



Special EU Programmes Body  
Foras Um Chláir Speisialta An AE  
Boord O Owre Ocht UE Projects

Implementation Evaluation of the  
PEACE IV Programme  
and  
INTERREG VA Programme

Final report



**01 October 2017**

## Table of Contents

<b>I</b>	<b>EXECUTIVE SUMMARY</b> .....	<b>i</b>
<b>1</b>	<b>INTRODUCTION &amp; APPROACH</b> .....	<b>9</b>
1.1	INTRODUCTION .....	9
1.2	METHOD SUMMARY .....	9
1.3	REPORT STRUCTURE .....	11
<b>2</b>	<b>PROGRAMME OVERVIEW</b> .....	<b>12</b>
2.1	INTRODUCTION .....	12
2.2	BACKGROUND CONTEXT .....	12
<b>3</b>	<b>DELIVERY STRUCTURES</b> .....	<b>18</b>
3.1	INTRODUCTION .....	18
3.2	PROGRAMME MANAGEMENT STRUCTURE .....	18
<b>4</b>	<b>FINANCIAL STRUCTURES</b> .....	<b>24</b>
4.1	INTRODUCTION .....	24
4.2	OVERALL PROGRAMME BUDGETS .....	24
4.3	PROGRAMME BUDGETS & EXPENDITURE – PER THEME .....	25
4.4	FINANCIAL FORECASTING .....	29
4.5	PROJECT BUDGET – INTRODUCTION OF SIMPLIFIED COST OPTIONS .....	31
4.6	REPORTING & CLAIMS .....	33
4.7	VERIFICATION .....	34
<b>5</b>	<b>COMMUNICATION &amp; AWARENESS RAISING ACTIVITIES</b> .....	<b>36</b>
5.1	INTRODUCTION .....	36
5.2	COMMUNICATIONS ACTIVITY .....	36
5.3	CONCLUDING COMMENTS .....	44
<b>6</b>	<b>APPLICATION &amp; ASSESSMENT PROCESS</b> .....	<b>46</b>
6.1	INTRODUCTION .....	46
6.2	PRE APPLICATION STAGE .....	46
6.3	APPLICATION & ASSESSMENT PROCESS .....	48
6.4	PIV PROCESSING TIMES .....	51
6.6	IVA PROCESSING TIMES .....	53
6.7	KEY ISSUES IMPACTING PROCESSING TIMES .....	54
6.8	PROJECT MOBILISATION - POST LETTER OF OFFER .....	56
6.9	PROJECT MODIFICATIONS .....	57
6.10	ONLINE SURVEY RESULTS .....	58
6.11	CONCLUDING COMMENTS .....	64
<b>7</b>	<b>E-COHESION</b> .....	<b>66</b>
7.1	INTRODUCTION .....	66
7.2	DEVELOPMENT OF EMS .....	66

---

7.3	EMS IMPLEMENTATION .....	67
7.4	CONCLUDING COMMENTS .....	71
<b>8</b>	<b>SUPPORT &amp; TRAINING.....</b>	<b>72</b>
8.1	INTRODUCTION.....	72
8.2	SUPPORT OFFERED .....	72
8.3	TRAINING PROGRAMME - APPLICANTS .....	73
8.4	TRAINING PROGRAMME – SEUPB STAFF .....	76
8.5	CONCLUDING COMMENTS .....	77
<b>9</b>	<b>PARTNERSHIP STRUCTURE.....</b>	<b>78</b>
9.1	INTRODUCTION.....	78
9.1	PARTNERSHIP PRINCIPLES.....	78
9.2	PARTNERSHIP COMPOSITION.....	78
9.3	PARTNERSHIP WORKING .....	80
9.4	CONCLUDING COMMENTS .....	84
<b>10</b>	<b>PROJECT REVIEW PROCEDURE – UNSUCCESSFUL APPLICANTS .....</b>	<b>85</b>
10.1	INTRODUCTION .....	85
10.2	REVIEW PROCEDURE FOR UNSUCCESSFUL APPLICATIONS.....	85
10.3	ONLINE SURVEY RESULTS .....	86
10.4	CONCLUDING COMMENTS .....	88
<b>11</b>	<b>ACCESSIBILITY – ORGANISATIONS WHO DID NOT APPLY .....</b>	<b>89</b>
11.1	INTRODUCTION .....	89
11.1	ORGANISATIONS WHO DID NOT APPLY .....	89
<b>12</b>	<b>CONCLUSIONS &amp; RECOMMENDATIONS.....</b>	<b>91</b>
12.1	INTRODUCTION .....	91
12.2	CONCLUSIONS .....	91
12.3	RECOMMENDATIONS .....	92

---

## **I EXECUTIVE SUMMARY**

### **Introduction**

The Special EU Programmes Body (SEUPB) commissioned SJC Consultancy to undertake the Implementation Evaluation of the European Union's Programme for Peace and Reconciliation 2014-2020 (otherwise known as the PEACE IV Programme (PIV)) and the European Union's Cross-border Programme for Territorial Co-operation, Northern Ireland, the Border Region of Ireland and Western Scotland 2014-2020 (otherwise known as the INTERREG VA Programme (IVA)).

The Implementation Evaluation is required to evaluate the extent to which the Programmes have been implemented as defined by the European Commission's (EC) adopted Cooperation Programme, with an emphasis on the reduction of the administrative burden. The Implementation Evaluation will be carried out over a three year period and will result in three reports - first interim report (2017), second interim report (2018) and a final report (2019).

### **Method Summary**

Effective implementation will lead to enhanced outcomes; therefore the Implementation Evaluation plays an important role in ensuring that administrative functions are being delivered effectively and efficiently.

Our approach to the evaluation involved the following research strands: quantitative review of administrative and monitoring data; key stakeholder interviews (x17); online survey of successful applicants (81% of all PIV and IVA Lead Partners contributed); online survey of unsuccessful applicants (49% of all unsuccessful PIV and IVA applicants contributed); focus groups and interviews with project beneficiaries (representing 16 projects); interviews with unsuccessful applicants (x10) and the development of four standalone case studies.

### **Key Findings**

The PIV and IVA programmes represent a long standing partnership between the EC, Northern Ireland, Border Region of Ireland and Western Scotland, supported by the governments of the UK, Ireland and Scotland. Since 1994, over £2.2billion has been invested in the eligible region, between EU and national contributions, to create and cement the journey towards peace and reconciliation through the PEACE programmes, and create the conditions needed to promote economic growth and prosperity through both programmes.

The budget for PIV is €269.61m (ERDF and Government Department match funding) and for IVA is €282.76m (ERDF and Government Department match funding); totalling a substantial investment of €552.37m across the eligible area for the period 2014-2020. IVA is at a more advanced stage with 74% of the total ERDF project budget allocated, when compared to 26% of funds being allocated for PIV (increasing to 40% when the budget allocation for Shared Education is finalised, which is imminent).

There is evidence of effective practice and of SEUPB's ability to manage and implement the PIV and IVA programmes i.e.

- As Managing Authority, SEUPB has over 18 years<sup>1</sup> experience of managing large-scale EU funded

---

<sup>1</sup> SEUPB was set up under the "Agreement between the Government of Ireland and the Government of the United Kingdom of Great Britain and Northern Ireland establishing implementing bodies" signed on 8 March 1999.

programmes. Feedback from the European Commission is positive, citing that SEUPB has demonstrated a *'good track record'* of delivery and compliance with relevant EC regulations.

- It is evident that the Managing Authority and the Certifying Authority meet EC requirements with regard to procedures, based on a review carried out by the Audit Authority.
- There is evidence that SEUPB has engaged in an extensive stakeholder and public consultation to inform the development of robust Cooperation Programmes.
- SEUPB has also engaged in effective negotiations with the EC, Member States and Accountable/Policy Departments to agree an ambitious agenda for simplification to reduce the administration burden of the programme.
- It is also evident that SEUPB are active in the European Structural and Investment Funds (ESIF) community and has attended various international conferences for the purpose of knowledge sharing and networking. SEUPB feeds into the EC's open data platform for ESIF. This will become an increasingly valuable tool as implementation progresses and as a means of benchmarking performance with other Member States.
- SEUPB has demonstrated a strategic approach to communication, evidenced by the robust Communications Plan, which meets EU regulatory requirements. The integration of communication across various units in SEUPB and project beneficiaries is also evident. Maximising awareness levels of EU funding and associated benefits will become even more pertinent going forward as there will be a focus on communicating results at a project level as outputs become realised and learning disseminated.

The above provides a firm foundation in which to ensure the successful implementation of the programme.

It is important to note that SEUPB has been met with extenuating circumstances in the aftermath of the UK decision to leave the EU resulting in the Programmes operating in an environment of unprecedented uncertainty in the weeks that followed the referendum. It is evident that every effort has been put in place to minimise the impact on the programme and on applicants.

Political instability in Northern Ireland also added to an atmosphere of uncertainty. In a short period of time, there has been three separate purdah periods for the NI Assembly elections (30 March to 5 May 2016), the referendum on UK membership of the EU (27 May to 23 June 2016) and the Westminster general elections (21 April to 8 June 2017). This has impacted upon the amount of pro-active promotion and press coverage generated by SEUPB.

Other challenges are apparent, most notably the delayed integration of the electronic monitoring system (eMS) to enable e-Cohesion.

The following section outlines a number of key observations and recommendations under specific implementation areas:

## Budget & Expenditure

- It is imperative that the Managing Authority expedite the allocation of funds and achieve project expenditure to ensure that targets are achieved (whilst balancing the need for robust processes) and adherence to the financial profile (N+3). Delays increase the risk of failing to meet these targets and therefore financial penalties to the Programme.
- The Certifying Authority should endeavour to maintain accurate financial forecasting of programme expenditure, in line with regulatory requirements agreed with the EC.
- **Recommendation:** The over commitment of funds should be explored, for example between 105-110% (based on benchmarking data) to allow for underspend across programme themes.

## Communication

- **Recommendation:** The Communications Team has a number of interests to consider when developing communication and publicity material (i.e. EC; SEUPB; Governments; Accountable/Policy Departments; and Project beneficiaries). It is important that due regard is given to relevant stakeholders to ensure that appropriate recognition is given.
- **Recommendation:** To address the lower levels of media awareness within Western Scotland, it is recommended that additional resources/support are dedicated to generating greater levels of awareness within this eligible area.
- **Recommendation:** The new website has been significantly delayed. Adequate resources and focus should be placed on launching the new website within the next three months. The website should be easy to navigate and contain more interactive content.
- **Recommendation:** Increase SEUPB's combined social media presence on all of its existing channels. A social media strategy should be developed to increase engagements and content dissemination.

## e-Cohesion

- The eMS database is a central feature in the management of the Programmes and unfortunately the lengthy delay in a functioning database has contributed to the delay in the formal designation of the programmes (i.e. sign-off from the EC on management and control systems). It has also had a negative impact on SEUPB's resources, due to the time taken to transpose all applications onto the system.
- In the absence of eMS, internal systems have evolved to manage data. This has led to inconsistency in approach across various units and/or staff members adopting different methods. Often information is not readily available in a useable format, requiring a lot of downtime to align data and address queries.
- eMS is now operational to enable e-Cohesion, which has great potential for the reduction of administrative burden. eMS will enable SEUPB to collect and store all necessary information and communicate with applicants/beneficiaries electronically via a secure online communication portal.
- It is acknowledged that good progress is now being made to mobilise eMS (i.e. application module is operational from March 2017) and the Managing Authority are making every effort to expedite the process to minimise any further delays in the adoption and roll out of the system.
- **Recommendation:** Whilst the launch and full implementation of eMS will negate the need for internal monitoring systems (as eMS will have the capacity to generate analysis and output/financial reporting), there is still a short-term need for systems to be in place until such time that all modules are configured and launched. Therefore efforts should be made to improve existing systems and the availability of monitoring information.

- **Recommendation:** The finance interface and claim and payment module should be in place to allow for claims to be submitted in line with programme deadlines. It is understood that the module launch will be imminent (July 2017) given the stage of implementation and projects incurring eligible expenditure and the need to drawdown funds in a timely manner.
- **Recommendation:** Respond to the demand for training on the use of eMS, particularly as Lead/Project partners are embarking on the submission of their first claim.
- **Recommendation:** There should be a link from the new website to eMS to create a more seamless system and portal for Lead/Project Partners as well as SEUPB and relevant stakeholders.
- **Recommendation:** SEUPB has advised that eMS is fully compliant with Data Protection legislation. It is important that this takes into account upcoming changes to this legislation, effective from May 2018.

### Pre-application Support

- SEUPB has met regulatory requirements by publishing a rolling 24 month programme of calls for applications, to include detailed descriptions of the processes, outputs and funding allocation under each theme.
- SEUPB has met regulatory requirements by facilitating pre-application development workshops, as well as a range of thematic workshops to coincide with funding calls. Feedback from attendees is overwhelmingly positive regarding the content and delivery of these workshops. The benefit of this preparation work is evident in the low rate of ineligible applications.
- The rolling 24 month funding call benefited Accountable/ Policy Departments, giving them the opportunity to align internal resources with the timetable for calls to facilitate forward planning.
- **Recommendation:** To improve the content and delivery of the thematic workshops, increased opportunities for formal/controlled networking to aid the identification of potential partners is recommended.
- **Recommendation:** The Managing Authority anticipated that applicants would progress the preparation of the business plan before receiving a Stage 1 approval, however this did not happen in practice and resulted in the 6 week period being particularly challenging. Consideration should be given to either communicating this expectation of preparation work in the absence of approval and/or an extension to the 6 week period being allowed. The additional time may also minimise the extent of clarifications that have become evident during and post approvals.

### Processing Times

- The Steering Committee makes the final decision on all funding applications. There is no additional approval process post Steering Committee. The shift to a single assessment process represents a marked improvement as all necessary approvals, including those from Accountable Departments, are in place at the Steering Committee. (NB. In PEACE III and INTERREG IVA the assessment process required two layers of administration - from both the Steering Committee (including Accountable Department representation) and via the Accountable Department appraisal process).
- SEUPB, the Department of Finance (DoF) in Northern Ireland and the Department of Public Expenditure and Reform (DPER) in Ireland worked in close consultation with the relevant government departments to expedite the assessment of projects. Changes implemented include: Departments in Northern Ireland no longer have to seek DoF approval for projects that fall under the £5m delegated limit, with a corresponding reduction in the time required by Departments to consider applications and the introduction of pro-forma documentation to aid processing of applications - representing a considerable change and significant

improvement to processes.

- As of May 2017, a total of 176 applications have been received, to include 123 applications for the PIV programme and 53 applications for the IVA programme.
- The tables below present a summary of processing times for both programmes. For PIV, targets have been met for Stage 1 and Stage 2, including the Letter of Offer being issued within the required 36 weeks. For IVA, targets have been met for Stage 1 and a timely decision was made by the Steering Committee at Stage 2. When the issuing of the Letter of Offer is considered in the calculation of processing times, it is apparent that the average number of weeks to process applications is higher for IVA.

PIV Processing Times (May 2017)					
Stage 1		Stage 2		Letter of Offer Issued	
No. Projects to Stage 1 Steering Committee	123	No. Projects to Stage 2 Steering Committee	17	No. Projects to Letter of Offer Issued	9
Average Weeks	8	Average Weeks	22	Average Weeks	31

IVA Processing Times (May 2017)					
Stage 1		Stage 2		Letter of Offer Issued	
No. Projects to Stage 1 Steering Committee	53	No. Projects to Stage 2 Steering Committee	31	No. Projects to Letter of Offer Issued	22
Average Weeks	7	Average Weeks	37	Average Weeks	50

- The knock-on effect of the UK Referendum clearly had an adverse effect on processing times. It is evident that every effort has been put in place to minimise the impact on the programmes and on applicants.
- Other factors impacting on processing times are also evident: issues relating to the quality of the applications; time taken to clarify applicant's project activity and assumptions to enable a value for money assessment to be completed; need for information to be updated to take account of the lapse of time (from application submission to Letter of Offer); some applicants experienced delays in collating relevant documentation to support their application – hampered by the complexity of working within a partnership arrangement requiring input from all Project Partners; and additional queries related to uploading information on eMS.
- The issues outlined have collectively contributed to a negative perception among some project beneficiaries and influence their opinion that the level of bureaucracy associated with the programme remains high.
- Upon receipt of a Letter of Offer, a further 3 month mobilisation period is apparent for further due diligence prior to a 'permission to start'. This time, coupled with the delayed approval/issuing of the Letter of Offer has not been well received by many project beneficiaries.
- **Recommendation:** The processing times are in excess of what is anticipated and processes should be brought forward in a more efficient structure and in line with the EC's recommend timescales of 36 weeks, to include issuing the Letter of Offer.
- **Recommendation:** The excessive clarification process has hampered progress and negatively impacted on perception of a reduction in administration. The Managing Authority must take action to avoid the introduction of any unnecessary additional procedures or checks.
- **Recommendation:** The information sought by the Managing Authority as part of the 3 month project mobilisation phase should be incorporated within the Letter of Offer phase, to reduce the level of requests for updated information.

### Simplified Cost Options (SCOs)

- The Managing Authority proactively promoted the use of simplified costs, for example: calls for applications identified opportunities for SCOs and encouraged projects (via funding calls and pre-application workshops), where possible, to adopt these in their projects. The Managing Authority also introduced mandatory unit costs and flat rates tailored to each theme. Despite these efforts SCOs have not been applied as comprehensively as anticipated. Based on feedback, applicants are apprehensive as it represents a shift from the norm.
- **Recommendation:** Additional training and support to include practical examples should be provided during the pre-application and project development phase to minimise/remove anxiety of adopting SCOs and adequate time given to consider options.

### Verification

- A greater focus on projects with high error rates will be given to examine any issues or risks to expenditure targets. Applying risk-based methods of sampling for controls by the Managing Authority will allow for a more efficient use of resources.
- Effective management and control of funds will be demonstrated by a low error rate of the programme (i.e. below the 2% EC threshold. In PEACE III and INTERREG IVA most errors related to procurement, resulting in ineligible expenditure.
- **Recommendation:** Feedback from project applicants suggests that there remains a degree of uncertainty regarding the extent of verification and the level of information required for same. This process should be managed at an early stage, for example the submission of first claims is now imminent and it will be important to monitor how claim profiles have been submitted and evidenced and any issue of concerns identified.

### Compliance with Programmes' Review Procedure

- Based on a review of SEUPB's 'Review Procedure for Unsuccessful Applications', it is clear that a robust process has been devised and implemented. The notification letter outlines the assessment scores and the rationale against the selection criteria. In the interest of fairness and transparency, a de-briefing session is offered to *all* applicants (to be availed of within 14 days of the notification letter, although SEUPB has accommodated debriefing sessions after this deadline). In event that an applicant appeals the decision of the Steering Committee at Stage 1 and/or Stage 2, the Project Review procedures have been met.
- As of May 2017, only four unsuccessful applicants requested a formal Project Review procedure. This suggests that the assessment process is effective and that applicants are content that the outcome was justified based on either the written notification and/or the debriefing session offered to all unsuccessful applicants.

### Training and Support

- Based on the evaluators' interaction with staff members, it is evident that they are highly committed to the success of programme implementation and supporting project beneficiaries.
- The Managing Authority has developed a comprehensive support and training programme, commencing with information seminars, workshops and various resources/guidance materials at the early pre-application stage. This support has evolved in line with the stages of implementation, which will now focus on supporting project beneficiaries as they commence project mobilisation.

- Lead/Project Partners must be proactive and use resources and ask for assistance, where required. It is expected that individuals will avail of the training provided and the Managing Authority are committed to meeting/reacting to demand.
- **Recommendation:** Whilst an Internal Training Programme is in place, training of staff must remain at the forefront of the Managing Authority's agenda, given the changes being implemented in the new programme period (e.g. the adoption of SCOs presents a training need to ensure that case officers are fully aware and confident in their application; and the introduction of eMS and associated new procedures; and to ensure that procedures are implemented in a robust and consistent approach).
- **Recommendation:** The allocation of a dedicated JS and FCU case officer to support the Lead Partner in the implementation of the project – is seen as a very beneficial element of programme management. However, there were reported instances of inconsistency of approach between case officers and examples of different/conflicting advice given. Improved communication and training to align approaches is recommended. This will enhance the confidence and knowledge base of case officers to ensure a consistent and efficient approach is applied to aid effective implementation. Feedback suggests the need for increased visibility of case officers among project beneficiaries to support implementation.
- **Recommendation:** It is evident that relationships between SEUPB and Local Authorities are somewhat strained, therefore a renewed focus on building trust and positive collaboration is required. The concept of a developmental support body was explored as part of the Implementation Evaluation via focus group discussions and interviews with project beneficiaries and was generally well received, pending further clarity as the specific role. It is recommended that an options paper is developed to explore the viability of a Development Support Body to best support Local Authorities. This delivery mechanism could act as a vehicle for dialogue, knowledge sharing and the dissemination of best practice thereby maximising outputs and ensuring value for money is achieved. Learning can be gained from the envisaged 'Quality and Impact Body' relating to 'Children and Young People Aged 14-24' theme.

### Partnership Working

- At this stage of implementation, the approved partnerships appear to be working effectively. However, mobilisation of projects has just commenced so an assessment as to the effectiveness of partnership working is premature.
- **Recommendation:** The varying degree of previous partnership working may influence the effectiveness of implementation, with those with experience at an advantage. There may be a requirement for new partnerships to be given additional support to aid implementation, particularly at the early stages of mobilisation.
- **Recommendation:** Diverse partners and complexities resulting from new partnership arrangements may present challenges as the projects evolve and circumstances change. It is imperative that the Managing Authority maintains close contact with Lead Partners to identify any issues that may impact effective partnership working. It may become increasingly apparent the need for capacity building to ensure that partnerships are working at an optimum level. The opportunity for mutual learning between partners should also be facilitated.

### **Accessibility**

- Based on key stakeholder consultations and feedback from a few applicants, the issue of accessibility was raised in the context of the PIV programme, where representatives from the community and voluntary sector felt that the programme is not accessible to community groups. From SEUPB's perspective, it was intended that community groups will access EU funding from Local Authorities, where the out-workings of the Local Action Plans will be the visible presence of the EU programme on the ground.
- **Recommendation:** SEUPB has already proposed a solution and is exploring the possibility with DOF and DPER, we recommend that this should be pursued to increase the reach of the Programme to organisations who have not engaged to date.

# 1 INTRODUCTION & APPROACH

## 1.1 Introduction

The Special EU Programmes Body (SEUPB) commissioned SJC Consultancy to undertake the Implementation Evaluation of the European Union's Programme for Peace and Reconciliation 2014-2020 (otherwise known as the PEACE IV Programme) and the European Union's Cross-border Programme for Territorial Co-operation, Northern Ireland, the Border Region of Ireland and Western Scotland 2014-2020 (otherwise known as the INTERREG VA Programme).

SEUPB is a North/South Implementation Body sponsored by the Department of Finance (DOF) in Northern Ireland and the Department of Public Expenditure and Reform (DPER) in Ireland. It is responsible for the implementation and delivery of the PEACE IV Programme and INTERREG VA Programme which are designed to enhance cross-border co-operation, promote reconciliation and create a more peaceful and prosperous society.

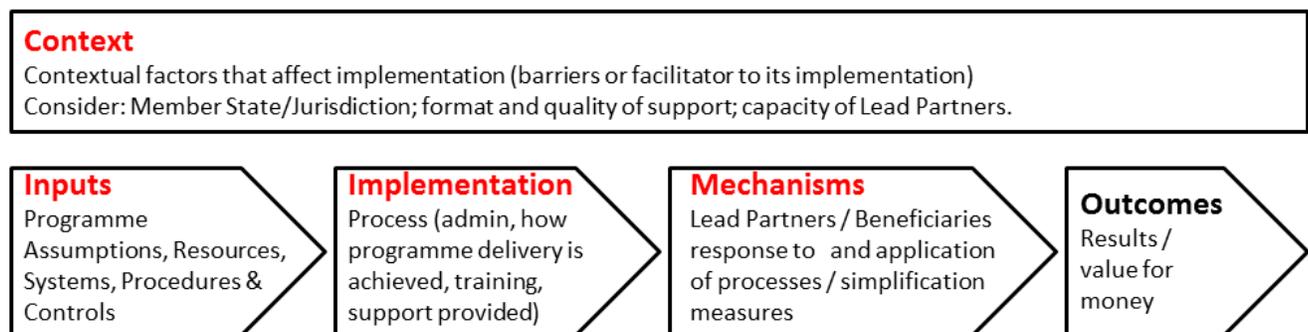
The Implementation Evaluation, as reflected within its Terms of Reference, is required to evaluate the extent to which the Programmes have been implemented as defined by the EC adopted Cooperation Programmes for PEACE IV and INTERREG VA, with an emphasis on the reduction of the administrative burden. A full copy of the Terms of Reference can be found in Annex I.

The Implementation Evaluation will be carried out over a three year period and will result in three reports - first interim report (2017), second interim report (2018) and a final report (2019).

## 1.2 Method Summary

The key components of the Implementation Evaluation involve an assessment of the 'Context', 'Inputs', 'Implementation Processes' and 'Mechanisms' (as per Figure 1.1). These components will ultimately inform the interpretation and achievement of final outcomes, as illustrated in the linkages below. This will ensure that the right processes are set and applied from the beginning of both programmes to achieve performance framework indicators and desired outcomes (final stage in logic model).

**Figure 1.1: Implementation Evaluation components in relation to programme logic model**



Effective implementation will lead to enhanced outcomes; therefore the Implementation Evaluation plays an important role in ensuring that administrative functions are being delivered effectively and efficiently.

Our approach to the evaluation involved the following research strands:

**Quantitative review of administrative data:** An extensive desk review of administrative and monitoring data held by SEUPB was carried out. Evaluators also attended the PIV Partnership Information Seminar and observed a training session on the Eligibility of Expenditure, and liaised closely with programme managers throughout the evaluation.

**Interviews with key stakeholders** were conducted in May 2017, to include: SEUPB staff: Chief Executive; Joint Secretariat and Programme Manager; Financial Control Unit; Managing Authority - Director and Programme Manager; Certifying Authority - Head of Finance and Corporate Services; Communications Manager; eMS programme Manager. External contacts: EU Commission Desk Officers; Member State and Government Representatives (Northern Ireland, Ireland, Scotland); and umbrella organisations.

**Online Survey of successful and unsuccessful applicants** was facilitated to gain feedback on the promotion, application and early stages of implementation. The survey was launched on 3 May 2017, after a successful pilot, and closed on 26 May 2017. A total of 87 individuals provided a response to the online survey, to include 52 successful applicants and 35 unsuccessful applicants.

In terms of successful applicants, this represents a high response rate i.e. 81% of all PIV and IVA Lead Partners – including almost all PIV Lead Partners (94%) and the vast majority of IVA Lead Partners (73%). Project Partners were not involved in the application process to the same extent as Lead Partners, which accounts for the low response rate. 64% respondents are based in Northern Ireland, 28% in the Border Regions of Ireland (28%) and the remaining 8% are based in Scotland (relevant to IVA applicants). For unsuccessful applicants, almost half (49%) contributed to the research.

**Table 1.1: Online Survey Response Rate**

	No. of applicants			No. of respondents			% response rate		
	PIV	IVA	Total	PIV	IVA	Total	PIV	IVA	Total
Successful Lead Partners	17	26	43	16*	19	35	94%	73%	81%
Successful Project Partners	3	112	115	0	17	17	0%	15%	15%
Unsuccessful	48	24	72	26	9	35	54%	38%	49%
<b>Total</b>	<b>68</b>	<b>162</b>	<b>230</b>	<b>42</b>	<b>45</b>	<b>87</b>	<b>62%</b>	<b>28%</b>	<b>38%</b>
<i>*two partial responses</i>									

Overall analysis is presented and reference is made to respondent groupings if there is a discernable difference of opinion.

**Focus groups and interviews** were carried out with successful applicants (representing 16 different projects) to explore issues raised in the online survey in more detail. Interviews were also carried out with 10 unsuccessful applicants to assess the effectiveness of the review procedure. Four projects were selected and developed as standalone **case studies** to provide qualitative evidence regarding implementation processes. Each case study has been informed by: review of project information (for example, business plan, letter of offer conditions, partnership agreement); online survey data; and semi-structured interviews with the Lead Partner and Project Partner(s).

Data from each stage of the methodology has been triangulated and analysed and reported against the terms of reference requirements.

### 1.3 Report Structure

The remainder of this report is set out as follows:

Section 2	Programme Overview
Section 3	Delivery Structures
Section 4	Financial Structures
Section 5	Communication and Awareness Raising Activities
Section 6	Application and Assessment Process
Section 7	E-Cohesion
Section 8	Training and Support
Section 9	Partnership Structure
Section 10	Project Review Procedures – Unsuccessful Applicants
Section 11	Accessibility – Organisations who did not apply
Section 12	Conclusions and Recommendations
Annex I	Terms of Reference
Annex II	Accountable/Policy Departments
Annex III	Achievement against Performance Framework
Annex IV	Simplified Cost Options
Annex V	Media Monitoring Statistics

## 2 PROGRAMME OVERVIEW

### 2.1 Introduction

This section of the report sets out the background to the PEACE IV Programme (PIV) and INTERREG VA Programme (IVA) for the period 2014-2020.

### 2.2 Background Context

The PIV and IVA programmes represent a long standing partnership between the European Commission (EC), Northern Ireland, Border Region of Ireland and Western Scotland, supported by the governments of the UK, Ireland and Scotland. Since 1994, over £2.2billion has been invested in the eligible region, between EU and national contributions, to create and cement the journey towards peace and reconciliation, the conditions needed to promote economic growth and prosperity.

The Programmes operate within a clearly defined area including Northern Ireland, the Border Region of Ireland<sup>2</sup> and in the case of IVA the eligible area also includes Western Scotland<sup>3</sup>. PIV has a value of €269m and aims to promote peace and reconciliation in Northern Ireland and the Border Region of Ireland. IVA has a value of €283m and aims to address the economic and social problems which are exacerbated by the existence of borders by creating a more prosperous and sustainable cross-border region.

The PIV and IVA Programmes are cross-border programmes comprising 85% funding from the EU under European Structural and Investment Funds (ESIF)<sup>4</sup> via the European Regional Development Fund (ERDF) and 15% match funding from the Northern Ireland Executive and the Irish Government, and in the case of IVA, from the Scottish partners involved. In some funding calls applicants may be requested to identify other sources of match-funding to ensure that total project costs are met.

#### 2.2.1 *Development Cooperation Programmes*

SEUPB established a Programme Development Steering Group (PDSG) to oversee the drafting and development of both programmes. This partnership involved wide ranging stakeholders, with representatives comprising the Member States (Northern Ireland / Ireland / Scotland), local government, social partners and the community and voluntary sector.

Additional informal sub groups were established to encourage enhanced stakeholder participation, where input was provided on: the selection of themes; delivery mechanisms; sustainable development; and equality. A large number of bi-lateral meetings were also held with interested parties including government agencies and departments with policy responsibility for emerging themes.

To support participation from a wider audience, an extensive public consultation was also carried out across the eligible region. The first public consultation was held in 2012. It presented an analysis of the EU Cohesion Policy draft regulations and the implications for the development of cross-border programmes.

---

<sup>2</sup> Counties Cavan, Donegal, Leitrim, Louth, Monaghan, and Sligo

<sup>3</sup> Lochaber, Skye & Lochalsh, Arran & Cumbrae and Argyll & Bute, Dumfries and Galloway, East Ayrshire and North Ayrshire mainland, and South Ayrshire

<sup>4</sup> ESIF includes money from five funds: ERDF; European Social Fund (ESF); Cohesion Fund (CF); European Agricultural Fund for Rural Development (EAFRD); and European Maritime and Fisheries Fund (EMFF)

This consultation also sought views on the content, management and delivery of the new programmes. Almost 1,000 stakeholders participated in 20 consultation events across the eligible area and 173 written submissions were received.

A second public consultation was carried out from 03 June 2014 to 29 July 2014. This consultation was held on the draft Cooperation Programmes, together with the following supporting documentation: the Ex Ante Evaluation; the Strategic Environmental Assessment; and the Equality Screening Report. A total of almost 600 stakeholders participated in nine consultation events across the eligible area. A total of 333 written responses were received in response to the consultation, which informed the drafting of both Cooperation Programmes.

During the first and second consultation period, detailed discussions were also held with the government departments, North and South, the Scottish Government and representatives of all sectors, including business, rural, agricultural, community and voluntary, trade unions and public sector organisations.

### **Outcome**

Based on the results of this widespread consultation exercise, lessons of PEACE III and INTERREG IVA, and informed by additional needs assessment of the region, a number of strategic areas of investment have been prioritised for the 2014-2020 period.

For PIV, the key priorities are: Shared Education; Children and Young People; Shared Spaces and Services; and Building Positive Relations. Applications can be submitted from a wide range of organisations including Local Authorities; Voluntary and Community Sector Organisations and Public Bodies.

