerators operate on a sectoral basis and they are also inherently transient. The authors have made efforts to include current operating accelerators and recognise that there are new providers being offered by stage agencies. These have many of the facets of accelerators but focus on individual entrepreneurs rather than companies. One such example is the Innovators Initiative supported by Enterprise Ireland.<sup>111</sup>

## Northern Ireland

| Category    | Name                                                                     | Provider      | Description                                                                                                                                                                                  | Eligibility                                                                                                                                                                                                                                                                                                       | Value   |
|-------------|--------------------------------------------------------------------------|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| Accelerator | <a href="#">Royal Academy of Engineering (RAE) Enterprise Fellowship</a> | RAE           | Twelve-month accelerator programme designed to support talented researchers and graduates to transform breakthrough engineering innovations into disruptive spin-outs and graduate start-ups | University researchers, recent graduates, non-UK nationals who have recently completed their PhD at a UK university with:<br>- a protectable engineering or technology innovation<br>- the ambition to lead the business as CEO/COO<br>- a technology that has been validated in a lab or a relevant environments | £75,000 |
| Accelerator | <a href="#">ICURE Explore</a>                                            | Innovate UK   | Commercialisation of university research - customer discovery / market research                                                                                                              | UK - University research based                                                                                                                                                                                                                                                                                    | £35,000 |
| Accelerator | <a href="#">Founder Labs</a>                                             | Ormeau Labs + | A programme created by founders for founders                                                                                                                                                 | By application                                                                                                                                                                                                                                                                                                    | £25,000 |

<sup>109</sup> What is a start-up accelerator? <https://www.techtarget.com/searchcio/definition/startup-accelerator#:~:text=A%20startup%20accelerator%2C%20sometimes%20referred,of%20a%20cohort%20of%20companies>.

<sup>110</sup> Enterprise Ireland Innovators Initiative - <https://www.enterprise-ireland.com/en/news/enterprise-ireland-launches-two-new-funding-programmes-worth-63m-for-innovators-and-research>

<sup>111</sup> Minister Coveney launches four programmes under the €28m Innovators Initiative - <https://www.enterprise-ireland.com/en/news/minister-coveney-launches-four-programmes-under-the-28-million-innovators-initiative>

## Ireland

| Category    | Name                                                            | Provider                       | Description                                                                                                                                                                                                                                                                                                                           | Eligibility                             | Value                                                      |
|-------------|-----------------------------------------------------------------|--------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|------------------------------------------------------------|
| Accelerator | <a href="#">New Frontiers - phases 1-3</a>                      | Enterprise Ireland             | Enterprise Ireland's New Frontiers programme is delivered at 18 locations around Ireland. Helps develop the skills to move from business idea towards an income-generating and investor-ready start-up. Receive mentoring, training, incubation space, access to R&D facilities, and financial support (once idea has been validated) | Targeted at first time founders         | €40k for phase one. Phase 2 competitive selection process. |
| Accelerator | <a href="#">NDRC Preaccelerator</a>                             | NDRC                           | The Pre-Accelerator is designed for pre-seed start-ups that are serious about achieving impactful customer proof points and applying to an accelerator programme                                                                                                                                                                      | On application                          | Free to participants                                       |
| Accelerator | <a href="#">NDRC Accelerator</a>                                | NDRC                           | Full accelerator programme                                                                                                                                                                                                                                                                                                            | On application                          | €100k - (SAFE)                                             |
| Accelerator | <a href="#">Dogpatch Founders</a>                               | NDRC supported                 | A new programme designed to support the most ambitious individuals who have the desire to start a company but don't know where to begin                                                                                                                                                                                               | On application                          | €2k stipend                                                |
| Accelerator | <a href="#">Accelerate Green</a>                                | Board NaMona/ Resolve Partners | Dedicated to companies who are developing products and services based on green innovation in response to climate action and sustainability challenges                                                                                                                                                                                 | Sectoral                                |                                                            |
| Accelerator | <a href="#">AI Ecosystem Accelerator</a>                        | Nova UCD/ CEAdar               | Designed to support entrepreneurs developing global AI solutions                                                                                                                                                                                                                                                                      | By application                          |                                                            |
| Accelerator | <a href="#">2050 Accelerator</a>                                | Dogpatch Labs                  | Designed to support corporates and start-ups aligned to the EU's 2050 climate goals                                                                                                                                                                                                                                                   | By application                          |                                                            |
| Accelerator | <a href="#">Prep4Seed</a>                                       | Irish Bics                     | 12 week investor readiness programme run by Irish Business Innovation Centres for Enterprise Ireland                                                                                                                                                                                                                                  | Designed for recipients of PSSF funding |                                                            |
| Accelerator | <a href="#">Next Wave: National Women's Founder Accelerator</a> | Enterprise Ireland             | Designed to prepare female founders for early stage investment                                                                                                                                                                                                                                                                        | By application                          | Female Founders                                            |

## General support grants

General support grants can either be available for early stage ideation, conceptualisation or supports in respect of general business targets or strategy like marketing and staff recruitment.

This list below is by no means exhaustive. We have left out some categorisations. For example, financial support is available in Ireland and Northern Ireland for sustainability initiatives for example. We have sought to include those supports which have a particular relevance for tech start-ups.

