

THE EUROPEAN SUSTAINABLE COMPETITIVENESS PROGRAMME FOR NORTHERN IRELAND 2007-2013

MANAGING AUTHORITY GUIDANCE

RETAIL EXPENDITURE



1.0 Introduction

- 1.1 This guidance supplements DFP Guidance Note 5 (Northern Ireland Rules on the Eligibility of Expenditure).

2. Regulations and Background

- 2.1 Commission Regulation 1080/2006 - Article 3 para 2 states:-“The ERDF shall contribute towards the financing of:
- (a) productive investment which contributes to creating and safeguarding sustainable jobs, primarily through direct aid to investment primarily in small and medium-sized enterprises (SMEs);”
- 2.2 Paragraph 3 of DFP Guidance Note 5 states that “activities which add nothing to regional development but **displace similar** existing activities are ineligible”.
- 2.3 Support to specific retail businesses (including capital development) is viewed as generally causing displacement and is therefore normally ineligible for ERDF support.

3. Eligibility of Retail in ERDF funded projects

3.1 There are two examples of where retail operations could be eligible for ERDF funding support:

(a) Example 1 - A business could receive ERDF for advising retailers, theatres/cinemas, pubs, banks etc on improving their performance in areas such as environmental sustainability or equal opportunities, where the issue of displacement does not arise.

(b) Example 2 - An operation which provides generic business support and:

- does not pro-actively target retail businesses
- is based around business advice
- does not seek to duplicate or displace existing activity

3.2 Cases such as this should be considered on a case by case basis and we recommend that the advice of the Managing Authority be sought.