



**Building
Sustainable
Prosperity**



**EU Programme
for Peace and Reconciliation**

Northern Ireland Community Support Framework

Annual Implementation Report 2001



**EU Structural Funds
2000 - 2006**

September 2002

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NORTHERN IRELAND COMMUNITY SUPPORT FRAMEWORK (CSF)

ANNUAL IMPLEMENTATION REPORT 2001

EXECUTIVE SUMMARY

1. There is a non-regulatory commitment to produce an Annual Implementation Report covering the Northern Ireland Community Support Framework (CSF) for approval by the CSF Monitoring Committee and submission to the European Commission. This is the first such report and relates to the calendar year 1 January 2001 - 31 December 2001.

The Report draws upon the related Annual Implementation Reports produced separately for the BSP and PEACE II Operational Programmes. The report is not in a prescribed EC format but instead, provides information and material commissioned by the CSF Monitoring Committee.

Socio Economic Review

2. There has been no significant change in the socio economic conditions and the activities and actions planned under the CSF remain highly relevant.

Northern Ireland GDP per capita remains around 80% of the UK average and in 1998 was 77% of the EU average. The numbers in employment continue to rise (up on 2000 by 2% to 652,410)

although the increase is mostly attributable to additional part-time jobs (increased by 4.6%) unemployment has decreased (down to 6.2%) but remains higher than the UK average (down to 4.9%). Long-term unemployment is still a persistent problem.

In May 2001 13.7% of the NI population aged 16 and over were claiming income support which is the highest proportion for any region of the UK. The disparity in average salaries between NI and the rest of the UK has also grown. Over the period 1999-2001 gross weekly earnings for NI decreased from 85% of the UK average to 83.8%.

Foot and mouth disease affected the agriculture sector to a lesser degree than experienced elsewhere in the UK, but did cause the closure of Agriculture colleges and in consequence impacted upon the performance of some Measures. Tourism was also affected adversely by the foot and mouth outbreak and this was compounded by the events of September 11th in the USA. The telecommunications sector and related measures also suffered a set-back due to the severe loss of stock market confidence in the sector.

BSP Programme

3. During 2001 progress on implementation of BSP has been relatively slow. Delays in agreement of the Operational Programme and Complement have contributed to this. The protracted Equality Impact Assessment process and mechanics of project selection and

economic appraisal are other factors. There is no certified expenditure to report. However, as BSP will fund a number of Departmental schemes it is anticipated that spend in 2000 and 2001 will eventually be worth around €210m (£120m).

PEACE II

4. The Peace II Operational Programme has similarly been slow to gather momentum and indeed did not record any spend for 2001. A key factor in this was the need to conduct a competitive tendering exercise for the appointment of IFBs and also the time taken to establish Local Strategy Partnership arrangements.

N+2

5. Because of the slow start to implementation an emerging and key strategic issue is the ability of both Operational Programmes to meet the N+2 obligations. If planned spend does not achieve agreed targets by December 2003 there is risk that funds will be lost (decommitted).

Interim Funding

6. In February 2001 the Northern Ireland Executive agreed proposals should address the funding gap between the old and new rounds of Structural funds by making advances, (within the terms of the EU Regulations and the criteria in the Operational

Programmes), to projects which were judged very likely to be eligible under both the BSP and PEACE II Programmes.

On 11 October 2001, the then Minister of Finance and Personnel, Mark Durkan MLA, confirmed continued financial support for the Community and Voluntary Groups by announcing details of an extension to the current Interim Funding arrangements. Groups which received support under the arrangements, announced on 12 February 2001 continued to receive funding after the end of 2001.

Horizontal Principles

7. At this stage of the Programmes it is difficult to gain an overall picture of the CSF horizontal principles. The unavailability of monitoring data is an obstacle. Nevertheless it is clear that significant progress has been made in a number of areas eg accountability, partnership and equality of opportunity.

Monitoring Committees and Working Groups

8. The CSF Monitoring Committee met 4 times during 2001, BSP met 8 times and PEACE II met 6 times. It has taken longer than anticipated to get the Working Groups off the ground although five out of the six Working Groups commissioned under the CSF have now been activated. Looking across all three Monitoring Committees there eventually could be in the region of 10-15 Working Groups.

Financial Performance

9. No expenditure was certified under the CSF for 2001. However Departments report approximately €210 m on *Government Schemes* under BSP. Expenditure will have to accelerate to meet N+2 commitments.

2. INTRODUCTION

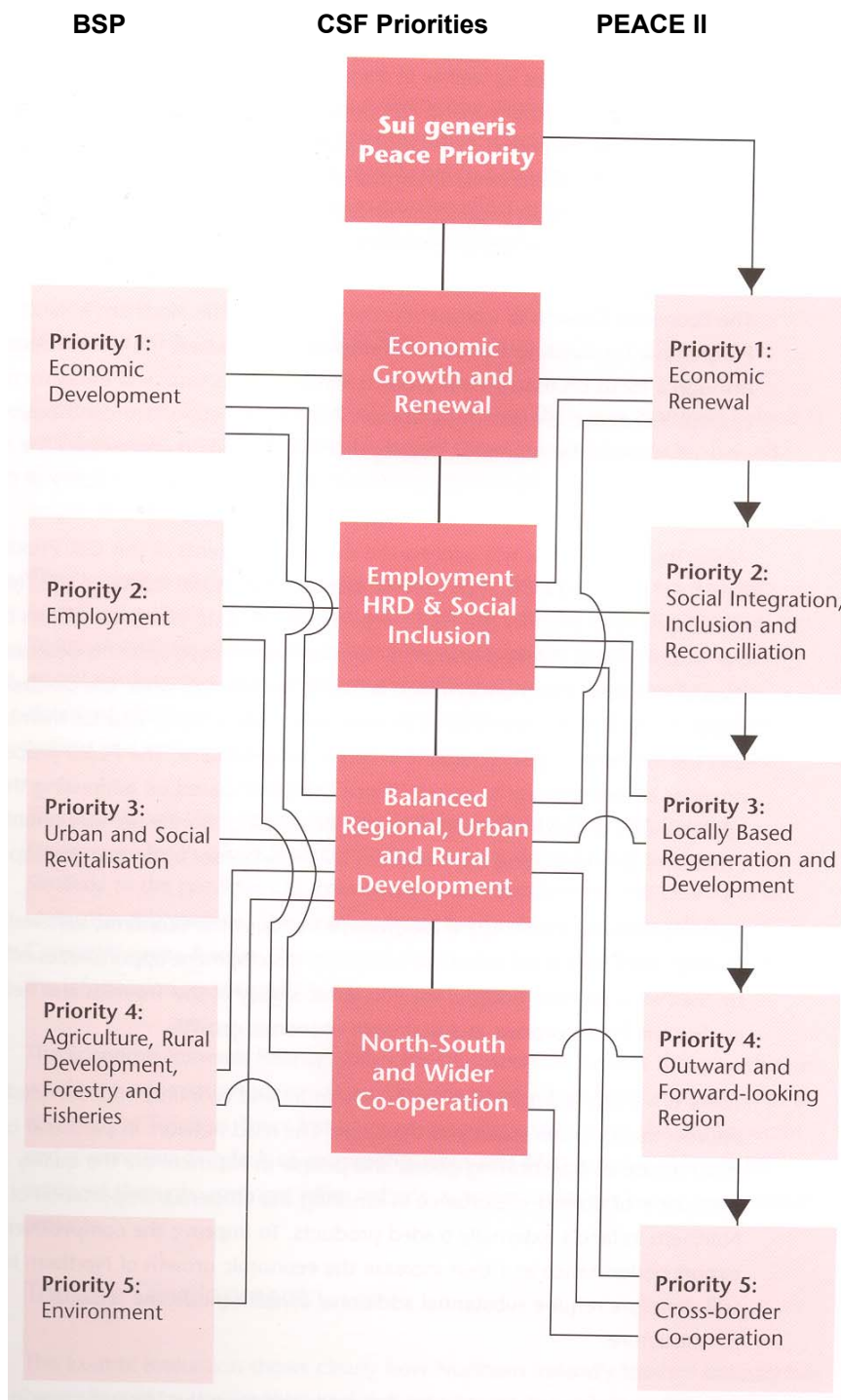
European Commission Guidance

2.1 Commission advice in the shape of the Commission Services Working Paper "The Annual Implementation Report on Structural Funds Programmes", April 2000 explains that "Operational Programme, Single Programming Documents and Community Initiative Programmes all require an annual report. Although the regulation does not envisage an annual report at CSF level, Member States and the Commission may want to consider the value of this on a case-by-case basis. Some Managing Authorities have already agreed to this in the context of negotiations with the Commission".

2.2 Contents

The content of the CSF AIR is not prescribed as is the case for those of Operational Programmes, however it should add value to those Programme reports. Table 1, page 2 shows how the various Programme Priorities contribute to the CSF Priorities.

TABLE 1



At the CSF Monitoring Committee meeting of 6 February 2002. Members approved CSF Paper 06/2002 which outlined the content for the CSF AIR as follows:-

- review the general conditions as they reflect the application of the CSF and as reflected in the contextual indicators [Section 3 of the report];
- review the Annual Implementation Reports of both the BSP and PEACE II Programmes and the issues emerging [Section 4 of the report];
- report on the outcome of the work of CSF Working Groups and any other Cross Committee Working Groups established to assist the CSF Monitoring Committee in undertaking its work [Section 5 of the report];
- review the performance of the CSF as reflected in the Performance Indicators designated for each priority [Section 6 of the report]; and
- review the financial performance of the CSF [Section 7 of the report].

At the meeting of the CSF Monitoring Committee on 24 April 2001 Members agreed to include a summary communication report for inclusion in the CSF Annual Implementation Report. This can be found at Section 8 of this report.

The Monitoring Committee has also agreed that the report include a reference to issues emerging from the Community Initiative Programmes (Section 4.4, page 67).

2.3 Approval

Article 34(1)(C) of the Regulation requires the approval of the CSF Monitoring Committee to the report before its submission to the European Commission. Members of the CSF Monitoring Committee approved the draft report at the meeting on Wednesday 11 September 2002 and agreed that it be forwarded to the European Commission. The CSF AIR will be discussed at the Annual Review meeting between the CSF Managing Authority, Implementing Departments and the European Commission, scheduled for late October/early November 2002.

2.4 Details of the CSF Annual Report

This Annual Report for the CSF relates to the calendar year 2001, that is for the period from 1 January 2001 to 31 December 2001. The eligible area is Northern Ireland. The CSF is made up of two Operational Programmes, the Building Sustainable Prosperity (BSP) Programme and the EU Programme for Peace and Reconciliation in Northern Ireland and the Border Region of Ireland (PEACE II). The programming period for the BSP Programme is 2000-2006 and for the PEACE II Programme it is 2000-2004. The 2001 Annual

Implementation Reports for the BSP and PEACE II Operational Programmes feed into the CSF Annual Implementation Report.

BSP

The Northern Ireland Programme for Building Sustainable Prosperity will address development priorities, and as it contains almost 2/3 of the total EU Structural Funds allocation under the CSF. The Programme is more broadly focused than PEACE II to address a range of development needs, including improvements to infrastructure and increasing the skills of the workforce to improve the region's competitiveness. The Programme was approved by the Commission on 21 March 2001 (CCI No:- 1999/GB 161 PO 007).

PEACE II

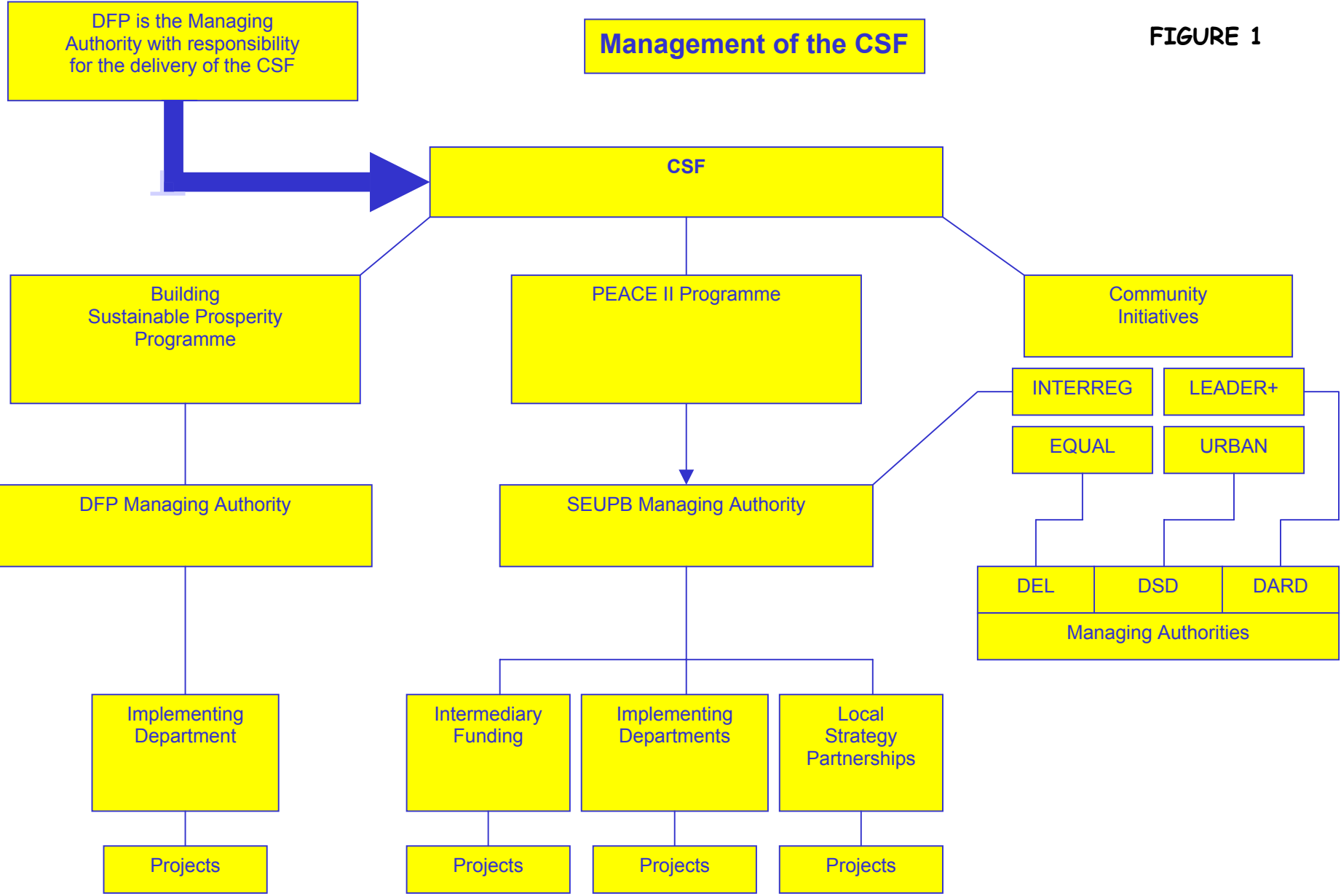
The EU Programme for Peace and Reconciliation in Northern Ireland and the Border Region of Ireland (2000-2004 [PEACE II Programme]) is a distinctive EU Structural Funds Programme aimed at reinforcing progress towards a peaceful and stable society and to promote reconciliation.

It is intended to assist Northern Ireland and the Border Region of Ireland to address the legacy of the violence of the past 30 years and to take advantage of opportunities arising from the PEACE Process. The Programme was approved by the Commission on 21 March 2001 (CCI No:- 2000 RG 16/PO 001).

The two Operational Programmes operate together under the authority of the Northern Ireland Community Support Framework (CSF).

The Department of Finance and Personnel for Northern Ireland (DFP) is the Managing Authority for the Community Support Framework. DFP is also the Managing Authority for the BSP Programme. The Special EU Programmes Body (SEUPB) set up under the provisions of the Belfast Agreement (1998) is the Managing Authority for the PEACE II Programme both in Northern Ireland and in the Border Region of Ireland. In addition to the BSP and PEACE II Programmes, further Structural Funds support will also be provided to Northern Ireland under separate Community Initiatives, ie INTERREG III, LEADER+, URBAN II and EQUAL Programmes. The Managing Authorities for these Community Initiative Programmes are, respectively, the SEUPB, the Department of Agriculture and Rural Development (DARD) the Department for Social Development (DSD) and the Department for Employment and Learning (DEL). (See Figure 1, page 7).

