Review of investments to establish if Invest NI funding was used to manufacture arms or their components for supply to Israel.

Foreword

Invest NI is the regional economic development agency for Northern Ireland (NI). As a non-departmental public body of the Department for the Economy (DfE), its statutory role is to grow the local economy by supporting businesses to establish, scale, innovate, and export. The agency also has a mandate to promote NI for Foreign Direct Investment (FDI). The current client portfolio comprises more than 3000 companies, who collectively locally employ over 129,000 people, generate £22.9 billion of external sales and over £10.2 billion of exports.

Invest NI provides financial and non-financial assistance through delivering strategic programmes across several priority sectors including advanced manufacturing, life & health sciences, digital & creative technologies, food & drink, financial & professional services and aerospace, defence, security & space. Its diverse client base spans micro-enterprises to large multinationals and reflects the breadth of Invest NI's sectoral reach.

The aerospace, defence, security, and space sector is a significant and growing industry within our economy. In 2024, the combined turnover of the sector reached £2.2 billion, doubling its size over the past decade. As one of the region's major exporting sectors, it now contributes £900 million in additional value to the local economy and supports over 9,000 direct jobs, including more than 500 apprentices[1].

Invest NI has very few defence focused clients exclusively engaged in the development and manufacture of defence related products. Most companies operating in this space are advanced manufacturing supply chain companies. They manufacture a diverse range of components and products for customers in multiple sectors including aerospace, automative, materials handling, construction, general manufacturing and defence. These companies form part of a dynamic and award-winning local manufacturing supply chain.

Invest NI plays an important role in supporting the strategic growth of the aerospace, defence, security and space sectors. We provide financial assistance to these businesses to help develop their overall capabilities and competitiveness. All assistance is provided in line with EU state aid and UK subsidy control rules and is targeted at permitted areas such as capital equipment and job creation, research and development to enable businesses to innovate; support staff upskilling; enable decarbonisation through supporting energy efficiency projects; and to explore new market opportunities.

In accordance with EU state aid rules, Invest NI is prohibited from funding a company's day-to-day operating costs, including those costs directly associated with the manufacture of goods.

In parallel, the UK Government enforces an export control regime through the Export Control Joint Unit (ECJU). All Northern Ireland businesses involved in the export of arms or their components must comply with these regulations. These controls are designed to prevent the

[1] Turnover of Northern Ireland's aerospace, defence, security and space sectors doubles to £2bn, exceeding targets - ADS Group

export of miliary or dual use products that could undermine national or international security, contribute to conflict, or violate human rights.

In accordance with the Terms of Reference agreed with the Department for the Economy (DfE), Invest NI has conducted a comprehensive review of all relevant investment projects approved since 7 October 2023.

While the review does not include projects approved prior to this date, Invest NI's due diligence, multi-stage appraisal and approval processes, EU State Aid rules, and the UK Export Control regime were fully operational before and after 7 October 2023. These frameworks provide safeguards against the misuse of public funds and ensure compliance with national and international obligations. Therefore, while the geopolitical context has evolved significantly, reassurance is taken from the fact that governance and decision-making processes were consistently applied.

Under our statutory remit, Invest NI has a responsibility to support local businesses, including those operating in, or supplying into, the defence sector. Invest NI will continue to apply its rigorous due diligence and approval processes to ensure that our investment decisions are responsible and consistent with policy.

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1. Executive Summary

1.1. On 10 February 2025 the Minister for the Economy requested that Invest NI conduct a thorough internal review of its investments, to ensure no projects supported by Invest NI are involved in the manufacture of arms or their components for the supply to Israel.

1.2. The Terms of Reference (ToR) for the review were developed in conjunction with the Department for the Economy (see Annex A for the full ToR). The review focused on investments made by Invest NI from 7 October 2023 onwards. The events on this date resulted in a shift in the geopolitical landscape and led to increased international scrutiny of military supply chains.

1.3. The review's objectives were:

- To conduct a comprehensive examination of projects financially assisted by Invest NI, that fell within the scope of the ToR, to ascertain if any financial assistance has been allocated to projects that involved the manufacture of arms or their components, to be supplied to Israel.

- To assess, and where necessary, strengthen, Invest NI's due diligence and project approval processes to ensure future investments are robustly screened to prevent support from Invest NI being used for projects that contribute to the arming of Israel.

1.4. The detailed review covered 93 projects, spanning 20 Invest NI programmes. **The review has confirmed that no project supported by Invest NI was for the purpose of supporting the manufacture of arms or their components, for supply to Israel**.

1.5. In line with EU state aid regulations, **Invest NI is prohibited from funding a company's day to day operating costs.** This includes costs directly related to the manufacture of goods, such as salaries, rent, utilities, and raw materials. As a result, Invest NI does not provide financial support for day-to-day business operations or manufacturing costs.

1.6. **All financial support was provided in line within Invest NI's statutory and legal obligations**, as well as prevailing national and regional industrial strategy and economic policy.

1.7. **The review confirmed that Invest NI's multi-stage appraisal and approval processes provides robust safeguards against the misuse of funding.** Following a review of its internal controls, Invest NI concluded that no additional measures or amendments are required. The current systems are considered sufficiently robust to screen out future investments in projects that would provide financial assistance for the purpose of manufacturing of arms or their components to be supplied to Israel.

1.8. The review has concluded that Invest NI has not supported any projects that provide financial assistance for the manufacture of arms or their components, to be supplied to Israel, since the 7 October 2023. Therefore, Invest NI can assure the Minister, it does not support projects that provide arms to Israel.

2. Introduction

2.1. There has been public scrutiny around the involvement of locally based manufacturing firms in the supply of products entering global arms supply chains supporting Israel, and whether Invest NI (‘**Invest NI**’) funding has been used to support the manufacture of these components.

2.2. In response to these concerns Invest NI has provided assurances to the Minister for the Economy (‘**the Minister**’) that it has not supported any projects that arm Israel. To uphold public confidence in the integrity of Invest NI’s investment practices, on 10 February 2025 the Minister requested that Invest NI conduct a thorough internal review of its investments, to ensure that no Invest NI supported projects are involved in the manufacture of arms or their components, which are supplied to Israel.

2.3. The purpose of the review was:

- **To conduct a comprehensive examination of projects supported by Invest NI since 7 October 2023**, to ascertain if financial assistance had been allocated to projects that involved the manufacture of arms or their components, to be supplied to Israel.
- **To assess, and where necessary, strengthen, Invest NI’s due diligence and project approval processes**, to ensure future investments are robustly screened to prevent support from Invest NI being used for projects that contribute to the arming of Israel.

2.4. This report presents the findings of the internal examination, structured around these two core objectives.

3. Background

The Role of Invest NI

3.1. Invest NI is a regional economic development agency. It is a non-departmental public body (‘**NDPB**’) whose partner department is DfE. Invest NI’s statutory function is economic development by supporting businesses and attracting inward investment.

3.2. The legal functions and powers of Invest NI are set out in the **Industrial Development Act (Northern Ireland) 2002, the Industrial Development (Northern Ireland) Order 1982** and **Article 3 Energy Efficiency (Northern Ireland) Order 1999**. Collectively these:

- established Invest NI as an arm’s length NDPB, a body corporate with an independent board.
- transfer powers from the former Industrial Development Board (IDB), Local Enterprise Development Unit (LEDU), and Industrial Research and Technology Unit (IRTU) to Invest NI.
- provide Invest NI with the statutory authority to exercise functions related to industrial development, provision of financial assistance, research and development (**‘R&D’**), as well as the provision of premises and sites.