For IVA, the key priorities are: Research and Innovation; Environment; Sustainable Transport; and Health. Applications can be submitted from a wide range of organisations including: Public Sector Bodies; Government Departments; Voluntary and Community Sector Organisations; Universities and Institutes of Technology; and Colleges of Further Education.

The Programmes were approved by the Member States and the EC on the basis of specific result and output targets, with corresponding financial allocations. After successful adoption of the Programmes, the SEUPB launched the PIV and IVA Programmes in January 2016.

### **2.2.2 New Programmes – key changes**

There are a number of key changes introduced for the new programming period 2014-2020, to include:

- Changes to the eligible area.
- Concentrated and focused programmes.
- Result orientation.
- Reduced administrative burden.
- Introduction of financial penalties.
- Importance of open data.

**Eligible Area**

The IVA Programme now includes Belfast and Greater Belfast as a specific area for the first time, recognising Belfast as key economic driver. Although, it is important that the programme does not unduly become Belfast centric. A mapping exercise can be carried out to determine programme reach and whether an appropriate spread of funding and impacts have been achieved across the eligible area.

**Concentrated and Focused Programmes**

In line with the Europe 2020 strategy the EC requires that all of the new 2014-2020 programmes be more 'concentrated'. It is evident that the PIV and IVA are focused on a narrower range of activities, when compared to PEACE III and INTERREG IVA, to ensure that there is sufficient available funding to bring about significant change. Although programmes have been designed to focus on a smaller number of larger scale projects, it is important to note that projects are/will be delivered via a partnership approach thereby offering far reaching benefits. Smaller organisations and community/voluntary groups are encouraged to access funding via the PIV Local Authority Local Action Plans.

**Result orientation - with clear and measurable outputs, milestones and targets**

EC guidance dictates the need to establish specific objectives and related measures (output indicators and one or two result indicators<sup>5</sup>), baselines (from existing established sources or propose a method for establishing new baselines) and targets (for the years 2018 and 2023) in the eligible jurisdictions. Focusing on core common indicators will ease monitoring and reporting requirements and will facilitate aggregation of data and reporting on achievements at EU level.

The Managing Authority spent a significant amount of time and effort in the development of robust strategic objectives (statement of intended change) and associated measures (needed to achieve this change), to include commissioning technical experts to devise appropriate indicators. As a result, the Cooperation Programmes cite specific output and result indicators, with corresponding financial allocations. This is a marked improvement when compared to PEACE III, where in excess of 1,400 output indicators were set for the programme, coupled with issues regarding the suitability of indicators raised in the mid-term evaluation of PEACE III.

The Managing Authority issued 'Output Indicator Guidance', with the support of NISRA, as reference guidance for measuring and recording achievement for indicators. Successful PIV/IVA applicants must demonstrate tangible outputs and results in the delivery of their projects which are aligned with the overall objectives of the Programme. Based on the online survey of applicants, there is support for the move towards a 'results' based approach, with over half (55%) agreeing that it has helped them to develop projects with measurable outputs.

It is worth noting that Local Authorities (LA) in Northern Ireland were recently introduced to the concept of 'Outcomes Based Accountability (OBA)' which also focuses on outcomes that are desired and monitored, and evidence collated towards those desired outcomes from a baseline position. The NI Programme for Government is derived from an OBA approach. This may be an advantage to LAs as they will be equipped with the knowledge of how to monitor the achievement of targets. However, there may be issues with various definitions / terminology between OBA and the PIV/IVA approach. The Managing Authority should clearly communicate how PIV/IVA use the terminology when liaising with LAs.

The Managing Authority are in the process of commissioning independent evaluators to carry out separate Impact Evaluations related to individual PIV/IVA themes, which will consider the achievement of output and result indicators.

---

<sup>5</sup> NB. *Output Indicators: Link to activities of operation. They are measured in physical or monetary units (e.g. number of people trained, number of initiatives developed) and contribute to result indicators. Result Indicators: Relate to specific objectives and capture the expected change.*

### Reduce the administrative burden

In response to opportunities presented in the new programmes, EC regulations and feedback from the Consultative process, there is renewed focus on administrative simplification to assist beneficiaries in the implementation of their projects and to help reduce the level of bureaucracy associated with PEACE III and INTERREG IVA. The following measures have been introduced:

- **Project Assessment** – a two stage process has been introduced to determine the success of an application. The overall assessment period is 36 weeks, including the issuing of a Letter of Offer.
- **Letter of Offer conditions** – additional conditions in the Letter of Offer have been reduced to a minimum.
- **Monitoring** – the number of indicators within a Letter of Offer reflect the result and output focus of the Programmes.
- **Budget structure** – a simplified budget structure is used within the Letter of Offer.
- **Simplified Costs** – the Programmes proactively promote and implement simplified costs. All relevant projects avail of flat rate for overheads.
- **Verification** – Risk-based sampling methodology adopted.
- **E-Cohesion** – the Programmes embrace the principles of e-cohesion.

The ambitious agenda for simplification was agreed and buy-in gained from relevant Governments and Accountable/Policy Departments. These simplification measures are a key focus of the Implementation Evaluation; subsequent sections provide further details and conclusions as to the extent to which these systems have reduced the administrative burden for applicants and project beneficiaries.

In support of simplification, the EC has launched various initiatives, notably:

- A High Level Group (HLG) of 'Independent Experts on Monitoring Simplification for Beneficiaries of the ESI Funds'<sup>6</sup> to assess Member States' take-up of simplification measures, analyse their implementation, identify good practice, and make recommendations. The first meeting was on 20 October 2015. The tenth meeting of the HLG will be held on 11 July 2017 which will focus on final conclusions and recommendations.
- The 'Simplify European Structural and Investment (ESI) Funds Platform', which is an online forum for sharing ideas on simplifying measures<sup>7</sup>.
- A new study (pending) which aims to build an evidence base on the application of the new simplification mechanisms in 2014-20 and assessing administrative costs and burdens<sup>8</sup>.

It is important that SEUPB, as Managing Authority, is cognisant of the key lessons emerging across EU funding programmes.

---

<sup>6</sup> [http://ec.europa.eu/regional\\_policy/en/policy/how/improving-investment/high-level-group-simplification/](http://ec.europa.eu/regional_policy/en/policy/how/improving-investment/high-level-group-simplification/)

<sup>7</sup> <https://ec.europa.eu/futurium/en/simplify-esif>

<sup>8</sup> [http://ec.europa.eu/regional\\_policy/en/information/publications/studies/2015/study-on-the-use-of-new-provisions-on-simplification-during-the-early-implementation-phase-of-the-european-structural-and-investment-esi-funds](http://ec.europa.eu/regional_policy/en/information/publications/studies/2015/study-on-the-use-of-new-provisions-on-simplification-during-the-early-implementation-phase-of-the-european-structural-and-investment-esi-funds)

**Financial penalties**

The EC have introduced, for the first time, a clause that financial penalties will be incurred if there is failure to achieve selected outputs. The Managing Authority will stringently monitor the programmes and due to existing early warning systems in place can take timely corrective action to ensure that the programmes are fully implemented.

**Focus on 'open data'**

There is an increased focus on open data for ESIF, due to changing political context and the need to justify expenditure, influence policy decisions and to engage citizens. Changes are also evident with the advancement of technology and the drive for big data and demand for instant access and availability of data.

To address this need, the EC has created an online portal/ tool for the purpose of transparency and to facilitate the sharing of data related to ESIF (the tool can be accessed using this link <https://cohesiondata.ec.europa.eu/>). The tool visualises, for the 533 national, regional or interregional programmes, the latest data on financing and achievements under the ESIF 2014-2020. Data is presented at EU, Theme, Country and Fund levels. Managing Authorities in various countries, including SEUPB, are responsible for providing information three times a year to feed into the open data platform. The data is highly accessible and can be downloaded in various formats (including excel) to facilitate analysis.

The EC intend to progressively develop the portal and it will become an increasingly valuable tool as implementation progresses and as a means of benchmarking performance with other Member States/programmes.

The status of implementation was discussed at the recent INTERREG Annual Meeting which was held in Malta (26-28 April 2017) and was attended by Member States. SEUPB are active in the ERDF community and has attended various international conferences for the purpose of knowledge sharing and networking.

**2.2.3 Key Challenges**

One of the biggest challenges encountered relates to the decision of the UK to leave the EU resulting in the Programmes operating in an environment of unprecedented uncertainty in the weeks that followed the referendum.

The outcome of the UK Referendum on EU membership gave rise to considerable uncertainty in relation to the continued availability of funding for the programmes. However, following discussions between the DOF in Northern Ireland and the DPER in Ireland, agreement was reached on the terms of the funding agreements offered to programme beneficiaries so as to ensure that funding can continue until the end of the current programming period, regardless of the UK leaving the EU. From a UK perspective and in line with the UK Treasury guarantee, funding for projects will be honoured by the government, if they are approved before the UK leaves the EU and they meet the following conditions: they demonstrate value for money and are in line with domestic strategic priorities.

SEUPB has posted a number of statements on the SEUPB website updating stakeholders on the impact on the programme of the UK's decision to withdraw from the EU and has responded to all media queries in relation to referendum decision. On 28 October 2016, SEUPB 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\\_LoIIssue\\_28-10-2016.sflb.ashx](http://www.seupb.eu/Libraries/Media_Press_Releases/SEUPB_AnnouncementOfEUFundingAwards_LoIIssue_28-10-2016.sflb.ashx)

It is important to note that political instability in Northern Ireland also added to an atmosphere of uncertainty. In a short period of time, there has been three separate purdah periods for the NI Assembly elections (30 March to 5 May 2016), the referendum on UK membership of the EU (27 May to 23 June 2016) and the Westminster general elections (21 April to 8 June 2017). This has impacted upon the amount of pro-active promotion and press coverage generated by SEUPB.

### 3 DELIVERY STRUCTURES

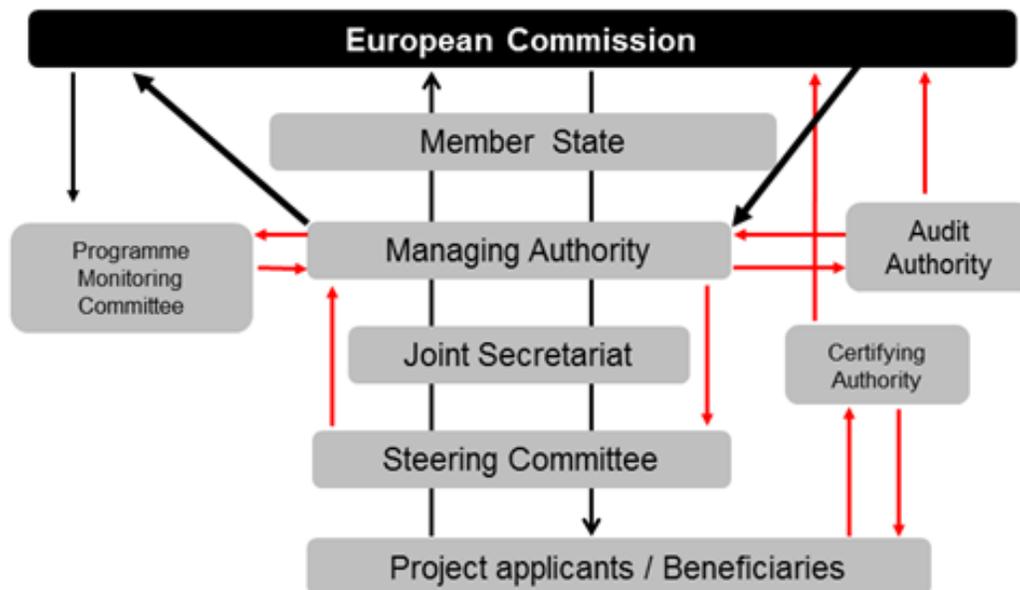
#### 3.1 Introduction

This section outlines the delivery structure for the PIV and IVA programmes, to include the EC, Member States, Designated Authorities (i.e. Managing Authority; Joint Secretariat; Certifying Authority; Audit Authority); Programme Monitoring Committee (PMC), Steering Committee and project beneficiaries.

#### 3.2 Programme Management Structure

Figure 3.1 presents the programme management structure and description of the role and responsibilities of each is summarised below.

**Figure 3.1: Programme Management Structure**



##### 3.2.1 Member States & Accountable/Policy Departments

The Member States are Northern Ireland, Ireland and Scotland, which are represented by the following government departments: Department of Finance (DoF); Department of Public Expenditure and Reform (DPER); and the Scottish Government.

Government Departments in Northern Ireland and Ireland provide the funding mechanism for the EU Programmes and have a dual role of policy and funding. For the IVA Programme, the Scottish Government have a policy oversight role.

*NB. In Northern Ireland there are Accountable Departments which include Policy Advisors. In Ireland, there are Accountable and Policy Departments. In Scotland there are Policy Advisors.*

Each strategic objective is managed by one Accountable Department in Northern Ireland and one Accountable Department in Ireland, and for IVA input from policy advisers within relevant sections of the Scottish Government.

In the case of PIV Local Authority Action Plans, which are split across three strands of activity (Action 2.2, 3.2 and 4.1), the Accountable Department in Northern Ireland is the Executive Office. In Ireland, the Department of Rural and Community Development (DRCD) is the Accountable Department and the Department of Children and Youth Affairs (DCYA) are the Policy Accountable Department for Action 2.2 only.

The Accountable Departments for PIV and IVA are listed in Annex II.

Member States and Accountable/Policy Departments are represented on the Steering Committee, responsible for drafting and approving all calls for applications and assessing and approving the allocation of funded projects (Ref Section 6.4 for more details on the application and assessment process).

### 3.2.2 **SEUPB - Managing Authority**

SEUPB's primary role is to manage the cross-border European Union Structural Funds programmes in Northern Ireland, the Border Region of Ireland and parts of Western Scotland i.e. the PEACE IV Programme (2014-2020) and the INTERREG VA Programme (2014-2020).

In managing the Programmes, SEUPB's work is divided into the following four areas: Managing Authority; Joint Secretariat; Certifying Authority; and Corporate Services. SEUPB operate an integrated staff team across offices in Belfast, Omagh and Monaghan. A national contact point is also based in Glasgow to support applicants in Western Scotland. Specific responsibilities include:

- Overall delivery of programme.
- Preparing annual and final implementation reports.
- Risk management (including anti-fraud measures).
- Ensuring that information and publicity requirements established by European Regulations are met.
- Support beneficiaries with guidance.
- Ensuring proper evaluation of the programme is undertaken.
- Verification and control.

Based on the evaluators' interaction with staff members, it is evident that they are highly committed to the success of the programme implementation and supporting project beneficiaries. As Managing Authority, SEUPB has significant experience of managing large-scale EU funded programmes. Feedback from the European Commission is positive, citing that SEUPB has demonstrated a 'good track record' of delivery and compliance with relevant EC regulations.

Based on progress and key achievements to date (May 2017) both PIV and IVA are expected to meet their respective 2018 milestones, as per the agreed performance framework (Annex III).

For PIV, 26% of total project budget has been approved (increasing to 40% when the budget allocation for Shared Education is finalised, which is imminent). For IVA, 74% of total project budget has been approved (as of May 2017). For the first time the EC has introduced a financial penalty clause should spend targets and outputs not be achieved in line with the Performance Framework for each Programme.

### 3.2.3 **Joint Secretariat**

The Joint Secretariat (JS) is an independent and centralised unit under the aegis of the Managing Authority. Specific responsibilities include:

- Issuing calls for applications.
- Project assessment in advance of Steering Committee.
- Issuing of Letters of Offer to operations.
- Project monitoring and case management.
- Project closure.

The JS has been described by some stakeholders as 'the work engine' and the unit which projects will interact with the most. The JS is responsible for project assessment and for accompanying the projects from Stage 1, through to the approval process, issuing contracts, supporting project mobilisation and roll-out and importantly are responsible for monitoring the advancement of projects to ensure that outputs are being met. In terms of JS resources, there are 22 staff members across both programmes dedicated to the application assessment process.

The JS also works in close collaboration with the Financial Control Unit (FCU) to ensure regularity of expenditure. The FCU is responsible for verifying the legality and regularity of expenditure. They undertake eligibility for funding checks on each Lead Partner and carry out both administrative verifications of each claim of expenditure made by a project and on the spot checks. The FCU support JS in the assessment of applications related to the 'value for money' criteria.

### 3.2.4 **Certifying Authority**

The Certifying Authority is responsible for the certification of all expenditure claims submitted to the EC, ensuring eligibility with EU and national rules. Specific responsibilities include:

- Review processes and procedures and ensuring any irregularities are raised and actioned.
- Controls the cashflow of the programme, including making payments to Lead Partners, drawdown of funds from the EC and subsequent reimbursement to each Member State.
- Prepare annual accounts.

The Certifying Authority must submit claims to EC with 3 years of budget year (N+3 targets), as failure to do so will result in an automatic budget reduction (Ref: Section 4.4 for further details).

### 3.2.6 **Audit Authority**

The Audit Authority is independent of the Managing Authority and is located within an independent unit within the Department of Finance, responsible for working on a cross-border basis to carry out audit and control functions.

The Audit Authority will carry out the functions as detailed in Article 127 of the Regulation (EU) No. 1303/2013, namely:

- Ensuring that audits are carried out on the proper functioning of the management and control system of the Cooperation Programmes and on an appropriate sample of operations on the basis of the declared expenditure. The declared expenditure shall be audited based on a representative sample and as a general rule on statistical sampling methods. There is provision to apply a non-statistical sampling method which may be used on the professional judgment of the Audit Authority in duly justified cases.
- Ensuring that where audits are carried out by a body other than the Audit Authority, any such body has the necessary functional independence.
- Ensuring that that audit work takes account of internationally accepted audit standards.
- Preparing an audit strategy for performance audits, within eight months of adoption of an operational programme. The audit strategy shall set out the audit methodology, the sampling method for audits on operations and the planning of audits in relation to the current accounting year and the two subsequent accounting years. The audit strategy shall be updated annually from 2016 until and including 2022.
- Draw up an audit opinion in accordance with Article 59 (5) (b) of the Financial Regulation.
- Draw up a control report setting out the main findings, including deficiencies found in the management and control systems, of the audits carried out and the proposed and implemented corrective actions.

A combined audit strategy will be developed which covers the PEACE Programme and the INTERREG Programme for the Border Region, Northern Ireland and Western Scotland.

To enable designation of the authorities (MA & CA), the Audit Authority is required to form a view on the procedures of the Managing Authority and the Certifying Authority. SEUPB submitted a report and procedures to the Audit Authority for review on 24 February 2017; this follows a previous review of the procedures during 2016. The Audit Authority is required to submit their opinion to the Member States, and the Member States then formally notify the Commission of the designation. As a result of this process, the Programme is now designated. The Member States formally notified the Commission of the designation on 27 April 2017.

It is important to note that the designation process was delayed as it could not be completed until the online monitoring system/eMS was operational (as of March 2017), as this represents a central feature in the management of the Programme (Ref: Section 7.2 for further details).

### 3.2.8 *Programme Monitoring Committee*

The Programme Management Committee (PMC), chaired by the Managing Authority, has been established for each programme to review the implementation of PIV and IVA and to monitor progress made towards achieving the objectives of the programmes. The PMC operates within the institutional, legal and financial framework of the Member States.

In terms of composition, the PMC includes balanced representation from across the eligible region including representatives from the Member States, economic and social partners; relevant bodies representing civil society, environmental partners, non-governmental organisations, bodies promoting social inclusion, gender equality and non-discrimination; and locally elected representatives. Particular effort has also been made to promote the balanced participation of women and men.

The PMC meets twice a year for each Programme. An extraordinary joint PEACE IV and INTERREG VA PMC was held in September 2016 to review the implications of the referendum on both programmes. The last PMC meeting for IVA was held on 18 January 2017 and the last PMC for PIV was held on 24 May 2017, which the evaluators attended. It was evident that all PMC members take an active role, reviewing various documentations, raising questions and offering considered views to aid the implementation of the programmes.

The PMC have the authority to appoint Working Groups, as it deems appropriate, to consider in more detail specific areas of its responsibility. The PMC requested the establishment of an Evaluation Steering Group (ESG) to monitor and provide advice on the PIV and IVA Evaluation Plan and ensure its effective design and implementation. Membership of the ESG includes PMC members, representatives from the Member States, NISRA and SEUPB and it is chaired by the Managing Authority.

The evaluators have met with the ESG on two occasions and have welcomed the input and valuable contributions of all members.

### 3.2.9 *Steering Committee*

The PMC delegated its responsibility for project selection to a Steering Committee for each Programme to:

- Approve calls for applications;
- Make decisions on project applications and the allocation of grant award;
- Ensure that projects approved for funding address key aims and requirements of the Programmes, namely;
  - To ensure contribution to respective results and outputs for each Programme;
  - To ensure compliance with cross cutting themes – equality, sustainable development, cross border cooperation.
- Make decisions demonstrating the most efficient use of grant aid and ensure delivery of the outputs required within the Cooperation Programme;
- Ensure project approvals are within the financial confines of the relevant theme;
- Ensure all decisions are in accordance with EU law and Programme requirements;
- Be the final decision making body to allocate monies to projects.

Steering Committee members availed of induction training at the beginning of the programme to ensure that they are aware of their roles and responsibilities. The Steering Committee has access to relevant technical and financial expertise when required in order to make an informed decision.

The Steering Committee for each Programme is constituted on a cross-border basis. As per the PMC, the composition of the Steering Committee includes a balanced representation from across the eligible region.

Members include: Chair (SEUPB); Member States (DOF and DPER); relevant Accountable/Policy Department for the theme in which the application has been submitted will have one representative on the Committee; Regional/Sub-Regional/Local Government Interests, two from each jurisdiction; Cross Cutting Interests/Social and Economic Partners, one from each category: Equality Organisations; Environmental Organisations; Voluntary and Community Sectors; Trade Unions; Business; Agri-Rural Development).

### 3.2.10 **Lead Partners / Project Partners**

Lead Partners have full responsibility for the delivery of project outputs; and ensure eligibility of expenditure, as well as compliance with programme rules and regulations.

The Lead Partner must ensure all Project Partners adhere to standard conditions of grant and must play an active role to educate Project Partners on their respective responsibilities.

Lead Partners and Project Partners represent a wide range of organisations, for PIV this includes: Local Authorities; Voluntary and Community Sector Organisations, Public Bodies; and for IVA this includes: Public Sector Bodies; Government Departments; Voluntary and Community Sector Organisations; Universities and Institutes of Technology; Colleges of Further Education.

#### **PIV Local Authority Lead Partners**

Local Authorities (LAs) across Northern Ireland and the Border Region of Ireland were invited to develop an Action Plan for their areas which addresses three of the four core objectives of the PIV Programme, specifically (2.2 Children and Young People aged 0-24; 3.2 Local Authority Shared Spaces; and 4.1 Building Positive Relations at the Local Level).

An indicative budget was set aside for the development of Local Action Plans (LAPs) therefore there is no competition in relation to this allocation. LAPs are the visible presence of the EU programme on the ground/grass roots levels. This funding, as it currently stands, represents the only means of community groups accessing money from the PIV programme, and as such the local authorities must continue to promote the programme and ensure that EU funding is visible at a local level.

Section 9 provides an overview of partnership structures and principles of partnership working.

## 4 FINANCIAL STRUCTURES

### 4.1 Introduction

An overview of the key financial structures and expenditure to date is presented below.

### 4.2 Overall Programme Budgets

The budget for PIV is €269.61m (ERDF and Government Department match funding) and for IVA is €282.76m (ERDF and Government Department match funding); totalling a substantial investment of €552.37m across the eligible area for the period 2014-2020. A breakdown of the budget can be found in the Table 4.1. All projects within the programmes receive funding from the following sources: ERDF (Northern Ireland); ERDF (Ireland); match funding (Northern Ireland); match funding (Ireland); match funding (Scottish partners and/or private sector match funding – for IVA only).

100% grant aid is available for the vast majority of projects, made up of 85% from ERDF monies and 15% match funding from Accountable Departments. Projects can also bring 'other' funding over and above the 100%<sup>9</sup>. The level of grant aid may also be adjusted to take due account of state aid<sup>10</sup> and/or anticipated future revenue streams.

**Table 4.1: PIV and IVA Budget (2014-2020)**

PIV	Northern Ireland	Ireland	PIV Budget
ERDF (85%)	€ 179.62	€ 49.55	€ 229.17
Match (15%)	€ 31.70	€ 8.74	€ 40.44
Total	€ 211.32	€ 58.29	<b>€ 269.61</b>
% of overall budget	78%	22%	100%
IVA	UK	Ireland	IVA Budget
ERDF (85%)	€ 169.12	€ 71.23	€ 240.35
Match (15%)	€ 29.84	€ 12.57	€ 42.41
Total	€ 198.96	€ 83.80	<b>€ 282.76</b>
% of overall budget	70%	30%	100%
Combined PIV / IVA	UK	Ireland	Overall Budget
ERDF (85%)	€ 348.74	€ 120.78	€ 469.52
Match (15%)	€ 61.54	€ 21.31	€ 82.85
Total	€ 410.28	€ 142.09	€ 552.37
% of overall budget	74%	26%	100%

SEUPB's Certifying Authority requests, on a quarterly basis, ERDF and match funding in advance from each Accountable Department. It is important to note that every project, whether single jurisdiction or cross-border in nature receives funding which utilises the EU allocation and match contribution from Northern Ireland and Ireland. The Managing Authority manages and administers this process before it is distributed to project beneficiaries.

<sup>9</sup> In relation to the 26 INTERREG VA projects, 16 have brought other funding at a cumulative value of circa €12.5m. To date 4 projects in PEACE IV have brought 'other' funding at a cumulative value of circa €3m.

<sup>10</sup> If there is no State Aid, then the maximum level of grant may be awarded. Where State Aid is identified, the de minimis regulation may apply (i.e. allows small amounts of aid – less than €200,000). Where State Aid is identified, the General Block Exemption Regulation (GBER) may apply (i.e. allows assistance for a range of aid measures considered not to unduly distort competition). For some projects some elements may be deemed to be 'not aid' while other components may be considered to be State Aid. In this case a lower intervention rate will be applied to a part of the grant.

### 4.3 Programme Budgets & Expenditure – per theme

IVA is at a more advanced stage with 74% of the total ERDF project budget allocated, when compared to 26% of funds being allocated for PIV. The following section outlines expenditure against budget for each of the two programmes.

#### 4.3.1 PIV Programme – Budget and Expenditure

For PIV, the total budget of €269,610,965 is divided across the four specific objectives (94%) and technical assistance (6%), as per the table below.

This include €93.5m for the delivery of Local Authority Action Plans, however €12.4m is deferred pending evaluation of phase 1 of the Children and Young People theme, equating to a budget of €81.1m (as per Table 4.3).

Shared Spaces and Services represent the highest allocation with 37% of the total budget, followed by Local Authority Action Plans (across three themes) representing 35% of the total budget.

**Table 4.2: PIV Programme Budget**

Priority	ERDF budget	Match Funding	Total	% of total
<b>1. Shared Education</b>	<b>€ 30,000,000</b>	<b>€ 5,294,118</b>	<b>€ 35,294,118</b>	<b>13%</b>
<b>2. Children and Young People</b>	<b>€ 57,000,000</b>	<b>€ 10,058,824</b>	<b>€ 67,058,824</b>	<b>25%</b>
2.1 <i>Young people aged 14-24</i> <sup>1</sup>	€ 32,000,000	€ 5,647,059	€ 37,647,059	14%
2.2 <i>Local Authority Action Plans</i> <sup>2</sup>	€ 25,000,000	€ 4,411,765	€ 29,411,765	11%
<b>3. Shared Spaces and Services</b>	<b>€ 84,500,000</b>	<b>€ 14,911,765</b>	<b>€ 99,411,765</b>	<b>37%</b>
3.1 <i>Capital development</i>	€ 45,000,000	€ 7,941,176	€ 52,941,176	20%
3.2 <i>Local Authority Action Plans</i>	€ 24,500,000	€ 4,323,529	€ 28,823,529	11%
3.3 <i>Victims &amp; Survivors</i>	€ 15,000,000	€ 2,647,059	€ 17,647,059	7%
<b>4. Building Positive Relations</b>	<b>€ 43,919,162</b>	<b>€ 7,750,440</b>	<b>€ 51,669,602</b>	<b>19%</b>
4.1 <i>Local Authority Action Plans</i>	€ 30,000,000	€ 5,294,118	€ 35,294,118	13%
4.2 <i>Regional Projects</i>	€ 13,919,162	€ 2,456,323	€ 16,375,485	6%
<i>Project Budget</i>	<b>€ 215,419,162</b>	<b>€ 38,015,146</b>	<b>€ 253,434,308</b>	<b>94%</b>
<b>Technical Assistance</b>	<b>€ 13,750,158</b>	<b>€ 2,426,498</b>	<b>€ 16,176,656</b>	<b>6%</b>
<b>Total</b>	<b>€ 229,169,320</b>	<b>€ 40,441,645</b>	<b>€ 269,610,965</b>	<b>100%</b>

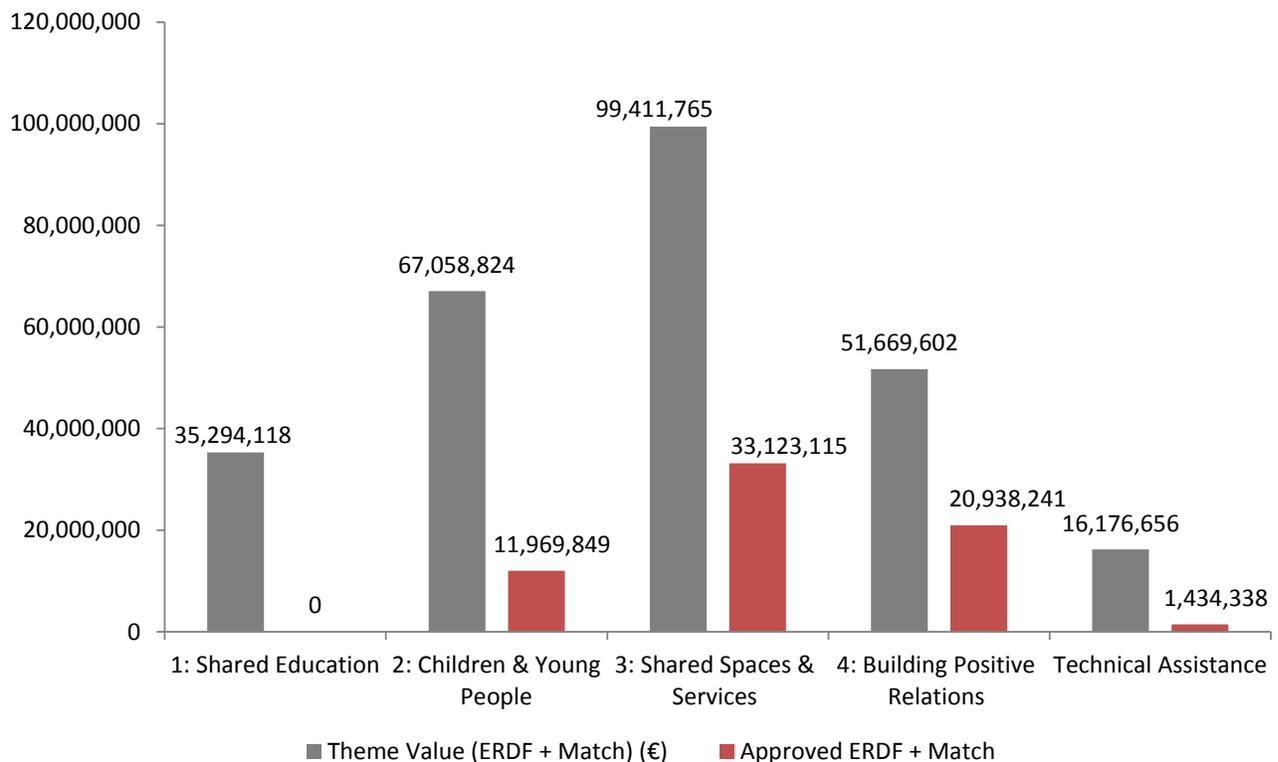
<sup>1</sup>Note this will be implemented in two phases (Phase 1 will be subject to an independent evaluation which will inform decision making on whether Phase 2 should proceed)

<sup>2</sup>€17m (including 14.5m ERDF and €2.5m match funding) will be allocated in Phase 1.

The total project budget is €253,434,308. As of May 2017, the sum of €66,031,205 has been allocated, representing 26% of the total project budget. A breakdown of expenditure is presented in Figure 4.1. It is important to note that two applications under the Shared Education theme were recently approved at Steering Committee. Budgets are currently being finalised, however, these will likely result in a full allocation of available funding. Including the Shared Education allocation of €35,294,118 will result in €101,325,323 or 40% of the project budget being allocated.