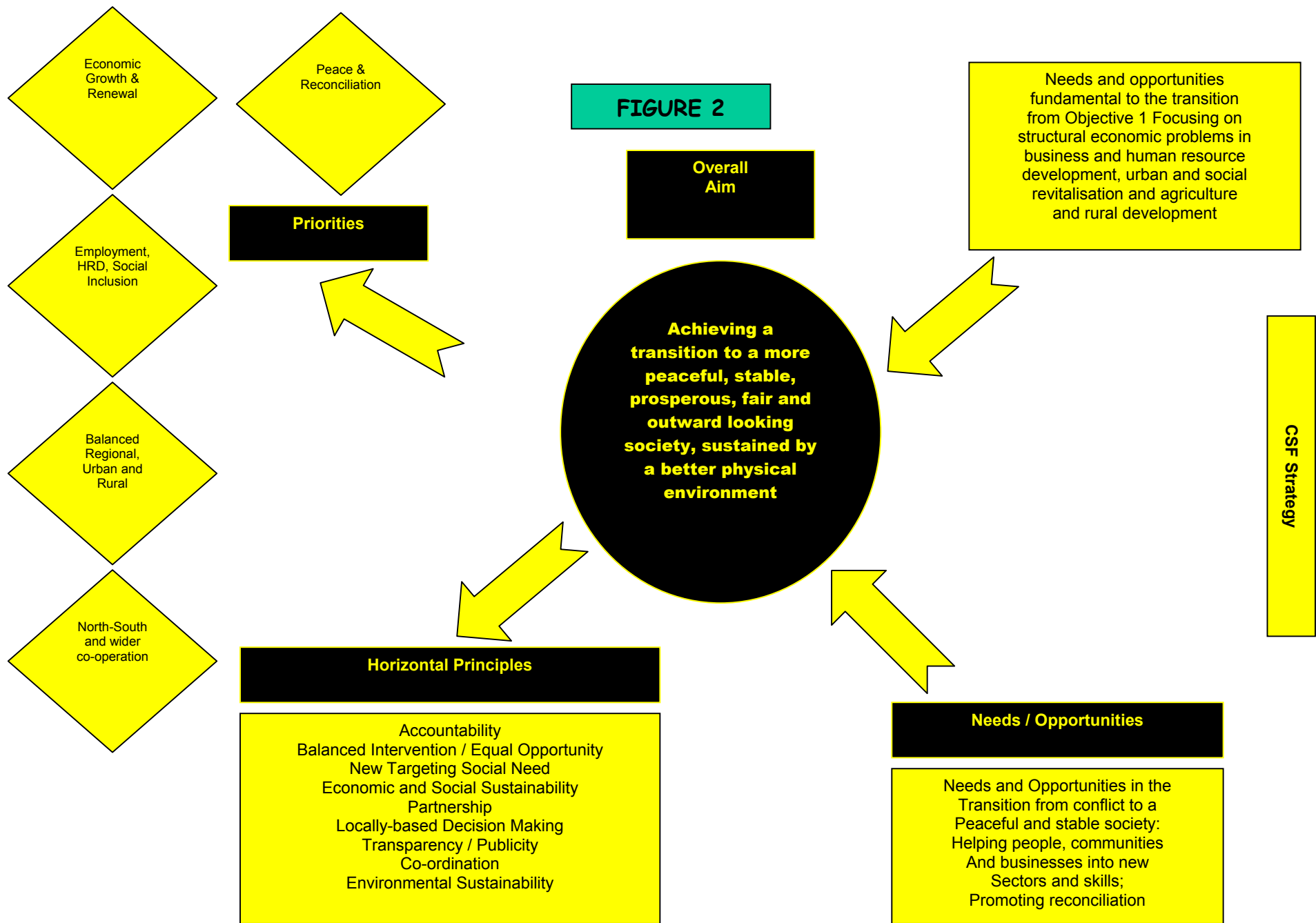
FIGURE 1



2.5 Community Support Framework Development Strategy

The Community Support Framework (CSF) for Northern Ireland Structural Funds takes into account the needs and opportunities of the region and the context within which the region and the two Structural Funds have to operate. The CSF's aim is to achieve a transition to a more peaceful, stable, prosperous, fair and outward looking society, sustained by a better physical environment. The CSF has translated this aim into 5 Priorities and 9 Horizontal Principles (Figure 2, page 9).

In line with the horizontal principle of co-ordination the CSF aims to balance the need for the two Operational Programmes to operate in an integrated and complementary fashion.



2.6 Programme for Government

On 10 December 2001 the First Minister and Deputy First Minister, issued on behalf of the Northern Ireland Executive, the Programme for Government. This set out their vision, as recorded in the Belfast Agreement, of a peaceful, inclusive, prosperous, stable and fair society together with their proposed strategic aims and priorities to be pursued, working with and for all the people of Northern Ireland.

The Northern Ireland Programme for Building Sustainable Prosperity and the EU Programme for Peace and Reconciliation in Northern Ireland and the Border Region of Ireland represent the convergence of the Executive Committee's strategic objectives and spending priorities with those of the European Union supported by Structural Funds.

The Northern Ireland Executive retains a close interest in the allocation and management of the Structural Funds in Northern Ireland. The Minister of Finance and Personnel chairs the Community Support Framework (CSF) Monitoring Committee, which is tasked with overseeing all of the Structural Funds including The Northern Ireland Programme for Building Sustainable Prosperity, PEACE II and the Community Initiatives. The two Junior Ministers represent the Office of the First Minister and Deputy First Minister on the CSF Monitoring Committee and are each Deputy Chairs of the Committee.

The Programme for Government commits the NI Executive to strengthening and developing links on an East/West and North/South basis. The overall aim of promoting economic, social and cultural cross-border co-operation is reflected in the Community Support Framework through the inclusion of Priority 4: North South and Wider Co-operation as one of the CSF strategic priorities which will govern the implementation of the PEACE II and Building Sustainable Prosperity Programmes.

As well as tackling the possible areas of North/South Co-operation, Priority 4 will also address East-West Co-operation so that Northern Ireland can progressively develop and increase its degree of involvement in wider European and International networks of co-operation.

3. REVIEW OF GENERAL CONDITIONS AS THEY AFFECT THE APPLICATION OF THE CSF

3.1 General Description of the Region

Northern Ireland is the smallest of the 4 devolved administrations of the United Kingdom in terms of both land area (13,576 km) and population (1,697,800). Its population density (125 per persons per square km) is lower than those of England and Wales but higher than that of Scotland and of the EU as a whole (117 persons per square km in 1998). Although a peripheral region within the European Union, Northern Ireland is the only part of the United Kingdom which shares a land border with another Member State (Ireland).

3.2 Socio-economic Review

To the end of 2001 there has not been any significant change in the socio-economic conditions of the eligible areas that requires amendment to be made to the assistance available. The activities and actions planned under the CSF are still highly relevant.

Northern Ireland GDP per capita remains around 80% of the UK average and in 1998 was 77% of the EU average. Despite growth in manufacturing output between 1999 and 2000, NI has not escaped the impact of the worldwide economic recession resulting in an 8.8% decline in output between 2000 and 2001. The numbers in employment in NI has continued to rise, however most of this

increase has been due to an increase in part-time employment. Unemployment has decreased but remains higher than the UK average and, although also declining, long-term unemployment is still a persistent problem. In 1999, the unemployment rate in Northern Ireland was the same as the rate for the EU as a whole (9.4%). During the same year, long-term unemployed represented 49% of all unemployed in the EU and 41% of all unemployed in Northern Ireland. Social Security Benefits accounted for 22% of NI household income in 1999/2000 compared with 12% in the UK. NI earnings as a percentage of the UK fell slightly between 1999 and 2001.

Main Changes Since the Implementation of the CSF

GDP

In relation to the macro-economic measure, Gross Domestic Product (GDP), the Northern Ireland economy has weakened slightly, relative to the UK average, since the ex ante was produced in 1999/2000. Northern Ireland GDP per head decreased from 80.1% of the UK average in 1997 to 77.5% in 1999.

Estimates of GDP for the regions of the UK including Northern Ireland, up to and including the year 2000, were due for release by the Office for National Statistics (ONS) in May 2002. ONS have decided to defer the publication of the regional GDP Statistics for 2000 until Autumn 2002. When the statistics become available these will be appended to both this report and the Operational Programmes Annual Reports.

Output

Northern Ireland manufacturing output continued to grow throughout 1999 and 2000. However, it is clear that Northern Ireland experienced the effects of the recent worldwide economic downturn. This was evident even before the events of September 11th. Throughout 2001 there was a continual decrease in the Northern Ireland index of manufacturing output. Between 2000 and 2001 NI manufacturing output fell by 8.8%. This compares with a fall of 5.7% for the UK as a whole.

The fall in Northern Ireland's manufacturing output can largely be attributed to substantial decreases in the output of the Electrical and Optical Equipment industries. Furthermore, the aerospace company Shorts, which is a major employer within the region and within the Belfast area specifically, has been particularly adversely affected by recent economic events.

The latest Confederation of British Industry (CBI) *Business Confidence Survey* reports that '*confidence in the Northern Ireland economy is still low, particularly among manufacturers*'.

On a more positive note, the output of the Food, Drink & Tobacco and Chemicals & Chemical Product industries continued to grow throughout 2001.

Productivity

In each of the four years, 1996 to 1999, Northern Ireland had the lowest level of Gross Value Added (GVA) per hour worked amongst

all the UK regions and devolved administrations. In 1999, Northern Ireland's GVA per hour worked was only 83.5% of the UK average.

Employment and Unemployment

The number of people in employment continued to increase in recent years. Between December 2000 and December 2001 the number of employee jobs in Northern Ireland increased by 2% to 652,410. However, it should be noted that the majority of this increase was in part-time employment which increased by 4.6%. Over the same period, the number of full time employee jobs increased by less than 1%. In addition, the number of manufacturing jobs decreased by 4.2%. The service sector continues to account for more than three quarters of all employee jobs in Northern Ireland.

The Northern Ireland ILO unemployment rate decreased from 7.4% in Spring 1999 to 6.2% in Spring 2001. In comparison, the UK unemployment rate decreased from 6.2% to 4.9%, over the same period. Long-term unemployment (LTU) has been a persistent problem in Northern Ireland and although the LTU rate decreased, it still remained one of the highest (43.5%) of any of the UK regional economies. Furthermore, the long-term unemployment rate of persons aged 35 and over (54%) was much higher than the average.

Those unemployed for 2 years or more accounted for 28% of Northern Ireland's total unemployed.

In addition to this general labour market information the CSF contains a list of specific contextual labour market indicators, which will be updated yearly in the Annual Implementation Report. These will provide background information on changes in the labour market as they may affect the implementation of the CSF.

Labour Market Contextual Indicators ¹

Employment	Males	Females	All Persons
1. Employment Growth (1999 -2000) (Winter 00/01 - winter 01/02)	0.5% -1.5%	-6.1% 2.6%	-2.3% 0.28%
2. Employment Rate Autumn 1999: In Employment Economic activity Winter 2001/02: In Employment Economic activity	73.3% 79.0% 72.4% 78.1%	61.1% 64.6% 60.8% 60.7%	67.3% 72.0% 66.7% 71.0%
3. Employment Gender Gap Spring 2000 Total in Employment Economic Activity Winter 2001/02: Total in Employment Economic Activity	385,000 415,000 393,000 424,000	306,000 323,000 315,000 329,000	691,000 738,000 708,000 753,000
4. Employment Rate for 55-65 year olds. Autumn 2000 Employment age 50+ Winter 2001/02 Employment age 50+	86,000 86,000	58,000 58,000	144,000 144,000
5. Employee Jobs* December 2000 December 2001	N/A N/A	N/A N/A	634,680 647,570
Unemployment			
6. Unemployment Rate Autumn 1999 Winter 2000/01	7.7% 7.0%	5.5% 4.4%	6.7% 5.9%
7. Youth Unemployment* (18 - 24yr olds) Spring 2000 Totals % of total unemployed Dec. 2001 Totals % of total unemployed	7,493 23.2% 7,177 25.4%	3,361 35.2% 3,075 37.1%	10,854 25.9% 10,252 28%
8. Unemployment Gender Gap Autumn 1999 ILO Unemployment ILO Unemployment rate Winter 2001/02: ILO Unemployment ILO Unemployment rate	30,000 7.1% 30,000 7.0%	17,000 5.3% 14,000 4.4%	47,000 6.3% 44,000 5.9%
9. Long-term unemployment** May 2000 No. of persons LTU as % of total unemployed December 2001 No. of persons LTU as % of total unemployed	11,633 36% 9,451 33.4%	2,059 21.6% 1,838 22.2%	13,697 32.7% 11,289 30.9%

* *Seasonally adjusted*

** *Based on claimant count trends.*

1. Source Northern Ireland Labour Market Statistics, April 2001 and April 2002, Department of Enterprise, Trade & Investment.

Labour market statistics show that overall employment grew very slightly (less than half a percent) between winter 2000/01 and winter 2001/02. However, within this period male employment actually fell by 1.5%, whilst female employment increased by around 2.5%. Activity rates for both males and females were slightly lower in winter 2001/02 compared with spring 2000.

The unemployment rate for all persons was 5.9% in winter 2001/02 compared with 6.7% in autumn 1999. Both male and female unemployment rates were lower in 2001/02 than in 1999. The number of unemployed youths (aged 18 -24) was also lower in 2001 than in 2000. However, the fall in youth unemployment was not as large as the fall in total unemployment, hence the youth unemployment rate was higher in 2001 than in 2000. On a positive note, the long-term unemployment rate was almost 2% points lower in December 2001, at 30.9% than in May 2000.

Income

The proportion of NI household income accounted for by wages and salaries or from self-employment income decreased from 73% in 1997-98 to 69% in 1999-2000. Over the same period, the UK average increased from 75% to 76%. Conversely, social security benefits accounted for 20% of total NI household income in 1997-98, increasing to 22% in 1999-2000. By contrast, the UK average attributable to social security benefits decreased from 13% to 12% over the same period.

The UK Department of Trade and Industry use the proportion of income support claimants within a region as a measure of social deprivation. Throughout the period 1997 to May 2001 Northern Ireland had the highest proportion of income support claimants among all the UK regions and countries. In May 2001, 13.7% of the NI population aged 16 and over were claiming income support.

In addition, the disparity in average salaries between Northern Ireland and the United Kingdom has grown since the agreement of the BSP Programme. NI average gross weekly earnings for men decreased from 85% of the UK average to 83.8%, over the period 1999 to 2001. NI female earnings decreased from 90% of the UK average to 88.1%, over the same period.

Foot and Mouth Disease

During 2001, the agriculture sector was affected by the outbreaks of foot and mouth disease throughout the UK. However, the effects of foot and mouth disease in Northern Ireland were much shorter and less severe than in the rest of the UK. Nonetheless the overall performance of Measure 4.1 of the BSP Programme and the achievement of targets for this Measure has been affected by the closure of Agricultural Colleges in 2001 due to the Foot and Mouth disease. The first outbreak of Foot and Mouth disease occurred in Northern Ireland in February 2001. In an attempt to minimise the risk of spreading the disease further, the Department of Agriculture and Rural Development decided to temporarily close the three DARD Colleges. The delivery of all the

vocational education programmes ceased at the Colleges, in the short-term, to facilitate the increased biosecurity measures and people movement restrictions that were in place in all agricultural establishments in NI. Although the Colleges reopened for some activities the provision of training through short courses did not resume until October 2001. At this point the short course programmes were once again delivered to the farming community but on a reduced scale due to restrictions placed on certain courses. Normal delivery, with full participation, in short course programmes did not resume until January/February 2002.

As a result, the training targets for the period February to October 2001 could not have been met and the final annual targets achieved were significantly lower than estimated.

Following a prolonged period of decline, total income from farming (TIFF) rose by 64% over the year 2000 to 2001. Whilst this is a substantial increase, it is worth noting that this returns TIFF in real terms to the average levels for the early 1990s.

Telecommunications Sector

The severe downturn in the Telecommunications sector, due to a general lack of confidence in the stock markets, has had a marked effect on Measure 1.7 of the BSP Programme. The past number of months has seen a significant downturn in the telecommunications sector. At the beginning of 2000 there was a high level of optimism in terms of technological advances and the rapid

expansion of the telecoms industry. The telecoms market was characterised by its ability to develop new services and markets. More recently the rapid growth in mobile and Internet markets led to an expectation of a similar acceleration in new service rollout and take up. However this has not proved to be the case. Companies are no longer focused on expansion but rather on managing debt that has been built up through funding aggressive expansion programmes, maintaining their customer base and ensuring overall efficiency. The slowdown in several major economies has further depressed prospects for growth in the telecommunications sector.

