

**APPLICATION FOR FINANCIAL ASSISTANCE UNDER THE SPECIAL SUPPORT PROGRAMME FOR PEACE AND RECONCILIATION**

(See Part II of the Notes for Guidance)

- 1. **Sub-programme** under which you are applying 5
- 2. **Measure** under which you are applying 1
- 3. **DETAILS OF APPLICANT** - See Notes for Guidance Part II Question 3

Name	LEDU	Postcode	BT8 4TB
Address	Upper Galwally BELFAST	Fax No.	(01232) 691432
Telephone No.	(01232) 491031	Telephone No.	(01232) 491031
Name of Contact	Sharon Polson		
Legal Status	Regional Development Manager		

If applying on behalf of an organisation please summarise its aims and objectives

- 4. **DETAILS OF PROJECT** - See Notes for Guidance Part II Question 4

Title	Seed Capital Fund	Postcode	BT8 4TB
Location	LEDU Upper Galwally BELFAST		
District Council/Local Authority Area			



4(a) **Project description** - please describe the project referring in particular to the background to and need for the project, its aims and objectives, potential benefits and timescales. For proposals which concentrate on the provision of vocational training, details should be given of the anticipated numbers of trainees/participants by year and the expected outcomes of the project eg numbers into employment, further/higher education, qualifications gained.

The project is to provide seed capital funding for new start-up businesses in LEDU admissible companies operating in the manufacturing and business services sectors, where seed capital refers to funding for pre-start or new start businesses. In identifying the need for a new Seed Capital Fund we have looked at the current provision of funding for small firms in NI and assessed potential demand for this type of support. Our analysis highlights the fact that availability with regard to financing small businesses and accessibility of small firm finance is a key issue in NI, confirming the need for more accessible small firm finance over and above that provided. In direct response to need the Seed Capital Fund would therefore provide funding of up to £50,000 to be targeted at the following:-

- those groups in disadvantaged areas or which have been disadvantaged as a result of the political situation in NI.
- projects which have difficulty in accessing funding from other sources.
- high tech projects (although not exclusively).

The objectives of the proposed Fund are in keeping with the objectives of the Productive Investment and Industrial Development Sub-Programme of the SSP and are:-

- To create and accelerate investment in NI.
- To improve access to finance for new business starts in disadvantaged areas and for individuals whose circumstances make access to finance difficult.
- To encourage individuals from disadvantaged areas to take forward viable business ideas.
- To provide assistance for new businesses which will ultimately feed into LEDU growth programmes.
- To increase the number of employment opportunities in NI as a whole and in disadvantaged areas in particular.
- To alleviate the labour market difficulties in NI and make an impact on the long term unemployment problems experienced in disadvantaged areas.

Output indicators for the Seed Capital Fund are:-

- Number and value of approved loans drawn down.
- Performance of enterprises after they have received assistance eg. whether they move onto LEDU growth programmes.
- Number of businesses selling in export markets.
- Number of jobs sustained or new jobs created as a direct result of the assistance.
- Proportion of assisted projects in deprived areas.

The overall impact of the Seed Capital Fund will be to increase the level of investment in the NI economy and particularly in deprived areas. This should have a positive impact on the number of jobs sustained and created which will ultimately enhance the economic and social fabric of local communities throughout NI.



4 (b) How would the project meet the objectives and selection criteria of the relevant measure of the Special Peace and Reconciliation Programme ? You should also comment on the relevance of the project to the overall strategic aims of the Programme and relevant Sub-programme.

The project will directly result in the development of new sustainable businesses thereby contributing to the creation and safe guarding of jobs and is to target disadvantaged areas in particular. It will help to promote reconciliation by stimulating private sector investment leading to sustainable employment and development through stimulating new business starts in disadvantaged areas.

4(c) Estimated start date                      June 1996

4(d) Estimated end date                      June 1998

4(e) Estimate how many jobs will be created (if appropriate)

(I) Permanent Full-time	200	Permanent Part-time	100
(ii) Temporary Full-time		Temporary Part-time	

4(f) Give details of the relevant functions/activities currently provided in the area that are similar to those offered by the project. How will your project complement these activities ?