### Northern Ireland

| Category      | Name                                                      | Provider    | Description                                                                                                                                                                           | Eligibility                                                                                                                                                                                          | Value            |
|---------------|-----------------------------------------------------------|-------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|
| Support Grant | <a href="#">Invest NI Innovation Vouchers</a>             | Invest NI   | Designed to help small and medium-sized enterprises (SMEs) in Northern Ireland access external expertise to develop innovative ideas                                                  | Businesses registered in Northern Ireland can redeem the vouchers with public-sector knowledge providers, such as universities, colleges, and research institutions for specific innovation services | £5,000           |
| Support Grant | <a href="#">Investor Partnerships - Future Economy</a>    | Innovate UK | Bring together public and private investment to support the growth of innovative UK businesses, especially start-ups and scale-ups                                                    | UK Based SME Private Investment required from qualified investor<br>Aligned to focus of funding call                                                                                                 | Up to £700k      |
| Support Grant | <a href="#">Development Pathway Funding Scheme (DPFS)</a> | UKRI        | Help translate early-stage medical research from start-ups and SMEs into real-world healthcare solutions                                                                              | Single start-up or SME<br>- Less than 500 employees                                                                                                                                                  | Up to £2.5m      |
| Support Grant | <a href="#">SMART Grants</a>                              | Innovate UK | Aimed at supporting businesses that are developing innovative, high-risk, high-reward ideas with significant commercial potential                                                     | UK based companies incl. one small/medium enterprise<br>-Demonstrate sizeable market need<br>-Completely new product, service or process<br>-Brand new use for existing product, service or process  | Up to £2 million |
| Support Grant | <a href="#">Global Explorers Innovate UK</a>              | Innovate UK | Support individual UK SMEs to explore global R&D and innovation opportunities to accelerate the development of their innovative ideas, products and services and global market access | UK Businesses<br>-Less than 250 employees<br>-Subject to minimal financial assistance constraints (over 3 years)                                                                                     | £21,000          |

|               |                                                   |           |                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                          |                        |
|---------------|---------------------------------------------------|-----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|
| Support Grant | <a href="#">New to R&amp;D Project Definition</a> | Invest NI | <p>Help businesses define and plan their first R&amp;D project.</p> <ul style="list-style-type: none"> <li>- Identifying potential areas of innovation.</li> <li>- Understanding technical feasibility.</li> <li>- Planning for full-scale R&amp;D projects.</li> <li>- Gaining insights into the resources required for R&amp;D</li> </ul> | <p>Open to SMEs in Northern Ireland that are new to R&amp;D</p> <p>Should demonstrate that they have no significant previous experience with formal R&amp;D projects</p> | up to £100,000         |
| Support Grant | <a href="#">Technical Development Incentive</a>   | InvestNI  | <p>Provides financial assistance to businesses undertaking technical development projects</p> <p>These projects might include developing or improving products, processes, or services through technical innovation</p>                                                                                                                     | NI Companies (InvestNI Clients)                                                                                                                                          | £15,000                |
| Support Grant | <a href="#">Skills for Growth for SMEs</a>        | InvestNI  | <p>Financial support for training activities to Invest NI customers who are SMEs</p> <p>Supports trainee wages, internal trainer, external trainer and travel and accommodation costs</p>                                                                                                                                                   | NI Companies (InvestNI Clients)                                                                                                                                          | 50% for eligible costs |
| Support Grant | <a href="#">Skills Advancement Grant</a>          | InvestNI  | <p>Available to smaller companies. Support is available for external training, travel and accommodation costs at 50% grant up to a maximum of £15,000 grant.</p>                                                                                                                                                                            | Existing customers of InvestNI                                                                                                                                           | 50% up to £15,000      |
| Support Grant | <a href="#">Business Innovation Grant</a>         | InvestNI  | <p>Support micro and small-to-medium enterprises (SMEs) in Northern Ireland with innovation projects. Can be used for market research, product development, market entry, trade fairs, exhibitions and more</p>                                                                                                                             | NI Companies                                                                                                                                                             | 70% up to £20,000      |

## Ireland

| Category      | Name                                                     | Provider | Description                              | Eligibility                                                                           | Value                                  |
|---------------|----------------------------------------------------------|----------|------------------------------------------|---------------------------------------------------------------------------------------|----------------------------------------|
| Support Grant | <a href="#">Employment Funding Support</a>               | EI       | 3 minimum additional employees           | General / Regional - on application                                                   | €15k per employee                      |
| Support Grant | <a href="#">GradStart</a>                                | EI       | 3 graduates - two year placement         | General - on application                                                              | €15k or 50%                            |
| Support Grant | <a href="#">HPSU Feasibility Study Grant</a>             | EI       | Research                                 | Existing HPSU clients                                                                 | €30,000                                |
| Support Grant | <a href="#">Innovation Partnership Programme</a>         | EI       | Access to Innovation Expertise           | General - on application (Manufacturing or internationally traded services companies) | 80% of cost up to €200k                |
| Support Grant | <a href="#">IP Plus</a>                                  | EI       | IP Strategy Expert Support               | General - on application (existing state agency clients)                              | €35,000                                |
| Support Grant | <a href="#">Research Development and Innovation Fund</a> | EI       | Innovative Product Development           | General - on application (existing state agency clients)                              | Up to 60%                              |
| Support Grant | <a href="#">Feasibility Study Grants</a>                 | LEO      | Support for assessing market demand etc. | General - on application (not open to existing state agency clients)                  | S&E 50% or €15,000, BMW 60% or €15,000 |



## Europe

Later stage companies resident in Ireland and Northern Ireland (in the case of Ireland by virtue of its EU membership and in the case of the UK by virtue of its association with Horizon) are eligible to participate in accelerator programmes run by the European Innovation Council. These are very much later stage and deep tech programmes and can provide blended grant and equity funding instruments. In addition to European based accelerators, the EIC also runs a number of Irish based accelerators with Portal TCD. These are largely focussed in the climate tech field.