State Aids clearance is still an issue for this Measure. The Management Authority is confident that this will be resolved in 2002.

Tourism

The implementation of the Tourism Measures in both Operational Programmes to the end of 2001 has been affected by the uncertainty created by both the foot and mouth disease and the events of September 11th.

The Northern Ireland Tourist Board implemented a series of measures to redress the negative impact of the foot and mouth outbreak on the Northern Ireland tourism industry and specifically:- to ensure damage limitation in the immediate term, restore consumer confidence in visiting Northern Ireland once the

outbreak has been contained and provide selling platforms to help the industry regain business. This took the form of a proactive public relations campaign on awareness of what consumers can still do and dispelling misconceptions eg Northern Ireland food shortage/danger to tourists; identification of segments where current limitations do not impact on quality of experience and the development of tactical selling platforms for Northern Ireland Industry to sustain business for the duration of the crisis eg: Scottish and North of England markets. During the foot and mouth crisis to sustain the domestic and Republic of Ireland markets, NITB undertook a major television and press advertising campaign to make visitors aware that Northern Ireland remained open for business.

September 11th had far reaching consequences for the global aviation industry and in air transport provision in Northern Ireland over the past year. These include the withdrawal of British Airways shuttle service from Belfast to London Heathrow; the end of Sabena three times daily service from Belfast International to Brussels and the post September 11th withdrawal of the Aer Lingus Belfast International to Shannon/New York service.

In light of these and other changes, NITB commissioned a Northern Ireland Air Access Review, the final report to be published in January 2002. This report took an in-depth look at the current air access provision to Northern Ireland and its current level of industry, its structures and trends and its impact on tourism. The report concluded with an examination of tourism

growth opportunities arising from an increase in air access to Northern Ireland.

Peace and Reconciliation/Community Relations

The CSF contains a set of context indicators relevant to the specific social and economic context of Northern Ireland i.e. - levels of violence; community relations; integration and division; and the economy. As these are 'macro' level indicators they are subject to a wide range of extraneous factors. However, they provide useful background information on social and economic change in the region which should be considered in relation to the implementation of the CSF assistance. Changes in these indicators are detailed and discussed within Section 6 of this report (Review of CSF Priority Level indicators).

4. PROGRESS IN THE IMPLEMENTATION OF THE CSF

4.1 Review of BSP Annual Implementation Report 2001

Delays in the agreement of the Operational Programme and Programme Complement have contributed to the slow progress during 2001 in the Implementation of the BSP Operational Programme. Additionally an Equality Impact Assessment of the EU Structural Funds was required to be carried out by the Managing Authority via the new equality legislation introduced under Section 75 of the Northern Ireland Act 1998.

Another factor in the delay has been the mechanics of project selection. All projects are subject to an economic appraisal requirement. For projects over £250K of public funding a full economic appraisal is required. For projects less than £250K economic appraisals are carried out through a desk assessment of information on the application form. All appraisals are carried out independently by the Implementing Bodies and not by the project themselves. The subsequent setting up and agreement to selection procedures and selection panels has also been a time-consuming process.

The BSP Monitoring Committee met a total of 8 times during 2001 to address these issues before project selection criteria and the work on the general application processes were finalised by the Managing Authority. The BSP Monitoring Committee took a great interest in the Programme Complement indicators and the details

of a number of Measures including 1.4, Local Economic Development and 3.4, Investing in Early Learning.

Although the European Commission did not formally adopt the CSF until December 2000, the negotiation mandate for BSP was received from the Commission in August 2000. This required a substantial rewriting of the Programme to bring it into line with the CSF. This revision was completed and entered the Commission's inter-service consultation on 8 December 2000.

Negotiations and redrafting of the Programme concluded with the adoption of the Programme on 21 March 2001. The Programme Complement was developed, approved by the BSP Operational Programme Monitoring Committee and submitted to the European Commission on 22 June 2001 in accordance with Article 15.6 of Regulation 1260/1999. The European Commission subsequently requested a number of amendments to the Programme Complement in a letter dated 16 October 2001.

Since agreement of the Programme Complement by the BSP Monitoring Committee in June 2001, projects have been identified for support which incurred expenditure for both the calendar years 2000 and 2001, although selection processes were not completed in this period. Consequently Departments have reported financial and physical implementation for the year 2000 and 2001 but, it should be noted that in the period covered by this Annual Report, no expenditure had been declared as actually paid and certified by the Paying Authorities for each of the funds.

The BSP Annual Implementation Report was approved by the BSP Monitoring Committee on 27 June 2002. On 29 July 2002, the European Commission confirmed that the report met the requirements of Article 37 of Regulation EC 1260/1999. The Commission accepted that the report gives a broad picture of the implementation of the BSP Programme.

Progress on Implementation of BSP Priorities and Measures

A full list of Priorities and Measures for the BSP Programme can be found in the Table 2 page 27. This also includes eligible expenditure per Measure for 2000 and 2001.

Priority 1	Economic Development	Total Eligible Expenditure		
		Year 2000	Year 2001	2000/2001
Measure 1.1	Business Support	18.001	16.856	34.857
Measure 1.2	Research & Technology Support	15.422	15.836	31.258
Measure 1.3	Tourism	12.009	12.547	24.556
Measure 1.4	Local Economic Development	0	1.807	1.807
Measure 1.5	Information Society	0.908	4.005	4.913
Measure 1.6	Roads & Transport	0	2.306	2.306
Measure 1.7	Telecoms	0	0	0
Measure 1.8	Energy	0	0	0
Priority 1 Totals		46.34	53.357	99.697
Priority 2	Employment	Total Eligible Expenditure		
		Year 2000	Year 2001	2000/2001
Measure 2.1	Education & Skills Development	11.42	24.91	36.33
Measure 2.2	Tackling Flows into Long-term Unemployment	0.144	0.408	0.552
Measure 2.3	Promoting a Labour Market Open to All	9.611	19.223	28.834
Measure 2.4	Improving Opportunities	0	7.161	7.161
Measure 2.5	Education/Training ICT & Infrastructure	0	0	0
Measure 2.6	Developing Entrepreneurship	0	0.239	0.239
Measure 2.7	HRD in Companies	3.689	7.376	11.065
Measure 2.8	Advancement of Women	0.411	1.232	1.643
Priority 2 Totals		25.275	60.549	85.824
Priority 3	Urban & Social Revitalisation	Total Eligible Expenditure		
		Year 2000	Year 2001	2000/2001
Measure 3.1	Urban Revitalisation	0	0	0
Measure 3.2	Advice & Information Services	0	0.028	0.028
Measure 3.3	Community Sustainability	0	0	0
Measure 3.4	Investing in Early Learning	0.580	0	0.580
Priority 3 Totals		0.580	0.028	0.608
Priority 4	Agriculture, Rural Development, Forestry & Fisheries	Total Eligible Expenditure		
		Year 2000	Year 2001	2000/2001
Measure 4.1	Agricultural Training	2.726	2.394	5.120
Measure 4.2	Improving Processing & Marketing	0	0	0
Measure 4.3	Forestry	0.170	0.090	0.260
Measure 4.4	Farm Relief & Management Services	0	0	0
Measure 4.5	Marketing of Quality Agricultural Products	0	0	0
Measure 4.6	Basic Services for the Rural Economy	0	0	0
Measure 4.7	Renovation & Development of Villages	0	0	0
Measure 4.8	Diversification of Agricultural Activities	0	0	0
Measure 4.9	Development & Improvement Infrastructure	0	0	0
Measure 4.10	Encouragement for Tourism & Craft Activities	0	0	0
Measure 4.11	Protection of the Environment	0	0	0
Measure 4.12	Financial Engineering	0	0	0
Measure 4.13	Fisheries	0	0	0
Priority 4 Totals		2.896	2.484	5.380
Priority 5	Environment	Total Eligible Expenditure		
		Year 2000	Year 2001	2000/2001
Measure 5.1	Management, Protection & Enhancement	5.580	13.758	19.338
Priority 5 Totals		5.580	13.758	19.338

Priority 1: Economic Growth and Competitiveness

The Department of Enterprise, Trade and Investment (DETI) is responsible for the implementation of all Measures, with the exception of Measure 1.6 (Roads and Transport) which is the responsibility of the Department for Regional Development.

Under this Priority, the Measures are designed to meet the objective of securing a competitive economy through:-

- promoting competitiveness, enterprise, innovation and creativity;
- making Northern Ireland more attractive for inward investment; and
- increasing Northern Ireland's attractiveness to visitors.

The ERDF allocation to Priority 1 is 351 meuro (sterling equivalent @1.55 = £188m which is distributed over 8 Measures).

With the exception of Measure 1.4 (Local Economic Development), the total allocation will be used to co-finance existing Government schemes as follow through activity from those funded under the NI Single Programme. Departmental businesses confirm that the funds have been used in accordance with the principles of sound management and regular monitoring will ensure compliance with relevant EC Regulations. No significant problems have been encountered to date.

The launch of Invest NI in April 2002 will be a major change in DETI. Its imminent creation had some impact on spending during 2001 but this should be regained quickly once the organisation is operational. Overall the Priority is on line to meet the degressive profile of ERDF funding under the BSP Programme and steady progress is being made towards meeting targets.

The severe downturn in the Telecommunications sector, due to the lack of confidence in the stock markets, has had a marked effect on Telecommunications, Measure 1.7. Further information on the effects of this downturn can be found in Section 3 of this report.

State Aids clearance is still an issue for this Measure. The Managing Authority is confident that this will be resolved in 2002.

In the case of Measure 1.6, (Roads and Transport) DRD Roads Service has identified the four bypass schemes included within their Construction/Preparation Pool which they would expect would utilise their BSP allocation. Of these 4 schemes, construction of all 4 is underway, with some 14km of new carriageway under construction.

Priority 2: Employment

The Department for Employment and Learning (DEL) is the Implementing Body for the seven ESF Measures and one ERDF Measure within Priority 2 of the BSP Programme.

On 8 November 2001, at the launch of European Social Funding for training and employment projects, the Minister for the Department for Employment and Learning invited applications for funding under Measure 2.1, (Education Skills Development), Measure 2.2, (Tackling the flows into long-term Unemployment), Measure 2.3 (Promoting a labour market open to all) and Measure 2.6 (Developing entrepreneurship) of the Employment Priority of the BSP Programme. Assistance was offered for up to two years when a further call for project applications would be made.

The Employment Priority implements the European Employment Strategy through actions identified in UK policy frame of reference and the UK National Action Plan. Sufficient project information is not yet available to report on the Horizontal Principles progress. It is anticipated that the 2002 Annual Implementation Report will report on the impact of the Programme actions on the horizontal principles.

Action has been undertaken in 5 key areas which correspond to the 5 key policy fields. These are implemented through the following Measures in Priority 2:-

Measures 2.1 and 2.2	Education and Skills Development; Tackling the Flows into Long-term Employment
Measure 2.3	Promoting Equal Opportunities For All Accessing the Labour Market

Measures 2.4 and 2.5	Promoting and Improving Life-long Learning
Measures 2.6 and 2.7	Developing Entrepreneurship
Measure 2.8	The Advancement of Women

European Unit, DEL also designed a comprehensive ESF Promoter's Operating Manual (2000-2006) which has been available on the DEL Website since 12 November 2001. The Manual is in two parts: Part 1 explains the ESF funding requirements and general ESF rules and provides information to help applicants apply for assistance: Part 2 is intended to complement this guidance by providing information to help a project sponsor manage a project throughout its lifetime ie a cradle to grave approach. A helpdesk was set up by European Unit to provide advice and guidance to applicants using the DEL Website and completing applications for ESF assistance.

The closing date for applications under Measure 2.1, 2.2, 2.3 and 2.6 was 28 December 2001 by which date a total of 139 applications had been received from voluntary, community, private, Further Education and University sector applicants. Two applications were received from the Jobskills Programme as two strands of the Government provision, 'Traineeships' and 'Access' are co-financed under Measures 2.1 and 2.3 respectively. Eighty five per cent of the applications (Parts A and B) were completed in electronic format.

Selection procedures for BSP ESF Measures are clearly defined in the ESF Promoter's Operating Manual.

Priority 3: Urban and Social Revitalisation

The Department for Social Development (DSD) has responsibility for Measures 3.1 (Urban Revitalisation), Measure 3.2 (Advice and Information Service) and Measure 3.3 (Community Sustainability) and the Department of Education for Measure 3.4 (Investing in Early Learning). The ex-ante evaluation shows the need for action for urban and social revitalisation by reference to the effect of the Troubles, including the impact on the physical, social and economic conditions of cities, the creation of employment opportunities and the removal of barriers to access to employment created by occupational work force and residential segregation, the need to create more places where people can meet together and the need to address disadvantage and exclusion. Although not in the period covered by this report a call for applications was made under Measure 3.2 (Advice and Information Services) in January 2002 with a closing date of 19 February.

There is very limited spend and there is no quantified indicator data available at this stage for Measures 3.1, 3.2 and 3.3 within this Priority. DSD will be in a position to provide this information in the Annual Report for 2002.

For Measure 3.4 (Investing in Early Learning) by the end of 2001 over 40 per cent of the measure output target for nursery units

completed has been achieved resulting in the provision of some 850 additional nursery places. It is expected that the measure output target of 48 nursery units completed and result target of 1,768 pre-school places available will be achieved by September 2004.

Priority 4: Agriculture, Rural Development, Forestry and Fisheries

The Department of Agriculture and Rural Development is the Implementing Body within Priority 4 of the BSP Programme. Eight of the Measures within this Priority will be delivered as part of the Department of Agriculture and Rural Development's Rural Development Programme. The Rural Development Programme provides an integrated and comprehensive strategy that will support a wide range of rural development projects.

In the delivery of the Measures within this Priority, the Department of Agriculture and Rural Development will continue to liaise closely with strategies and partnerships at local level and will continue to engage with local authorities, the community and voluntary sector and representatives of the private sector.

During 2001, the Agriculture sector was affected by the outbreaks of foot and mouth disease throughout the UK. Information on how foot and mouth disease affected Measure 4.1, Training is contained in Section 3 of this report Page 19.

BSP Measure 4.3 (Forestry), supports the planting and natural regeneration of trees on non-agricultural land as well as supporting a range of work in existing woodlands. Total eligible expenditure under this Measure was in the region of €170,500 (£110,000) in 2000 and €89,900 (£58,000) in 2001. Just over 10 per cent of the Measure target of projects assisted has been achieved by the end of 2001. Over one third of the result indicator target for hectares of afforestation has been achieved.

There was no expenditure incurred under the other Measures in this priority.

Priority 5: The Environment

The Department of Environment and the Department for Regional Development share responsibility for the management of Priority 5 of the BSP Programme.

The ex-ante appraisal identifies a number of weaknesses in Northern Ireland's environment including diminished landscape quality, low woodland cover, loss of certain habitats, low levels of waste reduction and recycling and nutrient enrichment of waters. Northern Ireland's clean and green image can be maintained only by keeping environmental issues to the fore, by increasing environmental development opportunities and by focusing investment on effective remedial action. The Environment Priority of the BSP Programme will take action to:-

- correct existing environmental problems;
- understand and manage the growing pressures on the environment; and
- develop a proper awareness and understanding of the environment.

Water Service will be delivering appropriate Measures through its existing Capital Works Programme and are currently progressing standard Part A electronic applications for 3 Water Treatment Schemes and 2 Sewage Treatment Schemes to be included in the BSP Programme and hope to issue Letters of Offer in the near future. Construction of 4 of the potential schemes is under way.

Projects specific to water treatment and waste water treatment were considered on the basis of the requirements of the OP including the Horizontal Principal requirements of environmental sustainability and equal opportunities. This Measure is on course to meet its target with one water treatment scheme substantially completed and the target number of sewerage treatment schemes (two) substantially completed by end 2001.