Technical Assistance (TA) represents 6% of the total programme budget, with expenditure of €1,434,388 incurred to date (i.e. 8.9% of TA budget).

**Figure 4.1: PIV Programme – ERDF + Match Funding Expenditure (May 2017)**



The theme Children and Young People (14-24) is behind schedule as the funding call was delayed by six months (from June 2016 until November 2016) to agree aspects of the programme design, in particular relating to the extent of cross-border activity. To advance the theme, it was agreed to have a two phased approach to test demand. The implementation of Phase 2 will be subject to the results of a positive evaluation of Phase 1

As of May 2017, 16 of the 17 Local Authority Action Plans have been approved i.e. eight LAPs have been issued a Letter of Offer, equating to 35% allocation of LA funds (Table 4.3), a further eight LAPs have been approved by the Steering Committee and are pending a Letter of Offer being issued, equating to 44% of the total budget for LAs.

The outstanding approval of one LAP relates to Belfast City Council, which represents the highest budget allocation of LAPs (21% of the €81.1m budget). The award of this funding has been deferred due to issues with

the application. The delay in awarding this high proportion of PIV funds could pose a risk in terms of whether project outputs can be met.

**Table 4.3: Local Authority Action Plans – ERDF Budget and Allocation**

Local Authority Area	Peace Action Plan Total (ERDF + Match)	% of total budget for LAP	Children and Young People (aged 0-24) Total (ERDF + Match)	Shared Space Total (ERDF + Match)	Building Positive Relations Total (ERDF + Match)	Application Status
Northern Ireland						
Antrim and Newtownabbey	3,863,288	4.8%	811,864	1,371,754	1,679,672	LoO issued
Ards and North Down	3,933,916	4.8%	826,706	1,396,832	1,710,380	Approved
Armagh City, Banbridge and Craigavon	6,116,245	7.5%	1,285,318	2,171,720	2,659,207	Approved
Belfast	17,212,572	21.2%	3,617,191	6,111,738	7,483,644	Deferred
Causeway Coast and Glens	4,502,085	5.5%	946,105	1,598,573	1,957,406	LoO issued
Derry City and Strabane	7,964,209	9.8%	1,673,664	2,827,885	3,462,661	Approved
Fermanagh and Omagh	3,357,781	4.1%	705,632	1,192,261	1,459,888	Approved
Lisburn and Castlereagh	2,993,260	3.7%	629,028	1,062,829	1,301,404	Approved
Mid and East Antrim	3,697,120	4.6%	776,944	1,312,752	1,607,426	Approved
Mid Ulster	3,953,614	4.9%	830,845	1,403,826	1,718,944	Approved
Newry, Mourne and Down	5,610,615	6.9%	1,179,060	1,992,185	2,439,371	LoO issued
Ireland						
Louth	3,507,153	4.3%	736,970	1,245,273	1,524,909	Approved
Leitrim	1,882,318	2.3%	395,538	668,349	818,431	LoO issued
Sligo	860,865	1.1%	180,897	305,665	374,304	LoO issued
Cavan	3,128,825	3.9%	657,471	1,110,942	1,360,412	LoO issued
Donegal	5,552,691	6.8%	1,166,807	1,971,576	2,414,308	LoO issued
Monaghan	3,039,912	3.7%	638,787	1,079,372	1,321,753	LoO issued
<b>Total</b>	<b>81,176,469</b>	<b>100%</b>	<b>17,058,827</b>	<b>28,823,532</b>	<b>35,294,120</b>	

Letter of Offer issued	28,440,599	35%
Approved	35,523,298	44%
Deferred	17,212,572	21%
<b>Total</b>	<b>81,176,469</b>	<b>100%</b>

### 4.3.3 IVA Programme – Budget and Expenditure

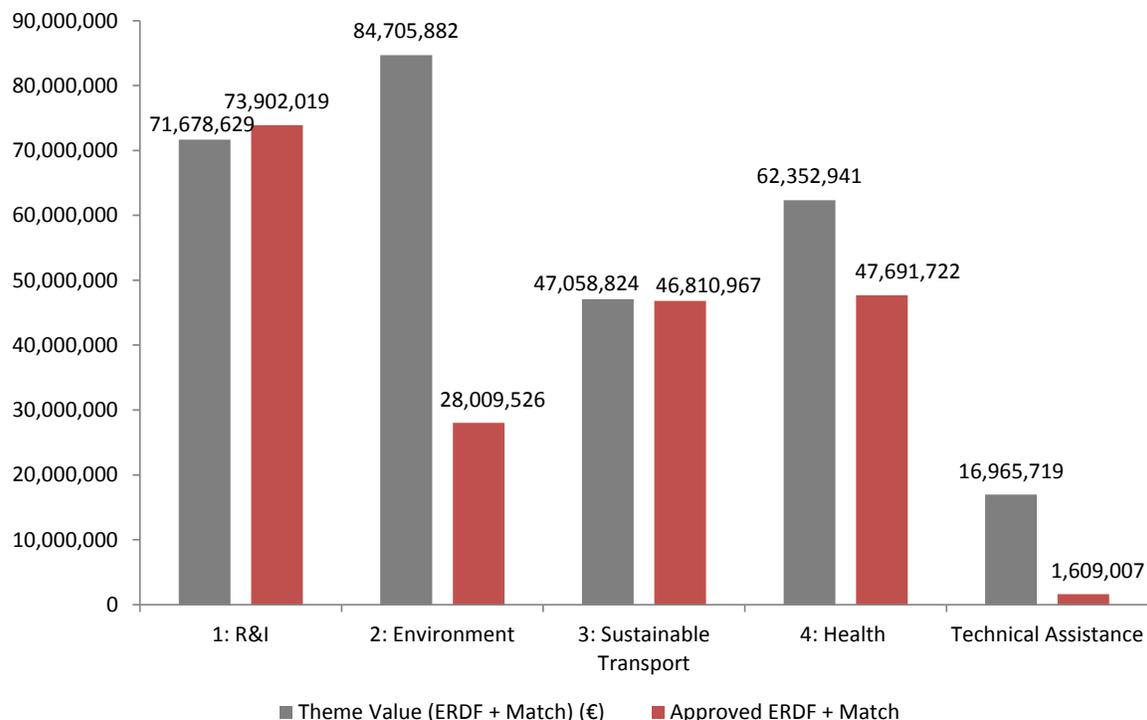
For IVA, the total budget of €282,761,995 is divided across the four specific objectives and technical assistance, as per the table below. The Environment represents the highest allocation with 30% of the total budget, followed by Research and Innovation (25%).

**Table 4.4: IVA Programme Budget**

Priority	ERDF budget	Match Funding	Total	% of total
<b>1. R&amp;I:</b> Strengthening research, technological development and innovation	€ 60,926,835	€ 10,751,794	€ 71,678,629	25%
1.1 <i>Enhancing research and innovation</i>	€ 45,000,000	€ 7,941,176	€ 52,941,176	19%
1.2 <i>Promoting business investment in R&amp;I</i>	€ 15,926,835	€ 2,810,618	€ 18,737,453	7%
<b>2. Environment: Preserving and protecting the environment and promoting resource efficiency</b>	€ 72,000,000	€ 12,705,882	€ 84,705,882	30%
2.1 & 2.2 <i>Protecting and restoring biodiversity</i>	€ 22,000,000	€ 3,882,353	€ 25,882,353	9%
2.3 & 2.4 <i>Investing in the water sector</i>	€ 50,000,000	€ 8,823,529	€ 58,823,529	21%
<b>3. Sustainable transport:</b> Promoting sustainable transport and removing bottlenecks in key network infrastructure	€ 40,000,000	€ 7,058,824	€ 47,058,824	17%
<b>4. Health:</b> Investing in health and social infrastructure	€ 53,000,000	€ 9,352,941	€ 62,352,941	22%
<i>Project Budget</i>	€ 225,926,835	€ 39,869,441	€ 265,796,276	94%
<b>Technical Assistance</b>	€ 14,420,861	€ 2,544,858	€ 16,965,719	6%
<b>Total Budget</b>	€ 240,347,696	€ 42,414,299	€ 282,761,995	100%

The total project budget is €265,796,276. As of May 2017, the sum €196,414,234 has been allocated, representing 74% of the budget. A breakdown of expenditure is presented in Figure 4.2. Technical Assistance represents 6% of the total programme budget, with expenditure of **€1,609,007** incurred to date (i.e. 9.5% of TA budget).

**Figure 4.2: IVA - ERDF Expenditure (May 2017)**



## 4.4 Financial Forecasting

For the PIV and IVA programmes, the de-commitment rule is set as N+3 i.e. money profiled by EU has to be spent and certified within three years, in other words the 2014 budget must be spent and certified by 2017. All expenditure must be spent and claimed by 2023. See Table 4.5.

The Certifying Authority is responsible for submitting claims to the EC. For IVA the first target date is 31st December 2017. Due to the later adoption of the PIV programme, there is no 2017 N+3 target; the first target date is 31st December 2018. The 2017 N+3 target for IVA has been met by the advances received from the EC. The next targets will be for 2018.

When considering the allocated budget to date, IVA is on track to meet targets, however PIV is behind schedule with only 26% of the project budget allocated - impacted by delayed programme start and quality issues with regard to LAP, however good progress is now being made to advance the allocation of funds and issuing Letters of Offer. It is acknowledged that a further 14% has been approved for Shared Education but the specific budget allocation is yet to be finalised (bringing the funding allocation to 40%).

Failure to meet agreed N+3 targets will result in automatic budget reduction. It is imperative that the Managing Authority expedite the allocation of funds and achieve project expenditure to ensure that targets are met (whilst balancing the need for robust processes) and that the Certifying Authority maintain accurate financial forecasting of programme expenditure, in line with regulatory requirements agreed with the EC.

**Table 4.5: Cumulative ERDF + Match Funding & N+3 targets**

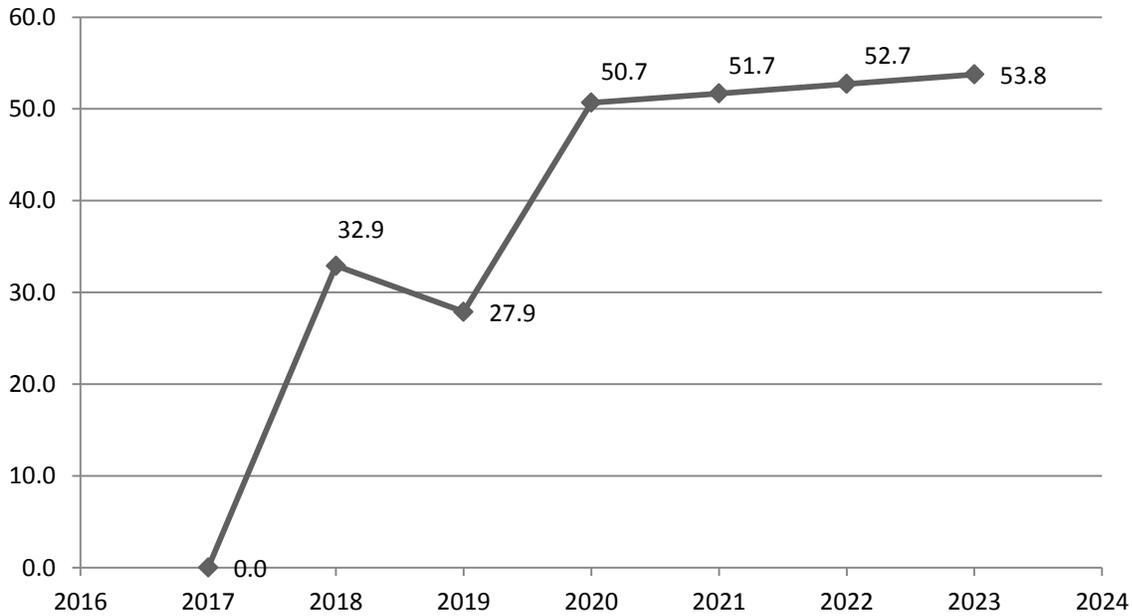
Year	PIV Programme				IVA Programme			
	Cumulative ERDF + Match (€m)	% of total budget	N+3 (€m)	ERDF allocated (May 2017)	Cumulative ERDF + Match (€m)	% of total budget	N+3 (€m)	ERDF allocated (May 2017)
2014	0.0	0.00%	0.0		14.0	5.00%	0.0	
2015	32.9	12.20%	0.0		34.5	12.20%	0.0	
2016	60.8	22.50%	0.0		63.8	22.50%	0.0	
2017	111.4	41.30%	0.0	67.4	116.9	41.30%	14.0	198.02
2018	163.2	60.50%	32.9		171.1	60.50%	20.5	
2019	215.9	80.10%	27.9		226.4	80.10%	29.2	
2020	269.5	100.00%	50.7		282.5	100.00%	53.1	
2021			51.7				54.1	
2022			52.7				55.3	
2023			53.8				56.4	
Total			<b>269.6</b>				<b>282.5</b>	

Forecasting is used to drawdown funds from Accountable Departments in relevant jurisdictions, again emphasising the importance of accuracy to allow for budget planning and to ensure that funding is set aside for the programme priorities. SEUPB will continue to work closely with the finance departments to clarify future financial flows especially in the aftermath of Brexit – where the direct link will be between the EC and Ireland and Northern Ireland will be non-EU partner, creating a different dynamic than evident to date.

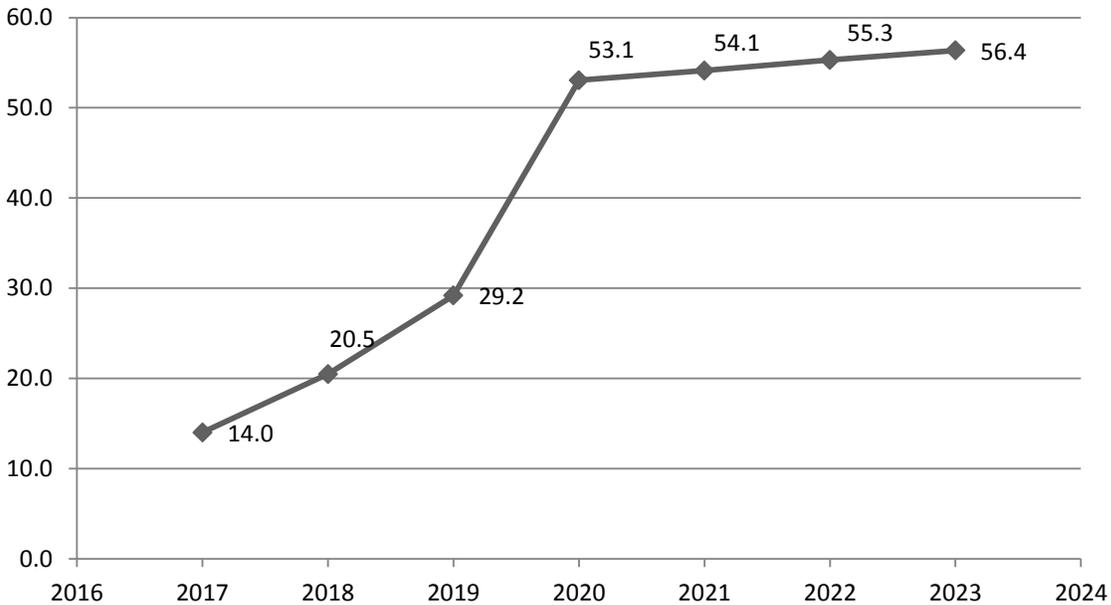
To facilitate accurate forecasting, Lead Partners also have a responsibility to prudently ascertain what expenditure they expect to claim. In the past, Lead Partners tend to overestimate for the next accounting period and at times there are unforeseen circumstances that can lead to targets not being met, for example, issues such as procurement and/or recruitment. Therefore, Lead Partners must ensure to profile / forecast spend as accurately as possible and in line with their agreed business plan.

The N+3 targets for the programmes are presented in the graphs below.

**Figure 4.3: PIV N+3 to be achieved (ERDF + Match)**



**Figure 4.4: IVA N+3 targets to be achieved (ERDF + Match)**



The Managing Authority must ensure that the agreed outputs are achieved and adherence to the financial profile (N+3). Delays increase the risk of failing to meet these targets and therefore financial penalties to the Programme. The over commitment of funds should be explored; for example between 105-110% to allow for underspend across programme themes. For instance, the EC's report 'Analysis of budgetary implementation of ESIF in 2015' (May 2016) stated that ERDF was the principal fund affected by de-commitments up to 2015. The total cumulative de-committed amount related to ERDF is approximately 9.2% of the end 2014 cumulative targets for the OPs concerned.

The Implementation Evaluation in subsequent years will provide an assessment of the de-commitment risk by considering the following factors: whether cumulative targets been met to date; experience and performance of the Managing Authority; percentage committed and allowance for slippage within the projects; political stability within the region; and external factors affecting project completion, planning etc.

#### 4.5 Project Budget – Introduction of Simplified Cost Options

This section refers to project budgets and the shift towards the adoption of simplified budget structures and simplified cost options.

A simplified budget structure is adopted, comprised of the following six cost categories: staff costs; office and administrative costs (overheads); external expertise and services costs; travel and accommodation costs; equipment expenditure; and investment costs.

Simplified cost options (SCOs) are an alternative to reimbursing real costs in order to reduce the likelihood of error and the administrative burden associated with financial management, control and audit, both for the beneficiaries and the Managing Authority. Simplified costs consist of three different options applicable to projects if agreed in advance:

- Flat rate costs – calculated as a percentage of other direct costs;
- Unit costs - an agreed cost calculated using fair, equitable and verifiable methodology;
- Lump sums – one off payment of not more than €100,000 for a project delivered on the basis of agreed output(s).

The Managing Authority proactively promoted the use of simplified costs, for example: calls for applications identified opportunities for SCOs and encouraged projects (via funding calls and pre-application workshops), where possible, to adopt these in their projects.

The Managing Authority also introduced mandatory unit costs and flat rates tailored to each theme, as documented in each funding call - please refer to Annex IV. All PIV and IVA projects must avail of the flat rate for overheads. Lump sums are eligible, but these have not been applied. SCOs are established at Stage 2 of the application process in consultation with the applicant and in accordance with EC guidance.

Based on the online survey of applicants, 27% of respondents agreed that they had adequate information to apply unit costs and flat rates, whilst 37% disagreed, suggesting the need for further support and advice to encourage the adoption of SCOs. Despite efforts to promote the uptake of SCOs, these have not been applied as comprehensively as anticipated. Based on feedback, applicants are apprehensive as it represents a shift from the norm.

Additional training and support to include practical examples should be provided during the pre-application and project development phase to minimise/remove anxiety of adopting SCOs and adequate time give to consider options

*“We were not clear about the application of cost simplifications at the time of application, or the impact these would have on applying for modest financial claims from key staff (which were then rejected). This information may have been made available, but if it was then we failed to appreciate it.”*

#### 4.5.1 **Benchmarking – adoption of SCOs**

The European Policies Research Centre (2015)<sup>11</sup> reported that IQ-Net partners<sup>12</sup> regard SCOs as helping to: reducing the workload for the beneficiary (particularly during the payment phase); speeding up payment processing; reducing the need for clarifications, and reducing the error rate.

However, partners also experienced a series of difficulties and noted that preparatory work is onerous and SCOs are burdensome to implement and are associated with concerns over legal certainty and audit. Specific concerns relate to:

- The work involved in establishing methodologies and data sources for calculating SCO is considerable and time-consuming.
- The use of unit costs and the evidence base needed.
- Procedures for projects with joint beneficiaries.
- The definition of direct and indirect personnel costs in specific cases.
- The possibility that SCO (e.g. lump sums) may invoke State Aid rules.
- Whether and how SCO can be used for projects using public procurement.

The second meeting (December 2015) of the EC High Level Group of Independent Experts on Monitoring Simplification for Beneficiaries of the ESI Funds<sup>13</sup> focused on the topic of simplified costs. The members of the HLG recognise the potential of SCOs to simplify and streamline administration for beneficiaries but calls upon the EC to ensure that the barriers and uncertainties around their use, especially in terms of conflicts with other EU rules such as state aid, are clarified as soon as possible and by legislative changes if needed. They emphasise that SCOs are based on results and if the results are achieved then costs should be accepted.

Recommendations for the EC to encourage action by the Member States for 2014-2020 period<sup>14</sup>:

- Member States and regions should envisage a closer collaboration between all authorities and should invest more in training for all the relevant, institutional and socio-economic partners.
- Managing Authorities should give clear and transparent descriptions of how SCOs should be documented, monitored, archived and audited.
- European and national auditors should be actively involved in ex-ante verification of national SCOs.

Suggestions for further reflection for post 2020 were made by the members of the HLG to ensure that the full potential for reducing the administrative burden on beneficiaries through SCOs can be realised:

- Gathering further evidence on best practices and barriers to implementation of SCOs to allow discussion at a future meeting of the Group with a view to reflect on further simplification post 2020.

<sup>11</sup> Davies S (2015) 'Is simplification simply a fiction?' *IQ-Net Thematic Paper 37(2)*, European Policies Research Centre, University of Strathclyde, Glasgow

<sup>12</sup> IQ Net is a network of regional and national partners across the EU whose aim is to improve the quality of Structural Funds programme management through exchange of experience. IQ Net is managed by the European Policies Research Centre (EPRC) at the University of Strathclyde, Glasgow.

<sup>13</sup> [http://ec.europa.eu/regional\\_policy/en/policy/how/improving-investment/high-level-group-simplification](http://ec.europa.eu/regional_policy/en/policy/how/improving-investment/high-level-group-simplification)

<sup>14</sup> [https://ec.europa.eu/futurium/en/system/files/ged/hlg\\_15\\_0012\\_00\\_conclusions\\_and\\_recommendations\\_on\\_simplified\\_costs\\_options\\_final\\_1.pdf](https://ec.europa.eu/futurium/en/system/files/ged/hlg_15_0012_00_conclusions_and_recommendations_on_simplified_costs_options_final_1.pdf)

- Reflecting on extending the possibilities for declaring output-based expenditure in particular for infrastructure projects (e.g. reimbursement based on a unit cost per kilometre of new built road).
- Investigating approaches already in place elsewhere that are in line with the idea of SCOs – such as the “Output-based Aid” approach systematically used by the World Bank and the idea of Social Impact Bonds.
- Exploring ways to improve and simplify the legal framework and introduce potential other options for SCOs, based on lessons learnt. To this end, to investigate the possibility to introduce differentiated flat rates for different thematic objectives.
- Identifying ways to make the use of SCOs mandatory/extend the use of mandatory SCOs, with clear requirements on audit and control.
- Finding a suitable way to avoid conflict between the use of SCOs and state aid rules

## 4.6 Reporting & Claims

Each Project Partner submits a progress report and associated claim to the FCU via the electronic monitoring system (eMS) (Ref: Section 7 for further details). The timing of reporting is not the same for all projects as the Letter of Offer start date will dictate the reporting date (not quarterly calendar year as before) – this is advantageous to the Managing Authority as it allows for a continuous work flow, rather than projects submitting at the same time on a quarterly basis.

On receipt of project claims and progress reports at the Partner level, the FCU will carry out sample based verification and if satisfied with the regularity and legality of the claims, will issue a first level control (FLC) certificate for each claim, which is followed by the Lead Partner’s consolidated progress report. JS approves consolidated progress report, which is then approved by the Managing Authority. On receipt that all checks have been completed to satisfaction on eMS, the Certifying Authority is responsible for the payment made to the Lead Partner, who is responsible for reimbursing Project Partners.

Payments may take any of the following forms: reimbursement of eligible costs actually incurred and paid; standard scales of unit costs; or flat-rate financing, available for overhead costs or salary costs.

The submission of expenditure claims for payment, the verification and payment of valid claims will be achieved by the implementation of e-Cohesion via eMS. However, the finance interface and claim and payment module on eMS is not yet operational/‘live’ (as of May 2017), pending the alignment of SEUPB finance and eMS system for compatibility. It is understood that the module launch will be imminent (July 2017) given the stage of implementation and projects incurring eligible expenditure and the need to drawdown funds in a timely manner. NB. This must be in place by July 2017 to allow for claims to be submitted in line with programme deadlines.

In PEACE III and INTERREG IVA, a query or issue with a single item of expenditure had the potential to delay the submission of a claim, however eMS can facilitate temporarily removing this item and incorporate in next claim (known on eMS as a ‘sitting duck’), therefore no single line of payment will hold up a claim, which is marked improvement and will support the achievement of spent targets.

### Exchange Rate Risk

For PEACE IV, a successful project, where there are cross-border partners, will be issued with a Letter of Offer in Euro (€). A successful project that has Northern Ireland partner(s) only, may request a Letter of Offer in sterling (£).

For the IVA Programme, Letters of Offer will be issued in Euro and the budget will be recorded in Euro on the eMS. Payments will be reimbursed to Lead Partners in Euro (NB. any expenditure incurred in sterling is entered

onto eMS in this currency and the system automatically calculates the Euro value). These rules apply for PIV projects in receipt of a Letters of Offer in Euro.

For those PEACE IV projects in receipt of a Letter of Offer in sterling (the value of the requested approved project is converted to euro for the eMS using the programming planning rate of 1.18), expenditure incurred in sterling is entered onto eMS in this currency and the system automatically calculates the Euro value. All budget information and financial reporting within eMS will be in Euro and the sterling value of the Letter of Offer will be honoured. To avoid exchange rate variances – the Euro expenditure items should be entered in the same month as the claim submission. NB. When project leads submit claims, the sterling is converted to the EC monthly rate which could be higher or lower, therefore there is a risk to projects working in sterling throughout the life of their project. Therefore, projects are exposed to foreign exchange risk, which may impact the achievement of project outputs.

The exchange rate risk is apparent for one successful applicant, who withdrew from the process (the project was fully approved and at draft Letter of Offer stage) as it has not been possible for their partnership to mitigate exchange rate risk to an acceptable level, and therefore unable to accept the award of funding.

Statements of expenditure from the Certifying Authority to the EC will be made in euro.

The Certifying Authority will monitor exchange rate variances closely to ensure that there is no de-commitment risk over the duration of the programme.

## 4.7 Verification

The use of simplification rules aims to significantly reduce the level of verification required for financial transactions.

Risk-based sampling methodology is used by the FCU in carrying out its administrative checks. A greater focus on projects with high error rates will be given to examine any issues or risks to expenditure targets. The error rate is based on a minimum of 5% sampling of project expenditure across the programme in a given year (it is a method of verifying the effectiveness of the management and control system of the Programme), increasing in sample size depending on the error rate, as per the table below:

**Table 4.6: Error Rates & Sample Sizes**

Error Rate	Sample Size
>0%, <=2%	5%
>2%, <=5%	20%
>5%, <=10%	50%
>10%	75%

Effective management and control of funds will be demonstrated by a low error rate of the programme (i.e. below the 2% EC threshold, compared to the current overall error rate for EU spending of 4.4% in 2015<sup>15</sup>). If a spending area has an error level of less than 2%, it is classified as free from material error (i.e. all payments were made in line with the rules and requirements). If the level of error reaches or exceeds 2% the spending area is classified as affected by material error.

<sup>15</sup> European Commission - Press release European Court of Auditors signs off the EU accounts for 8th year in a row Brussels, 10 November 2015. [Online] Available at [http://europa.eu/rapid/press-release\\_IP-15-6024\\_en.htm](http://europa.eu/rapid/press-release_IP-15-6024_en.htm)

Applying risk-based methods of sampling for controls by the Managing Authority will allow for a more efficient use of resources. Although individual beneficiaries (e.g. with low error rate projects) may be audited less, risk-based sampling does not reduce the burden for the Managing Authority (i.e. the Audit Authority will still have to audit the same number of project).

In PEACE III and INTERREG IVA most errors related to procurement, resulting in ineligible expenditure. Feedback from project applicants suggests that there remains a degree of uncertainty regarding the extent of verification and the level of information required for same. This process should be managed at an early stage, for example the submission of first claims is now imminent and it will be important to monitor how claim profiles have been submitted and evidenced and any issue of concerns identified.

The Audit Authority must submit an Annual Control Report to the EC which reports the error rate in relation to audited expenditure across both programmes. On an annual basis, the Audit Authority will identify a random sample of expenditure and trace this expenditure to the lowest level for the purpose of verification. Over the lifetime of both programmes, it is likely that all projects will experience an audit. Subsequent Implementation Evaluations will document and reflect on the error rate.

## 5 COMMUNICATION & AWARENESS RAISING ACTIVITIES

### 5.1 Introduction

This section considers the effectiveness of the communication and awareness raising activities, as well as the accessibility of the programmes to potential applicants in the relevant jurisdictions.

Based on consultation with the SEUPB Communications Manager and a review of processes, it is evident that EU's regulations regarding information and publicity have been adhered to and that due regard has been given to relevant EU regulations and guidance.

It is important to note that the SEUPB has been subject to three separate purdah periods for the NI Assembly elections (30 March to 5 May 2016), the referendum on UK membership of the EU (27 May to 23 June 2016) and the Westminster general elections (21 April to 8 June 2017) which has impacted upon the amount of pro-active promotion and press coverage generated by SEUPB. 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 the referendum decision.

### 5.2 Communications Activity

The SEUPB Communications Team is made up of two core members of staff with responsibility for all communications, publicity and event management activities. The team also manages contracts with a number of agencies i.e. Design Agency, Photographer and Media Monitoring.

The Communication Strategy 2014-2020 was finalised and agreed with the PMC in March 2016 and approved by the EC, as part of requirements set out in the cooperation programme, and will be reviewed on an annual basis. The Communication Strategy has a budget of €1.4m (representing 0.25% of combined PIV and IVA budget) and aims to maximise understanding and awareness of the positive contribution that the EU is making, via the Programmes, to improving the lives of all citizens within the eligible area.

It is evident that the Communication Strategy is robust as it sets out a detailed approach and stakeholder mapping align to communication objectives and approach. Significant levels of communications activity have already taken place to include the official launch of both programmes, the various funding calls, and in relation to funding announcements. A description of some of the activities carried out by the Communications Team is provided below:

#### 5.2.1 *Launch event*

The new programmes were officially launched at a special event held in Skainos, East Belfast. Three Ministers representing each of the eligible areas of the Programmes (Northern Ireland, the Border Region of Ireland and Western Scotland) were in attendance, alongside European Commission representatives. The Communications Team commissioned a short film highlighting the impact of previous funding which was played during the launch event. Over 200 people attended the event. The event attracted a significant level of print and broadcast media attention from across the Programme's eligible area including BBC (NI), BBC (Scotland) and RTÉ (Ireland).

### 5.2.2 *Promotional Activity – Funding Calls*

The Communications Team undertook a number of targeted promotional activities to help ensure the submission of eligible applications, including:

- Creation and insertion of public notification adverts within the Irish Independent, Scottish Herald and the Belfast Telegraph, with the respective circulation figures: 97,104, 43,157, and 40,042.
- Issuing of funding call focused press releases across the eligible area of both programmes.
- Direct mail out to the SEUPB's database of key stakeholders and potential applicants (approximately 2,200 contacts, depending on call).
- Co-ordination of 5 separate sectoral workshops in three jurisdictions, as per SEUPB Location Policy' for events to ensure spread across jurisdictions, to include Belfast, Derry~Londonderry, Inverness and Dundalk attended by 358 potential applicants. These workshops were designed to highlight the unique results and objectives of each call in order to assist potential beneficiaries with their applications.
- Use of the SEUPB's existing social media channels to promote funding calls and applicant workshops.
- Re-configuration of the SEUPB website to ensure that all relevant information relating to the new programmes is as accessible as possible. Website analytics for the month after each call was advertised showed an average of 1,900 unique visitors to the site.

### 5.2.3 *Project Communications Plan & Support*

#### **Application Process - Communication Plan**

As part of the application process, applicants were asked to submit a Communications Plan, using a template provided. The Communications Manager assessed all Communication Plans and provided feedback as to the suitability of the plan and proposed budget.

Minimum mandatory communication requirements: 3 press releases; project website/web page; Launch & Closure event; bi-annual e-zine or newsletter; crisis communications plan; attendance at communication workshops; acknowledgement of funding.

#### **Approved Projects - Communication Activity**

Each approved project is required to upload their communication activities on eMS as part of the 'Communications Work package'. The Communications Team is in the process of confirming that each work package meets the minimum mandatory communication requirements which should take place under each project.

To support project beneficiaries, the Communication Team devised a 'Publicity and Marketing Toolkit for EU funded Projects'. The toolkit, which is accessed on the SEUPB website, outlines how projects can meet the minimum mandatory regulatory requirements to acknowledge financial support that has been provided by the EU and to ensure that they are promoting the aims, objectives and results of their projects to as wide an audience as possible.