| Category    | Name                                              | Provider            | Description                                                                                                                                                                                         | Eligibility                | Value       |
|-------------|---------------------------------------------------|---------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|-------------|
| Accelerator | <a href="#">EIC Accelerator Grant</a>             | European Commission | Matched funding for high risk projects                                                                                                                                                              | SME to 500/ Small Mid Caps | Up to €2.5m |
| Accelerator | <a href="#">Built Environment ClimAccelerator</a> | Climate KC/ TCD     | Supporting carbon emissions reduction by supporting start-ups and existing SMEs                                                                                                                     | By Application             |             |
| Accelerator | <a href="#">Carbon Removal ClilmAccelerator</a>   | Climate KC/ TCD     | Supporting carbon removal start-ups                                                                                                                                                                 | By Application             |             |
| Accelerator | <a href="#">Circular Cities ClimAccelerator</a>   | Climate KC/ TCD     | Supporting start-ups that aim to reduce, reuse, recycle, recover and regenerate resources for the betterment of urban environments, maximising the lifecycle of materials and optimising their use. | By Application             |             |

## Loans

While the definition of a start-up / scaling company implies a tendency to use VC and other forms of non-traditional funding, we deemed it worthwhile here to use loan based funding provided by Ireland and Northern Ireland and targeted at the wider SME sector. These are available to start-ups that have an untypical revenue base or are bootstrapping. The British Business Bank markets a loan specifically targeted at start-up entrepreneurs.

### Northern Ireland

| Type | Name                                        | Provider                    | Description                                                                                                                                                                                                                                                                                    | Eligibility                                                                                                    | Value                                         |
|------|---------------------------------------------|-----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| Debt | <a href="#">Start up Loan</a>               | British Business Bank       | <ul style="list-style-type: none"> <li>- Entrepreneurs can borrow between £500 and £25,000, with a fixed interest rate of 6% per year.</li> <li>- No fees, and the loan is repayable over 1-5 years.</li> <li>- Businesses also receive mentoring and support as part of the scheme</li> </ul> | Applicants must be starting a new business or have been trading for less than 36 months. Must be UK residents. | £25,000                                       |
| Debt | <a href="#">NI Small Business Loan Fund</a> | NI Small Business Loan Fund | Loans for small businesses in Northern Ireland                                                                                                                                                                                                                                                 | Start-ups and SMEs                                                                                             | Start-up - up to £15k. Existing - up to £100k |
| Debt | <a href="#">Innovation Loan</a>             | Innovate UK                 | Government-backed funding scheme designed to help UK small and medium-sized businesses grow and scale by supporting late-stage research and development projects with strong commercial potential.                                                                                             | UK registered SME Pass creditworthy assessment Project carried out in the UK                                   | £100,000 - £2m                                |

### Ireland

| Category | Name                         | Provider                       | Description                                                                                                                                                                 | Eligibility                                                 | Value              |
|----------|------------------------------|--------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|--------------------|
| Loan     | <a href="#">Startup Loan</a> | MicroFinance/ SBCI             | <ul style="list-style-type: none"> <li>- €5k to €50k</li> <li>- 6.5% (5.5% if application made via LEO)</li> <li>- 3 year term</li> <li>- 3 months interest free</li> </ul> | Supports the early stage and start-up phase of the business | €5k to €50k        |
| Loan     | <a href="#">Loan Finance</a> | Western Development Commission | €50,000 - €300,000<br>3 -10 year terms<br>Commercial Rates                                                                                                                  | Must be based in WDC region                                 | €50,000 - €300,000 |

## Incubators - third level commercialisation

We have already seen how state agencies support the process of commercialising academic research into prospective companies. Spin-outs often face delays in IP agreements or struggle to secure seed funding for non-tech disciplines.

Both Ireland and Northern Ireland play a significant role in supporting potentially valuable research - through UK Research and Innovation (UKRI) in Northern Ireland and the UK, and Research Ireland, the newly established body formed by the merger of Science Foundation Ireland and the Irish Research Council. In addition to funding research, both governments actively facilitate partnerships between academic researchers and existing companies.

Beyond funding, both governments actively facilitate partnerships between academic researchers and existing companies. In Ireland, Knowledge Transfer Ireland (KTI), operating within Enterprise Ireland, serves as the national office connecting businesses to publicly funded research, providing guidance and resources to maximise the impact of state-funded technology and expertise. Similarly, in Northern Ireland, initiatives such as Knowledge Transfer Partnerships (KTPs), backed by Innovate UK, support collaboration between businesses and academic institutions to drive innovation and growth.

Enterprise Ireland reported 26 spin-outs out of the third level sector in 2023, 15 of which were supported by its Commercialisation Fund. Many of the centres in Ireland offer Enterprise Ireland's New Frontiers programme.

### Northern Ireland

| Type                              | Name                                      | Provider | Description                                                                                                         |
|-----------------------------------|-------------------------------------------|----------|---------------------------------------------------------------------------------------------------------------------|
| Third level Commercialisation Arm | <a href="#">QUBIS</a>                     | QUB      | Protecting intellectual property (IP), Securing funding & investment. Potential for access facilities and personnel |
| Third Level Commercialisation Arm | <a href="#">Innovation Ulster Limited</a> | UU       | Protecting intellectual property (IP), Securing funding & investment. Potential for access facilities and personnel |

