AFII will improve the economic performance and competitiveness of Northern Ireland’s food processing sector through providing financial assistance towards transformative capital investment. This investment will deliver against 10X’s triple bottom line of innovation, inclusivity, and sustainability, as well as delivering improved business productivity and the embracing of data analysis and digitalisation.



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Appendix 1 - Rural Needs Impact Assessment (RNIA)

Template

1E. Please provide details of the aims and/or objectives of the Policy, Strategy, Plan or Public Service.

Agri-Food Investment Initiative (AFII).

1D. Please provide the official title (if any) of the Policy, Strategy, Plan or Public Service document or initiative relating to the category indicated in Section 1C above.

Developing a Policy Strategy Plan

Adopting a Policy Strategy Plan

Implementing a Policy Strategy Plan

Revising a Policy Strategy Plan Designing a Public Service

Delivering a Public Service

X

1C. Please indicate which category the activity specified in Section 1B above relates to.

Launch of an Agri-Food Investment Initiative – a capital grant to support transformative investment by food & drink SMEs and large agri-food processing businesses.

1B. Please provide a short title which describes the activity being undertaken by the Public Authority that is subject to Section 1(1) of the Rural Needs Act (NI) 2016.

Invest Northern Ireland (Invest NI).

1A. Name of Public Authority.

**SECTION 1 - Defining the activity subject to Section 1(1) of the Rural Needs Act (NI) 2016**

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n/a

*Reasons why a definition of ‘rural’ is not applicable.*

The rationale for including an option to extend the definition of rural is to better align AFII with the European Commission approval for the Agri-Food Investment Scheme (AFIS), i.e. the part of AFII applicable to large enterprises. This stipulates that AFIS is directed towards large enterprises which are active in the processing of Annex I to Annex I agricultural products (i.e. the processing of agricultural products listed in Annex I Treaty on the Functioning of the European Union (with the exception of fish products)). Invest NI therefore considers it possible for a processing business to be located in a non-rural area by way of definition, but for the benefits of investment to flow back through the supply chain to farmers/primary suppliers. In instances where a business can demonstrate this, alongside the other AFII criteria, Invest NI will consider an AFII project application.

*Rationale for using alternative definition of ‘rural’.*

Invest NI’s preferred definition of “Rural” under this scheme is the ‘settlement patterns’ definition whereby those settlements defined as small towns and above (i.e. a population above 5,000) would be classified as urban and those settlements with populations below 5,000 would be classified as rural. Eligibility for AFII will initially be based on this definition but it may be extended to allow for support to those businesses where, even though the business is located within an urban area, the benefits resulting from the investment in the business will flow back through the supply chain to rural areas (this could be demonstrated by, for example, raw material secured from rural areas or employment secured from rural areas).

*Details of alternative definition of ‘rural’ used.*

Population Settlements of less than 5,000 (Default definition). Other Definition (Provide details and the rationale below).

A definition of ‘rural’ is not applicable.

X

1F. What definition of ‘rural’ is the Public Authority using in respect of the Policy, Strategy, Plan or Public Service?

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The focus of large enterprise investment under AFII is on investment in rural areas of NI (as per the European Commission approval for AFIS). There is scope for this definition of rural to be expanded, as outlined at Section 1F, dependent on a demonstration of how the benefits from investment in a business would flow back to the primary processor.

SME’s seeking support under AFII may however be located in either rural or urban areas of NI.

2C. If the Policy, Strategy, Plan or Public Service is likely to impact on people in rural areas *differently* from people in urban areas, please explain how it is likely to impact on people in rural areas differently.

Food and drink processing is the largest manufacturing sector in Northern Ireland, generating sales of £6.3 billion annually and employing almost 24,000 people. The processing of agricultural products (i.e. meat and dairy) accounts for the largest proportion of this output, supporting the 25,000 farms across NI which supply these businesses.

It stands to reason therefore, that investing in NI’s largest manufacturing sector, with a focus on investing in transformative technologies which will make the sector more productive and efficient, with an increased demand for raw materials, will serve to benefit the local agricultural sector and other rural industries which form part of the integrated agri supply chain. This multiplier effect from agricultural activity helps to keep NI’s rural towns and villages economically viable, with food and drink processing and agri-food processing making a major economic contribution to rural Northern Ireland and the overall NI economy.

2B. Please explain how the Policy, Strategy, Plan or Public Service is likely to impact on people in rural areas.

Yes No If the response is **NO** GO TO Section **2E**.

X

2A. Is the Policy, Strategy, Plan or Public Service likely to impact on people in rural areas?

**SECTION 2 - Understanding the impact of the Policy, Strategy, Plan or Public Service**

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2E. Please explain why the Policy, Strategy, Plan or Public Service is NOT likely to impact on people in rural areas.

If the response to Section 2A was YES GO TO Section 3A.