To assist with EU regulations, SEUPB has also created a series of poster templates for both programmes and provided detailed advice on how to use various communication channels and social media platforms effectively and tips for radio and TV interviews.

Project beneficiaries are expected to pro-actively communicate with the general public about their project and promote the exchange of learning and publicity. Some project beneficiaries will have a large communication budget, but this is very much dependent on agreed outputs. Furthermore, some projects may draw interest from a wide-range of stakeholders and media attention and it is important that they are equipped with the information and skills to deal with various scenarios.

### **Training**

Each project must identify a communication lead who will attend all Communication Network Meetings / workshops held by SEUPB.

A total of 6 'Information and Communications' seminars are scheduled between May and November 2017 i.e. 3 for PIV and 3 for IVA, with approximately 60 delegates expected at each. These seminars will detail the communication and reporting/evaluation activities required of projects in receipt of assistance. It will also include an interactive workshop on press release writing and effective media engagement. Feedback as to the effectiveness of the training seminars will be captured by SEUPB and results summarised as part of the next Implementation Evaluation report.

Internal staff training on Information and Publicity took place in April 2017 (i.e. one in each of the three SEUPB offices – Belfast, Monaghan, and Omagh). This involved a short session on 'Information and Publicity' requirements which projects and SEUPB staff must adhere to. Internal communications also involve a quarterly newsletter and various briefings to keep all staff members abreast of new programme developments.

#### **5.2.4 Funding Announcements**

Widespread coverage has been secured through funding announcements at various stages throughout the year. However, some funding announcements were delayed for various reasons including three separate pre-election periods, which resulted in joint funding announcements being made when SEUPB were permitted to do so (after purdah). Ideally, single project announcements are more effective and generate more focused media interest, whereas some projects can get overlooked if announced with a number of other projects as part of a joint announcement.

It is expected that communications activity will further increase as letters of offer start to issue under each programme priority and additional communications activity will occur as projects co-ordinate their own official launch events.

#### **5.2.5 Publications**

Your EU! is the quarterly magazine produced by the SEUPB, which offers insights and updates on some of the PIV and IVA funded projects. It also includes all the latest news about the programmes and information on upcoming events. This magazine was widely disseminated (as an online e-zine) to over 1,000 stakeholders across the eligible area.

SEUPB also disseminates a Public Affairs newsletter called 'euroPA' which has been specifically designed to keep elected representatives and their constituents informed about support under the programmes. For example, the newsletter is distributed to political stakeholders at national, regional and local level including:

- Northern Ireland MLAs (Members of the Local Assembly).
- Northern Ireland Assembly Committee Clerks.

- All Northern Ireland Assembly Ministers.
- UK MPs (Members of Parliament) including Western Scotland MPs.
- Irish TDs (Teachta Dála) from the Border Region of Ireland.
- MSPs (Members of the Scottish Parliament) within Western Scotland.
- MEPs (Members of European Parliament) within relevant areas of NI, Ireland and Scotland.
- All Northern Ireland Local Councillors.
- Irish County Councillors within the Border Region of Ireland.
- Scottish Local Councillors within Western Scotland.

### 5.2.6 **Website**

The Communications Team updated the SEUPB website to reflect relevant information relating to the new Programmes.

There is evidence of increased traffic the month after each separate funding calls was announced. Based on figures from November 2016 – March 2017, SEUPB's website attracts an average of 1,450 users a month and an average of 14,000 page views, although retention rates on pages are low with an average of 5 seconds recorded<sup>16</sup>. The highest number of users was recorded in November (i.e. 2,090 users); this increased traffic aligns to the closing of significant funding calls under IVA (Environment, Health and Research & Innovation).

SEUPB's current website format and structure was last developed in 2009. Whilst the website is functional and updated to include information of the new programmes, it is difficult to navigate at times and key documents are not obvious. Furthermore, some information is dated (regulations posted) and some links are not working. The Communications Team is currently involved in the development of a new website for SEUPB. It is anticipated that the website will be completed by the end of the summer/early autumn. The new website will be of value to project beneficiaries going forward as an access point to eMS and for promotional purposes.

It is noted that there have been some challenges in relation to mobilising 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. Also, the issue of eMS has taken precedence over the launch of a new website as this was not a business critical issue at that point in time. However, at this stage adequate resources and focus should be placed on launching the new website and this should be linked to eMS to create a more seamless system and portal for Lead/Project Partners as well as SEUPB and relevant stakeholders.

---

<sup>16</sup> Google Analytics

### 5.2.8 Social Media Activity

SEUPB embraced the use of social media towards the end of the last programming period and now has a presence in a number of platforms, to include: Twitter, Facebook, YouTube and LinkedIn. This aim is to increase the level of reach and engagement with project beneficiaries as well as those not directly involved in the Programme, thereby creating active dialogue with all relevant sectors and media.

The Communications Team make good use of infographics and will endeavour to develop dynamic content to promote the programmes, for example a contract is in place with a provider to produce video clips that can be disseminated on various social media platforms which will be optimised for mobiles thereby reaching a wider audience. It is expected that content for social media platforms will be more readily available as project delivery gets underway which can be presented as case studies of learning.

It is the intention of the Communications Team to encourage all newly funded projects to become active on social media. This will create a network of social media partners and a reservoir of content that can be used to help promote the impact that EU funding is having across the eligible area.

The table below highlights key metrics for each social media platform, indicating that Twitter is the dominant channel for SEUPB communications.

**Table 5.1: Social Media Performance – Key Metrics**

Medium	Key Metrics
Twitter	<p>Twitter is the most popular social media channel used by the SEUPB, which as of June 2017 has 1,546 followers, an increase of 8% from November 2016. (DoF has 2,850 followers and DPER has 4,105 followers – thereby opportunities exist to promote EU funded activities via these channels and to signpost followers to SEUPB's twitter account to increase reach).</p> <p>In May 2017, the number of 'impressions'<sup>17</sup> received by the SEUPB's twitter account was 8,260 impressions. Tweets which generate the most interest are linked with funding calls and announcement of awards, for example in May 2016 the call for Regional Level funding attracted impressions of 48,100 (the highest level of impressions to date), 177 link clicks and 93 retweets. In January 2017, SEUPB's announcement of IVA R&amp;I attracted impressions of 31,000, 239 link clicks and 80 retweets. In May 2017 the number of 'engagements'<sup>18</sup> was recorded at 1.5%, compared to 0.6% in December 2016</p>
Facebook	<p>As of June 2017, SEUPB's Facebook page has attracted 484 page likes, in comparison to 324 in January 2016. Statistics for the period November 2016 to March 2017 indicate that the average weekly total reach is 639 individuals and the average engagement rate stands at 1.5%<sup>19</sup>. At the end of March 2017, a weekly total reached of 2,269 was attained, representing the highest level to date.</p>
YouTube	<p>From November 2016 to March 2016, the average number of views of all content within the SEUPB's You Tube Channel was 84 views. Low levels of engagement are evident (i.e. no likes, shares or comments). Current content on the channel includes a number of filmed sectoral workshops for potential project applicants. Additional content will be uploaded when newly funded projects become active.</p>
LinkedIn	<p>LinkedIn is an underutilised platform, with little evidence of content being generated by SEUPB and disseminated via this communication channel. For example, in March 2017, a post only generated 2 likes.</p>

### 5.2.9 Media Monitoring

Media monitoring statistics<sup>20</sup> for the six month period from October 2016 to March 2017 are presented in Annex V, which profiles the 'volume' (number of press articles), 'AVE' (Advertising Value Equivalency), 'tone' (positive,

<sup>17</sup> 'Impressions' are defined as the number of times all of the Body's followers are served a Tweet in their timeline or search results.

<sup>18</sup> 'Engagements' (clicks on a Tweet, Retweets, replies, follows, likes, links, hashtags, profile photo or Tweet expansion) divided by the number of 'impressions' received by the SEUPB's Twitter account.

<sup>19</sup> Engagement is defined as the % of people who saw a post and shared, clicked or commented on it.

<sup>20</sup> Information is independently collated by the SEUPB's media monitoring agency.

negative and neutral) and 'reach' (number of people viewing media) of all coverage for both programmes and for SEUPB in general.

Analysis indicates that PIV generates higher levels of media attention than the IVA Programme, accounting for 44% of the volume of coverage in the last six months compared to 31% for IVA and 25% for SEUPB/Corporate. On average, 84% of communication relating to PEACE IV is rated as 'Positive' and 13% as 'Neutral', compared to 91% and 7% respectively for IVA and 94% and 6% for SEUPB/Corporate.

On-going media queries from local press and journalists are also dealt with by the Communications Team in a timely manner.

#### 5.2.10 *Annual Perception and Awareness Survey – General Public & Key Stakeholders*

SEUPB commissioned an annual General Public Survey and Stakeholder Survey awareness survey to assess the awareness and perceptions of the PIV Programme and the IVA Programme. The results will be used as a benchmark for awareness of the programmes going forward.

There is an annual requirement to report an update to the Programme Management Committee on the implementation of the Communication Strategy, which includes the Perception and Awareness Survey. NB. The Annual Stakeholder Survey was not conducted in 2016 to allow a break between programming periods.

#### **General Public Survey Results**

A total of 750 telephone interviews were conducted with the general public, the results relating are summarised below for the period January 2017. Figures in brackets relate to the previous survey, dated January 2015 for comparison purposes (where available)<sup>21</sup>.

Key findings:

- Awareness of SEUPB was highest in Northern Ireland compared to the other areas sampled.
- Awareness of PIV was higher in the border counties.
- More Border County than Northern Ireland respondents aware of the PIV programme believed it was having a positive impact.
- Awareness of IVA was also higher in the border counties.
- More border county respondents aware of the IVA programme believed it was having a positive impact.
- Awareness levels lower in Western Scotland.
- Among those aware of the programmes, 89% of border county respondents agreed 'EU funding is making a positive difference to communities'; while 70% of NI respondents agreed.
- Among those aware of the programmes, 75% of border county respondents agreed 'EU funding is investing in your future'; while 65% of NI respondents agreed.

<sup>21</sup> The data sets collected in previous years are based on the PEACE III and INTERREG IVA programmes therefore the findings are not directly comparable but have been included for reference

**Table 5.2: Stakeholder Awareness Survey Results**

	January 2017 (January 2015*)		
	Northern Ireland	Border Counties	Western Scotland
<b>Overall Awareness</b>			
Awareness of SEUPB	18% (12%)	14% (11%)	12% (15%)
% aware of the areas receiving funding to help promote cross border working and co-operation, and to encourage peace and reconciliation	67% (63%)	77% (70%)	18% (24%)
% of those that strongly agree/agree that EU funding is making a positive difference to communities	74% (72%)	89% (90%)	*small base
% of those that strongly agree/agree that EU funding is investing in their future	65% (77%)	75% (87%)	*small base
<b>PEACE IV:</b>			
Awareness of PEACE IV	46% (42%)	58% (54%)	Not relevant
% agreed that PEACE IV was having a positive impact	74% (65%)	85% (84%)	
<b>INTERREG VA</b>			
Awareness of INTERREG VA	19% (15%)	29% (21%)	4% (2%)
% agreed that felt that INTERREG VA was having a positive impact	70% (51%)	79% (83%)	29% (*)
<i>Base:</i>	450	150	150

**Stakeholder Survey Results (January 2017)**

This general population survey was complemented by a telephone survey conducted amongst 50 approved stakeholders of the programmes. The stakeholder sample incorporated: 10 involved with PEACE IV; 10 involved with INTERREG VA; 10 Monitoring and Steering Committee Members; 10 MPs / MLAs / MEPs/TDs/MSPs; 10 Councillors. Key findings:

A lower proportion of stakeholders involved in PIV agreed that the PEACE IV programme is achieving its objectives when compared to IVA. This may be due to the fact that the PIV was at a less advanced stage as the IVA programme at the time of the survey, where respondents may not have been in a position to comment. However, both PIV and IVA stakeholders agreed that the respective programme is having a positive impact.

The majority of stakeholders agreed that they were satisfied with information received from SEUPB. The preferred method of communication is email. The reasons cited for dissatisfaction (14%, n=7) stakeholders) included: preference for hard copy newsletters in post; limited awareness of what is available; there is no regular contact / more updates on potential projects; contradictory information being released; limited amount of information available; could be more proactive advising stakeholders about details of programme(s).

Stakeholders were also in agreement that they were satisfied with the interaction with SEUPB, agreed that the support and guidance received was good and were in agreement that they have been kept well informed about progress of the programme.

**Table 5.3: Stakeholder Survey Results**

Question	Response	PIV	IVA
The programme is achieving its objectives	Agree	56%	76%
Programme is having a positive impact	Positive	74%	76%
Satisfaction with level of information received from SEUPB	Satisfied	69%	76%
Preferred method of receiving information	Email	90%	79%
Satisfaction with interaction with SEUPB	Satisfied	79%	74%
Support and guidance received from the SEUPB	Good	79%	79%
Kept well informed about the progress of the programme	Agree	75%	79%

In addition to the above statements, stakeholders were also asked to comment on **how long they ‘think’ it takes to process a funding application**. Around a third (34%) perceived a funding application to be processed between 3-6 months. Just over a third (36%) suggested 6-12 months.

When commenting on the length of time it ‘should’ take to process a funding application, 28% believed it should take less than 3 months, 46% agreed that it should take between 3-6 months, and 18% felt that it should take between 6-12 months. Results differ between programmes, for instance, those involved in PIV felt that the application process should take a shorter period of time, with 31% stating it should take less than 3 months, compared to 17% of IVA stakeholders. 44% of PIV stakeholders reported that the application process should take 3-6 months, compared to 55% of IVA stakeholders.

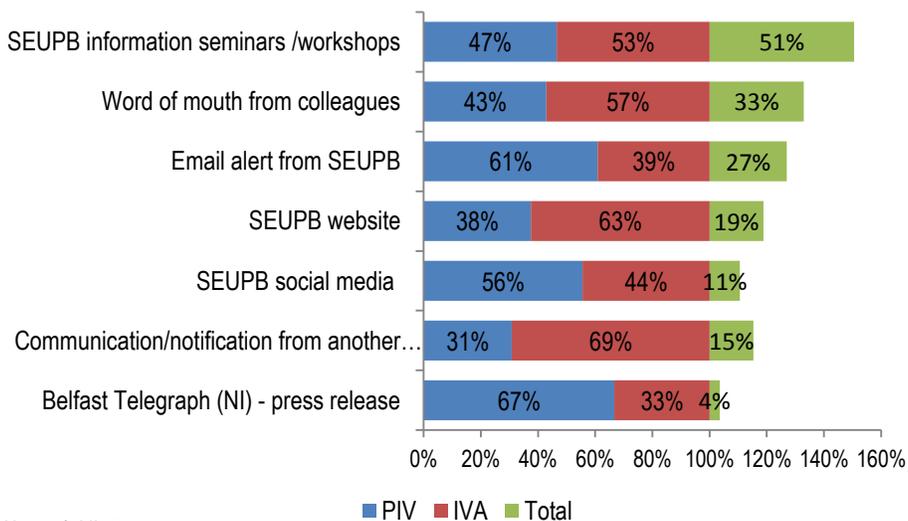
Stakeholders were asked to **describe the financial controls** used within PIV and IVA. Over a third (36%) described these controls as ‘adequate’ whilst 44% found the controls too rigorous and inflexible. Those involved in IVA, were much more likely to find the controls too rigorous and inflexible (59%) compared to those involved in PIV (36%). A minimal proportion of stakeholders described the financial controls as ‘too lax’ (2%).

Stakeholders were also asked to suggest **how the programme delivery could have been improved**. Almost 3 in 10 (28%) were unable to suggest any improvements as they were happy with the situation, 12% felt it was too early to say. Some suggestions out forward include: ‘straightforward/centralised application management/online’ (12%); ‘make process less complicated’ (8%); ‘more flexibility for beneficiary needs’ (6%); ‘realistic deadlines’ (6%).

**Online Survey of Applicants (May 2017)**

Respondents to the online survey were asked how they become aware of the PIV/IVA programme. The top three methods reported include: SEUPB information seminars/ workshops; email alert from SEUPB; and word of mouth from colleagues. Other sources mentioned include: NICVA’s Grant Tracker and local political representative.

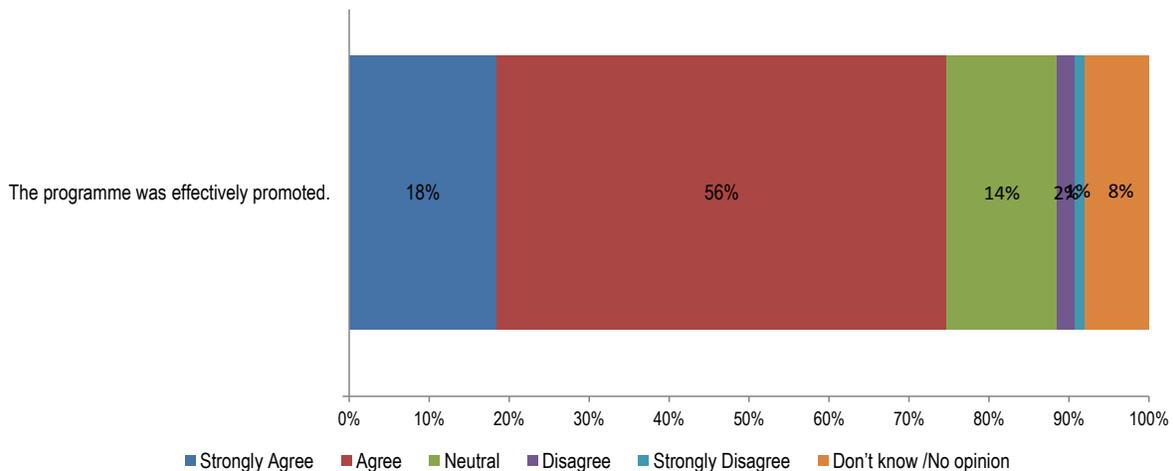
**Figure 5.1: How did you become aware of the PEACE IV | INTERREG VA programme?**



Base: PIV: 41 | IVA: 44 | All: 85

The vast majority (74%) of project applicants agreed that the programmes were effectively promoted. Higher levels of satisfaction are evident among IVA respondents when compared to PIV. Higher levels of satisfaction are evident among successful applicants when compared to unsuccessful.

**Figure 5.2: To what extent do you agree that the Programme was effectively promoted?**



Base: PIV: 41 | IVA: 46 | All: 87

### 5.3 Concluding comments

#### Communications & Awareness Raising – Key Findings

- The PEACE programme and the INTERREG programme have been in existence since 1995 and 1989 respectively, resulting in high levels of brand awareness and widespread recognition of the positive impact achieved over this extended period of time.
- SEUPB has demonstrated a strategic approach to communication, evidenced by the robust Communications Strategy, which meets EU regulatory requirements. The integration of communication across various units in SEUPB and project beneficiaries is also evident.
- SEUPB are committed to maximising awareness levels of EU funding and associated benefits. Going forward, this will become even more pertinent as there will be a focus on communicating results at a project level as outputs become realised and learning disseminated.
- Although the Communications Team is small, they are experienced, dedicated and have effectively managed an extensive programme of communication and publicity work from the outset, to include a successful launch event, various funding calls and workshops and more recently managing the range of funding announcements. This has been achieved in challenging circumstances, notably related to the three separate periods of purdah and managing communications related to Brexit to alleviate uncertainty among applicants.
- Resources have been developed which are user-friendly, plain and in an easy-to-understand language, for example the dissemination of infographics and a Citizen's Summary of both programmes to enhance the accessibility of information to a wider audience.
- Feedback from the Implementation Evaluation online survey and consultations also confirms that the majority of programme applicants are satisfied that the programmes are effectively promoted.

- The annual awareness and perception survey is a useful barometer of key stakeholder and public opinion across the eligible area of both programmes and will become an important indicator year-on-year as trend data is profiled.
- Twitter is the best performing social media channel used by the SEUPB. Creating a social media presence is a cost effective way to promote the programmes and project activity. It is acknowledged that SEUPB intend to place more emphasis on social media channels to help increase their impact and reach during the new programming period.

**Recommendations:**

- The Communications Team has a number of interests to consider when developing communication and publicity material (i.e. EC; SEUPB; Governments; Accountable/Policy Departments; and Project beneficiaries). It is important that a consistent brand is created and due regard is given to relevant stakeholders to ensure that appropriate recognition is given.

*Awareness Levels*

- Based on January 2017 findings, it is evident that awareness levels are low in Western Scotland and has decreased in Northern Ireland. To address the lower levels of media awareness within Western Scotland, it is recommended that additional resources/support and due attention is given to generate greater levels of awareness within this eligible area.

*Social Media*

- Increase SEUPB's combined social media presence in terms of engagement on all of its existing channels. A social media strategy should be developed to increase engagements and content dissemination. For example,
  - Consider the use of Hashtags (#) to generate discussions before, during and after events and training sessions, which can be monitored to ascertain reach and engagement levels. It is important that campaign hashtags are developed and promoted through social media channels as well as part of the wider media online and offline channels.
  - Invest time and resources in the development of rich digital content. Content marketing goals should be developed and optimised for search. The content and media platform should be varied to keep the audience engaged. It is acknowledged that more filmed content will become available as projects become operational.
  - Content should be consistent across mediums but also tailored to maximise its impact and embedded into social media activity. The range of visual and copy should be used to drive engagement between channels – thereby resulting in a cohesive approach to reinforce the message and improve the promotion of the programmes and the impact of EU funding.
  - Increase the use of Infographics, as an effective method of combining text, images and design to represent complex data in a visual format that can be easily shared via social media platforms.
  - In order to be proactive, and to use new media effectively (i.e. increasing engagement levels), it is important this aspect of communication is adequately resourced.

*Website*

- The new website has been significantly delayed and efforts should be made to launch within the next 3 months. The website should be easy to navigate and contain more interactive content.
- The website should contain a link to eMS, creating a more seamless system.

## 6 APPLICATION & ASSESSMENT PROCESS

### 6.1 Introduction

The administrative arrangements between the PIV and IVA programmes have been harmonised, including alignment of the application process and project selection criteria.

This section describes the application and assessment process and whether activity undertaken meets the requirements for the reduction of the administrative burden.

### 6.2 Pre application Stage

#### 6.2.1 *Pre-application workshops*

A total of 12 pre-application development workshops were organised across the eligible area as part of SEUPB's preparation work to promote the programmes and to encourage applications, as well as to reduce the likelihood of ineligible projects. The workshops were opened to all and provided the opportunity for individuals to attend and decide if they/their organisation could contribute to meeting the PIV/IVA strategic objectives and associated outputs.

The process was managed effectively and positive feedback was recorded by workshop attendees in relation to the content and delivery. Based on feedback from 239 attendees, 94% agreed that the content of the workshop was 'very good' (54%) or 'good' (41%). Delivery of the workshops was also highly regarded, with 96% of attendees agreeing that delivery by SEUPB was 'very good' (63%) or 'good' (33%).

In addition to the above, SEUPB also co-ordinated five separate sectoral workshops in three jurisdictions (Belfast; Derry; Dundalk; Glasgow) which was attended by 358 potential applicants. These workshops were designed to highlight the unique results and objectives of each call.

#### 6.2.2 *Funding Calls and Thematic workshops*

SEUPB Communications Team in collaboration with JS published an annual timetable for calls to give applicants advance warning of when a call is expected and as a means of supporting high quality applications. This approach also benefited Accountable/ Policy Departments, giving them the opportunity to align internal resources with the timetable for calls to facilitate forward planning. The funding calls are based on the outputs and results within the Cooperation Programme.

Based on the online survey results, 62% of applicants agreed that the 'funding call' was effectively promoted. Furthermore, approximately half (52%) of all respondents agreed that the 'funding call' document provided adequate detail on the results and outputs required. A higher level of agreement is evident among IVA applicants when compared to PIV (59% vs 44%).

Thematic workshops were also organised in parallel to funding call announcements. Overwhelmingly positive feedback was received from attendees on the content and delivery of workshops. In 2015 and 2016, a total of seven workshops were organised for IVA. Based on feedback sheets completed directly after the workshop,

97% (base=95) rated the content of the workshop as either 'very good' (61%) or 'good' (36%) and 96% rated the delivery of the workshop also as 'very good' (65%) or 'good' (31%).

In 2016 and 2017, five PIV workshops were carried out. Based on feedback sheets completed on the day of the workshop, 96% (base=94) rated the content of the workshop as either 'very good' (57%) or 'good' (38%) and 97% rated the delivery of the workshop also as 'very good' (61%) or 'good' (36%). A selection of verbatim responses provided by workshop attendees is provided below to highlight satisfaction levels.

*"A very informative event with concise presentations, Q&A and written material"*

*"All well covered and left open for further consultation"*

*"Excellent workshop, very informative"*

*"Issues were well-presented and covered. Q&A session was good"*

*"This workshop was very good and clear. Answered all questions asked and very helpful"*

*"Very comprehensive and clear presentations. Tone was really supportive and helpful"*

A number of suggestions were provided to improve the content and delivery of the thematic workshops, largely related to increased opportunities for more formal/controlled networking to aid the identification of potential partners.

*"More opportunities to network – 'identification of thematic interests at registration and allocation to tables based on this – may increase opportunities to network and discuss commonalities and possible partnerships"*

*"An opportunity to network or make links with other participants under shared areas of interest would have been useful"*

*"More opportunities to meet could result in new collaborative partnerships"*

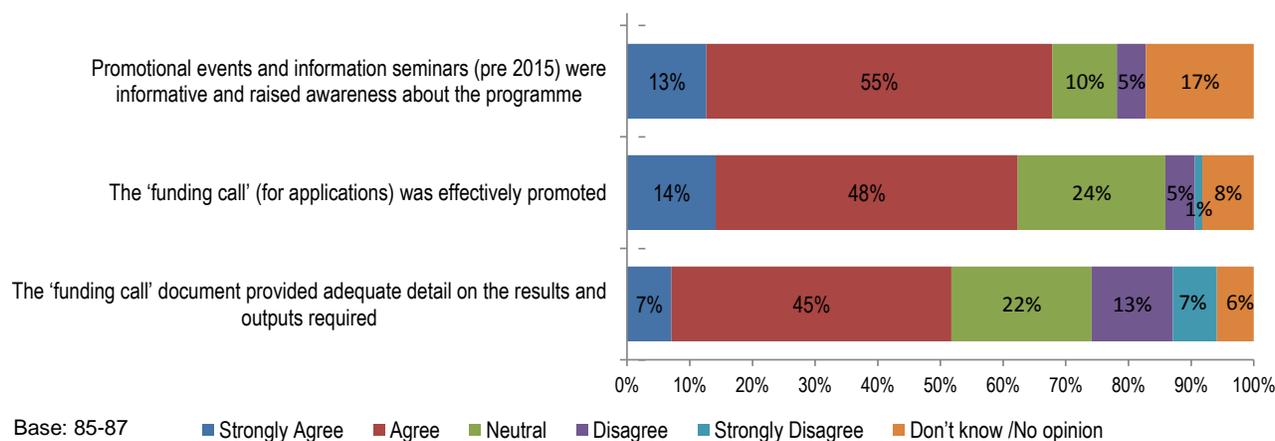
*"Would like delegate list distributed – so that potential partners could be identified"*

*"Possible seating plan for similar type business / community orgs as a further networking opportunity"*

*"Networking would have been made more valuable if it was facilitated and if it happened after some input about the programme. It was not mentioned that this time [pre workshop] was intended for networking"*

Encouragingly, the majority of respondents to the online survey agreed that the promotional events and information seminars (pre 2015) were informative and raised awareness about the programme (68%). IVA respondents rates higher levels of satisfaction when compared to PIV (74% vs 61%).

**Figure 6.1: To what extent do you agree<sup>22</sup> with the following statements about the Programme Promotion?**



Support was also evident with regard to the 'funding call' with 62% agreeing that it was effectively promoted.

Approximately half (52%) of all respondents agreed that the 'funding call' document provided adequate detail on the results and outputs required. A higher level of agreement is evident among IVA applicants when compared to PIV (59% vs 44%).

## 6.3 Application & Assessment Process

### 6.3.1 Overview of Process

The previous PEACE III and INTERREG IVA raised a number of concerns related to the length of time involved in the project assessment process and difficulties with project administration. To address these concerns the Managing Authority, the Member States and the EC agreed a streamlined application process and introduced the target of a 36 week assessment period, including the issuing of a Letter of Offer.

All projects are assessed against pre-defined selection criteria<sup>23</sup>, as stated within the Cooperation Programmes, including the cross-border cooperation criteria. The assessment process has taken account of respective Member State guidance, views and best practice. In the case of Northern Ireland this includes the Northern Ireland Guidance for Economic Appraisal and Evaluation (NIGEAE).

<sup>22</sup> The questions below use a scale between strongly agree and strongly disagree.

If respondents had an opinion which is in the middle (i.e. somewhere between agreeing and disagreeing) the 'Neutral' option was selected. If respondents were undecided and/or have no opinion, the 'Don't Know /No opinion' option was selected.

<sup>23</sup> Selection Criterion: Contribution of the project to the defined results and outputs of the programme; Quality of project design (including specific requirements detailed in the Cooperation Programme.); Quality of project team and implementation arrangements; Value for money; Quality of cross border co-operation with demonstrable added value; Contribution towards sustainable development; Contribution towards equality

The relatively straightforward Stage 1 application form is used as a means of determining the viability and merit of the project (a decision is made within 12 weeks). Following the Stage 1 Steering Committee decision, successful applicants are invited to move to Stage 2, and given 6 weeks to submit a business plan (a decision is made within 26 weeks). Overall, a final decision is made within a target of 36 weeks.

The JS has the primary responsibility for conducting project assessment. This involves a single assessment process leading to the tabling of recommendations to the Steering Committee.

To facilitate this process, JS forward all relevant applications and assessment reports to the Accountable/Policy Departments prior to the Steering Committee to allow them to complete all their necessary internal governance procedures in line with their respective delegated limits. The majority of applications and assessment reports were issued to Accountable/Policy Departments within the agreed timeframes.

The final assessment report by JS to the Steering Committee is based on programme criteria and informed by: any technical assessment report; any economic appraisal carried out and any comments received from the Accountable/Policy Department. This report is considered by the Steering Committee, upon which approvals are made.

**It is important to note that the Steering Committee makes the final decision on all funding applications. There is no additional approval processes post Steering Committee.** The shift to a single assessment process represents a marked improvement as all necessary approvals, including those from Accountable Departments, are in place at the Steering Committee. (NB. In PEACE III and INTERREG IVA the assessment process required two layers of administration - from both the Steering Committee (including Accountable Department representation) and via the Accountable Department appraisal process).

SEUPB, DoF and DPER have worked in close consultation with the relevant government departments to expedite the assessment of projects. Changes implemented include: Departments in Northern Ireland no longer have to seek DoF approval for projects that fall under the £5m delegated limit, with a corresponding reduction in the time required by Departments to consider applications, and the introduction of pro-forma documentation to aid processing of applications - representing a considerable change and significant improvement to the assessment process. These changes are in line with the Finance Director Circular issued by DOF to all Government Departments<sup>24</sup> which states that DOF “*supports efforts to reduce bureaucracy in delivering financial assistance by streamlining appraisal procedures and documentation*”.

---

<sup>24</sup> FD (DFP 07/15) Department of Finance and Personnel (June 2015) Appraising Financial Assistance: Streamlining Of Procedures and Documentation. [Online] available at <https://www.finance-ni.gov.uk/sites/default/files/publications/dfp/fddfp0715v2.pdf>

### 6.3.3 Processing Times

As of May 2017, a total of 176 applications have been received, to include 123 applications for the PIV programme and 53 applications for the IVA programme. The tables below present a summary of processing times for both programmes.

For PIV, targets have been met for Stage 1 and Stage 2, including the Letter of Offer being issued within the required 36 weeks. For IVA, targets have been met for Stage 1 and a timely decision was made by the Steering Committee at Stage 2. When the issuing of the Letter of Offer is considered in the calculation of processing times, it is apparent that the average number of weeks to process applications is higher for IVA.

**Table 6.1: PIV Processing Times**

Stage 1		Stage 2		Letter of Offer Issued	
No. Projects to Stage 1 Steering Committee	123	No. Projects to Stage 2 Steering Committee	17	No. Projects to Letter of Offer Issued	9
Average Weeks	8	Average Weeks	22	Average Weeks	31

**Table 6.2: IVA Processing Times**

Stage 1		Stage 2		Letter of Offer Issued	
No. Projects to Stage 1 Steering Committee	53	No. Projects to Stage 2 Steering Committee	31	No. Projects to Letter of Offer Issued	22
Average Weeks	7	Average Weeks	37	Average Weeks	50

Key points to note:

- Processing times are calculated from 'Funding Call Closure Date' to 'Steering Committee Date' or 'Letter of Offer Issued Date'. Stage 2 includes Stage 1 processing times.
- The Cooperation Programmes state that *"Except in duly justified cases endorsed by the Steering Committee, processing of applications shall be completed in a maximum of 36 weeks, including the issuing of the letter of offer to the applicant."*
- The definition of 'issuing the Letter of Offer to the applicant' needs to be clarified. The calculations are based on the final signed Letter of Offer; however SEUPB had issued draft Letter of Offers in advance of this, which required input from applicants to submit outstanding documentation prior to the final Letter of Offer being signed.
- The calculated averages do not include applications categorised as 'deferred', pending resolution of clarification points. Once all applications are finalised and data revised this will likely lead to increased average processing times.
- The processing times do not take account of 9 Local Authority LAP applications withdrawn at Stage 1 because of a lack of information and were resubmitted at a later date. Nor does it take account of the 1 Local Authority LAP (Belfast City Council) withdrawn at Stage 2 and resubmitted at a later date. The processing times are recorded on the basis of the final application (and not previous iterations of same).