### Ireland

| Type                              | Name                           | Provider | Description                                                                                                                                                      |
|-----------------------------------|--------------------------------|----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Third level Commercialisation Arm | <a href="#">NovaUCD</a>        | UCD      | Spin-out & Enterprise Centre                                                                                                                                     |
| Third Level Commercialisation Arm | <a href="#">DCU Invent</a>     | DCU      | Spin-out & Enterprise Centre                                                                                                                                     |
| Third level Commercialisation Arm | <a href="#">Portal</a>         | TCD      | Research collaborations, licensing opportunities, professional consulting, education, executive training and entrepreneurship programmes-out & Enterprise Centre |
| Third Level Commercialisation Arm | <a href="#">The Media Cube</a> | IADT     | Start Up Innovation Centre focus on digital businesses                                                                                                           |

|                                   |                                                         |                                         |                                                     |
|-----------------------------------|---------------------------------------------------------|-----------------------------------------|-----------------------------------------------------|
| Third level Commercialisation Arm | <a href="#">The Growth Hub</a>                          | TUD                                     | Spin-out & Enterprise Centre                        |
| Third Level Commercialisation Arm | <a href="#">Synergy Centre</a>                          | TUD Tallaght                            | Business Incubator & Enterprise Centre              |
| Third level Commercialisation Arm | <a href="#">Business Incubation Centre</a>              | NCI                                     | Business Incubation Centre                          |
| Third Level Commercialisation Arm | <a href="#">Origin 8</a>                                | NCAD                                    | Industrial Gateway and Innovation Hub               |
| Third level Commercialisation Arm | <a href="#">Ignite</a>                                  | UCC                                     | Start Up Incubator                                  |
| Third Level Commercialisation Arm | <a href="#">Galway MedTech</a>                          | University of Galway                    | MedTech Collaboration Centre                        |
| Third level Commercialisation Arm | <a href="#">Nexus Innovation Centre</a>                 | University of Limerick                  | Enterprise and Innovation Hub                       |
| Third Level Commercialisation Arm | <a href="#">Hartnett Enterprise Acceleration Centre</a> | Technological University of the Shannon | Spin-Out & Enterprise Centre                        |
| Third level Commercialisation Arm | <a href="#">Rubicon</a>                                 | MTU                                     | On campus incubator                                 |
| Third Level Commercialisation Arm | <a href="#">xCelerate</a>                               | South East Technological University     | Spin-Out & Enterprise Centre                        |
| Third level Commercialisation Arm | <a href="#">Maynooth Works</a>                          | Maynooth University                     | Incubation Centre                                   |
| Third Level Commercialisation Arm | <a href="#">Hothouse</a>                                | TUD Dublin                              | Knowledge Transfer and Incubation Centre            |
| Third level Commercialisation Arm | <a href="#">RCSI Innovation Office</a>                  | RCSI                                    | Spin-Out & Enterprise Centre - licensing facilities |
| Third Level Commercialisation Arm | <a href="#">ATU Innovation Hubs (iHub)</a>              | Atlantic Technological University       | Incubation and Business Support                     |

# Tax based supports

In addition to grants, equity investment and service provision, public policy also supports the start-up ecosystem by way of a series of tax incentives. Some of these incentives are not directly made available to companies or founders, rather are directed at supporting private sector investment into the wider SME sector and start-ups in particular. An example would be the start-up Corporation Tax Relief available in Ireland.<sup>112</sup> Others are targeted at employees, by way of share options, with the aim of allowing start-ups to compete more vigorously with the FDI sector and other countries for scarce pools of talent.

In some critical areas, the UK, and by extension Northern Ireland, enjoys an advantage over Ireland. For example, income tax rates are lower. So too, despite a recent increase this year, is the rate of capital gains tax, a critical benchmark for investors.

As is the case with expenditure supports, the tax relief suite offered in both Ireland and Northern Ireland follows a similar template. Critical to the effectiveness of these schemes is not just the headline terms but the ease of use and responsiveness of the respective Revenue authorities.

Ireland also offers a number of income tax incentives to founders and investors, the start-up Relief for Entrepreneurs (SURE) and the start-up Capital Incentive (SCI) to encourage both business start-ups and incentivise investment in those companies. Expenditure on these schemes is relatively low. The recent UK Budget includes a call for evidence on the tax support for entrepreneurs which may lead to changes to the UK's tax offering for the sector.<sup>113</sup>

## Income tax reliefs - EIS/SEIS/EIIS

The purpose of the Enterprise Investment Scheme (EIS), the Seed Investment Scheme (SEIS) (both UK) and the Employment Incentive Investment Scheme (EIIS) in Ireland is to offer income tax relief to investors in early stage companies.

The reliefs are constructed in a broadly similar fashion in both Ireland and the United Kingdom although the Commission and Tax and Welfare expressed views about the complexity of Ireland's model.<sup>114</sup> During the course of our interviews, it was clear that the UK equivalent schemes were more highly regarded and attractive to investors. It was not unknown for Irish companies to set up offices in Northern Ireland or the United Kingdom to avail of the investment incentives on offer. This advantage will be further enhanced following changes to EIS announced in the 2025 Autumn Budget in the UK.

The most recent figures available for EIIS in Ireland (2023) indicate that it was availed of by 3,323 investors into 195 companies at a cost to the Exchequer of approximately €142m.<sup>115</sup> EIIS funds are directly marketed by a number of investment houses in Dublin particularly. The comparative figures for both EIS and SEIS in Northern Ireland are a total investment of £23m involving 70 companies.<sup>116</sup>

The recent modification of state aid rules by the European Union has led to some changes to the Employment Investment Incentive Scheme and practitioners expressed concern about the introduction of

<sup>112</sup> Start-up Corporation Tax Relief -

<sup>113</sup> Tax Support for Entrepreneurs: Call for evidence - <https://www.gov.uk/government/calls-for-evidence/tax-support-for-entrepreneurs-call-for-evidence>

<sup>114</sup> See Foundations for the Future - Report of the Commission on Taxation and Welfare, p. 194 - <https://www.gov.ie/en/campaigns/92902-commission-on-taxation-and-welfare/?referrer=https://www.gov.ie/COTW/>

