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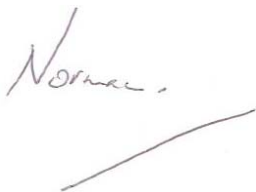
21 December 2009

Dear Shane

**PAPER ON SPECIAL EU PROGRAMMES BODY (SEUPB) AND
IMPLEMENTATION OF EU PROGRAMMES FOR DFP COMMITTEE**

The attached paper providing an update on the SEUPB, the implementation of EU Programmes and the EU Taskforce has been prepared to inform the DFP Committee meeting arranged for 6 January 2010.

Yours sincerely,



NORMAN IRWIN

SPECIAL EU PROGRAMMES BODY (SEUPB), IMPLEMENTATION OF PROGRAMMES, AND EU TASKFORCE

Purpose

1. This paper provides the Committee with an update on the INTERREG IV Programme and DFP's contribution on EU Taskforce.

Implementation of INTERREG IVA Programme

2. In overall terms the INTERREG IVA Programme is performing well. A total of 73 project applications have been received for the INTERREG IVA Programme. To date a total of 26 projects have been recommended for approval to the value of €101.9m. A total of 18 Letters of Offer have been issued.
3. INTERREG IVA has to date spent €16,436,864 and would comfortably have met its 2009 EU expenditure target of €13,977,987. However, the European Commission has now set aside the expenditure targets for 2009 and has significantly abated the target for 2010 and future years.

INTERREG IVA : Role of Local Authority-based Groups

4. During the development of the INTERREG IVA Programme it was expected that the five Local Authority Based Groups would play a significant part in Programme delivery and would manage a similar level resource to that under INTERREG IIIA Programme. This remains the expectation.
5. All five Local Authority-based Groups developed Multi-Annual Plans (MAPs) in 2007. These are accepted in late 2008 as strategic documents covering the actions the Groups will deliver including Enterprise, Tourism and Public Sector Collaboration. The Plans themselves do not however provide sufficient detail for a funding decision to be taken. MAP implementation will be via projects that can be assessed under the agreed INTERREG IVA selection procedures. The Groups have been aware of this requirement since late 2008 and all are at

various stages in the process of developing projects and putting them forward for assessment.

6. All five Groups have had their administrative costs approved for 2009-10 and the first projects from the Groups have already been approved. These include two projects under the Public Sector Collaboration theme for which DFP is the accountable department. SEUPB's indicative timetable envisages that 60 projects will have been brought to Steering Committee by July next year. If this is achieved and all of the projects get through their assessment, then by summer 2010 the five Groups will, between them, have received letters of offer worth more than €50 million.

7. The pace at which the projects are approved is dependent upon:
 - The Groups submitting their applications on time and with sufficient supporting detail to allow assessment to proceed.
 - SEUPB ensuring that the supporting documentation (business case and economic appraisal/value for money assessment) is of suitable standard to inform assessment.
 - Accountable Departments (Northern Ireland and Republic of Ireland) having sufficient project information to allow them to perform their own reviews.
 - The Steering Committee approving the projects rather than rejecting them or deferring them pending further information.

8. To date, the process of application and assessment is taking longer than hoped for. As well as dealing with a large volume of applications, problems have included the quality of the applications submitted and the quality of some appraisal work. In a number of cases, applications and appraisals had to be returned, reworked and resubmitted. In their original form, these applications provided too little detail for meaningful assessment to take place. SEUPB also had some difficulties establishing the value for money of the applications it received. To address these difficulties between June and August 2009 DFP worked with SEUPB and DETI colleagues to clarify what was required by way

of assessment. But the application process and the selection criteria are largely unchanged from what was agreed in 2007. The requirements are exactly the same as for all other public expenditure – no more or less onerous. In addition, to address capacity issues with SEUPB, a DFP economist was seconded to the Body in June 2009.