There are a range of funding schemes in NI currently available for pre-start and new start-up businesses including the Business Enterprise Loan Fund, LEDU's Regional Loan Fund, NIIP Small Business Venture Fund and PYBT. The proposed Seed Capital Fund will complement these activities by providing accessible funding of up to £50,000 for viable projects which have difficulty in accessing funds from other sources and which represent disadvantaged areas or groups.

4(g) In the case of projects which offer a service give details of the expected level of use.

The project is to be administered through four channels with a focused level of usage under each one:

1. Local Enterprise Fund - 6 LEAs processing approximately 200 loans in total per year.
2. ORTUS Fund - approximately 15 referrals per quarter ie. 60 per year.
3. NIIP Fund - relatively small number of high tech, high growth potential.
4. Peer Group Lending - approximately 200 small, short term loans per year.

4(h) Give details of those groups (eg community, women, youth) which the project will target and say how they will benefit.

The project will target groups from disadvantaged areas or which have been disadvantaged as a result of the political situation in Northern Ireland. These groups will benefit by improved access to finance for new business starts in disadvantaged areas and for individuals whose circumstances make access to finance difficult, thus making it easier for individuals to take forward viable business ideas.



4(i) Will the project have any effect on the environment ?

Yes  No

Note: Planning permission is required for infrastructure projects. An environmental impact assessment will also be carried out on projects as appropriate.

If 'Yes' please give details

4(j) Is this application

(i) Relevant to Northern Ireland only ?

Yes  No

(ii) Relevant to the Border Counties of Ireland only ?

Yes  No

(iii) A joint cross-border project ?

Yes  No

If (iii) give the identity of the lead parties on both sides of the border

5. (See Part II Notes for Guidance Question 5)

Have you received, applied for, or intend to apply for financing for this project from another sub-programme/measure under this Programme, any other European Programme or other funding source (eg IFI) ?

Yes  No

If 'Yes' please state

- (i) Received/applied for/intend to apply (delete as applicable)
- (ii) Programme/Initiative/Sub-programme/Measure under which the application was made:
- (iii) To whom the application was made
- (iv) Date of application
- (v) Was the application approved ?  
Yes  No  Decision Awaited
- (vi) Details (amount approved, date paid, etc)



6. **FINANCIAL DETAILS** - See Notes for Guidance Part II Questions 6

6(a) What is the estimated total cost of the project ?

£2.1m

6(b) How much Structural Funds grant are you seeking under the Special Support Programme for Peace and Reconciliation ? For what will these funds be used ?

£2.1m for use as described at 4 (a).

6(c) Please provide details of all sources of funding.

Possible sources of funding	Amount £'000			% of total amount		
	Capital	Recurrent	Total	Capital	Recurrent	Total
Special Support Programme	1575.2			75		
Central Government	525			25		
Local Government						
Other European programmes						
Own Resources*						
Other eg IFI (please specify)						
<b>Total</b>	2100.2			100		

\*Applicants must be able to demonstrate that these resources are available

6(d) Please provide details of the anticipated phasing of the expenditure.

Year	EC Grant	Central Govt	Local Authority	Own Resources	Other	Total
1995	-	-				-
1996	1300	450				1750
1997	275	75				350
Residual expenditure	1575	525				2100

6(e) Please provide a detailed breakdown of the total cost of the project (eg administrative costs, premises, salaries, consultancy fees, land costs etc).

Administrative costs approximately 10% of total. Other costs kept to minimum through operation of fund through existing channels ie. LEAs, ORTUS, NIIP.

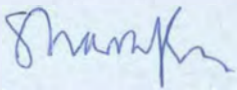


7. **OTHER INFORMATION**

Please provide any other information which you consider relevant to your application and list any reports etc relating to your organisation and/or the project which you have enclosed with this application.

8. **DECLARATION** - See Notes for Guidance Part II Question 9

- **I declare that all the information provided is true and correct.**

Signed   
*on behalf of the organisation*

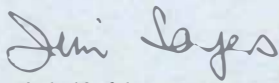
Date 5.3.96

**Name in capitals**

SHARON POLSON

**Position held**

REGIONAL DEVELOPMENT MANAGER

Signed   
*on behalf of the organisation*

Date 06 MAR 1996

**Name in capitals**

JIM SAYERS

**Position held**

REGIONAL OPERATIONS DIRECTOR