<sup>115</sup> All figures with respect to Irish tax expenditure are taken from the Tax Strategy Group Paper on Enterprise Supports published in July 2025 in advance of Budget 2026 - [https://assets.gov.ie/static/documents/TSG\\_25-04\\_Enterprise\\_Tax\\_Supports\\_UPD.pdf](https://assets.gov.ie/static/documents/TSG_25-04_Enterprise_Tax_Supports_UPD.pdf)

<sup>116</sup> Enterprise Investment Scheme statistics 2024 - <https://www.gov.uk/government/statistics/enterprise-investment-scheme-seed-enterprise-investment-scheme-and-social-investment-tax-relief-may-2024/enterprise-investment-scheme-seed-enterprise-investment-scheme-and-social-investment-tax-relief-statistics-2024> Scheme, Seed Enterprise Investment Scheme and Social Investment Tax Relief statistics: 2024

these changes in 2024 and the impact of ensuing uncertainty on the scheme. The Department of Finance moved to address some of these concerns in the 2024 Finance Act.<sup>117</sup>

EIIS is by far the dominant tax intervention in this sector in Ireland. While both the SCI and SURE also offer income tax reliefs, they are minor when compared to EIIS. To use one example, the comparative costs to the Exchequer of SURE and SCI were €2m and less than €1m.

## Northern Ireland

| Name                            | Provider | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Eligibility                                                                                                                                                                                                                                                                       |
|---------------------------------|----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <a href="#">SEIS</a>            | HMRC     | <p>Encourages investors to support early-stage start-ups by offering tax relief.</p> <ul style="list-style-type: none"> <li>- Investors can claim up to 50% income tax relief on investments up to £100,000 per tax year</li> <li>- Any capital gains on SEIS shares held for at least three years are exempt from Capital Gains Tax (CGT)</li> <li>- Loss relief: If the start-up fails, investors can claim loss relief against their income or CGT.</li> </ul>                              | <ul style="list-style-type: none"> <li>- The company must be less than two years old.</li> <li>- It must have fewer than 25 employees</li> <li>- The company should have assets worth no more than £350,000</li> </ul>                                                            |
| <a href="#">EIS<sup>1</sup></a> | HMRC     | <p>Encourages investors to support more established companies by offering tax relief.</p> <ul style="list-style-type: none"> <li>- Company Options limit £6m</li> <li>- Investors can claim up to 30% income tax relief on investments up to £1 million</li> <li>- CGT deferral: Investors can defer CGT on gains from other assets if they are reinvested in EIS shares</li> <li>- No CGT if EIS shares are held for at least three years</li> <li>- Loss relief is also available</li> </ul> | <ul style="list-style-type: none"> <li>- The company must have fewer than 500 employees</li> <li>- It should have gross assets not exceeding £30m</li> <li>- Lifetime company limit £24m (£40m for knowledge intensive companies)</li> <li>- Annual limits £10m (£20m)</li> </ul> |

## Ireland

| Name                                                   | Provider              | Description                                                                                                                                                                                                                     | Eligibility                                                                                                 |
|--------------------------------------------------------|-----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|
| <a href="#">Employment Investment Incentive Scheme</a> | Revenue Commissioners | <ul style="list-style-type: none"> <li>- Income Tax Relief</li> <li>- Max Investment €1,000,000</li> <li>- Fund Investments</li> <li>- 50% initial investment</li> <li>- Follow-on 35%</li> <li>- Expansion risk 20%</li> </ul> | <p>4 year holding period</p> <p>Micro/SMEs</p> <p>Company (RICT) lifetime limits</p>                        |
| <a href="#">Start-up Relief for Entrepreneurs</a>      | Revenue Commissioners | <p>Income Tax (PAYE) Relief</p> <p>Provides relief in respect of previous employment for business founders</p>                                                                                                                  | <p>Must set up new company and invest in shares</p> <p>Full-time employment as director or employee</p>     |
| <a href="#">Start-up Capital Incentive</a>             | Revenue Commissioners | <p>Income Tax Relief</p> <p>Lifetime company limit €500,000</p>                                                                                                                                                                 | <ul style="list-style-type: none"> <li>- Micro enterprises only</li> </ul> <p>Must be brand new venture</p> |

<sup>117</sup> Finance Bill 2024 - <https://www.gov.ie/en/department-of-finance/press-releases/minister-chambers-publishes-finance-bill-2024/>

## Capital gains tax reliefs

Both Ireland and Northern Ireland make available reduced rates of Capital Gains Tax for founders and investors in businesses, although the angel relief scheme in Ireland, while enacted, was only commenced last year.

In recent UK budgets there have been moves to reduce the scale of the tax relief available to investors and owners, which would bring the benefits more into line with those operating in Ireland.

### Northern Ireland/UK

| Name                                                  | Provider | Description                                                                                                                                                                                                                                  | Eligibility                                                                                                                                                                                          |
|-------------------------------------------------------|----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <a href="#">Investor Relief</a>                       | HMRC     | CGT relief available to investors in non-quoted companies                                                                                                                                                                                    | £1m lifetime limit<br>3 year holding period<br>ordinary shareholders only<br>Investors cannot be either officers or employees of company<br><br>Shares must be issued for genuine commercial reasons |
| <a href="#">Business Asset Disposal Relief (BADR)</a> | HMRC     | Enables UK business owners to pay a reduced Capital Gains Tax rate on qualifying business sales currently 16% but rising to 18% from April 2026. Up to a £1 million lifetime gains limit, provided ownership and trading conditions are met. | Individuals only                                                                                                                                                                                     |

