

# Citizens' Summary

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ERDF Investment for Growth  
and Jobs Programme for  
Northern Ireland | 2014-2020



Department of  
**Enterprise, Trade  
and Investment**  
[www.detini.gov.uk](http://www.detini.gov.uk)



European Union  
European Regional  
Development Fund  
Investment for Growth and Jobs

Invest   
**Northern  
Ireland**

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# Ministerial Foreword

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To have secured European Commission approval for the 2014-2020 ERDF Investment for Growth and Jobs Programme for Northern Ireland represents a total investment package of over €513m. The Programme can help to make a real and lasting change to our economy.

Focused on helping to deliver a number of the key priorities of the Northern Ireland Economic Strategy and the Northern Ireland Innovation Strategy over the period 2014 to 2020, the Programme will help to support thousands of enterprises and create tens of thousands of jobs in Northern Ireland.

Programme resources will be concentrated on supporting Research, Technological Development and Innovation, Enhancing the Competitiveness of SMEs and Supporting the Shift towards a Low Carbon Economy.

I am pleased to have received the Commission's endorsement of the Programme and look forward to working with them during its implementation.

This publication includes information about the structure and objectives of the 2014-2020 ERDF Investment for Growth and Jobs Programme for Northern Ireland, a summary of the support it provides, and useful reference points and contact details should you wish to find out more.

I hope you find it helpful.

**Jonathan Bell MLA**

Minister of Enterprise, Trade and Investment

# 1 What is the ERDF Investment for Growth and Jobs Programme?

The ERDF is the main EU Structural and Investment Fund used to support economic development in countries and regions across Europe. Together with the European Social Fund (ESF) and the Cohesion Fund, the ERDF accounts for over one third of the EU budget.

**The Northern Ireland ERDF financial allocation for the 2014-2020 funding period will be delivered in part through the ERDF Investment for Growth and Jobs Programme (the Programme)<sup>1</sup>.**

## How has the ERDF Investment for Growth and Jobs Programme been developed?

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In Northern Ireland, we have significant experience of using ERDF to help drive economic growth. The Programme has been shaped by experience of what has proved most effective in the past and what we want to achieve in the future.

DETI has drawn on experience gained through management of the European Sustainable Competitiveness Programme (EUSCP) (2007-2013) to inform the development and content of the Programme. Elements of the EUSCP that warrant continued support have been included in this Programme, including grants for Research and Development and Design support provided through Invest NI.

The Programme has been formulated following a comprehensive assessment of Northern Ireland's **development needs** comprising analysis of the region's strategy and policy, consultation and engagement with key stakeholders, economists, statisticians and key delivery partners, and building on the experience of managing the EUSCP.

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<sup>1</sup> ERDF funding will also be delivered through the PEACE IV and INTERREG V Programmes, managed by the Special EU Programmes Body (SEUPB).



## Northern Ireland's Key Development Needs

- To increase Research and Development activity and business expenditure on Research and Development;
- To address low levels of business growth, and comparatively few high growth companies, and to increase employment levels;
- To address historic failures in the provision of risk capital and an over-reliance on bank financing for Small and Medium Enterprises (SMEs); and
- To address electricity infrastructure improvements to promote the increased use of energy from renewable sources.

The Programme has been designed to align with the Northern Ireland Economic Strategy and Innovation Strategy, both of which are fundamental to improving the economic competitiveness of Northern Ireland.

It has also been developed to align with the requirements and recommendations of the European Commission on what types of activity can and should be funded.

Together with the ESF Investment for Growth and Jobs Programme, the ERDF Programme has been designed to ensure that money is invested effectively in order to support the EU2020 objectives of smart, sustainable and inclusive growth.

It has been designed to make a meaningful contribution to the EU2020 strategy to raise combined public and private investment levels in Research, Development and Innovation (RD&I) to 3% of GDP and to increase the share of renewables in final energy consumption to 20%, at EU level.

## What is the Programme Budget?

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**The ERDF contribution to the Programme is just over €308m. A further €205m match funding (from a mixture of private and public sources) brings the total value of the Programme to at least €513m.**

