

European Regional Development Fund Investment for Growth and Jobs Programme For Northern Ireland 2014-2020

Citizens' Summary¹ of the Annual Implementation Report (AIR) for 2014 & 2015

Programme Overview

The European Regional Development Fund (ERDF) is the main EU Structural and Investment Fund used to support economic development in countries and regions across Europe. Part of the ERDF funding that Northern Ireland receives is delivered through the Investment for Growth and Jobs (IGJ) Programme.

In Northern Ireland the IGJ Programme is used to support the Economic and Innovation Strategies for the region. The Programme resources are concentrated on supporting Research, Technological Development and Innovation, Enhancing the Competitiveness of SMEs and Supporting the Shift towards a Low Carbon Economy. The ERDF contribution is just over £247m (60%) with a further £165m (40%) match funding (from a mixture of public and private sources) making the total value of the Programme to £412m.

The Programme was officially launched in June 2015 at an event in the Titanic Building (Belfast). Representatives from the business community gathered to hear from beneficiaries of the 2007-2013 Programme and from Programme management who detailed the support available in the 2014-2020 period.

Performance

The Programme aims to increase economic growth in Northern Ireland and a number of macro (NI level) performance targets have been included in the Programme. Most macro targets are showing a positive trend with:

- companies engaged in R&D for the first time increasing from a baseline of 495 in 2012 to 657 in 2015;
- the number of small and medium sized enterprises (SMEs) classified as high growth companies has increased from a baseline of 695 in 2013 to 845 in 2015; and

- employment within micro and small businesses increasing from a baseline of 297k in 2013 to 303k in 2015.

The NI Business Expenditure on Research and Development (BERD) figure as a percentage of GVA has however declined due to a slight reduction in business expenditure in R&D and a higher Gross Value Added (GVA) figure. Further details of Programme performance are set out in Annex 2.

More detailed reporting of performance including indicators relating to the Performance Reserve will be contained in the Annual Implementation Report for the 2016 calendar year (which should be available on the Programme website during the latter half of 2017).

Progress at 31 December 2015

Programme contributions offered to projects is £70.7m (£42.4m ERDF) made up of £53.5m (£32.1m ERDF) grant and £17.2m (£10.3m ERDF) of investment in Financial Instruments.

Grant of £29.7m (ERDF) has been offered to 90 projects by Invest NI and there is also a healthy pipeline of projects reported. Mechanisms to reduce administrative bureaucracy have been incorporated into the Programme design and as of 1st January 2016 all new Grant for R&D offers will be administered using a simplified cost option which incorporates labour and overhead costs into a single unit cost payable to all projects. These would have been historically paid on the basis of real cost and created significant disproportionate administrative burden for companies.

The Design Service offers the Invest NI business customer base expert design advice and mentoring to become more competitive as a result. 57 enterprises have benefitted from the scheme.

Invest NI also administers 6 Financial Instruments which provide much needed access to equity finance to NI companies. All have a healthy pipeline of potential investments. Invest NI also continues to work with Councils to develop local entrepreneurship and business development support with a view to increasing employment in the micro and small business base.

During this reporting period Invest NI has provided grant support to 29 companies under a Selective Financial Assistance scheme which is designed to accelerate the growth of new and established companies through innovation and export activities with a view to achieving higher levels of growth leading to long-term stable jobs.

Case Studies and Press Releases

In 2016 the Managing Authority will begin to create a portfolio of case studies on the Programme website to showcase the range of projects funded. In addition, Invest NI publishes press releases to promote ERDF funded activity, a selection of which can be accessed through the following links:

[Newtownards Engineering firm CCP Gransden wins major UK research grant with help from grant for R and D part funded through ERDF](#)

[Water Teknik congratulated on new export deal after developing and bringing to market a new product with ERDF part funded Grant for R and D](#)

[New techstart NI fund launched to support seed and early stage technology business and university spin outs](#)

Invest NI administers over 80% of the Programme through a range of grant schemes and Financial Instruments aimed at promoting economic growth in Northern Ireland.

Further details of schemes administered through Invest NI can be found at www.investni.com

Further Details

This Citizens' Summary provides a summary of the Annual Implementation Report. Full details of the [Annual Implementation Report](#) can be found on the dedicated Programme website. *[DN: a hyperlink will be added here to the 'Annual Implementation Report' before upload to website.]*

Further information about the Programme can be found at www.jobsandgrowthni.gov.uk

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Table 1 – Offers and investments made at 31 December 2015¹

Priority	Scheme	Programme Contribution (offers) €m	ERDF (60%) €m	Public or Private match (40%) €m	No. of enterprises offered support at 31 December 2015
1	Grant for R&D	61.769	37.062	24.708	90
	Design Service	0.199	0.120	0.080	57
	Priority 1 Total	61.969	37.181	24.788	147
2	Financial Instruments	21.405	12.843	8.562	60
	Selective Financial Assistance	4.651	2.791	1.860	29
	Local Economic Development (LED) ²	0	0	0	0
	Priority 2 Total	26.056	15.634	10.422	89
3	Low Carbon	0	0	0	0
	Priority 3 Total	0	0	0	0
	Priority 1 – 3 Total	88.025	52,815	35,209	236
4	Technical Assistance	2.5	1.5	1	9
	Programme Total	90.525	54.315	36.210	245

¹ Figures may not add up due to rounding

² Two LED scheme applications under consideration

Table 2 – Performance at 31 December 2015

ID	Indicator	Measurement Unit	Category of region (where relevant)	Baseline Value	Baseline Year	Target Value (2023)	2014	2015
SO1	NI BERD as a % of GVA	£ expressed as % of GVA)	Transition	1.60	2012	1.9–2.3	1.2	1.2
SO2	Companies engaged in R&D	Enterprises	Transition	495	2012	700	657	657
SO3	Number of SME high growth companies	Enterprises	Transition	695	2013	1300–1500	715	845
SO4	Employment within micro and small businesses	FTE	Transition	297,000	2013	333,000–339,000	301,000	303,000