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Special EU Programmes Body
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UPDATE ON THE IMPLEMENTATION OF THE PEACE IV PROGRAMME

1.0 Introduction

- 1.1 This paper outlines the progress made on implementation of the PEACE IV Programme.
- 1.2 There has been a series of calls for applications during 2016, and all parts of the programme are now open for applications. The Steering Committee has been meeting regularly to assess Stage 1 applications; the first Stage 2 application has been considered and approved. Over the next few weeks further projects will be approved. The first Letter of Offer has been issued.
- 1.3 After a period of uncertainty following the result of the referendum on the UK's membership of the EU, agreement has been reached on the basis on which Letters of Offer can be issued. The Executive Minister of Finance, Máirtín Ó Muilleoir, and the Irish Minister for Public Expenditure and Reform, Paschal Donohoe, confirmed¹ in October that Letters of Offer for approved projects under the PEACE IV and INTERREG VA Programmes could begin to issue, and that the Programmes would be successfully completed in full. This agreement enables the Programme to proceed with implementation.

¹ Ministers Donohoe and Ó Muilleoir confirm multi-million Delivery of EU Funding
http://www.seupb.eu/Libraries/Media_Press_Releases/SEUPB_AnnouncementOfEUFundingAwards_LoOIssue_28-10-2016.sflb.ashx

2.0 Implementation Progress – Programme level

2.1 The programme has now fully opened and calls for applications across all Specific Objectives have been released. Progress in implementing each is included below.



2.2 Specific Objective 1 – Shared Education (€30m ERDF)

The key aim of this Specific Objective is to provide direct, sustained, and curriculum-based contact between pupils and teachers from all backgrounds, through collaboration between schools from different sectors in order to promote good relations and enhance children's skills and attitudes to contribute to a cohesive society. It will **result** in an increase in the percentage of schools that have been involved in shared education with another school within the past academic year.

The following progress has been made to date;

| | |
|-------------------------------------|--------------------------------|
| Call opened: | 24 March 2016 |
| Call closed: | 17 May 2016 |
| Stage 1 Applications received: | 5 |
| Stage 1 Steering Committee: | 28 June 2016 |
| Applications progressed to stage 2: | 2 |
| Total Funding requested (2 Apps): | €59.61m (ERDF) |
| Provisional Stage 2 SC date: | No later than 30 November 2016 |



2.3 Specific Objective 2 – Children & Young People

The Children and Young People Objective includes 2 actions; Children and Young People Aged 0-24 (€14.5m ERDF) and Children and Young People Aged 14-24 (€32m ERDF). Delivery of the Children and Young People Aged 0-24 element will fall within the remit of the PEACE Local Authority Action Plans. An update in relation to progress in the assessment process for the Plans is included under section 2.5.

Children and Young People Aged 14-24 (€32m ERDF)

This element of the Objective will be outcome focused in terms of good relations, personal development and citizenship, which will bring about a positive change in the form of clear, meaningful and sustainable 'distance travelled' for those young people who participate. It will target young people aged between 14-24 years who are disadvantaged, excluded or marginalised, have deep social and emotional needs and are at risk of becoming involved in anti-social behaviour, violence or dissident activity.

This intervention will **result** in an increase in the percentage of 16 year olds who socialise or play sport with people from a different religious community; who think relations between Protestants and Catholics are better than they were five years ago; and who think relations between Protestants and Catholics will be better in five years' time.

There will be two calls for applications under this element as follows;

2.3.1 Children and Young People Aged 14-24 – Quality and Impact Body (circa €1.02m ERDF)

The purpose of this call is to appoint a Quality and Impact Body which will perform a quality assurance and impact support role, with regard to the range of actions to be undertaken by projects tasked with directly working with young people for the primary delivery of the Children and Young People 14-24 objective. This Body will be independent from the projects but will work closely with all of them.

| | |
|-----------------------------|------------------------------|
| Call opened: | 3 November 2016 |
| Call Closes: | 4 January 2017 |
| Stage 1 Steering Committee: | (No later than) 1 March 2017 |

2.3.2 Children and Young People Aged 14-24 (€30.9m ERDF) - Projects

The purpose of the call is to ensure that a number of high quality projects are approved which will work to enhance the capacity of young people to form positive and effective

relationships with others of a different background and make a positive contribution to building a cohesive society.

