

# **Annual and final implementation reports for the Investment for growth and jobs goal**

## **PART A**

### **IDENTIFICATION OF THE ANNUAL/FINAL IMPLEMENTATION REPORT**

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## **2. OVERVIEW OF THE IMPLEMENTATION OF THE OPERATIONAL PROGRAMME (ARTICLE 50(2) AND 111(3)(A) OF REGULATION (EU) NO 1303/2013)**

### **2.1. Key information on the implementation of the operational programme for the year concerned, including on financial instruments, with relation to the financial and indicator data.**

#### **Programme Monitoring Committee**

Programme Monitoring Committee (PMC) meetings took place on 28 April and 8 November 2016. Approval was given for revised versions of the Communications Plan (uploaded to SFC2014 November 2016) and the revised evaluation plan (uploaded to SFC2014 November 2016). The Communications Plan included the updated plan for 2017 and the evaluation plan made an adjustment to Invest NI's schedule of evaluations.

#### **Managing Authority Designation**

Designation remained outstanding throughout 2016, primarily due to the delayed development of the database. After the contract of the first service provider was terminated in June 2016, the contract was awarded (in October 2016) to the alternate bidder who was also the developer of the SCP database. The timetable of implementation of the core system should permit the Audit Authority to approve the Management and Control Systems for summer 2017 and enable, the Managing Authority to complete the first drawdown for IGJ. The management of the database contracting process rested with the Department of Finance in Northern Ireland (NI) as the Member State and was therefore largely outside the control of the MA.

#### **Communication and Publicity**

The MA procured a provider to produce a website for the Programme and the website went live in February 2016. It contains general Programme information, case studies, the latest news, regulations and guidance. It can be accessed at [jobsandgrowthni.gov.uk](http://jobsandgrowthni.gov.uk).

#### **Major Event**

The major event for the year took place in Belfast. The MA, in conjunction with Invest NI (the main Programme Intermediate Body) took a stand at the NI Chamber Annual Networking Conference and Business Showcase, on Wednesday 14th September 2016 at St. George's Market in Belfast. The Conference was designed to give companies from across NI the opportunity to meet, engage and participate in networking activities aimed at creating new business connections and opportunities via structured networking sessions as well as breakout and lounge areas. Approximately 800 members of the local business community attended the event which featured a large market place with over 100 companies exhibiting their products and services, showcasing the best of Northern Ireland business. The ERDF stand was busy throughout the event with many queries from potential beneficiaries on the type of funding available from the Programme.

#### **Programme Modification**

A modification to the Programme was approved by the PMC in April 2016. This was to allow for an update to the baseline value of specific objective 1 (NI BERD as a % of GVA). This will be taken forward in 2017 along with the other modifications referred to below.

A review of Programme allocations was conducted in 2016 to reflect changes in Gross

National Income for Member States following the original allocation. This review has resulted in the ERDF Programme allocation increasing by €5,225,252.00. This additional allocation is being assigned to Priority 2 (Competitiveness of SMEs) and the modification proposal received PMC approval on 22 February 2017.

### **Low Carbon**

The Programme, as originally approved, planned to undertake a single grid strengthening project to fulfil the Low Carbon objective, involving capital upgrades to the electricity grid to increase the amount of renewable energy in final electricity consumption. Following approval of the Operational Programme a number of difficult and complex issues emerged. Negotiations took place throughout the course of 2015 to try to find a solution but ultimately the Statutory Operator for Northern Ireland (SONI) withdrew the proposal in April 2016.

Significant progress has been made in identifying suitable replacement activity that will have similar positive impact. This is in the development of a new urban transport depot which will apply the most up to date energy efficient technologies, a ticketing system which will service the Belfast Rapid Transit route and a series of works to improve the energy efficiency of the NI social housing stock. It would be anticipated that substantial progress will be made in 2017 and therefore reportable in the next Annual Implementation Report.

### **Expenditure**

No claims have been submitted to the European Commission to date (due to the database still being in development).

The Programme must submit ERDF expenditure of €22.659m in payment claims to the EC before 31 December 2017 to achieve the first expenditure (N+3). The letters of offer issued to enterprises combined with a healthy project pipeline provide assurance that the Programme is on track to achieve the N+3 targets.

### **Performance**

The Programme aims to increase economic growth in Northern Ireland and a number of macroeconomic (NI level) performance targets have been included in the Programme. Whilst ERDF funding is not solely responsible for these results, the activity supported makes a positive contribution. Most macro targets are showing a positive trend with:

- NI Business Expenditure on Research and Development (BERD) figure as a percentage of GVA increasing to 1.6% ;
- Companies engaged in R&D for the first time increasing from a baseline of 495 in 2012 to 714 in 2016;
- The number of Small and Medium Sized Enterprise (SME) high growth companies has increased from a baseline of 695 in 2013 to 845 in 2016; and
- Employment within micro and small businesses increasing from a baseline of 297k in 2013 to 313k in 2016.

The baseline figure for the NI Business Expenditure on Research and Development (BERD) figure as a percentage of GVA is actually lower than the original Operational Programme target due to an adjustment in the data previously used to set the baseline. Additionally, the number of companies engaged in R&D has already exceeded the target by the end of the 2nd year of the Programme. This target is also subject to review to

ensure that it accurately reflects the current activity being funded.

Note: Euro calculated at an exchange rate of £1=€1.2 in this report unless stated otherwise.

[1] Unless otherwise explicitly stated, references to any total in the AIR should equal 60% ERDF and 40% national match funding. Nothing over and above this 100% calculation should be reported.

### 3. IMPLEMENTATION OF THE PRIORITY AXIS (ARTICLE 50(2) OF REGULATION (EU) NO 1303/2013)

#### 3.1. Overview of the implementation

ID	Priority axis	Key information on the implementation of the priority axis with reference to key developments, significant problems and steps taken to address these problems
1	Strengthening Research, Technical Development and Innovation	<p>Letters of offer for grant for R&amp;D of €140.3m (€84.2m ERDF) to 134 projects have been issued and there is a healthy pipeline of projects. Invest NI is confident that the full allocation for GRD will be utilised over the life of the Programme.</p> <p>From 1st January 2016 all new GRD offers are administered using a simplified cost option incorporating labour and overhead costs into a single unit cost payable to all projects.</p> <p>The ‘Design for Business’ scheme offers various strands to help companies address their design issues.</p> <p>227 enterprises have benefitted from the Design for Business scheme a total of 275 times (this includes enterprises who have participated in the initial design awareness service and have gone on to the follow up with the more strategic offering from the Design programme) :</p> <ul style="list-style-type: none"><li>• 134 have been involved in Design Advice;</li><li>• 72 have attended Design Clinics</li><li>• 69 have been involved with Design Active</li></ul> <p>The objectives of the Design Service are to:</p> <ul style="list-style-type: none"><li>• Promote greater Design Awareness by presenting the strategic importance of design to the NI business community;</li><li>• Provide detailed Design Advice by providing information on the use of design to improve products and services; and</li><li>• Develop the long-term Design Capability of businesses by integrating design and innovation into company management strategies and systems.</li></ul>

ID	Priority axis	Key information on the implementation of the priority axis with reference to key developments, significant problems and steps taken to address these problems
		<p>The Design for Business is due to be reviewed in Spring 2017. Following this Invest NI will review outputs and forecasts against the outcomes delivered by this Scheme.</p> <p>There are no significant problems to report.</p>
2	Enhancing the Competitiveness of SMEs	<p>Priority 2 includes Financial Instruments (FIs), Local Economic Development (LED) and Selective Financial Assistance (SFA).</p> <p>Invest NI administers 6 FIs through a number of publicly procured fund managers. All have a strong workflow of potential investments. There are no problems to report.</p> <p>Techstart SME fund has completed 25 investments in 18 companies including 13 new companies. The fund has invested €3.9m ERDF with €2.6m of private/public match giving a Programme investment of €6.5m. Two Techstart university funds have completed 6 investments in 4 companies, of which 3 are new companies. These funds have invested €752k ERDF with additional private/public match of €502k giving a Programme investment of €1.3m.</p> <p>Development Fund I (Crescent Capital) completed investments totalling €5.9m (€3.5m ERDF and €2.4m match) in 5 companies including 2 new companies.</p> <p>Development Fund II (Kernal) completed investments totalling €4.5m (€2.7m ERDF and €1.8m match) in 5 companies including 2 new companies.</p> <p>The Co-Investment Fund made 64 investments in 30 unique companies including 14 new companies. €8.3m ERDF was matched by €5.6m from the private sector.</p> <p>Invest NI works with Councils to develop LED projects. To the end of December 2016 two projects (for Belfast City Council) have secured approval with a further 7 under consideration. SFA is designed to accelerate the growth of new and established companies through innovation and export focus leading to job creation, improvement of workforce skills and productivity, an increase in locally-based businesses and expansion of NI's private sector. 58 SFA offers of capital support for 56 SMEs have been issued by Invest NI resulting in just under €5.8m ERDF, leveraging private investment €3.9m.</p>
3	Supporting the Shift Towards a Low Carbon Economy in all Sectors	<p>Implementation of Priority 3 has been delayed due to the withdrawal of the Grid Strengthening project and the task of securing suitable replacement activity to fit the timeframes, scale and expenditure profiles required. Replacement activity has been identified, namely the development of a new urban transport depot which will apply the most up to date energy efficient technologies, a ticketing system which will service the Belfast Rapid Transit route and a project to improve the energy efficiency of social housing stock across NI. BRT Ticketing</p>

ID	Priority axis	Key information on the implementation of the priority axis with reference to key developments, significant problems and steps taken to address these problems
		project and the new depot are expected to make rapid progress.
4	Technical Assistance	<p>From a TA budget of €12.3m, €5.4m has been allocated across the main Programme Bodies to meet administration cost requirements to the end of 2016.</p> <p>No problems have been identified.</p>

### 3.2. Common and programme specific indicators (Article 50(2) of Regulation (EU) No 1303/2013)

#### Priority axes other than technical assistance

Priority axis	1 - Strengthening Research, Technical Development and Innovation
Investment Priority	1b - Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies

Table 3A: Common and programme specific output indicators for the ERDF and the Cohesion Fund (by priority axis, investment priority, broken down by category of region for the ERDF)

(1)	ID	Indicator	Measurement unit	Category of region	Target value (2023) total	Target value (2023) men	Target value (2023) women	2016 Total	2016 Men	2016 Women	Observations
F	CO01	Productive investment: Number of enterprises receiving support	Enterprises	Transition	2,361.00			0.00			
S	CO01	Productive investment: Number of enterprises receiving support	Enterprises	Transition	2,361.00			330.00			Minor adjustment to reporting in previous AIR due to correction of the number of enterprises for each year.  Substantial increase in reported figures in 2015 (compared to reporting in previous AIR) due to additional strands of the Design service being funded by ERDF. Based on forecast, achievement is on track.
F	CO02	Productive investment: Number of enterprises receiving grants	Enterprises	Transition	566.00			0.00			

(1)	ID	Indicator	Measurement unit	Category of region	Target value (2023) total	Target value (2023) men	Target value (2023) women	2016 Total	2016 Men	2016 Women	Observations
S	CO02	Productive investment: Number of enterprises receiving grants	Enterprises	Transition	566.00			108.00			Minor adjustment to reporting in previous AIR due to correction of the number of enterprises receiving grants. Based on forecast, achievement is on track.
F	CO04	Productive investment: Number of enterprises receiving non-financial support	Enterprises	Transition	2,150.00			0.00			
S	CO04	Productive investment: Number of enterprises receiving non-financial support	Enterprises	Transition	2,150.00			227.00			Substantial increase in 2015 (compared to previous AIR) due to additional strands of the Design service being funded by ERDF. Based on forecast, achievement is on track.
F	CO06	Productive investment: Private investment matching public support to enterprises (grants)	EUR	Transition	72,530,000.00			0.00			
S	CO06	Productive investment: Private investment matching public support to enterprises (grants)	EUR	Transition	72,530,000.00			56,118,192.00			Minor adjustment to reporting in previous AIR due to correction to private investment and exchange rate change. Based on forecast, achievement is on track.  NB. The target for this indicator will change in 2017 as part of a modification to the Programme
F	CO26	Research, Innovation: Number of enterprises cooperating with research institutions	Enterprises	Transition	68.00			0.00			
S	CO26	Research, Innovation: Number of enterprises cooperating with research institutions	Enterprises	Transition	68.00			11.00			Minor adjustment to reporting in previous AIR due to correction of the number of enterprises cooperating with research

(1)	ID	Indicator	Measurement unit	Category of region	Target value (2023) total	Target value (2023) men	Target value (2023) women	2016 Total	2016 Men	2016 Women	Observations
											institutions.
F	CO27	Research, Innovation: Private investment matching public support in innovation or R&D projects	EUR	Transition	58,500,000.00			0.00			
S	CO27	Research, Innovation: Private investment matching public support in innovation or R&D projects	EUR	Transition	58,500,000.00			56,118,192.00			Minor adjustment to reporting in previous AIR due to correction to private investment and exchange rate change.  NB. This indicator will change in 2017 as part of a modification to the Programme
F	CO28	Research, Innovation: Number of enterprises supported to introduce new to the market products	Enterprises	Transition	80.00			0.00			
S	CO28	Research, Innovation: Number of enterprises supported to introduce new to the market products	Enterprises	Transition	80.00			117.00			Figures not reported last year due to lack of clarification on what 'new to the market' meant. This was clarified during 2016 and Invest NI can now report figures across all years.  NB. This indicator will change in 2017 as part of a modification to the Programme
F	CO29	Research, Innovation: Number of enterprises supported to introduce new to the firm products	Enterprises	Transition	130.00			0.00			
S	CO29	Research, Innovation: Number of enterprises supported to introduce new to the firm products	Enterprises	Transition	130.00			125.00			Minor adjustment to reporting in previous AIR due to correction to the number of new to the firm products for

(1)	ID	Indicator	Measurement unit	Category of region	Target value (2023) total	Target value (2023) men	Target value (2023) women	2016 Total	2016 Men	2016 Women	Observations
											each year.  NB. This indicator will change in 2017 as part of a modification to the Programme
F	PO11	Number of Enterprises engaged in R&D for the first time	Enterprises	Transition	200.00			0.00			
S	PO11	Number of Enterprises engaged in R&D for the first time	Enterprises	Transition	200.00			25.00			Increase in 2015 due to additional enterprises being funded for R and D support since previous AIR. Based on forecast, achievement is on track.

(1) S=Selected operations, F=Fully implemented operations

(1)	ID	Indicator	2015 Total	2015 Men	2015 Women	2014 Total	2014 Men	2014 Women
F	CO01	Productive investment: Number of enterprises receiving support	0.00			0.00		
S	CO01	Productive investment: Number of enterprises receiving support	204.00			28.00		
F	CO02	Productive investment: Number of enterprises receiving grants	0.00			0.00		
S	CO02	Productive investment: Number of enterprises receiving grants	74.00			28.00		
F	CO04	Productive investment: Number of enterprises receiving non-financial support	0.00			0.00		
S	CO04	Productive investment: Number of enterprises receiving non-financial support	131.00			0.00		
F	CO06	Productive investment: Private investment matching public support to enterprises (grants)	0.00			0.00		
S	CO06	Productive investment: Private investment matching public support to enterprises (grants)	23,626,533.00			9,958,358.00		

(1)	ID	Indicator	2015 Total	2015 Men	2015 Women	2014 Total	2014 Men	2014 Women
F	CO26	Research, Innovation: Number of enterprises cooperating with research institutions	0.00			0.00		
S	CO26	Research, Innovation: Number of enterprises cooperating with research institutions	4.00			2.00		
F	CO27	Research, Innovation: Private investment matching public support in innovation or R&D projects	0.00			0.00		
S	CO27	Research, Innovation: Private investment matching public support in innovation or R&D projects	23,626,533.00			9,958,358.00		
F	CO28	Research, Innovation: Number of enterprises supported to introduce new to the market products	0.00					
S	CO28	Research, Innovation: Number of enterprises supported to introduce new to the market products	75.00			26.00		
F	CO29	Research, Innovation: Number of enterprises supported to introduce new to the firm products	0.00			0.00		
S	CO29	Research, Innovation: Number of enterprises supported to introduce new to the firm products	80.00			27.00		
F	PO11	Number of Enterprises engaged in R&D for the first time	0.00			0.00		
S	PO11	Number of Enterprises engaged in R&D for the first time	15.00			3.00		

Priority axis	1 - Strengthening Research, Technical Development and Innovation
Investment Priority	1b - Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies
Specific objective	SO1 - Increase total NI Business Expenditure on Research & Development (NI BERD)

Table 1: Result indicators for the ERDF and the Cohesion Fund (by priority axis and specific objective); applies also to Technical Assistance priority axis

ID	Indicator	Measurement unit	Category of region	Baseline value	Baseline year	Target value 2023	2016 Total	2016 Qualitative	Observations
SO1	BERD as a % of GVA	%	Transition	1.60	2012	1.90	1.60		The information from which the data is collated is produced a year in arrears. Therefore, the 2015 position will not be available until the end of 2016. The output for 2014 has been replicated in 2015 per EGESIF advice. Achievement is on track.

ID	Indicator	2015 Total	2015 Qualitative	2014 Total	2014 Qualitative
SO1	BERD as a % of GVA	1.60		1.20	

Priority axis	1 - Strengthening Research, Technical Development and Innovation
Investment Priority	1b - Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies
Specific objective	SO2 - To engage more NI businesses in Research and Development.

Table 1: Result indicators for the ERDF and the Cohesion Fund (by priority axis and specific objective); applies also to Technical Assistance priority axis

ID	Indicator	Measurement unit	Category of region	Baseline value	Baseline year	Target value 2023	2016 Total	2016 Qualitative	Observations
SO2	Companies engaged in R&D	Enterprises	Transition	495.00	2014	700.00	714.00		<p>The information from which the data is collated is produced a year in arrears. The 2016 position will not be available until the end of 2017. The output for 2015 has been replicated in 2016 per EGESIF advice.</p> <p>The target has already been exceeded and a revised target, aligned with the Northern Ireland Programme for Government (once published) will be discussed with the European Commission as soon as possible. Achievement is on track.</p>

ID	Indicator	2015 Total	2015 Qualitative	2014 Total	2014 Qualitative
SO2	Companies engaged in R&D	714.00		659.00	

Priority axis	2 - Enhancing the Competitiveness of SMEs
Investment Priority	3d - Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes

Table 3A: Common and programme specific output indicators for the ERDF and the Cohesion Fund (by priority axis, investment priority, broken down by category of region for the ERDF)

(1)	ID	Indicator	Measurement unit	Category of region	Target value (2023) total	Target value (2023) men	Target value (2023) women	2016 Total	2016 Men	2016 Women	Observations
F	CO01	Productive investment: Number of enterprises receiving support	Enterprises	Transition	464.00			0.00			
S	CO01	Productive investment: Number of enterprises receiving support	Enterprises	Transition	464.00			118.00			Minor adjustment to reporting in previous AIR due to correction to number of enterprises receiving support. Based on forecast, achievement is on track.
F	CO02	Productive investment: Number of enterprises receiving grants	Enterprises	Transition	12.00			0.00			
S	CO02	Productive investment: Number of enterprises receiving grants	Enterprises	Transition	12.00			57.00			The indicator target included in the Operational Programme was predicated on the inclusion of NI Screen as one enterprise and each of the eleven Northern Ireland regional councils also counted as an enterprise, bringing the target to twelve. However, after the adoption of the programme it was felt that Selective Financial Assistance (SFA) scheme better represented the underpinning ERDF objectives of jobs and

(1)	ID	Indicator	Measurement unit	Category of region	Target value (2023) total	Target value (2023) men	Target value (2023) women	2016 Total	2016 Men	2016 Women	Observations
											<p>growth and more fully aligned with the European Growth Strategy “Europe 2020”. SFA replacement activity means that the indicator will need to be addressed via an operational programme modification to ensure it is representative of the higher volume of enterprises supported via the SFA scheme.</p> <p>Minor adjustment to reporting in previous AIR due to correction of the number of new enterprises for each year.</p>
F	CO03	Productive investment: Number of enterprises receiving financial support other than grants	Enterprises	Transition	464.00			0.00			
S	CO03	Productive investment: Number of enterprises receiving financial support other than grants	Enterprises	Transition	464.00			61.00			Based on forecast, achievement is on track.
F	CO05	Productive investment: Number of new enterprises supported	Enterprises	Transition	102.00			0.00			
S	CO05	Productive investment: Number of new enterprises supported	Enterprises	Transition	102.00			42.00			Minor adjustment to reporting in previous AIR due to correction of the number of new enterprises for each year. Based on forecast, achievement is on track.
F	CO07	Productive investment: Private investment matching public support to enterprises (non-grants)	EUR	Transition	59,000,000.00			0.00			
S	CO07	Productive investment: Private investment matching public support to enterprises (non-	EUR	Transition	59,000,000.00			6,223,163.00			During the period it was determined that one of the FIs was classified as state aid,

(1)	ID	Indicator	Measurement unit	Category of region	Target value (2023) total	Target value (2023) men	Target value (2023) women	2016 Total	2016 Men	2016 Women	Observations
		grants)									therefore this has been excluded from reporting (per EC definition). Based on forecast, achievement is on track.
F	CO08	Productive investment: Employment increase in supported enterprises	Full time equivalents	Transition	2,803.00			0.00			
S	CO08	Productive investment: Employment increase in supported enterprises	Full time equivalents	Transition	2,803.00			0.00			Data capture in progress and will correspond with the evaluation of schemes.