### Ireland

| Name                                        | Provider              | Description                                                                                                                                                                                                                                                                                        | Eligibility                                                                                                  |
|---------------------------------------------|-----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|
| <a href="#">Angels Relief</a>               | Revenue Commissioners | CGT Relief - 16% for individuals, 18% for money invested through qualifying partnership<br>- Lifetime limit on gains €10m<br>- Qualifying Investment Min. €20,000 or €10,000 & 5% OSC<br>- Holding period 3 years<br>Qualifying investment Partnerships new shares, max 49% ordinary share capital | Must be an innovative start-up SME<br><br>Must obtain certificates of qualification from Revenue             |
| <a href="#">Revised Entrepreneur Relief</a> | Revenue Commissioners | Provides for a lower rate of CGT for business disposal                                                                                                                                                                                                                                             | Lifetime limit of €1.5m<br>Business must be owned for 3 of the last five years<br>5% minimum share threshold |



## Share options

The ability to offer share based incentives is viewed as important in Ireland and Northern Ireland to allow start-up and scaling companies to compete with the FDI sector for talent. The KEEP scheme in Ireland is the only share remuneration scheme in Ireland to offer the tax incentive of an income tax and PRSI waiver, though gains on disposals are taxed as capital gains.

However the take up of KEEP has been generally regarded as relatively disappointing and a recent report commissioned by the Department of Finance has recommended reform to advance take-up.<sup>118</sup> In comparison the Enterprise Management Incentive scheme operating in the UK long precedes the establishment of KEEP - it was established in 2003 - and is much more widely used with over 80% of share based schemes in the UK operating under its remit by 2017.<sup>119</sup> A company share option plan is typically deployed when a company no longer enjoys access to EMI, a concern that exists within the Irish system due to the limited application of KEEP.

The Index Ventures Rewarding Talent Report assesses the impact of shared based remuneration schemes in start-up and scaling companies across 24 countries both inside and outside Europe. Across a range of measures, the UK (27 points) scores a 'winners' ranking, whereas Ireland is categorised as a 'runner up' (18 points). In the case of the UK this represents an improvement on its previous score of 5 years ago whereas Ireland's position has deteriorated comparatively.<sup>120</sup>

### Northern Ireland

| Name                                                         | Provider | Description                                                                                      | Eligibility                                                                                                       |
|--------------------------------------------------------------|----------|--------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|
| <a href="#">Company Share Option Plan</a>                    | HMRC     | Taxation at CGT not income tax rate at disposal of shares                                        | £60,000 limit<br>3-10 year purchase period                                                                        |
| <a href="#">Enterprise Management Incentives<sup>2</sup></a> | HMRC     | - Taxation at CGT not income tax rate at disposal of shares<br>- £250,000 limit over three years | - £250,000 limit over three years<br>- fewer than 500 employees<br>- Gross assets £120m<br>- Company limit is £6m |

### Ireland

| Name                                                | Provider              | Description                                         | Eligibility                                                                                                                        |
|-----------------------------------------------------|-----------------------|-----------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|
| <a href="#">Key Employment Engagement Programme</a> | Revenue Commissioners | Applies CGT rate not IT/PRSI/USI to share disposals | - SMEs only<br>- Sunset 2028<br>- limited on value of issued shares €6m<br>- Company buyback allowed<br>- No new share requirement |

<sup>118</sup> <https://assets.gov.ie/306447/8b59a4ce-f548-4171-9792-a3fd3102d0d5.pdf>

<sup>119</sup> <https://www.charteredaccountants.ie/taxsource/total/taxpoint/features/2019/02/2019-02-1.html>

<sup>120</sup> <https://www.indexventures.com/rewarding-talent/>

## Research and development tax credits

### Northern Ireland

Research and Development tax credits are available in both jurisdictions and obviously are particularly relevant to scaling companies. The rate of the credit was increased in Ireland alongside measures to allow companies to refundable credits in year one of a three year cycle (Finance Acts 2023 and 2024 & 2025).

There are no figures available for the cost to the exchequer of the R&D credit availed of by start-ups and scaling companies. There are not specific figures available for the SME sector, though proxy figures can be arrived at by excluding within Revenue's Large Cases Division (LCD). The majority of firms claiming the R&D tax credit are non-LCD companies (89% in 2023), but the majority of the value claimed (76% in 2023) is by CD companies). At a cost to the exchequer of over €1.4bn, divided by 1800 companies, is by some distance the most expensive tax relief proffered by the state.<sup>121</sup> The recent increase in the tax credit rate in Ireland to 35% in Finance Act 2026 has enhanced the value of the Irish credit considerably.

The position in the UK is more complex with no expenditure figures available under the new scheme. These schemes were introduced following the publication of a 2021 HM Treasury report which suggested that significant overclaiming was taking place under the existing scheme.<sup>122</sup>

### Northern Ireland

| Name                                                      | Provider | Description                                                                                                                                                                                                                              | Eligibility                                                                                                                                                                                                                                                                                                                                                 |
|-----------------------------------------------------------|----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <a href="#">Merged R&amp;D Expenditure Credit</a>         | HMRC     | Unified "new RDEC" available for all companies (Large and SME) from 1 April 2024.<br><br>- Taxable credit ("above the line"), meaning it's shown in profit & loss<br>- Notional tax restriction and PAYE cap apply to limit overpayment. | Company must have a trade and be chargeable to UK Corporation Tax.<br>- All sizes eligible (SMEs and large)<br>- but can't claim ERIS for the same expenditure<br>- Overseas contractor / EPW payments are restricted under this scheme<br>- Qualification based on new merged rules: same definitions of R&D activity and qualifying expenditure as before |
| <a href="#">Enhanced R&amp;D Intensive Support (ERIS)</a> | HMRC     | Higher credit rate for loss-making, R&D intensive SMEs in Northern Ireland.<br>- Exempts certain overseas R&D/contractor-worker restrictions.<br>- Treated as de minimis State aid with a 3-year cap.                                    | - SME registered in Northern Ireland<br>- Must be loss-making before applying the enhanced deduction<br>- Qualifying R&D expenditure must be at least 30% of total relevant spend (from April 2024)<br>- If no "trade in goods" or electricity-market activities, company can opt out by notifying HMRC                                                     |