The following section outlines the processing times for PIV and IVA on a theme basis.

## 6.4 PIV Processing Times

The PIV programme is less advanced than IVA, as the programme was adopted relatively late (30 November 2015). The Managing Authority is focused on accelerating implementation to ensure that expenditure and output targets are met.

### Stage 1

A total of **123** applications were assessed at Stage 1 and Steering Committee decisions for all projects were made within the 12 week deadline. The shortest time to make a decision was 5 weeks and the longest time to make a decision was 8 weeks. The average length of time for Steering Committee decision was 8 weeks from the call closure date.

The assessment process at Stage 1 has been a success, with all applications assessed by the Steering Committee within the required timeframe. This is a significant improvement when compared to PEACE III and a testament to the efforts to reduce the administration burden. For instance in the absence of a two stage process in PEACE III, all applicants had to wait on average 56 weeks before a final decision was made by the Steering Committee and Accountable/Policy Departments as part of a dual assessment process.

**Table 6.3: Stage 1 Processing Times for PIV**

PEACE IV Call	Number of Applications	Average no of weeks to Steering Committee	Target (Maximum Processing Time)	% of Applications Processed Within Target
Shared Education	5	6	12	100%
Victims and Survivors	1	6	12	100%
Local Authority Action Plans	17	6	12	100%
Regional	31	8	12	100%
Children & Young People	36	8	12	100%
Shared Spaces Capital Development	33	8	12	100%
<b>Programme Level</b>	<b>123</b>	<b>8</b>	<b>12</b>	<b>100%</b>

### Stage 2

A total of **17** applications were assessed at Stage 2 and Steering Committee decisions for all projects were made within 36 weeks. The shortest time to make a decision was 15 weeks and the longest time to make a decision was 31 weeks. The average length of time for Steering Committee decision was **22** weeks from the call closure data. As the decision at Stage 2 represents the final decision by the Steering Committee, to include all necessary approvals from relevant stakeholders, it demonstrates that timely approvals have been made.

**Table 6.4: Stage 2 Processing Times for PIV**

PEACE IV Call	Number of Applications	Average no of weeks to Steering Committee	Target (Maximum Processing Time)	% of Applications Processed Within Target
Shared Education	*		36	
Victims and Survivors	1	31	36	100%
Local Authority Action Plans	16**	21	36	100%
Regional			36	
Children & Young People			36	
Shared Spaces Capital Development			36	
<b>Programme Level</b>	<b>17</b>	<b>22</b>	<b>36</b>	<b>100%</b>

\*2 projects originally deferred, not included | \*\*1 projects originally deferred, not included

Two applications under 'Children and Young People' withdrew at Stage 2. The rationale provided was that one applicant was unable to make their project financially viable given staff ratios and costs per participant; and the second applicant reported concern from their Board with regard to the financial capacity of the Lead Partner.

### Letter of Offer

Following the Stage 2 decision there is then a period of time required to construct the Letter of Offer, and discuss and agree the details of the final written Letter of Offer with the applicant. A total of 9 applications have been issued a Letter of Offer. The shortest time to make a decision was 28 weeks and the longest time to make a decision was 37 weeks. The average length of time for applicants to receive a decision was 31 weeks. As per Table 6.5, this includes eight Local Authorities with a recorded processing time of 30 weeks, against the 36 weeks target. One application (Theme 3.3, Victims and Survivors) only missed the target by one week i.e. receiving a Letter of Offer at 37 weeks.

**Table 6.5: PIV Final Letter of Offer issued**

PEACE IV Call	Number of Applications	Average no of weeks to Letter of Offer issued	Target (Maximum Processing Time)	% of Applications Processed Within Target
Shared Education			36	
Victims and Survivors	1	37	36	0%
Local Authority Action Plans	8	30	36	100%
Regional			36	
Children & Young People			36	
Shared Spaces Capital Development			36	
<b>Programme Level</b>	<b>9</b>	<b>31</b>	<b>36</b>	<b>89%</b>

The remaining 8 applicants (bringing the total to 17) are awaiting their Letter of Offer. Given the period of time that has lapsed, it is unlikely that they will receive this within the target 36 weeks. Local Authorities have been encouraged to proceed with implementation 'at risk' based on the Steering Committee decision. However, some have not advanced in the absence of a Letter of Offer as their internal governance structures do not permit this, rendering potential delays to the achievements of targets.

## 6.6 IVA Processing Times

The IVA programme is at an advanced stage as all funding calls are closed and almost all IVA applications have been processed. Based on feedback from JS, the applications received have been strategic and of a high quality, demonstrating a result and output orientation and effective partnership arrangements.

### Stage 1

A total of **53** applications were assessed at Stage 1 and the Steering Committee decisions for all applicants were made well within the 12 week deadline. The shortest time to make a decision was 4 weeks and the longest time to make a decision was 8 weeks. The average length of time to Steering Committee decision was **7** weeks from the call closure date.

**Table 6.6: Stage 1 Processing Times for IVA**

	Number of Applications	Average no of weeks to Steering Committee	Target (Maximum Processing Time)	% of Applications Processed Within Target
Health and Life Sciences & Renewable Energy	10	8	12	100%
Enhance Innovation capacity of SMEs	3	5	12	100%
Habitats	4	7	12	100%
Marine	6	7	12	100%
Transitional Waters	1	4	12	100%
River Basins	2	7	12	100%
Greenways	5	6	12	100%
Multi-modal Transport Hub	1	6	12	100%
Health and Social Care	21	8	12	100%
<b>Programme Level</b>	<b>53</b>	<b>7</b>	<b>12</b>	<b>100%</b>

### Stage 2

A total of **31** applications were assessed at Stage 2. The shortest time to make a decision was 29 weeks and the longest time to make a decision was 46 weeks. The average length of time to Steering Committee was **37** weeks from the call closure date. (NB. 16 projects were notified of the Steering Committee's decision within 29 to 35 weeks, within the recommended 36 week timeframe).

**Table 6.7: Stage 2 Processing Times for IVA**

	Number of Applications	Average no of weeks to Steering Committee	Target (Maximum Processing Time)	% of Applications Processed Within Target
Health and Life Sciences & Renewable Energy	6	29	36	100%
Enhance Innovation capacity of SMEs	2	46	36	0%
Habitats	2	35	36	100%
Marine	3	35	36	100%
Transitional Waters	1	39	36	0%
River Basins	1	35	36	100%
Greenways	4	32	36	100%
Multi-modal Transport Hub			36	
Health and Social Care	12	42	36	0%
<b>Programme Level</b>	<b>31</b>	<b>37</b>	<b>36</b>	<b>52%</b>

## Letter of Offer

A total of **22** applications have been issued a Letter of Offer. When the issuing of the Letter of Offer is considered in the calculation of processing times, it is apparent that the average number of weeks to process applications is high i.e. **50** weeks for IVA. The shortest time to make a decision was 38 weeks and the longest time was 66 weeks.

**Table 6.8: IVA Final Letter of Offer issued**

	Number of Applications	Average no of weeks to Steering Committee	Target (Maximum Processing Time)	% of Applications Processed Within Target
Health and Life Sciences & Renewable Energy	5	38	36	0%
Enhance Innovation capacity of SMEs	1	60	36	0%
Habitats	2	56	36	0%
Marine	2	48	36	0%
Transitional Waters	1	66	36	0%
River Basins	1	50	36	0%
Greenways	3	45	36	0%
Multi-modal Transport Hub			36	
Health and Social Care	7	57	36	0%
<b>Programme Level</b>	<b>22</b>	<b>50</b>	<b>36</b>	<b>0%</b>

One application under ‘Environment – Manage Marine protected areas and species’ has since withdrawn from the process (the project was fully approved and at draft Letter of Offer stage), citing that it has not been possible to mitigate exchange rate risk to an acceptable level.

## 6.7 Key Issues Impacting Processing Times

Factors impacting on processing times include:

- For IVA (particularly the following themes: the Transitional Waters, Health and Social Care and Enhance innovation capacity of SMEs) the reason the target processing time has not been achieved was largely due to the effect of the UK Referendum decision and the requirement to rearrange Steering Committees in its aftermath. Given the uncertainty created by the UK Referendum decision, and the potential impact on future funding streams, the additional time was necessary to put in place the elements to create the environment that has allowed the funding awards to go ahead.
- The out workings of the UK Referendum resulted in extenuating circumstances, however it is evident that every effort has been put in place by the Managing Authority to minimise the impact on the programme and on applicants.

*“The UK referendum decision did have an impact on issue of letter of offers and final confirmation of funding. It is positive that SEUPB took the lead in getting guarantees with regard to funding for the programme. However, the delay (which was outside the control of projects) has had a knock on effect on project implementation.” [Applicant]*

- Issues relating to the quality of the applications meant that JS had to seek further clarification on project activity and assumptions to enable a value for money assessment to be completed; this resulted in a protracted iterative process to source the required data from applicants.
- Some Lead Partners experienced delays in collating relevant documentation to support their application and/or address case officer queries – hampered by the complexity of working within a partnership

arrangement requiring input from all Project Partners.

- Time taken to update the Stage 2 application/business plan to take account of the lapse of time (i.e. from the initial submission of application to Letter of Offer stage).

Feedback from stakeholders indicated that the allocated budget set aside for the development of LAPs, removed the competitive nature of the process and possibly impacting quality, when compared to other competitive calls. On reflection, a different application approach should have been considered for pre-identified projects and budget, such as a one stage application process to reduce the administration burden.

The restrictions placed on the number of words/characters was also raised by applicants as an inhibiting factor and that this ultimately led to increased level of clarifications at the assessment stage as the parameters of the application did not allow for adequate levels of detail.

*“There could have been an opportunity to describe the project had there been more flexibility with word count”*

*“The form was too limited in the number of characters it allowed. This is evidenced by the fact that SEUPB came back for series after series of detailed clarification where they required further information”*

The time taken to address ‘clarifications’ has been raised by applicants as a key issue, citing excessive queries and duplicate requests being made by case officers.

*“The Managing Authority sought ridiculous amounts of supplementary detail for what was, in effect, a shortlisting process despite the application form not requesting this detail”*

*“The level of additional information required during the clarification process resulted in the loss of considerable amounts of human resource time and the deadlines dictated by SEUPB were unreasonable particularly during known holiday periods”*

To minimise the number of clarification points, SEUPB made changes to the applications i.e. re-issued the Stage 2 application form and associated guidance, in order to better align the information requested from applicants and the requirements for a rapid and robust assessment. This new process aimed to reduce the number of queries / clarifications being tabled with applicants, and assist departmental officials in their assessment of the application. The changes to the application forms are welcomed and have greatly improved processes. Although negative feedback was raised by applicants with regard to the timing of the changes i.e. being made mid-process – as applicants incurred additional time to redevelop their application to meet new formats.

*“The process was changed considerably throughout which was extremely frustrating.”*

*“We had to complete 3 or 4 different versions of a Stage 2 application form. This wasted a huge amount of our time. For example, we spent 3 weeks cutting down an application to the specified word counts only to be told that the word counts had changed. In addition, new questions were added into the Stage 2 application without any consultation. Finally, there was huge duplication between the questions asked in Stage 1 and Stage 2.”*

Other issues are evident, such as Local Authorities notified at a late stage to remove activity related to early years' interventions to avoid duplication with investment at a regional level and subsequent reallocation of funding to other activities – this impacted seven LAPs.

The issues outlined have collectively contributed to a negative perception among some project beneficiaries and influence their opinion that the level of bureaucracy associated with the programme remains high.

### **Recommendations**

The processing times are in excess of what is anticipated and processes should be brought forward in a more efficient structure and in line with the EC's recommend timescales of 36 weeks, to include issuing the Letter of Offer. The excessive clarification process has hampered progress and negatively impacted on perception of a reduction in administration. The Managing Authority must take action to avoid the introduction of any unnecessary additional procedures or checks.

Based on the quality issues identified by JS and the Steering Committee during the assessment process (particularly relating to some Local Authority Action Plans) it suggests the need for further support.

It is recommended that an options paper is developed to explore the viability of a Development Support Body. This delivery mechanism could act as a vehicle for dialogue, knowledge sharing and the dissemination of best practice thereby maximising outputs and ensuring value for money is achieved.

This concept was tested as part of the Implementation Evaluation via focus group discussions and interviews with project beneficiaries and was generally well received, pending further clarity as the specific role. Learning can be gained from the envisaged 'Quality and Impact Body' relating specifically to the theme 'Children and Young People Aged 14-24'. The purpose of this Body is to develop a close working relationship with all funded projects to ensure that the impact of the programme is maximised.

## **6.8 Project Mobilisation - Post Letter of Offer**

Once the Letter of Offer is issued, there is a three month period to allow time for project mobilisation. Within this period, successful project applicants are required to submit the following information in respect of their project:

- A detailed updated cost plan;
- Detailed operational timetable with identified key implementation milestones (which will be utilised by SEUPB to monitor progress and make grant payments);
- A quarterly cashflow forecast;
- An annual forecast of project outputs;
- Evidence of the achievement of any identified pre-commencement conditions;
- Confirmation of cash flow arrangements;
- A signed Partnership Agreement where applicable;
- A staff recruitment strategy, job descriptions and grading (where not previously submitted);
- A detailed procurement plan for contracts related to the Project; and
- A monitoring plan outlining how activities will be monitored, quality assured, recorded and collated in line with procedures described in the Conditions of Grant and Output Indicator Guidance documents.

Once this information has been received and approved, a formal written 'permission to start the project' will be issued to the Lead Partner and claims for grant payment can then be made against the Grant offer as detailed in the Letter of Offer.

Project beneficiaries are advised of this three month period in their Letter of Offer. The information sought by the Managing Authority is part of an administrative and financial capacity check in order to ensure due diligence. It also provides project beneficiaries with time to update their business plan and to support forward planning. However, it may be more appropriate if some of these requests are incorporated within the Letter of Offer phase.

Within the three month mobilisation phase, project beneficiaries are permitted to commence procurement and recruitment of staff. However, some project beneficiaries felt that this would mean they are operating at risk in the absence of a signed 'permission to start' letter, which is not possible within their own governance structures. Larger private sector organisations (IVA programme) tend to be more comfortable with advancing projects in the absence of funding as they have the means to do so, in the knowledge that once they provide the final documentation that the funds will be available.

## 6.9 Project Modifications

Project modifications are formally requested through eMS and can only to be requested in exceptional circumstances. A project review is not expected to take place until mid-2018; this will allow time for projects to implement their agreed business plan.

If projects are not delivering as expected and outputs are not being met, the project beneficiaries will have a mechanism to go back to Steering Committee with a project amendment, if deemed appropriate – but this will create a time lag i.e. time to reapply and to reconvene the Steering Committee. Also eMS controls and financial flows do not easily allow for project modifications, which may cause further delays. Therefore, project modifications are not encouraged and emphasises the importance of submitting a robust business plan in the first instance.

The Managing Authority is committed to working in partnership with project beneficiaries to respond to local demand, but project modifications should not be a constant and iterative amendment process, as this was an issue in PEACE III and INTERREG IVA.

## 6.10 Online Survey Results

This section presents the findings from the recent (May 2017) online survey of project applicants in relation to their experience and views of the application and assessment process. A total of 87 individuals provided a response, including 52 successful applicants and 35 unsuccessful applicants.

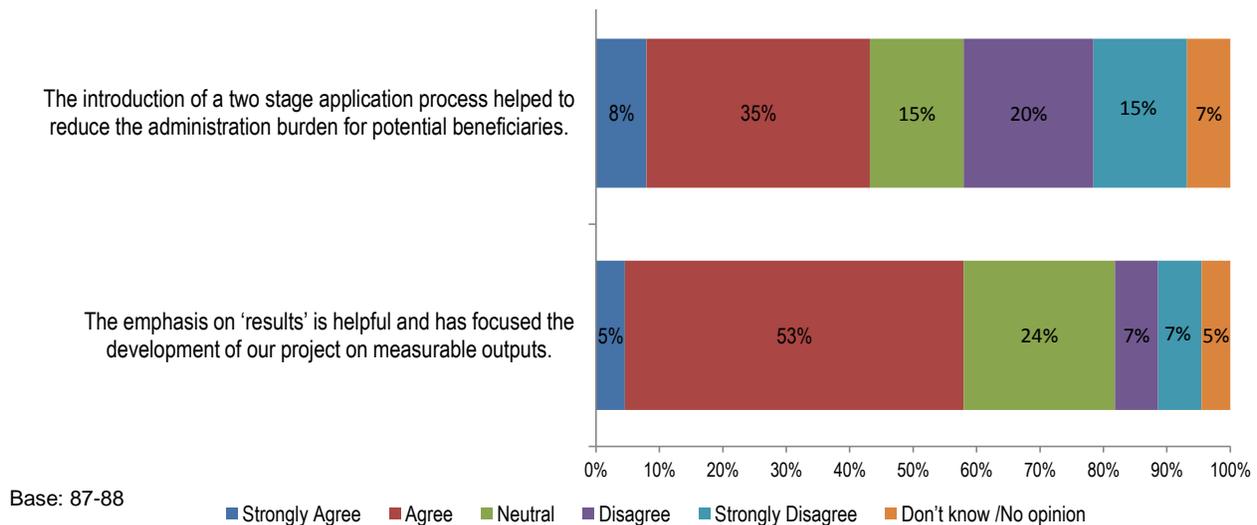
### 6.10.1 Application Process

There were mixed opinions with regard to whether the two stage application has reduced the administration burden for applicants. A total of 43% strongly agreed or agreed, compared to 35% that strongly disagreed or disagreed, which is apparent for both IVA and PIV (37% vs 33%). These mixed views were also apparent in focus groups and interviews with applicants.

*“The introduction of a two stage process was an improvement on previous programmes as the decision time was much quicker and promoters had less work to complete the Stage 1 form”*

*“To complete the budgets in Stage 1, a very detailed approach was needed and really in many ways it would have been as easy to produce the business plan alongside the detailed budgets”*

**Figure 6.2: To what extent do you agree with the following statements about the Programme Application?**



Importantly, there is support for the move towards a 'results' based approach, with over half of respondents (55%) agreeing that it has helped them to develop projects with measurable outputs. A higher proportion of IVA respondents agreed with this statement when compared to PIV respondents (67% vs 48%). Almost a quarter stated 'neutral,' suggesting that the benefit of a results based approach is yet to be realised.

### 6.10.2 Stage 1 Application

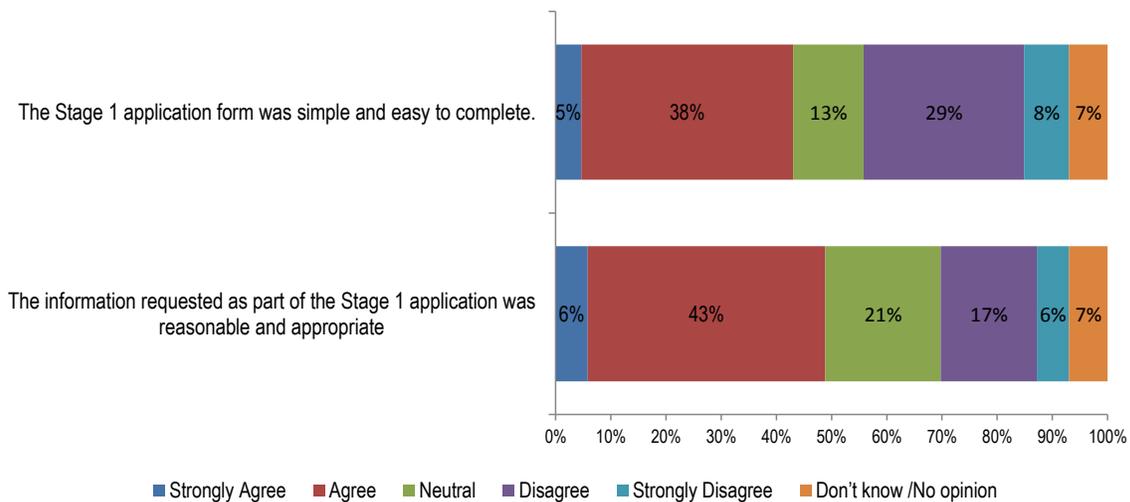
Overall, 43% of applicants agreed that the Stage 1 application was easy to complete and almost half (49%) agreed that the information requested was reasonable and appropriate. 37% of applicants disagreed (29%) or

strongly disagreed (8%) that the application was simple, highlighting the need for additional training and/or support.

A higher proportion of IVA when compared to PIV applicants (50% vs 36%) agreed that the application form was easy to complete. Whilst 36% of PIV agreed the application form was easy to complete, it is noteworthy that a higher proportion (43%) agreed that the information requested was reasonable and appropriate, given the level of funding sought. 55% of IVA agreed that with this statement.

*“Overall, we found the INTERREG VA Stage 1 manageable and ok to navigate”*

**Figure 6.3: To what extent do you agree with the following statements about the Stage 1 Application?**



Base: 86

Some applicants expected the Stage 1 application to be similar to an ‘expression of interest’ and were surprised at the level of detail required and what they regarded as a ‘preliminary stage’.

*“As I understood the two stage application process, Stage 1 was supposed to be a high level application however unfortunately there was still a necessity to provide a huge amount of information (including responding to clarifications) which was replicated to a certain extent in the Stage 2 application”.*

*“Several sections could be reduced in detail at Stage 1, allowing projects to demonstrate an awareness of the requirement, but detailing how these will be delivered in the Stage 2 proposal.”*

*“The level of detail in the Stage 1 application was far too much, with other large funding bodies requiring much less information for similar stage 1 applications”*

*“The Stage 1 application was in itself ‘as a form’ was easy to complete. However once submitted this is where it started to get cumbersome and bureaucratic, the level of detail that was requested from applicants far and above what was in the Stage 1 form and prior to the filling of Stage 2.”*

### 6.10.3 Stage 2 Application Process

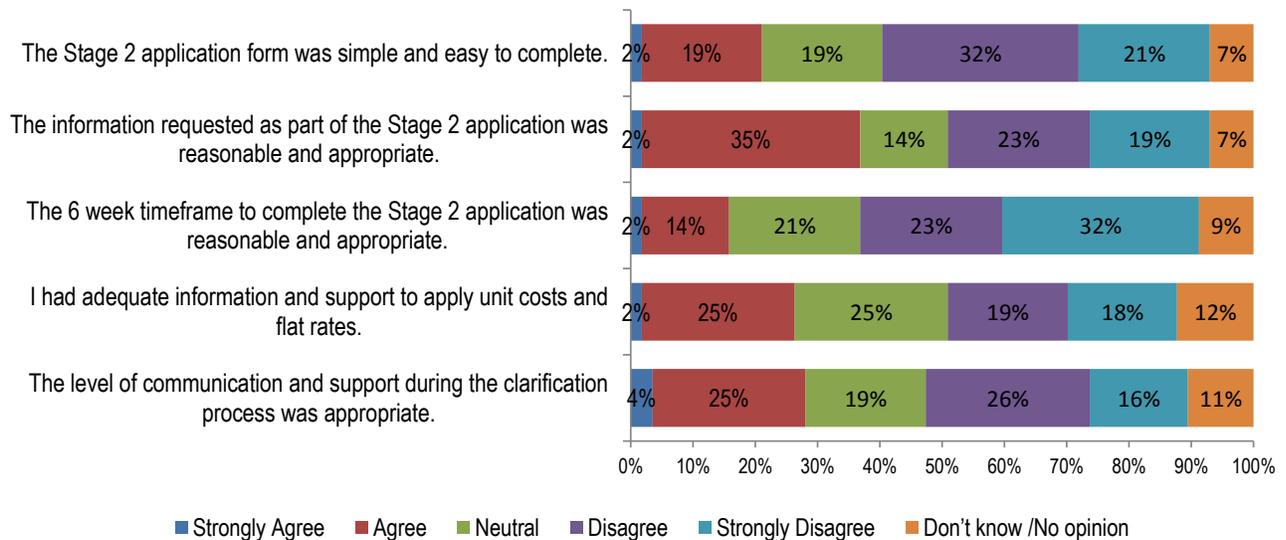
Given the level of funding and the detailed required as part of the Stage 2 application, it is perhaps not surprising that only 21% agreed that the application was simple and easy to complete (with 53% disagreeing with this statement). However, 37% did agree that the information requested was reasonable and appropriate.

It is evident that the 6 week timeframe to complete the Stage 2 application was challenging for respondents, with only 16% agreeing that this timescale was reasonable, with over half (55%) disagreeing with this statement. A higher proportion of PIV applicants were in disagreement when compared to IVA (65% vs 48%).

*“More time is required to complete Stage 2 given the level of information required, particularly when working with a large number of partners over a large geographical area.”*

*“The application process generated a huge amount of effort and required intensive resources both in terms of labour and time for the Applicant and SEUPB which is understandable given the levels of funding involved”*

**Figure 6.4: To what extent do you agree with the following statements about the Stage 2 Application?**



Base: 57 (successful: 53 | unsuccessful: 4)

Note: only 4 unsuccessful applicants that responded to the online survey were successful at stage 1 and progressed to stage 2, therefore only 4 unsuccessful applicants provided a response to this question.

The Managing Authority anticipated that applicants would progress the preparation of the business plan before receiving a Stage 1 approval, which was appreciated by some applicants.

*“The level of information at Stage 1 required in-depth planning so that the Stage 2 would not be significantly different. The level of information requested at Stage 1 is not of significance - it is the work required to provide this information faithfully and accurately that is the burden”*

*“In order to complete Stage 1, the anticipated Stage 1 application had to be well progressed - e.g. Project Budget not expected to change from Stage 1 to Stage 2o applications, so although detail not included in Stage 1, had to be prepared to provide accurate representation as opposed to an indicative budget”*

However based on the online survey and interviews with applicants, Stage 2 preparation did not occur until the outcome of Stage 1 was known. Applicants did not want to assume a successful outcome and spend time on preparation of a detailed business plan. This resulted in the 6 week period being considered to be challenging. Consideration should be given to either communicating this expectation of preparation work in the absence of approval and/or an extension to the 6 week period being allowed. The additional time may also minimise the extent of clarifications that have become evident during and post approvals.

27% of respondents agreed that they had adequate information to apply unit costs and flat rates, whilst 37% disagreed, suggesting the need for further support and advice to encourage the adoption of SCOs.

There were mixed opinions with regard to the level of communication and support during the clarification process, relating to addressing queries/gaps in project details in the application form. Many of the issues related to changes to the application mid-process. 29% agreed that communication was appropriate, although 42% disagreed with this statement, highlighting dissatisfaction with the clarification process. Levels of disagreement are higher among PIV as opposed to IVA applicants (38% vs 53%).

*“The Stage 2 Application Process did not operate how SEUPB had initially intended it to nor how it was communicated to potential applicants. The Stage 2 Application form went through a number of iterations before being agreed and even then there were issues with formatting, word counts etc. Amendments and changes to the form were ongoing even during the 6 week timeframe which was unhelpful”*

*“The level of invigilation and clarification that was required in the weeks after the submission of the Stage 2 application was far in excess of what was expected and was extremely cumbersome and bureaucratic”.*

*“Having not been involved in the PEACE IV process previously with SEUPB, I found the application to be overly ambitious (timeframe, level of information, etc.). There was a huge workload and expectation of staff/applicants to have all the answers from the outset”*

*“The Managing Authority demanded huge amounts of granular detail not contained in the Stage 2 document. We received requests for over 70 points of clarification!”*

A few applicants also felt that one meeting rather than numerous emails would be a more efficient way of addressing queries. Furthermore the importance of increased visibility of case officers was emphasised and the need for enhanced collaboration as projects commence mobilisation.

*“Many of the queries that generated clarifications could have been worked through/clarified via face-to-face meetings and conversations however the application process did support such an approach. There was little opportunity to engage with Officers and no willingness to meet and discuss”.*

*“The reluctance of case officers to meet in person and work through the queries or clarifications with applicants does not make for a positive working relationship”*

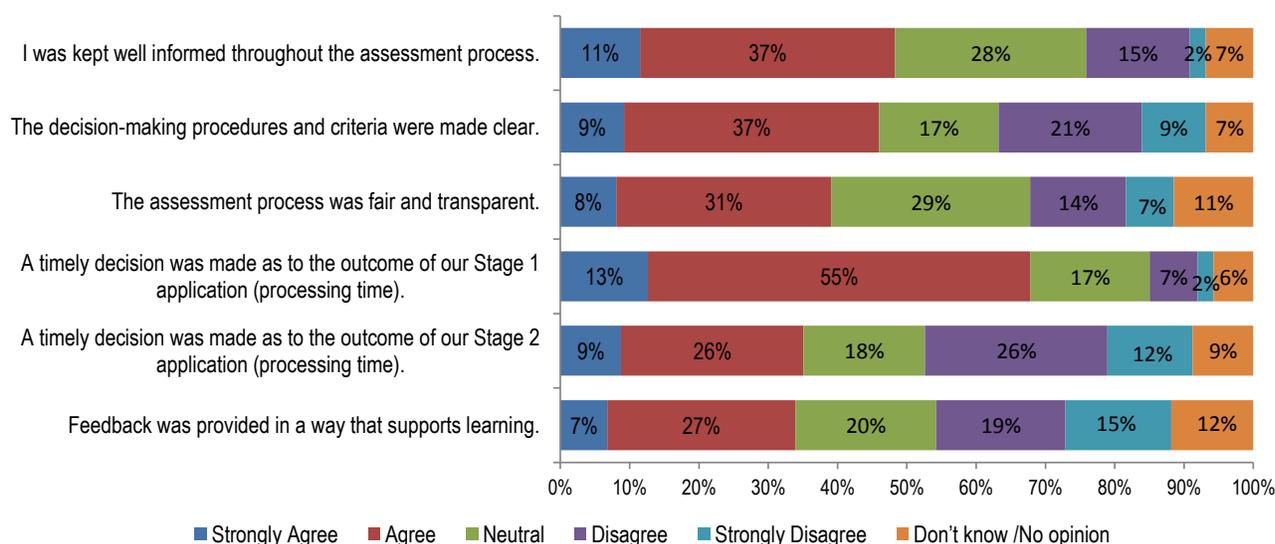
### 6.10.4 Assessment Process

Generally feedback relating to the assessment process was positive, as the majority of applicants agreed that they were kept well informed (48%) and that the decision-making procedures and criteria were made clear (46%) and that the assessment process was fair and transparent (39%).

*“INTERREG VA was fine, the assessment process was fairly seamless and we were kept fully informed on progress”*

Of particular note is the fact that 68% agreed that a timely decision was made as to the outcome of the Stage 1 application. This was the case for both successful and unsuccessful applicants and when considering PIV when compared to IVA applicants.

**Figure 6.5: To what extent do you agree with the following statements about the Assessment Process?**



Base: Statement 1 to 4: 87 / Statement 5 to 6: 57-59

For those that progressed to Stage 2 (i.e. 53 successful applicants and 4 unsuccessful applicants), 35% agreed that a timely decision was made as to the outcome of their application, however a similar proportion (38%) disagreed with this statement.

Mixed feedback was also provided about whether feedback was provided in a way that supports learning i.e. 34% agreed and 34% disagreed with the statement and a further 20% held a neutral position.