3.3. Invest NI may:

- provide financial assistance to industrial undertakings;
- promote economic development and competitiveness;
- support innovation, R&D, and skills development;
- promote energy efficiency in industry;
- attract and facilitate inward investment to NI.

3.4. Invest NI aims to drive productivity by increasing the global competitiveness of businesses operating across the region. The organisation develops financial and non-financial assistance programmes to deliver on the economic vision of the Minister and Department for the Economy (“**DfE**”). This includes providing support to local entrepreneurs and start-ups, as well as established indigenous companies and foreign direct investors.

4. Policy and Strategy Framework

4.1. The Minister's economic vision is built around four interconnected priorities:

- creating more - good jobs;
- boosting productivity;
- promoting regional balance; and
- reducing carbon emissions.

This vision aims to drive inclusive and sustainable economic growth while addressing the long-term structural challenges facing the region.

4.2. Invest NI's Business Strategy 2024–2027[2] is aligned with the Minister's economic vision and provides a clear and coherent direction for the organisation, fully aligned with DfE policy. It outlines how Invest NI will work collaboratively with business partners, central and local government, and stakeholders to deliver on the Minister's four priorities.

5. State Aid / Subsidy Control and Invest NI Programmes

5.1. Invest NI must ensure it fully complies with EU State Aid rules and regulations and UK Subsidy Control Act 2022[3] to ensure that all the financial interventions are lawful, transparent, and do not distort competition within the UK or EU markets. This maintains the integrity of public funding, protects the organisation's ability to operate, and safeguards beneficiaries from legal and financial risk of clawback of funds.

5.2. For businesses involved in the manufacture of goods, any financial support provided by Invest NI must comply with EU State Aid rules under Article 10 of the Windsor Framework. Notably, arms and their components are classified as 'goods' under the Framework, meaning any related financial assistance must meet EU State Aid compliance requirements.

5.3. Under EU State Aid rules, Invest NI can support businesses in areas that enhance capability and productivity. Eligible support includes investment in innovation, research and development, skills development, energy efficiency, digital transformation, and export growth.

5.4. Under EU Regional Aid provisions, Invest NI is able to offer financial assistance to support capital investment projects. This includes funding for the construction or expansion of buildings, the acquisition of manufacturing equipment, including robotics and automation systems. Incentives may also be available for job creation. Manufacturing equipment typically has a lifespan of 10 to 20 years and is often

[2] Invest NI Business Strategy 2024-2027 (PDF)
[3] Subsidy Control Act 2022

deployed across a wide range of applications throughout its operational life. In the case of Advanced Manufacturing supply chain businesses, such equipment can be used to produce products and components for a diverse customer base spanning multiple sectors, including, potentially, the defence sector.

5.5. Funding towards the day to day running (operating) costs of business such as salaries, rent, utilities, and raw material is generally not compatible with the internal market. Therefore, Invest NI does not provide financial assistance towards a business' day to day running costs or the costs of manufacturing the goods produced.

5.6. Invest NI designs its programmes to comply with State Aid, Subsidy Control and the General Block Exemption Regulation[4] (GBER) and associated guidelines.

5.7. Invest NI's key programme areas include:

- R&D and innovation grants – supporting businesses to develop new products, services or processes;
- Business Expansion – grants for purchasing new equipment, or property expansions, and job creation support.
- Export & International Trade – grants for businesses entering new markets, trade missions and market research;
- Skills Development – upskilling of companies' staff, with a focus on leadership skills, technical skills and employability skills;
- Sustainability – energy and resource efficiency grants.

6. Global Supply Chains

6.1. The global aerospace and defence supply chains are highly sophisticated multi-tiered ecosystems that support the development and production of highly complex aerospace and defence products. These supply chains span continents and involve thousands of companies, each contributing specialized components, technologies, and services that ultimately feed into the Original Equipment Manufacturers (OEMs) like Boeing, Airbus, Lockheed Martin, and BAE Systems.

6.2. The OEM sits at the top of the defence supply chain hierarchy and is responsible for the final assembly and integration of complete systems. Most local companies involved in the defence sector operate as Tier 2 suppliers. They typically manufacture individual component parts under contract to Tier 1 suppliers, who then integrate these components into larger subsystems. These subsystems are subsequently delivered to OEMs for incorporation into fully assembled final defence products. As a result, local businesses are typically two steps removed from the final product and

[4] Regulation - 651/2014 - EN - General Block Exemption Regulation - EUR-Lex

have no visibility or control over where or how the fully assembled system is ultimately to be sold, deployed, or used.

6.3. Defence supply chains and final sale of the end product is a tightly controlled process involving OEMs, governments, and regulatory bodies.

7. UK Export Controls

7.1. The UK operates an export control regime designed to regulate the international trade of military and dual-use goods, software, and technology. These controls are grounded in the Export Control Act 2002[5] and implemented by the Export Control Joint Unit ("**ECJU**") through the Strategic Export License[6], which assesses applications against a range of legal, ethical, and security considerations.

7.2. The ECJU is a part of the UK Department for Business and Trade ("DBT"). The ECJU evaluates licence applications for military and dual-use items, ensuring that exports do not contribute to internal repression, exacerbate regional conflicts, or undermine international peace and security. Licences are issued, refused, suspended, or revoked based on these criteria, and decisions are published quarterly to maintain transparency.

7.3. In addition to licensing controls, the UK enforces embargoes and a sanctions regime in alignment with international legal obligations.

7.4. All businesses in Northern Ireland seeking to export military or dual-use goods, (including components) must comply with UK export controls and licencing, designed to ensure that exports do not breach national or international law.

7.5. The **UK's export control regime is enforced by HM Revenue & Customs (HMRC) and the ECJU**. Violations are treated with high priority, which can have serious legal and financial consequences for businesses, including criminal prosecution and financial penalties.

[5] UK strategic export controls - GOV.UK
[6] Strategic export control licence - GOV.UK

8. Terms of Reference

8.1. Invest NI developed the Terms of Reference (**ToR**') for this review in conjunction with the DfE. A full copy of the ToR is in Annex A of this report. The ToR defines both the scope and methodology used in undertaking the review, establishing a clear framework for its execution.

8.2. The review focuses on all investments made by Invest NI since 7 October 2023. This date was selected as it represented a shift in the geopolitical landscape and increased scrutiny of military supply chains. It also serves as a practical inflection point for assessing the relevance and appropriateness of Invest NI's investment decision. The review period completed on the 1 June 2025.

9. Definition of an 'Investment' & Definition of 'Arms'

9.1. The Minister has requested Invest NI conducts a review of 'Investments'. For the purposes of this review, an 'Investment' is defined as a Client Company Project (the '**Project**') which has undergone appraisal by Invest NI and received financial support.

9.2. A Project is characterised by the following:

- submission of an application form or business plan by a Client Company, under a specific Invest NI programme, requesting funding for eligible activities, such as R&D costs, skills development, energy efficiency, job creation etc.
- appraisal of the application or business plan by the relevant Invest NI staff member, in accordance with Invest NI's appraisal procedures (Invest NI's appraisal process is detailed Annex C).
- preparation of a casework submission by Invest NI staff to the appropriate delegated Invest NI approver, outlining the project details, activities to be supported, eligible costs and justification for financial support.
- Where the application is successful, a grant agreement is issued and accepted, setting out the terms and conditions of funding ('**Letter of Offer'**), detailing the eligible activities and associated costs which may be claimed by the Client Company.