### Ireland

| Name                                                | Provider              | Description                                                                                              | Eligibility                                                                                            |
|-----------------------------------------------------|-----------------------|----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|
| <a href="#">Research and Development Tax Credit</a> | Revenue Commissioners | - 35% of qualifying revenue<br>- first year repayment threshold €87,500<br>- repayable credits available | Within charge of Irish corporation tax<br>R&D must meet science test<br>Activity carried out in EEA/UK |

<sup>121</sup> Corporation Tax - Tax Strategy Group Paper 2026 - [https://assets.gov.ie/static/documents/TSG\\_25-03\\_Corporation\\_Tax.pdf](https://assets.gov.ie/static/documents/TSG_25-03_Corporation_Tax.pdf)

<sup>122</sup> [https://assets.publishing.service.gov.uk/media/61a60db7e90e0704423dbfb8/RD\\_Tax\\_Reliefs.pdf](https://assets.publishing.service.gov.uk/media/61a60db7e90e0704423dbfb8/RD_Tax_Reliefs.pdf)

# Conclusions & recommendations

## Structure

The two ecosystems are broadly similar in structure. Each offers support at various stages of the foundation journey. Each offers tax support in pursuit of broadly similar objectives. Both seek to encourage entrepreneurial activity at all stages of the business cycle from individual entrepreneurs to the commercialisation of high level university based research.

## Scale

Given the respective size of the two economies, it is not surprising that the Irish system is simply larger than that in Northern Ireland. Its reach, within its own jurisdiction is much greater, also having pursued a policy of regionalisation in service provision in recent years. For example, programmes such as New Frontiers, offered on a regional basis and the regional focus of the national accelerator offer wide ranging entry points to entrepreneurship.

While Dublin dominates the fundraising landscape in Ireland, understandably so, the dominance of Belfast within the Northern Ireland based ecosystem is even more pronounced. Clearly Ireland benefits from the level of international tech investment within its economy and the consequent strength of its economy overall. Northern Ireland too has been making progress in this regard. Nonetheless, it is clear from an examination of the variety of both national and international comparative benchmarking that both ecosystems are making progress in recent years, albeit from different bases, and are continuing to do so.

## Co-operation

One of the most notable aspects of the research has been the interaction companies and founders have with their respective ecosystems. It was difficult, near impossible, to locate founders who had a perspective on the merits or demerits of both.

While there are signs of growing co-operation - the shared trade trip to a Singaporean tech event being a case in point - the two systems seem to operate in splendid isolation from each other. This is understandable given the broad obligation on state agencies to spend money within their own jurisdiction. Only InterTradeIreland has a specific cross border mandate in this respect, although the Shared Island Unit within the Department of An Taoiseach has a broader policy stimulation function in Ireland.

Nonetheless, there must be considerable potential to build a more advanced all-island approach and from the conversations we have had with industry stakeholders, there appears to be an appetite for such an approach. The view has been expressed that an all-island offering would benefit companies in Ireland and Northern Ireland. We do not underestimate the difficulties involved but note that this proposal comes against the backdrop of increasing funding co-operation between the two jurisdictions in recent years.

## Recommendations and possible areas for co-operation

The Draghi report sets out the challenge facing Europe to compete more effectively with the United States. It is primarily a challenge of scaling. The challenge facing Northern Ireland and Ireland is not dissimilar. While there is never a case for complacency in very early stage funding, the ongoing work of the Department of Enterprise, Tourism and Employment's Finance for Scaling Group in Ireland is reflective of the shared position of both the Irish Government and Enterprise Ireland to the scaling challenge. If this is true of Ireland, it is certainly true of Northern Ireland also. Closer co-operation and integration of ecosystem supports make sense and enjoys broad support among ecosystem participants. It will make the ecosystem bigger to external stakeholders.

# Possible next steps

## All-Island Ecosystem Analysis

The commitment in the Programme for Government in Ireland to establish an all-island ecosystem represents a significant development and step forward. While the Programme for Government of the Northern Ireland Executive does not contain such a specific proposal, it remains committed to boosting north-south trade.<sup>123</sup>

In the conversations conducted during the preparation of this report, there was general agreement on the potential benefits arising from increased co-operation between the two respective ecosystems, particularly with regard to enhancing the attractiveness of Irish companies, north and south, to international investors.

First steps in this regard might involve a piece of collaborative work between Enterprise Ireland, the IDA, Invest NI and InterTradelreland on how they can work together strategically to promote the ecosystem on an all-island basis and develop a more attractive and cohesive offering to international investors.

Some have suggested commissioning a Department for the Economy-led study to explore joint funding mechanisms, such as a cross-border tech seed fund that leverages incentives to stimulate investment in high-growth sectors, strengthen regional economic clusters, and support sustainable, knowledge-driven business growth across Northern Ireland and Ireland.

This is not without some precedent. In the most recent round of funding allocations by the Shared Ireland initiative, totalling over €800m, over €30m was allocated to InterTradelreland /Enterprise Ireland /InvestNI to support female entrepreneurs in Ireland and Northern Ireland under a new Shared Ireland Enterprise Scheme. The first stage of the programme involves funding for early pilot activities to support female entrepreneurship.

We believe that a broader study, addressing the challenges facing start-up and scaling companies in Ireland and Northern Ireland, should emphasise the benefits that might accrue in the event of greater cooperation between the various stage agencies acting in the sector. Given the current level of work already underway on the all-island economy by the ESRI and others, this might be a task that falls within the parameters of the Shared Island unit.

