

Discussion Paper on Delivery Structures for PEACE III 2007-2013

1. This paper sets out some first options on the possible delivery structures for the PEACE III Programme. PEACE III will have a budget of €267 million including match funding. It will operate on a North/South basis with the SEUPB as Managing Authority.
2. Both the original PEACE II Programme and the PEACE II extension, were characterised by significant decentralised delivery. In Northern Ireland, community and voluntary sector organisations and the 26 Local Strategy Partnerships were responsible for delivering most of the programme with resource allocation mainly on the basis of open calls for project proposals. However, the complexity and cost of the current delivery structures has been a source of some criticism.
3. Three key developments make it essential that current delivery structures are reformed:
 - (i) The annual PEACE III budget - €38 million - is around a quarter of the annual budget available under the original PEACE II Programme and just over half the annual PEACE II extension budget.
 - (ii) The new regulations governing EU structural funds stipulate that only 6 per cent of programme resources can be made available for running costs. This compares with the present 10 per cent.
 - (iii) The Northern Ireland reform agenda generally and the Review of Public Administration (RPA) in particular will change local government boundaries in Northern Ireland.

Local Councils will be responsible for areas of activity that are, at present, the work of the LSPs, e.g. community planning and community relations.

4. To concentrate resources, maximise effectiveness and reflect the fact that EU regulations no longer require separate measures, a reduction in the number of delivery bodies will be necessary. Also given the uncertainty as to how quickly the new local government structures will become effective, we need a delivery structure that is flexible enough to cope with RPA changes as and when these come into operation.

Delivering PEACE II and the PEACE II extension

5. Under the original PEACE II Programme, the Northern Ireland share of resources was delivered by: Government Departments, the 26 Local Strategy Partnerships (LSPs) and 12 Intermediary Funding Bodies (IFBs). Typically, PEACE II IFBs receive public funding other than PEACE II resources from Government Departments and all are engaged in activities other than PEACE II delivery. The prominence of PEACE II in their overall sets of functions varies from IFB to IFB. IFBs were selected through a process of competitive tendering and are under contract.
6. Republic of Ireland delivery bodies included Border Action and the six County Council-led Taskforces (CCTFs).
7. The LSPs and CCTFs were responsible for delivering two PEACE II measures - 3.1 and 3.2 – while the IFBs, either singly or as part of consortia, delivered some 20 programme measures. The LSP and IFB measures together accounted for over half the Northern Ireland share of PEACE II. The rest of the NI share was delivered by Government Departments.

8. The PEACE II extension was developed in 2004 and provided an opportunity to simplify the Programme structures. The number of Measures was reduced to 15 and the role of Northern Ireland Government Departments in direct delivery was much reduced so that the PEACE II extension has been implemented primarily by LSPs and IFBs (and by CCTFs and Border Action in the Republic).

LSPs

9. During the development of the PEACE II Programme in 2000-01, it was agreed that the LSPs should be accountable and responsible for Programme delivery and that they should be allocated a share of PEACE II Technical Assistance to meet the administrative costs of such a role. As a result, all 26 LSPs were given both a share of programme resources for allocation to appropriate projects in their respective local government districts and a share of Technical Assistance to meet their administration costs. The former allocation - global grant - was calculated using a formula that took account of each local government district's population and deprivation while Technical Assistance shares were calculated as either 15 per cent of global grant or €300,000 - whichever was greater. In order to accommodate the resultant pressures on the PEACE II Technical Assistance budget, the Commission permitted an increase in the proportion of the Programme that could be allocated to Technical Assistance - from 5 per cent to 9 per cent.
10. Accommodating the 26 LSPs within the extension was challenging. Whereas the LSP measures in the original Programme had had a budget of some €20 million per annum, €13 million (a proportionately greater share) was the maximum possible under the extension and there were inevitable pressures on a reduced technical assistance

budget. Consequently, not only did LSPs have smaller budgets to allocate, all faced the challenge of managing on a reduced share of Technical Assistance. As a result, some LSPs have been reporting difficulties in terms of managing on this reduced administrative budget and retaining staff. At the time of the extension LSPs were generally resistant to suggestions that they themselves merge or, at least, merge their respective secretariats. As a result, the extension has proceeded on the basis of 26 LSPs and 26 LSP secretariats.

11. The RPA recommendation is that Northern Ireland should have seven local authorities. Compared with the current 26 district councils, these will have enhanced responsibilities, including a role in the delivery of EU Programmes and in delivery activities such as community planning and community relations which are relevant to EU PEACE funding. These new local government functions therefore include the current LSP functions with the requirement that these follow a community plan produced on the basis of partnership.

12. One delivery option for addressing the fact that RPA changes are scheduled to occur in the middle of the programming period is that, pre-RPA, local authorities should (preferably in partnership with other stakeholders in their area) serve as project promoters (rather than delivery bodies). The SEUPB would then undertake the administrative aspects of programme delivery (selection panels, Letter of Offer issue, payment processing etc) involving local people and other independent representatives, perhaps including CRC to help ensure the Shared Future principles are fully reflected. However, post-RPA, resources could be allocated directly to local authorities to enable these to fulfil their new, programme delivery role. This role would, like the pre-RPA promotional role, be exercised on a partnership basis. Such global grants could be calculated using a deprivation/population formula.

IFBs

13. There are, at present, seven NI-based IFBs delivering the PEACE II Extension, three of which - Proteus, YESIP and TWN are responsible for measures funded from the European Social Fund (ESF). As there will be no ESF resources in PEACE III, these organisations, which are concerned with training, will have no role in the new Programme. Under RPA, Rural Development Council operational functions will transfer to local government. Of the other three NI-based IFBs - Community Relations Council (CRC), CFNI and Cooperation Ireland - only one would be needed for a full delivery role in PEACE III. This single IFB would deliver the successor to the suite of reconciliation activities currently supported under Priority 2 of the PEACE II extension. These activities would be reviewed and revised to ensure full complementarity with *A Shared Future* and other EU Programmes post-2006 and full compatibility with the new EU regulations. It would be consistent with the Shared Future proposals and with the current balance of responsibilities that this be the Community Relations Council. Other NI-based IFBs would cease to deliver PEACE funding but would instead either promote projects or themselves apply for funding to deliver a project in their own area of expertise.

Government Departments

14. Government Departments have a relatively small role in the delivery of the PEACE II extension and our expectation is that the new PEACE III Programme will be similarly focused upon local and community-based projects. Only where a government department has a necessary statutory role in an area relevant to the new Programme's aims and objectives (e.g. creating shared space) would it be envisaged that a department directly deliver PEACE III funding.

Approach to Delivery

15. Under the previous EU PEACE Programmes, there was a reliance on IFBs and LSPs making open calls for project proposals. Given the markedly smaller budget under PEACE III, there is a growing consensus, articulated during the preliminary consultation, that new arrangements are needed. It is in this context that the idea of more strategic projects has been proposed. Instead of relying exclusively upon open calls, the types of project needed to deliver a significant proportion of the Programme's aims and objectives would be drawn up in advance and project promoters encouraged to tender for the opportunity to deliver these projects.

16. In this context SEUPB itself would administer more of the new Programmes than now. Working with Departments, SEUPB would describe the types of project that are needed, then seek more detailed project proposals from established organisations such as the current IFBs. This would ensure that the IFBs continued to have a role in the new Programme, albeit as project promoters rather than implementation bodies.

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