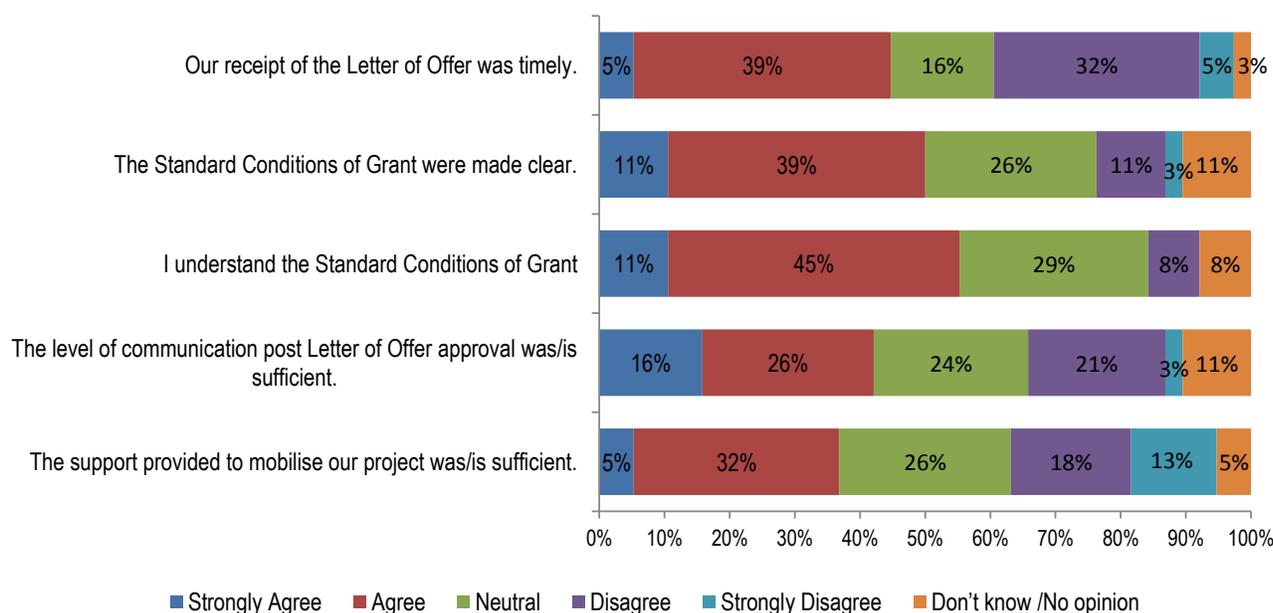
### 6.10.5 Letter of Offer

At the time of the online survey (May 2017), 72% of respondents confirmed receipt of their Letter of Offer. As anticipated, given the more advanced stage of the IVA programme, a higher proportion of respondents reported that they had received their Letter of Offer when compared to the PIV programme (78% vs 56%).

Of those that received their Letter of Offer (n=38), 44% agreed that receipt was timely, although 37% disagreed with this statement.

Half (50%) of respondents agreed that the conditions of the grant were made clear and importantly that individuals understand the conditions of the grant (56%).

**Figure 6.6: To what extent do you agree with the following statements about the issuing of the Letter of Offer?**



Base: 38

The level of communication post Letter of Offer was agreed to be sufficient by 42% of applicants.

The information sought by the Managing Authority during the three month mobilisation phase is part of an administrative and financial capacity check in order to ensure due diligence. It also provides project beneficiaries with time to update their business plan and to support forward planning. 37% agreed that the support provided to mobilise their project was/is sufficient. However, almost one-third (31%) disagreed with the statement suggesting that additional support would be welcomed at this stage of implementation.

Some project beneficiaries perceived requests made during mobilisation as a '*repeat of information already provided*', whilst others felt that the information required was overly detailed at this stage of implementation and prevented projects commencing activities.

*"Since getting our Letter of Offer, the amount of additional information required has stopped us from doing the work required to mobilise our projects effectively"*

*"There has been a very long period of time between Letter of Offer and commencement of the actual project work involving considerable human resource being expended. Of course there must be stringent procedures but they should not be the most important factor."*

From SEUPB's perspective common issues related to Lead/Project Partners not providing relevant or up to date documents required as part of the pre-contract check (such as accounts, partnership agreement – Ref Section 6.7).

## 6.11 Concluding comments

The table provides a conclusions as to the extent to which the requirements within the Cooperation Programme have been met with respect to the application and assessment process.

**Table 6.9: Extent to which Cooperation Programme requirements have been met**

Extract from Cooperation Programme	Has this been achieved?	
<i>Information on calls for grant aid: The Managing Authority will publish a rolling 24 month programme of calls for applications. Calls will have a high degree of focus and will detail the results and outputs required and total financial allocation of each call. A calendar of fixed Steering Committee dates will be published at the time of the call which will provide transparency on the targets for processing times. The decision-making procedures and criteria will very clearly set out in the terms of reference of each call.</i>	Yes	There is evidence of effective practice - SEUPB has met the Cooperation Programme requirements by publishing a programme of rolling funding calls, to include detailed descriptions of the processes, outputs and funding allocation under each theme.
<i>Application process: Support will be available to potential applicants through information seminars and workshops.</i>	Yes	There is evidence of effective practice - SEUPB has met the Cooperation Programme requirements by facilitating 12 pre-application development workshops and 12 thematic workshops. Feedback from attendees is overwhelmingly positive regarding the content and delivery of these workshops.
<i>A two stage application process will be used. Stage 1 will be a short application form, with applicants receiving a decision within a maximum of 12 weeks of applying. Applications emerging from stage 1 of the process will then be invited to provide additional detailed information for stage 2 of the application process.</i>	Yes	Stage 1 processing times have been met (an average of 7-8 weeks against a target of 12 weeks). This is a significant improvement when compared to the PEACE III and INTERREG IVA. For instance in the absence of a two stage process in PEACE III, all applicants had to wait on average 56 weeks before they were notified as to the outcome of their application. On reflection, a different application approach should have been considered for pre-identified projects, such as a one stage application process to reduce the administration burden for applicants.
<i>Assessment: The primary purpose of the assessment process is to assess the potential of the proposed projects to deliver the specified results and outputs of the programme in a cost effective manner. In stage two of the process, the JS and all other relevant bodies (e.g. accountable departments) will proceed with the full assessment of the application in accordance with the procedures and criteria described in the terms of reference so as to make recommendations to the Steering Committee and to issue letters of offer. Except in duly justified cases, stage two of the process shall not exceed 24 weeks, including the issuing of the letter of offer to the applicant. The principle of proportionality will be applied in the assessment and decision-making process so as to take adequate account of the different types and scale of projects and project applicants and the levels of financial support sought.</i>	Not fully	The Steering Committee makes the final decision on all funding applications. There is no additional approval processes post Steering Committee. The shift to a single assessment process represents a marked improvement as all necessary approvals, including those from Accountable Departments, are in place at the Steering Committee  When considering the Stage 1 and Stage 2 assessment timescales together, an average of 22 weeks is recorded for PIV projects and 37 weeks for IVA projects. As the decision at Stage 2 represents the final decision by the Steering Committee, to include all necessary approvals from relevant stakeholder, it demonstrates that timely approvals have been made. Following the Stage 2 decision there is then a period of time required to construct the Letter of Offer, and discuss and agree the details of the final written Letter of Offer with the applicant. When the issuing of the Letter of Offer is considered in the calculation of processing

Extract from Cooperation Programme	Has this been achieved?	
<p><i>Except in duly justified cases endorsed by the Steering Committee, processing of applications shall be completed in a maximum of 36 weeks</i></p>		<p>times, it is apparent that the average number of weeks to process applications is higher i.e. 31 weeks for PIV and 50 weeks for IVA, against a target of 36 weeks.</p> <p>The knock-on effect of the UK Referendum clearly had an adverse effect on processing times. However, it is evident that every effort has been put in place to minimise the impact on the programme and on applicants.</p> <p>Other factors impacting on processing times are also evident: time taken to clarify applicant's business plan and the need for the business plan to be updated to take account of the lapse of time, some projects experienced delays in collating relevant documentation to support their application – hampered by the complexity of working within a partnership arrangement requiring input from all project partners; and additional queries related to uploading information on eMS.</p>
<p><i>Should the maximum processing times not be met, an up-date indicating the reasons for the delay will be published on the web site of the programme so as to ensure transparency for all applicants and the programme monitoring committee will be informed in the framework of its meetings.</i></p>	Not fully	<p>The Managing Authority has published the minutes and papers from the PIV PMC of 22 November 2016 and the 25 May 2017 (which references processing times, although does not provides details) and the IVA PMC of the 18th January 2017 (processing times are reported). There are further plans to publish processing on the new SEUPB website when it goes live in a more prominent position with up to date information and reasons for any delays.</p>
<p><b>Allocation of funding:</b> <i>The regulations require that the final decision on the allocation of grant aid is made by the Steering Committee (appointed by the Programme Monitoring Committee). The Steering Committee will include representatives of the Member States, accountable/policy departments and social partners. The Steering Committee will have access to required technical and financial expertise to make an informed decision. There will be no additional approval processes post-Steering Committee.</i></p>	Yes	<p>The Steering Committee considers the assessment report and makes the final decision on all funding applications. There is no additional approval processes post Steering Committee. In PEACE III and INTERREG IVA, the assessment process required two layers of administration to include: decision making from both the Programme Steering Committee (including Accountable Department representation) and via the Accountable Department appraisal process. Consequently, for PIV and IVA this shift to a single assessment process represents a marked improvement as all necessary approvals, including those from Accountable Departments, are in place at the Steering Committee.</p>

The processing times are in excess of what is anticipated and processes should be brought forward in a more efficient structure and in line with the EC recommend timescales of 36 weeks, to include issuing the Letter of Offer. The excessive clarification process has hampered progress and negatively impacted on perception of a reduction in administration. The Managing Authority must take action to avoid the introduction of any unnecessary additional procedures or checks.

## 7 E-COHESION

### 7.1 Introduction

The implementation of e-Cohesion is one of the elements aimed at simplifying the implementation of ESIF funded programmes during the new programme period. E-Cohesion is a Commission requirement and is a condition of funding, it involves the electronic exchange of documents and data and is intended to reduce the administrative burden for beneficiaries.

To achieve the objective of simplification, the implementation of e-Cohesion will have a wide impact on a number of areas, including but not limited to:

- Electronic submissions of applications, assessments and awards of grant.
- Monitoring and reporting of progress on the achievement of milestones and outputs.
- Submission of expenditure claims for payment, the verification and payment of valid claims.
- Submission and management of financial forecasts.
- Exchange of information related to management verifications and audits.
- Declarations of expenditure to the EC.
- Monitoring reports and evaluations to the EC.
- Recording, storage and retrieval of information.

This section describes the extent to which the PIV and IVA Programmes have embraced the principles of e-Cohesion. This has been achieved by SEUPB adopting the INTERACT Electronic Monitoring System (eMS).

### 7.2 Development of eMS

#### 7.2.1 Overview

The eMS is a free of charge electronic monitoring system provided by INTERACT to all interested programmes who sign the license agreement. The eMS has been developed using open source software. eMS is used by multiple Interreg Programmes across Europe and the system meets the regulatory requirement for EU funded programmes. eMS was operational from September 2015 across Europe. As of May 2017, 33 Interreg programmes signed the license agreement and are either testing or already using the system. Around 15 programmes are already using the eMS for their calls for proposals and/or reporting.

The system was designed by INTERACT in close collaboration with a core group of 4 Interreg programmes and developed by an external IT provider. The core group activity sought input from an extended 'Observatory Group' of some 25 Interreg programmes who are also kept informed on the progress of the project.

INTERACT and eMS users are still testing the system and improvements/bug fixes are being made to improve existing functions. Support from INTERACT is mainly via an online community forum, known as 'Base Camp' to connect all users and to encourage dialogue, problem solving and information sharing via an open source platform.

In 2013, the Managing Authority was one of the original members of the Observatory Group and provided input to help develop eMS.

The Managing Authority pulled out of the Observatory Group as Accountable Departments opted to create a bespoke, localised database for all Northern Ireland ESIF programmes. Terms of reference for this database was developed and issued via the Central Procurement Directorate (CPD) to attract a suitable provider. The first procurement exercise resulted in two bidders, neither of which was successful, the second procurement resulted in a bidder being contracted to carry out the work to develop a system. DoF were responsible for managing the contract on behalf of all Northern Ireland based Managing Authorities.

Despite implementation work commencing in June 2015, unfortunately, delivery of the database was more complex than anticipated and issues became apparent with the contractor not being able to suitably meet requirements and consequently the contract was terminated by DoF in June 2016, resulting in no system being developed. Consequently, the programme was at risk of not meeting the e-Cohesion regulatory requirements.

To mitigate this risk, it was agreed to reengage with INTERACT and sign a licence agreement to use eMS (effective from May 2016). The Managing Authority had maintained contact with INTERACT and members of the Observatory Group within the gap period of sourcing another provider and in parallel to CPD dealing with contractual difficulties making the process of reengagement easier and good progress is now being made to implement eMS. The Managing Authority is content in the knowledge that they have now adopted eMS, which meets minimum regulations.

### 7.3 eMS Implementation

#### Configuring System

In order to meet SEUPB's specific business processes and the fact that the PEACE programme is unique to other European programmes, a higher level of configuration of eMS was required. SEUPB has been working with the system developers (CPB, a Vienna based company, who were responsible for the development of the original database for INTERACT) to configure the system.

However, as it is a community based, shared system with other international users, it is difficult to completely tailor to the needs of local programmes. Any changes to core modules must be pre-approved with INTERACT and has to benefit all eMS users in the 'community'.

SEUPB has gained approval for the following specification changes:

- **Interface:** Tailored configurability by making changes to the user interface, for example, basic labelling and changes to terminology to ensure understanding to suit applicants in Northern Ireland, the Border Region of Ireland and Western Scotland; facilitating uploading of attachments; and additional items added to the communications work package.
- **An enhanced forecasting facility:** The forecasting function on eMS is only for period /financial quarter ahead, however SEUPB recommended the need for annual forecasting (every fourth quarter) and INTERACT have taken on board this suggestion and requested that SEUPB feed into the guidance manual as they believe that this function will help other programmes in the 'community'.
- **Funding disaggregation:** SEUPB required the funding to be split between providers (i.e. ERDF funds and Accountable Department funds) in order to record the jurisdictional splits. As eMS is in euros, the splitting of funds was more complex to take account of projects in euro and projects in sterling, which is unique to UK programmes. Also, SEUPB required the funding to be split between providers (i.e. 15% ERDF funds and 15% Accountable Department funds) in order to record the jurisdictional splits.

- **Secure** link to the SEUPB Finance System to enable payments to projects.
- **Improved Geographical Information:** SEUPB required that information be captured on geography ('Local Authority Area'/ NUTs region, 'Area of Impact') for the purpose of analysis and reporting, for example the geographic spread of project beneficiaries displayed diagrammatically. NB. Once geographical data becomes available via eMS, a mapping exercise can be carried out to determine programme reach and whether an appropriate spread of funding and impacts have been achieved across the eligible area. This will be reported in the next Implementation Evaluation report.

### **Transposing application data to eMS**

In advance of the system going live, SEUPB carried out an extensive retrospective exercise to input all 'manual' applications received to date (approximately 75 applications across both the PIV and IVA Programmes) in order to ensure that this process did not unduly impact on implementation – this removed the administrative burden from Lead Partners and allowed for testing of the application module of the system to check functionality and if reports are meaningful.

Every effort has been made to ensure accuracy and completeness of each project through a quality assurance exercise, for instance, the case officers who originally assessed project applications carried out a quality assurance process to ensure that the information was accurately presented and true to the applications.

A final quality assurance exercise was carried out by Lead Partners to ensure that the eMS accurately reflected their project. Many applicants appreciated that eMS will contribute to a reduction in administration.

It is important to note that some Local Authorities have taken the opportunity of this process to review the activity implementation timetable and propose adjustments to the timeframe. Whilst not ideal, such adjustments have been facilitated by SEUPB to enhance the quality of outputs.

Some applicants reported the transposing of data to be time-consuming, challenging and in some cases 'stressful' to meet timescales for completion.

*"The eMS was only introduced to the INTERREG partners after their projects were approved, therefore the data fields do not always respond to the Business Plan questions. As a result partners were trying to retrospectively make data "fit" on a system which had not been used at application stage"*

*"I felt that the deadline for completing the work on eMS was very tight and stressful given that no-one was familiar with the system."*

*"The eMS was introduced after all of the work had been undertaken and significant efforts made to present work in a coherent way, if this system had been available at the 2nd stage it would have been more productive."*

### **Current Status**

The eMS is now operational to enable e-Cohesion. It is important to note that the designation process, whereby the Audit Authority forms a positive opinion on the management and control procedures, was delayed as it could not be completed in the absence of eMS, as this system is a central feature in the management of the Programme. The Member States formally notified the EC of the designation on 27 April 2017, subsequent to the launch of eMS (live from March 2017).

eMS will enable SEUPB to collect and store all necessary information and communicate with applicants/beneficiaries electronically via a secure online communication portal. eMS is structured into four core works packages: Management; Communications; Implementation; and Investment. The system uses colour coding to link work packages to budget lines, which align to an auto generated Gantt chart. These features will greatly help Lead Partners with respect to project management and facilitate up-to-date monitoring and submitting of financial information online.

The application module on eMS is now open and future funding calls will use this system. There are currently two live PIV funding calls where applicants will use the system. (NB. On 8 March 2017, a call was opened on the system for applications into the Children and Young People (14-24) which resulted in 19 applications successfully inputted by Lead Partners. In addition, the 13 applications under the Shared Space Capital Development Action are currently working on inputting their applications via the system).

*“Overall I found the eMs to be quite a good easy to use system”*

The finance interface and claim and payment module is not yet operational/‘live’ (as of May 2017), pending the alignment of SEUPB finance and eMS system for compatibility. It is understood that the module launch will be imminent (July 2017) given the stage of implementation and projects incurring eligible expenditure and the need to drawdown funds in a timely manner. This must be in place by July 2017 to allow for claims to be submitted in line with programme deadlines.

*“On an individual level, SEUPB has been very supportive and good to work with, but the impacts of the failure to launch the eMS system in a timely manner are being felt even to date. We have still not had the system activated, and we are 5 months into our eligible project period: without sight of the system we cannot implement internal accounting processes to help with the claim.”*

#### **7.3.1 Fresh Desk – Self-service support portal**

SEUPB’s internal project board, comprised of representatives from all units with a dependence on eMS, decided to develop the eMS Self Service Support Portal – ‘Freshdesk’ as an online helpdesk to support to applicants using the eMS. It is aligned to INTERACT’s ‘Base Camp’ concept.

Freshdesk was launched in parallel to eMS going live. Freshdesk involves a ticketing system where applicants/project beneficiaries can field questions to SEUPB staff to answer. There are four staff members/‘agents’ available on a rotational basis to answer questions, to include technical support (IT) and other issues relating to implementation (JS) and/or claims (FCU).

In terms of processing; there are four classifications that an applicant can choose with the following processing times (the times are stipulated by the system); Low Priority – response required within 5 days; Medium Priority – within 3 days; High Priority – within 48 hours; and Urgent – within 24 hours.

Approximately 300 tickets have been generated via Freshdesk (as of 19 May 2017, excludes tickets used to test system) and all tickets received to date have been low priority and the vast majority have been met with the exception of a few 'on-hold' tickets. These are generally classified as 'Waiting on Customer' (they have not acknowledged the resolution). The query is closed if the applicant does acknowledge resolution within 2/3 days of asking them to confirm.

No formal training on eMS is planned for project beneficiaries. This was based on eMS being an intuitive system. A knowledge base of frequently asked questions will be developed and uploaded on Freshdesk to reflect common issues and guidance materials will be updated accordingly. Although, based on feedback from applicants, training on the use of eMS would be welcomed and it is recommended that the Managing Authority consider introducing training.

*“eMS is easy to use once the user is familiar with it. This is not the case to start with and it took a great deal of time to get to that stage.”*

*“The guide appears to be incomplete and the system unable to cope with non-routine project funding arrangements. Only a very small number of FAQ's on the system at this time.”*

*“A specific training session on the eMS and claims process would be highly beneficial as this system plays a critical part of the programme.”*

*“SEUPB provided no training, the Guidance was minimal and incomplete (Communications guidance was only added recently) and there was a huge workload required to add in all the Activities, Deliverables and Work package details to the system. If the application had been developed and submitted in this format it would have been more acceptable”.*

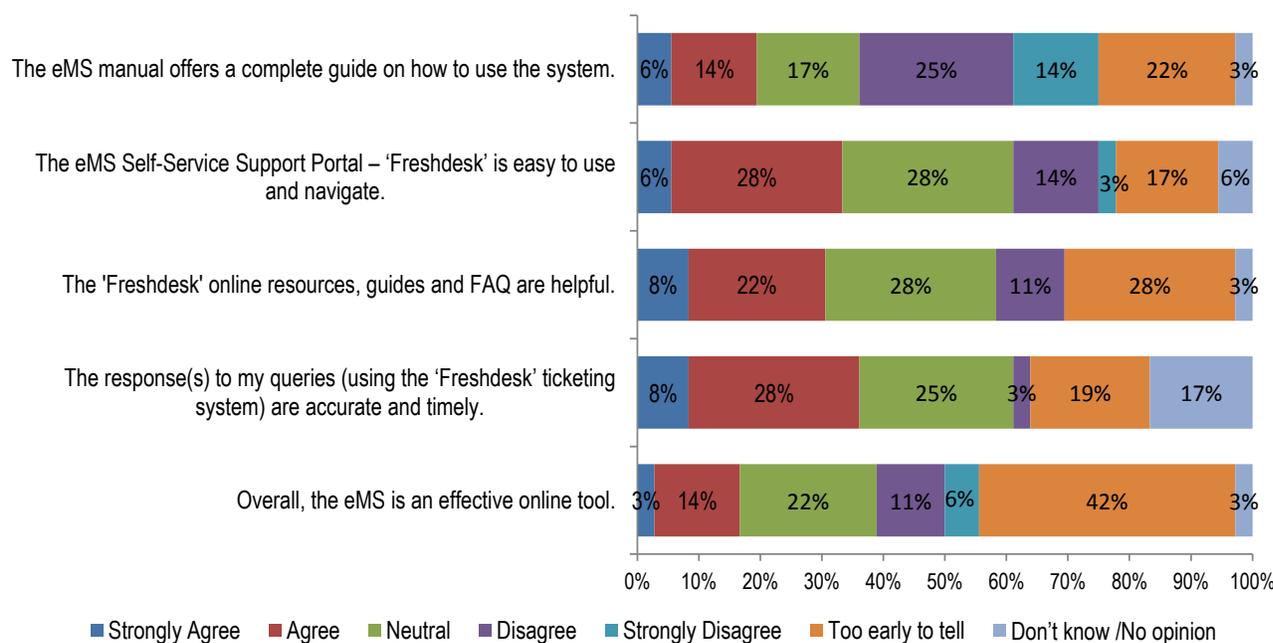
eMS was in the process of being rolled out to successful applicants at the time of the online survey; therefore approximately one-third of respondents did not have experience using the system and could not provide further comment. 68% indicated that they have used eMS. Due to the early stage of usage, it is not surprising that overall 42% of applicants indicated that it was 'too early to tell' when asked to what extent they agree that the eMS is an effective online tool.

Feedback suggests that additional support and/or resources would be welcomed, given that 39% disagreed that the eMS manual offers a complete guide on how to use the system. This view was also provided by project beneficiaries during focus groups and interviews.

Generally feedback relating to the Freshdesk support is positive or neutral at this stage, with 34% agreeing that the portal is easy to use and navigate, 30% agreeing that resources are helpful and 36% agreeing that SEUPB's response to queries using the self-service support tool is accurate and timely.

*“Freshdesk was very helpful and whoever I got also had a sense of humour which helped!”*

**Figure 7.1: To what extent do you agree with the following statements about eMS?**



Base: 36

## 7.4 Concluding comments

SEUPB is using the INTERACT eMS to meet the requirements of e-Cohesion, which has great potential for the reduction of administrative burden. It allows project beneficiaries to submit to the Managing Authority and to store all information electronically, allow the beneficiaries to submit data only once and to keep all documents in electronic form; reduces mistakes in data insertion; and also decreases the risk of document loss and in the long-term will reduce archiving costs.

The eMS database is a central feature in the management of the Programme and unfortunately the delay has had a negative impact on programme implementation. In the absence of eMS, internal systems have evolved to manage data. This has led to inconsistency in approach across various units and/or staff members adopting different methods. Often information is not readily available in a useable format, requiring a lot of downtime to align data and address queries.

Whilst the launch and full implementation of eMS will negate the need for internal monitoring systems (as eMS will have the capacity to generate analysis and output/financial reporting), there is still a short-term need for systems to be in place until such time that all modules are configured and launched. Therefore efforts should be made to improve existing systems and the availability of monitoring information.

It is acknowledged that good progress is now being made to mobilise the implementation of eMS (i.e. application module is operational from March 2017) and the Managing Authority are making every effort to expedite the process to minimise any further delays in the adoption and roll out of the system. SEUPB are currently working on specific additional functionality which is at the final development and testing phase with planned implementation at the end of September 2017. SEUPB has advised that eMS is fully compliant with Data Protection legislation. It is important that this takes into account upcoming changes to this legislation, effective from May 2018.

## 8 SUPPORT & TRAINING

### 8.1 Introduction

The section reflects the support offered to project partnerships by SEUPB including the Partnership Training Programme.

### 8.2 Support Offered

The Managing Authority has devised a number of measures to assist project beneficiaries, to include:

- Project development support provided prior to submission of application. However after submission, in the interest of applying a fair process, there is no opportunity for the applicant to further develop their project other than responding to specific queries or points of clarification.
- A National Contact Point is based in Glasgow to provide additional support to projects in Scotland.
- A wide range of resources and support documentation is available to applicants/project beneficiaries:
  - The Cooperation Programmes and associated Citizens' Summaries.
  - The 'Programme Rules' – seek to provide information in a user friendly format to describe and explain the rules of the programmes and give guidance on all phases of the project lifecycle (including information on eligibility of expenditure, procurement, budgeting, state aid etc.). In the spirit of simplification and harmonisation, a common set of rules have been developed for the PIV and IVA.
  - An 'Applicants Guide' is also available, which describes in detail the type of information to be provided in order to score well against the criteria.
  - A Local Authority Partnership Guide to Peace and Reconciliation Action Plans.
  - Impact Assessment Toolkit for Cross Border Cooperation, developed by the Centre for Cross Border Studies as part of an INTERREG IVA funded project, intended to be a practical guide to assist with planning cross-border projects.
  - 'Output Indicator Guidance' for measuring and recording achievement for indicators.
  - Comprehensive FAQ and Lead Partner Support section on the SEUPB website.
- Access to communications functions (social media, newsletters, updates).
- eMS Self Service Support Portal – 'Freshdesk' as an online helpdesk to support to applicants using the eMS

In addition to the above, a JS case officer is dedicated to each project to support implementation of ground, responsible for providing guidance and addressing queries. A FCU case officer is also dedicated to each project to address any queries relating to claims and verification.

*“Case officers have attempted to be helpful and professional at all times within SEUPB and this is very much appreciated”*

*“Swift responses from SEUPB staff when queried”*

### 8.3 Training Programme - Applicants

During the pre-application phase, SEUPB provided (during 2015) an extensive training programme for potential applicants to ensure that they are knowledgeable about the Programme and how to apply. JS has also worked intensively with the Local Authorities since autumn 2015 in terms of the preparation and development of their LAPs. As part of the project development support, SEUPB also offered pre-application and thematic workshops which aimed to assist potential applicants in developing high standard applications (Ref: Section 6.2).

An annual calendar of training has also been devised for successful applicants/project beneficiaries to support effective project implementation throughout the programming period. Training is open to all Lead / Project Partners and will focus on a range of topics, which will be prioritised based on need and stage of implementation. The training will be limited to 60 participants to ensure that the session is manageable, with multiple sessions being offered to meet demand. Training should be attended by most appropriate person/ senior representative.

The training programme comprises of following modules:

- Eligibility of expenditure.
- Partnership Information seminars.
- Eligibility of Expenditure.
- Information and Communications.
- Effective Corporate Governance.
- Effective Delivery of Public Services.
- Effective Management of Capital Build Projects.
- Risk Management - Fraud Awareness.
- Projects: Sharing of Best Practice.

The Training Programme is under ongoing review and will be updated to take into account feedback and the needs of Programme Beneficiaries and SEUPB.

The training programme to be delivered throughout 2017/18 is summarised in the table below, and will be held in locations throughout the eligible region.

**Table 8.1: Training Programme for 2017/18**

Training topics	Dates
Partnership Information seminars	April, May 2017
Eligibility of Expenditure	May, June, Sept, Oct 2017
Information and publicity	May, June, Sept, Oct 2017
Effective delivery of public services	Sept, Oct 2017
Fraud Awareness	Sept, Dec 2017, Feb 2018
Effective Management of Capital Projects	Sept, Oct 2017, Feb 2018

The evaluators attended one of the 'Eligibility of Expenditure' training events in May 2017. It was evident that attendees were highly engaged and were satisfied with the content and delivery of the training. Case studies and worked examples were particularly effective and helped to cement the learning for attendees. Of particular note is the use of individualised clinics, offered at the end of the training session to provided one-to-one support, which was welcomed by attendees.

Based on feedback from the online survey, there was a general agreement that the level of communication and support provided through information seminars and workshops was sufficient (46% agreed with the statement). However just over one-quarter (26%) of applicants disagreed.

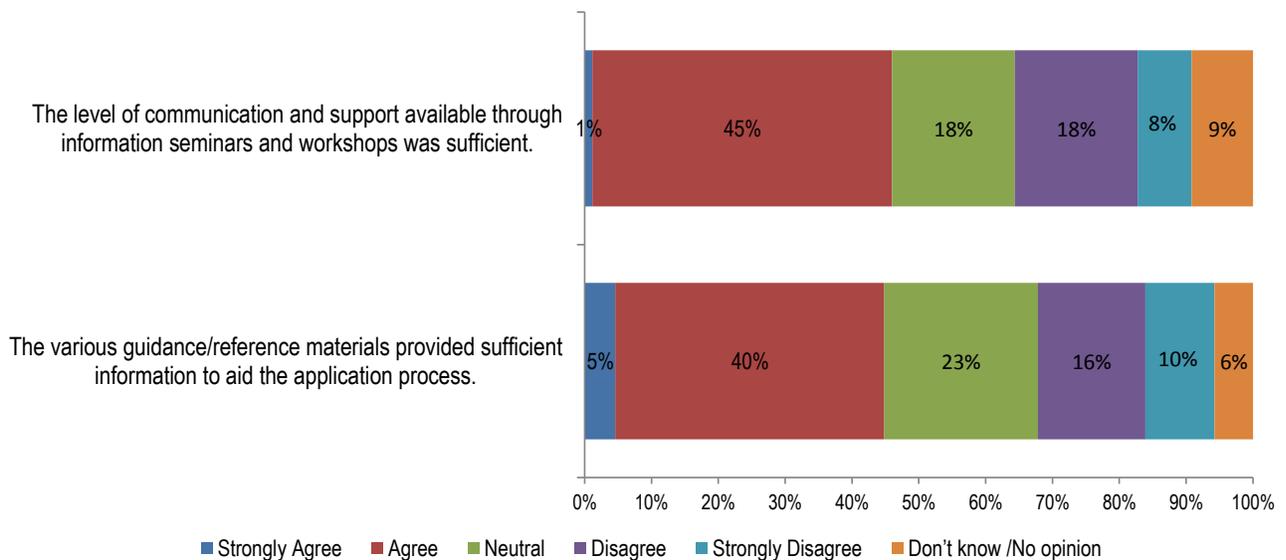
In terms of various guidance materials offered by SEUPB, 45% of applicants agreed that the information provided was sufficient to aid the application process, but just over one-quarter (26%) of applicants disagreed with this statement. Some applicants suggested that a more structured template for the Stage 2 application, would be beneficial, others required support at the post approval stage i.e. in the development of partnership agreements.

*“At times, it would have been helpful if standard templates (e.g. for finance / budget section) had been available at earlier stage. Also at times it felt like guidance/ eligibility changed during the application/approval process”*

*“It would have been highly helpful to have templates provided for all the pre-commencement conditions and permission to start requirements.”*

*“Templates for the documentation required in order to obtain permission to start would have speeded up the process of development of the documentation immensely.”*

**Figure 8.1: To what extent do you agree with the following statements about the Programme Application?**



Base: 87-88

As per Section 7.3.1, no formal training is planned for project beneficiaries on how to use eMS. This was based on eMS being an intuitive system. SEUPB has made resources available online to include support manual support via Freshdesk. However feedback from applicants would suggest that training on the use of eMS would be helpful, particularly as Lead/Project partners are embarking on the submission of their first claim.

### 8.3.1 *Horizontal Principles Training*

SEUPB provided support and advice to applicants and final beneficiaries on the horizontal principles of equality and sustainable development. Experts delivered the training to applicants and also provided training to JS staff to help them assess applications.

Six training sessions were offered in the following locations: Belfast x2; Derry x1; Dundalk x2 and Glasgow x1. The training was not mandatory. A total of 308 individuals registered for the event, 226 of which actually attended. Of these 226, 56% (n=126) of attendees provided feedback, which was largely very positive in terms of the content and delivery of the training.