(1) S=Selected operations, F=Fully implemented operations

(1)	ID	Indicator	2015 Total	2015 Men	2015 Women	2014 Total	2014 Men	2014 Women
F	CO01	Productive investment: Number of enterprises receiving support	0.00			0.00		
S	CO01	Productive investment: Number of enterprises receiving support	64.00			19.00		
F	CO02	Productive investment: Number of enterprises receiving grants	0.00			0.00		
S	CO02	Productive investment: Number of enterprises receiving grants	22.00			0.00		
F	CO03	Productive investment: Number of enterprises receiving financial support other than grants				0.00		
S	CO03	Productive investment: Number of enterprises receiving financial support other than grants	42.00			19.00		
F	CO05	Productive investment: Number of new enterprises supported	0.00			0.00		
S	CO05	Productive investment: Number of new enterprises supported	27.00			10.00		
F	CO07	Productive investment: Private investment matching public support to enterprises (non-grants)	0.00			0.00		
S	CO07	Productive investment: Private investment matching public	3,002,370.00			1,002,805.00		

(1)	ID	Indicator	2015 Total	2015 Men	2015 Women	2014 Total	2014 Men	2014 Women
		support to enterprises (non-grants)						
F	CO08	Productive investment: Employment increase in supported enterprises	0.00			0.00		
S	CO08	Productive investment: Employment increase in supported enterprises	0.00			0.00		

Priority axis	2 - Enhancing the Competitiveness of SMEs
Investment Priority	3d - Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes
Specific objective	SO3 - To increase the number of High Growth SMEs in Northern Ireland.

Table 1: Result indicators for the ERDF and the Cohesion Fund (by priority axis and specific objective); applies also to Technical Assistance priority axis

ID	Indicator	Measurement unit	Category of region	Baseline value	Baseline year	Target value 2023	2016 Total	2016 Qualitative	Observations
SO3	Number of High Growth SMEs in Northern Ireland	Enterprises	Transition	695.00	2013	1,300.00	845.00		Publication of “Measuring Northern Ireland’s High Growth Firms” (from which the figure is derived) has been deferred until after the general election in the UK. However, indications are this objective is on track to be met.

ID	Indicator	2015 Total	2015 Qualitative	2014 Total	2014 Qualitative
SO3	Number of High Growth SMEs in Northern Ireland	845.00		715.00	

Priority axis	2 - Enhancing the Competitiveness of SMEs
Investment Priority	3d - Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes
Specific objective	SO4 - To increase employment in Northern Ireland micro and small enterprises

Table 1: Result indicators for the ERDF and the Cohesion Fund (by priority axis and specific objective); applies also to Technical Assistance priority axis

ID	Indicator	Measurement unit	Category of region	Baseline value	Baseline year	Target value 2023	2016 Total	2016 Qualitative	Observations
SO4	Employment within micro and small (0-49 employees) Northern Ireland businesses	Full time equivalents	Transition	297,000.00	2013	333,000.00	313,000.00		Based on forecast, achievement is on track.

ID	Indicator	2015 Total	2015 Qualitative	2014 Total	2014 Qualitative
SO4	Employment within micro and small (0-49 employees) Northern Ireland businesses	303,000.00		301,000.00	

Priority axis	3 - Supporting the Shift Towards a Low Carbon Economy in all Sectors
Investment Priority	4a - Promoting the production and distribution of energy derived from renewable sources

Table 3A: Common and programme specific output indicators for the ERDF and the Cohesion Fund (by priority axis, investment priority, broken down by category of region for the ERDF)

(1)	ID	Indicator	Measurement unit	Category of region	Target value (2023) total	Target value (2023) men	Target value (2023) women	2016 Total	2016 Men	2016 Women	Observations
F	CO30	Renewables: Additional capacity of renewable energy production	MW	Transition	1,200.00			0.00			
S	CO30	Renewables: Additional capacity of renewable energy production	MW	Transition	1,200.00			0.00			Section 2 of this report gives an update on low carbon activity within the Programme.

(1) S=Selected operations, F=Fully implemented operations

(1)	ID	Indicator	2015 Total	2015 Men	2015 Women	2014 Total	2014 Men	2014 Women
F	CO30	Renewables: Additional capacity of renewable energy production	0.00			0.00		
S	CO30	Renewables: Additional capacity of renewable energy production	0.00			0.00		

Priority axis	3 - Supporting the Shift Towards a Low Carbon Economy in all Sectors
Investment Priority	4a - Promoting the production and distribution of energy derived from renewable sources
Specific objective	SO5 - To increase Northern Ireland consumption of electricity from renewable energy sources.

Table 1: Result indicators for the ERDF and the Cohesion Fund (by priority axis and specific objective); applies also to Technical Assistance priority axis

ID	Indicator	Measurement unit	Category of region	Baseline value	Baseline year	Target value 2023	2016 Total	2016 Qualitative	Observations
SO5	To increase Northern Ireland consumption of electricity from renewable energy sources as a proportion of total electricity consumption	%	Transition	19.50	2014	40.00	0.00		See table 3.1 priority 3

ID	Indicator	2015 Total	2015 Qualitative	2014 Total	2014 Qualitative
SO5	To increase Northern Ireland consumption of electricity from renewable energy sources as a proportion of total electricity consumption	0.00		0.00	

## Priority axes for technical assistance

Table 3A: Common and programme specific output indicators for the ERDF and the Cohesion Fund (by priority axis, investment priority, broken down by category of region for the ERDF)

Priority axis	4 - Technical Assistance
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(1)	ID	Indicator	Measurement unit	Category of region	Target value (2023) total	Target value (2023) men	Target value (2023) women	2016 Total	2016 Men	2016 Women	Observations
F	PO41	Number of Projects supported	Projects								
S	PO41	Number of Projects supported	Projects								
F	PO42	N+3	EUR								
S	PO42	N+3	EUR								
F	PO43	Annual Error Rate	%								
S	PO43	Annual Error Rate	%								
F	PO44	Programme Evaluations (conducted by external evaluators)	Evaluations								
S	PO44	Programme Evaluations (conducted by external evaluators)	Evaluations								
F	PO45	Communications Strategy	Strategy		1.00			1.00			
S	PO45	Communications Strategy	Strategy		1.00			1.00			
F	PO46	Major information activities (Reg (EU) No 1303/2013 Art 155 and Annex XI refers)	Activities								
S	PO46	Major information activities (Reg (EU) No 1303/2013 Art 155 and Annex XI refers)	Activities								
F	PO47	Number of Training Events	Events								
S	PO47	Number of Training Events	Events								
F	PO48	Number of employees (FTEs) whose salaries are co-financed by TA	FTE								

(1)	ID	Indicator	Measurement unit	Category of region	Target value (2023) total	Target value (2023) men	Target value (2023) women	2016 Total	2016 Men	2016 Women	Observations
S	PO48	Number of employees (FTEs) whose salaries are co-financed by TA	FTE								
F	PO49	Evaluation Plan	Plan		1.00			1.00			
S	PO49	Evaluation Plan	Plan		1.00			1.00			

(1) S=Selected operations, F=Fully implemented operations

(1)	ID	Indicator	2015 Total	2015 Men	2015 Women	2014 Total	2014 Men	2014 Women
F	PO41	Number of Projects supported						
S	PO41	Number of Projects supported						
F	PO42	N+3						
S	PO42	N+3						
F	PO43	Annual Error Rate						
S	PO43	Annual Error Rate						
F	PO44	Programme Evaluations (conducted by external evaluators)						
S	PO44	Programme Evaluations (conducted by external evaluators)						
F	PO45	Communications Strategy	1.00			0.00		
S	PO45	Communications Strategy	1.00			0.00		
F	PO46	Major information activities (Reg (EU) No 1303/2013 Art 155 and Annex XI refers)						
S	PO46	Major information activities (Reg (EU) No 1303/2013 Art 155 and Annex XI refers)						
F	PO47	Number of Training Events						
S	PO47	Number of Training Events						
F	PO48	Number of employees (FTEs) whose salaries are co-financed by TA						
S	PO48	Number of employees (FTEs) whose salaries are co-financed						

(1)	ID	Indicator	2015 Total	2015 Men	2015 Women	2014 Total	2014 Men	2014 Women
		by TA						
F	PO49	Evaluation Plan	1.00			0.00		
S	PO49	Evaluation Plan	1.00			0.00		

Table 3B: Number of enterprises supported by the operational programme net of multiple support to the same enterprises

Indicator	Number of enterprises supported by OP net of multiple support
CO01 - Productive investment: Number of enterprises receiving support	430
CO02 - Productive investment: Number of enterprises receiving grants	155
CO03 - Productive investment: Number of enterprises receiving financial support other than grants	61
CO04 - Productive investment: Number of enterprises receiving non-financial support	227
CO05 - Productive investment: Number of new enterprises supported	42

**Table 5: Information on the milestones and targets defined in the performance framework**

Priority axis	Ind type	ID	Indicator	Measurement unit	Fund	Category of region	2016 Cum total	2016 Cum men	2016 Cum women	2016 Annual total	2016 Annual total men	2016 Annual total women
1	F	2	Expenditure	Euro	ERDF	Transition	0.00					
1	O	CO01	Productive investment: Number of enterprises receiving support	Enterprises	ERDF	Transition	0.00					
1	O	PO11	Number of Enterprises engaged in R&D for the first time	Enterprises	ERDF	Transition	0.00					
2	F	2	Expenditure	Euro	ERDF	Transition	0.00					
2	O	CO01	Productive investment: Number of enterprises receiving support	Enterprises	ERDF	Transition	0.00					
3	F	2	Expenditure	Euro	ERDF	Transition	0.00					
3	I	KIS01	Completion of Pre-Construction Phase of Grid Strengthening Project	Phase	ERDF	Transition	0.00					
3	O	CO30	Renewables: Additional capacity of renewable energy production	MW	ERDF	Transition	0.00					

Priority axis	Ind type	ID	Indicator	Measurement unit	Fund	Category of region	2015 Cum total	2014 Cum total	Observations
1	F	2	Expenditure	Euro	ERDF	Transition	0.00	0.00	
1	O	CO01	Productive investment: Number of enterprises receiving support	Enterprises	ERDF	Transition	0.00	0.00	
1	O	PO11	Number of Enterprises engaged in R&D for the first time	Enterprises	ERDF	Transition	0.00	0.00	
2	F	2	Expenditure	Euro	ERDF	Transition	0.00	0.00	
2	O	CO01	Productive investment: Number of enterprises receiving support	Enterprises	ERDF	Transition	0.00	0.00	
3	F	2	Expenditure	Euro	ERDF	Transition	0.00	0.00	
3	I	KIS01	Completion of Pre-Construction Phase of Grid Strengthening Project	Phase	ERDF	Transition	0.00	0.00	
3	O	CO30	Renewables:	MW	ERDF	Transition	0.00	0.00	

Priority axis	Ind type	ID	Indicator	Measurement unit	Fund	Category of region	2015 Cum total	2014 Cum total	Observations
			Additional capacity of renewable energy production						

Priority axis	Ind type	ID	Indicator	Measurement unit	Fund	Category of region	Milestone for 2018 total	Milestone for 2018 men	Milestone for 2018 women	Final target (2023) total	Final target (2023) men	Final target (2023) women
1	F	2	Expenditure	Euro	ERDF	Transition	61,900,000.00			189,160,000.00		
1	O	CO01	Productive investment: Number of enterprises receiving support	Enterprises	ERDF	Transition	973			2,361.00		
1	O	PO11	Number of Enterprises engaged in R&D for the first time	Enterprises	ERDF	Transition	66			200.00		
2	F	2	Expenditure	Euro	ERDF	Transition	€64,500,000.00			226,025,000.00		
2	O	CO01	Productive investment: Number of enterprises receiving support	Enterprises	ERDF	Transition	191			464.00		
3	F	2	Expenditure	Euro	ERDF	Transition	8,300,000.00			77,680,000.00		
3	I	KIS01	Completion of Pre-Construction Phase of Grid Strengthening Project	Phase	ERDF	Transition	Completion of Pre-Construction Phase			1.00		
3	O	CO30	Renewables: Additional capacity of renewable energy production	MW	ERDF	Transition	850			1,200.00		

### 3.4 Financial data (Article 50(2) of Regulation (EU) No 1303/2013)

Table 6: Financial information at priority axis and programme level

(as set out in Table 1 of Annex II to Commission Implementing Regulation (EU) No 1011/2014 (Model for the transmission of financial data))

Priority axis	Fund	Category of region	Calculation basis	Total fund	Co-financing rate	Total eligible cost of operations selected for support	Proportion of the total allocation covered with selected operations	Public eligible cost of operations selected for support	Total eligible expenditure declared by beneficiaries to the managing authority	Proportion of the total allocation covered by eligible expenditure declared by beneficiaries	Number of operations selected
1	ERDF	Transition	Total	189,142,057.00	60.00	140,822,289.76	74.45%	84,704,097.60	0.00	0.00%	204
2	ERDF	Transition	Total	226,025,362.00	60.00	127,388,778.00	56.36%	53,412,626.60	0.00	0.00%	66
3	ERDF	Transition	Total	77,680,000.00	60.00	0.00	0.00%	0.00	0.00	0.00%	0
4	ERDF	Transition	Total	20,535,309.00	60.00	5,448,788.00	26.53%	5,448,788.00	0.00	0.00%	15
<b>Total</b>	<b>ERDF</b>	<b>Transition</b>		<b>513,382,728.00</b>	<b>60.00</b>	<b>273,659,855.76</b>	<b>53.31%</b>	<b>143,565,512.20</b>	<b>0.00</b>	<b>0.00%</b>	<b>285</b>
<b>Grand total</b>				<b>513,382,728.00</b>	<b>60.00</b>	<b>273,659,855.76</b>	<b>53.31%</b>	<b>143,565,512.20</b>	<b>0.00</b>	<b>0.00%</b>	<b>285</b>

Table 7: Breakdown of the cumulative financial data by category of intervention for the ERDF, the ESF and the Cohesion Fund (Article 112(1) and (2) of Regulation (EU) No 1303/2013 and Article 5 of Regulation (EU) No 1304/2013)

Priority axis	Characteristics of expenditure		Categorisation dimensions								Financial data			
	Fund	Category of region	Intervention field	Form of finance	Territorial dimension	Territorial delivery mechanism	Thematic objective dimension	ESF secondary theme	Economic dimension	Location dimension	Total eligible cost of operations selected for support	Public eligible cost of operations selected for support	Total eligible expenditure declared by beneficiaries to the managing authority	Number of operations selected
1	ERDF	Transition	056	01	07	07	01		01	UKN	2,119,746.00	1,271,847.60	0.00	2
1	ERDF	Transition	056	01	07	07	01		03	UKN	428,256.00	256,953.60	0.00	2
1	ERDF	Transition	056	01	07	07	01		05	UKN	1,527,262.00	916,357.20	0.00	3
1	ERDF	Transition	056	01	07	07	01		06	UKN	4,752,777.60	2,851,666.56	0.00	7
1	ERDF	Transition	056	01	07	07	01		07	UKN	7,259,120.00	4,355,472.00	0.00	18
1	ERDF	Transition	056	01	07	07	01		08	UKN	598,074.00	358,844.40	0.00	2
1	ERDF	Transition	056	01	07	07	01		09	UKN	728,088.00	436,852.80	0.00	3
1	ERDF	Transition	056	01	07	07	01		11	UKN	140,680.00	84,408.00	0.00	1
1	ERDF	Transition	056	01	07	07	01		13	UKN	10,323,334.00	6,194,000.40	0.00	29
1	ERDF	Transition	056	01	07	07	01		20	UKN	7,268,492.80	4,361,095.68	0.00	10
1	ERDF	Transition	056	01	07	07	01		22	UKN	269,438.00	161,662.80	0.00	1
1	ERDF	Transition	056	01	07	07	01		24	UKN	395,294.00	237,176.40	0.00	2
1	ERDF	Transition	057	01	07	07	01		01	UKN	3,673,346.00	2,204,007.60	0.00	3
1	ERDF	Transition	057	01	07	07	01		03	UKN	418,062.00	250,837.20	0.00	2
1	ERDF	Transition	057	01	07	07	01		05	UKN	6,510,020.00	3,906,012.00	0.00	5
1	ERDF	Transition	057	01	07	07	01		06	UKN	7,864,780.00	4,718,868.00	0.00	2
1	ERDF	Transition	057	01	07	07	01		07	UKN	59,594,612.00	35,756,767.20	0.00	12
1	ERDF	Transition	057	01	07	07	01		08	UKN	181,872.00	109,123.20	0.00	1
1	ERDF	Transition	057	01	07	07	01		09	UKN	2,360,828.00	1,416,496.80	0.00	10
1	ERDF	Transition	057	01	07	07	01		13	UKN	10,417,708.00	6,250,624.80	0.00	12
1	ERDF	Transition	057	01	07	07	01		20	UKN	12,684,210.00	7,610,526.00	0.00	5
1	ERDF	Transition	057	01	07	07	01		22	UKN	608,856.00	365,313.60	0.00	1
1	ERDF	Transition	057	01	07	07	01		24	UKN	170,624.00	102,374.40	0.00	1
1	ERDF	Transition	064	01	07	07	01		24	UKN	526,809.36	526,809.36	0.00	70
2	ERDF	Transition	001	01	07	07	03		01	UKN	38,800.00	23,280.00	0.00	1
2	ERDF	Transition	001	01	07	07	03		03	UKN	2,956,046.00	1,773,627.60	0.00	28
2	ERDF	Transition	001	01	07	07	03		04	UKN	500,000.00	300,000.00	0.00	1

Priority axis	Characteristics of expenditure		Categorisation dimensions							Financial data				
	Fund	Category of region	Intervention field	Form of finance	Territorial dimension	Territorial delivery mechanism	Thematic objective dimension	ESF secondary theme	Economic dimension	Location dimension	Total eligible cost of operations selected for support	Public eligible cost of operations selected for support	Total eligible expenditure declared by beneficiaries to the managing authority	Number of operations selected
2	ERDF	Transition	001	01	07	07	03		05	UKN	350,000.00	210,000.00	0.00	2
2	ERDF	Transition	001	01	07	07	03		06	UKN	99,200.00	59,520.00	0.00	1
2	ERDF	Transition	001	01	07	07	03		07	UKN	5,763,872.00	3,458,323.00	0.00	24
2	ERDF	Transition	001	01	07	07	03		11	UKN	32,460.00	19,476.00	0.00	1
2	ERDF	Transition	067	03	07	07	03		16	UKN	116,800,000.00	46,720,000.00	0.00	6
2	ERDF	Transition	067	03	07	07	03		24	UKN	848,400.00	848,400.00	0.00	2
3	ERDF	Transition												
4	ERDF	Transition	121	01	07	07			24	UKN	5,408,120.00	5,408,120.00	0.00	13
4	ERDF	Transition	123	01	07	07			24	UKN	40,668.00	40,668.00	0.00	2

Table 8: The use made of cross-financing

1	2	3	4	5	6
<b>Use of cross-financing</b>	<b>Priority axis</b>	<b>The amount of EU support envisaged to be used for cross financing based on selected operations (EUR)</b>	<b>Share of the total financial allocation to the priority axis (%) (3/total financial allocation to priority axis*100)</b>	<b>Eligible expenditure used under cross financing declared by the beneficiary to the managing authority (EUR)</b>	<b>Share of the total financial allocation to the priority axis (%) (5/total financial allocation to priority axis*100)</b>

Table 9: Cost of operations implemented outside the programme area (the ERDF and the Cohesion Fund under the Investment for growth and jobs goal)

1	2	3	4	5
<b>Priority axis</b>	<b>The amount of support envisaged to be used for operations implemented outside the programme area based on selected operations (EUR)</b>	<b>Share of the total financial allocation to the priority axis (%) (3/total financial allocation to priority axis*100)</b>	<b>Eligible expenditure incurred in operations implemented outside the programme area declared by the beneficiary to the managing authority (EUR)</b>	<b>Share of the total financial allocation to the priority axis (%) (5/total financial allocation to priority axis*100)</b>

Table 10: Expenditure incurred outside the Union (ESF)

The amount of expenditure envisaged to be incurred outside the Union under thematic objectives 8 and 10 based on selected operations (EUR)	Share of the total financial allocation (Union and national contribution) to the ESF programme or the ESF part of a multi-fund programme (%) (1/total financial allocation (Union and national contribution) to the ESF programme or the ESF part of a multi-fund programme*100)	Eligible expenditure incurred outside the Union declared by the beneficiary to the managing authority (EUR)	Share of the total financial allocation (Union and national contribution) to the ESF programme or the ESF part of a multi-fund programme (%) (3/total financial allocation (Union and national contribution) to the ESF programme or the ESF part of a multi-fund programme*100)

## 4. SYNTHESIS OF THE EVALUATIONS

Synthesis of the findings of all evaluations of the programme that have become available during the previous financial year, with reference of name and reference period of the evaluation reports used

### **Priority 1**

#### **Grant for Research and Development & Design for Business**

Under Priority 1 the Grant for Research and Development scheme is due to be evaluated in Autumn 2017. The Design for Business Scheme will be reviewed in Spring 2017.