9.3. This review will assess **whether any financial assistance provided by Invest NI has been granted for the purpose of supporting the manufacture of arms or their components, for supply to Israel.** For the purposes of this review:

- '**Arms**' are defined as military weapons specifically designed for use by armed forces in combat operations.
- '**Components**' refer to any individual part, subsystem, or element that contributes to the overall functioning of a military weapon or weapon system.

10. Investment Review

10.1. Section 3 of the ToR (see Annex A) outlines the criteria used to determine which Projects would be included in the scope of this review. **When this criterion was initially applied to the portfolio of Projects, no Projects fell within the scope of the review.**

10.2. Invest NI therefore undertook to widen the scope of the review and adopted a broader approach to Project selection. The scope was widened to include any Client Company Invest NI reasonably believed had the capability to supply the defence sector. This was done to ensure transparency and comprehensiveness.

10.3. The following systematic steps were taken to identify Projects for review:

- **Step 1 - Date Filter**: Companies that received a Letter of Offer from Invest NI on or after 7 October 2023 were considered.
- **Step 2 - Sectoral Exclusion**: Client Companies operating in sectors deemed wholly unrelated to defence manufacturing—such as construction, food and drink, life and health sciences, road transport, and material handling—were excluded.
- **Step 3 - Regional Client Review**: Client Companies managed by Invest NI's regional office network, typically start-ups or micro-enterprises with turnover below £1 million, were excluded due to the high barriers to entry to the defence sector. As a safeguard, regional offices were asked to identify any clients they believed had relevant capabilities. No such companies were identified.
- **Step 4 - Client Executive Assessment**: Invest NI's client executive team was asked to identify Client Companies with 'the potential'—as well as confirmed—capability to supply the defence sector. This ensured that no relevant Client Company was omitted from the review.
- **Step 5 - Final Scope**: 1,256 Client Companies were identified as potentially within scope. Of the 1,256 identified, 48 of these Client Companies received financial assistance during the review period, in support of 93 Projects. These 93 Projects formed the basis of the examination and were subject to individual reassessment by the reviewers to determine whether any financial assistance was provided for the purpose of supporting the manufacture of arms or their components, for supply to Israel.

10.4. Expanding focus to include **potential** capability, as well as confirmed defence activity, strengthens the integrity of the review to ensure public confidence in its findings.

10.5. Of the 48 companies in scope, only 1 is primarily classified as a defence company. The remaining companies are in the AME sector and manufacture a range of goods for customers in multiple sectors. As the assessment has been based on 'potential' capability to supply the defence sector, this means that **some companies may have the capability to, but do not supply into the defence sector**.

Methodology

10.6. Invest NI support is provided to companies either directly by Invest NI or via External Delivery Organisations ("**EDOs"**) commissioned by Invest NI to deliver specific programmes or initiatives where the expertise does not exist internally.

10.7. The 93 Projects within the scope of this review span 20 Invest NI programmes. Each programme is listed in Fig. 1 below with a brief description, highlighting the types of eligible activities supported and the number of review Projects funded.

10.8. Of the 20 programmes, 15 are delivered directly by Invest NI, whilst 5 are delivered by EDOs, namely—Founders Lab Accelerator, Co-Investment Fund II, Growth Loan Fund II, Kernel Capital Development Fund, and Techstart II. These are equity investments, loan funds, or accelerator initiatives.

Fig 1. List of Invest NI programmes relevant to the scope of this review

Funding Programme	Description of programme	Number of projects
Programmes delivered directly by Invest NI		
SFA - Selective Financial Assistance	Offers discretionary grants to support capital investment and job creation in businesses that contribute to regional economic development	14
Technical Development Incentive (TDI)	Encourages technical innovation by funding feasibility studies, prototyping, and early-stage development of new products or processes.	12
Energy Efficiency Capital Grant	Helps businesses reduce energy costs and carbon emissions by funding the purchase and installation of energy-efficient equipment. Grants are capped based on company size	9
Skills for Growth	Supports larger-scale skills development projects with up to £2 million in eligible costs, focusing on workforce upskilling and productivity	8

Trade Accelerator Grant (TAG)	Supports export development by funding activities such as market research, trade missions, and promotional materials to help businesses enter new international markets.	7
Management Information Systems	Supports businesses in implementing digital systems to improve decision-making, operational efficiency, and data-driven management practices.	5
Project Definition	Provides early-stage support to help businesses define and scope potential R&D or innovation projects before applying for full funding.	5
Grant For Research and Development	Supports innovation by funding R&D activities that lead to new products, processes, or services, enhancing competitiveness and market reach.	4
Growth Accelerator Programme (GAP)	Provides financial assistance to support business growth through investment in capital, skills, and innovation, targeting productivity and job creation.	4
Resource Efficiency Capital Grant	Funds investments in technologies that improve resource efficiency—such as waste, water, and materials—helping businesses reduce costs and environmental impact	2
Supply Chain Resilience and Development Framework (SCRDF)	Strengthens local supply chains by supporting capability development, diversification, and resilience-building initiatives across key sectors	2
The Leadership Programme	Develops leadership capability in SMEs through structured training, mentoring, and peer learning to drive strategic growth and transformation.	2
Ambition to Grow (ATG)	Provides financial support to ambitious SMEs aiming to grow exports, create jobs, and increase productivity through innovation, market expansion, and capability development.	1
CDS Mentoring	Offers tailored mentoring to companies through the Collaborative Development Support (CDS) framework, helping them address strategic challenges and unlock growth opportunities.	1
Skills Advancement Grant	Provides funding for SMEs to invest in technical, management, and employability skills development. Support is capped at £15,000 over 18 months	1

Programmes delivered by External Delivery Organisations		
Kernel Capital Development Fund	A venture capital fund investing in innovative, high-growth companies, particularly in technology sectors, to drive commercialisation and scaling.	5
Techstart II - Proof of Concept Grant - Start Up Aid	Provides early-stage funding to entrepreneurs and start-ups to validate innovative ideas and develop proof-of-concept prototypes.	4
Founders Lab Accelerator Programme	Supports early-stage businesses with high growth potential through intensive mentoring, business planning, and market validation to accelerate their development and readiness for investment or scaling.	3
Co-Investment Fund II (ERDF)	A venture capital fund co-financed by ERDF, designed to stimulate private investment in high-growth SMEs by matching funding from private investors.	3
Growth Loan Fund II (ERDF)	Offers repayable loans to SMEs with growth potential, co-funded by ERDF, to support working capital, capital expenditure, or export development.	1

10.9. Of the 93 projects, 77 Projects were funded via 15 Invest NI delivered programmes and have casework documentation which was available for examination by the reviewers.

10.10. A casework document is a structured submission to an Invest NI approval panel. It provides a comprehensive evaluation of a proposed project seeking financial assistance from Invest NI and serves as the official record that outlines the rationale for support, the strategic fit of the project, and the expected economic benefits to the region. The document ensures that each funding decision is underpinned by a business case, appraisal, and in line with appropriate Invest NI's governance procedure.

10.11. The Casework document for each of the 77 Projects which received direct financial assistance from Invest NI, was manually examined by a member of the review team, to assess the purpose of the funding provided by Invest NI.