The feedback provided at the end of each training session helped inform SEUPB and resulted in improvements for subsequent sessions. For instance, attendees felt that the content was very theory based and lacked practical application. A selection of verbatim responses provided by attendees is provided below:

*“The content is interesting but could be more applied with examples from a wide variety of projects”*

*“The content was extremely interesting, but too much focus on the history and definition and not enough on advice as how to write this [application] section successfully”*

*“Need to focus less on the principles and more on the actual implementation”*

*“I thought we would have been working more on information about Peace IV funding and how it relates to equality”*

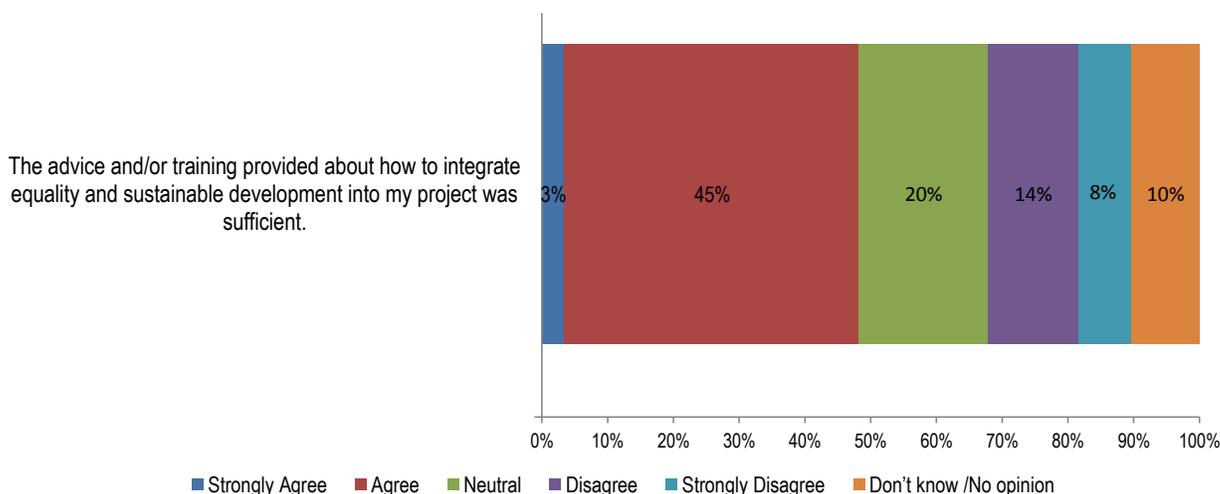
*“Workshop needs to be more on how we incorporate sustainable development principles into our applications”*

To improve the sessions, trainers introduced examples of how equality and sustainable development directly align to PIV and IV. One-to-one support was also offered to address any specific project queries.

Feedback from SEUPB suggests that Horizontal Principles were not adequately addressed in some applications and Letters of Offers have been issued on the basis that Lead Partners provide outstanding documentation as to how they will meet this requirement, suggesting that training should either be mandatory and/or training content to be reviewed to increase the quality of response to these selection criteria.

Based on the online survey, almost half (48%) agreed that the advice/training provided about how to integrate the Horizontal Principles (equality and sustainable development) was sufficient, however 22% disagreed with this statement.

**Figure 8.2: To what extent do you agree with the following statements about the Programme Application?**



Base: 87-88

## 8.4 Training Programme – SEUPB Staff

An annual calendar of training for SEUPB staff has also been devised to support effective project implementation throughout the programming period. The training programme comprises of following modules:

- Result orientation and programme evaluation.
- Eligibility of expenditure / procurement.
- Monitoring, reporting and budgeting.
- eMS - familiarisation sessions.
- Risk management including fraud awareness / policy.
- Information and publicity.
- State aid.
- Horizontal principles.

The allocation of a dedicated JS and FCU case officer to support the Lead Partner in the implementation of the project – is seen as a very beneficial element of programme management. However, there were reported instances of inconsistency of approach between case officers and examples of different/conflicting advice given during the application and assessment process.

*“In general we have found SEUPB staff to be fantastic when dealing with areas within their control. However, at times we have experienced inefficiency such as delayed responses to our queries, the same question asked several times and ways by different staff and conflicting guidance on how to progress our application and budgets”.*

*“The SEUPB staff members were very help and did their best to guide us through the process but often there were conflicting messages on how to approach the project and what could be done”*

*“There were a number of instances of mixed messages received from SEUPB which caused confusion and delayed progress”*

*“There were differences in the approach adopted by SEUPB depending on the Officer involved in the assessment process and a real sense of a lack of consistency”*

The importance of increased visibility of case officers was emphasised and the need for enhanced collaboration as projects commence mobilisation.

*“As we move towards project commencement I would recommend that the SEUPB adopt a more flexible, responsive and collaborative approach to working with applicants. There is a need for mutual respect and acknowledgement of the significant contribution of partners in delivering upon EU projects”*

*“I think if a more collaborative approach had been taken, these issues could have been avoided by having informal and earlier discussions.”*

In the absence of formal training for eMS, staff members/case officers have become equipped with the experience of using the intuitive system, largely derived from the need to retrospectively transpose applications to eMS. This experience will help case offers to transfer learning and support Lead/Project Partners where necessary. It is important that case officers responsible for Freshdesk are given adequate support to address the wide ranging queries from Lead/Project Partners as they too become familiar with the new system. The adoption of SCOs also presents a training need to ensure that case officers are fully aware and confident in their application.

## **8.5 Concluding comments**

The Managing Authority has developed a comprehensive support and training programme, commencing with information seminars, workshops and various resources/guidance materials at the early pre-application stage. This support has evolved in line with the stage of implementation, which will now focus on supporting project beneficiaries as they commence project mobilisation.

Lead/Project Partners must be proactive and use resources and to ask for assistance, where required. It is expected that individuals will avail of the training provided and the Managing Authority are committed to meeting/reacting to demand.

Whilst an Internal Training Programme is in place, training of staff must remain at the forefront of the Managing Authority's agenda, given the changes being implemented in the new programme period and to ensure that procedures are implemented in a robust and consistent approach.

## 9 PARTNERSHIP STRUCTURE

### 9.1 Introduction

This section outlines the composition of partnerships in PIV and IVA, the key principles of partnership working and effectiveness of partnership working to date.

### 9.1 Partnership Principles

Working in partnership is a long-established principle in the implementation of the ESI Funds. Partnership implies close cooperation between public authorities, economic and social partners and bodies representing civil society at national, regional and local levels throughout the whole programme cycle consisting of preparation, implementation, monitoring and evaluation<sup>25</sup>.

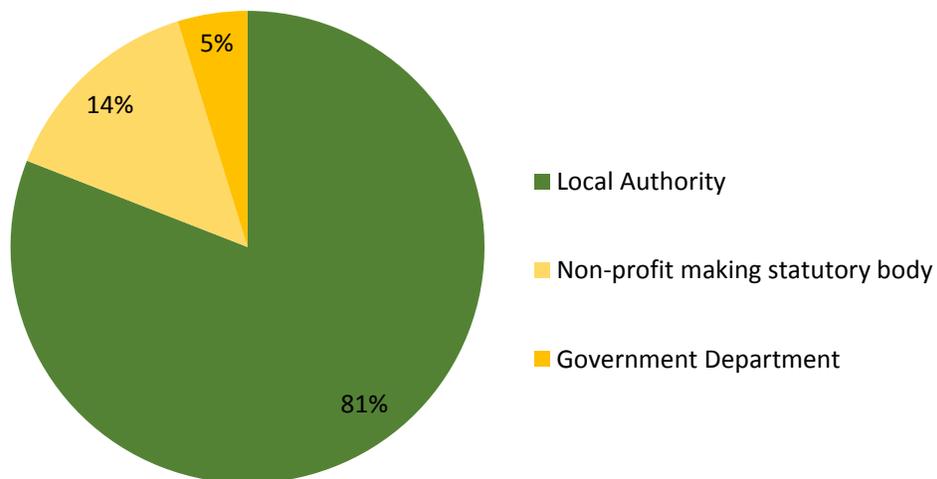
Key partnership principles comprise of: good communication within partnership; development of good working relationships; clearly defined roles and responsibilities; engagement with all partners on an equal basis; and accountability. Partnership principles should be reflected in in partnership arrangements, which should promote an open, co-operative, transparent and inclusive decision making process in decision making and dispute resolution.

### 9.2 Partnership Composition

#### PIV Programme

For PIV there are 17 Local Authorities acting as Lead Partners for the delivery of Local Action Plans under Themes 2.2, 3.2 and 4.1. One Lead Partner and three Project Partners are responsible for delivering theme 3.3. The remaining themes have yet to be approved.

**Figure 9.1: PIV Lead Partner – sector representation**



*Base: 17 Lead Partners and 4 Project Partners)*

The role of LAs has evolved over the various iterations of the PEACE programme i.e. PEACE I and PEACE II had Local Strategic Partnerships (Northern Ireland) and County Council Led Taskforces (CCTF) (Ireland).

PEACE III had 8 Council Clusters (Northern Ireland) and 6 County Councils (Ireland). Based on this experience, LAs have developed wide ranging experience to deliver activities under the PEACE programme. It is important to note that LAs are operating in challenging circumstances and are emerging from significant restructuring resulting from Local Government Reform (Ireland) and the Review of Public Administration (RPA) (Northern Ireland); as well as operating within a reduced funding environment.

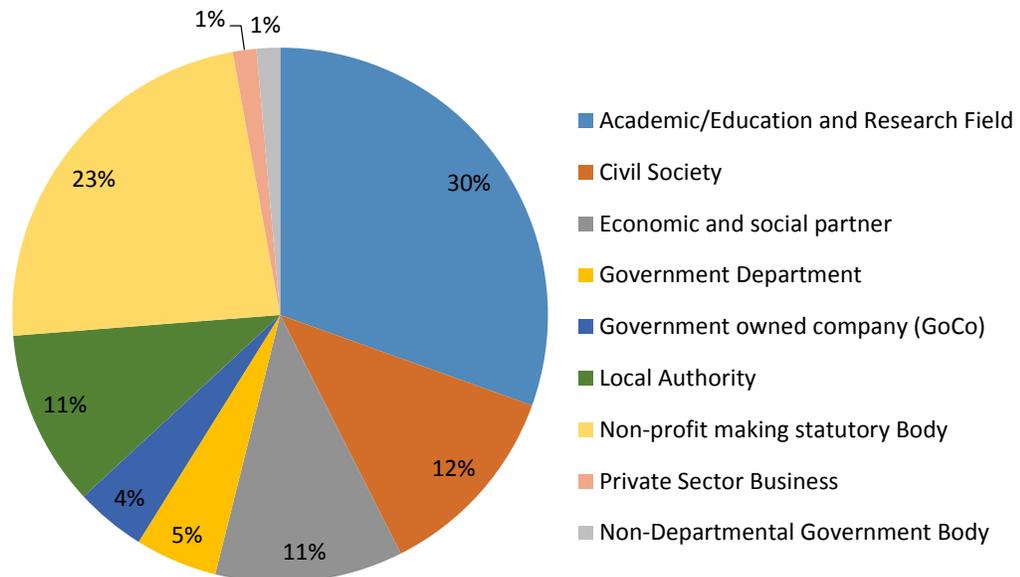
The PIV programme gives LAs a high level of autonomy to identify and address local needs. To achieve this, the LAs have formed strong local partnerships, with representation from political, community and voluntary, private and economic actors. They are tasked with an enhanced coordinating role and must exercise responsibility via partnership arrangements.

**IVA Programme**

IVA assists two types of partnerships: Northern Ireland and the Border Region of Ireland partners; and tripartite partnerships that involve Northern Ireland, the Border Region of Ireland, and Western Scotland partners.

For IVA there are 26 Lead Partners and 115 Project Partners (as of May 2017). The partners represent a wide range of sectors; the majority (30%) of which operate in the ‘Academic/Education and Research Field’

**Figure 9.2: IVA Partnerships – sector representation (Lead Partners and Project Partners)**



*Base: 141 (26 Lead Partners and 115 Project Partners)*

Partnerships comprise of between 3 and 11 partners, as follows:

- There are five partnerships comprising of 3 partners (LP and PP).
- There are three partnerships comprising of 4 partners.
- There are eight partnerships comprising of 5 partners.
- There are three partnerships comprising of 6 partners.
- There are five partnerships comprising of 7 partners.
- There is one partnership comprising of 10 partners.

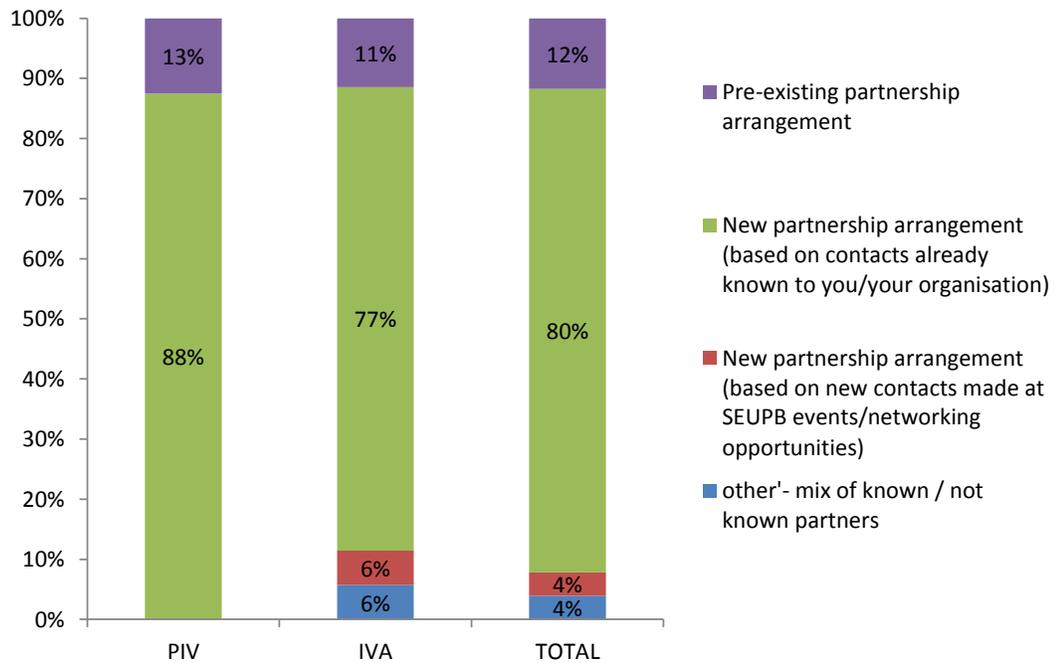
- There is one partnership comprising of 11 partners.

### 9.3 Partnership Working

The vast majority (80%) of applicants reported that their project will be implemented using a 'new partnership arrangement', based on contacts already known to them (i.e. 41 partnerships). 4% of partnerships represent a mixture of new and known contacts. A further 4% of partnerships are based on entirely new contacts forming a partnership, compared to 12% of experienced partnerships which are based on pre-existing arrangements.

The varying degree of previous partnership working may influence the effectiveness of implementation, with those with experience at an advantage. There may be a requirement for new partnerships to be given additional support to aid implementation, particularly at the early stages of mobilisation.

**Figure 9.3: Partnership Formation**



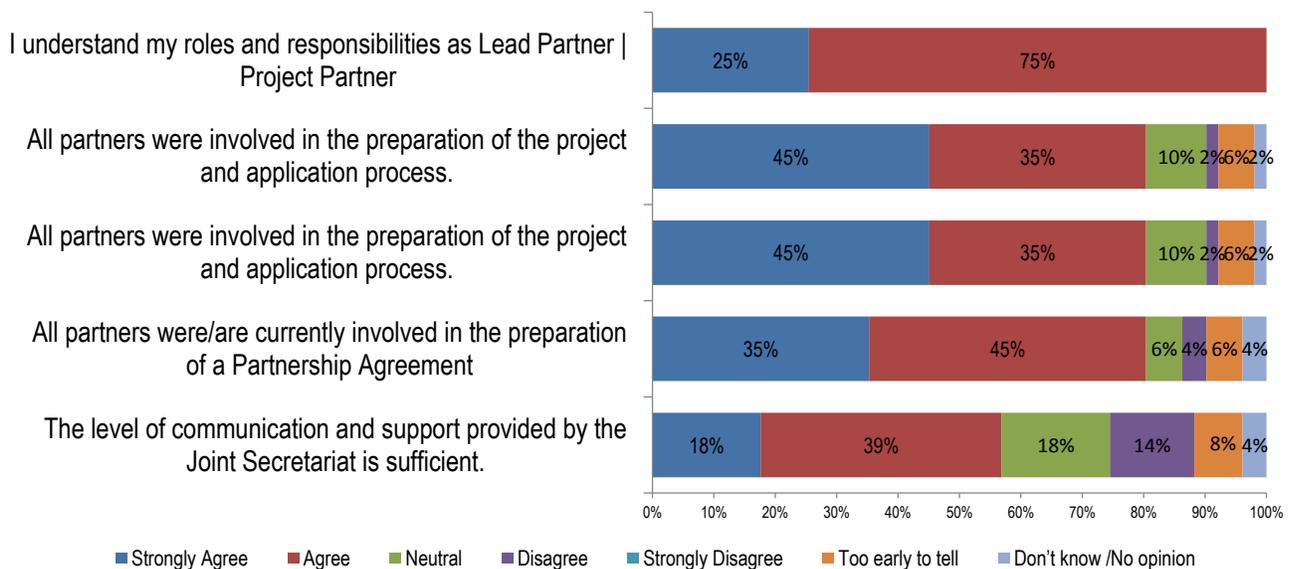
Base: 51

Reassuringly, all applicants agreed that they understand their roles and responsibilities and almost three-quarters (74%) agreed that the levels of responsibilities are appropriate for their role as either Lead Partner or Project Partner.

Good partnership working is evident during the application process, with 80% agreeing that all partners were involved in the project design and application. This is carried through to project mobilisation, with 80% of applicants agreeing that all partners were/ are currently involved in the preparation of a partnership agreement.

For PIV applicants the level of agreement is lower (when compared to IVA) with regard to the extent to which all partners were involved in the application process (50% vs 92%) and the preparation of a partnership agreement (71 vs 84%). This is not surprising as many of the PIV applications involved a large number of partners (including advisory partners with no financial contribution to the project).

**Figure 9.4: To what extent do you agree with the following statements about Partnership Working?**



Base: 49-53

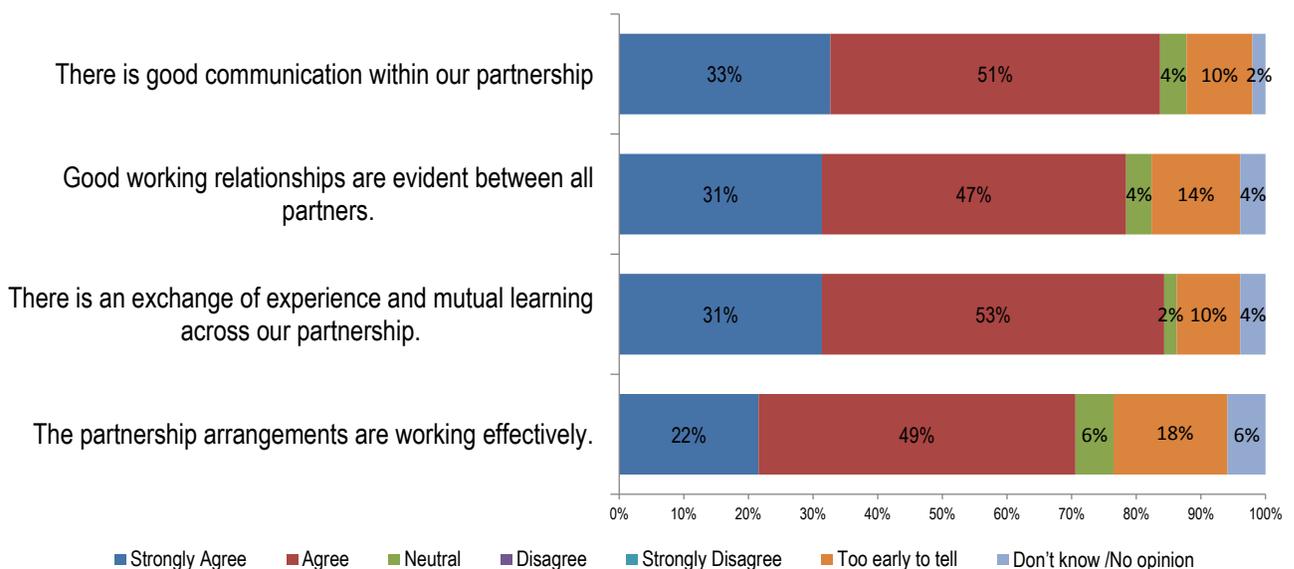
At this early stage of implementation and project mobilisation, it is encouraging that that Lead/Project Partners agree that partnership working is effective, with high levels of agreement that communication is good (84%), good working relationships between all partners (78%), there is exchange of experience and mutual learning (84%) and overall, the partnership are working effectively (71%). There was no disagreement with these statements and some reporting that it is ‘too early to tell’.

*“Very pleased with the partnership - the impacts of Brexit and the effect of tight deadlines has put pressure on the partners to be able to deliver; this has however demonstrated that the partners are able to work together under pressure and that they are prepared to support each other and have a common vision and goal”*

*“It’s relatively early in the project partnerships. At this stage the partnership is looking very positive”*

*“There are teething problem but hopefully these will be addressed as the project progresses. So far everyone is doing their best and are committed to delivering the work”*

**Figure 9.5: To what extent do you agree with the following statements about Partnership Working?**



Base: 49-53

Cross-border partnership arrangements are prevalent in the IVA programme, (100%), compared to 15% of PIV applicants (NB. PIV is not as an advanced stage as IVA, therefore greater evidence of cross-border partnerships is expected). Of those that indicated cross-border working, a high proportion strongly agree or agree that an effective and genuine partnership has been developed (81%) and effective arrangements are in place for joint staffing and/or financing (89%), and the remaining applicants stating that it is ‘too early to tell’

*“Lack of shared knowledge about all the partners’ capabilities and geographical locations / service models was a challenge in the beginning, however, we have organised several partner meetings to exchange information to address this”*

### 9.3.1 ***Benchmarking – Implementation of Partnership Principle***

The EC carried out a review of the establishment of the partnership principle and the application of the European Code of Conduct on Partnership (CoC) in the Partnership Agreements and programmes financed by the European Regional Development Fund (ERDF) and the Cohesion Fund (CF) (2016)<sup>25</sup>. Key findings and extracts from the study are presented below for consideration by SEUPB.

#### Benefits:

- Working in partnership brings an added value.
- Ensures that experience and technical know-how is considered during decision-making processes.
- Enables better thematic balance and focus.
- Strengthens commitment and ownership and thus facilitating policy implementation.
- Introduces complementarities with other policies, strategies and funding sources.

#### Challenges:

- Complexity of the topics at stake and of the diversity of partners involved.
- Mobilisation of partners remains a challenge in many cases.
- Conflicting interest between partners need to be managed.
- Releasing the added value of the partnership work requires efforts.
- Managing the partnerships and ensuring that all partners have the capacities needed.
- Stakeholder involvement and working in partnership constantly need to be adjusted to changing cooperation circumstances.

The following points for consideration for national and programme authorities derive from the study:

- Partnerships providing added value for a programme need to be thoroughly managed. Accordingly, resources for the management are important – although this may involve a trade-off between efficiency and effectiveness i.e. a fine balance to strike for each individual programme and Partnership Agreement.
- Planned actions to involve partners in the implementation process should be followed-up and assessed regularly to see whether things can be improved further.
- As the implementation moves on, the composition of the partnership may change and partnerships might benefit from taking on board new partners.
- Capacity building schemes for partners and a clear focus on the added value of the partnerships (both for the programmes and the individual partners) may help, especially when mobilising the relevant partners raises a challenge.
- Avoiding imbalances in the partnership both as regards its formal composition as well as the actual role and influence of partners can be crucial.
- The role of the partners and the competences required to fulfil this role varies throughout the programme lifecycle. Measures for capacity building for the partnership can help the partnership to adjust to its changing roles.

---

<sup>25</sup> European Commission, Implementation of the partnership principle and multi-level governance in 2014-2020 ESI Funds (July 2016) [Online] Available at [http://ec.europa.eu/regional\\_policy/sources/policy/how/studies\\_integration/impl\\_partner\\_report\\_en.pdf](http://ec.europa.eu/regional_policy/sources/policy/how/studies_integration/impl_partner_report_en.pdf)

## 9.4 Concluding comments

At this stage of implementation, the approved partnerships appear to be working effectively. However, mobilisation of projects has just commenced so an assessment as to the effectiveness of partnership working is premature. It is however important to appreciate that the majority of partnership are new partnerships, comprised of a combination of known and new partner relations.

This complex dynamic may present challenges as the projects evolve and circumstances change. It is imperative that the Managing Authority maintains close contact with Lead Partners to identify any issues that may impact effective partnership working. The need for capacity building to ensure that partnerships are working at an optimum level may become increasingly apparent. The opportunity for mutual learning between partners should also be facilitated.

*“The partnership will require ongoing support and development in order to ensure effective collaborative working, given the range of perspectives and working practices which they bring to the working group”.*

*“We requested support to develop the partnership alongside the implementation of projects. To support training, development and best practice visit opportunities for partnership members. This was excluded and will ultimately have an effect on the ability of our partnership to manage the programme effectively.”*

*“We had applied for a training programme to develop our partners and network/share learning with our wider programme leaders. SEUPB chose not to fund this. Some elements of it would have been highly helpful to have funded.”*

## 10 PROJECT REVIEW PROCEDURE – UNSUCCESSFUL APPLICANTS

### 10.1 Introduction

This section reflects key processes and feedback from unsuccessful applicants to assess the extent to which processes have been met.

### 10.2 Review Procedure for Unsuccessful Applications

The Managing Authority has set out 'Review Procedure for Unsuccessful Applications', as agreed with the EC.

A Project Review is implemented in the event that an applicant wishes to appeal the decision of the Steering Committee. The purpose of the Project Review is to ensure that the decisions taken and procedures followed by Steering Committee for individual applications are applied fairly and consistently.

Key processes:

*All unsuccessful applicants:*

- A de-briefing session is offered to all unsuccessful applications, to be availed of within 4 weeks of the rejection letter.
- At the de-briefing session, unsuccessful applications are afforded the opportunity to discuss the reasons for the rejection and the scoring rationale.
- Unsuccessful applications must be advised of the Project Review procedure.

*Stage 1 Project Review Procedure:*

- In event that an applicant appeals the decision of the Steering Committee at Stage 1.
- The Stage 1 Review procedure involves the Review Panel considering relevant documentation and written evidence provided.
- The Review Panel's decision is conveyed to the applicant in writing within 14 days of its meeting.

*Stage 2 Project Review Procedure:*

- In event that an applicant appeals the decision of the Steering Committee at Stage 2.
- The Stage 2 Review procedure involves the Review Panel considering relevant documentation and written evidence provided.
- Unsuccessful applications are given the opportunity to orally present their case for review.
- The Review Panel's decision is conveyed to the applicant in writing within 14 days of its meeting.

### 10.3 Online Survey Results

Almost half (49%) of all unsuccessful applicants provided a response. The majority of respondents were unsuccessful PIV applicants (i.e. 26 PIV applicants and 8 IVA applicants).

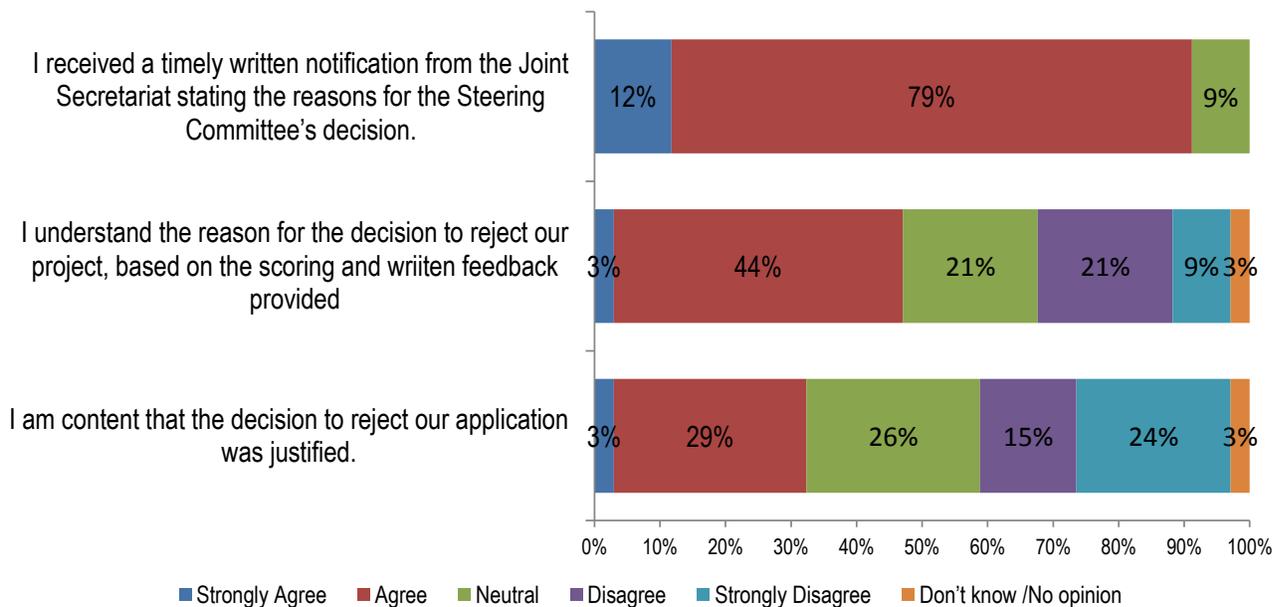
82% (n=28) of the respondents are based in Northern Ireland and the remaining are based in the Border region of Ireland (18%, n=6).

60% of unsuccessful applicants reported that they have applied for funding under the PEACE/INTERREG programmes before. A higher proportion of unsuccessful applicants when compared to successful applicants reported that this is their first time applying for funding (40% vs 21%). This may suggest that previous experience of applying for EU funding was of benefit to applicants.

#### 10.3.1 Letter Notification – Unsuccessful Applicants

The vast majority (91%) agreed that they received a timely notification from JS outlining the reason for the Steering Committee’s decision on the outcome of their application.

**Figure 10.1: To what extent do you agree with the following statements about the letter notification outlining the outcome of your application?**



Base: 34

Almost half (47%) agreed that they understand the reason for the decision to reject their application; however 30% disagreed with this statement.

32% agreed that they are content that the decision to reject their application was justified; however discontentment is evident among 39% of unsuccessful applicants.

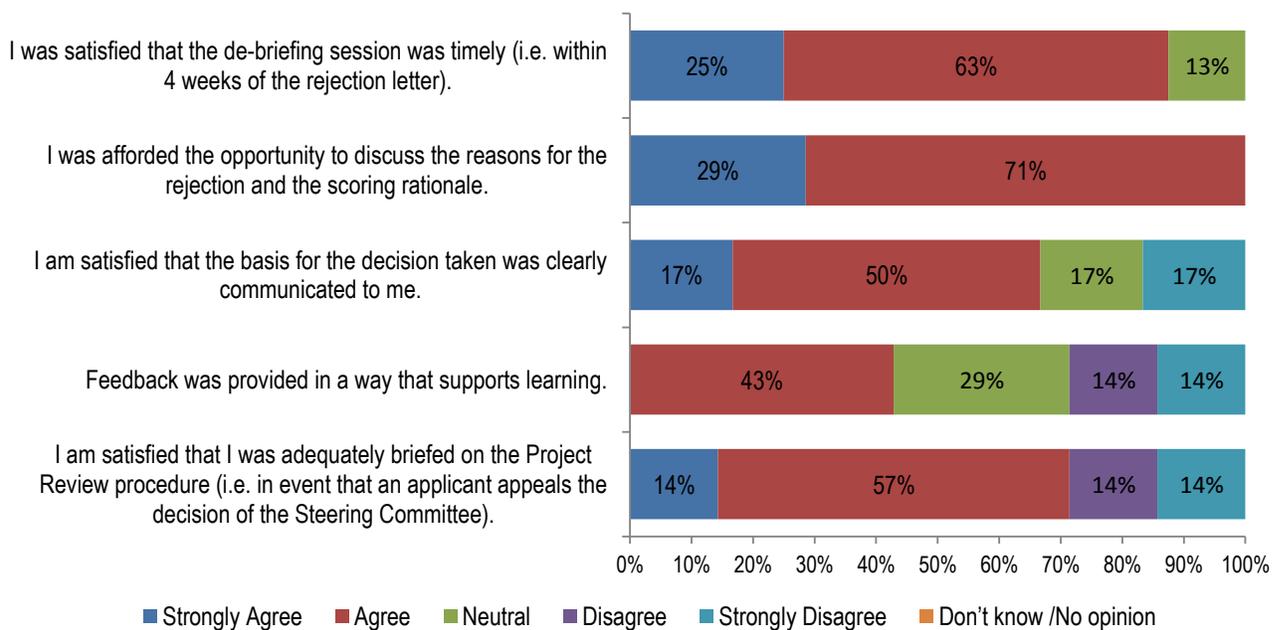
### 10.3.2 De-briefing Session for Unsuccessful Applicants

Only eight of the 35 respondents requested and received feedback from JS in the form of a debriefing session to discuss the outcome of their application in more detail.