**This funding package represents a significant investment in the Northern Ireland economy.**

## What are the Programme's Priorities?

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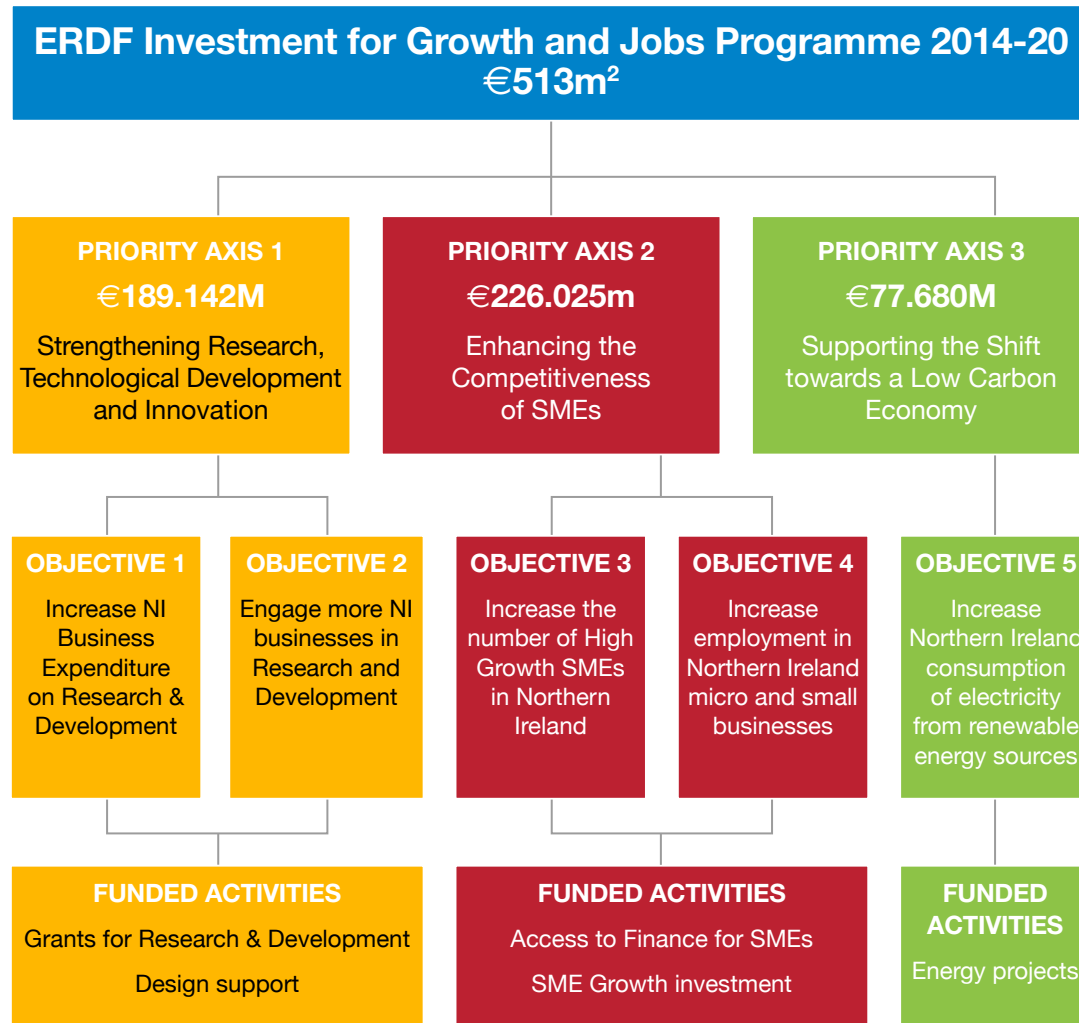
The strategic objective of the Programme is to promote smart, sustainable and inclusive growth, the achievement of economic, social and territorial cohesion, and high levels of employment and productivity.

The Programme's ultimate aim is to improve Northern Ireland's economic growth, with a focus on the three key priority areas:

- **Research and Innovation**
- **SME competitiveness**
- **Low-carbon economy**

## How is the Programme structured?

The Programme recognises the importance of focusing funding on a concentrated suite of activities to maximise impact. This approach reduces administrative requirements, so that the focus is on Programme delivery.



<sup>2</sup> The total Programme value also includes a Technical Assistance budget of just over €20.5m to support the implementation, monitoring and evaluation of the Programme.

## What are the Programme's Key Objectives?

The Programme will focus on attaining 5 key objectives. Baseline data and targets for 2023 are set out below:

Objective	Indicator	Unit of Measurement	Baseline (Year)	Target (2023)
1. Increase NI Business Expenditure on Research & Development (BERD)	BERD as a % of GVA	%	1.60 (2012)	1.90-2.30
2. Engage more businesses in Research and Development (R&D)	Companies engaged in R&D	Enterprises	495 (2014)	700
3. Increase the number of High Growth SMEs in Northern Ireland	Number of High Growth SMEs in NI	Enterprises	695 (2013)	1,300
4. Increase employment in NI micro and small enterprises	Employment within micro and small NI businesses	Full time equivalents	297,000 (2013)	333,000-339,000
5. Increase NI consumption of electricity from renewable energy sources	NI consumption of electricity from renewable sources as a proportion of total energy consumption	%	19.5 (2014)	40

Achievement of these objectives will support the strategic objectives of the Northern Ireland Economic Strategy and the Northern Ireland Innovation Strategy, and will enable Northern Ireland to play a key role in helping to meet the objectives of the EU2020 Strategy.