10.12. **In all 77 cases, the review found that no financial assistance had been provided by Invest NI for the purpose of supporting the manufacture of arms or their components.**

10.13. For programmes delivered by EDOs, where the EDO makes the investment decisions and does not use Invest NI's casework process, the following sources were used to examine assess whether Projects supported the manufacture of arms or their components:

- programme information outlining objectives and eligible activities;
- information on the businesses and their products or services, to assess if the businesses activities related to the manufacture of arms or their components;
- where necessary, direct engagement with the EDOs to confirm the intended purpose of funding.

10.14. Of the 16 Projects supported via the 5 programmes delivered by EDOs, based on the information examined it has been determined that no funding has been awarded for the purposes of manufacture of arms or their components. This was based on a combination of the types of activities supported by the EDO operated programme and the types of products or services supplied by the company.

10.15. A full list of the Projects which formed part of this review is included in Annex B of this report, detailing the relevant Invest NI funding programme and summary of activities supported.

11. Due Diligence and Approval Process Review

11.1. As per the ToR Invest NI undertook to assess its due diligence and approval processes, to ensure they are sufficiently robust to screen out any future projects requesting financial assistance for the purpose of manufacturing arms or their components for supply to Israel.

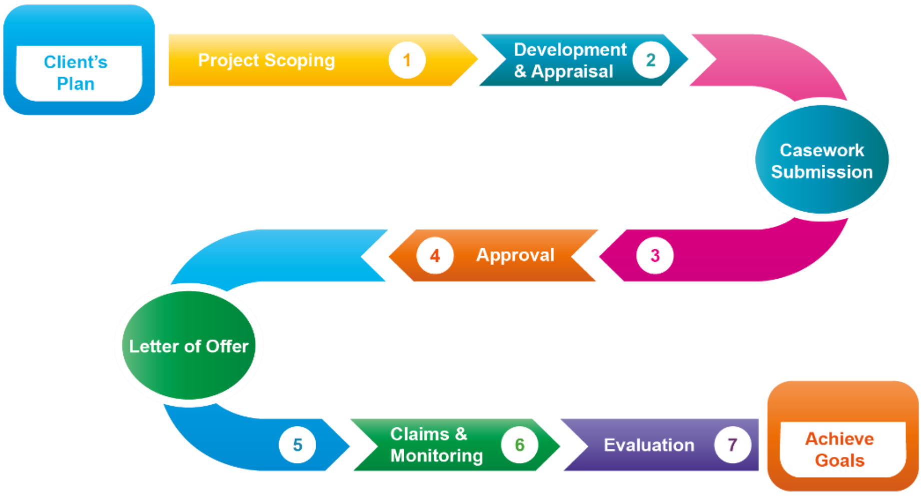
11.2. The examination also considered existing checks for military related projects, including alignment with export controls and international sanctions. And whether Invest NI risk assessment processes sufficiently screen for breaches of UK or international law.

Project application, appraisal, and approval process.

11.3. Invest NI's project appraisal and approval processes involves a multi-stage system designed to ensure transparency, value for money, and alignment with strategic economic goals. At its core, the process is governed by the principles of the Northern Ireland Guide to Expenditure Appraisal and Evaluation (**'NIGEAE'**), which mandates proportionate, evidence-based decision-making for all public spending proposals. Invest NI operates a rigorous appraisal framework that includes strategic fit analysis, market failure justification, risk assessment, and economic efficiency evaluation.

11.4. Full details of the project appraisal and approval process are contained in Annex C; however, the process is summarised in fig. 2 as follows:

Fig 2 – Casework Process



- **Project Scoping** incorporates initial discussions with a company to identify the potential project and the requirements. If the project is eligible for Invest NI support under a specific programme, this will lead to a completed application or Business Plan being submitted for appraisal.
- **Development & Appraisal** includes negotiations to establish core elements of project and level / structure of support. At this stage proportionate Business, technical and Economic Appraisals will also be undertaken.
- **Casework Submission** is the presentation of the justification for any financial support, to gain **approval** from the appropriate Delegated Authority[7]. Depending upon scale, a project may require DfE / Minister / DoF approval.
- A **Letter of Offer** is contractually binding and generated based on the project approved. Assistance will only be made available when an accepted, signed, returned offer is received and any pre-conditions met.
- All assistance is **claimed in arrears against vouched and approved expenditure** or delivery of milestones.
- Projects are **monitored** over their implementation period to ensure they are proceeding as planned.
- **Evaluation** will occur upon project completion to review outcomes against objectives, determine value for money (‘**VfM**’) and identify potential points of learning.

[7] DfE - Invest NI Partnership Agreement - for internet.pdf

Novel, Contentious or Repercussive Proposals

11.5. Managing Public Money NI[8] ('**MPMNI'**) states Department of Finance ("**DoF**") approval (in writing) is required for all expenditure which set precedents, is novel, contentious, or could cause repercussions elsewhere in the public sector. DoF approval is required irrespective of size and, even if the expenditure appears to offer value for money taken in isolation.

11.6. Any Invest NI expenditure proposal, irrespective of cost, that potentially sets precedents; is novel, contentious or could cause repercussions elsewhere in the wider public sector or economy, must automatically be referred to the Invest NI Sign-on Committee, prior to the commencement of any negotiations or appraisal.

11.7. The Sign-on Committee, involving Invest NI Executive Directors, undertakes an initial review of projects to ensure that a proposal is strategically aligned, affordable, not duplicated elsewhere and has an appropriately allocated risk profile. It enables the Invest NI senior leadership to consider the wider implication of contentious projects at an early stage.

Process Review

11.8. The review of Invest NI's current processes highlights several checks and balances in the approval process whereby projects involving the provision of funding for the purpose of manufacturing arms or their components to be supplied to Israel would be identified and escalated for additional scrutiny. These include:

- Invest NI does not operate any funding programmes which directly provide financial support for the manufacturing costs of goods made by companies. Any project funded by Invest NI must be delivered via an existing approved Invest NI Programme.

- Funding specifically towards the manufacturing costs of goods is not permitted under EU State Aid rules. Compliance with EU State Aid rules is challenged at several stages of the appraisal and approval process for Projects. (see section 5).

- The project sign on committee process provides an additional opportunity for projects to be scrutinized.

- During the appraisal and approval process there are several separate opportunities where such Projects would be identified, specifically:

[8] Managing Public Money NI (MPMNI) | Department of Finance

- During the project scoping phase when the Invest NI staff member discusses the details of a potential project with the company prior to submission of an application or business plan.

- When the Invest NI staff member seeks endorsement or approval from their Line Manager, this provides an opportunity for the eligibility of the project and project activity to be challenged.

- Casework committees provide an opportunity for the eligibility of a project to be considered by the approval panel.

11.9. Invest NI is fully confident that the comprehensive due diligence and approval processes currently in place (detailed in Annex C) provide robust safeguards against the risk of inadvertently approving financial support for the purpose of manufacturing of arms or their components, to be supplied to Israel.

11.10. Furthermore, Invest NI's strict adherence to State Aid rules, governance frameworks, and legal obligations, alongside established risk management protocols, collectively ensure that all proposals undergo a high degree of scrutiny. These mechanisms serve to identify and filter out any projects of concern at the earliest possible stage.

11.11. Having reviewed the existing Invest NI due diligence and approval processes, no amendments are recommended.

12. Exports, Export Control and International Sanctions

12.1. It is not possible for Invest NI or its client companies to fully track or determine the final destination of exported goods once they enter complex global supply chains. Over the lifecycle of a product, client companies may engage with multiple customers and export destinations, which can evolve over time. Nevertheless, there are safeguards embedded within the broader UK Government system to ensure that products are not supplied to destinations where they should not be.