### **Priority 2**

#### **Financial Instruments, LED and SFA**

The LED evaluation is currently planned for 2019 and SFA evaluation is planned for 2020. Per the current schedule, FIs are planned for evaluation across 2017 and 2018.

The interim evaluation of the Co-Investment Fund under Financial Instruments covering the period 1 June 2011 – 30 June 2015 was finalised in December 2016. The recommendations were as follows:

1. Invest NI should consider the opportunity to further develop the supply side of the market (in keeping with other benchmarked co-fund regions) with this having a marked bearing on the direction of any future Co-fund, including the extent to which there is a more rigorous challenge of the lead investor's capability and potential cost implications. This should be explored through a further feasibility study and options analysis as an interim measure.
2. In the event that Invest NI moves to a Co-Fund model with a supply side remit, in keeping with benchmarked regions, consideration should be given as part of an economic appraisal as to the necessary transition period arrangements and the need to financially support lead investors if they are to assume the level of responsibility, as seen in benchmark regions, to incentivise them to undertake a more proactive role.
3. In the event that the Feasibility Study finds that there is not an appetite to develop the supply side of the market, the Economic Appraisal should consider how the Co-Fund model in NI can be made more sustainable. This should include investigating how best to manage the Co-Fund manager's level of hands on involvement in existing portfolio companies in line with existing contractual terms/investee company needs, and also how to reduce the Co-Fund manager's hands on involvement in future portfolio companies.
4. Consideration should be given as to how the Co-Fund can increase the capability of Lead Investors and increase their appetite for involvement in investee companies (or where there is scope to introduce Non-Executive Directors, as paid for by the companies). The role of the Lead Investor should be more clearly defined as part of any future Co-Fund, setting out roles and responsibilities.

5. Going forward, the Co-Fund's database of prequalified angels should be used to ensure that angels benefit from investor training programmes, by Co-Fund and/or others, subject to the relevant consents on the part of the angels.
6. Co-Fund investments should continue to be market led and reflect the interest of the private sector, including in pre-revenue companies.
7. Consideration should be given as part of the Economic Appraisal as to the level of Co-Fund total finance to be retained for follow-on funding, reflecting the balance required between protecting fund investments and securing successful exits, demonstrating the commercial returns to be made from investment in companies such as in the Co-Fund portfolio, as well as avoiding crowding out the private sector.
8. The funding needs of the company, to reach exit or cash breakeven, and defining targets for sales and cash generation (internally generated through sales or externally raised), should be clearly defined at the approval stage and as part of the assessment of the investment partners, to ensure that there is capacity and/or a plan to provide follow on funding at the levels required.
9. The Economic Appraisal should further consider:
  - The appropriate size of any future Co-Fund.
  - The appropriate number of deals, including a "range" for "new" investments.
  - The rationale for maintaining the minimum investment round at £75,000, and if this limit should be introduced for follow on investments also.
  - The scope to increase the maximum funding per company above £1m, subject to recognition that any one investment should not exceed 10% of the Co-Fund.
10. Any future Co-Fund should:
  - Consider the objectives of the Co-Fund, including which institutions it is appropriate to invest alongside, having regards to additionality and the need for co-terminus private angel investment so that supply side objectives are also met.
  - Continue to restrain from matching solely against the founders of a company.
  - Continue to match against EIS and SEIS, subject to the Lead investor investing a minimum amount (relative to a limit of £40k in UK Angel Co-Fund).
11. The Co-Fund should continue to improve its monitoring and reporting processes.
12. Any new Co-Fund should have activity KPIs relating to the number of new investments per annum, the number of new Lead Investors (as defined by UK Angel Co-Fund) the classification of investors (privates, institutions, NI/other locations etc), the mix of public to private investment, number of follow on rounds.
13. Co-Fund managers should report annually to Invest NI against activity KPIs, the position of portfolio companies against their original plan (e.g. sales, employment, cash position) and an annual updated position on funding needs to cash breakeven and/or exit. Reporting requirements should reflect investment levels.
14. Consideration should be given as part of the Economic Appraisal as to the preferred option regarding how best to cater for the fund management aspects of the

current Co-Fund portfolio post the end of the current Co-Fund funding period.

Invest NI will review the recommendations and provide an update on progress in the 2017 Annual Implementation Report.

## 6. ISSUES AFFECTING THE PERFORMANCE OF THE PROGRAMME AND MEASURES TAKEN (ARTICLE 50(2) OF REGULATION (EU) No 1303/2013)

### (a) Issues which affect the performance of the programme and the measures taken

#### **E-cohesion**

Full compliance with the requirements of the EC requirements for e-cohesion as set out in Article 122 of the Common Provisions Regulation is incorporated into the specification of the new database. After the contract of the first contractor was terminated in June 2016 and after consultation with Government Procurement experts the contract was awarded in October 2016 to the second place bidder. The timetable of implementation of the core system should permit the Audit Authority to approve the Management and Control Systems at the beginning of Summer 2017.

#### **Managing Authority Designation**

Formal designation of DfE as the Managing Authority for the 2014-2020 ERDF Programme cannot be granted until the Programme database has been fully implemented. Only when designated can the MA initiate the first drawdown of funds from the EC.

#### **Low Carbon**

The Programme, as originally approved, planned to undertake a single grid strengthening project to fulfil the low carbon objective. The project involved capital upgrades to the electricity grid to increase the amount of renewable energy in final electricity consumption. Following the approval of the Operational Programme a number of issues emerged. There was ongoing dialogue throughout the course of 2015 which ultimately led the Statutory Operator for Northern Ireland (SONI) withdrawing the proposal in April 2016. Significant progress has been made in identifying suitable replacement activity that will have a similar positive impact. This is in the development of a new urban transport depot which will apply the most up to date energy efficient technologies, a ticketing system which will service the Belfast Rapid Transit route and a series of works to improve the energy efficiency of the NI social housing stock. It would be anticipated that substantial progress will be made in 2017 and therefore reportable in the next Annual Implementation Report.

#### **Programme Modification**

The NI Business Expenditure on Research and Development (BERD) figure as a percentage of GVA has reduced. The BERD information is updated through annual survey and the 2014 results have confirmed an adjustment in the baseline for 2012. This is as a result of a slight reduction in business expenditure in R&D and a higher Gross Value Added (GVA) figure. A formal programme modification in 2017 will reflect the confirmed baseline. The modification will also include the additional Programme allocation to reflect the changes in Gross National Income and will also include

amendments to some indicator targets.

### **Simplified Cost Options**

In 2016 Invest NI adopted the simplified cost option (SCO) of a fixed unit cost for labour support for the Grant for Research and Development scheme. The SCO addresses the audit burden experienced in Northern Ireland's R&D firms, which was having a significant disincentive effect on business willingness to participate in ERDF funded R&D activity. The unit cost addresses this problem directly and removes a key barrier to achievement of the Programme objectives, enabling substantial resource savings in terms of technical assistance used for verification and audit activity. Resources can instead be used in high value tasks such as performance monitoring and reporting. The methodology was approved by Programme Audit Authority and has been adopted into national rules by the member state.

Specifically, the SCO was designed to have the following benefits for beneficiaries, Invest NI, MA and AA.

- **Simpler claiming process** – no requirement to calculate hourly rates for each person and adjust these for pay rises etc.
- **Lower risk of exclusions/rejected claims** + subsequent re-work due to inaccuracies in hourly rate calculations.
- **Simpler vouching process** – less documentation to provide/inspect, no requirement to check salaries, pensions and tax contributions, employment terms and conditions, employee pay incentives and bonuses, absences and hourly rate calculations.
- **Non PAYE staff costs can now be funded using ERDF** - for example new entrepreneurs and the self employed using drawings instead of salaries.

Grant for R&D offers from January 2016 have been issued on this basis and it has been positively received by all stakeholders and is operating as planned.

**(b) An assessment of whether progress made towards targets is sufficient to ensure their fulfilment, indicating any remedial actions taken or planned, where appropriate.**

### **Priority 1**

The Design performance achievement (indicator CO04 and also included in indicator CO01) is below expected performance to date. However, Invest NI is confident that sufficient work is in progress to meet the overall milestone target of 973 by December 2018. There have been a number of initiatives under the Design for Business Scheme to help promote the benefits of the scheme. In March 2017 a 'Design Showcase' is planned which will highlight the support available through the scheme and potential benefits for beneficiaries participating within the Design Programme.

Regional Awareness Design Events (RADEs) – The Design for Business Service has scheduled a series of 6 workshops that are available to the wider business base. Each RADE has a specific theme and provides information on design and how it could benefit all businesses. In 2016, 2 RADE events were held focusing on Packaging and Product Development, both of which were well attended and received positive feedback. The remaining four in the series are scheduled to be held in 2017 and will focus on Visual Communications, Digital Design and Design Strategy amongst the themes.

In addition it is envisaged that the Design Service will run a number of large scale high profile promotional/awareness raising events to promote the benefits of design to the NI business base.

### **Priority 2**

All schemes within Priority 2 are on target to meet the 2018 milestones. The only change to note is that Co-Fund Investments are not included in the Private Investment indicator target (due to the commission definition of the investment indicators in relation to state aid – the Guidance Document on Monitoring and Evaluation (March 2014) refers) and this has reduced the forecast reported. However, Invest NI is working towards meeting the milestone nonetheless. All other milestones and expenditure targets are on target to be met.

## **7. CITIZEN'S SUMMARY**

A citizen's summary of the contents of the annual and the final implementation reports shall be made public and uploaded as a separate file in the form of annex to the annual and the final implementation report

You can upload/find the Citizen's summary under General > Documents in the SFC2014 application

## 8. REPORT ON THE IMPLEMENTATION OF FINANCIAL INSTRUMENTS

<b>I. Identification of the programme and priority or measure from which support from the ESI Funds is provided (Article 46(2)(a) of Regulation (EU) No 1303/2013)</b>	
<b>1. Priority axes or measures supporting the financial instrument, including fund of funds, under the ESI Fund programme.</b>	
1.1. Priority axis supporting the financial instrument under the ESI Fund programme	2 - Enhancing the Competitiveness of SMEs
2. Name of ESI Fund(s) supporting the financial instrument under the priority axis or measure	ERDF
<b>3. Thematic objective(s) referred to in the first paragraph of Article 9 of Regulation (EU) No 1303/2013 supported by the financial instrument</b>	<b>03 - Enhancing the competitiveness of small and medium-sized enterprises, the agricultural sector (for the EAFRD) and the fisheries and aquaculture sector (for the EMFF)</b>
3.1. Amount of ESI Funds committed in funding agreements from the individual thematic objective chosen in field 3 (optional)	10,560,000.00
<b>4. other ESI Fund programmes providing contribution to the financial instrument</b>	
4.1. CCI number of each other ESI Fund programme providing contributions to the financial instrument	
30. Date of completion of the ex ante assessment	31-Mar-2014
<b>31. Selection of bodies implementing financial instrument</b>	
31.1. Has selection or designation process already been launched	Yes
<b>II. Description of the financial instrument and implementation arrangements (Article 46(2)(b) of Regulation (EU) No 1303/2013)</b>	
5. Name of the financial instrument	Co-investment Fund
6. Official address/place of business of the financial instrument (name of the country and city)	Northern Ireland, Belfast
<b>7. Implementation arrangements</b>	
7.1. Financial instruments set up at Union level, managed directly or indirectly by the Commission referred to in Article 38(1)(a) of Regulation (EU) No 1303/2013, supported from ESI Fund programme contributions	

7.1.1. Name of the Union-level financial instrument	
7.2. Financial instrument set up at national, regional, transnational or cross-border level, managed by or under the responsibility of the managing authority referred to in Article 38(1)(b), supported from ESI Fund programme contributions under point (a), (b) and (c) of Article 38(4) of Regulation (EU) No 1303/2013	Investment in the capital of existing or newly created legal entities
8. Type of the financial instrument	Specific fund
8.1. Tailor-made or financial instruments complying with standard terms and conditions i.e. "off-the-shelf instruments"	Tailor-made
<b>9. Type of products provided by financial instrument: loans, micro-loans, guarantees, equity, or quasi-equity investments, other financial product or other support combined within the financial instrument pursuant to Article 37(7) of Regulation (EU) No 1303/2013</b>	
9.0.1. Loans ( $\geq$ EUR 25,000)	No
9.0.2. Micro-loans ( $<$ EUR 25,000 and provided to micro-enterprises) according to SEC/2011/1134 final	No
9.0.3. Guarantees	No
9.0.4. Equity	Yes
9.0.5. Quasi-equity	No
9.0.6. Other financial products	No
9.0.7. Other support combined with a financial instrument	No
9.1. Description of the other financial product	
9.2. Other support combined within the financial instrument: grant, interest rate subsidy, guarantee fee subsidy pursuant to Article 37(7) of Regulation (EU) No 1303/2013	
10. Legal status of the financial instrument, pursuant to Article 38(6) of Regulation (EU) No 1303/2013 (for financial instruments referred to in Article 38(4)(b) only): fiduciary account opened in the name of the implementing body and on behalf of the managing authority or separate block of finance within a financial institution	Separate block of finance
<b>III. Identification of the body implementing the financial instrument as referred to in Articles 38(1)(a), 38(4)(a), (b) and (c) of Regulation (EU) No 1303/2013, and the financial intermediaries referred to in Article 38(5) of Regulation (EU) No 1303/2013 (Article 46(2)(c) of Regulation (EU) No 1303/2013)</b>	
<b>11. Body implementing the financial instrument</b>	

11.1. Type of implementing body pursuant to Article 38(4) of Regulation (EU) No 1303/2013 (a) existing or newly created legal entity dedicated to implementing financial instruments; (b) a body entrusted with the implementation task or (c) managing authority underatking implementation task directly (for loans or guarantees only)	Body governed by public or private law
11.1.1. Name of the body implementing the financial instrument	Invest NI through Clarendon Fund Managers
11.1.2. Official address/place of business (country and town name) of the body implementing the financial instrument	Northern Ireland, Belfast
12. Procedure of selecting the body implementing the financial instrument: award of a public contract; other procedure	Selection in accordance with the provisions of the public procurement directive
12.1. Description of the other procedure of selecting the body implementing the financial instrument	
13. Date of signature of the funding agreement with the body implementing the financial instrument	22-Dec-2014
<b>IV. Total amount of programme contributions, by priority or measure, paid to the financial instrument and management costs incurred or management fees paid (Article 46(2)(d) and (e) of Regulation (EU) No 1303/2013)</b>	
14. Total amount of programme contributions committed in the funding agreement (in EUR)	17,600,000.00
14.1. out of which ESI Funds contributions (in EUR)	10,560,000.00
14.1.1. out of which ERDF (in EUR) (optional)	
14.1.2. out of which Cohesion Fund (in EUR) (optional)	
14.1.3. out of which ESF (in EUR) (optional)	
14.1.4. out of which EAFRD (in EUR) (optional)	
14.1.5. out of which EMFF (in EUR) (optional)	
15. Total amount of programme contributions paid to the financial instrument (in EUR)	15,101,880.08
15.1. out of which amount of ESI Funds contributions (in EUR)	9,061,128.05
15.1.1. out of which ERDF (in EUR)	9,061,128.05
15.1.2. out of which Cohesion Fund (in EUR)	0.00
15.1.3. out of which ESF (in EUR)	0.00
15.1.4. out of which EAFRD (in EUR)	0.00

15.1.5. out of which EMFF (in EUR)	0.00
15.2. out of which total amount of national co-financing (in EUR)	6,040,752.03
15.2.1. out of which total amount of national public funding (in EUR)	483,840.00
15.2.2. out of which total amount of national private funding (in EUR)	5,556,912.03
16. Total amount of programme contributions paid to the financial instrument under Youth Employment Initiative (YEI) (in EUR)	0.00
17. Total amount of management costs and fees paid out of programme contributions (in EUR)	1,209,600.00
17.1. out of which base remuneration (in EUR)	1,209,600.00
17.2. out of which performance-based remuneration (in EUR)	0.00
18. Capitalised management costs or fees pursuant to Article 42(2) of Regulation (EU) No 1303/2013 (relevant only for final report) (in EUR)	
19. Capitalised interest rate subsidies or guarantee fee subsidies pursuant to Article 42(1)(c) of Regulation (EU) No 1303/2013 (relevant to final report only) (in EUR)	
20. Amount of programme contributions for follow-on investments in final recipients pursuant to Article 42(3) of Regulation (EU) No 1303/2013 (relevant for final report only) (in EUR)	
21. Contributions of land and/or real estate in the financial instrument pursuant to Article 37(10) of Regulation (EU) No 1303/2013 (relevant for final report only) (in EUR)	
<b>V. Total amount of support paid to final recipients, or to the benefit of final recipients, or committed in guarantee contracts by the financial instrument for investments in final recipients, by ESI Funds programme and priority or measure (Article 46(2)(e) of Regulation (EU) No 1303/2013)</b>	
<b>22. Name of financial product offered by the financial instrument</b>	<b>Co-investment Fund</b>
22.1. Type of financial product offered by the financial instrument	Equity
24. Total amount of programme contributions committed in this loan, guarantee, equity, quasi-equity or other financial product contracts with final recipients (in EUR)	13,892,280.08
24.1. out of which total amount of ESI Funds	8,335,368.05

contributions (in EUR)	
25. Total amount of programme contributions paid to final recipients through this loan, micro-loans, equity or other products, or, in the case of guarantee, committed for loans paid to final recipients, by product (in EUR)	13,892,280.08
25.1. out of which total amount of ESI Funds contributions (in EUR)	8,335,368.05
25.1.1. out of which ERDF (in EUR)	8,335,368.05
25.1.2. out of which Cohesion Fund (in EUR)	0.00
25.1.3. out of which ESF (in EUR)	0.00
25.1.4. out of which EAFRD (in EUR)	0.00
25.1.5. out of which EMFF (in EUR)	0.00
25.2. out of which total amount of national public co-financing (in EUR)	0.00
25.3. out of which total amount of national private co-financing (in EUR)	5,556,912.03
27. Number of loan/guarantee/equity or quasi-equity/other financial product contracts signed with final recipients, by product	64
28. Number of loan/guarantee/equity or quasi-equity/other financial product investments made in final recipients, by product	64
29. Number of financial recipients supported by the financial product	64
29.1. out of which large enterprises	0
29.2. out of which SMEs	64
29.2.1. out of which microenterprises	37
29.3. out of which individuals/natural persons	0
29.4. out of which other type of final recipients supported	0
29.4.1. description of other type of final recipients supported	
<b>VI. The performance of the financial instrument, including progress in its set-up and in selection of bodies implementing the financial instrument (including the body implementing a fund of funds) (Article 46(2)(f) of Regulation (EU) No 1303/2013)</b>	
32. Information whether the financial instrument was still operational at the end of the reporting year	Yes
32.1. If the financial instrument was not operational at	

the end of the reporting year, date of the winding-up	
33. Total number of disbursed loans defaulted or total number of guarantees provided and called due to the loan default	0
34. Total amount of disbursed loans defaulted (in EUR) or total amount committed for guarantees provided and called due to loan default (in EUR)	0.00
<b>VII. Interest and other gains generated by support from the ESI Funds to the financial instrument, programme resources paid back to financial instrument from investments as referred to in Articles 43 and 44, and the value of equity investments with respect to previous years (Article 46(2)(g) and (i) of Regulation (EU) No 1303/2013)</b>	
35. Interest and other gains generated by payments from ESI Funds to the financial instrument (in EUR)	0.00
36. Amounts repaid to the financial instrument attributable to support from ESI Funds by the end of the reporting year (in EUR)	603,615.79
36.1. out of which capital repayments (in EUR)	603,615.79
36.2. out of which gains, other earnings and yields (in EUR)	0.00
37. Amounts of resources reused which were paid back to the financial instrument and are attributable to ESI Funds	603,615.79
37.1. out of which amounts paid for preferential remuneration of private investors operating under the market economy principle who provide counterpart resources to the support from the ESI Funds to the financial instrument or who co-invest at the level of final recipient (in EUR)	603,615.79
37.2. out of which amounts paid for the reimbursement of management costs incurred and payment of management fees of the financial instrument (in EUR)	0.00
40. Value of investments and participations in equity (in EUR)	7,678,762.80
<b>VIII. Progress in achieving the expected leverage effect of investments made by the financial instrument and value of investments and participations (Article 46(2)(h) of Regulation (EU) No 1303/2013)</b>	
<b>38. Total amount of other contributions, outside ESI Funds, raised by the financial instrument (EUR)</b>	
38.1. Total amount of other contributions, outside the ESI Funds committed in the funding agreement with the body implementing the financial instrument (in EUR)	7,040,000.00