There are two phases to this element of the programme, the outputs associated with these two phases are as follows:

Phase One (2017-2018): 1,875 young people aged 14-24 years who are most marginalised and disadvantaged completing approved programmes that develop their soft skills and a respect for diversity.

Phase Two (2019–2021, i.e. 36 months delivery): 5,525 young people aged 14–24 years who are most marginalised and disadvantaged completing approved programmes that develop their soft skills and a respect for diversity.

Phase Two implementation will be subject to the results of a positive evaluation of Phase One, conducted at the Programme level.

| | |
|-----------------------------|------------------------------|
| Call opened: | 3 November 2016 |
| Call closes: | 4 January 2017 |
| Stage 1 Steering Committee: | (No later than) 1 March 2017 |



2.4 Specific Objective 3 – Shared Spaces & Services (€84.5m ERDF)

The Shared Spaces and Services Objective includes three actions; Capital Development to create new Shared Spaces (€45m ERDF), Local Authority Shared Spaces Projects (€24.5m ERDF) and Victims and Survivors (€15m ERDF).

2.4.1 Capital Developments to create new Shared Spaces (€45m ERDF)

This element of the objective will create new shared civic spaces which will be used by all sections of the community; this will involve changes in both attitudes and behaviour with a corresponding reduction in segregation. Projects will be of a sufficient scale to have a transformative effect on local areas, as well as having a regional significance. Projects will

incorporate high quality design and sustainable development principles, including measures to minimise carbon emissions.

This intervention will **result** in an increase in the percentage of people who would define the neighbourhood where they live as neutral; an increase in the percentage of people who prefer to live in a mixed religion environment; and a reduction in the percentage of people who would prefer to live in a neighbourhood with people of their own religion.

| | |
|-----------------------------|-------------------------------|
| Call Opened: | 3 November 2016 |
| Call Closes: | 25 January 2017 |
| Stage 1 Steering Committee: | (No later than) 22 March 2017 |

2.4.2 Victims and Survivors (€15m ERDF)

In recognition of the need and demand of those who have suffered from the trauma of the conflict, this element of the objective will develop the capacity for services to meet the needs of victims and survivors.²

During the development of the PEACE IV Cooperation Programme, the Victims and Survivors Service (VSS) was identified as being uniquely positioned to implement the activities within this target area, there was therefore a restricted call for this element of the programme.

Progress in implementing this intervention;

| | |
|--------------------------------------|---------------------|
| Call opened: | 3 March 2016 |
| Call closed: | 30 March 2016 |
| Stage 1 Applications received: | 1 |
| Stage One Steering Committee: | 11 May 2016 |
| Application progressed to Stage Two: | 1 |
| Stage Two Steering Committee: | 2 November 2016 |
| Steering Committee Decision: | Approved |
| Value of project approved (ERDF): | €12.6m ³ |

² The targeting of victims and survivors for these services will be based on the statutory definition of a victim and survivor provided by the Victims and Survivors (Northern Ireland) Order 2006.

³ The sterling value has been converted at the EU Commission rate for November 2016 of 1.1129

The Victims and Survivors Service will improve the health and wellbeing of victims and survivors through the project 'Shared Space & Services – Provision of Services for Victims & Survivors'. The project will develop, implement and co-ordinate a number of new and innovative initiatives in the areas of advocacy support, health and wellbeing caseworkers, professional training and improved sectorial regulations.

The advocacy support programme will train 23 advocacy support workers who will assist 6,300 beneficiaries to contribute to a society that acknowledges and deals with the past, and is cohesive, fair and safe.

The project will assist 11,350 individuals to develop and build positive relationships and independence, alongside the recruitment and training of a network of 30 health and wellbeing staff and 1,000 resilience interventions.

Research and regulation within the sector will see a development of standards in line with national and international best practice to ensure victims and survivors are receiving quality services, in a consistent and standard way irrelevant of their location and to avoid the transmission of trauma.