Progress Towards N+2

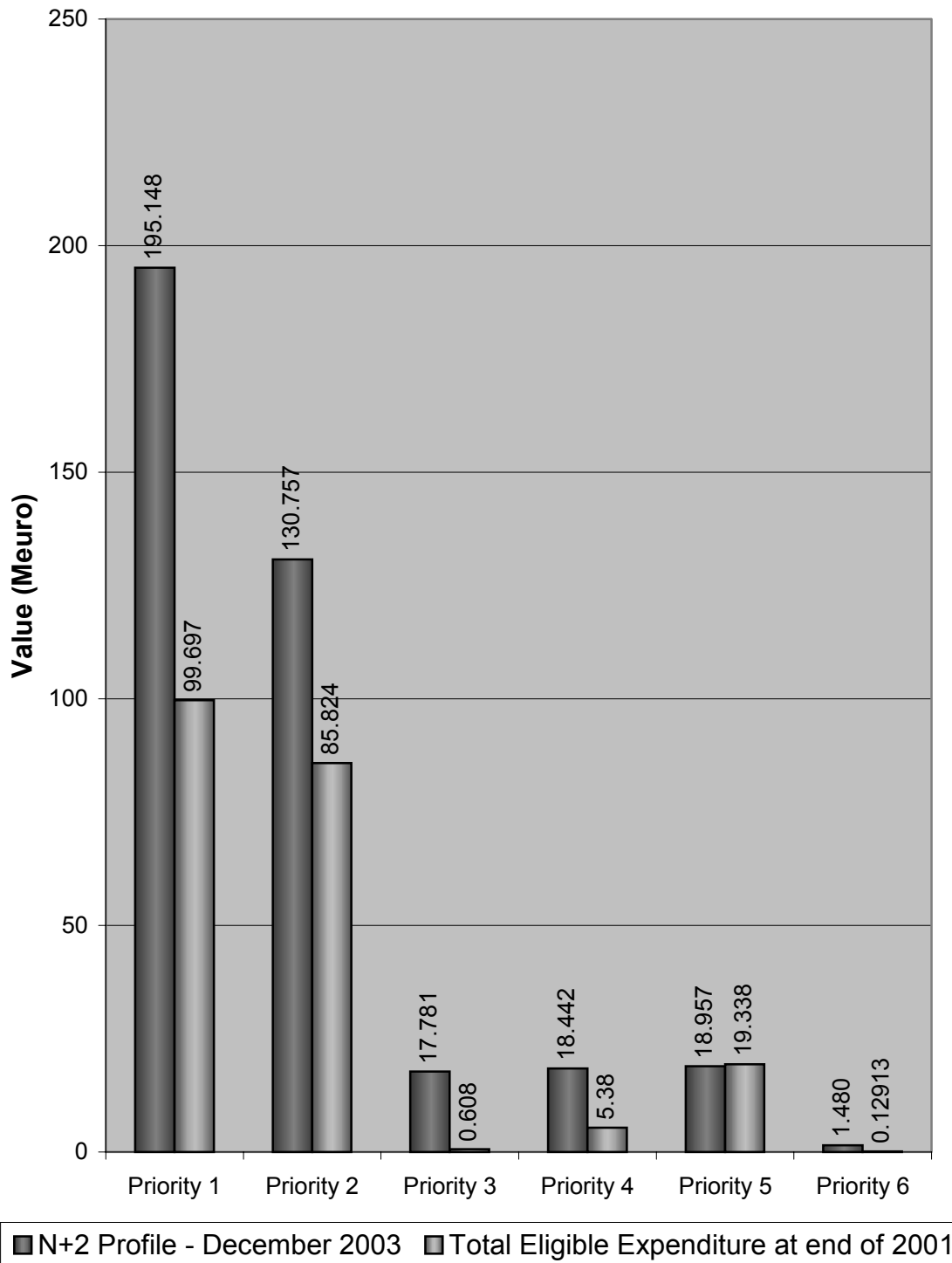
The BSP Programme is required to meet the N+2 profile as determined in the Structural Funds Regulations. Under the previous round of Structural Funds 1994-1999, unused allocations could be reprofiled for expenditure later in the life of a programme. The N+2 requirement means that this "end-loading" of

programmes is no longer possible. Once an annual commitment is opened it must be fully utilised within 2 years. In the case of the BSP Programmes this means that the financial allocations for 2000 and 2001 must be fully utilised by December 2003 or unused funds will be decommitted.

The Programme should have incurred eligible expenditure and made associated claims to the Commission to the value of €383 million (£247 million) by December 2003. As the Programme is largely comprised of Departmental schemes some expenditure has been ongoing since 1 January 2000. Figures supplied by Departments for the 2001 BSP Annual Implementation Report show anticipated expenditure over the two years 2000 and 2001 of respectively €80 million (£52 million approximately) and €130 million (£84 million approximately). On this basis, it is anticipated that the BSP Programme should meet its targets but a closure scrutiny will have to be maintained on the performance of individual Priorities and funds. A breakdown of the N+2 profile against actual eligible expenditure for each Priority is shown on page 37.

TABLE 3

**Progress on N+2 Profile
BSP Operational Programme**



Review of BSP Performance Indicators

The BSP Monitoring Committee asked NISRA and the consultancy firm DTZ Piedad to undertake a review of the indicators included in the Operational Programme Complement with a view to ensuring the indicators contributed effectively to the monitoring of the medium and long-term impacts of the Programmes. The findings of the review were presented to the BSP Monitoring Committee in September 2001. Following consultation and approval from the Committee it is anticipated the findings of this work will be incorporated into an updated version of the Programme Complement in 2002.

Technical Assistance

In 2001 BSP Technical Assistance costs were used mainly to support a number of Information and Publicity projects which included the official launch of the Operational Programmes on 22 March 2001 and the subsequent publication of the key documents.

The Equality Impact Assessment (EIA) Consultation Conference organised by European Division in May 2001 also attracted support, as will the publication of the EIA itself. Technical Assistance also assisted the domestic support for the work of the CSF and BSP Monitoring Committees (in total there were 12 meetings and 2 training events) throughout the year.

The Website based Applications Database for BSP (www.eugrants.org) is also supported under this Measure as part of the implementation of the Programme.

The table below shows amounts of BSP Technical Assistance expenditure during 2001.

TOTAL OVERALL BSP TECHNICAL ASSISTANCE COSTS DURING 2000 AND 2001

		(Figures in Euros)
1.	Information and Publicity	€146,642
2.	Interim Monitoring Committee Meetings and Training Day	€5,755
3.	Monitoring Committee Work Programme	€47,573
	TOTAL	€199,970

Note:

1.	Information and Publicity includes:-
	Colloquy Event, Galgorm Manor, Ballymena, January 2001; Launch of European Programmes, Stormont, March 2001; Development, Design, Installation of Applications Database; Development, Design, Installation of Website; Design, Development and Printing of Publications (including Structural Fund Plans, Operational Programmes).
2.	Interim Monitoring Committee Meetings include:-
	Interim CSF Meeting held in December 2000; Interim BSP Meeting held in February 2001; 1½ training days for CSF and BSP Monitoring Committee Members - 8-9 February 2001.
3.	Monitoring Committee Work Programme 2001:-
	Formal CSF Monitoring Committee meetings (4); Formal BSP Monitoring Committee meetings (8); Equality Impact Assessment Consultation Conference May 2001; ECOTEC Research and Consulting Ex-ante Environmental Appraisal Environmental Training Seminars.

Annual Review Meeting

The BSP and CSF Managing Authority will discuss the 2001 BSP Annual Implementation Report and emerging issues with the European Commission and Implementing Departments at the Annual Review meeting scheduled for late October/early November 2002.

4.2 Review of PEACE II Annual Implementation Report 2001

Background

The EU Programme for Peace and Reconciliation in Northern Ireland and the Border Region of Ireland (2000-2004) (PEACE II Programme) is a distinctive European Union Structural Funds Programme aimed at reinforcing progress towards a peaceful and stable society and to promote reconciliation.

It is intended to assist Northern Ireland and the Border Region of Ireland to address the legacy of the violence of the past 30 years and to take advantage of opportunities arising from the peace process. It carries forward the distinctive aspects of the EU Special Support Programme for Peace and Reconciliation (1995-1999) ("Programme for Peace and Reconciliation" or "PEACE I" Community Initiative) with a new economic focus.

The PEACE II Programme was adopted in March 2001 and the Programme Complement agreed by the Monitoring Committee in June 2001. The transparency associated with the Programme required the involvement of the Northern Ireland Executive in

endorsing the Intermediary Funding Body and Local Strategy Partnership arrangements. The late opening of Measures towards the end of the year has meant that there is no expenditure to record in 2001 and no performance by means of movement in indicators to report. However very extensive work has been undertaken in establishing the implementation, management and monitoring arrangements to be followed and in promoting the Programme. The European Union has committed €530 meuro to the PEACE II Programme of which €425 meuro (80%) relates to Northern Ireland. It is this part of the Programme that is governed by the Northern Ireland CSF the balance of €106 meuro relates to the border region of Ireland and contributes to the Irish NDP/CSF.

The PEACE II Annual Implementation Report for 2001 was approved by written procedure by the PEACE II Monitoring Committee on 5 August 2002 and formally submitted to the European Commission on 9 August 2002.

The PEACE II Programme is distinctive not only because it addresses the specific sectors of Northern Ireland and the Border Region economy and society most affected by the legacy of 30 years of violent conflict, but also by virtue of the unique combination of actors involved in its delivery. During the course of 2001, the complex structures to allow this bottom up, participative approach to delivery were established. These arrangements took time to develop and put in place.

They represent not only the appropriate delivery of the Programme, but are critical sustainable evidence of the effects of the Programme intended to outlive it and provide the basis for new local decision making that extends beyond the demands of PEACE II and European Funding. By the end of 2001, the tendering process to select Intermediary Funding Bodies (IFBs) was completed and most were in a position to make calls for projects. Work on Local Strategy Partnerships (LSPs) was well advanced. During this period Interim Funding arrangements were put in place to assist those projects likely to be eligible for support under Peace II make the transition from PEACE I. Once the first round of the selection process concludes, it is expected that projects will have been identified for support which incurred expenditure for both the calendar years 2000 and 2001.

Reallocation of Funds

Of those Measures open at the end of the period, it is evident that a number are attracting a high rate of application, for example the cross border Measures 5.1 and 5.3. This would give any early signal that some reallocation of funds may be necessary particularly at the time of the mid-term review.

Training

Good evidence is cited throughout the PEACE II report of the training and preparation of those engaged to deliver the Programme. This included, for example, consultancy support to

assist transition teams prepare for the formation of Local Strategy Partnerships. However, extensive training was also given on technical matters which included on sustainable development, the environment, the briefing and operation of selection panels, EU regulations, practical support IFBs and LSPs in their requirements for publicity. The AIR reports evidence of the preparation work undertaken by IFBs in advance of calls for projects to ensure a strong uptake when applications could be invited. Detailed guidance has been given in the matter of the selection process and the centrality of the PEACE distinctiveness criteria in the scoring of projects.

Progress on the Implementation of PEACE II Priorities and Measures

Priority 1: Economic Renewal Priority

The aim of this Priority is to realise the economic opportunities which Peace brings while at the same time meeting the challenge of replacing employment which will be lost in traditional sectors and assisting individuals employed in those sectors in making the transition to other sustainable employment.

The following Implementing Bodies have been approved for Measures within this Priority as follows:-

1.3	New Skills & New Opportunities	EGSA
1.3	New Skills & New Opportunities	PROTEUS
1.5	Positive Action for Women	PlayBoard
1.5	Positive Action for Women	TWN
1.7b	Diversification of Agricultural Activities and Activities close to Agriculture to provide Multiple Activities or Alternative Incomes (NI) - Part-Time Employment	RDC
1.10a	Basic Services for the Rural Economy and Population (NI) - Retail Services	RDC
1.10b	Basic Services for the Rural Economy and Population (NI) - ICT	RDC

The Measures managed by Intermediary Bodies opened towards the end of the year, which will lead to project activity during 2002. A number of Measures are also implemented by Government Departments.

The following ESF funded Measures make a contribution to the UK National Action Plan (NAP):_

Lifelong Learning	1.3
Adaptability and Entrepreneurship	1.4
Improving the Participation of Women in the Labour Market	1.5

Measure 1.1 Economic Revitalisation is not open to calls but is on target to meet its N+2 profile;

At the end of the year the following Measures had opened;

Measure 1.2a Water Based Tourism opened 17 December 2001;

Measure 1.3 New Skills and New Opportunities opened 30 November 2001;

Measure 1.4 Promoting Entrepreneurship opened 30 November 2001;

Measure 1.5 Positive Action for Women opened 30 November 2001;

Measure 1.7b Part-time Rural Employment opened 13 November 2001 closed 20 November 2001;

Measure 1.8a Innovative Technology and Networking opened 3 September 2001;

Measure 1.8b Information Age opened 11 September 2001;

Measure 1.10a Retail Services for the Rural Economy and Population opened 13 November 2001 and closed 20 November 2001;

Measure 1.10b Basic Services for the Rural Economy and Population - ICT opened the 13 November 2001.

Priority 2: Social Integration, Inclusion and Reconciliation

The aim of this Priority is to promote social integration, inclusion and reconciliation by targeting opportunity and need in both urban and rural areas, paying particular attention to vulnerable groups, areas most affected by the conflict, areas where community infrastructure is weak and interface areas.

In Northern Ireland, the following Intermediary Funding Bodies have been appointed:-

2.1	Reconciliation for Sustainable Peace	CRC
2.2	Developing Children and Young People	SELB
2.3	Skilling and Building the Social Economy (NI)	NIVT
2.4	Pathways to Inclusion, Integration and Reconciliation of Victims - Pathways to Inclusion	NIVT
2.5	Investing in Childcare	NIPPA
2.6	Promoting Active Citizenship	NIVT
2.7	Developing (Weak) Community Infrastructure	NIVT
2.9a	Renovation and Development of Villages and Protection and Conservation of the Rural Heritage (NI) - single Identity	RDC
2.9b	Renovation and Development of Villages and Protection and Conservation of the Rural Heritage (NI) - Village Pride	RDC
2.10	Encouragement for Tourist and Craft Activities (NI) - Local Identity Culture and Heritage	RDC

In many cases, the lead organisations, listed work in partnership with other organisations, thus further expanding the expertise available to the Programme, eg the RDC, works in partnership with the Rural Community Network. The majority of Measures opened in November 2001. Applications are given several weeks to submit an application; therefore assessments had not been completed by the end of the reporting period.

(Note: Measure 2.3, the NIVT/Social Economy Agency consortium was not appointed at the close of the reporting period but was appointed in the first half of the year.)

The following Measures had opened at the end of the year:

Measure 2.1 Reconciliation for Sustainable PEACE opened 30 November 2001;

Measure 2.2 Developing Children and Young People opened 30 November 2001;

Measure 2.4b Integration and Reconciliation of Victims opened 30 November 2001;

Measure 2.5 Investing in Childcare opened 27 November 2001;

Measure 2.6 Promoting Active Citizenship opened 30 November 2001;

Measure 2.7 Developing (Weak) Community Infrastructure opened 30 November 2001;

Measure 2.9a Rural Heritage (NI) - Single Identity opened 13 November 2001;

Measure 2.9b Rural Heritage (NI) - Village Pride opened 13 November 2001; and

Measure 2.10 Local Identity Culture and Heritage opened 13 November 2001.

The following ESF-funded Measures make a contribution to the UK National Action Plan (NAP):-

Equal Opportunities For All and Promotion Social Inclusion	2.4a and b
Lifelong Learning	2.2 and 2.5
Adaptability and Entrepreneurship	2.3

Priority 3: Locally-based Regeneration

The aim of this Priority is to consolidate the distinctive approaches to local needs developed under PEACE I, through Locally-based Regeneration Strategies led by Local Strategy Partnerships and County Council-led Taskforces, (Border Region only), which are sensitive to local needs and which will support new working relationships.

All Local Strategy Partnerships had been established and were preparing their interim strategies. It was anticipated the Taskforces and Local Strategy Partnerships will be in a position to call for applications in May/June 2002. A high level of commitment of expenditure is expected during 2002.

The following ESF-funded Measures make a contribution to the UK National Action Plan (NAP):-

Adaptability and Entrepreneurship 3.2

Priority 4: Outward and Forward Looking Priority

The aim of this Priority is to contribute towards a more outward and forward looking region by developing networks of co-operation on a cross-sectoral basis and encouraging a structured approach to participation in wider European and International networks.

There are two Measures in this Priority:-

4.1 Networking in Europe and Beyond

The SEUPB acts as the Implementing Body of the Border Region component of Measure 4.1. This Measure will open for applications in March 2002.