12.2. Specifically, in relation to the export of arms and their components, safeguards are in place through the enforcement of UK export controls, which is the responsibility of HM Revenue & Customs (HMRC) and the Export Control Joint Unit (ECJU), which operates within the Department for Business and Trade (DBT). These bodies act under UK Government policy and are equipped with the necessary expertise, resources, and intelligence to carry out this function effectively.

12.3. Invest NI's Letter of Offer requires Client Companies to operate in compliance with all applicable laws or regulations affecting its business. Should HMRC or the ECJU determine that a company has breached export control regulations, Invest NI retains the right to recover grant funding through its clawback provisions.

13. Economic Development & Customer Impacts

13.1. The ToR sought to assess any potential impacts of amendments to due diligence or approval processes and whether this could restrict Invest NI's ability to support high value sectors critical to the local economy.

13.2. As no amendment to processes are being recommended (see Section 11 – Process Review), no assessment of the impact on Invest NI economic development activities or customers is required.

14. Conclusions

14.1. The comprehensive review of Invest NI's investments has reaffirmed the agency's commitment to responsible and transparent investment practices.

14.2. The review applied a rigorous and inclusive methodology to ensure that all projects falling within scope were thoroughly examined. By adopting a transparent and systematic approach—covering both Invest NI-managed programmes and those delivered by EDOs—the review ensured that any projects from any company supported by Invest NI withing the specified time period, with the capability to supply into the defence sector, was subject to detailed scrutiny. This resulted in a comprehensive and credible assessment of Invest NI's investment portfolio.

14.3. The findings of the review are clear and unequivocal. **Across the 93 projects reviewed, spanning 20 Invest NI programmes, there was no evidence that any financial support was provided by Invest NI for the purpose of supporting the manufacture of arms or their components for supply to Israel.**

14.4. The review confirmed that Invest NI's multi-stage appraisal and approval framework provides robust safeguards against funding misuse. These processes are aligned with the NIGEAE, ensuring that public funds are used effectively and transparently.

14.5. Furthermore, the review concluded that no amendments to existing processes are necessary. The current systems are deemed sufficient to allow Invest NI to effectively appraise and support projects that comply with all relevant statutory and legal requirements. This conclusion underscores the robustness of Invest NI's processes, which incorporate multiple challenge points, independent oversight, and rigorous assessments of eligibility and value for money.

14.6. Invest NI can, therefore, provide assurance to the Minister that to the best of our knowledge and based on the review of approved projects set out in this document, the organisation has not supported projects that supplied arms to Israel since 7 October 2023. All funding provided by Invest NI has been in line with the organisation’s statutory and legal remit and fully aligned with prevailing national and regional economic and industrial strategies.

Annex A – Terms of Reference

Terms of Reference (ToR)

The Minister for the Economy has requested that Invest NI undertake a review of its investments, to provide assurances that it has not supported any projects that arm Israel.

1. Background

1.1. Invest NI is committed to high quality investment processes and ensuring that its funding aligns with current UK Government policy, national and international legal standards.

1.2. In light of concerns regarding the Israel / Gaza conflict, the Minister for the Economy has requested Invest NI undertake a review to provide assurances that it does not fund projects involving the manufacture and supply of arms for Israel. The review seeks to:

a. Conduct a comprehensive review of projects supported by Invest NI to ensure no funds have been allocated to projects involved in the manufacture and supply of arms and/or their components to Israel.

b. Assess and if found necessary, strengthen its due diligence and approval processes to ensure no future investment projects in such businesses are made, where the project involves the supply arms and/or military components directly to Israel.

c. Safeguard Invest NI's ability to meet its obligations to drive economic growth and support its customer base.

2. Objectives

2.1. The primary objectives of this review are:

- To assess all past and current investments made by Invest NI in projects that are considered to fall within Scope (see section 3) of this review.

- To identify any financial support provided to projects involved in the manufacture or supply of arms and/or components to Israel.

- To review Invest NI's existing due diligence and approval processes to determine whether they adequately screen out such investments involving the supply of arms to Israel, and if necessary, make recommendations for enhancements to the process. In doing so, ensure any proposed changes do not unduly restrict economic development or business development activities undertaken by Invest NI.

- To recommend enhancements to procedures and risk assessment frameworks to prevent a non-compliant investment from occurring in the future.

- To ensure compliance with UK government policies, national and international law.

3. Scope

3.1. The review shall cover:

A. Investment Review

- Review all investments made by Invest NI since 7 October 2023 that meet the following criteria, client companies operating:

  i. within the defence and aerospace sector, including supply chain businesses serving those sectors; and
  ii. which, to Invest NI's knowledge, are involved in the manufacture of conventional weapons and/or their components; and
  iii. export directly to Israel.

- Investment Types: Grants, loans, equity investments, and any other financial support mechanisms.

B. Due Diligence & Approval Process Review

- Current due diligence and approval processes: Evaluation of existing checks for military related projects, including alignment with UK export controls and international sanctions.

- Risk Assessment Frameworks: Analysis of whether current processes sufficiently screen for projects that breach UK or International law, particularly relating to the supply of conventional weapons.

C. Economic Development & Customer Impacts

- Assess (if amendment of processes are proposed) whether enhanced due diligence or approval processes could restrict Invest NI's ability to support high-value sectors (e.g. advanced manufacturing and engineering) which are critical to the local economy.

- Assess any potential impacts of process changes on SME's, startups and existing customers:
    - Access to funding for businesses operating in the aerospace and defence sector;
    - Administrative burdens or delays in approval processes.

4. Methodology

4.1. The review shall involve:

- A review of project approval papers for projects which meet the criteria identified within the scope as defined at point 3 above, to determine if the projects resulted in Invest NI providing financial support towards the manufacture of weapons and/or military components which were supplied directly to Israel.

- A review of existing Invest NI due diligence and approval processes, including casework guidance.

- Gap Analysis - Identification of weaknesses in current processes and recommendations for improvement.

5. Deliverables

5.1. The review shall produce:

- A statement from Invest NI to the Department for Economy on the findings of the review and details of any proposed changes made to Invest NI processes.

6. Governance & Reporting

6.1. The review will be overseen by Invest NI's Director of Advanced Manufacturing and Engineering, reporting to Invest NI's CEO.

7. Legal

7.1. In undertaking the review, Invest NI shall rely upon the information provided by client companies and shall assume such information to be accurate, complete and not misleading. No independent verification or audit of such information shall be undertaken and Invest NI makes no representation or warranty, express or implied as to the accuracy or completeness of the information provided.

7.2. Invest NI shall take reasonable measures to preserve the confidentiality of any commercially sensitive information received from client companies. Where such information is contained within documents which are intended for wider circulation or which may enter the public domain, Invest NI shall redact the relevant information to protect its confidential nature.

7.3. For the purposes of this review, the scope of analysis shall be confined to direct exports to Israel, on the basis that is not reasonably practical to track or attribute goods once they enter complex or multi-tiered supply chains.