## How will Programme performance be measured?

Progress towards Programme objectives will be measured in part through a mechanism called the Performance Framework. **Financial indicators and output indicators have been selected which will provide a clear indication of progress.** Interim (2018) and final targets (2023) are set out in the table below:

		TARGET VALUES	
		2018 Target	2023 Target
<b>PRIORITY AXIS 1:</b> Strengthening Research, Technological Development and Innovation	Number of Enterprises receiving Support	973	2,361
	Expenditure	€61,900,000	€189,142,057
	Number of Enterprises engaged in R&D for the first time	66	200
<b>PRIORITY AXIS 2:</b> Enhancing the Competitiveness of SMEs	Number of Enterprises receiving support	191	476
	Expenditure	€64,500,000	€226,025,362
<b>PRIORITY AXIS 3:</b> Supporting the Shift Towards a Low Carbon Economy <sup>3</sup>	Additional capacity of Renewable Energy Production	850MW	1200MW
	Expenditure	€8,300,000	€77,680,000
	Completion of Pre-construction Phase by 2018		

<sup>3</sup> The target values for Priority Axis 3 will be subject to change following further detailed scoping of potential electricity infrastructure projects. An electronic version of this document, which can be accessed via the DETI website: <http://www.deti.gov.uk> will be updated to reflect final target values.

## Programme Outputs

### **PRIORITY AXIS 1: Strengthening Research, Technological Development and Innovation**

Through the provision of grants for Research and Development, and support for Design, Priority Axis 1 of the Programme will facilitate:

- 2,361 enterprises receiving support
- 566 enterprises receiving grants
- 2,150 enterprises receiving non-financial support
- €72.53m private investment matched to ERDF grants
- 68 enterprises cooperating with research institutions
- €58.5m private investment matched to ERDF support for innovation or R&D projects
- 80 enterprises supported to introduce 'new to the market' products
- 130 enterprises supported to introduce 'new to the firm' products
- 200 enterprises engaged in Research & Development for the first time

### **PRIORITY AXIS 2: Enhancing the Competitiveness of SMEs**

Supporting a suite of Access to Finance mechanisms and a range of SME growth initiatives, Priority Axis 2 of the Programme will facilitate:

- 476 enterprises receiving support
- 12 enterprises receiving grants
- 464 enterprises receiving support other than grants
- 102 new enterprises supported
- €59m private investment matched to non-grant ERDF support
- 2,803 new jobs created<sup>4</sup>

### **PRIORITY AXIS 3: Supporting the Shift towards a Low Carbon economy**

DETI Energy Division, in partnership with the System Operator for Northern Ireland (SONI) and Northern Ireland Electricity (NIE), is exploring the potential to fund several electricity infrastructure projects. The objective of these projects will be to contribute to the development of electricity infrastructure that can accommodate potential increasing levels of energy derived from renewable sources in Northern Ireland.

<sup>4</sup> This figure does not include job creation figures relating to Local Economic Development support.

# 2 Programme Activities

## Design Advice Service and Design Development Programmes

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Innovative product design can reduce production costs and improve selling power, and a strong brand identity delivered through effective design can support investment in product and service development by offering differentiation and competitive advantage.

Delivered by Invest NI, and part-funded through the ERDF Programme, the Design Advice Service and Design Development Programmes will help businesses to respond to new market opportunities and generate new product ideas. Support will include one-to-one consultations and interactive workshop sessions with professional design consultants.

Scan the QR code below to find out how See.Sense. created a distinctive brand and increased their business base with the support of the Design Advice Service.

For further information please visit:

<http://www.investni.com/support-for-business/products-and-services/design.html> or scan the QR code.



See.Sense.



Invest NI design



Wrightbus

Raltus Software  
and Arcatech  
Limited

Marketstall

Invest NI  
R&D Support

## Grants for Research and Development

The Programme will help to fund a wide range of grants aimed at encouraging and driving research, development and innovation activity within Northern Ireland businesses. Delivered by Invest NI, and open to all Northern Ireland businesses, grants can support the Research and Development continuum from industrial research through to experimental development including:

- **Scoping, defining and planning an R&D project which has the potential for commercialisation**
- **Product or process development improvements**
- **Key Enabling Technologies**
- **Contracted research**
- **Prototype development**
- **Co-operation with research institutions**

Wrightbus, Raltus Software and Arcatech Limited have experienced the benefits a grant for Research and Development can bring.

Marketstall Services and Software Solutions in Templepatrick has, with ERDF support in the form of a Research and Development grant, designed innovative software for international markets.