OFMDFM and SEUPB have held a conference with those interested in the opportunities provided for within this Priority. The

conference presented an overview and then a series of workshops which allowed participants to explore their views on how the Priority should be implemented.

4.2 Marketing the Region as a Tourism Destination

The Northern Ireland Tourist Board acts as Implementing Body for Measure 4.2. PEACE II Guidelines for the Measures administered by the NITB have been produced in draft format. These will be printed and distributed in early 2002.

Priority 5: Cross-border Co-operation

The aim of this Priority is to promote economic, social and cultural cross-border co-operation, and to provide a strategic framework for the support to cross-border initiatives and projects across a variety of sectors and organisations - public, voluntary and private - that will make a positive contribution to Peace building, reconciliation and greater mutual understanding.

There are 7 Measures in the Priority, with a range of Implementing Bodies:-

5.1	Increasing Cross-border Economic Development Opportunities	Co-operation Ireland
5.2	Improving Cross-border Public Sector Co-operation	SEUPB

5.3	Developing Cross-border Reconciliation and Cultural Understanding	ADM/CPA
5.4	Promoting Joint Approaches to Social, Education Training and Human Resource Development	ADM/CPA
5.5	Cross-border School and Youth Co-operation	DES/DE
5.6	Agriculture and Rural Development Co-operation	DAFRD/DARD
5.7	Cross-border Fishing and Aquacultural Co-operation	DMNR/DARD

Measures have been opening gradually since November 2001. There has been a high level of interest in this Priority with 117 applications having been received. Applications under Measure 5.3 account for nearly 50% of these applications. Nine Letters of Offer have been issued to date.

The following ESF-funded Measures make a contribution to the UK National Action Plan (NAP):-

Lifelong Learning	5.5
Adaptability and Entrepreneurship	5.4

The following Measures had opened at the end of the year:

Measure 5.1 Increasing Cross Border Development Opportunities opened 10 October 2001; and

Measure 5.2 Including Cross Border Public Sector Co-operation opened 4 December 2001.

Progress Towards N+2

One of the key strategic issues thus emerging is the ability of the Programme to meet its N+2 obligations and avoid any decommitment of funds at the first critical date, December 2003. This demands that €225 meuro (£145 million) be declared as paid and claimed from the Commission. During the period to this deadline, strenuous efforts will be required of all actors engaged in the delivery of the Programme to achieve a high rate of application, speed of assessment and implementation of projects. Careful monitoring of the stages of this process will contribute to the identification of where remedial action is best taken.

Commitment and Spend

The establishment of the delivery mechanisms and the opening of certain Measures so late in the year has meant that there is no expenditure to record in 2001 and no performance by way of movements in indicators to report.

Project Selection

Detailed guidance and processing has been provided to Implementing Bodies on key aspects of project selection. This was

supported by the Structural Funds Manual. The guidance covered all aspects of the mechanisms of calling for, assessing, scoring and judging projects.

At the end of 2001, few projects had been assessed but Implementing Bodies were well advanced in establishing their procedures and training selection panels.

The project selection process and the application of the Peace distinctiveness criteria and their impact on the implementation of the Programme will be kept in discussions with Implementing Bodies and at the Mid-term Review.

Technical Assistance

At the Annual Implementation Review meeting in December 2001, the needs of the PEACE II Programme for additional Technical Assistance raised. On review, it had become clear that there was insufficient funding to support the unique decentralized nature of the delivery of the Programme. Extensive changes, both presentational and of substance was outlined in the AIR and formed the basis of representation to the Commission after the end of the year. Once agreement is reached on this matter, technical changes to the Programme and Programme Complement will be made. During 2001 €873K (£540,000) was committed in Technical Assistance expenditure for the Northern Ireland part of the Programme. The main element of this was in respect of Intermediary Funding Bodies which together with that of Local

Strategy Partnerships amounted to €620K (£400K). The second major category was for Publicity and Advertising which amounted to €98K (£63K). The balance included costs relating to Monitoring Committees and the development of the database.

Annual Review Meeting

The SEUPB and the European Commission will discuss the PEACE II Annual Implementation Report and emerging issues at the Annual Review meeting scheduled for late October/early November 2002.

4.3 Common Themes BSP and PEACE II Programmes

4.3.1 Interim Funding

Both the PEACE II and BSP Monitoring Committees were advised of the Interim Funding arrangements for EU Programmes which were introduced in an effort to remove what had become an increasing cause for concern in the community and voluntary sector. The Northern Ireland Executive Committee agreed the proposal that Departments should address the issue of the funding between the old and new rounds of Structural Funds by making advances, within the terms of the EU Regulations and the criteria in the Operational Programmes, to projects which were judged very likely to be eligible under the new Programmes.

A call for applications from existing projects was inserted in the press on Friday 16 March 2001 with a closing date for applications

of 5.00 pm on Thursday 12 April 2001. All applicants were issued with an information pack which set out the interim funding arrangements, the outline structure of the BSP and PEACE II Programmes and application forms.

Applications for Interim Funding from the Programme for Building Sustainable Prosperity were dealt with by the Department responsible for the individual Measure under which the application was submitted, whilst applications for funding from the PEACE II Programme were directed through the SEUPB which allocated the application to the most appropriate Department.

The outcome of the round of Interim Funding initiated in March 2001, produced 103 applications for the Building Sustainable Prosperity Programme, of which 72 were successful and received funding amounting to €8.841m (£5.703 million).

A total of 629 Projects with an associated value of approximately €18.6m (£12m) successfully applied for Interim Funding under the PEACE II Programme.

On 11 October 2001, the then Minister of Finance and Personnel, Mark Durkan MLA, confirmed continued financial support for the Community and Voluntary Groups by announcing details of an extension to the current Interim Funding arrangements. Groups which received support under the arrangements announced on 12 February 2001 continued to receive funding after the end of 2001.

4.3.2 Applications Process and Database

In managing the quality and effectiveness of implementation this aspect of the Programmes the CSF Managing Authority has relied upon the arrangements put in place by the respective Programme Managing and Paying Authorities. However, the Managing Authority in consultation with the CSF Monitoring Committee has taken a proactive role in establishing what systems and procedures should be in place.

The CSF Managing Authority has therefore established a CSF level-wide set of arrangements, which provide for a standardised approach for monitoring, financial control and evaluation measures and data collection. These arrangements cover the BSP, PEACE II Programmes and the 4 Community Initiatives in Northern Ireland and the Border Region of Ireland as appropriate.

To avoid overlaps and gaps in provision across and between the programmes and initiatives the arrangements in place facilitate the overall management of all Structural Funds intervention in the eligible region. In practical terms these have been achieved through the concept of a "one-stop-shop" which enables applicants to access any of the programmes and initiatives from an initial single point of contact on an Internet-based website: WWW.EUGRANTS.ORG. This website provides details of the programmes and initiatives available and offers an on-line application process. The one-stop-shop concept is implemented further, at a lower level through single contact points for

Programmes, especially in respect of the PEACE II Programme where the Managing Authority operates a free phone help line. This facility will be introduced for INTERREG IIIA when it launches in 2002.

The Managing Authority has also made arrangements for potential applicants who do not have access to the internet to make an application through a paper-based system. Both on-line and the paper-based systems are supported by electronic data capture which is centralised across all programmes and initiatives. Data capture during the year 2001 included application data, grant decisions, grant offered and performance indicator/targets set for projects. During 2002, it is anticipated that centralised systems to collect all financial and performance data will be introduced, thus further improving the management of the Funds. This centralisation has allowed all Managing Authorities to monitor implementation and effectiveness of the programmes by the respective Implementing Bodies. Again, because of the large number of Implementing Bodies, this has proved to be a very valuable management tool for the PEACE II Managing Authority and its Monitoring Committee.

A central payments system has been developed during 2001 by the Special EU Programmes Body and this will go live in 2002, when it is expected to handle a majority of payments to projects under PEACE II, INTERREG IIIA and URBAN. This approach provides a high level of central control, management and reporting,

ensuring that payments to projects are facilitated in a consistent and timely manner.

4.3.3 Horizontal Principles

Nine horizontal principles are identified in the CSF as guidelines for those engaged in implementation of the CSF and its Operational Programmes. These directly link the EU ethos for funding intervention and the cross cutting themes for Government established by the Northern Ireland Executive; they are:

- Accountability
- Balance Intervention/Equal Opportunities
- New Targeting Social Need
- Economic and Social Sustainability
- Partnership
- Locally based decision making
- Publicity/Transparency
- Co-ordination
- Environmental Sustainability

The horizontal principles were imbedded in the Programmes at design stage and are reflected in selection criteria, activities and targets identified for each measure and conditions of grant. Preference is given to projects, which promote equality and, in appropriate cases, comply with environmental protection policy and legislation.

Experience has shown that in practice it is quite difficult to measure adherence to some of the principles. Although it is possible to identify some work which has been done the overall picture will not emerge until information starts to flow from the data captured by the central database. This is unlikely to come fully on stream until late 2002. But it is clear that the Executive and the Monitoring Committees will take a close interest in and press for progress.

Accountability

Aim: The safeguarding of public funds and to ensure the establishment of proper financial management and control systems.

The Executive and the EC approved the Programme budget allocations through which EU structural funds are distributed to final beneficiaries.

DFP is responsible for the overall co-ordination and management of the structural funds. It acts as `Managing Authority` for the CSF and BSP Programme and as sponsor for the Special EU Programmes Body, which is in turn the Managing Authority for the PEACE II Programme.

The CSF, BSP and PEACE II Monitoring Committees provide broad based local oversight of funding. The Monitoring Committees and the EC receive Annual Implementation Reports and the Authorities meet the EC formally each year to review these. A system of formal evaluations is also built-in to the monitoring arrangements.

All Implementing Departments and Bodies have access to and must comply with central financial guidelines including Government Accounting rules and EC Regulations. All funded projects have to be submitted to appropriate financial assessment such as cost benefit analysis or economic appraisal. All aspects of expenditure are open to at least four layers of audit - Systems Review (Implementing Bodies), NI Audit Office, EC, European Court of Auditors. Additionally each project, under EC Regulation 438/2001 (Articles 4 and 10) will be subject to an on the spot check and random verification checks based on risk analysis.

Balance Intervention/Equal Opportunities

Aim : To ensure all eligible applicants for support will be afforded equal opportunity to access funds and to ensure coherence between the actions supported and the aims and objectives of the programmes.

All government departments, IFBs and other bodies involved in handing EU funds are bound by both domestic and EU equality policy. The respective policy aims are similar although there is a difference in emphasis. The EU equality priority is gender balance (equality between men and women) whereas in NI, although no less important gender is part of a wider approach based on the needs of the whole community.

This is underpinned by a body of domestic law strengthened further by the pivotal Northern Ireland Act 1998, which gives

effect to the Belfast Agreement. Section 75 of the Act lays down specific requirements for promoting equality and groups the NI community into nine equality categories for this purpose (e.g. men and women, persons of different gender marital status and racial background).

During 2001 EU Structural Funds were subject to a comprehensive Equality Impact Assessment (EIA) down to Measure level, as part of the DFP Equality Scheme required by Section 75. This involved extensive consultation across all sectors to avoid or reduce possible adverse equality impact upon the nine equality categories. Programmes were refined (e.g. all projects must now meet the requirements of the National Accessibility Scheme for the disabled) in light of this and the outcome was published on the DFP and EUD websites in October 2001. Summaries of the EIA are available on request in minority languages and other formats such as Braille.

Monitoring data for Section 75 purposes will be collected through the application forms and preference will be given to projects, which promote equal opportunity. A Guide aimed at helping to mainstream equality of opportunity is also being developed for implementing bodies and departments. This is being managed by the cross-Monitoring Committee Mainstream Equality Working Group, which will take forward equality issues in general.

New Targeting Social Need (TSN)

Aim : To ensure targeting of resources and effort on people, groups and areas objectively shown to be most socially disadvantaged.

Social Inclusion is an underlying principle of Section 75 of the Belfast Agreement and with TSN forms a major cross cutting theme for the Executive. The DFP (NI Assembly) Committee take a keen interest in developments and the Office of the First and Deputy First Minister (OFMDFM) holds central responsibility for TSN policy. Each Department is required to have and report progress against a TSN Action Plan and many of these link directly to Measures and objectives in the Operational Programmes.

One DFP TSN objective requires the SEUPB to establish a TSN action Plan, which DFP is then responsible for overseeing and monitoring. The SEUPB Action Plan was developed following consultation in early 2001 and revamped after a second round of consultation later in the year.

The current lack of monitoring data means that the impact of TSN focused measures is not yet clear. However the close interest of the Executive will ensure that momentum is maintained and EU Programme related aspects will be taken forward by the cross-committee Mainstreaming Equality Working Group.

Economic and Social Sustainability

Aim : To ensure that projects develop appropriate exit strategies, complete the task for which they have been funded and, become self-sufficient or identify alternative sources of funding.

As the Programmes have got off to a slow start there is no meaningful information yet available on this horizontal principle. However guidance is being produced to ensure that all selection panels will assess and score applications against the specific measure criteria, which reflect the principle. Additionally all projects are subject to economic appraisal.

Partnership

Aim : To ensure the CSF, BSP and PEACE II Monitoring Committees comprise a wide and effective association of the regional and local authorities, other competent public authorities and the economic and social partners.

The EU model was adopted by the Executive in July 2000 for all three Monitoring Committees. The respective memberships were approved by the Executive in October 2000 and are based on nominees invited from the required broad range of interests.

Locally based decision-making

Aim : To ensure the bodies and organisations selected as delivery mechanisms are those best placed to deliver the Programme objectives by virtue of their scale, expertise or the nature of their activities. In this context, thus bringing the decision making process as close to the citizen as possible.

During 2001 DFP worked with the SEUPB to secure Executive approval to the appointment of Intermediary Funding Bodies (IFBs). Their role is specified in contractual arrangements with the SEUPB.

Work has also been undertaken to develop the role of Local Strategy Partnerships.

Publicity/Transparency

Aim : To promote transparency and public awareness and compliance with the EC publicity regulations and strategy developed by the CSF Monitoring Committee.

A cross committee Communications and Information Working Group has been established to take this work forward and held on its first meeting in November 2001.

A website has been developed in support of this principle and contains a range of information about the EU Funding

arrangements. This includes the Equality Impact Assessment re-worked to improve transparency and to allow wider reader access. It contains signpost messages in Urdu, Cantonese, Hindi, Irish and Ulster Scots to enable access to translations in these languages. Another transparency measure allows public access through the website to minutes of the CSF and BSP Monitoring Committees. Further details are reported in Section 8 (Information, Publicity and Communication) of this report.

Co-ordination

Aim : In conjunction with the principles of transparency and accountability, establish mechanisms to ensure that EU and other funding will be applied in a co-ordinated and complementary manner. Develop project appraisal and reporting to ensure consistency of approach across delivery mechanisms encouraging those mechanisms to share information and best practice.

A cross-departmental (including SEUPB) EU Steering Group chaired by the CSF Managing Authority has been established to co-ordinate activities under this principle. It meets on average every two weeks and addresses a wide range of issues such as audit and verification, economic appraisal, selection procedures, data capture and monitoring and reporting arrangements. A Structural Funds User Manual has been developed and published in support of this aim.

Environmental Sustainability

Aim : Integration of the environmental dimension into all relevant measures by including specific sustainability objectives indicators and targets. And making funding conditional on compliance with both EU and domestic legislation and directives so safeguarding or enhancing environmental quality and conserving the natural and built heritage.

These aims are reflected in the agreed Programme Complement and Measure sheets. In addition application forms contain a requirement for applicants to show how their proposed project supports the aims. Preference is given to those which do.

There is a built-in requirement in appropriate cases for Environmental Impact Assessment particularly where Environmental protection sites (NATURA 2000 sites) and policies are at potential risk.

The mainstreaming of environmental sustainability will be monitored using techniques detailed in a Guide suggested by DG Regional Policy. These techniques, Development Path Analysis (DPA) and key Environmental criteria, were developed by ECOTECH, independent consultants during thematic evaluation of the environmental impact of the 1994-1999 Programme.

In July 2001 the Managing Authorities commissioned ECOTECH to undertake an initial environmental impact assessment of BSP and

PEACE II, and to recommend a strategy for the ongoing monitoring of the environmental horizontal principle.