7.4. No part of the review may be relied upon by any third party without the prior written consent of Invest NI.

8. Timeline

8.1. Invest NI's aim to complete the review within six months

Annex B – Projects subject to review

Project Number #	Case Type	Summary of project / What was funded
1	Energy Efficiency Capital Grant	The EECG project will fund the replacement of the company's existing press brake with a newer, more efficient machine to reduce energy costs.
2	Co-Investment Fund II (ERDF)	Equity investment from the Co-Investment Fund.
3	Co-Investment Fund II (ERDF)	Equity investment from the Co-Investment Fund.
4	Grant For Research and Development (R&D)	The R&D project aims to enhance the company's Active Maps (AM) platform by providing mobile interaction capabilities, ensuring access to all current functionalities, and enabling bi-directional communications via mobile devices.
5	Technical Development Incentive (TDI)	Grant to support the company in obtaining ISO 9001, ISO 14001, and ISO 42001 accreditation.
6	Trade Accelerator Grant (TAG)	Support to explore new market opportunities in AsiaPac, EU and USA.
7	Technical Development Incentive (TDI)	Funding to file a patent with the European Patent Office, accelerating market access in the EU and leveraging partnerships in the Netherlands, Poland, and Germany.
8	Selective Financial Assistance (SFA)	Funding to support the creation of nine new jobs in cyber security, digital forensics, and IT services.
9	Skills for Growth	Support for training leadership staff to align business goals and growth strategy, encompassing personal, interpersonal, leadership development, and infrastructures to achieve sustainable growth and excellence.
10	Kernel Capital Development Fund	Equity investment from Kernel.
11	Kernel Capital Development Fund	Equity investment from Kernel.

Project Number #	Case Type	Summary of project / What was funded
12	Kernel Capital Development Fund	Equity investment from Kernel.
13	Kernel Capital Development Fund	Equity investment from Kernel.
14	Kernel Capital Development Fund	Equity investment from Kernel.
15	Growth Loan Fund II (ERDF)	Growth Loan Fund providing a repayable commercial loan.
16	Selective Financial Assistance (SFA)	Capital and job creation support to expand capabilities with new machinery and technical staff in textile manufacturing.
17	Ambition to Grow (ATG)	The project includes organising and executing a launch event in the USA.
18	Accelerator Programme	Participation in the Invest NI funded Business Accelerator Programme.
19	Techstart II - Proof of Concept Grant - Start Up Aid	Pre-commercial grant from Tech-Start to explore the viability and commercial potential of an innovative concept.
20	Techstart II - Proof of Concept Grant - Start Up Aid	Pre-commercial grant from Tech-Start to explore the viability and commercial potential of an innovative concept.
21	Technical Development Incentive (TDI)	Funding for filing international patent applications.
22	Technical Development Incentive (TDI)	Funding for filing National Phase Patent applications in multiple countries, including Australia, Canada, China, the EU, Japan, South Korea, Saudi Arabia, and the USA.
23	Technical Development Incentive (TDI)	Appointment of expert patent attorneys to develop and file two separate UK applications.

Project Number #	Case Type	Summary of project / What was funded
24	Grant For Research and Development (R&D)	R&D support to develop aftertreatment ageing service specifically tailored to heavy-duty diesel engines.
25	Selective Financial Assistance (SFA)	Funding for capital grant - new CNC and eight new jobs across engineering, production, and HR, in advanced composites.
26	Energy Efficiency Capital Grant	Installation of a Solar PV system.
27	Energy Efficiency Capital Grant	Installation of solar PV system to replace a portion of site electricity demand with electricity from a renewable source.
28	Technical Development Incentive (TDI)	Support for obtaining ISO 27001 accreditation.
29	Grant For Research and Development (R&D)	R&D project to develop a new tool for aerospace part manufacturing that allows for quick heating and cooling of the complete tool.
30	Selective Financial Assistance (SFA)	Acquisition of a 3D positioning laser system to enhance quality assurance and precision engineering capabilities in the aerospace sector.
31	Grant For Research and Development (R&D)	R&D project focused on process development to increase productivity involving production process data collection.
32	Technical Development Incentive (TDI)	Funding for the implementation of an integrated management system.
33	Trade Accelerator Grant (TAG)	Trade support to visit the USA to meet with potential automotive and aerospace customers.
34	Growth Accelerator Programme (GAP)	Hiring two key workers: An Automation Manager and an Engineering Manager.

Project Number #	Case Type	Summary of project / What was funded
35	Supply Chain Resilience and Development Framework (SCRDF)	Funding for the Supply Chain Resilience & Development Solutions (SCRDS) Key Worker Grant to improve supply chain processes and enhance operational efficiency.
36	Energy Efficiency Capital Grant	Installation of solar panels to generate renewable electricity.
37	Selective Financial Assistance (SFA)	Assistance for the recruitment of four new employees – a Business Development Manager and three fabricators for aircraft ground support equipment.
38	Trade Accelerator Grant (TAG)	Support for global promotional visits showcase the company's ground support equipment at regional airports.
39	Technical Development Incentive (TDI)	Grant support to register a trademark to protect the company logo.
40	Technical Development Incentive (TDI)	Support for a full security review of market-leading hardware and software to highlight key areas of concern now and in the future.
41	Technical Development Incentive (TDI)	Implementation of a business continuity and incident management system alongside gaining and maintaining the new ISO 27001:2022 Standard.
42	Skills Advancement Grant	Skills training for the marketing team, operations team, finance team, sales team, and line manager training to compete with growing business needs.
43	MIS	Implementation of an ERP system to provide an end-to-end production and manufacturing solution, simplifying and automating complex manufacturing processes.
44	Resource Efficiency Capital Grant	Installation of a new plasma cutter to replace an 18-year-old cutting machine, reducing defective cuts and material wastage.
45	Skills for Growth	Enhancement of workforce skills through targeted training programs to address critical skill gaps.

Project Number #	Case Type	Summary of project / What was funded
46	Energy Efficiency Capital Grant	Integration of a Dry Air Cooling (DAC) system with an existing chiller to generate energy savings from injection moulding operations.
47	Technical Development Incentive (TDI)	Support for a Life Cycle Analysis (LCA) project to demonstrate the environmental benefits of the recycling process compared to primary sourcing and attract further investment.
48	Technical Development Incentive (TDI)	Phase 2 of the Life Cycle Analysis project, focusing on comparisons with similar technologies.
49	Project Definition	Support for applying to the Horizon Europe, European Innovation Council (EIC) Accelerator Challenge programme 2025.
50	Skills for Growth	Support for a training plan to close identified skills gaps and achieve growth objectives.
51	Growth Accelerator Programme (GAP)	Support for the company's planned expansion in external markets through new sales and marketing activities.
52	Project Definition	R&D project to enhance the efficiency and reliability of public transport services by integrating various technologies and data sources.
53	CDS Mentoring	Funding for strategic business mentoring to shape the engagement strategy for the public sector and achieve strategic growth.
54	Co-Investment Fund II (ERDF)	Equity investment from the Co-Investment Fund.
55	Resource Efficiency Capital Grant	Support for moving from manual operation to a manufacturing station with a robotic arm, reducing waste and material consumption.
56	Accelerator Programme	Participation in the Invest NI funded Business Accelerator Programme.