38.2. Total amount of other contributions, outside the ESI Funds paid to the financial instrument (in EUR)	14,980,785.55
38.2.1. out of which public contributions (EUR)	0.00
38.2.2. out of which private contributions (EUR)	14,980,785.55
38.3. Total amount of other contributions, outside the ESI Funds mobilised at the level of final recipients (in EUR)	9,423,873.52
38.3.1. out of which public contributions (EUR)	0.00
38.3.2. out of which private contributions (EUR)	9,423,873.52
<b>39. Expected and achieved leverage effect, by reference to the funding agreement</b>	
39.1. Expected leverage effect for loan/guarantee/equity or quasi-equity investment/other financial product, by reference to the funding agreement, by product	55.00
39.2. Achieved leverage effect at the end of reporting year for loan/guarantee/equity or quasi-equity investment/other financial product, by product	1.97
39.3. Investment mobilised through ESIF financial instruments for loan/guarantee/equity and quasi-equity investment, by product (Optional)	
<b>IX. Contribution of the financial instrument to the achievement of the indicators of the priority or measure concerned (Article 46(2)(j) of Regulation (EU) No 1303/2013)</b>	
<b><i>41. Output indicator (code number and name) to which the financial instrument contributes</i></b>	<b><i>CO07 - Productive investment: Private investment matching public support to enterprises (non-grants)</i></b>
41.1. Target value of the output indicator	0.00
41.2. Value achieved by the financial instrument in relation to the target value of the output indicator	0.00
<b><i>41. Output indicator (code number and name) to which the financial instrument contributes</i></b>	<b><i>CO01 - Productive investment: Number of enterprises receiving support</i></b>
41.1. Target value of the output indicator	30.00
41.2. Value achieved by the financial instrument in relation to the target value of the output indicator	0.00
<b><i>41. Output indicator (code number and name) to which the financial instrument contributes</i></b>	<b><i>CO03 - Productive investment: Number of enterprises receiving</i></b>

	<i>financial support other than grants</i>
41.1. Target value of the output indicator	30.00
41.2. Value achieved by the financial instrument in relation to the target value of the output indicator	0.00
<b>41. Output indicator (code number and name) to which the financial instrument contributes</b>	<b>CO05 - Productive investment: Number of new enterprises supported</b>
41.1. Target value of the output indicator	13.00
41.2. Value achieved by the financial instrument in relation to the target value of the output indicator	0.00

<b>I. Identification of the programme and priority or measure from which support from the ESI Funds is provided (Article 46(2)(a) of Regulation (EU) No 1303/2013)</b>	
<b>1. Priority axes or measures supporting the financial instrument, including fund of funds, under the ESI Fund programme.</b>	
1.1. Priority axis supporting the financial instrument under the ESI Fund programme	2 - Enhancing the Competitiveness of SMEs
2. Name of ESI Fund(s) supporting the financial instrument under the priority axis or measure	ERDF
<b>3. Thematic objective(s) referred to in the first paragraph of Article 9 of Regulation (EU) No 1303/2013 supported by the financial instrument</b>	<b>03 - Enhancing the competitiveness of small and medium-sized enterprises, the agricultural sector (for the EAFRD) and the fisheries and aquaculture sector (for the EMFF)</b>
3.1. Amount of ESI Funds committed in funding agreements from the individual thematic objective chosen in field 3 (optional)	17,760,000.00
<b>4. other ESI Fund programmes providing contribution to the financial instrument</b>	
4.1. CCI number of each other ESI Fund programme providing contributions to the financial instrument	
30. Date of completion of the ex ante assessment	31-Mar-2014
<b>31. Selection of bodies implementing financial instrument</b>	
31.1. Has selection or designation process already been launched	Yes
<b>II. Description of the financial instrument and implementation arrangements (Article 46(2)(b) of Regulation (EU) No 1303/2013)</b>	

5. Name of the financial instrument	Development Fund I (Crescent Capital)
6. Official address/place of business of the financial instrument (name of the country and city)	Northern Ireland, Belfast
<b>7. Implementation arrangements</b>	
7.1. Financial instruments set up at Union level, managed directly or indirectly by the Commission referred to in Article 38(1)(a) of Regulation (EU) No 1303/2013, supported from ESI Fund programme contributions	
7.1.1. Name of the Union-level financial instrument	
7.2. Financial instrument set up at national, regional, transnational or cross-border level, managed by or under the responsibility of the managing authority referred to in Article 38(1)(b), supported from ESI Fund programme contributions under point (a), (b) and (c) of Article 38(4) of Regulation (EU) No 1303/2013	Investment in the capital of existing or newly created legal entities
8. Type of the financial instrument	Specific fund
8.1. Tailor-made or financial instruments complying with standard terms and conditions i.e. "off-the-shelf instruments"	Tailor-made
<b>9. Type of products provided by financial instrument: loans, micro-loans, guarantees, equity, or quasi-equity investments, other financial product or other support combined within the financial instrument pursuant to Article 37(7) of Regulation (EU) No 1303/2013</b>	
9.0.1. Loans ( $\geq$ EUR 25,000)	No
9.0.2. Micro-loans ( $<$ EUR 25,000 and provided to micro-enterprises) according to SEC/2011/1134 final	No
9.0.3. Guarantees	No
9.0.4. Equity	Yes
9.0.5. Quasi-equity	Yes
9.0.6. Other financial products	No
9.0.7. Other support combined with a financial instrument	No
9.1. Description of the other financial product	
9.2. Other support combined within the financial instrument: grant, interest rate subsidy, guarantee fee subsidy pursuant to Article 37(7) of Regulation (EU) No 1303/2013	
10. Legal status of the financial instrument, pursuant to Article 38(6) of Regulation (EU) No 1303/2013 (for	Separate block of finance

financial instruments referred to in Article 38(4)(b) only): fiduciary account opened in the name of the implementing body and on behalf of the managing authority or separate block of finance within a financial institution	
<b>III. Identification of the body implementing the financial instrument as referred to in Articles 38(1)(a), 38(4)(a), (b) and (c) of Regulation (EU) No 1303/2013, and the financial intermediaries referred to in Article 38(5) of Regulation (EU) No 1303/2013 (Article 46(2)(c) of Regulation (EU) No 1303/2013)</b>	
<b>11. Body implementing the financial instrument</b>	
11.1. Type of implementing body pursuant to Article 38(4) of Regulation (EU) No 1303/2013 (a) existing or newly created legal entity dedicated to implementing financial instruments; (b) a body entrusted with the implementation task or (c) managing authority undertaking implementation task directly (for loans or guarantees only)	Body governed by public or private law
11.1.1. Name of the body implementing the financial instrument	Invest NI through Crescent Capital Limited
11.1.2. Official address/place of business (country and town name) of the body implementing the financial instrument	Northern Ireland , Belfast
12. Procedure of selecting the body implementing the financial instrument: award of a public contract; other procedure	Selection in accordance with the provisions of the public procurement directive
12.1. Description of the other procedure of selecting the body implementing the financial instrument	
13. Date of signature of the funding agreement with the body implementing the financial instrument	20-Dec-2013
<b>IV. Total amount of programme contributions, by priority or measure, paid to the financial instrument and management costs incurred or management fees paid (Article 46(2)(d) and (e) of Regulation (EU) No 1303/2013)</b>	
14. Total amount of programme contributions committed in the funding agreement (in EUR)	29,600,000.00
14.1. out of which ESI Funds contributions (in EUR)	17,760,000.00
14.1.1. out of which ERDF (in EUR) (optional)	
14.1.2. out of which Cohesion Fund (in EUR) (optional)	
14.1.3. out of which ESF (in EUR) (optional)	
14.1.4. out of which EAFRD (in EUR) (optional)	
14.1.5. out of which EMFF (in EUR) (optional)	

15. Total amount of programme contributions paid to the financial instrument (in EUR)	6,798,279.83
15.1. out of which amount of ESI Funds contributions (in EUR)	4,078,967.90
15.1.1. out of which ERDF (in EUR)	4,078,967.90
15.1.2. out of which Cohesion Fund (in EUR)	0.00
15.1.3. out of which ESF (in EUR)	0.00
15.1.4. out of which EAFRD (in EUR)	0.00
15.1.5. out of which EMFF (in EUR)	0.00
15.2. out of which total amount of national co-financing (in EUR)	2,719,311.93
15.2.1. out of which total amount of national public funding (in EUR)	354,301.20
15.2.2. out of which total amount of national private funding (in EUR)	2,365,010.73
16. Total amount of programme contributions paid to the financial instrument under Youth Employment Initiative (YEI) (in EUR)	0.00
17. Total amount of management costs and fees paid out of programme contributions (in EUR)	885,753.00
17.1. out of which base remuneration (in EUR)	885,753.00
17.2. out of which performance-based remuneration (in EUR)	0.00
18. Capitalised management costs or fees pursuant to Article 42(2) of Regulation (EU) No 1303/2013 (relevant only for final report) (in EUR)	
19. Capitalised interest rate subsidies or guarantee fee subsidies pursuant to Article 42(1)(c) of Regulation (EU) No 1303/2013 (relevant to final report only) (in EUR)	
20. Amount of programme contributions for follow-on investments in final recipients pursuant to Article 42(3) of Regulation (EU) No 1303/2013 (relevant for final report only) (in EUR)	
21. Contributions of land and/or real estate in the financial instrument pursuant to Article 37(10) of Regulation (EU) No 1303/2013 (relevant for final report only) (in EUR)	
<b>V. Total amount of support paid to final recipients, or to the benefit of final recipients, or committed in guarantee contracts by the financial instrument for investments in final recipients, by ESI Funds programme and priority or measure</b>	

<b>(Article 46(2)(e) of Regulation (EU) No 1303/2013)</b>	
<b>22. Name of financial product offered by the financial instrument</b>	<b><i>Crescent Capital Fund</i></b>
22.1. Type of financial product offered by the financial instrument	Equity
24. Total amount of programme contributions committed in this loan, guarantee, equity, quasi-equity or other financial product contracts with final recipients (in EUR)	5,912,526.84
24.1. out of which total amount of ESI Funds contributions (in EUR)	3,547,516.10
25. Total amount of programme contributions paid to final recipients through this loan, micro-loans, equity or other products, or, in the case of guarantee, committed for loans paid to final recipients, by product (in EUR)	5,912,526.84
25.1. out of which total amount of ESI Funds contributions (in EUR)	3,547,516.10
25.1.1. out of which ERDF (in EUR)	3,547,516.10
25.1.2. out of which Cohesion Fund (in EUR)	0.00
25.1.3. out of which ESF (in EUR)	0.00
25.1.4. out of which EAFRD (in EUR)	0.00
25.1.5. out of which EMFF (in EUR)	0.00
25.2. out of which total amount of national public co-financing (in EUR)	0.00
25.3. out of which total amount of national private co-financing (in EUR)	2,365,010.74
27. Number of loan/guarantee/equity or quasi-equity/other financial product contracts signed with final recipients, by product	7
28. Number of loan/guarantee/equity or quasi-equity/other financial product investments made in final recipients, by product	7
29. Number of financial recipients supported by the financial product	7
29.1. out of which large enterprises	0
29.2. out of which SMEs	7
29.2.1. out of which microenterprises	5
29.3. out of which individuals/natural persons	0
29.4. out of which other type of final recipients supported	0

29.4.1. description of other type of final recipients supported	
<b>VI. The performance of the financial instrument, including progress in its set-up and in selection of bodies implementing the financial instrument (including the body implementing a fund of funds) (Article 46(2)(f) of Regulation (EU) No 1303/2013)</b>	
32. Information whether the financial instrument was still operational at the end of the reporting year	Yes
32.1. If the financial instrument was not operational at the end of the reporting year, date of the winding-up	
33. Total number of disbursed loans defaulted or total number of guarantees provided and called due to the loan default	0
34. Total amount of disbursed loans defaulted (in EUR) or total amount committed for guarantees provided and called due to loan default (in EUR)	0.00
<b>VII. Interest and other gains generated by support from the ESI Funds to the financial instrument, programme resources paid back to financial instrument from investments as referred to in Articles 43 and 44, and the value of equity investments with respect to previous years (Article 46(2)(g) and (i) of Regulation (EU) No 1303/2013)</b>	
35. Interest and other gains generated by payments from ESI Funds to the financial instrument (in EUR)	0.00
36. Amounts repaid to the financial instrument attributable to support from ESI Funds by the end of the reporting year (in EUR)	0.00
36.1. out of which capital repayments (in EUR)	0.00
36.2. out of which gains, other earnings and yields (in EUR)	0.00
37. Amounts of resources reused which were paid back to the financial instrument and are attributable to ESI Funds	0.00
37.1. out of which amounts paid for preferential remuneration of private investors operating under the market economy principle who provide counterpart resources to the support from the ESI Funds to the financial instrument or who co-invest at the level of final recipient (in EUR)	0.00
37.2. out of which amounts paid for the reimbursement of management costs incurred and payment of management fees of the financial instrument (in EUR)	0.00

40. Value of investments and participations in equity (in EUR)	3,547,516.10
<b>VIII. Progress in achieving the expected leverage effect of investments made by the financial instrument and value of investments and participations (Article 46(2)(h) of Regulation (EU) No 1303/2013)</b>	
<b>38. Total amount of other contributions, outside ESI Funds, raised by the financial instrument (EUR)</b>	
38.1. Total amount of other contributions, outside the ESI Funds committed in the funding agreement with the body implementing the financial instrument (in EUR)	11,840,000.00
38.2. Total amount of other contributions, outside the ESI Funds paid to the financial instrument (in EUR)	4,645,868.90
38.2.1. out of which public contributions (EUR)	0.00
38.2.2. out of which private contributions (EUR)	4,645,868.90
38.3. Total amount of other contributions, outside the ESI Funds mobilised at the level of final recipients (in EUR)	2,280,858.17
38.3.1. out of which public contributions (EUR)	0.00
38.3.2. out of which private contributions (EUR)	2,280,858.17
<b>39. Expected and achieved leverage effect, by reference to the funding agreement</b>	
39.1. Expected leverage effect for loan/guarantee/equity or quasi-equity investment/other financial product, by reference to the funding agreement, by product	50.00
39.2. Achieved leverage effect at the end of reporting year for loan/guarantee/equity or quasi-equity investment/other financial product, by product	1.45
39.3. Investment mobilised through ESIF financial instruments for loan/guarantee/equity and quasi-equity investment, by product (Optional)	0.00
<b>IX. Contribution of the financial instrument to the achievement of the indicators of the priority or measure concerned (Article 46(2)(j) of Regulation (EU) No 1303/2013)</b>	
<b>41. Output indicator (code number and name) to which the financial instrument contributes</b>	<b>CO01 - Productive investment: Number of enterprises receiving support</b>
41.1. Target value of the output indicator	5.00
41.2. Value achieved by the financial instrument in relation to the target value of the output indicator	0.00
<b>41. Output indicator (code number and name) to which</b>	<b>CO07 - Productive</b>

<i>the financial instrument contributes</i>	<i>investment: Private investment matching public support to enterprises (non-grants)</i>
41.1. Target value of the output indicator	2,365,010.00
41.2. Value achieved by the financial instrument in relation to the target value of the output indicator	0.00
<b>41. Output indicator (code number and name) to which the financial instrument contributes</b>	<b>CO03 - Productive investment: Number of enterprises receiving financial support other than grants</b>
41.1. Target value of the output indicator	5.00
41.2. Value achieved by the financial instrument in relation to the target value of the output indicator	0.00
<b>41. Output indicator (code number and name) to which the financial instrument contributes</b>	<b>CO05 - Productive investment: Number of new enterprises supported</b>
41.1. Target value of the output indicator	2.00
41.2. Value achieved by the financial instrument in relation to the target value of the output indicator	0.00

<b>I. Identification of the programme and priority or measure from which support from the ESI Funds is provided (Article 46(2)(a) of Regulation (EU) No 1303/2013)</b>	
<b>1. Priority axes or measures supporting the financial instrument, including fund of funds, under the ESI Fund programme.</b>	
1.1. Priority axis supporting the financial instrument under the ESI Fund programme	2 - Enhancing the Competitiveness of SMEs
2. Name of ESI Fund(s) supporting the financial instrument under the priority axis or measure	ERDF
<b>3. Thematic objective(s) referred to in the first paragraph of Article 9 of Regulation (EU) No 1303/2013 supported by the financial instrument</b>	<b>03 - Enhancing the competitiveness of small and medium-sized enterprises, the agricultural sector (for the EAFRD) and the fisheries and aquaculture sector (for the EMFF)</b>
3.1. Amount of ESI Funds committed in funding agreements from the individual thematic objective chosen in field 3 (optional)	17,760,000.00

<b>4. other ESI Fund programmes providing contribution to the financial instrument</b>	
4.1. CCI number of each other ESI Fund programme providing contributions to the financial instrument	
30. Date of completion of the ex ante assessment	31-Mar-2014
<b>31. Selection of bodies implementing financial instrument</b>	
31.1. Has selection or designation process already been launched	Yes
<b>II. Description of the financial instrument and implementation arrangements (Article 46(2)(b) of Regulation (EU) No 1303/2013)</b>	
5. Name of the financial instrument	Development Fund II (Kernel Capital)
6. Official address/place of business of the financial instrument (name of the country and city)	Northern Ireland, Belfast
<b>7. Implementation arrangements</b>	
7.1. Financial instruments set up at Union level, managed directly or indirectly by the Commission referred to in Article 38(1)(a) of Regulation (EU) No 1303/2013, supported from ESI Fund programme contributions	
7.1.1. Name of the Union-level financial instrument	
7.2. Financial instrument set up at national, regional, transnational or cross-border level, managed by or under the responsibility of the managing authority referred to in Article 38(1)(b), supported from ESI Fund programme contributions under point (a), (b) and (c) of Article 38(4) of Regulation (EU) No 1303/2013	Investment in the capital of existing or newly created legal entities
8. Type of the financial instrument	Specific fund
8.1. Tailor-made or financial instruments complying with standard terms and conditions i.e. "off-the-shelf instruments"	Tailor-made
<b>9. Type of products provided by financial instrument: loans, micro-loans, guarantees, equity, or quasi-equity investments, other financial product or other support combined within the financial instrument pursuant to Article 37(7) of Regulation (EU) No 1303/2013</b>	
9.0.1. Loans ( $\geq$ EUR 25,000)	No
9.0.2. Micro-loans ( $<$ EUR 25,000 and provided to micro-enterprises) according to SEC/2011/1134 final	No
9.0.3. Guarantees	No
9.0.4. Equity	Yes
9.0.5. Quasi-equity	Yes

9.0.6. Other financial products	No
9.0.7. Other support combined with a financial instrument	No
9.1. Description of the other financial product	
9.2. Other support combined within the financial instrument: grant, interest rate subsidy, guarantee fee subsidy pursuant to Article 37(7) of Regulation (EU) No 1303/2013	
10. Legal status of the financial instrument, pursuant to Article 38(6) of Regulation (EU) No 1303/2013 (for financial instruments referred to in Article 38(4)(b) only): fiduciary account opened in the name of the implementing body and on behalf of the managing authority or separate block of finance within a financial institution	Separate block of finance
<b>III. Identification of the body implementing the financial instrument as referred to in Articles 38(1)(a), 38(4)(a), (b) and (c) of Regulation (EU) No 1303/2013, and the financial intermediaries referred to in Article 38(5) of Regulation (EU) No 1303/2013 (Article 46(2)(c) of Regulation (EU) No 1303/2013)</b>	
<b>11. Body implementing the financial instrument</b>	
11.1. Type of implementing body pursuant to Article 38(4) of Regulation (EU) No 1303/2013 (a) existing or newly created legal entity dedicated to implementing financial instruments; (b) a body entrusted with the implementation task or (c) managing authority undertaking implementation task directly (for loans or guarantees only)	Body governed by public or private law
11.1.1. Name of the body implementing the financial instrument	Invest NI through The Bank of Ireland Kernel Capital Growth Fund
11.1.2. Official address/place of business (country and town name) of the body implementing the financial instrument	Northern Ireland, Belfast
12. Procedure of selecting the body implementing the financial instrument: award of a public contract; other procedure	Selection in accordance with the provisions of the public procurement directive
12.1. Description of the other procedure of selecting the body implementing the financial instrument	
13. Date of signature of the funding agreement with the body implementing the financial instrument	10-Feb-2016
<b>IV. Total amount of programme contributions, by priority or measure, paid to the</b>	