The Joint Secretariat have issued the Letter of Offer. Following receipt of the signed Letter of Offer the Joint Secretariat will initiate a project mobilisation period (3 months) to allow the VSS to submit and agree a project plan outlining key milestones for the project lifetime. In addition, this period will allow for necessary training in the use of the programme systems, notably the electronic management system.

2.5 Specific Objective 4 – Building Positive Relations at a Local Level (€43.9m ERDF)



The Building Positive Relations at a Local Level Objective includes 2 actions; Local Authority Action Plans (€30m ERDF) and Regional Level Projects (€13.9m ERDF).

2.5.1 Local Authority Action Plans

The Local Authority Action Plans are being developed across three thematic areas of the Programme, namely;

- **Children and Young People Aged 0-24 (€14.5m)** - this element will invest in children and young people so that they can reach their potential and maximise their contribution to a more cohesive society. It will bring about change in the form of clear, meaningful and sustainable 'distance travelled' for individual young people in terms of good relations, personal development and citizenship. This intervention will **result** in an increase in the percentage of 16 year olds who socialise or play sport with people from a different religious community; who think relations between Protestants and Catholics are better than they were five years ago; and who think relations between Protestants and Catholics will be better in five years' time.
- **Local Authority Shared Spaces Projects (€24.5m ERDF)** - this element will support a number of local initiatives with the aim of making public spaces in cities, towns and villages more inclusive; this will often involve addressing sensitive topics around parades, flags, emblems, graffiti and other issues which can serve to intimidate and make some members of society, whether based on religion, race or other factors, feel unwelcome in some areas. It will **result** in an increase in the percentage of people who would define the neighbourhood where they live as neutral; an increase in the percentage of people who prefer to live in a mixed religion environment; and a reduction in the percentage of people who would prefer to live in a neighbourhood with people of only their religion.
- **Building Positive Relations at a Local Level (€30m ERDF)** – this element will support actions to facilitate the full participation of women in local initiatives and also target those groups particularly impacted by the legacy of the troubles/conflict such as victims and survivors and those communities with low social capital, and those identifiable groups and networks dealing with specific legacy issues such as young and older people, women, the faith community, victims and survivors, those suffering from physical or mental disability arising from the legacy of violence, ex-prisoners, displaced persons and former members of the security forces. The intervention will **result** in an increase in the percentage of people who think relations between Protestants and Catholics are better than they were five years ago; an increase in the

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percentage of people who think relations between Protestants and Catholics will be better in five years' time and an increase in the percentage of people who know quite a bit about the culture of some minority ethnic communities.

In relation to progress in implementing this theme;

Call opened: 3 March 2016

Call closed: 30 March 2016; 17 May 2016 and 21 June 2016 (applicants were given a range of dates to submit their plans, reflecting the state of readiness of the applicant).

All Stage 1 applications from Local Authorities for Peace Local Action Plans were submitted and considered by Steering Committee. In a number of cases the Steering Committee deferred making a decision and requested that the applicant provided additional Information. This has delayed the decision making process in relation to Stage 1. However all plans have now been approved at Stage 1, and 17 Stage 2 Plans have now been submitted and are at an advanced stage of assessment. 9 of the Plans will be considered at a Steering Committee meeting in November, notably;

- Cavan
- Leitrim
- Monaghan
- Newry, Mourne & Down
- Causeway Coast & Glens
- Armagh, Banbridge & Craigavon
- Antrim & Newtownabbey
- Lisburn & Castlereagh ;and
- Ards & North Down.

The remaining 8 plans are due to be considered at a Steering Committee meeting in December or early in the New Year.

2.5.2 Regional Level Projects (€13.9m ERDF)

This element of the objective will support groups particularly impacted by the legacy of the conflict such as victims and survivors and those communities with low social capital as well as those identifiable groups and networks dealing with specific legacy issues such as young and older people, women, the faith community, those suffering from physical or mental disability arising from the legacy of violence, ex-prisoners, displaced persons and former members of the security forces. Projects are required to demonstrate their essential regional characteristics, including the rationale for regional implementation and regional impact (as opposed to local implementation and local impact). Projects should address strategic and policy issues of relevance to the region.

The activity will **result** in an increase in the percentage of people who think relations between Protestants and Catholics are better than they were five years ago; an increase in the percentage of people who think relations between Protestants and Catholics will be better in five years' time and an increase in the percentage of people who know quite a bit about the culture of some minority ethnic communities.