Some of the issues that might be worthy of consideration could include the idea of a shared investment fund to allow investment or support for companies on a specific all-island basis. Such a study could also potentially pave the way for the collection of additional data on the operation of the respective ecosystems and the potential benefits and pitfalls of a more integrated offering.

## All-Island Stakeholder Forum

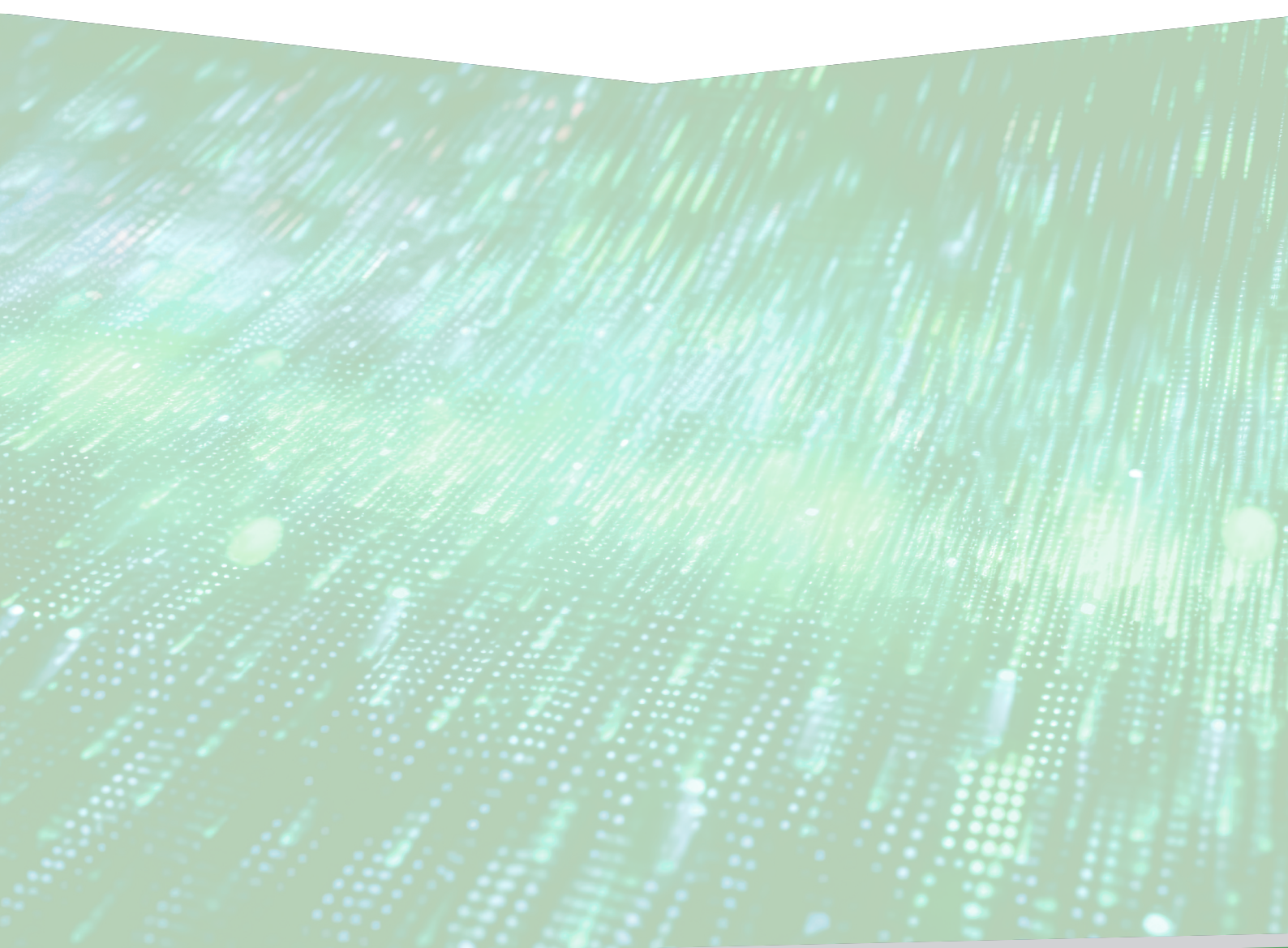
The entrepreneurial ecosystem operates in a fast moving environment where change can arrive rapidly. Both InvestNI and Enterprise Ireland have established channels for engagement with their respective ecosystems, while InterTradelreland has a strong and focused all-island mandate. A further consultative process involving stakeholders could assist in creating a more integrated all-island ecosystem. In addition, more regular feedback, knowledge and insights could be provided through the establishment of an all-Island stakeholder forum. Such a forum could meet every six months, rotating between Ireland and Northern Ireland, and would afford stakeholders the opportunity to provide important input into a more integrated strategy.

<sup>123</sup> Out Plan: Doing what matters most, Northern Ireland Executive - [https://www.northernireland.gov.uk/sites/default/files/2025-03/programme-for-government-2024-2027-our-plan-doing-what-matters-most\\_1.pdf](https://www.northernireland.gov.uk/sites/default/files/2025-03/programme-for-government-2024-2027-our-plan-doing-what-matters-most_1.pdf)



## Data

It is widely believed that more specific data is required to assess the state and impact of both tech ecosystems and how they compare and interact. The Programme for Government in Ireland contains a commitment to commission a statistical series of comparative data. The all-island ecosystem might be a suitable subject for consideration in this regard, potentially providing the basis for this further study.<sup>124</sup> The publication of comparative data to facilitate monitoring the progress of more integrated ecosystems, might flow from the proposed study.





Commissioned by