<b>financial instrument and management costs incurred or management fees paid (Article 46(2)(d) and (e) of Regulation (EU) No 1303/2013)</b>	
14. Total amount of programme contributions committed in the funding agreement (in EUR)	29,600,000.00
14.1. out of which ESI Funds contributions (in EUR)	17,760,000.00
14.1.1. out of which ERDF (in EUR) (optional)	
14.1.2. out of which Cohesion Fund (in EUR) (optional)	
14.1.3. out of which ESF (in EUR) (optional)	
14.1.4. out of which EAFRD (in EUR) (optional)	
14.1.5. out of which EMFF (in EUR) (optional)	
15. Total amount of programme contributions paid to the financial instrument (in EUR)	5,365,755.00
15.1. out of which amount of ESI Funds contributions (in EUR)	3,219,453.00
15.1.1. out of which ERDF (in EUR)	3,219,453.00
15.1.2. out of which Cohesion Fund (in EUR)	0.00
15.1.3. out of which ESF (in EUR)	0.00
15.1.4. out of which EAFRD (in EUR)	0.00
15.1.5. out of which EMFF (in EUR)	0.00
15.2. out of which total amount of national co-financing (in EUR)	2,146,302.00
15.2.1. out of which total amount of national public funding (in EUR)	318,325.20
15.2.2. out of which total amount of national private funding (in EUR)	1,827,976.80
16. Total amount of programme contributions paid to the financial instrument under Youth Employment Initiative (YEI) (in EUR)	0.00
17. Total amount of management costs and fees paid out of programme contributions (in EUR)	795,813.00
17.1. out of which base remuneration (in EUR)	795,813.00
17.2. out of which performance-based remuneration (in EUR)	0.00
18. Capitalised management costs or fees pursuant to Article 42(2) of Regulation (EU) No 1303/2013 (relevant only for final report) (in EUR)	
19. Capitalised interest rate subsidies or guarantee fee subsidies pursuant to Article 42(1)(c) of Regulation (EU)	

No 1303/2013 (relevant to final report only) (in EUR)	
20. Amount of programme contributions for follow-on investments in final recipients pursuant to Article 42(3) of Regulation (EU) No 1303/2013 (relevant for final report only) (in EUR)	
21. Contributions of land and/or real estate in the financial instrument pursuant to Article 37(10) of Regulation (EU) No 1303/2013 (relevant for final report only) (in EUR)	
<b>V. Total amount of support paid to final recipients, or to the benefit of final recipients, or committed in guarantee contracts by the financial instrument for investments in final recipients, by ESI Funds programme and priority or measure (Article 46(2)(e) of Regulation (EU) No 1303/2013)</b>	
<b>22. Name of financial product offered by the financial instrument</b>	<b><i>The Bank of Ireland Kernel Capital Growth Fund (NI)</i></b>
22.1. Type of financial product offered by the financial instrument	Equity
24. Total amount of programme contributions committed in this loan, guarantee, equity, quasi-equity or other financial product contracts with final recipients (in EUR)	4,569,942.00
24.1. out of which total amount of ESI Funds contributions (in EUR)	2,741,965.20
25. Total amount of programme contributions paid to final recipients through this loan, micro-loans, equity or other products, or, in the case of guarantee, committed for loans paid to final recipients, by product (in EUR)	4,569,942.00
25.1. out of which total amount of ESI Funds contributions (in EUR)	2,741,965.20
25.1.1. out of which ERDF (in EUR)	2,741,965.20
25.1.2. out of which Cohesion Fund (in EUR)	0.00
25.1.3. out of which ESF (in EUR)	0.00
25.1.4. out of which EAFRD (in EUR)	0.00
25.1.5. out of which EMFF (in EUR)	0.00
25.2. out of which total amount of national public co-financing (in EUR)	0.00
25.3. out of which total amount of national private co-financing (in EUR)	1,827,976.80
27. Number of loan/guarantee/equity or quasi-equity/other financial product contracts signed with final	10

recipients, by product	
28. Number of loan/guarantee/equity or quasi-equity/other financial product investments made in final recipients, by product	10
29. Number of financial recipients supported by the financial product	10
29.1. out of which large enterprises	0
29.2. out of which SMEs	10
29.2.1. out of which microenterprises	3
29.3. out of which individuals/natural persons	0
29.4. out of which other type of final recipients supported	0
29.4.1. description of other type of final recipients supported	
<b>VI. The performance of the financial instrument, including progress in its set-up and in selection of bodies implementing the financial instrument (including the body implementing a fund of funds) (Article 46(2)(f) of Regulation (EU) No 1303/2013)</b>	
32. Information whether the financial instrument was still operational at the end of the reporting year	Yes
32.1. If the financial instrument was not operational at the end of the reporting year, date of the winding-up	
33. Total number of disbursed loans defaulted or total number of guarantees provided and called due to the loan default	0
34. Total amount of disbursed loans defaulted (in EUR) or total amount committed for guarantees provided and called due to loan default (in EUR)	0.00
<b>VII. Interest and other gains generated by support from the ESI Funds to the financial instrument, programme resources paid back to financial instrument from investments as referred to in Articles 43 and 44, and the value of equity investments with respect to previous years (Article 46(2)(g) and (i) of Regulation (EU) No 1303/2013)</b>	
35. Interest and other gains generated by payments from ESI Funds to the financial instrument (in EUR)	0.00
36. Amounts repaid to the financial instrument attributable to support from ESI Funds by the end of the reporting year (in EUR)	0.00
36.1. out of which capital repayments (in EUR)	0.00
36.2. out of which gains, other earnings and yields (in EUR)	0.00

37. Amounts of resources reused which were paid back to the financial instrument and are attributable to ESI Funds	0.00
37.1. out of which amounts paid for preferential remuneration of private investors operating under the market economy principle who provide counterpart resources to the support from the ESI Funds to the financial instrument or who co-invest at the level of final recipient (in EUR)	0.00
37.2. out of which amounts paid for the reimbursement of management costs incurred and payment of management fees of the financial instrument (in EUR)	0.00
40. Value of investments and participations in equity (in EUR)	2,741,965.20
<b>VIII. Progress in achieving the expected leverage effect of investments made by the financial instrument and value of investments and participations (Article 46(2)(h) of Regulation (EU) No 1303/2013)</b>	
<b>38. Total amount of other contributions, outside ESI Funds, raised by the financial instrument (EUR)</b>	
38.1. Total amount of other contributions, outside the ESI Funds committed in the funding agreement with the body implementing the financial instrument (in EUR)	11,840,000.00
38.2. Total amount of other contributions, outside the ESI Funds paid to the financial instrument (in EUR)	2,799,522.00
38.2.1. out of which public contributions (EUR)	0.00
38.2.2. out of which private contributions (EUR)	2,799,522.00
38.3. Total amount of other contributions, outside the ESI Funds mobilised at the level of final recipients (in EUR)	971,545.20
38.3.1. out of which public contributions (EUR)	0.00
38.3.2. out of which private contributions (EUR)	971,545.20
<b>39. Expected and achieved leverage effect, by reference to the funding agreement</b>	
39.1. Expected leverage effect for loan/guarantee/equity or quasi-equity investment/other financial product, by reference to the funding agreement, by product	50.00
39.2. Achieved leverage effect at the end of reporting year for loan/guarantee/equity or quasi-equity investment/other financial product, by product	1.18
39.3. Investment mobilised through ESIF financial instruments for loan/guarantee/equity and quasi-equity investment, by product (Optional)	0.00

<b>IX. Contribution of the financial instrument to the achievement of the indicators of the priority or measure concerned (Article 46(2)(j) of Regulation (EU) No 1303/2013)</b>	
<b><i>41. Output indicator (code number and name) to which the financial instrument contributes</i></b>	<b><i>CO05 - Productive investment: Number of new enterprises supported</i></b>
41.1. Target value of the output indicator	2.00
41.2. Value achieved by the financial instrument in relation to the target value of the output indicator	0.00
<b><i>41. Output indicator (code number and name) to which the financial instrument contributes</i></b>	<b><i>CO07 - Productive investment: Private investment matching public support to enterprises (non-grants)</i></b>
41.1. Target value of the output indicator	1,827,976.00
41.2. Value achieved by the financial instrument in relation to the target value of the output indicator	0.00
<b><i>41. Output indicator (code number and name) to which the financial instrument contributes</i></b>	<b><i>CO03 - Productive investment: Number of enterprises receiving financial support other than grants</i></b>
41.1. Target value of the output indicator	5.00
41.2. Value achieved by the financial instrument in relation to the target value of the output indicator	0.00
<b><i>41. Output indicator (code number and name) to which the financial instrument contributes</i></b>	<b><i>CO01 - Productive investment: Number of enterprises receiving support</i></b>
41.1. Target value of the output indicator	5.00
41.2. Value achieved by the financial instrument in relation to the target value of the output indicator	0.00

<b>I. Identification of the programme and priority or measure from which support from the ESI Funds is provided (Article 46(2)(a) of Regulation (EU) No 1303/2013)</b>	
<b>1. Priority axes or measures supporting the financial instrument, including fund of funds, under the ESI Fund programme.</b>	
1.1. Priority axis supporting the financial instrument under the ESI Fund programme	2 - Enhancing the Competitiveness of SMEs
2. Name of ESI Fund(s) supporting the financial	ERDF

instrument under the priority axis or measure	
<b>3. Thematic objective(s) referred to in the first paragraph of Article 9 of Regulation (EU) No 1303/2013 supported by the financial instrument</b>	<b>03 - Enhancing the competitiveness of small and medium-sized enterprises, the agricultural sector (for the EAFRD) and the fisheries and aquaculture sector (for the EMFF)</b>
3.1. Amount of ESI Funds committed in funding agreements from the individual thematic objective chosen in field 3 (optional)	1,800,000.00
<b>4. other ESI Fund programmes providing contribution to the financial instrument</b>	
4.1. CCI number of each other ESI Fund programme providing contributions to the financial instrument	
30. Date of completion of the ex ante assessment	31-Mar-2014
<b>31. Selection of bodies implementing financial instrument</b>	
31.1. Has selection or designation process already been launched	Yes
<b>II. Description of the financial instrument and implementation arrangements (Article 46(2)(b) of Regulation (EU) No 1303/2013)</b>	
5. Name of the financial instrument	techstart NI University of Ulster Equity Fund
6. Official address/place of business of the financial instrument (name of the country and city)	Northern Ireland, Belfast
<b>7. Implementation arrangements</b>	
7.1. Financial instruments set up at Union level, managed directly or indirectly by the Commission referred to in Article 38(1)(a) of Regulation (EU) No 1303/2013, supported from ESI Fund programme contributions	
7.1.1. Name of the Union-level financial instrument	
7.2. Financial instrument set up at national, regional, transnational or cross-border level, managed by or under the responsibility of the managing authority referred to in Article 38(1)(b), supported from ESI Fund programme contributions under point (a), (b) and (c) of Article 38(4) of Regulation (EU) No 1303/2013	Investment in the capital of existing or newly created legal entities
8. Type of the financial instrument	Specific fund
8.1. Tailor-made or financial instruments complying with standard terms and conditions i.e. "off-the-shelf instruments"	Tailor-made

<b>9. Type of products provided by financial instrument: loans, micro-loans, guarantees, equity, or quasi-equity investments, other financial product or other support combined within the financial instrument pursuant to Article 37(7) of Regulation (EU) No 1303/2013</b>	
9.0.1. Loans ( $\geq$ EUR 25,000)	No
9.0.2. Micro-loans ( $<$ EUR 25,000 and provided to micro-enterprises) according to SEC/2011/1134 final	No
9.0.3. Guarantees	No
9.0.4. Equity	Yes
9.0.5. Quasi-equity	Yes
9.0.6. Other financial products	No
9.0.7. Other support combined with a financial instrument	No
9.1. Description of the other financial product	
9.2. Other support combined within the financial instrument: grant, interest rate subsidy, guarantee fee subsidy pursuant to Article 37(7) of Regulation (EU) No 1303/2013	
10. Legal status of the financial instrument, pursuant to Article 38(6) of Regulation (EU) No 1303/2013 (for financial instruments referred to in Article 38(4)(b) only): fiduciary account opened in the name of the implementing body and on behalf of the managing authority or separate block of finance within a financial institution	Separate block of finance
<b>III. Identification of the body implementing the financial instrument as referred to in Articles 38(1)(a), 38(4)(a), (b) and (c) of Regulation (EU) No 1303/2013, and the financial intermediaries referred to in Article 38(5) of Regulation (EU) No 1303/2013 (Article 46(2)(c) of Regulation (EU) No 1303/2013)</b>	
<b>11. Body implementing the financial instrument</b>	
11.1. Type of implementing body pursuant to Article 38(4) of Regulation (EU) No 1303/2013 (a) existing or newly created legal entity dedicated to implementing financial instruments; (b) a body entrusted with the implementation task or (c) managing authority underwriting implementation task directly (for loans or guarantees only)	Body governed by public or private law
11.1.1. Name of the body implementing the financial instrument	Invest NI through Pentech Ventures LLP
11.1.2. Official address/place of business (country and town name) of the body implementing the financial	Northern Ireland, Belfast

instrument	
12. Procedure of selecting the body implementing the financial instrument: award of a public contract; other procedure	Selection in accordance with the provisions of the public procurement directive
12.1. Description of the other procedure of selecting the body implementing the financial instrument	
13. Date of signature of the funding agreement with the body implementing the financial instrument	09-Jul-2014
<b>IV. Total amount of programme contributions, by priority or measure, paid to the financial instrument and management costs incurred or management fees paid (Article 46(2)(d) and (e) of Regulation (EU) No 1303/2013)</b>	
14. Total amount of programme contributions committed in the funding agreement (in EUR)	3,000,000.00
14.1. out of which ESI Funds contributions (in EUR)	1,800,000.00
14.1.1. out of which ERDF (in EUR) (optional)	
14.1.2. out of which Cohesion Fund (in EUR) (optional)	
14.1.3. out of which ESF (in EUR) (optional)	
14.1.4. out of which EAFRD (in EUR) (optional)	
14.1.5. out of which EMFF (in EUR) (optional)	
15. Total amount of programme contributions paid to the financial instrument (in EUR)	501,000.00
15.1. out of which amount of ESI Funds contributions (in EUR)	300,600.00
15.1.1. out of which ERDF (in EUR)	300,600.00
15.1.2. out of which Cohesion Fund (in EUR)	0.00
15.1.3. out of which ESF (in EUR)	0.00
15.1.4. out of which EAFRD (in EUR)	0.00
15.1.5. out of which EMFF (in EUR)	0.00
15.2. out of which total amount of national co-financing (in EUR)	200,400.00
15.2.1. out of which total amount of national public funding (in EUR)	104,400.00
15.2.2. out of which total amount of national private funding (in EUR)	96,000.00
16. Total amount of programme contributions paid to the financial instrument under Youth Employment Initiative (YEI) (in EUR)	0.00

17. Total amount of management costs and fees paid out of programme contributions (in EUR)	225,000.00
17.1. out of which base remuneration (in EUR)	225,000.00
17.2. out of which performance-based remuneration (in EUR)	0.00
18. Capitalised management costs or fees pursuant to Article 42(2) of Regulation (EU) No 1303/2013 (relevant only for final report) (in EUR)	
19. Capitalised interest rate subsidies or guarantee fee subsidies pursuant to Article 42(1)(c) of Regulation (EU) No 1303/2013 (relevant to final report only) (in EUR)	
20. Amount of programme contributions for follow-on investments in final recipients pursuant to Article 42(3) of Regulation (EU) No 1303/2013 (relevant for final report only) (in EUR)	
21. Contributions of land and/or real estate in the financial instrument pursuant to Article 37(10) of Regulation (EU) No 1303/2013 (relevant for final report only) (in EUR)	
<b>V. Total amount of support paid to final recipients, or to the benefit of final recipients, or committed in guarantee contracts by the financial instrument for investments in final recipients, by ESI Funds programme and priority or measure (Article 46(2)(e) of Regulation (EU) No 1303/2013)</b>	
<b>22. Name of financial product offered by the financial instrument</b>	<b>University of Ulster Equity</b>
22.1. Type of financial product offered by the financial instrument	Equity
24. Total amount of programme contributions committed in this loan, guarantee, equity, quasi-equity or other financial product contracts with final recipients (in EUR)	276,000.00
24.1. out of which total amount of ESI Funds contributions (in EUR)	165,600.00
25. Total amount of programme contributions paid to final recipients through this loan, micro-loans, equity or other products, or, in the case of guarantee, committed for loans paid to final recipients, by product (in EUR)	276,000.00
25.1. out of which total amount of ESI Funds contributions (in EUR)	165,600.00
25.1.1. out of which ERDF (in EUR)	165,600.00
25.1.2. out of which Cohesion Fund (in EUR)	0.00
25.1.3. out of which ESF (in EUR)	0.00

25.1.4. out of which EAFRD (in EUR)	0.00
25.1.5. out of which EMFF (in EUR)	0.00
25.2. out of which total amount of national public co-financing (in EUR)	14,400.00
25.3. out of which total amount of national private co-financing (in EUR)	96,000.00
27. Number of loan/guarantee/equity or quasi-equity/other financial product contracts signed with final recipients, by product	1
28. Number of loan/guarantee/equity or quasi-equity/other financial product investments made in final recipients, by product	1
29. Number of financial recipients supported by the financial product	1
29.1. out of which large enterprises	0
29.2. out of which SMEs	1
29.2.1. out of which microenterprises	1
29.3. out of which individuals/natural persons	0
29.4. out of which other type of final recipients supported	0
29.4.1. description of other type of final recipients supported	
<b>VI. The performance of the financial instrument, including progress in its set-up and in selection of bodies implementing the financial instrument (including the body implementing a fund of funds) (Article 46(2)(f) of Regulation (EU) No 1303/2013)</b>	
32. Information whether the financial instrument was still operational at the end of the reporting year	Yes
32.1. If the financial instrument was not operational at the end of the reporting year, date of the winding-up	
33. Total number of disbursed loans defaulted or total number of guarantees provided and called due to the loan default	0
34. Total amount of disbursed loans defaulted (in EUR) or total amount committed for guarantees provided and called due to loan default (in EUR)	0.00
<b>VII. Interest and other gains generated by support from the ESI Funds to the financial instrument, programme resources paid back to financial instrument from investments as referred to in Articles 43 and 44, and the value of equity investments with respect to previous years (Article 46(2)(g) and (i) of Regulation (EU) No 1303/2013)</b>	

35. Interest and other gains generated by payments from ESI Funds to the financial instrument (in EUR)	0.00
36. Amounts repaid to the financial instrument attributable to support from ESI Funds by the end of the reporting year (in EUR)	0.00
36.1. out of which capital repayments (in EUR)	0.00
36.2. out of which gains, other earnings and yields (in EUR)	0.00
37. Amounts of resources reused which were paid back to the financial instrument and are attributable to ESI Funds	0.00
37.1. out of which amounts paid for preferential remuneration of private investors operating under the market economy principle who provide counterpart resources to the support from the ESI Funds to the financial instrument or who co-invest at the level of final recipient (in EUR)	0.00
37.2. out of which amounts paid for the reimbursement of management costs incurred and payment of management fees of the financial instrument (in EUR)	0.00
40. Value of investments and participations in equity (in EUR)	180,000.00
<b>VIII. Progress in achieving the expected leverage effect of investments made by the financial instrument and value of investments and participations (Article 46(2)(h) of Regulation (EU) No 1303/2013)</b>	
<b>38. Total amount of other contributions, outside ESI Funds, raised by the financial instrument (EUR)</b>	
38.1. Total amount of other contributions, outside the ESI Funds committed in the funding agreement with the body implementing the financial instrument (in EUR)	1,200,000.00
38.2. Total amount of other contributions, outside the ESI Funds paid to the financial instrument (in EUR)	110,400.00
38.2.1. out of which public contributions (EUR)	14,400.00
38.2.2. out of which private contributions (EUR)	96,000.00
38.3. Total amount of other contributions, outside the ESI Funds mobilised at the level of final recipients (in EUR)	0.00
38.3.1. out of which public contributions (EUR)	0.00
38.3.2. out of which private contributions (EUR)	0.00
<b>39. Expected and achieved leverage effect, by reference to the funding agreement</b>	

39.1. Expected leverage effect for loan/guarantee/equity or quasi-equity investment/other financial product, by reference to the funding agreement, by product	40.00
39.2. Achieved leverage effect at the end of reporting year for loan/guarantee/equity or quasi-equity investment/other financial product, by product	0.69
39.3. Investment mobilised through ESIF financial instruments for loan/guarantee/equity and quasi-equity investment, by product (Optional)	0.00
<b>IX. Contribution of the financial instrument to the achievement of the indicators of the priority or measure concerned (Article 46(2)(j) of Regulation (EU) No 1303/2013)</b>	
<b><i>41. Output indicator (code number and name) to which the financial instrument contributes</i></b>	<b><i>CO07 - Productive investment: Private investment matching public support to enterprises (non-grants)</i></b>
41.1. Target value of the output indicator	96,000.00
41.2. Value achieved by the financial instrument in relation to the target value of the output indicator	0.00
<b><i>41. Output indicator (code number and name) to which the financial instrument contributes</i></b>	<b><i>CO05 - Productive investment: Number of new enterprises supported</i></b>
41.1. Target value of the output indicator	1.00
41.2. Value achieved by the financial instrument in relation to the target value of the output indicator	0.00
<b><i>41. Output indicator (code number and name) to which the financial instrument contributes</i></b>	<b><i>CO01 - Productive investment: Number of enterprises receiving support</i></b>
41.1. Target value of the output indicator	1.00
41.2. Value achieved by the financial instrument in relation to the target value of the output indicator	0.00
<b><i>41. Output indicator (code number and name) to which the financial instrument contributes</i></b>	<b><i>CO03 - Productive investment: Number of enterprises receiving financial support other than grants</i></b>
41.1. Target value of the output indicator	1.00
41.2. Value achieved by the financial instrument in relation to the target value of the output indicator	0.00