In relation to progress in implementing this theme;

| | |
|--------------------------------|--------------------------|
| Call opened: | 24 March 2016 |
| Call closed: | 29 September 2016 |
| Stage 1 Applications received: | 31 (€31m ERDF requested) |
| Stage One Steering Committee: | 22/23 November 2016 |

3.0 Programme Management

3.1 Implementation Challenges

3.1.1 UK's decision to leave the EU

The decision of the UK to leave the European Union resulted in period of uncertainty in the weeks that followed the referendum. During this period, programme implementation continued as normal within SEUPB, with projects being assessed and presented to Steering

Committee. There was a HM Treasury (UK) announcement in August which gave assurance with regard to the UK proportion of any funding, post the UK's withdrawal, to those projects awarded funding by 23rd November. The Joint Secretariat, in cooperation with the relevant Departments, took all necessary steps to expedite the assessment of applications, within the agreed processes. Applicants were encouraged to submit applications and respond to any queries as quickly as possible in order that assessments could proceed in a timely manner. An extraordinary PMC was held in September 2016 to review the implications of the referendum on the programme. There was a further HMT announcement on 3rd October, which removed the 23rd November deadline, and gave an assurance that the UK proportion of projects funded before the UK's withdrawal would be underwritten by HMT, until they conclude, even if that is after the time that the UK exits from the EU.

There were detailed discussions with DPER and DoF regarding how the letters of offer should reflect the HMT assurance over the UK proportion of funding, and the implications of a withdrawal from the EU, which is likely to take effect during the programme period. The Departments of Finance and SEUPB worked closely together to ensure that the Letters of Offer could be issued for the full Programming period, and the following clause will be included in those award letters:

Letter of Offer - General Conditions

- a. *Any payment on this letter of offer is subject to the availability of ERDF funding and national funding as detailed in Section 2 of this letter of offer;*
- b. *In the event that, as a consequence of the UK leaving the EU, the UK element of ERDF funding is no longer available, this letter of offer is subject to the HM Treasury commitment that projects approved prior to the UK leaving the EU will be fully funded, even when specific projects continue beyond the UK's departure from the EU;*
- c. *In light of this, a review of funding arrangements set out in Section 2 will take place in the second half of 2018. The outcome of that review will inform the final funding proposals for projects and the nature of the funding streams;*

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- d. *The project and all payments related to it are subject to, and will continue to be subject to, the Programme Rules and the EU Regulations referenced therein, as amended from time to time, for the duration of the Programme, regardless of the source of funding;*

- e. *If there is a conflict between the terms of the Letter of Offer, Standard Conditions of Grant and/or Programme Rules, the following descending order of priority applies:*
 - a) *the terms of this Letter of Offer; and*
 - b) *the terms of the Standard Conditions of Grant; and*
 - c) *the terms of the Programme Rules.*

3.1.2 Delayed calls

It was intended to launch the call for children and young people (14-24) in June 2016; this was then postponed until September 2016, and further postponed until November 2016. It had taken longer than anticipated to obtain the necessary clarity around aspects of programme design, including the entitlement of participants for benefits, and the number of target beneficiaries. These issues have now been resolved and the call is now open.

It was intended to launch the call for shared spaces (capital) projects in September. However given the issues regarding funding of these projects, which by their capital nature have a longer implementation period, it was decided to postpone the call until there was assurance over the future funding streams. All key information about the call was available to applicants, and therefore the delay did not unduly impact on the opportunity for applicants to continue to prepare their applications. Given the clarity regarding the UK proportion of the funding that is now available, the call was opened in November.

The Managing Authority is mindful that the programme must meet outputs targets for 2018 as detailed in performance framework, and financial expenditure targets. In addition, the Joint Secretariat had planned for project assessment to be largely complete by early 2017; it

is now envisaged that assessment will continue to the autumn of 2017, which will create corresponding resource pressures on work planning. During 2017, approved projects will have to be supported with project mobilization and this work will now also have to balance with the on-going assessments and awards. SEUPB are managing this process, and analysing the impact on resourcing, which is dependent on the number of applications received for any one call.