Of those that did avail of the de-briefing, the majority agreed that the session was timely (88%) and all respondents agreed that they were given the opportunity to discuss the reasons for rejection and the rationale for the Steering Committee’s scores, and that the basis for the decision was clearly communicated (67%).

Only two unsuccessful applicants disagreed that feedback was provided to support learning and these two respondents also disagreed that they were satisfied that they were adequately briefed on the Project Review Procedure.

**Figure 10.2: To what extent do you agree with the following statements about the de-briefing session?**



Base: 7-8

### 10.3.3 Stage 1 Review

Unsuccessful applicants were asked if they requested a Project Review at Stage 1 or Stage 2 (i.e. in event that an applicant formally appeals the decision of the Steering Committee). This review was only available to those that had firstly requested and received a formal debriefing session.

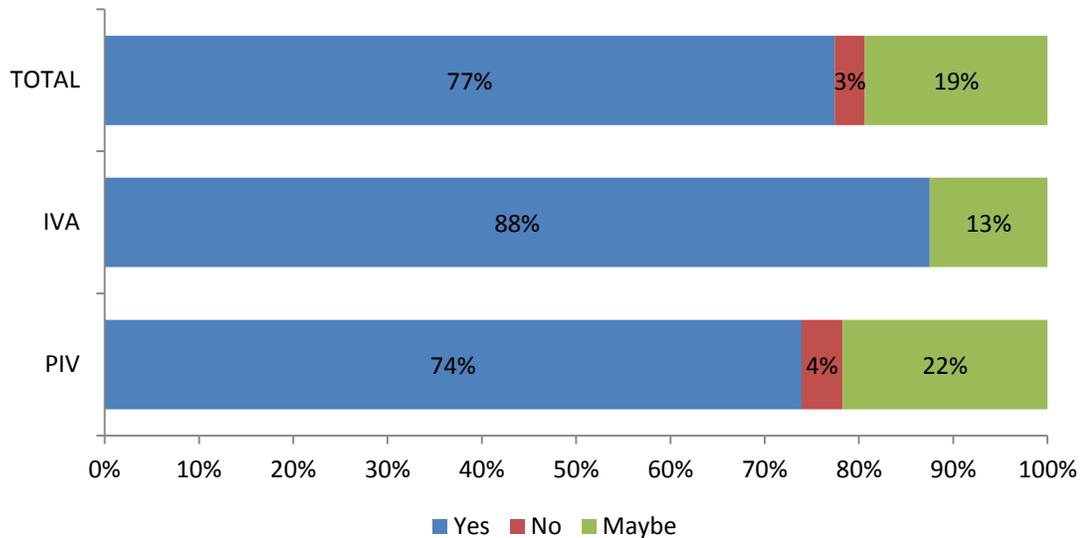
Only three of the 8 respondents that received a debriefing session also requested a review at Stage 1. These respondents agreed that they were satisfied with the format of the Review procedure, that the Stage 1 Review Panel’s decision was timely and that the Review Panel adopted a fair, transparent and independent approach.

*Note: Only 4 unsuccessful applicant respondents were successful at Stage 1 and progressed to Stage 2, however none of these applicants requested a review at stage 2, therefore results are not profiled for this question.*

### 10.3.4 Future

The majority (77%) of unsuccessful applicant respondents agreed that ‘yes’ they would consider applying to programme in the future, which is an indicator of satisfaction levels.

**Figure 10.3: Would you consider applying to the PEACE and/or INTERREG Programme in the future, should funding become available?**



Base: Total: 31 | PIV: 23 | IVA: 8

## 10.4 Concluding comments

Based on a review of SEUPB’s ‘Review Procedure for Unsuccessful Applications’, it is clear that a robust process has been devised and implemented. The notification letter outlines the assessment scores and the rationale against the selection criteria. In the interest of fairness and transparency, a de-briefing session is offered to all applicants (to be availed of within 14 days of the notification letter, although SEUPB has accommodated debriefing sessions after this deadline). In event that an applicant appeals the decision of the Steering Committee at Stage 1 and/or Stage 2, the Project Review procedures have been met.

As of May 2017, only four unsuccessful applicants requested a formal Project Review procedure (all decisions made by the Steering Committee were upheld). This suggests that the assessment process is effective and that applicants are content that the outcome was justified based on either the written notification and/or the debriefing session offered to all unsuccessful applicants.

## 11 ACCESSIBILITY – ORGANISATIONS WHO DID NOT APPLY

### 11.1 Introduction

This section attempts to identify potential issues relating to the accessibility of the programme, given the level of interest at pre-application events that did not all translate into actual applications. This may be due to a number of reasons, such as the concentrated and focused nature of the programme and thereby not suitable to a wide ranging audience, as was the case in PEACE III and INTERREG IVA.

### 11.1 Organisations who did not apply

The various registration lists for promotional events/pre-application workshops is recorded by SEUPB. However, trying to extrapolate an accurate number of organisations that 'did not apply' is challenging, as it is difficult to determine if the attendees were genuine potential applicants or if they attended the event in a different capacity, for example, media interest, research/consultant interest; general interest – therefore may bias the number/extent of genuine individuals that were deterred from applying for various reasons.

It was agreed that consultation with a number of umbrella organisations may provide some insight into the reason why some organisations did not apply to the programme.

Based on key stakeholder consultations and feedback from a few applicants, the issue of accessibility was raised in the context of the PIV programme, where representatives from the community and voluntary sector felt that the programme is not accessible to community groups. From SEUPB's perspective, it is intended that community groups will access EU funding from Local Authorities, where the out-workings of the Local Action Plans will be the visible presence of the EU programme on the ground. Therefore, it is the Local Authorities' responsibility to promote the programme and ensure accessibility to community groups.

Whilst this is acknowledged, it is important to reflect on some the implementation issues that proved to be a deterrent to some potential applicants. For example, a number of groups, who had applied successfully for iterations of PEACE funding before, considered making an application under the PIV but eventually decided not to apply. It is important to note that these groups had previous experience of applying under PEACE and used to EU funding and monitoring requirements. The reason they did not apply include:

#### *Perceptions*

- Direction from SEUPB seems to be that Statutory Authorities and Local Authorities were best placed to deliver, not the Community & Voluntary Sector.
- The Programme was not written with the Community and Voluntary Sector in mind. There is a widely held view in the sector that it was SEUPB's intention for the Programme to be led by Statutory Authorities in particular and trusted third parties like Universities.
- In one particular Council area it was mentioned that the Council will lead and deliver on Shared Space projects, Education Authority will deliver on Youth Projects and that work around Building Positive Relationships will be tendered but it would be unlikely that Local Community Groups would be able to apply for this, and most likely regional organisations could.
- Those that attended the consultation events relating to LAPs felt that they were able to shape the delivery of

the programme at that meeting. However, no further consultation took place beyond that event to ensure that work being carried out in these areas by other groups.

- There were also concerns raised about whether the PIV themes were still relevant given the time lapse between the initial consultation and the roll out of the programme.

#### *Process Issues*

- Groups were deterred as they felt that the process was too complicated.
- Restrictions placed on the Programme were reported as an inhibiting factor (10% of the projects funding to be 'in the bank' at all times or up front).
- The introduction of financial penalties for not meeting targets.
- The Unit Cost approach represented 'too much of a risk for Groups'.
- The perception that timescales for turnaround in claims being paid by SEUPB are unpredictable.
- Requesting clarification on some issues by SEUPB and little consistency in the answers provided
- Removal of Intermediary Funding Bodies has created an even more disconnect from the programme with local groups.
- Inconsistency in approach. One local authority said that there would be no small grants scheme available for groups to apply, while another one said that they were allowing small groups to apply.

A few negative comments were also given by some attendees at the thematic workshops, who perceived the PIV funding to be inaccessible to the community and voluntary sector, in particular with regard to Regional Projects and Shared Education.

*"It has become quite clear that the regional level programme totally excludes C&V regional orgs – very disappointing. Sounds as if the projects that will be funded have already been earmarked and the programme developed to suit"*

*"It should have been made clear to organisations prior to workshop that small projects would not be funded"*

*"I don't think that it was at all clear from the presentation that SEUPB is effectively seeking a managing agent for the programme and in doing so excluding a substantial number of skilled providers"*

*"Many came here under false pretenses and that in effect this is a closed call to the Education Authorities"*

*"They could have made the intention to award funding to a lead body much clearer. Disappointed that all/most of funding will go to a statutory body. Given that DE already has significant Shared Education funding for schools it was anticipated that PIV would redress the balance and provide the C&V sector an opportunity to be involved"*

#### **Small Grants Scheme**

SEUPB has already proposed the introduction of a small grants scheme and are exploring the possibility of rolling this out with DOF and DPER. We recommend that this should be pursued to increase the reach of the Programme to organisations who have not engaged to date.

## 12 CONCLUSIONS & RECOMMENDATIONS

### 12.1 Introduction

This section summarises the key conclusions emanating from the Implementation Evaluation with the aim of reflecting on what has worked well and areas to be strengthened to improve the effectiveness of delivery.

### 12.2 Conclusions

The PIV and IVA programmes represent a long standing partnership between the EC, Northern Ireland, Border Regions of Ireland and Western Scotland, supported by the governments of the UK, Ireland and Scotland. Since 1994, over £2.2billion has been invested in the eligible region, between EU and national contributions, to create and cement the journey towards peace and reconciliation, the conditions needed to promote economic growth and prosperity.

The budget for PIV is €269.61m (ERDF and Government Department match funding) and for IVA is €282.76m (ERDF and Government Department match funding); totalling a substantial investment of €552.37m across the eligible area for the period 2014-2020.

There is evidence of effective practice and of SEUPB's ability to manage and implement the PIV and IVA programmes i.e.

- As Managing Authority, SEUPB has over 18 years' experience of managing large-scale EU funded programmes. Feedback from the European Commission is positive, citing that SEUPB has demonstrated a 'good track record' of delivery and compliance with relevant EC regulations.
- Based on a review carried out by the Audit Authority, notification of formal Designation took place of 27 April 2017, which is evidence of the Managing Authority and the Certifying Authority meeting EC requirements with regard to procedures.
- There is evidence that SEUPB has engaged in an extensive stakeholder and public consultation to inform the development of robust Cooperation Programmes.
- SEUPB has also engaged in effective negotiations with the EC, Member States and Accountable/Policy Departments to agree an ambitious agenda for simplification to reduce the administration burden of the programme.
- It is also evident that SEUPB are active in the European Structural and Investment Funds (ESIF) community and has attended various international conferences for the purpose of knowledge sharing and networking. SEUPB feeds into the EC's open data platform for ESIF. This will become an increasingly valuable tool as implementation progresses and as a means of benchmarking performance with other Member States.
- SEUPB has demonstrated a strategic approach to communication, evidenced by the robust Communications Strategy, which meets EU regulatory requirements. The integration of communication across various units in SEUPB and project beneficiaries is also evident. Maximising awareness levels of EU funding and associated benefits will become even more pertinent going forward as there will be a focus on communicating results at a project level as outputs become realised and learning disseminated.
- Based on the evaluators' interaction with staff members, it is evident that they are highly committed to the success of the programme implementation and supporting project beneficiaries.

The above provides a firm foundation in which to ensure the successful implementation of the programmes.

It is important to note that SEUPB has been met with extenuating circumstances in the aftermath of the UK decisions to leave the EU resulting in the Programmes operating in an environment of unprecedented uncertainty in the weeks that followed the referendum. It is evident that every effort has been put in place to minimise the impact on applicants.

Political instability in Northern Ireland also added to an atmosphere of uncertainty. In a short period of time, there has been three separate purdah periods for the NI Assembly elections (30 March to 5 May 2016), the referendum on UK membership of the EU (27 May to 23 June 2016) and the Westminster general elections (21 April to 8 June 2017). This has impacted upon the amount of pro-active promotion and press coverage generated by SEUPB.

Other challenges are apparent, most notably the delayed integration of the electronic monitoring system (eMS) to enable e-Cohesion. This delay has had a negative impact on the implementation of the programmes; however it is acknowledged that good progress is now being made to embed the system.

### **12.3 Recommendations**

The following measures are recommended to improve the performance of programmes and the effectiveness of how they are delivered and managed:

#### **Budget & Expenditure**

- As of May 2017, SEUPB has allocated 26% the total project budget for PIV (increasing to 40% when the budget allocation for Shared Education is finalised, which is imminent). For IVA, 74% of total project budget has been allocated. It is imperative that the Managing Authority expedite the allocation of funds and achieve project expenditure to ensure that targets are achieved (whilst balancing the need for robust processes) and adherence to the financial profile (N+3). Delays create the risk of failing to meet these targets and therefore financial penalties to the Programme.
- The Certifying Authority should endeavour to maintain accurate financial forecasting of programme expenditure, in line with regulatory requirements agreed with the EC. The over commitment of funds should be explored, for example between 105-110% (based on benchmarking data) to allow for underspend across programme themes.

#### **Communication**

- The Communications Team has a number of interests to consider when developing communication and publicity material (i.e. EC; SEUPB; Governments; Accountable/Policy Departments; and Project beneficiaries). It is important that due regard is given to relevant stakeholders to ensure that appropriate recognition is given.
- To address the lower levels of media awareness within Western Scotland, it is recommended those additional resources/support are dedicated to generating greater levels of awareness within this eligible area.
- The new website has been significantly delayed. Adequate resources and focus should be placed on launching the new website within the next three months. The website should be easy to navigate and contain more interactive content.

- Increase SEUPB's combined social media presence in terms of engagement on all of its existing channels. A social media strategy should be developed to increase engagements and content dissemination.

#### **e-Cohesion**

- Whilst the launch and full implementation of eMS will negate the need for internal monitoring systems (as eMS will have the capacity to generate analysis and output/financial reporting), there is still a short-term need for systems to be in place until such time that all modules are configured and launched. Therefore efforts should be made to improve existing systems and the availability of monitoring information.
- The finance interface and claim and payment module should be in place to allow for claims to be submitted in line with programme deadlines (July 2017). It is understood that the module launch will be imminent given the stage of implementation and projects incurring eligible expenditure and the need to drawdown funds in a timely manner.
- Respond to the demand for training on the use of eMS, particularly as Lead/Project partners are embarking on the submission of their first claim.
- There should be a link from the new website to eMS to create a more seamless system and portal for Lead/Project Partners as well as SEUPB and relevant stakeholders.
- SEUPB has advised that eMS is fully compliant with Data Protection legislation. It is important that this takes into account upcoming changes to this legislation, effective from May 2018.

#### **Application and Assessment Process**

- To improve the content and delivery of the pre-application thematic workshops, increased opportunities for formal/controlled networking to aid the identification of potential partners is recommended.
- The Managing Authority anticipated that applicants would progress the preparation of the business plan before receiving a Stage 1 approval, however this did not happen in practice and resulted in the 6 week period being particularly challenging. Consideration should be given to either communicating this expectation of preparation work in the absence of approval and/or an extension to the 6 week period being allowed. The additional time may also minimise the extent of clarifications that have become evident during and post approvals.
- The processing times are in excess of what is anticipated and processes should be brought forward in a more efficient structure and in line with the EC's recommend timescales of 36 weeks, to include issuing the Letter of Offer.
- The excessive clarification process has hampered progress and negatively impacted on perception of a reduction in administration. The Managing Authority must take action to avoid the introduction of any unnecessary additional procedures or checks.
- The information sought by the Managing Authority as part of the 3 month project mobilisation phase should be incorporated within the Letter of Offer phase, to reduce the level of requests for updated information.

#### **Simplified Cost Options (SCOs)**

- Additional support and training to include practical examples should be provided during the pre-application and project development phase to minimise/remove anxiety of adopting SCOs.

#### **Verification**

- Feedback from project applicants suggests that there remains a degree of uncertainty regarding the extent

of verification and the level of information required for same. This process should be managed at an early stage, for example the submission of first claims is now imminent and it will be important to monitor how claim profiles have been submitted and evidenced and any issue of concerns identified.

### **Training and Support**

- Whilst an Internal Training Programme is in place, training of staff must remain at the forefront of the Managing Authority's agenda, given the changes being implemented in the new programme period (e.g. the adoption of SCOs presents a training need to ensure that case officers are fully aware and confident in their application; and the introduction of eMS and associated new procedures; to ensure that procedures are implemented in a robust and consistent approach).
- The allocation of a dedicated JS and FCU case officer to support the Lead Partner in the implementation of the project – is seen as a very beneficial element of programme management. However, there were reported instances of inconsistency of approach between case officers and examples where different/conflicting advice was given. Improved communication and training to align approaches is recommended. This will enhance the confidence and knowledge base of case officers to ensure a consistent and efficient approach is applied to aid effective implementation. Feedback suggests the need for increased visibility of case officers among project beneficiaries to support implementation.
- It is evident that relationships between SEUPB and Local Authorities are somewhat strained, therefore a renewed focus on building trust and positive collaboration is required. The concept of a developmental support body was explored as part of the Implementation Evaluation via focus group discussions and interviews with project beneficiaries and was generally well received, pending further clarity as the specific role. It is recommended that an options paper is developed to explore the viability of a Development Support Body to best support Local Authorities. This delivery mechanism could act as a vehicle for dialogue, knowledge sharing and the dissemination of best practice thereby maximising outputs and ensuring value for money is achieved. Learning can be gained from the envisaged 'Quality and Impact Body' relating to 'Children and Young People Aged 14-24' theme.

### **Partnership Working**

- The varying degree of previous partnership working may influence the effectiveness of implementation, with those with experience at an advantage. There may be a requirement for new partnerships to be given additional support to aid implementation, particularly at the early stages of mobilisation.
- Diverse partners and complexities resulting from new partnership arrangements may present challenges as the projects evolve and circumstances change. It is imperative that the Managing Authority maintains close contact with Lead Partners to identify any issues that may impact effective partnership working. It may become increasingly apparent the need for capacity building to ensure that partnerships are working at an optimum level. The opportunity for mutual learning between partners should also be facilitated.

### **Accessibility**

- SEUPB has already proposed the introduction of a small grants scheme and are exploring the possibility of rolling this out with DOF and DPER, we recommend that this should be pursued to increase the reach of the Programme to organisations who have not engaged to date.

## **ANNEX I: Terms of Reference**

- Evaluate the extent to which the Programmes have been implemented as defined by the EC adopted Cooperation Programme for INTERREG VA and PEACE IV, with an emphasis on Chapter 7: the reduction of the administrative burden. This will result in 3 reports; 2 interim and 1 final document. Each report will set out the purpose, context, questions, information sources utilised, methods used and evidence gathered and will draw relevant conclusions and recommendations for implementation.
- Evaluate the extent to which the activity undertaken meets the requirements for the reduction of the administrative burden. A number of measures have been introduced to help reduce the level of bureaucracy associated with the Programmes which should be examined as part of the evaluation as follows:
  - **Project Assessment** – a two stage process has been introduced to determine the success of an application. The overall assessment period is 36 weeks, including the issuing of a Letter of Offer.
  - **Letter of Offer conditions** – additional conditions in the Letter of Offer have been reduced to a minimum.
  - **Monitoring** – the number of indicators within a Letter of Offer reflect the result and output focus of the Programmes
  - **Budget structure** – a simplified budget structure is used within the Letter of Offer.
  - **Simplified Costs** – the Programmes proactively promote and implement simplified costs. All relevant projects avail of flat rate for overheads.
  - **Verification** – Risk-based sampling methodology is used by the Financial Control Unit in carrying out its administrative checks.
  - **E-Cohesion** – the Programmes embrace the principles of e-cohesion. Applicants have the ability to apply for funding online. Lead Partners are required to provide up-to-date monitoring and financial information online.
- In relation to the areas above, the contractor will be required to report progress, identify any deficiencies and provide recommendations as appropriate.
- In addition, the contractor will be required to review and report on:
  - The awareness and accessibility of the Programmes to potential applicants in the relevant jurisdictions.
  - Compliance with the Programmes' Review Procedure.
  - The extent to which the Horizontal Principles of Equality and Sustainable Development have been incorporated during the project assessment process.
  - The extent to which the results of the Programmes are effectively communicated.
  - The effectiveness of the support offered to project partnerships by SEUPB including the Partnership Training Programme.
  - Progress towards the achievement of the 2018 milestones included in the Programmes' Performance Frameworks.

## ANNEX II: Accountable /Policy Departments

### PIV: Accountable Departments

	<b>Specific Objective</b>	<b>Accountable Departments (NI)</b>	<b>Accountable Departments (Ire)</b>
1.1	Shared Education	Department of Education (DE)	Department of Education & Skills (DES)
2.1	Children & Young People (14-24yrs)	Department for the Economy (DfE)	Department of Children & Youth Affairs (DCYA)
2.2	Local Authority - Children & Young People (0-24 yrs)	The Executive Office (Good Relations)	Department of Rural & Community Development (DRCD)
3.1	Shared Spaces Capital Development	Department for Communities (DfC)	DRCD
3.2	Local Authority Shared Spaces	The Executive Office (Good Relations)	DRCD
3.3	Victims & Survivors	The Executive Office (Victims & Survivors Unit)	DRCD
4.1	Local Authority Action Plans	The Executive Office (Good Relations)	DRCD
4.2	Regional Level Projects	The Executive Office (Good Relations)	DRCD

### IVA: Accountable/Policy Departments

	<b>Specific Objective</b>	<b>Accountable Departments (NI)</b>	<b>Accountable Departments (Ire)</b>	<b>Policy Advisors (Scotland)</b>
1.1	Research & Innovation - Health & Life Sciences & Renewable Energy	DfE	Department of Jobs, Enterprise & Investment	Scottish Government
1.2	Research & Innovation - Enhance Innovation Capacity Of SME	DfE	Department of Jobs, Enterprise & Investment	Scottish Government
2.1	Environment - Recovery Of Protected Habitats & Species	Department of Agriculture, Environment & Rural Affairs (DAERA)	DHPCLG	Scottish Government
2.2	Environment - Manage Marine Protected Areas & Species	DAERA	DHPCLG	Scottish Government
2.3	Environment - Improve Water Quality In Transitional Waters	DAERA	DHPCLG	Scottish Government
2.4	Environment - Improve Fresh Water Quality In River Basins	DAERA	DHPCLG	Scottish Government
3.1	Sustainable Transport - Multimodal Hub	Department for Infrastructure (DfI)	Department of Tourism, Transport & Sports	Scottish Government
3.2	Sustainable Transport - Electric Vehicle Network	DfI	Department of Tourism, Transport & Sports	Scottish Government
3.3	Sustainable Transport - Greenways	DfI	Department of Tourism, Transport & Sports	Scottish Government
4	Cross Border Health & Social Care	Department of Health (NI)	Department of Health (IRL)	Scottish Government

## ANNEX III: Achievement of Milestones

Progress towards 2018 milestones.

### PEACE IV - Achievement against Performance Framework

PIV achievements for 2018 are expected to be met as project mobilisation gets underway.

Priority Axis	Indicator or key implementation step	Measurement unit, where appropriate	Milestone for 2018	Progress towards 2018 achievement	Final target (2023)
Promoting Peace and Reconciliation					
1.3	The number of participants in shared education classrooms.	Pupil per school year	19,200	The 2 projects approved under this Specific Objective will contribute to 100% of the outputs. This milestone is expected to be met.	144,000
2.1	Phase 1. The number of participants aged 0 - 24 completing approved programmes that develop their soft skills and a respect for diversity	Persons	5,000	The 16 approved Local Action Plans have forecasted achievements beyond the programme targets. This milestone is expected to be met.	21,000
3.1	Capital developments to create new shared spaces.	Number	0	No milestone required to be met by 2018.	8
4.1	Local action plans that result in meaningful, purposeful and sustained contact between persons from different communities	Number	0	No milestone required to be met by 2018	17
F11	The total amount of eligible expenditure entered into the accounting system of the certifying authority and certified by the authority	Euro	24,810,844 (ERDF + match)	€107.9m has been committed to 19 projects to date. This milestone is expected to be met.	269,610,976
IS3.1	Value of letters of offer issued concerning projects intending to create new shared spaces	Euro	Letters of Offer issued to the value of €52,941,176	Projects currently at Stage 2 Assessment stage. This milestone is expected to be met.	
IS4.1	Local action plans that result in meaningful, purposeful and sustained contact between persons from different communities	Number of Letters of Offer issued	17	16 projects have been approved to date with the remaining LAP in the final stages of the assessment process. This milestone is expected to be met.	0

## INTERREG VA - Achievement against Performance Framework

IVA achievements for 2018 are expected to be met as project mobilisation gets underway.

Priority axis	Indicator or key implementation step	Measurement unit, where appropriate	Milestone for 2018	Progress towards 2018 achievement	Final target (2023)
P1 - Research and Innovation	Research, innovation: Number of new researchers in supported entities	Full time equivalents	0	No milestone required to be met by 2018	514
P1 - Research and Innovation	The total amount of eligible expenditure entered into the accounting system of the certifying authority and certified by the authority	Euro	6,596,196	0	71,678,630
P1 - Research and Innovation	Value of letters of offer issued concerning projects intending to increase new researchers in supported entities	Euro	25,000,000	32,048,344	
P2 - Environment	Nature and biodiversity: Surface area of habitats supported to attain a better conservation status	Hectares	0	No milestone required to be met by 2018	4,500
P2 - Environment	Marine management plans for designated protected areas complete	Number of management plans	0	No milestone required to be met by 2018	6.00
P2 - Environment	Sewage network and waste water treatment projects to improve water quality in shared transitional waters	Projects complete	0	No milestone required to be met by 2018	2.00
P2 - Environment	The total amount of eligible expenditure entered into the accounting system of the certifying authority and certified by the authority	Euro	7,795,023	0	84,705,883
P2 - Environment	Nature and biodiversity: Amount of the letters of offer issued regarding projects intended to improve conservation status	Euro	4,000,000	11,164,139	

Priority axis	Indicator or key implementation step	Measurement unit, where appropriate	Milestone for 2018	Progress towards 2018 achievement	Final target (2023)
P2 - Environment	Amount of the Letters of Offers issued regarding projects intended to complete marine management plans	Euro	2,000,000	10,218,783	
P2 - Environment	Number of applications received by JS regarding projects intended to improve water quality in shared transitional waters	Number of applications received	2	1	
P3 - Sustainable Transport	Cross-border multimodal public transport hub encompassing cross-border integrated services	Number of multimodal hubs	0	No milestone required to be met by 2018	1.00
P3 - Sustainable Transport	The total amount of eligible expenditure entered into the accounting system of the certifying authority and certified by the authority	Euro	4,330,568	0	47,058,824
P3 - Sustainable Transport	Design/masterplan approved	Plan	1	0	
P4 - Health	Beneficiaries supported by new cross-border area initiatives for positive health and wellbeing and the prevention of ill health	Number of beneficiaries	2,500	0	15,000
P4 - Health	Patients benefitting from scheduled and unscheduled care streams	Number of patients	2,500	0	15,000
P4 - Health	Patients availing of e health interventions to support independent living in caring communities	Number of patients	700	0	4,500
P4 - Health	The total amount of eligible expenditure entered into the accounting system of the certifying authority	Euro	5,738,003	0	62,352,942

## ANNEX IV: Simplified Cost Options

### SCOs for the PIV Programme:

Specific Objective		SCO	
1.1	Shared Education	Indirect Costs – Flat Rate of 15% of Direct Staff Costs	Article 68(1)(b) of Regulation (EC) 1303/2013 refers.
		Staff Costs - Hourly rate calculated as the latest documented annual gross employment cost divided by 1720 hours	Article 68(2) of Regulation (EC) 1303/2013 refers.
		Unit Cost(s) – to be confirmed	
2.1	Children & Young People (14 – 24)	Other Costs (except Direct Staff Costs) - Flat Rate of 40% of Direct Staff Costs	Article 14(2) of Regulation (EC) 1304/2013 (ESF) refers.
		Staff Costs - Hourly rate calculated as the latest documented annual gross employment cost divided by 1720 hours	Article 68(2) of Regulation (EC) 1303/2013 refers.
2.1 3.1 4.2	Children & Young People (Oversight Body) Shared Spaces Building Positive Relations (Regional)	Indirect Costs – Flat Rate of 15% of Direct Staff Costs	Article 68(1)(b) of Regulation (EC) 1303/2013 refers.
		Staff Costs - Hourly rate calculated as the latest documented annual gross employment cost divided by 1720 hours	Article 68(2) of Regulation (EC) 1303/2013 refers
3.3	Victims & Survivors	Staff Costs - Hourly rate calculated as the latest documented annual gross employment cost divided by 1720 hours	Article 68(2) of Regulation (EC) 1303/2013 refers.
4.1	Local Authority Action Plans	Staff Costs – flat rate of 12% of Other Direct Costs	Article 19 of Regulation (EC) 1299/2013 refers.
		Indirect Costs – Flat Rate of 15% of Direct Staff Costs	Article 68(1)(b) of Regulation (EC) 1303/2013 refers.

The following SCO are used in the implementation of IVA projects:

### SCOs for the IVA Programme:

Specific Objective		SCO	
1.1	R&I – Health & Life Sciences & Renewable Energy	Indirect Costs – Flat Rate of 25% of Eligible Direct Costs	Based on Horizon 2020 in accordance with Delegated Regulation 480/2014 & Art 29(1) of Regulation (EC) 1290/2013).
		Staff Costs - Hourly rate calculated as the latest documented annual gross employment cost divided by 1720 hours	Article 68(2) of Regulation (EC) 1303/2013 refers.
		Unit Cost (1) - STIPEND payments to PhD researchers in the UK.	
		Unit Cost (2) - STIPEND payments to PhD researchers in Ireland.	
		Unit Cost (3) - Training, Support & Networking costs for PhD researchers	Based on the Marie Skłodowska-Curie programme (Innovative Training Networks)).
1.2	R&I - SMEs	Indirect Costs – Flat Rate of 15% of Direct Staff Costs	Article 68(1)(b) of Regulation (EC) 1303/2013 refers

Specific Objective		SCO	
		Staff Costs - Hourly rate calculated as the latest documented annual gross employment cost divided by 1720 hours	Article 68(2) of Regulation (EC) 1303/2013 refers.
		Unit Cost (1) – Strand 1 Workshop per participant SME	
		Unit Cost (2) – Strand 2 Business Process Review per participant SME.	
		Unit Cost (3) – Innovation Audit & Interpretation per participant SME.	
2.1 2.2 2.3 2.4 3.1 3.3 4.1	Environment – Habitats & Species Environment – Marine Environment – Transitional Waters Environment – River Basins Sustainable Transport – Multi Modal Hub Sustainable Transport – Greenways Health & Social Care	Indirect Costs – Flat Rate of 15% of Direct Staff Costs	Article 68(1)(b) of Regulation (EC) 1303/2013 refers.
		Staff Costs - Hourly rate calculated as the latest documented annual gross employment cost divided by 1720 hours	Article 68(2) of Regulation (EC) 1303/2013 refers.

## ANNEX V: Media Monitoring Statistics

### PEACE IV: Media Monitoring

Month	Volume	AVE (£)	Positive	Negative	Neutral	Reach
Oct	29	£31,043	76%	14%	10%	572,391
Nov	52	73,222	92%	0%	8%	869,156
Dec	27	27,279	100%	0%	0%	351,622
Jan	50	72,603	98%	2%	0%	638,126
Feb	30	30,519	77%	0%	23%	340,133
Mar	23	13,009	61%	0%	39%	367,711
<b>Total</b>	211	£247,675	84%	3%	13%	3,139,139

### INTERREG VA: Media Monitoring

Month	Volume	AVE (£)	Positive	Negative	Neutral	Reach
Oct	17	£16,721	88%	12%	0%	265,873
Nov	20	£41,850	95%	0%	5%	244,930
Dec	32	£50,485	100%	0%	0%	430,751
Jan	33	£51,225	88%	0%	12%	416,671
Feb	26	£19,917	73%	0%	27%	497,164
Mar	21	£20,491	100%	0%	0%	322,145
	149	£200,689	91%	2%	7%	2,177,534

### SEUPB/Corporate

Month	Volume	AVE (£)	Positive	Negative	Neutral	Reach
Oct	7	£3,738	100%	0%	0%	52,828
Nov	13	£19,041	100%	0%	0%	197,707
Dec	20	£17,725	100%	0%	0%	169,503
Jan	28	£22,957	100%	0%	0%	252,752
Feb	15	£18,270	73%	0%	27%	199,977
Mar	37	£19,847	89%	0%	11%	551,272
	120	£101,578	94%	0%	6%	1,424,039