4.4 Community Initiatives Programmes 2001

Background

European Community Initiatives were introduced as special financing instruments for European Structural policy. They were proposed as a means of confronting specific problems affecting the EU as a whole, and are meant to operate in a complementary fashion to mainstream EU Structural Funds support. There are four Community Initiatives under the current round of EU Structural funding: INTERREG III, (Cross-Border Development) EQUAL, (Equal Opportunities in the labour market) LEADER+ (Rural Development) and URBAN II (Urban Development).

INTERREG III

The Ireland/Northern Ireland INTERREG III Programme is a joint North/South Programme incorporating all of Northern Ireland and the six border counties of Ireland with a total budget of €179.214 meuro of this amount Northern Ireland will receive €80.8 meuro. Having been declared admissible by the European Commission in February 2001 negotiations between the European Commission, Member States and the SEUPB continued during the year. A revised Programme was re-submitted to the Commission in November 2001 and formal approved received on 22 March 2002.

The SEUPB has provided technical and expert support for the Border Groups in the establishment of three Partnerships who will manage a budget of around €50m. At present discussions are also continuing with the 'Core Summit' Group of Local Authorities within Northern Ireland with the expectation that another INTERREG III Partnership will become operational within the next year.

EQUAL

The Operational Programme for EQUAL was submitted to the European Commission in September 2000 and was formally adopted in May 2001 following negotiations. This Programme was designed to test new ways of tackling discrimination and inequality experienced by those both in work or seeking employment. Assessment of applications for funding under EQUAL were completed in September 2001 with Letters of Offer being issued to eight projects. The first phase of the EQUAL programme commenced on 15 November 2001 for a period of six months. Once completed Development Partnerships will be selected with the aim of making the transition to the next stage. The EQUAL Programme is worth expenditure of €11.69m.

LEADER+

The LEADER+ Programme focuses on rural development following on from LEADER I and LEADER II. The objective of the Programme is to encourage and facilitate sustainable, integrated development plans which will complement other rural development

Programmes. Final approval for the LEADER+ Programme was given on 11 September 2001 and the selection of twelve local Action Groups was completed in December 2001. The LEADER+ Programme is worth €23.43m.

URBAN II

The URBAN II Operational Guidelines are focused on EU Urban Policies on neighbourhood renewal with regard to issues such as the development of physical and social resources within targeted areas and ensuring local community interaction. The European Commission gave final approval for the URBAN II Operational Programme on 18 December 2001. Funding under the URBAN II Programme will be specifically targeted on 'Inner North Belfast'. URBAN II is in the process of establishing a Monitoring Committee for the Programme. The URBAN II Programme is worth €11.62m.

5. CSF MONITORING COMMITTEE AND WORKING GROUPS

The composition of the CSF Monitoring Committee as at 31 December 2001 is shown below. The Monitoring Committee met 4 times during the year and a summary of decisions made during 2001 is shown at Table 4 pages 71-75.

Composition of Community Support Framework Monitoring Committee 2001

NAME	SECTOR
Mark Durkan MLA	Minister of Finance and Personnel
Dennis Haughey MLA Dermot Nesbitt MLA	Ministers Office of the First Minister and Deputy First Minister
John McKinney	Chair of PEACE II
Leo O'Reilly	Chair of Building Sustainable Prosperity
Bronagh Hinds	Equality
Professor Brian Wood	Environment
Seamus McAleavey	Voluntary
Bryan Johnston	Business
Alasdair MacLaughlin	Agri/Rural Forum
Patricia McKeown	Trade Union
Cllr Marion Smith	Local Government
Cllr Patsy McGlone	Local Government
Cllr Edwin Poots MLA	Local Government
Cllr Jarlath McNulty	Local Government
Alderman Sean Neeson MLA	Local Government
Philip Angus	Paying Authority (ERDF)
George O'Doherty	Paying Authority (ESF)
Noel Cornick	Paying Authority (EAGGF and FIFG)

TABLE 4**SUMMARY OF DECISIONS TAKEN BY CSF MONITORING COMMITTEE DURING 2001**

Date	Issues	CSF Paper No	Decisions Taken
28 February 2001	Formal approval of BSP Operational Programme		CSF Committee noted formal approval on 22 March during Commissioner Barnier's visit to Northern Ireland.
	Monitoring Committee Rules of Procedure	01/01	Committee agreed that a Programme would be prepared to cover meetings planned for a period of one year.
	Co-ordination and Liaison Arrangements	02/01	Members agreed to establish systems to secure co-ordination between the various EU funded Programmes and potential sources of co-ordination across those Programmes.
			Committee agreed establishment of Working Groups and how they would work in conjunction with the main Monitoring Committees.
	Communication Strategy Information and Publicity arrangements for the Structural Funds	03/01	Committee agreed proposals to be prepared by nominated representatives from the Committee for a CSF Communication Strategy.
	Training Seminar		Members agreed a training seminar for Committee members.
24 April 2001	Gender Balance in Monitoring Committee and Working Group Membership		Committee agreed to ensure an appropriate gender balance in Committee and Working Group membership.
	Gap Funding		Committee agreed that information be given to Commission on number of Gap Funding applications received, approved and amount of money involved.
	Equality Impact Assessment of EU Structural Funds		Agreed that summaries of both Programme Complements should be circulated to Consultees for comment as part of an Equality Impact Assessment of both Programmes.

Date	Issues	CSF Paper No	Decisions Taken
24 April 2001	CSF Rules of Procedure	04/01	Agreed Rules of Procedure.
	Allowance payable to Membership	05/01	Considerations agreed – to be discussed at BSP and PEACE II Monitoring Committee and Department of Finance (ROI) – endorsed 27 June 2001 CSF 17/01
	CSF Monitoring Committee Roles and Responsibilities	06/01	Members agreed role of Committee and the need for a structured Work Programme endorsed.
	Communication and Information Strategy	07/01	<p>Committee endorsed the following approach:-</p> <ul style="list-style-type: none"> • A detailed communications action plan is developed which defines:- • key audiences; core themes; and schedule of activities. • That the EU logo be displayed at every project funded. This should be a contractual requirement for each Implementing Bodies. • IA summary communication report be prepared for consideration by the CSF Monitoring Committee for inclusion in the Annual Implementation Report. • Guidelines be prepared for the Operational Programme Monitoring Committees to ensure consistency of communication. • That the Communications Action Plan be included as a core element in the draft Work Programme of the CSF Monitoring Committee. <p>Committee agreed to consider employing a Consultant.</p>
27 June 2001	Programme Complements	08/01	Committee noted agreed Programme Complements for BSP and PEACE II sent to Commission. Complements subject to ongoing development.

Date	Issues	CSF Paper No	Decisions Taken
27 June 2001	BSP Progress Report	09/01	Committee noted progress.
	Tendering for Intermediary Funding Bodies (IFBs)	12/01	Appointment of IFBs to be confirmed by 18 July 2001.
	Update on Interim/Gap Funding Arrangements	13/01	Committee noted. £10m allocated. Awards totalling £5m under consideration.
	Monitoring and Evaluation Requirements	16/01	Committee noted there was a core minimum of indicators and information needed to be collated at project level.
	Allowances Payable to Members	17/01	Members noted and endorsed decision on allowances for Members of Structural Funds Monitoring Committees.
	Communication Plan	18/01	Committee endorsed Membership of Working Groups, Terms of Reference and recommended that a tendering process for PR Consultant should be drawn up.
	Structured Work Plan	19/01	Committee agreed outline of approach. IFI Board to consider providing a report to the CSFMC as indicated in the paper.
	Common Chapter		Chairman agreed Common Chapter to be included as a regular item in future CSFMC agendas.
17 October 2001	Reports on the BSP and PEACE II Monitoring Committees	20/01 and 21/01	<ul style="list-style-type: none"> • CSF were advised that formal approval had been given by both Monitoring Committees to Programme Complements, Equality Impact Assessment and Annual Implementation Reports relating to BSP and PEACE II for 2000. • Proposals to be brought forward at next CSF meeting on procedures, Terms of Reference, membership and provision of Secretariat support for the two Cross Committee Working Groups on Mainstreaming Equality and Communication and Information.

Date	Issues	CSF Paper No	Decisions Taken
17 October 2001	Progress Reports on Implementation of Programmes for BSP, PEACE II and Community Initiatives	22/01 23/01 24/01	Regular item on agenda where members receive verbal updates and short written reports on developments regarding the implementation of the Operational Programmes.
	Structural Funds Application Process – Update	25/01	Members noted that work completed on new website for electronic applications under PEACE and BSP and obtaining information on European Funding. Provision also made for paper-based applications.
	Working Groups	27/01	Committee agreed Working Groups should pay due regard to TSN and Social Inclusion Policies and recognised the need to ensure as far as possible the Gender Balance in composition of Working Groups. Agreed to consider the issue of sustainability and whether a specific CSF or Cross-Committee Working Group should be set up.
	Report on the Review of the Common Chapter	28/01	Committee agreed in principle to establishment of Joint Working Group with CSF Monitoring Committee in the South of Ireland. Subject to the approval of the proposal by N/S Ministerial Council and CSF/NDP Monitoring Committees in the South.
	Review of BSP and PEACE II Programme Indicators – Draft Paper by NISRA and DTZ Pieda	29/01	Commission representatives confirmed that draft paper produced was in line with EC thinking on monitoring and evaluation of performance indicators.
	Equality Impact Assessment – Final Draft	30/01	Committee approved report and subject to amendments to text by the Equality Commission representative agreed that the Managing Authority should proceed with publication. Members agreed arrangements for a Mainstreaming Equality Working Group to monitor the emerging equality impacts. Terms of Reference and working arrangements will be agreed with CSF Monitoring Committee.

Date	Issues	CSF Paper No	Decisions Taken
	Annual Implementation Reports for BSP and PEACE II	31/01	Monitoring Committee approved content and timetable for Operational Programme Annual Implementation Reports.

5.1 Working Groups

Introduction

The function of Working Groups is to support Monitoring Committees with specialist advice (commissioning research as needed) thus enabling the Committees to bring clearer focus to the issues they have to address. They also contribute to the monitoring and co-ordination of the Operational Programmes.

The Community Support Framework (CSF) requires the CSF Monitoring Committee to have four Working Groups to inform it in particular areas. These are Human Resources Development, Fisheries, Environment and Information Society. Others may be created on a formalised or ad-hoc basis as required. See Table 5 Page 78.

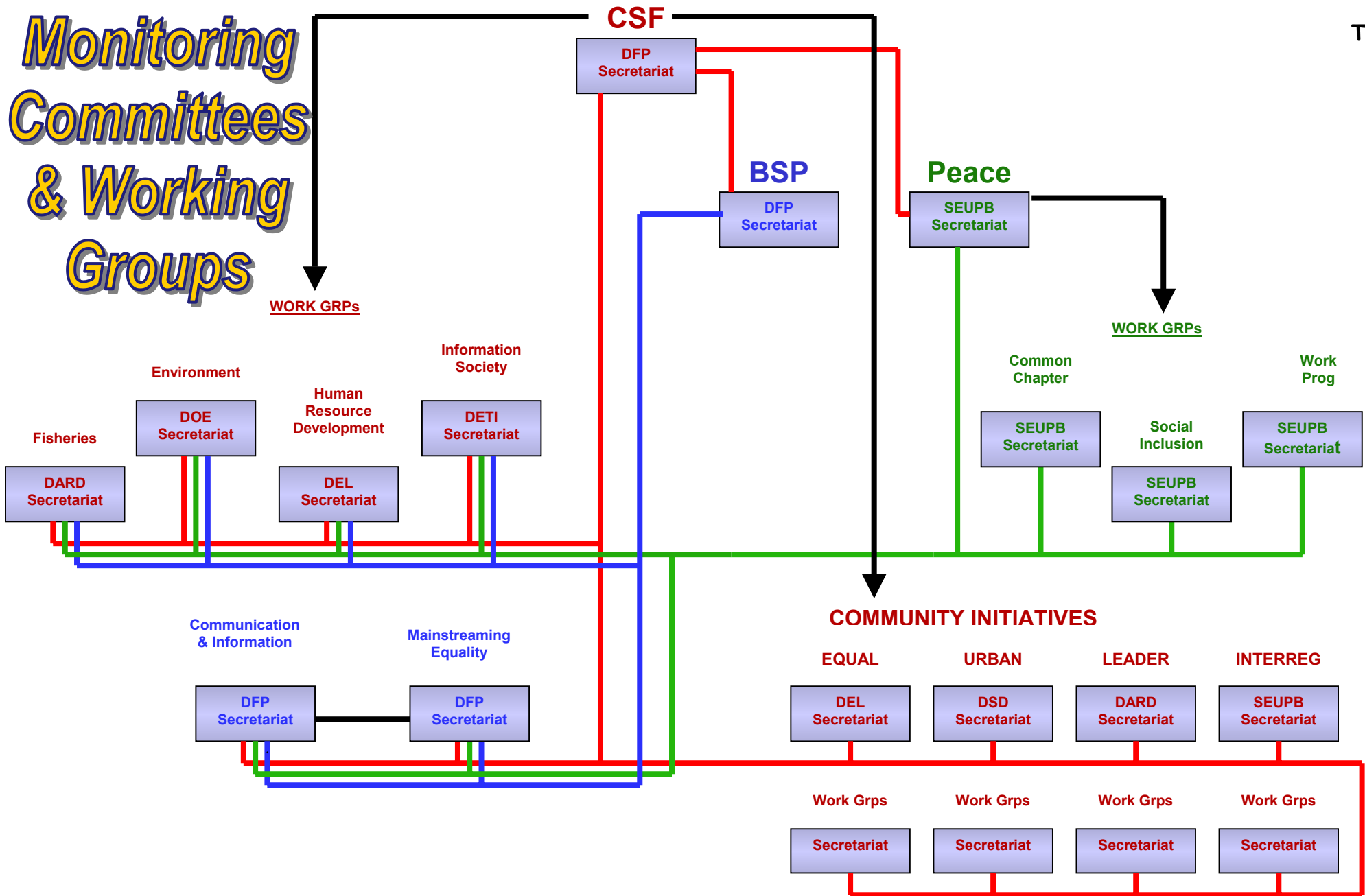
Two further Working Groups have been commissioned under the CSF. These are Mainstreaming Equality and Communications and Information and operate on a cross-committee basis. Each of these has to follow Guiding Principles laid down by the Monitoring Committee. The Principles provide authority and preserve the responsibility of the Monitoring Committee. They are as follows:-

Main Guiding Principles

- Chair and core members of each Working Group have to be full members of a Monitoring Committee;

- additional members can be identified by the Groups, drawing in any wider expertise needed;
- the Groups can also develop their own terms of reference and work programme;
- but membership, terms of reference and work programme are subject to Monitoring Committee approval; and
- the Monitoring Committee requires regular reports

Monitoring Committees & Working Groups



It has taken longer than anticipated to get the working Groups off the ground. A possible factor is the burden on voluntary members of attending and servicing Monitoring Committee meetings, in addition to Working Group meetings. During the period of this report there were a total of 18 Monitoring Committee meetings; CSF (4), BSP (8) and PEACE II (6).

Monitoring Committee Members have nevertheless responded to a call for Working Group volunteers. Looking across the CSF, BSP and PEACE II Monitoring Committees and taking ad-hoc Groups into account it is noted there could be some 10-15 Working Groups established in total. This may need to be monitored but on the positive side an anticipated benefit is that participation will help to build working relationships and understanding between Monitoring Committee Members, officials and Advisors.

Secretariat arrangements

It was agreed that Departments are best placed to take the lead in establishing the Working Groups and to provide the respective secretariats as follows:-

Working Group	Lead Department
CSF	
Human Resource Development	DEL
Fisheries	DARD
Environment	DOE
Information Society	DETI

Cross Committee	
Mainstreaming Equality	DFP
Communications and Information	DFP

Membership and Progress

Human Resource Development Working Group

MEMBER	COMMITTEE	SECTOR
Alasdair MacLaughlin	CSF	Agri-rural
Marion Smith	CSF	Local Government
Brendan Mackin	BSP	Trade Unions
Brian Wood	BSP/CSF	Environment
Franz Pointner	CSF	European Commission

Other Representation

Una McKernan, Voluntary and Community Sector

John Adams, Equality Commission

European Commission

George O'Doherty, Department for Employment and Learning

PEACE II, BSP and ESF Implementing Organisations

Summary

In accordance with the Community Support Framework document the Working Group is chaired by the Department for Employment and Learning (George O'Doherty).