3.1.3 Variable quality of applications

The applications received to date have been of variable quality. Applicants have found it difficult to meet the information requirements to inform a robust assessment of their applications. This has been particularly the case with some Local Action Plans submitted by local authorities, given the wide range of activities they must include. Some applications lacked detail on project activities and have not provided the related evidence or assumptions to enable a value for money assessment to be completed. This has required the Joint Secretariat to engage in a protracted iterative process to source the required data from applicants. The Councils have worked closely with the SEUPB to provide the information required and the process will be concluded for all Local Action Plans over the coming months however, this may result in the 36 weeks processing time not being met in some cases.

The Joint Secretariat took the opportunity to review the guidance in mid-summer, around the submission of Stage 2 applications, and had amended the application form accordingly. Based on feedback from applicants, character limits have also been adjusted, to assist the lead partner in providing the necessary information. The Joint Secretariat is exploring how further support can be given to applicants at Stage 2 to improve the quality of submissions. However it must be noted that any support has to be within the context of not compromising the objectivity of the assessment process and be within the resources constraints of the SEUPB.

The Managing Authority will be commissioning an implementation evaluation in early 2017 as part of the evaluation plan for the Programme. This evaluation will assist in identifying any further opportunities to improve the application and assessment process.

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3.2 Support to potential applicants

The SEUPB has continued to provide support to potential applicants by providing sector specific workshops for each call for applications. The following workshops have been held since the last Monitoring Committee meeting as follows;

| Workshop | Date | Location | No. of attendees |
|--|-----------------|-----------------|-------------------------|
| Local Action Plans | 15 March 2016 | Craigavon | 31 |
| Shared Education | 28 April 2016 | Belfast | 67 |
| Shared Spaces (Capital Development) | 26 May 2016 | Dungannon | 92 |
| Regional Projects (1) | 5 April 2016 | Belfast | 112 |
| Regional Projects (2) | 4 May 2016 | Dundalk | 60 |
| Implementing the Horizontal Principle of Equality (for potential applicants) | 2 March 2016 | Dundalk | 73 |
| Implementing the Horizontal Principle of Sustainable Development (for potential applicants) | 20 January 2016 | Belfast | 59 |
| Implementing the Horizontal Principle of Sustainable Development (for potential applicants) | 10 March 2016 | Dundalk | 55 |

3.3 Review of budget allocation

The Managing Authority is undertaking review of the budget allocations within the programme. The review will be informed by the level of demand as demonstrated by high quality applications, and by an assessment of future absorption capacity. In particular, consideration is being given to an increased allocation to Specific Objective (4): Positive Relations (regional), and a corresponding decrease in funding to the Specific Objective (2): children and young people. This change does not require modification to the financial tables of the cooperation programme, as these are at the level of the priority axis. Depending on the detail of the change, it is possible that programme outputs would also remain unchanged. However, some textual change will be required in several places in the cooperation programme.

These proposals are currently being discussed with the relevant government departments in Northern Ireland and Ireland. Following conclusion of these discussions, a formal proposal to amended budget allocations will be tabled with the Programme Monitoring Committee for approval. It would be proposed that this would be carried out by written procedure prior to the next meeting of the PMC.

4.0 Regulatory Requirements

4.1 Annual Implementation Report 2015

The Annual Implementation Report is produced in fulfilment of Article 50 (1) of Council Regulation (EC) 1303/2013 to submit an Annual Report on Implementation for each year from 2016 to 2023.

The 2015 report which relates to the period 1 January 2015 to 31 December 2015, was circulated to Members for comments in March 2016 and a final report was issued to Members on 23 May 2016. The report along with a Citizen's Summary (accompanies paper) was submitted to the Commission in advance of the regulatory deadline of 31 May 2016.

4.2 Compliance with E-Cohesion / Development of Online Monitoring System

The SEUPB will use the INTERACT Electronic Monitoring System (eMS) to meet the requirements of e-Cohesion.

The Department of Finance (NI) coordinated the procurement of a database (DB2014) on behalf of all of the Managing Authorities based in Northern Ireland. A procurement process resulted in an award of a contract in May 2015. The contract was terminated in June 2016 due to performance issues. A functioning system is central to obtaining designation and enabling the drawdown of funds from the European Commission.