<b>I. Identification of the programme and priority or measure from which support from the ESI Funds is provided (Article 46(2)(a) of Regulation (EU) No 1303/2013)</b>	
<b>1. Priority axes or measures supporting the financial instrument, including fund of funds, under the ESI Fund programme.</b>	
1.1. Priority axis supporting the financial instrument under the ESI Fund programme	2 - Enhancing the Competitiveness of SMEs
2. Name of ESI Fund(s) supporting the financial instrument under the priority axis or measure	ERDF
<b>3. Thematic objective(s) referred to in the first paragraph of Article 9 of Regulation (EU) No 1303/2013 supported by the financial instrument</b>	<b>03 - Enhancing the competitiveness of small and medium-sized enterprises, the agricultural sector (for the EAFRD) and the fisheries and aquaculture sector (for the EMFF)</b>
3.1. Amount of ESI Funds committed in funding agreements from the individual thematic objective chosen in field 3 (optional)	1,800,000.00
<b>4. other ESI Fund programmes providing contribution to the financial instrument</b>	
4.1. CCI number of each other ESI Fund programme providing contributions to the financial instrument	
30. Date of completion of the ex ante assessment	31-Mar-2014
<b>31. Selection of bodies implementing financial instrument</b>	
31.1. Has selection or designation process already been launched	Yes
<b>II. Description of the financial instrument and implementation arrangements (Article 46(2)(b) of Regulation (EU) No 1303/2013)</b>	
5. Name of the financial instrument	techstart NI Queen's University of Belfast Equity Fund
6. Official address/place of business of the financial instrument (name of the country and city)	Northern Ireland, Belfast
<b>7. Implementation arrangements</b>	
7.1. Financial instruments set up at Union level, managed directly or indirectly by the Commission referred to in Article 38(1)(a) of Regulation (EU) No 1303/2013, supported from ESI Fund programme contributions	
7.1.1. Name of the Union-level financial instrument	

7.2. Financial instrument set up at national, regional, transnational or cross-border level, managed by or under the responsibility of the managing authority referred to in Article 38(1)(b), supported from ESI Fund programme contributions under point (a), (b) and (c) of Article 38(4) of Regulation (EU) No 1303/2013	Investment in the capital of existing or newly created legal entities
8. Type of the financial instrument	Specific fund
8.1. Tailor-made or financial instruments complying with standard terms and conditions i.e. "off-the-shelf instruments"	Tailor-made
<b>9. Type of products provided by financial instrument: loans, micro-loans, guarantees, equity, or quasi-equity investments, other financial product or other support combined within the financial instrument pursuant to Article 37(7) of Regulation (EU) No 1303/2013</b>	
9.0.1. Loans ( $\geq$ EUR 25,000)	No
9.0.2. Micro-loans ( $<$ EUR 25,000 and provided to micro-enterprises) according to SEC/2011/1134 final	No
9.0.3. Guarantees	No
9.0.4. Equity	Yes
9.0.5. Quasi-equity	Yes
9.0.6. Other financial products	No
9.0.7. Other support combined with a financial instrument	No
9.1. Description of the other financial product	
9.2. Other support combined within the financial instrument: grant, interest rate subsidy, guarantee fee subsidy pursuant to Article 37(7) of Regulation (EU) No 1303/2013	
10. Legal status of the financial instrument, pursuant to Article 38(6) of Regulation (EU) No 1303/2013 (for financial instruments referred to in Article 38(4)(b) only): fiduciary account opened in the name of the implementing body and on behalf of the managing authority or separate block of finance within a financial institution	Separate block of finance
<b>III. Identification of the body implementing the financial instrument as referred to in Articles 38(1)(a), 38(4)(a), (b) and (c) of Regulation (EU) No 1303/2013, and the financial intermediaries referred to in Article 38(5) of Regulation (EU) No 1303/2013 (Article 46(2)(c) of Regulation (EU) No 1303/2013)</b>	
<b>11. Body implementing the financial instrument</b>	
11.1. Type of implementing body pursuant to Article	Body governed by public or

38(4) of Regulation (EU) No 1303/2013 (a) existing or newly created legal entity dedicated to implementing financial instruments; (b) a body entrusted with the implementation task or (c) managing authority underatking implementation task directly (for loans or guarantees only)	private law
11.1.1. Name of the body implementing the financial instrument	Invest NI through Pentech Ventures LLP
11.1.2. Official address/place of business (country and town name) of the body implementing the financial instrument	Northern Ireland, Belfast
12. Procedure of selecting the body implementing the financial instrument: award of a public contract; other procedure	Selection in accordance with the provisions of the public procurement directive
12.1. Description of the other procedure of selecting the body implementing the financial instrument	
13. Date of signature of the funding agreement with the body implementing the financial instrument	09-Jul-2014
<b>IV. Total amount of programme contributions, by priority or measure, paid to the financial instrument and management costs incurred or management fees paid (Article 46(2)(d) and (e) of Regulation (EU) No 1303/2013)</b>	
14. Total amount of programme contributions committed in the funding agreement (in EUR)	3,000,000.00
14.1. out of which ESI Funds contributions (in EUR)	1,800,000.00
14.1.1. out of which ERDF (in EUR) (optional)	
14.1.2. out of which Cohesion Fund (in EUR) (optional)	
14.1.3. out of which ESF (in EUR) (optional)	
14.1.4. out of which EAFRD (in EUR) (optional)	
14.1.5. out of which EMFF (in EUR) (optional)	
15. Total amount of programme contributions paid to the financial instrument (in EUR)	1,203,000.00
15.1. out of which amount of ESI Funds contributions (in EUR)	721,800.00
15.1.1. out of which ERDF (in EUR)	721,800.00
15.1.2. out of which Cohesion Fund (in EUR)	0.00
15.1.3. out of which ESF (in EUR)	0.00
15.1.4. out of which EAFRD (in EUR)	0.00
15.1.5. out of which EMFF (in EUR)	0.00

15.2. out of which total amount of national co-financing (in EUR)	481,200.00
15.2.1. out of which total amount of national public funding (in EUR)	157,200.00
15.2.2. out of which total amount of national private funding (in EUR)	324,000.00
16. Total amount of programme contributions paid to the financial instrument under Youth Employment Initiative (YEI) (in EUR)	0.00
17. Total amount of management costs and fees paid out of programme contributions (in EUR)	225,000.00
17.1. out of which base remuneration (in EUR)	225,000.00
17.2. out of which performance-based remuneration (in EUR)	0.00
18. Capitalised management costs or fees pursuant to Article 42(2) of Regulation (EU) No 1303/2013 (relevant only for final report) (in EUR)	
19. Capitalised interest rate subsidies or guarantee fee subsidies pursuant to Article 42(1)(c) of Regulation (EU) No 1303/2013 (relevant to final report only) (in EUR)	
20. Amount of programme contributions for follow-on investments in final recipients pursuant to Article 42(3) of Regulation (EU) No 1303/2013 (relevant for final report only) (in EUR)	
21. Contributions of land and/or real estate in the financial instrument pursuant to Article 37(10) of Regulation (EU) No 1303/2013 (relevant for final report only) (in EUR)	
<b>V. Total amount of support paid to final recipients, or to the benefit of final recipients, or committed in guarantee contracts by the financial instrument for investments in final recipients, by ESI Funds programme and priority or measure (Article 46(2)(e) of Regulation (EU) No 1303/2013)</b>	
<b>22. Name of financial product offered by the financial instrument</b>	<b><i>Techstart NI Queen's University of Belfast Equity Fund</i></b>
22.1. Type of financial product offered by the financial instrument	Equity
24. Total amount of programme contributions committed in this loan, guarantee, equity, quasi-equity or other financial product contracts with final recipients (in EUR)	978,000.00
24.1. out of which total amount of ESI Funds	586,800.00

contributions (in EUR)	
25. Total amount of programme contributions paid to final recipients through this loan, micro-loans, equity or other products, or, in the case of guarantee, committed for loans paid to final recipients, by product (in EUR)	978,000.00
25.1. out of which total amount of ESI Funds contributions (in EUR)	586,800.00
25.1.1. out of which ERDF (in EUR)	586,800.00
25.1.2. out of which Cohesion Fund (in EUR)	0.00
25.1.3. out of which ESF (in EUR)	0.00
25.1.4. out of which EAFRD (in EUR)	0.00
25.1.5. out of which EMFF (in EUR)	0.00
25.2. out of which total amount of national public co-financing (in EUR)	67,200.00
25.3. out of which total amount of national private co-financing (in EUR)	324,000.00
27. Number of loan/guarantee/equity or quasi-equity/other financial product contracts signed with final recipients, by product	5
28. Number of loan/guarantee/equity or quasi-equity/other financial product investments made in final recipients, by product	5
29. Number of financial recipients supported by the financial product	5
29.1. out of which large enterprises	0
29.2. out of which SMEs	5
29.2.1. out of which microenterprises	3
29.3. out of which individuals/natural persons	0
29.4. out of which other type of final recipients supported	0
29.4.1. description of other type of final recipients supported	
<b>VI. The performance of the financial instrument, including progress in its set-up and in selection of bodies implementing the financial instrument (including the body implementing a fund of funds) (Article 46(2)(f) of Regulation (EU) No 1303/2013)</b>	
32. Information whether the financial instrument was still operational at the end of the reporting year	Yes
32.1. If the financial instrument was not operational at	

the end of the reporting year, date of the winding-up	
33. Total number of disbursed loans defaulted or total number of guarantees provided and called due to the loan default	0
34. Total amount of disbursed loans defaulted (in EUR) or total amount committed for guarantees provided and called due to loan default (in EUR)	0.00
<b>VII. Interest and other gains generated by support from the ESI Funds to the financial instrument, programme resources paid back to financial instrument from investments as referred to in Articles 43 and 44, and the value of equity investments with respect to previous years (Article 46(2)(g) and (i) of Regulation (EU) No 1303/2013)</b>	
35. Interest and other gains generated by payments from ESI Funds to the financial instrument (in EUR)	0.00
36. Amounts repaid to the financial instrument attributable to support from ESI Funds by the end of the reporting year (in EUR)	0.00
36.1. out of which capital repayments (in EUR)	0.00
36.2. out of which gains, other earnings and yields (in EUR)	
37. Amounts of resources reused which were paid back to the financial instrument and are attributable to ESI Funds	0.00
37.1. out of which amounts paid for preferential remuneration of private investors operating under the market economy principle who provide counterpart resources to the support from the ESI Funds to the financial instrument or who co-invest at the level of final recipient (in EUR)	0.00
37.2. out of which amounts paid for the reimbursement of management costs incurred and payment of management fees of the financial instrument (in EUR)	0.00
40. Value of investments and participations in equity (in EUR)	504,212.40
<b>VIII. Progress in achieving the expected leverage effect of investments made by the financial instrument and value of investments and participations (Article 46(2)(h) of Regulation (EU) No 1303/2013)</b>	
<b>38. Total amount of other contributions, outside ESI Funds, raised by the financial instrument (EUR)</b>	
38.1. Total amount of other contributions, outside the ESI Funds committed in the funding agreement with the body implementing the financial instrument (in EUR)	1,200,000.00

38.2. Total amount of other contributions, outside the ESI Funds paid to the financial instrument (in EUR)	411,200.00
38.2.1. out of which public contributions (EUR)	67,200.00
38.2.2. out of which private contributions (EUR)	344,000.00
38.3. Total amount of other contributions, outside the ESI Funds mobilised at the level of final recipients (in EUR)	20,000.00
38.3.1. out of which public contributions (EUR)	0.00
38.3.2. out of which private contributions (EUR)	20,000.00
<b>39. Expected and achieved leverage effect, by reference to the funding agreement</b>	
39.1. Expected leverage effect for loan/guarantee/equity or quasi-equity investment/other financial product, by reference to the funding agreement, by product	40.00
39.2. Achieved leverage effect at the end of reporting year for loan/guarantee/equity or quasi-equity investment/other financial product, by product	0.87
39.3. Investment mobilised through ESIF financial instruments for loan/guarantee/equity and quasi-equity investment, by product (Optional)	0.00
<b>IX. Contribution of the financial instrument to the achievement of the indicators of the priority or measure concerned (Article 46(2)(j) of Regulation (EU) No 1303/2013)</b>	
<b><i>41. Output indicator (code number and name) to which the financial instrument contributes</i></b>	<b><i>CO01 - Productive investment: Number of enterprises receiving support</i></b>
41.1. Target value of the output indicator	2.00
41.2. Value achieved by the financial instrument in relation to the target value of the output indicator	0.00
<b><i>41. Output indicator (code number and name) to which the financial instrument contributes</i></b>	<b><i>CO05 - Productive investment: Number of new enterprises supported</i></b>
41.1. Target value of the output indicator	1.00
41.2. Value achieved by the financial instrument in relation to the target value of the output indicator	0.00
<b><i>41. Output indicator (code number and name) to which the financial instrument contributes</i></b>	<b><i>CO07 - Productive investment: Private investment matching public support to enterprises (non-grants)</i></b>

41.1. Target value of the output indicator	324,000.00
41.2. Value achieved by the financial instrument in relation to the target value of the output indicator	0.00
<b>41. Output indicator (code number and name) to which the financial instrument contributes</b>	<b>CO03 - Productive investment: Number of enterprises receiving financial support other than grants</b>
41.1. Target value of the output indicator	2.00
41.2. Value achieved by the financial instrument in relation to the target value of the output indicator	0.00

<b>I. Identification of the programme and priority or measure from which support from the ESI Funds is provided (Article 46(2)(a) of Regulation (EU) No 1303/2013)</b>	
<b>1. Priority axes or measures supporting the financial instrument, including fund of funds, under the ESI Fund programme.</b>	
1.1. Priority axis supporting the financial instrument under the ESI Fund programme	2 - Enhancing the Competitiveness of SMEs
2. Name of ESI Fund(s) supporting the financial instrument under the priority axis or measure	ERDF
<b>3. Thematic objective(s) referred to in the first paragraph of Article 9 of Regulation (EU) No 1303/2013 supported by the financial instrument</b>	<b>03 - Enhancing the competitiveness of small and medium-sized enterprises, the agricultural sector (for the EAFRD) and the fisheries and aquaculture sector (for the EMFF)</b>
3.1. Amount of ESI Funds committed in funding agreements from the individual thematic objective chosen in field 3 (optional)	20,400,000.00
<b>4. other ESI Fund programmes providing contribution to the financial instrument</b>	
4.1. CCI number of each other ESI Fund programme providing contributions to the financial instrument	
30. Date of completion of the ex ante assessment	31-Mar-2014
<b>31. Selection of bodies implementing financial instrument</b>	
31.1. Has selection or designation process already been launched	Yes
<b>II. Description of the financial instrument and implementation arrangements (Article 46(2)(b) of Regulation (EU) No 1303/2013)</b>	

5. Name of the financial instrument	techstart NI SME equity fund
6. Official address/place of business of the financial instrument (name of the country and city)	Northern Ireland, Belfast
<b>7. Implementation arrangements</b>	
7.1. Financial instruments set up at Union level, managed directly or indirectly by the Commission referred to in Article 38(1)(a) of Regulation (EU) No 1303/2013, supported from ESI Fund programme contributions	
7.1.1. Name of the Union-level financial instrument	
7.2. Financial instrument set up at national, regional, transnational or cross-border level, managed by or under the responsibility of the managing authority referred to in Article 38(1)(b), supported from ESI Fund programme contributions under point (a), (b) and (c) of Article 38(4) of Regulation (EU) No 1303/2013	Investment in the capital of existing or newly created legal entities
8. Type of the financial instrument	Specific fund
8.1. Tailor-made or financial instruments complying with standard terms and conditions i.e. "off-the-shelf instruments"	Tailor-made
<b>9. Type of products provided by financial instrument: loans, micro-loans, guarantees, equity, or quasi-equity investments, other financial product or other support combined within the financial instrument pursuant to Article 37(7) of Regulation (EU) No 1303/2013</b>	
9.0.1. Loans ( $\geq$ EUR 25,000)	No
9.0.2. Micro-loans ( $<$ EUR 25,000 and provided to micro-enterprises) according to SEC/2011/1134 final	No
9.0.3. Guarantees	No
9.0.4. Equity	Yes
9.0.5. Quasi-equity	Yes
9.0.6. Other financial products	No
9.0.7. Other support combined with a financial instrument	No
9.1. Description of the other financial product	
9.2. Other support combined within the financial instrument: grant, interest rate subsidy, guarantee fee subsidy pursuant to Article 37(7) of Regulation (EU) No 1303/2013	
10. Legal status of the financial instrument, pursuant to Article 38(6) of Regulation (EU) No 1303/2013 (for	Separate block of finance

financial instruments referred to in Article 38(4)(b) only): fiduciary account opened in the name of the implementing body and on behalf of the managing authority or separate block of finance within a financial institution	
<b>III. Identification of the body implementing the financial instrument as referred to in Articles 38(1)(a), 38(4)(a), (b) and (c) of Regulation (EU) No 1303/2013, and the financial intermediaries referred to in Article 38(5) of Regulation (EU) No 1303/2013 (Article 46(2)(c) of Regulation (EU) No 1303/2013)</b>	
<b>11. Body implementing the financial instrument</b>	
11.1. Type of implementing body pursuant to Article 38(4) of Regulation (EU) No 1303/2013 (a) existing or newly created legal entity dedicated to implementing financial instruments; (b) a body entrusted with the implementation task or (c) managing authority undertaking implementation task directly (for loans or guarantees only)	Body governed by public or private law
11.1.1. Name of the body implementing the financial instrument	Invest NI through Pentech Ventures LLP
11.1.2. Official address/place of business (country and town name) of the body implementing the financial instrument	Northern Ireland, Belfast
12. Procedure of selecting the body implementing the financial instrument: award of a public contract; other procedure	Selection in accordance with the provisions of the public procurement directive
12.1. Description of the other procedure of selecting the body implementing the financial instrument	
13. Date of signature of the funding agreement with the body implementing the financial instrument	05-Aug-2015
<b>IV. Total amount of programme contributions, by priority or measure, paid to the financial instrument and management costs incurred or management fees paid (Article 46(2)(d) and (e) of Regulation (EU) No 1303/2013)</b>	
14. Total amount of programme contributions committed in the funding agreement (in EUR)	34,000,000.00
14.1. out of which ESI Funds contributions (in EUR)	20,400,000.00
14.1.1. out of which ERDF (in EUR) (optional)	
14.1.2. out of which Cohesion Fund (in EUR) (optional)	
14.1.3. out of which ESF (in EUR) (optional)	
14.1.4. out of which EAFRD (in EUR) (optional)	
14.1.5. out of which EMFF (in EUR) (optional)	

15. Total amount of programme contributions paid to the financial instrument (in EUR)	8,434,751.22
15.1. out of which amount of ESI Funds contributions (in EUR)	5,060,850.73
15.1.1. out of which ERDF (in EUR)	5,060,850.73
15.1.2. out of which Cohesion Fund (in EUR)	0.00
15.1.3. out of which ESF (in EUR)	0.00
15.1.4. out of which EAFRD (in EUR)	0.00
15.1.5. out of which EMFF (in EUR)	0.00
15.2. out of which total amount of national co-financing (in EUR)	3,373,900.49
15.2.1. out of which total amount of national public funding (in EUR)	1,763,725.68
15.2.2. out of which total amount of national private funding (in EUR)	1,610,174.81
16. Total amount of programme contributions paid to the financial instrument under Youth Employment Initiative (YEI) (in EUR)	0.00
17. Total amount of management costs and fees paid out of programme contributions (in EUR)	1,967,400.00
17.1. out of which base remuneration (in EUR)	1,967,400.00
17.2. out of which performance-based remuneration (in EUR)	0.00
18. Capitalised management costs or fees pursuant to Article 42(2) of Regulation (EU) No 1303/2013 (relevant only for final report) (in EUR)	
19. Capitalised interest rate subsidies or guarantee fee subsidies pursuant to Article 42(1)(c) of Regulation (EU) No 1303/2013 (relevant to final report only) (in EUR)	
20. Amount of programme contributions for follow-on investments in final recipients pursuant to Article 42(3) of Regulation (EU) No 1303/2013 (relevant for final report only) (in EUR)	
21. Contributions of land and/or real estate in the financial instrument pursuant to Article 37(10) of Regulation (EU) No 1303/2013 (relevant for final report only) (in EUR)	
<b>V. Total amount of support paid to final recipients, or to the benefit of final recipients, or committed in guarantee contracts by the financial instrument for investments in final recipients, by ESI Funds programme and priority or measure</b>	