Monitoring Committee nominees have been identified and the Working Group will meet in early 2002. First Agenda will probably focus on definition of role and membership. In subsequent

development of a work programme it will be important to avoid duplication of work by other Working Groups.

Fisheries Working Group

MEMBER	COMMITTEE	SECTOR
Miceal McCoy (Chair)	BSP	Agri-rural
Brian Wood	BSP, CSF	Environment
Alasdair MacLaughlin	CSF	Agri-rural
Howard McNally	European Commission	DG Fish
Noel Cornick		DARD Fisheries
Vince McKeivitt		DARD Rural Development
Dick Leitch		DCAL

Preliminary work started in 2002. Meeting arranged.

Environment Working Group

Although nominations have been received DOE has not yet convened a first meeting.

Information Society Working Group

MEMBER	COMMITTEE	SECTOR
Marion Smith	CSF	Local Government
Seamus McAleavey	CSF	Voluntary and Community

Other Representation

Don Harley, DSD Advisor, PEACE II Monitoring Committee

Invest Northern Ireland (DETI)

Department of Enterprise, Trade and Investment

Department of Finance and Personnel

OFMDFM

Managing Authority

Summary

Seamus McAleavey CSF (Voluntary Sector) is the Chair. The Working Group is expected to hold an inaugural meeting at the start of April 2002. However additional members are required before then and the work ahead is likely to need specialist e-business input. Monitoring Committee nominees have been identified. Possible Terms of Reference have been drafted and early discussion is likely to include correlation between CSF and the e-Europe Action Plan.

Mainstreaming Equality Working Group

MEMBER	COMMITTEE	SECTOR
Annie Campbell - Chair	BSP	Voluntary and Community
Ann McKernan	BSP/PEACE II	Equality
Marion Smith	CSF	Local Government
Sean Neeson MLA	CSF	Local Government
Noel Cornick	PEACE II	EAGGF Paying Authority
Dr Anne-Marie McGauran	PEACE II	Equality and Law Reform (ROI)
Orlagh Quinn	BSP	European Commission

Other Representation

BSP/CSF/PEACE II Monitoring Committee Secretariats

OFMDFM (covering statutory Duty, Equality and TSN)

Section 75 Groups

Summary

This Working Group is chaired by Annie Campbell, BSP (Voluntary Sector). Its first recommendation (actioned) was expansion of initial membership base to include Members from all 3 Monitoring Committees. The revised membership and Terms of Reference will shortly be submitted for Monitoring Committee approval.

Two early tasks were to consider a Mainstreaming Equality Guide for EU Structural Funds drafted by OFMDFM and measures to address the gender imbalance (on average membership is over 80%

male) identified at Monitoring Committee level. The Guide has been cleared for publication but, as a working document subject to further refinement. Possible gender balancing actions will be identified and recommended to the Monitoring Committees.

Early conclusions are that greater understanding of mainstreaming is necessary if progress is to be made. And that as social inclusion is an underlying principle of equality the Working Group should take TSN related issues on board. It is anticipated that a forthcoming joint Ireland/UK Mainstreaming Gender Conference and the related networking opportunities will inform thinking and help develop a work plan. It also is important to reflect the Section 75 dimension in the equality agenda and a representative focus group is one option for doing this.

Communications and Information Working Group

MEMBER	COMMITTEE	SECTOR
Brendan Mackin - Chair	BSP	Trade Unions
Mary Magowan	BSP	Voluntary and Community
Patricia Mallon	BSP	Local Government
Bryan Johnston	CSF	Business
Patsy McGlone	CSF	Local Government
Marion Smith	CSF	Local Government
Alasdair MacLaughlin	CSF	Agri-rural
Bob Stoker	PEACE II	Local Government
Gerry Finn	PEACE II	Local Government (ROI)
Jimmy Maloney	PEACE II	Local Government (ROI)

Other Representation

EC Office, Belfast

SEUPB

Department of Education (NI)

Department of Agriculture, Food and Rural Development (ROI)

Department of Education (ROI)

Summary

Brendan Mackin, BSP (Trades Union) chairs this Working Group which was the first to be established. It operates under Terms of Reference approved by the CSF Monitoring Committee and the agreed membership draws from CSF, BSP and PEACE II). As with the Mainstreaming Equality Working Group, the PEACE II representation adds a transnational dimension as it includes members from the Republic of Ireland.

The challenge is to establish a communications plan for the CSF which embraces and caters for the different profiles of the BSP and Operational Programmes. However the Working Group recognised that it needed to develop greater understanding of the issues and delivery mechanisms to in turn develop a plan. Awareness training was provided by consultants operating in support of SEUPB and Working Group Members will further develop their knowledge by attending an EC Publicity and Information Conference in Brussels. One of the Working Groups

first steps was to make stakeholders aware of the Working Group and its role. The supporting actions included notices to all Implementing Bodies.

6. REVIEW OF THE CSF PRIORITY LEVEL INDICATORS

Introduction

The CSF has five priorities:

1. Peace and Reconciliation (*Sui Generis*) Priority,
2. Economic Growth and Renewal,
3. Employment, HRD and Social Inclusion,
4. Balanced Regional, Urban and Rural Development
5. North-South and Wider Co-operation.

These five priorities form the basis for more specific priorities within each of the Northern Ireland Structural Fund Operational Programmes (Building Sustainable Prosperity and PEACE II). Priority level indicators and targets have been established for both Operational Programmes and these indicators/targets can be aggregated to CSF priority level. In addition, context indicators¹ have been established relevant to the *Sui Generis* Peace and Reconciliation Priority.

Since CSF indicators and targets are aggregates of indicators and targets at OP level, progress towards achieving the CSF Priority targets is driven by actual expenditure and activity under each of the Operational Programmes. The following section provides an update on progress for those indicators where there have been

¹ Context indicators provide background information on social and economic change in a region. Such indicators are subject to a wide range of extraneous factors and will be little affected by activities supported under the various Programmes. However, by contextualising changes directly attributable to the Programme, they are valuable to the interpretation of programme performance.

relevant funded activities under BSP and PEACE II. Throughout 2001 there has been no expenditure under PEACE II, therefore any reported progress on activity related indicators is drawn from BSP expenditure.

Progress against targets under the Balanced Regional, Urban and Rural Development priority has been restricted due to limited spend in various measures. However, despite the Foot and Mouth outbreak, one measure alone has so far resulted in an additional 527 food and farm businesses adopting new technology. Over 30 offers have been made to projects under the fisheries measure and three by-passes are underway thus achieving 75% of the regional infrastructure target. The environment measure is progressing well with one water treatment and two sewerage treatment schemes substantially completed. Progress to date indicates that specified targets should be achieved by the end of both Programmes.

6.1 Peace and Reconciliation (Sui Generis Priorities)

Rationale for Action: Levels of Violence

Macro Indicator: Numbers of deaths and injuries connected with the security situation

In 2000/01 there were 18 deaths and 1,101 injuries. This compares with 7 deaths and 878 injuries in 1999/2000. Since the paramilitary ceasefires of 1994, the number of deaths attributable

to the Northern Ireland conflict has decreased markedly. In contrast, the numbers of conflict related injuries in 1990 and 2000/01 are broadly similar to the totals for pre-ceasefire years.

Indicator data on the number of sectarian incidents and numbers of criminal damage claims connected with the security situation is not currently available.

Rationale for Action: Social distance & prejudice

Macro Indicator: Community relations index measuring prejudice, social distance and integration

The Community relations index for 2002 is 107 (index: 1993=100).

Community Relations Index, 1996-2002 (1993=100)	
1996	105
1997	104
1998	104
1999	110
2000	103
2001	N/A
2002	107

These data suggest that there has been some improvement in community relations since 1993.

Rationale for Action: Segregation/Mobility ("chill factor")

Macro Indicator: Extent of and attitudes towards segregation and integration in housing, education and the workplace

In 2002, 78% of Protestant respondents and 81% of Catholic respondents would prefer to live in a mixed neighbourhood. In the same year, 68% of Protestant respondents and 62% of Catholic respondents would prefer to send their children to a mixed school. 92% of Protestant respondents and 91% of Catholic respondents would prefer to work in a mixed workplace

Neighbourhood	1991	1993	1995	1996	1998	1999	2000	2002
Protestant	63	66	72	81	66	68	66	78
Catholic	76	82	83	85	74	79	73	81

Source: Northern Ireland Omnibus Survey

Mixed School	1991	1993	1995	1996	1998	1999	2000	2002
Protestant	50	51	59	57	54	57	53	68
Catholic	49	52	56	67	52	72	52	62

Source: Northern Ireland Omnibus Survey

Workplace	1991	1993	1995	1996	1998	1999	2000	2002
Protestant	85	86	88	95	78	82	80	92
Catholic	88	94	93	97	85	91	83	91

Source: Northern Ireland Omnibus Survey

Macro Indicator: Percentage of pupils attending integrated schools

In January 2001, 4% (approximately 14,000 pupils) of the total school population attended integrated schools.

Macro Indicator: Labour market community balance by SOC and SIC

Types of occupation are classified into nine major groups according to the Standard Occupational Classification (SOC). In 1999, Catholic representation was highest in personal and protective service occupations (48%) whilst Protestant representation was highest in clerical and secretarial occupations (64%). There were markedly more Protestants in the clerical and secretarial group and in the managers and administrators group.

In 2000, Catholic representation was highest in professional occupations (48%) and associate professional and technical occupations (48%). Protestant representation was highest for plant and machine operatives (65%). There were markedly more Protestants in the managers and administrators category and in the clerical and secretarial occupations.

Religious composition of the nine major occupational groups

Percentages and numbers

Occupational Group (SOC)	1999			2000		
	P	C	Base	P	C	Base
1 Managers and administrators	62	38	494	61	39	497
2 Professional occupations	55	45	293	52	48	300
3 Associate professional and technical occupations	57	43	225	52	48	253
4 Clerical and secretarial occupations	64	36	517	61	39	512
5 Craft and related occupations	55	45	505	55	45	540
6 Personal and protective service occupations	52	48	428	59	41	408
7 Sales occupations	64	36	247	54	46	232
8 Plant and machine operatives	62	38	312	65	35	294
9 Other occupations	60	40	255	60	40	250
All in employment stating an occupation	59	41	3,276	58	42	3,285

Source: 2000 Labour Force Survey Religion Report

Employment is classified according to industry using the Standard Industrial Classification (SIC 92). In 1999, Catholic representation was highest in the construction (57%) and hotels and restaurants sectors (53%). Protestant representation was highest in agriculture, hunting and forestry (68%) and financial intermediation (68%).

In 2000, Catholic representation was highest in the construction and education sectors (52% and 49% respectively). Protestant representation was highest in agriculture, hunting and forestry (67%), manufacturing (67%) and in financial intermediation (67%).

Religious composition of the major industrial sectors

Percentages and numbers

Industrial Classification (SIC)	1999			2000		
	P	C	Base	P	C	Base
A Agriculture, Hunting and Forestry	68	32	169	67	33	179
D Manufacturing	63	37	557	67	33	513
F Construction	43	57	318	48	52	349
G Wholesale and retail trade	67	33	486	58	42	480
H Hotels and restaurants	47	53	125	52	48	121
I Transport, Storage and Communication	60	40	158	65	35	159
J Financial Intermediation	68	*	76	67	33	75
K Real estate, Renting and Business Service Activities	63	37	134	55	45	173
L Public Administration and Defence	63	37	374	62	38	440
M Education	55	45	272	51	49	242
N Health and Social Work	52	48	420	53	47	377
O Other Community, Social and Personal Service	54	46	131	60	40	113
All in employment stating industry	59	41	3,275	58	42	3,284

Source: 2000 Labour Force Survey Religion Report

Percentage omitted owing to small numbers involved

Rationale for action: Public Expenditure

Macro Indicator: Law and order spend (net of the cost of reform) as a proportion of total public spending, compared with the UK proportion

The proportion of Northern Ireland public expenditure dedicated to law, order and protective services has decreased from 11.9% in 1995-96 to 11.0% in 1999-2000. In recent years, the decrease has been between 0.2% and 0.3% annually.

(£ million)

	1998-99	1999-00
Total Northern Ireland Executive Expenditure	9,601	9,987
Total expenditure on law, order and protective services (LOPS)	1,074	1,097
LOPS spend as a proportion of total public spending (%)	11.2	11.0

Rationale for Action: Business Confidence

Macro Indicator: Inward Investment

The table below presents projected inward investment levels for firms supported by the Industrial Development Board (IDB).

	1998/99	1999/2000	2000/01
Projected Inward Investment (£m) ²	108	289	216

Projected inward investment in firms supported by the IDB increased substantially between 1998/99 and 1999/2000, from £108 million to £289 million. However, between 1999/2000 and 2000/01, there was a decrease of £73 million.

² These figures are the projected investment levels agreed by the IDB and the relevant client firms.

Macro Indicator: Tourist numbers (including breakdown of those coming from inside and outside the region)

Overall, Northern Ireland visitor numbers have shown a steady increase since 1999. In 2001, there was a decrease in the number of visitors from both the Irish Republic and overseas. This may have been due to the outbreak of Foot and Mouth disease in rural areas in Northern Ireland and the movement and travel restrictions that were enforced as a result.

Origin of visitors	1999	2000	2001
Great Britain	1,002,000	950,000	1,053,000
Irish Republic	384,000	380,000	365,000
Overseas	269,000	341,000	258,000
All staying visitors	1,655,000	1,671,000	1,676,000

Source: Northern Ireland Tourist Board

Macro Indicator: Employment in the tradable services sector

While there is no standard definition for tradeable services, such services can be thought of as involving expertise which is either traded externally or provided locally for an external client. Potentially therefore, just about all services are tradeable.

This makes the task of defining tradeable services extremely difficult. However, the Northern Ireland Economic Research Centre has attempted to identify those service sectors, which have the greatest potential to be traded. This definition requires data from the Northern Ireland Census of Employment which is conducted every two years. At present, the only available data

relate to 1999, when some 66,000 people were employed in tradeable services.

SIC 92 Code	Sector	Full-time	Part-time	Total
45	Construction	30,862	2,238	33,100
65	Financial Intermediation	7,692	1,879	9,571
72	Computer and related activities	3,729	241	3,970
73	Research and development	1,595	112	1,707
7411	Legal activities	3,593	912	4,505
7412	Accountancy	3,105	470	3,575
7413	Market research	120	239	359
7414	Business management and consultancy	1,103	244	1,347
742	Architectural and engineering	3,926	527	4,453
743	Technical testing and analysis	98	18	116
744	Advertising	404	235	639
921	Motion picture and video activities	*	*	645
922	Radio and television activities	1,057	176	1,233
923	Other entertainment activities	389	219	608
Total		57,673	7,510	65,828

Source: Department of Enterprise, Trade and Investment

- Full-time / part-time split unknown

Macro Indicator: Business starts

Overall, the number of new business starts increased by 19% (376) between 1998-1999 and 2001-2002. The number of registrations increased annually during this period, with the exception of 2000-2001 when there was a slight decrease of 85 (3.7%).

	1998-99	1999-00	2000-01	2001-02
New company registrations	1,959	2,325	2,240	2,335
Companies commencing liquidation	161	153	146	105

6.2 Economic Growth and Renewal (Priority 1)

Economic Growth and Renewal Priority	Indicators/Targets	Current Position
Business Competitiveness	5,740 net jobs in new start-up, of which 10% in new sectors	It will not be possible to measure net jobs until later in the programming period. However, 1,498 SMEs have been supported from a target of 3,600 (BSP).
Information society	20% increase in Business Connectivity	
Research and Development	15% increase in Business Expenditure on Research and Development (BERD)	This is a survey that is conducted every three years and 2002 information is not yet available
Tourism	900-1,000 net jobs created	

6.3 Employment, Human Resource Development and Social Inclusion (Priority 2)

Indicator data has yet to be collated under the relevant Priority 2 Measures, 2.1, 2.2, 2.5, 2.6, 2.7 and 2.8 in respect of Government Programmes and third party projects.

For the former, for certain key Programmes such as Jobskills the data recording system is currently being restructured and access to information for the period in the right format is not possible at present. For other Programmes such as Lifelong Learning, a major policy decision, in this case suspending the individual learning accounts, has meant a reassessment of how the Programme will in

future fit within the Measure with attendant delays in extracting the indicator data.

For third party projects the selection process has just been completed and while the successful projects will have the indicator data time is needed to collect and collate this information.