To address the urgent need for an Online Monitoring System to be in place, and with agreement from SEUPB's sponsor departments in Northern Ireland and Ireland, the SEUPB have decided to utilize the eMS system to meet the needs of the INTERREG and PEACE Programmes.

The eMS has been developed using open source software. It is available free to charge to the SEUPB under license. The SEUPB has signed a license agreement and has installed the database on a local server for testing purposes. The database is highly configurable, with the system administrator being able to select from menus to configure the system to meet the requirements of a particular programme. Whilst there is a high level of configurability available to the user, in order to meet SEUPB's own very specific business processes a higher level of configuration will be required. SEUPB are currently in the process of working with the system developers to ensure that the necessary changes to the system are made; all approved projects will be inserted on to the system by SEUPB in time for the system going live early in 2017.

4.3 Designation of the Authorities

In January 2016, SEUPB submitted to the Audit Authority procedures to enable formal designation of the Managing Authority and Certifying Authority. Programmes are not permitted to submit payment claims to the Commission until formal designation has taken place. The Audit Authority are responsible for assessing the Management and Control System and the procedures against the Commission's requirements. The procedures

outline the processes for implementation which are underpinned by a drive for simplification and the reduction of administrative burden. SEUPB has received feedback from the Audit Authority and is currently working with them to ensure formal designation.

In addition to the submitted procedures, and in line with e-Cohesion requirements, there must be a fully functioning database to enable formal and full designation. As outlined above, a database is currently being developed. The Programme will not be able to claim expenditure from the Commission until a fully functioning database is available.

5.0 Update on Communications Activity

5.1 UK Referendum Decision

The Communications Team has posted a number of statements on the SEUPB website updating all stakeholders on the impact of the UK's decision to withdraw from the EU on the Programme and has responded to all media queries in relation to referendum decision. On 28 October the Communications Team issued the following joint Ministerial statement on the implementation of the Programmes – see link below:

http://www.seupb.eu/Libraries/Media_Press_Releases/SEUPB_AnnouncementOfEUFundingAwards_LoOIssue_28-10-2016.sflb.ashx

The Communications Team continue to monitor, and respond as appropriate, to all media coverage of reference PEACE and INTERREG Programmes in relation to the UK's decision to withdraw from the EU.

5.2 Promotion of Funding Calls

The Communications Team has continued to publicise and promote all funding calls and workshops under PEACE IV since March 2016 to include the workshops listed under section 3.2.

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Where appropriate, workshops have been recorded and made available on the SEUPB website for those applicants unable to attend the events. The table below highlights the number of viewers;

| Workshop | Number of Views |
|-------------------------------|------------------------|
| Horizontal Principles | 48 |
| Peace -Shared Space – Capital | 92 |
| Peace – Regional Level | 109 |

The Communications Team is currently coordinating two further workshops for the Children & Young People call on:

- 15 November at Ballymascanlon Hotel, Dundalk; and
- 17 November at the Skainos Centre, Belfast.

All workshop and funding calls are promoted via social media, public advertising, media relations (Press Releases), SEUPB website and direct email to contact database.

The Communications team is currently engaged in a positive process of releasing press statements announcing the successful awards. This is being carried out with the input from the respective Accountable Departments in NI and Ireland.

5.3 New Corporate Website (Update)

There have been some challenges in relation to mobilizing the corporate website contract, including lengthy engagement with the Central Procurement Directorate and the impact of the UK's decision to withdraw from the EU on staff time/resources. In terms of progress, the splash page, main site, sub-pages, navigation, search facility and extranet are all under development following sign-off on the design concept. The Communications Team will have full access to the test site at the start of November.

At this point the SEUPB will be able to start migrating copy across and finalise the site's structure. Pen-testing of the new site should take place in December/early January 2017.

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Draft design of new website 'splash page'



Draft design of website home page

Recommendation

The Monitoring Committee is requested to;

- **Note** the progress that has been made with regards to Programme Implementation
- **Note** progress that has been made with regards to the Regulatory Requirements of the Programmes including SEUPB's use of the eMS;
- **Note** the Communications Activity since the last Programme Monitoring Committee meeting.