Rural Businesses Rural Tourism Rural Housing

Jobs or Employment in Rural Areas Education or Training in Rural Areas

Broadband or Mobile Communications in Rural Areas Transport Services or Infrastructure in Rural Areas Health or Social Care Services in Rural Areas

Poverty in Rural Areas Deprivation in Rural Areas

Rural Crime or Community Safety Rural Development

Agri-Environment

Other (Please state)

X

X

X

X

X

2D. Please indicate which of the following rural policy areas the Policy, Strategy, Plan or Public Service is likely to primarily impact on.

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3C. Please provide details of the methods and information sources used to identify the social and economic needs of people in rural areas including relevant dates, names of organisations, titles of publications, website references, details of surveys or consultations undertaken etc.

Consultation with Rural Stakeholders Published Statistics Consultation with Other Organisations Research Papers Surveys or Questionnaires Other Publications

Other Methods or Information Sources (include details in Question 3C below).

3B. Please indicate which of the following methods or information sources were used by the Public Authority to identify the social and economic needs of people in rural areas.

Yes No If the response is **NO** GO TO Section **3E**.

X

3A. Has the Public Authority taken steps to identify the social and economic needs of people in rural areas that are relevant to the Policy, Strategy, Plan or Public Service?

**SECTION 3 - Identifying the Social and Economic Needs of Persons in Rural Areas**

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The purpose of AFII is to support transformative investment by food and drink and agri-food processing businesses in NI. The focus of AFII is five-fold: driving up productivity within these businesses, encouraging the use of data and digitalisation, improved sustainability outputs, an increase in innovation, and delivering against inclusivity (as per 10X). The inclusivity pillar of 10X seeks to address the social and economic needs of people across NI, including at a sub-regional level. Therefore, in delivering for 10X, AFII should deliver against the identified social and economic needs of the people of NI, including those in rural areas.

3E. Please explain why no steps were taken by the Public Authority to identify the social and economic needs of people in rural areas?

If the response to Section 3A was YES GO TO Section 4A.

3D. Please provide details of the social and economic needs of people in rural areas which have been identified by the Public Authority?

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Food and drink processing and agri-food processing make a major economic contribution to rural Northern Ireland and the overall NI economy.

Access to well-paid employment and a skilled labour force is a key factor in creating thriving rural communities and supporting rural business growth. The sustainability of NI’s rural communities will be dependent upon the generation of jobs, diversification and upskilling in jobs, increased innovation and development of export potential.

The rural economy is dependent on rural businesses innovating and building capacity and capability. Investment in businesses located in rural areas, or where the benefit will flow back to rural areas, will provide greater employment opportunities in rural areas. Transformative investment as anticipated under AFII, will see an increase in higher skilled positions in these businesses (e.g. advanced engineering, data analysts), with these jobs attracting higher salaries, and providing a wider range of job opportunities rurally.

In support of these needs, businesses will need to invest in training and skills development, providing knock-on upskilling opportunities in rural areas.

4A. Please provide details of the issues considered in relation to the social and economic needs of people in rural areas.

**SECTION 4 - Considering the Social and Economic Needs of Persons in Rural Areas**

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If the response to Section 5A was YES GO TO Section 6A.

Large enterprises seeking support towards investment projects under AFII (and specifically AFIS, as per the European Commission approval), must either be located in a rural area, or must demonstrate how their project will benefit rural NI. Further, large enterprises must provide evidence of the projected increase in processing of Annex I products from NI as a result of their investment project.

All enterprises (Large and SME’s) seeking support under AFII must demonstrate how their investment will deliver improved business productivity and the embracing of data analysis and digitalisation, as well as delivering against 10X’s triple bottom line of innovation, sustainability and inclusivity, with inclusivity to include how the investment will impact on rural areas of NI.

5B. Please explain how the development, adoption, implementation or revising of the Policy, Strategy or Plan, or the design or delivery of the Public Service, has been influenced by the rural needs identified.

Yes No If the response is NO GO TO Section 5C.

X

5A. Has the development, adoption, implementation or revising of the Policy, Strategy or Plan, or the design or delivery of the Public Service, been influenced by the rural needs identified?

**SECTION 5 - Influencing the Policy, Strategy, Plan or Public Service**

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Rural Needs Impact Assessment undertaken by:

Gráinne Moody

Position/Grade:

Client Manager/Grade 7

Division/Branch

Food & Drink Division, Invest NI

Signature:

Gráinne Moody

Date:

09/12/2022

Rural Needs Impact Assessment approved by:

John Hood

Position/Grade:

Director/Grade 5

Division/Branch:

Food & Drink Division, Invest NI

Signature:



Date:

/12/2022

I confirm that the RNIA Template will be retained and relevant information compiled.

X

6A. Please tick below to confirm that the RNIA Template will be retained by the Public Authority and relevant information on the Section 1 activity compiled in accordance with paragraph 6.7 of the guidance.

**SECTION 6 - Documenting and Recording**

5C. Please explain why the development, adoption, implementation or revising of the Policy, Strategy or Plan, or the design or the delivery of the Public Service, has NOT been influenced by the rural needs identified.