9. All stakeholders have now indicated that they understand the requirements. As noted, the five Groups are at different stages in the application and assessment process. COMET, ICBAN and the North East Partnership (NEP) have made most progress. The Steering Committee will assess further NEP and COMET projects in January 2010 as well as the first projects from the Group ICBAN. According to the SEUPB timetable, the main work of assessing the Group projects will be over by May 2010. The East Border Region (EBR) Group is the only one of the Groups expected to have projects still in the assessment process in June and July 2010.
10. The DFP Minister met with representatives of East Border Region in November 2009 to hear their concerns. He is monitoring progress personally and now receives a monthly progress report from SEUPB. The department also receives a formal report.

EU Taskforce

11. OFMdFM is currently drafting the 2009/10 Action Plan in response to the 2008 Report of the European Commission Taskforce on Northern Ireland. DFP has, along with other Departments, provided its input to this exercise. The Action Plan has yet to be submitted to the Executive for approval. DFP's input updates the relevant sections of the previous, 2008/09 Action Plan, which the Committee discussed at its hearing of 4 March 2009.
12. DFP's activities in the Action Plan are concentrated in five main areas, two of which involve SEUPB:

- **Policy:** We have committed to monitoring EU Policy developments with regard to Cohesion policy, the Lisbon Agenda on Jobs and Growth, and the EU Budget, providing the Northern Ireland perspective to UK positions or, where appropriate, direct Northern Ireland responses to the Commission. This work will continue in 2010 as the debate builds up in Europe on post 2013 arrangements.
- **Staff Placements:** The Committee was recently advised that there are currently seven Northern Ireland Civil Servants staff involved in schemes with the Commission. Recent placements include a member of staff from DFP European Division who held two consecutive strategic placements within DG Regio and then, on a pilot basis, a post with the Office of the Northern Ireland Executive in Brussels where she represented DFP interests. This secondee has since moved on to a position with the UK Permanent Representation in Brussels.

INTERREG IVB and C Transnational Programmes

13. For the current, 2007-13 Programming period, the Department has been working to increase the number of Northern Ireland projects funded under these programmes. DFP has played a more active role in the management structures of the Programmes and has set up a local support infrastructure to encourage suitable project ideas from Government Departments and other local actors. This is an area where the Department has worked closely with the Special EU Programmes Body (SEUPB) exploring the opportunities for cross border project proposals. Departmental strategy has thus far generated some 80 applications involving Northern Ireland partners having been submitted, 31 of which have been approved. This compares well with the 17 Northern Ireland projects achieved during the whole 2000-06 programming period.
14. DFP and SEUPB recently held an event in Belfast to encourage further applications over the next 18 months. The event, which was addressed by the Minister, attracted some 200 attendees including representatives from the

Programme Secretariats in Copenhagen, Lille and Porto and the UK and Republic of Ireland contact points. This level of interest would suggest that there is significant potential for further local applications over the coming year and a half.

Regions for Economic Change

15. The Commission was keen that a project led by a Northern Ireland partner would be approved under the EU's Regions for Economic Change Initiative. This has already been achieved through the Belfast City Council-led Open Cities project. Open Cities was launched by the DFP Minister in January 2009 and DFP has since provided the requisite government support, including chairing a group of the EU Programme Managing Authorities from the twelve participating cities.

PEACE Network

16. The PEACE Network was launched at a session of the EU Open Days event in Brussels on 7th October 2008. Its purpose is to share the experience of managing, implementing and evaluating EU PEACE funding with other regions in Europe. The SEUPB serves as Secretariat to the Network, which has attracted interest from regional administrations in Cyprus, the Basque Autonomous Community and Flanders. The Network operates through three thematic working groups:

- Group 1: the use of EU funding for peace building.
- Group 2: community based peace building approaches.
- Group 3: peace building for children and young people.

17. A series of PEACE Network events was held during 2009 in Northern Ireland, Cyprus and the Basque Autonomous Region. SEUPB will consult with members of the Network and meet with Sponsor Departments in January 2010 to take review progress and plan activities for the coming year.

18. While the 2009/10 Action Plan has yet to be agreed and published, DFP is operating on the basis of the objectives and targets submitted and is confident these will be achieved.

DFP
European Division
December 2009