Project Number #	Case Type	Summary of project / What was funded
57	Techstart II - Proof of Concept Grant - Start Up Aid	Pre-commercial grant from TechStart to explore the viability and commercial potential of an innovative concept.
58	Project Definition	R&D to build a proof-of-concept AI-optimised sourcing software solution to automate material sourcing operations and identify suitable suppliers globally.
59	The Leadership Programme	Participation in the Invest NI Leadership programme.
60	Energy Efficiency Capital Grant	Support for installing a solar PV system.
61	Selective Financial Assistance (SFA)	Capital grant for a new 5-axis CNC machine to improve precision machining accuracy and increase output.
62	The Leadership Programme	Participation in the Invest NI Leadership programme.
63	Skills for Growth	Strategic Financial Leadership training.
64	Supply Chain Resilience and Development Framework (SCRDF)	Key worker to develop a robust supply chain strategy, improve supplier management, and enhance efficiency.
65	Skills for Growth	Skills grant to enhance technical skills and management capabilities, increasing productivity through advanced training.
66	Energy Efficiency Capital Grant	Replacement of inefficient drives with variable speed drives, installation of a less energy-intensive compressor with variable speed function, and installation of a Solar PV system.
67	MIS	Installation of time and attendance software with face recognition hardware.
68	Growth Accelerator Programme (GAP)	Development of a new website, enhancement of social media presence, and market research to support strategic focus on new target markets. Appointment of

Project Number #	Case Type	Summary of project / What was funded
		an experienced Operations Director to manage the growing workload and ensure sustainable growth.
69	Selective Financial Assistance (SFA)	Capital grant to support the purchase and installation of a fully automated robotic manufacturing cell.
70	Skills for Growth	Support for external training costs for employees, focusing on technical training in areas such as machine learning, AI, AWS, Python, and Writing & Briefing.
71	Selective Financial Assistance (SFA)	Support for the creation of 18 new jobs and new market development costs in the engineering services sector.
72	Growth Accelerator Programme (GAP)	Market development activities to enable future growth in the battery and space sectors.
73	Trade Accelerator Grant (TAG)	Funding for various market development and promotional activities, including participation in trade events, market research, and digital marketing campaigns.
74	Project Definition	Funding for scoping and planning a future R&D project.
75	MIS	Implementation of a new IT system integrating Dynamics 365 Business Central with a Warehouse Management System (WMS).
76	Trade Accelerator Grant (TAG)	Rebranding the company to provide coherence across all media platforms and employing a structured strategy for sales and marketing, including social media.
77	Selective Financial Assistance (SFA)	Capital grant to upgrade the CMM to a semi-automatic one.
78	Energy Efficiency Capital Grant	Installation of a solar PV system with a battery storage system.
79	Selective Financial Assistance (SFA)	Creation of 57 new jobs and investment of £4.1m in a large format laser cutter and two robotic welders to increase manufacturing capabilities and capacity.
80	Energy Efficiency Capital Grant	Installation of a Solar PV system.

Project Number #	Case Type	Summary of project / What was funded
81	MIS	Grant to support enhancements for creating bespoke solutions to integrate quotations with the CRM package.
82	Skills for Growth	Strategic Financial Leadership Programme funded by Invest NI.
83	Selective Financial Assistance (SFA)	Funding for the purchase of automated machining cells, including a 5-axis machining cell with a robot, to improve productivity and efficiency.
84	Selective Financial Assistance (SFA)	Financial support for the purchase of a vertical machining centre with a robotic pick and place arm to boost productivity.
85	Selective Financial Assistance (SFA)	Financial support towards a small capital investment and two new jobs.
86	MIS	IT system to deliver real-time data for real-time decisions, saving time and increasing productivity with the ProgressPlus Shop Floor Data Capture Module.
87	Trade Accelerator Grant (TAG)	Funding to support business attendance at trade fairs in the UK and US, visits to existing customers in France and the USA, and the production of promotional materials.
88	Skills for Growth	Company-wide upskilling, including engineering design.
89	Project Definition	Support for developing an R&D project to create end-to-end digital representations of current and future products and technologies.
90	Accelerator Programme	Participation in the Invest NI funded Business Accelerator Programme.
91	Techstart II - Proof of Concept Grant - Start Up Aid	Pre-commercial grant to explore the viability and commercial potential of an innovative concept.
92	Selective Financial Assistance (SFA)	Development grant to support the scaling of a trade support service business.
93	Trade Accelerator Grant (TAG)	Trade support for new market development visits to the UK and US to target customers and promote their AI platform.

Annex C - Project application, appraisal, and approval process.

1.1. All Client Companies seeking financial support from Invest NI must submit either a completed application form or a business plan. This submission must include all necessary information to enable Invest NI to carry out a full appraisal under the relevant funding programme.

1.2. Appraisal is a vital mechanism for ensuring value for money and upholding public accountability. It is a structured process that assesses the project's need, objectives, options, costs, benefits, risks, funding, and affordability. A robust appraisal underpins effective decision-making, sound financial management, and strong governance. It is not optional—it is a fundamental requirement that must be proportionate to the scale and complexity of the project.

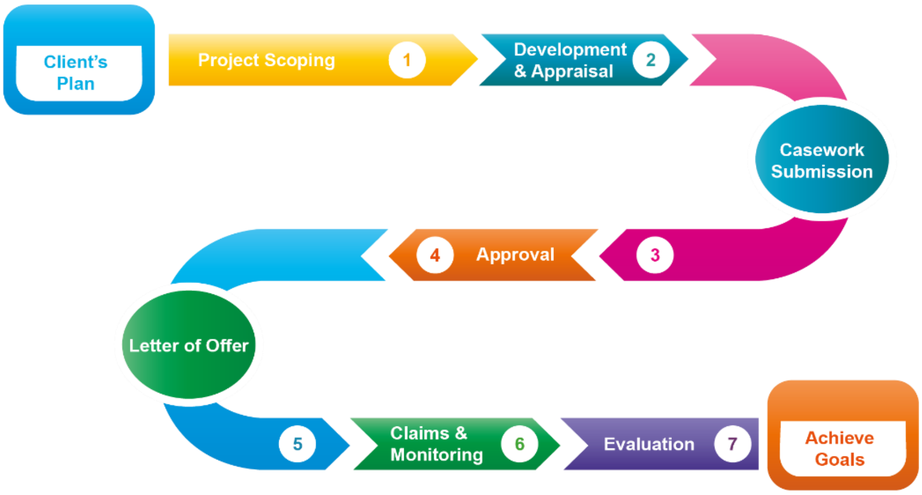
1.3. Invest NI must approve projects in accordance with its Intervention Principles detailed in fig 2, which assess the justification for providing assistance. Each project is subject to assessment and approval in line with Invest NI, DfE, and DoF delegated authority levels.

Fig 2. - Intervention Principles.

Category	**Description**
Strategic Fit	How the project fits with the customer's business strategy, the Invest NI Business Strategy and impacts on the Minister's Economic Vision, including the contribution to a highly-productive, zero carbon, regionally balanced economy with good jobs.
Proposed Assistance & Market Failure	Sound rationale for support, including the Market Failure i.e. why government needs to intervene as opposed to the private sector. The state aid basis under which the programme operates should be referenced.
Project Risk	Clear definition of the key risks to either the customer or Invest NI in delivering the project and applying mitigation measures.
Viability	The commercial strength and sustainability of the customer and project.
Additionality	The rationale for Government support – how government funding will make a difference in scale, scope and speed of implementation.
Mobility	Does the customer have viable, realistic alternatives for the location of the project or use of available funds? Linked to the additionality / counterfactual argument i.e. what happens in the absence of Invest NI support.