6.4 Balanced Regional, Urban and Rural Development (Priority 3)

Balanced Regional Urban & Rural Development Priority	Indicators/Targets	Current Position
Rural Development	Adoption of 6,600 new and innovative technologies and systems in food and farm businesses.	A number of BSP and Peace II measures contribute to this indicator. So far there has only been spend in one of the measures. This measure has achieved 527 additional businesses adopting new technology. Note that overall targets may not be achieved due the closure of the agricultural colleges in 2001 during the Foot and Mouth outbreak.
Urban Development	4. social and economic urban regeneration schemes 10 neighbourhood renewal schemes 26 town renewal schemes	

Fisheries	Decommissioning of 30 vessels. Scrap and build of 18 vessels	Closing date for receipt of applications was 15 th November 2001. 66 applications were received and 34 offers were made in 2001.
Regional Infrastructure	4. By pass schemes to reduce peak hour journey times by an average of 25% per scheme. 2 rural bus stations Dedicated buses on quality bus corridors in urban areas.	3 By passes are under way. 9km of roads under construction.
Environment	4. water treatment schemes resulting in improved water quality 5. sewerage treatment schemes resulting in effluent quality improvement. Improving 50% of rivers classified as poor or bad in respect of chemical content,	1 water treatment scheme substantially completed. 2 sewerage treatment schemes substantially completed.

6.5 North-South and Wider Co-operation (Priority 4)

Output Indicators	Result Indicator
10 new/existing NI networks to be supported	75% of new/existing NI networks to be supported 75% satisfaction rate of participant network organisations in local and international networks
130 technical assistance projects to be funded	75% of recommendations to be accepted
50 new/existing cross-border linkages/networks to be supported	70% of linkages in cross-border/cross-community projects 20% of additional finance to be levered to border region 250 jobs created, directly or indirectly

Current Position for Priority 4 Indicators

The majority of outputs from Priority 4 of the CSF - North/South and Wider Co-operation - will be generated through PEACE II activities funded under Priorities 4 and 5 (Outward and forward Looking Region and Cross-Border Co-operation). There has been no expenditure under the relevant measures in 2001 therefore, there is no information currently available for these indicators.

7. REVIEW OF FINANCIAL PERFORMANCE OF THE COMMUNITY SUPPORT FRAMEWORK

The funding allocations for each of the CSF Priorities, excluding the SUI GENERIS Peace Priority, which is derived solely from the PEACE II Programme, are provided from a number of BSP and PEACE II Priorities. The diagram at Table 1 of page 2 of this report sets out the relationship between the Programme and CSF Priorities. For example, in the case of the North/South and Wider Co-operation CSF Priority, funding is derived from the PEACE II Outward and Forward Looking Region (Priority 4) and Cross-border Co-operation (Priority 5) but also from three BSP Priorities, Economic Development (Priority 1) Employment (Priority 2) and Agriculture, Rural Development, Forestry and Fisheries (Priority 4).

In order to be able to monitor financial progress at CSF Priority level, a system will be developed for attributing expenditure, based upon the reported spend for the BSP and PEACE II Programmes. As far as possible, this will be accomplished by the appropriate labelling or tagging of projects to identify the CSF Priority to which they contribute within the monitoring database which will be operational in 2002.

In 2001 there was no actually certified expenditure for either the BSP or PEACE II Programmes but Departmental Schemes have estimated spend of approximately €210m. In order to provide the Monitoring Committee with a picture of financial progress for the CSF and in the absence of any tagging system the reported BSP

expenditure has been allocated across the CSF Priorities using the same calculation basis as used in compiling the original CSF financial tables. It is fully recognised that these figures may be subject to change when certified expenditure is declared and the monitoring system is operational in 2002.

Using this method of allocation, the financial performance of the CSF Priorities is set out in Table 6 page 103. A comparison between this performance and the financial allocations to each CSF Priority is set out in Table 7 page 104.

These tables illustrate what has already been commented upon, earlier in this report, that the implementation of the Programmes was slow in 2001. Particularly for PEACE II, where no spend has been reported, 2001 was a year in which the emphasis was on setting up the infrastructure of the Programme through the appointment of Implementing Bodies and drawing up of selection processes. By the end of 2001, approximately 11% of total public funding available under the CSF had been spent. This points to a clear need to accelerate spending in 2002 in order to meet the N+2 targets of the two Operational Programmes and this will be a focus of attention for the Managing Authorities.

Although financial implementation has been slow, the underlying strategic rationale for each of the CSF Priorities remains strong as there has been no significant change in the general socio-economic conditions during 2001 in Northern Ireland. There is still a need to

progress towards a peaceful society and to develop business, people, the territory and an outward perspective.

Table 6

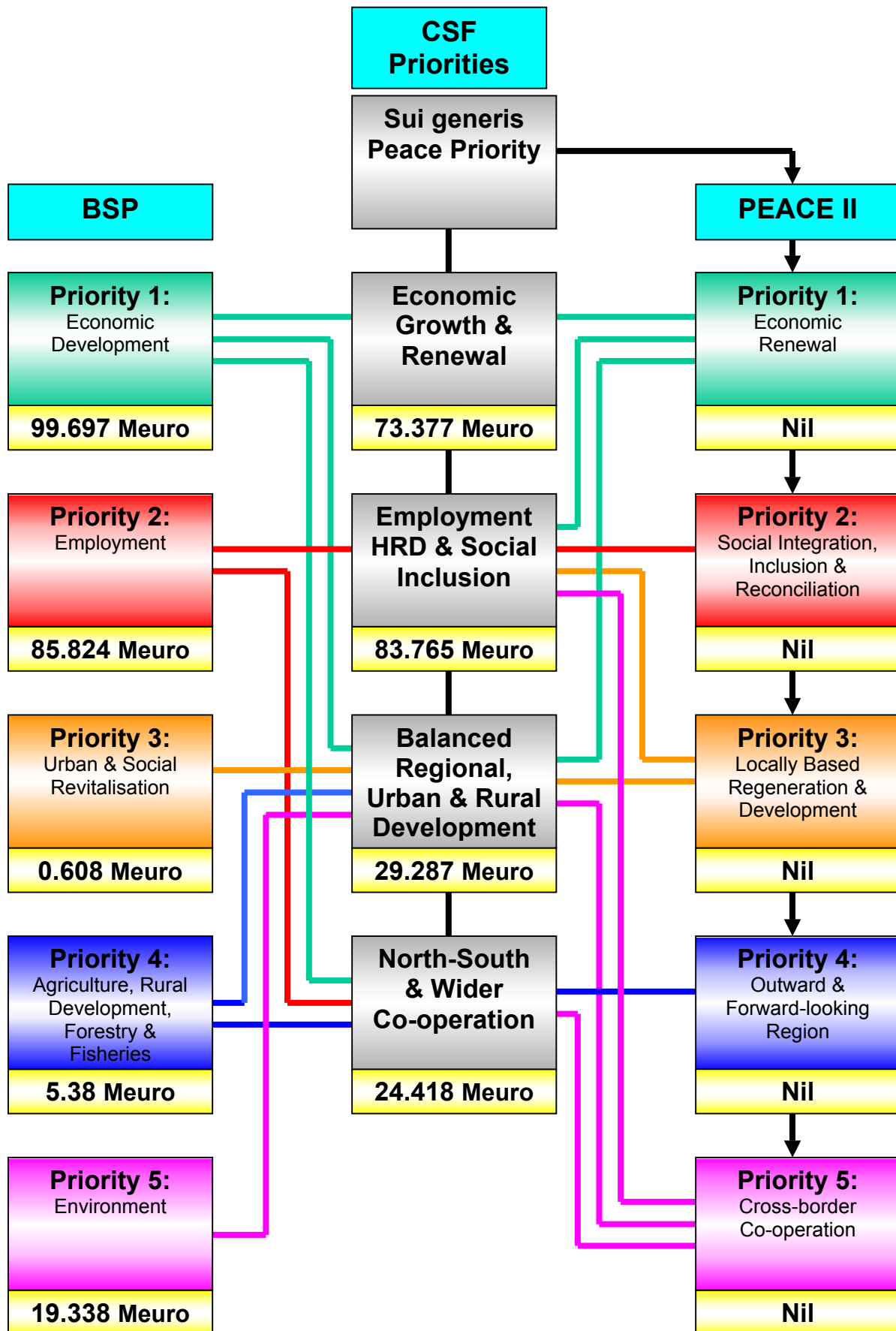
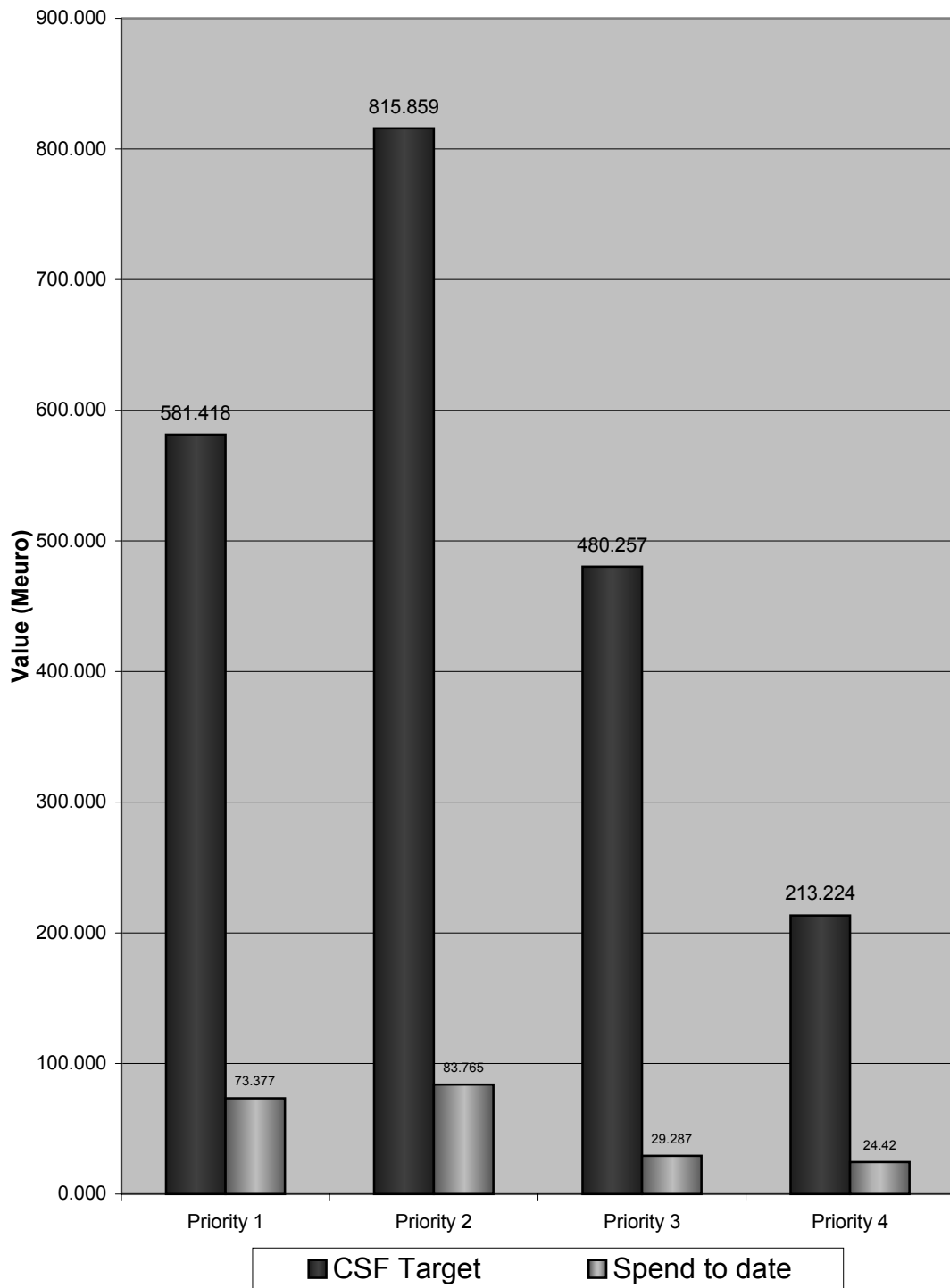


TABLE 7

Financial Progress of CSF Priorities to 31/12/01



8. INFORMATION, PUBLICITY AND COMMUNICATION

Context

The CSF funding package comes with a requirement to publicise the availability and use of EU Structural Funds. The aims are to raise wider public awareness about the assistance the EU provides through that funding and to improve transparency.

The European Commission (EC) in Regulation EC 1159/2000 has been laid down prescribing a common methodology and the type of publicity and information measures to be used (e.g. project signage and logos). Progress must be monitored and reported to the Monitoring Committees and the EC. Responsibility for ensuring implementation rests on Managing Authorities and Implementing Bodies.

The Community Support Framework (CSF) requires the information and publicity measures to be presented in a structured form ("a communications plan"), setting out the aims and target groups, the content and strategy. The CSF also contains a commitment to designate one or more persons responsible for information and publicity.

Early publicity

The CSF was announced by Ministers in December 2000 and given wide publicity at that time. This was followed on 24 March 2001 by

the very successful public launch of the two Operational Programmes (BSP & PEACE II) in a major media event held in Stormont. Commissioner Barnier officially `signed` the Programmes on behalf of the EC and was accompanied by senior Ministers (North and South).

CSF Monitoring Committee

To help plan the way forward the CSF Monitoring Committee established a Communications and Information Working Group. In April 2001 the Group presented an outline communication and information/publicity strategy, which the Committee approved deciding the following:

- a detailed communications plan should be developed which defines key audiences; core themes and schedule of activities
- the EU logo should be displayed at every project funded and this should be a contractual requirement for implementing bodies
- a summary communication report be prepared for consideration by the CSF Monitoring Committee for inclusion in the Annual Implementation Report
- to ensure consistency guidelines should be prepared for the Operational Programme Monitoring Committees

- the draft work programme of the CSF Monitoring Committee should include the Communications Action Plan as a core element

Communications Plans were developed and incorporated into the Programme Complements for BSP and PEACE II. The outcomes are reported in the BSP and PEACE II Annual Implementation Reports for 2001 but are summarised in the following paragraphs.

PEACE II

A very high profile has been created for the PEACE II Programme. Training sessions were arranged for IFBs, LSPs and others. There was widespread advertising, road shows, publicity materials, workshops and local advertising and promotion.

These activities paved the way for calls for projects and alerted the local communities of the potential funding available. Other major promotional events and advertising were conducted by SEUPB which highlighted the contribution being made by the EU to the Programme.

BSP

The profile for this Programme has been lower than for PEACE II, although there has been some successful involvement of Ministers in order to gain media attention. Other activities have reinforced the publicity requirement and acknowledgement of EU assistance.

Through use of logos, letters of offer and compliance checks supported by meetings eg local councils and the NITB and displaying acknowledgements eg by school authorities.

A number of websites with helpdesk facilities have been successfully established by some Departments including DEL and DARD. The DEL site allows access to an ESF Promoter's Manual. The DARD website is dedicated to the Rural Development Programme including BSP Measures and was launched along with a signposting brochure and video. The launch was followed by a series of 17 Information seminars across Northern Ireland. DETI uses an Intranet to raise awareness among staff about EU supported programmes.

The CSF Managing Authority has also developed websites for applications and information. The latter attracts many international visitors, mainly from the USA but others come from as far afield as Singapore. During 2001 over 2000 Programme documents were downloaded by these visitors and another 8000 downloaded the EU Structural Funds User Manual. Summaries of these documents are available on request in minority languages and formats tailored for people with disabilities.

Observations

Comparison of the two Operational Programmes shows that in terms of publicity, information and communication PEACE II has progressed well and, in a co-ordinated way. A key factor seems to

be the groundwork laid by use of consultants during the previous Programme and the continuation of that input in PEACE II. The designation PEACE II is another factor given the political climate and it has allowed the Programme to attract and hold widespread media and political attention.

BSP does not have a similar high profile and there is a need for a more co-ordinated approach across the various departments involved. Also BSP has a number of measures not directly open to public application as many of the projects funded are mainstream Government schemes.

Beyond 2001

In terms of the strategy set out by the CSF Monitoring Committee in April 2001 it is clear that much work has been done by the Managing Authorities and Departments. However further work is required to establish a plan for the CSF, which embraces yet caters for the different profiles and needs of the two Operational Programmes. The Communications and Information Working Group will continue to support the Monitoring Committee in this.

Department of Finance and Personnel

CSF Managing Authority

September 2002