To learn more about the grants available, and to find out if your business could benefit, please scan the QR codes on the left of this page.

For more information, please go to <http://www.investni.com/support-for-business.html>

## Access to Finance

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Accessing finance to support business growth and development can be difficult. In recent years there has been a reduction in the number of private investors and banks willing to lend. To help bridge this gap Invest NI has developed a suite of funds under the Access to Finance banner. Incorporating equity and debt funds managed on behalf of Invest NI by FSA-approved fund managers, **the Access to Finance suite will ensure that SMEs have access to financial support through a range of equity investment and debt financed models:**

**techstart NI:** A collection of funds for start-up and early stage businesses based in Northern Ireland. tech**start** NI provides support to entrepreneurs, seed and early stage SMEs and university spin-outs.

Scan the QR codes to find out how two companies in Northern Ireland, Brewbot and Inflyte, have benefited from investment through tech**start** NI, which is part funded by the Programme.

**Co-Fund NI:** A fund for SMEs based in Northern Ireland. The fund co-invests alongside business angels and other private investors. The fund can provide co-investment deals typically valued between £150k and £1m, at a ratio of up to 50%.

**Development Funds:** Venture capital designed to help SMEs in Northern Ireland accelerate their growth. The investment range for each fund is typically between £450k and £1.2m in any one investment round, and can be up to £3m over a series of investment rounds.

To find out more about the Access to Finance initiative supported by the Programme, please visit:

<http://www.investni.com/support-for-business/funding-for-business/access-to-finance- strategy.html> or <http://secure.investni.com/static/library/invest-ni/documents/access-to-finance-solutions-brochure.pdf>

or scan the QR codes on the right of this page.



Invest NI Access to Finance Strategy



tech**start** NI



Invest NI Access to Finance Brochure

## Support for SME Growth / Local Economic Development

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**Small businesses are a significant driver of the Northern Ireland economy and support for their growth is critical.**

Invest NI, in partnership with local councils and business development organisations, will encourage business growth and a significant level of job creation through a range of business development and entrepreneurship support.

For more information on the types of support available, please visit [www.investni.com](http://www.investni.com).

## Supporting the Shift towards a Low Carbon Economy


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It is anticipated that the Programme will help to fund an electricity infrastructure project with a number of distinct components. Managed by DETI Energy Division, in partnership with SONI and NIE, the objective of the project will be to promote the production and distribution of energy derived from renewable sources in Northern Ireland.

# 3 How to find out more

An electronic version of this information leaflet is available at  
<http://www.detini.gov.uk/index/what-we-do/deti-euro-prog-index.htm>

## You may also find the following sources of information helpful:

<b>2014-20 ERDF Operational Programme:</b>	<a href="http://www.detini.gov.uk/investment_for_growth_and_jobs_2014-20_-_operational_programme.pdf">http://www.detini.gov.uk/investment_for_growth_and_jobs_2014-20_-_operational_programme.pdf</a>  
<b>Programme for Government</b>	<a href="http://www.northernireland.gov.uk/pfg-2011-2015-final-report.pdf">http://www.northernireland.gov.uk/pfg-2011-2015-final-report.pdf</a>
<b>Europe 2020 Strategy</b>	<a href="http://ec.europa.eu/eu2020/pdf/COMPLET%20EN%20BARROSO%20%20%20007%20-%20Europe%202020%20-%20EN%20version.pdf">http://ec.europa.eu/eu2020/pdf/COMPLET%20EN%20BARROSO%20%20%20007%20-%20Europe%202020%20-%20EN%20version.pdf</a>
<b>Northern Ireland Economic Strategy:</b>	<a href="http://www.northernireland.gov.uk/draft-economic-strategy.pdf">http://www.northernireland.gov.uk/draft-economic-strategy.pdf</a>
<b>Northern Ireland Innovation Strategy:</b>	<a href="http://www.detini.gov.uk/innovation-strategy-2014-2025_2.pdf">http://www.detini.gov.uk/innovation-strategy-2014-2025_2.pdf</a>
<b>Smart Specialisation Framework:</b>	<a href="http://www.detini.gov.uk/framework_for_smart_specialisation_-_final_draft_september_2014.pdf">http://www.detini.gov.uk/framework_for_smart_specialisation_-_final_draft_september_2014.pdf</a>
<b>European Structural and Investment Funds Regulations:</b>	<a href="http://ec.europa.eu/regional_policy/index.cfm/en/information/legislation/regulations">http://ec.europa.eu/regional_policy/index.cfm/en/information/legislation/regulations</a>

# Useful Contacts

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## **DETI European Support Unit**

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Website: [www.investni.com](http://www.investni.com)

If this document is not in a format  
that meets your needs please contact  
DETI European Support Unit.