Displacement	Likelihood that a project will negatively impact jobs or sales in NI competitors or other UK regions.
Economic Efficiency	Defines whether the benefits of the project (public and private) exceed the costs (public and private).
Control Calculations & Cost-effectiveness	Confirmation that funding is with within EU State Aid limits, Programme approval limits and Department of Finance ('**DoF**') funding thresholds have not been breached. Conclusion on the cost-effectiveness of the intervention.
Affordability	Ability of Invest NI to support the project with available resources.
Value for Money Conclusion & Recommendation	Summary of the case in relation to value for money and a clear recommendation for support.
Conditions of Support	Conditions to be attached to the offer to address risk or maximise value.

1.4. The project appraisal and approval process can be summarised as follows:



1.5. Invest NI's project appraisal and approval processes involves a multi-stage system designed to ensure transparency, value for money (VfM), and alignment with strategic economic goals. At its core, the process is governed by the principles of the Northern Ireland Guide to Expenditure Appraisal and Evaluation (**'NIGEAE'**), which mandates proportionate, evidence-based decision-making for all public spending proposals.

1.6. The process begins with project scoping and development, during which Invest NI engages with applicants to refine proposals and ensure completeness. Many projects discussed with Invest NI do not progress beyond this stage, due to activities being ineligible for Invest NI support, or insufficient justification for support when assessed using the appraisal framework.

1.7. Once a business plan or application is submitted, the appraisal phase formally begins. This includes developing a detailed casework submission that evaluates the project's objectives, costs, benefits, risks, and funding structure.

1.8. Projects are then approved by casework committees according to delegated limits set by the DfE and the DoF.

Casework Committees

1.9. A casework committee is a scrutiny panel to assess projects on the grounds of deliverability, affordability and VfM. It provides the opportunity for senior staff to independently review and challenge expenditure proposals of their peers. Committees provide a robust challenge function to help scrutinise larger, complex spending decisions.

1.10. The panel will add value to the process through its collective knowledge and experience. It will ensure that sufficient challenge is applied to proposal to provide / approve support. All assumptions or information upon which arguments for support are based will be challenged as appropriate and the outcome recorded.

1.11. A casework submission will present a clear, comprehensive picture of the project under consideration. It will set out the amount and form of assistance proposed and the "pros and cons" to be considered by the casework panel; thus enabling a proper assessment and reasoned judgment to be made.

1.12. The various levels of internal casework committees are detailed in fig. 3 below:

Fig. 3 Casework Committees

Approval Authority	Committee Members	Assistance Threshold
Board	All Board	≥ £2m
Senior Executive Casework	1 ELT & 2 Directors	≥ £1m, but < £2m
Executive Casework	1 Director & 2 Managers	≥ £250k, but < £1m
Manager Casework	2 Managers or 1 Manager & 1 Executive	≥ £100k, but < £250k
Line Manager	None	< £100k

1.13. The Invest NI multi-stage system of casework assessment ensures that decisions align with governance best practices and strategic priorities whilst ensuring a balance between assessing risk management, economic impact, and accountability. Expenditure / investment decisions are made at the correct level, based on the scale, complexity, and risk of the proposal; with lower-value investments independently approved at operational levels, whilst high-value / strategic investments requiring Senior Executive and Board-level scrutiny, potentially before external scrutiny.

1.14. Expenditure decisions greater than the Board approval threshold will require either DfE / Ministerial and/or DoF approval.

Letter of Offer

1.15. The Letter of Offer is a legally binding agreement issued to a business once a funding application has been approved. It outlines the terms and conditions of financial support, including the specific activities, eligible costs, and performance expectations associated with the project. The letter ensures transparency and accountability by clearly defining the scope of support and the obligations of both parties. It also serves as the contractual basis for claiming grant payments, which are typically made retrospectively against vouched and approved expenditure. This mechanism safeguards public funds whilst enabling Invest NI to deliver targeted economic development outcomes.

Monitoring

1.16. Invest NI also operates robust project monitoring and post-project evaluation (**PPE**') processes which are central to its governance framework, ensuring accountability, value for money, and continuous improvement in economic development interventions. These processes have evolved significantly over time, becoming more structured, data-driven, and aligned with public sector best practices.

1.17. Monitoring begins once a project is approved, and a Letter of Offer is issued. The monitoring phase is managed by the responsible Invest NI staff member and includes both financial and operational oversight. Monitoring is conducted throughout the implementation period to ensure that projects proceed as planned. This includes verifying that grant conditions are met, tracking milestones, and assessing financial health. If a project fails or is abandoned, Invest NI reserves the right to recover funds.

1.18. Invest NI's internal processes have also matured to include quality assurance mechanisms such as the Offers and Claims Management System (**OaCMS**'), which provides a digital audit trail of submissions, endorsements, and approvals.

1.19. PPE is a formal review conducted after project completion, typically three years post-implementation. Its purpose is to assess whether the project achieved its intended outcomes, delivered value for money, and contributed to strategic objectives. PPEs are proportionate to the scale and complexity of the project.

1.20. Invest NI's monitoring and PPE processes are robust, transparent, and continuously evolving. They ensure that public funds are used effectively, that projects deliver measurable impact, and that institutional learning is embedded into future interventions.

1.21. The Sign-on Committee is a panel of senior executives whose role is to ensure robust governance and early visibility of major expenditure proposals. It provides advisory oversight—not formal approval, helping to assess strategic fit, affordability and risk before the project enters the formal appraisal and negotiation processes. Any project, irrespective of scale that is considered novel or contentious must be referred to the sign on committee.

1.22. A summary of cases which have gained Sign On is provided to our Executive Committee and Board monthly, allowing any further concerns to be explored.

1.23. An overarching consideration for Invest NI in making an investment decision is whether the funding being provided is 'legal', including whether the business is eligible for support under State Aid legislation. Beyond this, Invest NI is bound by the functions, duties and powers bestowed upon the organisation by the Industrial Development Act (Northern Ireland) 2002, Industrial Development (Northern Ireland) Order 1982 (as amended) and Article 3 of the Energy Efficiency (NI) Order 1999.

1.24. The diligence process includes a structured, proactive approach to risk management, ensuring that risks are identified, assessed, and mitigated effectively. The organisation follows a Risk Management Framework, which outlines our governance framework, risk appetite, and mitigation processes.

1.25. Invest NI evaluates risks across several impact categories including financial, operational, strategic, legal and reputational domains. Through this risk assessment framework, Invest NI ensures that issues and concerns can be addressed early, and a project ceased if the risks are unmanageable or cannot be mitigated. Also, at each stage of our stratified casework process, the panel will consider, challenge and discuss the associated risks to the organisation.

Novel, Contentious or Repercussive Proposals

1.26. Managing Public Money NI ('**MPMNI'**) states that DoF approval (in writing) is required for all expenditure which sets precedents, is novel, contentious, or could cause repercussions elsewhere in the public sector. DoF approval is required irrespective of size and, even if the expenditure appears to offer value for money taken in isolation.

1.27. HM Treasury has provided the following guidance on what is considered novel and contentious within the public sector:

- Novel transactions are those of which the body has no experience or are outside its range of normal business.
- Contentious transactions are those that might cause criticism of the body by Parliament, the public or the media.
- Repercussive transactions are those that may have wider financial implications for the public sector, or which appear to create a precedent.
- There is no financial threshold in relation to novel, contentious or repercussive financial arrangements; all such transactions require approval (by DoF), regardless of value.
- Further, each body should assess these matters objectively: if a transaction could reasonably be considered to be novel, contentious or repercussive, then it must be treated as such.