<b>(Article 46(2)(e) of Regulation (EU) No 1303/2013)</b>	
<b>22. Name of financial product offered by the financial instrument</b>	<b>SME Equity</b>
22.1. Type of financial product offered by the financial instrument	Equity
24. Total amount of programme contributions committed in this loan, guarantee, equity, quasi-equity or other financial product contracts with final recipients (in EUR)	6,467,351.22
24.1. out of which total amount of ESI Funds contributions (in EUR)	3,880,410.73
25. Total amount of programme contributions paid to final recipients through this loan, micro-loans, equity or other products, or, in the case of guarantee, committed for loans paid to final recipients, by product (in EUR)	6,467,351.22
25.1. out of which total amount of ESI Funds contributions (in EUR)	3,880,410.73
25.1.1. out of which ERDF (in EUR)	3,880,410.73
25.1.2. out of which Cohesion Fund (in EUR)	0.00
25.1.3. out of which ESF (in EUR)	0.00
25.1.4. out of which EAFRD (in EUR)	0.00
25.1.5. out of which EMFF (in EUR)	0.00
25.2. out of which total amount of national public co-financing (in EUR)	976,765.68
25.3. out of which total amount of national private co-financing (in EUR)	1,610,174.81
27. Number of loan/guarantee/equity or quasi-equity/other financial product contracts signed with final recipients, by product	25
28. Number of loan/guarantee/equity or quasi-equity/other financial product investments made in final recipients, by product	25
29. Number of financial recipients supported by the financial product	25
29.1. out of which large enterprises	0
29.2. out of which SMEs	25
29.2.1. out of which microenterprises	21
29.3. out of which individuals/natural persons	0
29.4. out of which other type of final recipients supported	0

29.4.1. description of other type of final recipients supported	
<b>VI. The performance of the financial instrument, including progress in its set-up and in selection of bodies implementing the financial instrument (including the body implementing a fund of funds) (Article 46(2)(f) of Regulation (EU) No 1303/2013)</b>	
32. Information whether the financial instrument was still operational at the end of the reporting year	Yes
32.1. If the financial instrument was not operational at the end of the reporting year, date of the winding-up	
33. Total number of disbursed loans defaulted or total number of guarantees provided and called due to the loan default	0
34. Total amount of disbursed loans defaulted (in EUR) or total amount committed for guarantees provided and called due to loan default (in EUR)	0.00
<b>VII. Interest and other gains generated by support from the ESI Funds to the financial instrument, programme resources paid back to financial instrument from investments as referred to in Articles 43 and 44, and the value of equity investments with respect to previous years (Article 46(2)(g) and (i) of Regulation (EU) No 1303/2013)</b>	
35. Interest and other gains generated by payments from ESI Funds to the financial instrument (in EUR)	0.00
36. Amounts repaid to the financial instrument attributable to support from ESI Funds by the end of the reporting year (in EUR)	0.00
36.1. out of which capital repayments (in EUR)	0.00
36.2. out of which gains, other earnings and yields (in EUR)	0.00
37. Amounts of resources reused which were paid back to the financial instrument and are attributable to ESI Funds	0.00
37.1. out of which amounts paid for preferential remuneration of private investors operating under the market economy principle who provide counterpart resources to the support from the ESI Funds to the financial instrument or who co-invest at the level of final recipient (in EUR)	0.00
37.2. out of which amounts paid for the reimbursement of management costs incurred and payment of management fees of the financial instrument (in EUR)	0.00

40. Value of investments and participations in equity (in EUR)	4,073,168.40
<b>VIII. Progress in achieving the expected leverage effect of investments made by the financial instrument and value of investments and participations (Article 46(2)(h) of Regulation (EU) No 1303/2013)</b>	
<b>38. Total amount of other contributions, outside ESI Funds, raised by the financial instrument (EUR)</b>	
38.1. Total amount of other contributions, outside the ESI Funds committed in the funding agreement with the body implementing the financial instrument (in EUR)	13,600,000.00
38.2. Total amount of other contributions, outside the ESI Funds paid to the financial instrument (in EUR)	4,785,749.47
38.2.1. out of which public contributions (EUR)	976,765.68
38.2.2. out of which private contributions (EUR)	3,808,983.79
38.3. Total amount of other contributions, outside the ESI Funds mobilised at the level of final recipients (in EUR)	2,198,808.98
38.3.1. out of which public contributions (EUR)	0.00
38.3.2. out of which private contributions (EUR)	2,198,808.98
<b>39. Expected and achieved leverage effect, by reference to the funding agreement</b>	
39.1. Expected leverage effect for loan/guarantee/equity or quasi-equity investment/other financial product, by reference to the funding agreement, by product	40.00
39.2. Achieved leverage effect at the end of reporting year for loan/guarantee/equity or quasi-equity investment/other financial product, by product	1.27
39.3. Investment mobilised through ESIF financial instruments for loan/guarantee/equity and quasi-equity investment, by product (Optional)	0.00
<b>IX. Contribution of the financial instrument to the achievement of the indicators of the priority or measure concerned (Article 46(2)(j) of Regulation (EU) No 1303/2013)</b>	
<b>41. Output indicator (code number and name) to which the financial instrument contributes</b>	<b>CO03 - Productive investment: Number of enterprises receiving financial support other than grants</b>
41.1. Target value of the output indicator	18.00
41.2. Value achieved by the financial instrument in relation to the target value of the output indicator	0.00

<b><i>41. Output indicator (code number and name) to which the financial instrument contributes</i></b>	<b><i>CO01 - Productive investment: Number of enterprises receiving support</i></b>
41.1. Target value of the output indicator	18.00
41.2. Value achieved by the financial instrument in relation to the target value of the output indicator	0.00
<b><i>41. Output indicator (code number and name) to which the financial instrument contributes</i></b>	<b><i>CO07 - Productive investment: Private investment matching public support to enterprises (non-grants)</i></b>
41.1. Target value of the output indicator	1,610,174.40
41.2. Value achieved by the financial instrument in relation to the target value of the output indicator	0.00
<b><i>41. Output indicator (code number and name) to which the financial instrument contributes</i></b>	<b><i>CO05 - Productive investment: Number of new enterprises supported</i></b>
41.1. Target value of the output indicator	14.00
41.2. Value achieved by the financial instrument in relation to the target value of the output indicator	0.00

**9. OPTIONAL FOR THE REPORT TO BE SUBMITTED IN 2016, NOT APPLICABLE TO OTHER LIGHT REPORTS: ACTIONS TAKEN TO FULFILL EX-ANTE CONDITIONALITIES**

Table 14: Actions taken to fulfil applicable general ex-ante conditionalities

General ex-ante conditionality	Criteria not fulfilled	Actions taken	Deadline	Bodies responsible	Action completed by the deadline	Criteria fulfilled	Expected date for full implementation of remaining actions	Commentary
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Table 15: Actions taken to fulfil applicable thematic ex-ante conditionalities

General ex-ante conditionality	Criteria not fulfilled	Actions taken	Deadline	Bodies responsible	Action completed by the deadline	Criteria fulfilled	Expected date for full implementation of remaining actions	Commentary

**10. PROGRESS IN PREPARATION AND IMPLEMENTATION OF MAJOR PROJECTS AND JOINT ACTION PLANS (ARTICLE 101(H) AND 111(3) OF REGULATION (EU) No 1303/2013)**

**10.1. Major projects**

Table 12: Major projects

Project	CCI	Status of MP	Total investments	Total eligible costs	Planned notification / submission date	Date of tacit agreement / approval by Commission	Planned start of implementation (year, quarter)	Planned completion date	Priority Axis / Investment priorities	Current state of realisation — financial progress (% of expenditure certified to Commission compared to total eligible cost)	Current state of realisation — physical progress Main implementation stage of the project	Main outputs	Date of signature of first works contract	Observations
Electricity Grid Strengthening Project					2016, Q2		2016, Q4	2020, Q2						

## **Significant problems encountered in implementing major projects and measures taken to overcome them**

The major project to upgrade the Energy grid, which was envisaged when the Programme was adopted, has not progressed within the timeframe anticipated will not be funded via the Programme. Significant progress has been made in identifying suitable replacement activity that will have a similar positive impact. This is in the development of a new urban transport depot which will apply the most up to date energy efficient technologies, a ticketing system which will service the Belfast Rapid Transit route and a series of works to improve the energy efficiency of the NI social housing stock. It would be anticipated that substantial progress will be made in 2017 and therefore reportable in the next Annual Implementation Report.

**Any change planned in the list of major projects in the operational programme**

The major project outlined in the operational programme will not now proceed, the replacement activity identified does not constitute a major project therefore it is envisaged that there will be no major projects included in the Operational Programme.

## **10.2. Joint action plans**

### **Progress in the implementation of different stages of joint action plans**

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Table 13: Joint action plans (JAP)

Title of the JAP	CCI	Stage of implementation of JAP	Total eligible costs	Total public support	OP contribution to JAP	Priority axis	Type of JAP	[Planned] submission to the Commission	[Planned] start of implementation	[Planned] completion	Main outputs and results	Total eligible expenditure certified to the Commission	Observations
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**Significant problems encountered and measures taken to overcome them**

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**PART B**  
**REPORTING SUBMITTED IN YEARS 2017, 2019 AND FINAL IMPLEMENTATION REPORT**  
**(Article 50(4), 111(3) and (4) of regulation (EU) No 1303/2013)**

**11. ASSESSMENT OF THE IMPLEMENTATION OF THE OPERATIONAL PROGRAMME**  
**(ARTICLES 50(4) AND 111(4) OF REGULATION (EU) NO 1303/2013)**

**11.1. Information in Part A and achieving objectives of the programme (Article 50(4) of Regulation (EU) No 1303/2013)**

Priority axis	1 - Strengthening Research, Technical Development and Innovation
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The IGJ Programme for 2014-2020 clearly identified a limited number of interventions to enable the achievement of tangible results. The Programme embraces the principle of thematic concentration by focusing solely on Thematic Objectives 1, 3 and 4 as set out in Article 4(b)(ii) of Regulation (EU) No.1301/2013.

**Priority 1 (Thematic Objective 1: Strengthening Research, Technological Development and Innovation)**

The data used to establish the baseline for Specific Objective 1 (NI BERD as a % of GVA) has been reviewed and as a result the baseline has reduced from 1.6% to 1.4%. Whilst the 2016 achievement of this indicator is 1.6%, in effect this means that the NI BERD as a % of GVA has increased. PMC have approved a modification which will mean the baseline will be changed to better reflect the increase.

Priority 1 of the Programme includes Grant for Research and Development (Grant for R&D) and the Design for Business scheme. Progress continues to be maintained towards achieving the objectives of the Priority 1 Programme.

A total of 330 (unique) enterprises have received support in Priority 1. This represents an almost 34% achievement against the 2018 milestone of 973. Invest NI have given assurances that there is sufficient planned support to achieve the milestone.

As Priority 1 focuses on strengthening research, technical development and innovation through the promotion of investment in R&D, a key measure of the success of ERDF funded R&D activity is the level of R&D activity engaged in for the first time. As a direct result of ERDF intervention by 2016, 25 companies had engaged in R&D for the first time against a target of 200. This puts Invest NI on course for meeting the target within the lifetime of the Programme.

Invest NI has issued letters of offer for grant of €84.2m (ERDF) to 134 R&D projects in 108 enterprises. This is almost a fifth of the 2023 target for the number of enterprises receiving grants and with a healthy pipeline of projects at application and offer stages Invest NI is confident that the full allocation will be utilised over the life of the Programme.

The Design for Business scheme provides access to design advice and mentoring support to assist businesses to become more competitive. In total, 227 unique enterprises have accessed the various strands of the Design for Business scheme 275

times. To the end of 2016, this represents almost 11% towards the achievement of the target for enterprises receiving non financial support. The achievement has significantly increased since last year due to the additional strands of the Design for Business scheme being incorporated within the Programme. Invest NI have proactively promoted the support available via the Design for Business Scheme and plan to hold further promotions in 2017.

The objectives of the Design Service is to:

- Promote greater **Design Awareness** by presenting the strategic importance of design to the NI business community;
- Provide detailed **Design Advice** by providing information on the use of design to improve products and services; and
- Develop the long-term **Design Capability** of businesses by integrating design and innovation into company management strategies and systems.
- Implement the outcomes from Design Active through Design Forward.

### **Design Awareness**

The Design Awareness Service aims to raise awareness of the strategic importance of design within the NI business community through the provision of a series of awareness raising/promotional events that seek to inspire innovation in design, improve design in businesses and increase demand for the Design Service.

### **Design Advice**

The Design Advice Service (DAS) is only open to Invest NI clients. DAS provides up to one half day design advice (usually at client premises) with design experts to advise/mentor/ signpost businesses' regarding their design queries or needs.

### **Design Capability**

DesignActive is a more detailed and strategic offering and is available to Invest NI Account Clients and is run over a 4 to 5 month period.

The offering is a series of group workshops to promote better understanding of design in terms of strategy and applied knowledge.

Participants will receive up to 3 days mentoring from the design group over the course of the programme and up to 7 days consultancy support from a design consultant on a one-to-one basis to develop their own concepts and to meet their specific design needs.

DesignForward is a follow on programme for those participants of the DesignActive programme who require more assistance to implement the design project outcomes with the aim of encouraging companies to further embed design strategically within their company. Companies work with a consultant for up to 10 days support as well as 1 day mentoring support from the design group.

Priority axis

2 - Enhancing the Competitiveness of SMEs

The IGJ Programme for 2014-2020 clearly identified a limited number of interventions to enable the achievement of tangible results. The Programme embraces the principle of thematic concentration by focusing solely on Thematic Objectives 1, 3 and 4 as set out in Article 4(b)(ii) of Regulation (EU) No.1301/2013.

**Priority 2** focuses on the thematic objective of enhancing the competitiveness of SMEs by supporting their capacity to grow in regional, national and international markets and to engage in innovation.

This priority includes Selective Financial Assistance, Local Economic Development and Access to Finance via Financial Instruments.

Specific objective 3 monitors the increase in numbers of SME high growth companies. Historically, NI has had difficulty creating high growth companies with numbers falling since the effects of the economic downturn were felt in the second half of the last decade. The IGJ Programme supports an environment in which high growth companies can flourish and continue to grow, enabling NI to capitalise on the economic benefits that high growth companies can bring, both in terms of GVA and job creation. An increase in the number of high growth companies is a highly relevant indicator in measuring SME competitiveness. The success of this ambition is evidenced via the progress of this objective which, at 845 in 2015, represents an almost 22% increase on the baseline value of 695 taken from 2013. Publication of 'Measuring Northern Ireland's High Growth Firms' (from which the figure is derived) has been deferred until after the election in the UK. However, indications are that this objective is on track to be met.

Specific objective 4 relates to employment within micro and small businesses. With support from the Programme supporting growth, it is inevitable that this growth will also support increased employment levels. The target of 333,000 represents a 12% increase on the baseline figure of 297,000. By the end of 2016, an increase to 313,000 had been achieved equating to just over a 5% increase on the baseline.

In total, across all of the support offered in Priority two, 118 (unique) enterprises have received support against a target of 464. This represents over 25% achievement in the third year of the programme. The target for the number of enterprises receiving grants is proposed for modification as the inclusion of SFA means there will be a higher volume of enterprises supported in Priority 2.

Financial Instruments, as part of Invest NIs 'Access to Finance' strategy have continued to be well utilised. By the end of December 2016 there has been a 13% achievement towards the target of the number of enterprises receiving support other than grants, indicating successful implementation within the programme.

Business start ups are important to improving the competitiveness of the SME base and it is therefore important to measure how many new enterprises the Programme assists as a measure of Programme success. A target of 102 was set in relation to the number of new enterprises and, to end of December 2016, 42 business start-ups had been assisted. This represents a 41% achievement, indicating significant Programme success in achieving this important objective.

FIs also represent an important opportunity to leverage private investment. This is the measure of confidence that the private sector has in contributing to programme funded schemes and maximises the ERDF contribution. Against a target of €59m, €6.22m has

been achieved. This represents 11% of the target and points to significant absorption of ERDF funds to leverage considerable private investment.

Priority axis

3 - Supporting the Shift Towards a Low Carbon Economy in all Sectors

### Priority 3

The IGJ Programme for 2014-2020 clearly identified a limited number of interventions to enable the achievement of tangible results. The Programme embraces the principle of thematic concentration by focusing solely on Thematic Objectives 1, 3 and 4 as set out in Article 4(b)(ii) of Regulation (EU) No.1301/2013.

It is a mandatory requirement that 15% (€46m) of the ERDF allocation to the Programme is used for Low Carbon activity aimed at achieving significant change in terms of either reduced carbon emissions or increased use of renewable energy sources. The Programme, as originally approved, planned to undertake a single grid strengthening project to fulfil the low carbon objective. The project involved capital upgrades to the electricity grid to increase the amount of renewable energy in final electricity consumption. Following the approval of the Operational Programme a number of issues emerged. There was ongoing dialogue throughout the course of 2015 which ultimately led the Statutory Operator for Northern Ireland (SONI) withdrawing the proposal in April 2016.

Significant progress has been made in identifying suitable replacement activity that will have a similar positive impact. This is in the development of a new urban transport depot which will apply the most up to date energy efficient technologies, a ticketing system which will service the Belfast Rapid Transit route and a series of works to improve the energy efficiency of the NI social housing stock. It would be anticipated that substantial progress will be made in 2017 and therefore reportable in the next Annual Implementation Report.

Priority axis

4 - Technical Assistance

### Priority 4

In line with the provisions of Regulation (EU) No 1303/2013, Technical Assistance funding under Priority Axis 4 has been used for the preparation, management, monitoring, information, communication and control of the IGJ programme. Funding has been utilised by Managing Authority, Certifying Authority, Audit Authority, Department of Finance (Member State) and Invest NI (Intermediate Body).

To date, 13 projects have been approved under intervention code 121 (preparation, implementation, monitoring and inspection) and 2 projects have been approved under intervention code 123 (information and communication). The 15 projects amount to a total value of €5.449m (€3.269m ERDF), which represents a commitment of 26% of the total Technical Assistance allocation of €20.535m (€12.321m ERDF).

The projects have related to management verification checks, development of a programme website, salary costs of staff involved in programme delivery, development of a programme database, administration and management of the programme as well as other incidental costs. As permitted by regulation, some funding has also been used to help close the 2007-2013 programme.

Technical Assistance support has helped to ensure the effective and efficient delivery of the IGJ programme, including the achievement of the indicator targets to date, as set out in the performance measurement framework. Specifically, a communications strategy was put in place and an annual communications plan was implemented in both 2015 and 2016. Also a Monitoring and Evaluation Plan was approved by the Programme Monitoring Committee in November 2015 in line with the regulatory timetable and its annual review was concluded in November 2016.

To the end of 2016, a total of €1.238m (€743k ERDF) has been spent under Priority Axis 4, representing 6% of the total allocation.

## **11.2. Specific actions taken to promote equality between men and women and to prevent discrimination, in particular accessibility for persons with disabilities, and the arrangements implemented to ensure the integration of the gender perspective in the operational programme and operations (Articles 50(4) and 111(4), second subparagraph, (e) of Regulation (EU) No 1303/2013)**

The principle of equality in Northern Ireland is embedded in NI law and policy and is set out in Section 75 of the Northern Ireland Act 1998. Section 75 requires public authorities to comply with two statutory duties, one of which is the Equality of Opportunity duty. This requires public authorities to carry out their functions relating to Northern Ireland with due regard to the need to promote equality of opportunity between the nine equality categories - persons of different religious belief, political opinion, racial group, age, marital status or sexual orientation; men and women generally; persons with a disability and persons without; and persons with dependants and persons without.

The Section 75 statutory duties make equality and good relations central to the whole range of public policy decision-making. Section 75 is part of the public policy agenda which is ultimately aimed at developing policies and services that address the needs of all people, especially those experiencing inequalities. The Section 75 statutory duties require more than the avoidance of discrimination. Public authorities should actively seek ways to encourage greater equality of opportunity and good relations through their policy development, for example, the kind of measures permitted under sex discrimination, race relations, and disability discrimination legislation.

The Equality Commission for NI is an independent public body established under the Northern Ireland Act 1998. All NI Departments are required to publish their Equality policies and to report annually to the Equality Commission on their implementation.

The Equality Commission is represented on the Monitoring Committee for the Programme.

Invest NI's current equality scheme was approved by the Equality Commission for Northern Ireland in July 2012 and sets out proposals to fulfil the Section 75 statutory duties.

Invest NI assesses the likely impact of policies by including screening on a quarterly basis, whereby all new policies and programmes are subjected to the screening process. Additionally, where impact is found to be likely, an Equality Impact Assessment (EQIA) is carried out. All screening forms and EQIAs are subject to a 12 week public consultation process available on the Invest NI website. Invest NI has undertaken an EQIA for all schemes included within the Programme.

Invest NI monitors company data by cross referencing with Fair Employment data as collected by the Equality Commission, on the grounds of gender and religion. This information is analysed on an annual basis and included in the Annual Progress report required by the Equality Commission. Equality monitoring is also considered during our Programme evaluation process.

A copy of the Invest NI equality scheme can be found:  
<http://www.investni.com/equality>

It is a contractual requirement for an Invest NI Client to comply with the relevant statutory provisions in force in Northern Ireland imposing obligations on the Client in relation to discrimination on the grounds of religious belief, political opinion (including in relation to section 75 of the Northern Ireland Act 1998), racial group, marital status, age, sexual orientation, gender, disability and having dependants. This is detailed in each Letter of Offer issued to the Company.

