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PEACE IV Programme Monitoring Committee

European Programme for Peace and Reconciliation in Northern Ireland and the Border Region of Ireland for 2014 – 2020 (PEACE IV)

Update on Programme Regulatory Implementation Arrangements

1.0   Designation of Authorities

Articles 123 and 124 of Regulation (EU) No 1303/2013 and Article 21 of the Regulation (EU) No 1299/2013

1.1   The designation procedure for the 2014-2020 programming period represents an evolution from the arrangements applicable for the 2007-2013 programming period in obtaining the necessary assurance regarding the set-up of the systems for management and control of the Funds. It has many similarities to the compliance assessment procedure used at the start of the 2007-2013 programming period.

1.2   The aim of the designation procedure is to ensure that the Managing Authority and Certifying Authority have the necessary and appropriate management and control systems set up from the start of the programming period to ensure that they can fulfil the responsibilities assigned to them under Articles 123 and 124 of Regulation (EU) No 1303/2013 and Article 21 of the Regulation (EU) No 1299/2013.

1.3   Specific guidance has been published by the Commission in EGESIF 14-0013-final dated 20/11/2014.

1.4   The process for designation includes the design and implementation of robust systems which are detailed in a document, the "Description of the Management and Control Systems". To complete this work a working group was set up comprising the Managing Authority, Certifying Authority, Financial Control Unit, Joint Secretariat and Information Systems Unit. The Chair of the working group, the Director of the Managing Authority, allocated the designing and drafting of procedures to specific staff members who reported weekly on progress.

1.5 A description of systems and procedures was submitted to Internal Audit in January 2016. Internal Audit then began their work to ensure compliance with the guidance and also to test the systems and procedures contained therein on 12 January 2016.

1.6 The designation process cannot be completed until such time as the database is fully operational, as the database is a central feature in the management of the Programme. This aspect of designation cannot be completed until the first quarter of 2016.

1.7 It is anticipated that formal designation will take place by the second quarter of 2016. No interim claim for expenditure can be made to the EC until the designation process has been completed. It is therefore important that the designation process is completed as scheduled.

2.0 Evaluation Plan Update

2.1 The purpose of evaluations is to facilitate learning so as to maximise the result orientation of the Programme. Evaluations will examine if the funded projects and associated outputs are bringing about the desired change in the region, as measured by the result indicators. Evaluations will provide an iterative feedback loop to guide programme activities and maximise the contribution to the result orientation and thus contribute towards the strategy for smart, sustainable and inclusive growth. Article 56 of the Common Provisions Regulation requires the Managing Authority to draw up an Evaluation Plan for the Programme which must be approved the Programme Monitoring Committee within one year of the adoption of the programme.

2.2 The Evaluation Plan will be a strategic document which will accompany the Programme throughout its life and support its result orientation. Its aim will be to improve the quality of evaluations carried out during the Programme period and contribute to the effectiveness and efficiency of the programme.

2.3 The Evaluation Plan will explain how the evaluation process will operate for the duration of the Programme. It will include the following information; the choice of evaluation methods; the data requirements; the timetable; the human resources required and any training requirements; the budget; and the communication methods for the results of the evaluations. The Evaluation Plan will be presented by the MA to

the Programme Monitoring Committee (PMC) for approval. Progress against the plan will be reviewed annually by the PMC.

2.4 The evaluations will allow the MA and PMC to conclude on the impact of the Programme in relation to Programme Targets and how the Programme has and will contribute to smart, sustainable and inclusive growth. As is required by the regulations, all Programme evaluations will be made public.

2.5 The MA shall ensure that evaluations are conducted to comply with the Common Provisions Regulation 1303/2014 Articles 54, 55, 56 and 57.

3.0   E-Cohesion

3.1 The implementation of e-Cohesion is one of the elements aimed at simplifying the implementation of ESIF funded programmes during the new programme period. The concept of e-Cohesion involves the electronic exchange of documents and data and is intended to reduce the administrative burden for beneficiaries.

3.2 The Common Provision Regulation 1303/2013 contains a number of articles concerning the electronic exchange of information between beneficiaries and relevant bodies. The most relevant articles are article 122(3), article 15 (1) (b)(vi), article 15(2)(b), article 96(6)(c),article 59(1) and article 140.

3.3 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:

- the electronic submissions of applications, assessments and awards of grant;
- the monitoring and reporting of progress on the achievement of milestones and outputs;
- the submission of expenditure claims for payment, the verification and payment of valid claims;
- submission and management of financial forecasts;
- the exchange of information related to management verifications and audits;
- the declarations of expenditure to the EC;
- the monitoring reports and evaluations to the EC;
- the recording, storage and retrieval of information.

3.4   Implementation Status of the systems to enable e-Cohesion:

- In preparation for the new programme period 2014-2020, the EC have implemented a new relational database SFC2014 which has full e-Cohesion capabilities.
- After a public procurement process, DFP have appointed a contractor to develop a database for all Northern Ireland ESIF programmes which will meet the regulatory requirements for e-Cohesion. DFP are managing the contract on behalf of all Northern Ireland based Managing Authorities. A statement of requirements has been developed which includes the requirements for INTERREG VA and PEACE IV programmes. Implementation work commenced in June 2015.
- A phased delivery of the system is planned with the appointed contractor taking inputs from an experienced cross departmental user group.
- Delivery of the system has been more complex than anticipated. DFP EU Division continue to work with contractors to accelerate the delivery and acceptance of the first phase which is receipt of applications and assessment.

4.0   Recommendations

The Monitoring Committee is requested to **note**:
(a) The requirements for the formal designation of the Managing Authority and Certifying Authority and related systems and procedures, including the database;
(b) The process of designation will be completed by the Audit Authority;
(c) The process must be completed before the submission of the first interim claim for expenditure, estimated to be the second quarter 2016;
(d) The requirements for an evaluation plan and note that the Managing Authority will develop a plan for the consideration of the PMC before the deadline of December 2016.
(e) The progress and the risk in meeting the e-cohesion regulatory requirements.