### **11.3. Sustainable development (Articles 50(4) and 111(4), second subparagraph, (f) of Regulation (EU) No 1303/2013)**

The principle of sustainable development, as set out in Article 8 of (EU) No.1303/2013, aligns with the Northern Ireland Draft Programme for Government (PfG) Framework (2016-2021) which sets out the ambition the Northern Ireland Executive (NIE) has regarding sustainability. The total green house gas (GHG) emissions for Northern Ireland show an increase of less than 1% between 2012 and 2013. The 2012 to 2013 trend was predominantly driven by a shift from natural gas to coal in the Energy Supply sector and the forest fires that occurred in 2012. GHG emissions have fallen 16% since 1990. The last Programme for Government targeted a reduction of 35% on 1990 levels by 2025. The Climate Change Act sets a target of 80% reductions, again against 1990 levels, for achievement by the UK as a whole. Measures taken to reduce GHG emissions will make a contribution to mitigating the effects of climate change globally, and will also reduce our dependence on fossil fuels, and increase resource and energy efficiency. Therefore, 'Increase in Environmental Sustainability' is one of the indicators against which the NIE will measure its success under the PfG by monitoring the reduction in GHG. Measures taken to reduce Greenhouse Gas Emissions will make a contribution to mitigating the effects of climate change globally, and will also reduce

dependence on fossil fuels, and increase resource and energy efficiency.

In respect of Promoting sustainable development and the creation of sustainable communities Invest NI complete an ERDF scoring and selection criteria for each scheme / project (SFA and Grant for R and D). Project Owners must complete an ERDF selection criteria/scoring matrix and Development Path Analysis (DPA) and include this along with the Casework submission. The minimum categorisation in the DPA assessment is 'A - Project is Environmentally Neutral', for a project to be supported for ERDF funding.

Under the Investment for Growth and Jobs Programme, Invest NI as an Intermediate Body ensures that projects are in compliance with EC regulatory requirements and contribute to the achievement of the specific objectives and results of the Programme. Compliance with these requirements is assessed during Management Verification checks.

In terms of the new activity being taken forward in Priority 3, the NI Environmental Agency will provide an updated assessment on the impact.

#### 11.4. Reporting on support used for climate change objectives (Article 50(4) of Regulation (EU) No 1303/2013)

Priority axis	Amount of support to be used for climate change objectives (EUR)	Proportion of total allocation to the operational programme (%)
<b>Total</b>	<b>0.00</b>	<b>0.00%</b>

*Figures calculated automatically by the SFC2014 based on categorisation data.*

*Optional: clarification on the given values*

The Programme, as originally approved, planned to undertake a single grid strengthening project to fulfil the low carbon objective. The project involved capital upgrades to the electricity grid to increase the amount of renewable energy in final electricity consumption. Following the approval of the Operational Programme a number of issues emerged. There was ongoing dialogue throughout the course of 2015 which ultimately led the Statutory Operator for Northern Ireland (SONI) withdrawing the proposal in April 2016. Significant progress has been made in identifying suitable replacement activity that will have a similar positive impact. This is in the development of a new urban transport depot which will apply the most up to date energy efficient technologies, a ticketing system which will service the Belfast Rapid Transit route and a series of works to improve the energy efficiency of the NI social housing stock. It would be anticipated that substantial progress will be made in 2017 and therefore reportable in the next Annual Implementation Report..

## 11.5. Role of partners in the implementation of the programme

Representatives from a range of partnership groups were involved in the preparation of the Programme including economic and social partners, and various bodies representing social partners; local Government representatives; trade unions; the voluntary and community sector; environment and climate change; energy; education, agri-rural sectors, and the Equality Commission.

A steering group oversaw various working groups and consultations from the range of relevant partners who had an on-going and meaningful influence on the development and preparation of the Programme. Feedback was provided for key proposals and documents for Programme development, including the Consultation Document, the draft OP, Ex-ante Evaluation of the Programme, Ex Ante Assessment of Financial Instruments and the Strategic Environmental Assessment. Extensive consultation was undertaken with NI Councils to develop the LED strand of the Programme. This ongoing liaison and consultation was crucial in ensuring that their views and concerns were considered in the development of the Programme. The department also co-ordinated an Inter-Departmental Consultation exercise, advising all NI Departments of its proposals for the development of the Programme and actively seeking feedback. A number of Departments responded and this was taken into consideration in the development of the Programme. To further underpin the partnership approach, a public consultation sought views of interested individuals and organisations across NI. Overall, the comments received in response to the public consultation endorsed the approach being proposed, with 91% of respondents either agreeing or strongly agreeing that the ERDF Programme should concentrate on the three identified priorities. 79% of responses agreed that the proposed focus of the Programme was sufficient given the limited resources likely to be available for NI. The principle of partnership was also at the heart of the preparation of a number of key documents that informed the strategic development of the Programme. Strategic decisions as regards the direction of the Programme were significantly influenced by these partnerships.

Partnership Groups continue to have a key role in the ongoing monitoring and evaluation of the Programme. PMC members were appointed by the Minister of Finance following nomination from relevant authorities and intermediate bodies, representatives of the partnership organisations involved in the development and implementation of the Programme. PMC meets at a minimum of twice a year but the terms of reference for PMC allow the Committee to meet more often if necessary. PMC discusses and approves Annual Implementation Reports, operational modifications, approves the evaluation and communication strategies and the communication plan and review for each year. Members of the Committee have the right to participate in decision making. The Committee monitors implementation of the Programmes and progress made towards achieving its objectives, in agreement with the MA. The Committee also has the remit to form Working Groups to focus on specific issues e.g. Equality, Environment etc. should they believe a need arises. The Committee has also been influential in the Publicity and Communication effort for the Programme, which is now a standing agenda item.

## **12. OBLIGATORY INFORMATION AND ASSESSMENT ACCORDING TO ARTICLE 111(4), FIRST SUBPARAGRAPH, (A) AND (B), OF REGULATION (EU) No 1303/2013**

### **12.1. Progress in implementation of the evaluation plan and the follow-up given to the findings of evaluations**

The Programme Monitoring Committee (PMC) has overall responsibility for overseeing Programme evaluation and the MA has overall responsibility for reporting evaluation results to PMC throughout the Programming period. The MA monitors the delivery of the evaluation plan to ensure evaluations progress in line with the plan and that each evaluation is subject to appropriate follow-up in accordance with the Fund specific rules. The MA has delegated the delivery of evaluations to Invest NI, and a summary of the planned evaluations is noted in the evaluation strategy. The evaluation schedule outlines the evaluations planned for the Programme. All schemes / activities will be evaluated at least once during the programming period to assess how support from the Programme has contributed to the objectives of the related priority. Results of evaluations will be included, when available, in Annual Implementation Reports which are approved by PMC and submitted to the European Commission. A copy of the most recent evaluation schedule can be found at [http://www.jobsandgrowthni.gov.uk/downloads/IGJ\\_Evaluation\\_Plan\\_agreed\\_by\\_PMC\\_08.11.16\\_v2b.pdf](http://www.jobsandgrowthni.gov.uk/downloads/IGJ_Evaluation_Plan_agreed_by_PMC_08.11.16_v2b.pdf).

All evaluation results will be presented to the PMC, accompanied where relevant, by a response or comment from the Managing Authority. Following PMC, evaluations will be sent to the Commission and published on the Programme's dedicated website. In the interest of transparency and in order to stimulate public debate on evaluation findings, all evaluation reports are published. The most effective method for this is to use the dedicated Programme website.

The suite of performance indicators for the Programme are used for on-going monitoring to track the implementation and delivery of the OP and highlight any changes due to external factors that may impact on deliverables (results, targets). This enables the MA to react to any changes identified by taking corrective action if necessary as well as complement monitoring activity and aid decision making.

Invest NI will review the recommendations from the interim evaluation of Co-Fund issued in December 2016 and provide an update on progress within the 2017 Annual Implementation Report.

### **12.2. The results of the information and publicity measures of the Funds carried out under the communication strategy**

The purpose of information and communications activities is to highlight the investment made by the EU Programme in Northern Ireland.

The MA maintains a dedicated Programme website ([www.jobsandgrowthni.gov.uk](http://www.jobsandgrowthni.gov.uk)) which provides access to up to date information and guidance to all stakeholders. It also contains links to a list of beneficiaries as well as signposting potential beneficiaries to Invest NI about funding opportunities available within the Programme. The MA is proactive in monitoring adherence to the publicity regulations and guidelines by way of regular meetings between the MA and Invest NI to address any novel issues on publicity and information or to address non compliance issues. This drives an effective working relationship with Invest NI to ensure there is an agreed, cohesive approach to information and communication activities in line with the Communications Strategy. A revised communications plan is presented to PMC each year ensuring information and

communication measures are implemented in accordance with the Communication Strategy and that those measures aim for the widest possible media coverage using various forms and methods of communication at the appropriate level.

The MA and Invest NI organised a major information activity publicising the launch of the Operational Programme at the Titanic Building in Belfast. The event was attended by representatives from Northern Ireland businesses who heard from beneficiaries of the 2007-2013 Programme and from Programme Management who detailed the support available in the 2014-2020 period.

The MA also works with Invest NI in undertaking a major information activity each year. The most recent was at St Georges Market in Belfast in September 2016 at the NI Chamber Annual Networking and Conference Showcase. The conference gave companies from across NI the opportunity to meet, engage and participate in networking activities aimed at creating new business connections. Eight hundred members of the local business community attended the event which featured a large market place with over 100 companies exhibiting their products and services, showcasing the best of NI business. The ERDF stand was busy throughout the event with many queries from potential beneficiaries on the type of funding available from the programme.

The Managing Authority also tasks Invest NI with showcasing projects throughout the Programme to deliver on this Programme requirement. At the Autumn 2016 PMC hosted by Invest NI there was an onsite display of companies who have benefited from ERDF funding and samples of the materials supported. Invest NI also provide the MA with case studies for publication in the programme website, showcasing successful beneficiaries of programme funding. Some of these case studies are also produced in French, as required by CPR Annex XII paragraph 2 and they are published on the programme website.

Publicity and information measures are a standing agenda item at each PMC, underpinning the importance PMC place on proactively engaging in information and communications activity. At the Autumn PMC the communication plan for the following year is brought to PMC and approval sought. At Spring PMC the review of the communications plan for the previous year is brought before PMC.

Invest NI outline communication and publicity requirements to beneficiaries within the Letter of Offer issued or via the contracts with third parties. Invest NI review guidance on publicity issued by the European Commission or by Managing Authority / Member State on a regular basis and update beneficiaries accordingly. Invest NI has issued an internal guidance booklet on ERDF eligibility requirements. Beneficiaries signing and agreeing to an Invest NI Letter of Offer supported by ERDF are legally obliged to meet all ERDF requirements including publicity, audit and claim processes. Invest NI work closely with beneficiaries to ensure they understand the reasons for the publicity requirements and their obligations when receiving funding.

The EU logo is on the Invest NI website. All publicity issued via press releases which is related to EU funding contains reference to the support via EU funding. Publicity on beneficiary websites is communicated within the Letter of Offer and verified at the outset and during the Article 125 audit. Invest NI continue to publicise EU funding through an annual major event. Invest NI has used online communication via the Invest NI YouTube channel to publicise EU support and the benefits to clients. For example, a number of case studies for enterprises supported via the Design for Business scheme are

showcased on the channel.

Publicity content is provided to MA for uploading to the NI IGJ website. Invest NI has also created online training for all staff within Invest NI; this training was completed in 2016 and covered the regulatory requirements for EU funding and publicity requirements in particular.

The MA keeps the Communication Strategy under review to ensure that it meets the needs of the Operational Programme and is driving the appropriate information and communication activities and where necessary, will amend and resubmit to the PMC for approval.

**13. ACTIONS TAKEN TO FULFILL EX-ANTE CONDITIONALITIES (ARTICLE 50(4) OF REGULATION (EU) No 1303/2013) (MAY BE INCLUDED IN REPORT TO BE SUBMITTED IN 2016 (SEE POINT 9 ABOVE). REQUIRED IN REPORT SUBMITTED IN 2017) OPTION: PROGRESS REPORT**

**EN**

**EN**

**14. ADDITIONAL INFORMATION WHICH MAY BE ADDED DEPENDING ON THE CONTENT AND OBJECTIVES OF THE OPERATIONAL PROGRAMME (ARTICLE 111(4), SECOND SUBPARAGRAPH, (A), (B), (C), (D), (G) AND (H), OF REGULATION (EU) NO 1303/2013)**

**14.1. Progress in the implementation of the integrated approach to territorial development, including development of regions facing demographic challenges and permanent or natural handicaps, sustainable urban development, and community led local development under the operational programme**

The UK Partnership Agreement details that London will deliver the UK 5% minimum threshold for Sustainable Urban Development. This is in line with the provisions of Article 7 of Regulation (EU) No 1301/2013. This approach reflects the relative size of London and the fact that the Greater London Authority has an established designation as an Intermediate Body for the 2007-2013 ERDF Operational Programme.

Local development initiatives play a role in the delivery of the EU 2020 objectives of smart, sustainable and inclusive growth in NI. The Programme includes a Local Economic Development (LED) dimension. This is the responsibility of Invest NI as Intermediate Body for PA 2 – Enhancing the Competitiveness of SMEs – of the Programme. Activity in the LED element of PA 2 supports small and micro businesses

**14.2. Progress in the implementation of actions to reinforce the capacity of Member State authorities and beneficiaries to administer and use the Funds**

In NI the European Union Division, Department of Finance (EUD DOF) has overall responsibility for fulfilling the role of Member State. EUD DOF has designated the Department for the Economy (DFE) as the Managing Authority (MA) and Certifying Authority (CA) for the Investment for Growth and Jobs Programme for Northern Ireland 2014-2020. Official sign off of this designation will be done when the Programme database is operational.

To ensure proper division of duties and sufficient independence of action, the Managing Authority and Certifying Authority have been established in separate Directorates. The MA function sits within European Fund Management Division and the CA is part of Finance Division. The officer in overall charge of each directorate is a senior officer of the same grade (Grade 5) within the Department's management hierarchy, with sufficient discretion and authority to act independently of, and if necessary challenge, the decisions of the other directorate.

Audit authority has been established within the Department which is functionally independent of the Managing and Certifying Authorities. Audit Authority reports directly to the Departmental Audit Committee which is chaired by an independent Board Member.

Invest NI is currently the only Intermediate Body (IB) within the Programme. Under NI legislation, Invest NI is classified as a Non Departmental Public Body (NDPB). Their relationship with DFE as parent department is governed by a Management Statement and Financial Memorandum (MSFM). In addition a Memorandum of Understanding

(MOU) which has been signed between Invest NI and the MA supplements the MSFM specifically in relation to EU expenditure.

Invest NI has substantial experience in the administration of EU funding. In the previous 2007-2013 Programme a number of shortcomings in the first level control procedures administered by Invest NI were detected. Subsequently, there has been significant investment in the control framework and these measures will continue on a sample of expenditure in the IGJ Programme in accordance with recognised risk management strategies.

Invest NI regularly reviews guidance issued by the European Commission and the Managing Authority and updates internal guidance for staff or beneficiaries as necessary. Invest NI have issued a guidance booklet to all staff and beneficiaries for information on regulatory requirements. Invest NI has also organised stand-alone training for external bodies involved in the implementation of EU funding.

Invest NI and Managing Authority are involved in the Project Board and User Group for the EU Database 2014.

The Managing Authority maintains the full responsibility for the delegated functions under Article 125 (6) and (7) of the CPR. The MA ensures that the Technical Assistance budget for the Programme is also used to address capacity and training needs of those involved in the administration of funding. The MA has also willingly participated in a number of transnational events and partnerships aimed at enhancing organisational capacity and to share best practice with other Member States.

#### **14.3. Progress in the implementation of any interregional and transnational actions**

This section is not applicable to the ERDF Investment for Growth and Jobs Programme 2014-2020 for Northern Ireland.

#### **14.4. Where appropriate, the contribution to macro-regional and sea basin strategies**

As stipulated by the Regulation (EU) No 1303/2013, article 27(3) on the "content of programmes", article 96(3)(e) on the "content, adoption and amendment of operational programmes under the Investment for growth and jobs goal", article 111(3), article 111(4)(d) on "implementation reports for the Investment for growth and jobs goal", and Annex 1, section 7.3 on "contribution of mainstream programmes to macro-regional and sea-basin strategies, this programme contributes to MRS(s) and/or SBS:

- EU Strategy for the Baltic Sea Region (EUSBSR)
- EU Strategy for the Danube Region (EUSDR)

- EU Strategy for the Adriatic and Ionian Region (EUSAIR)
- EU Strategy for the Alpine Region (EUSALP)
- Atlantic Sea Basin Strategy (ATLSBS)

**Priority(s) and objective(s) that the programme is relevant to:**

	<b>Priority</b>	<b>Objective</b>
<input checked="" type="checkbox"/>	1 - Promote entrepreneurship and innovation	1.1 - Sharing knowledge between higher education organisations, companies and research centers
<input checked="" type="checkbox"/>	1 - Promote entrepreneurship and innovation	1.2 - Enhancement of competitiveness and innovation capacities in the maritime economy of the Atlantic area
<input checked="" type="checkbox"/>	1 - Promote entrepreneurship and innovation	1.3 - Fostering adaptation and diversification of economic activities by promoting the potential of the Atlantic area
<input type="checkbox"/>	2 - Protect, secure and develop the potential of the Atlantic marine and coastal environment	2.1 - Improving maritime safety and security
<input type="checkbox"/>	2 - Protect, secure and develop the potential of the Atlantic marine and coastal environment	2.2 - Exploring and protecting marine waters and coastal zones
<input type="checkbox"/>	2 - Protect, secure and develop the potential of the Atlantic marine and coastal environment	2.3 - Sustainable management of marine resources
<input type="checkbox"/>	2 - Protect, secure and develop the potential of the Atlantic marine and coastal environment	2.4 - Exploitation of the renewable energy potential of the Atlantic area's marine and coastal environment
<input type="checkbox"/>	3 - Improve accessibility and connectivity	3.1 - Promoting cooperation between ports
<input type="checkbox"/>	4 - Create a socially inclusive and sustainable model of regional development	4.1 - Fostering better knowledge of social challenges in the Atlantic area
<input type="checkbox"/>	4 - Create a socially inclusive and sustainable model of regional development	4.2 - Preserving and promoting the Atlantic's cultural heritage

**Actions or mechanisms used to better link the programme with the Atlantic SBS**

**A. Are the Sea Basin Strategic coordinators (mainly National Coordinators, Priority Area Coordinators or members, and/or Objective coordinators or members) participating in the Monitoring Committee of the programme?**

Yes  No

**B. In selection criteria, have extra points been attributed to specific measures supporting the ATLSBS?**

Yes  No

**C. Has the programme invested EU funds in the ATLSBS?**

Yes  No

Does your programme plan to invest in the ATLSBS in the future? Please elaborate (1 specific sentence)

N/A

**D. Obtained results in relation to the ATLSBS (n.a. for 2016)**

**14.5. Progress in the implementation of actions in the field of social innovation, where appropriate**

This section is not applicable to the ERDF Investment for Growth and Jobs Programme 2014-2020 for Northern Ireland.

**14.6. Progress in the implementation of measures to address the specific needs of geographical areas most affected by poverty or of target groups at highest risk of poverty discrimination or social exclusion, with special regard to marginalised communities and persons with disabilities, long term unemployment and young people not in employment including, where appropriate, the financial resources used**

This section is not applicable to the ERDF Investment for Growth and Jobs Programme 2014-2020 for Northern Ireland.

**15. FINANCIAL INFORMATION AT PRIORITY AXIS AND PROGRAMME LEVEL (ARTICLES 21(2) AND 22(7) OF REGULATION (EU) No 1303/2013)**

**16. SMART, SUSTAINABLE AND INCLUSIVE GROWTH (OPTION PROGRESS REPORT)SMART, SUSTAINABLE AND INCLUSIVE GROWTH (OPTION PROGRESS REPORT)**

Information on and assessment of the programme contribution to achieving the Union strategy for smart, sustainable and inclusive growth.Information on and assessment of the programme contribution to achieving the Union strategy for smart, sustainable and inclusive growth.

Not to be reported until 2019

**17. ISSUES AFFECTING THE PERFORMANCE OF THE PROGRAMME AND MEASURES TAKEN — PERFORMANCE FRAMEWORK (ARTICLE 50(2) OF REGULATION (EU) No 1303/2013)**

Where the assessment of progress made with regard to the milestones and targets set out in the performance framework demonstrates that certain milestones and targets have not been achieved, Member States should outline the underlying reasons for failure to achieve these milestones in the report of 2019 (for milestones) and in the final implementation report (for targets).

Not to be reported until 2019

## Documents

Document title	Document type	Document date	Local reference	Commission reference	Files	Sent date	Sent By
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**Latest validation results**

<b>Severity</b>	<b>Code</b>	<b>Message</b>
Info		Implementation report version has been validated