



EUROPEAN STRUCTURAL INVESTMENT FUNDS

**The Investment for Growth and Jobs Programme
for Northern Ireland**

2014-2020

CCI: 2014UK16RFOP003

Co-financed by the European Regional Development Fund

OPERATING MANUAL

Version 1.2 (Sept 2016)

Version Control

Date	Version	Status	Reason for Change	Date Finalised
July 2015	1	Draft		
November 2015	1.1	Final		May 2016
September 2016	1.2	Final	Pre-financing and N+3 tables corrected	Sept 2016
May 2019	1.3	Final	The Selection Criteria approved by the PMC for Priorities 1, 2 and 3 are available at Annex J and K of this manual.	May 2019

Contents

1.0 Introduction

- 1.1 Background
- 1.2 Operating Manual – Purpose

2.0 Roles and Responsibilities

- 2.1 Member State – Role and Responsibilities
- 2.2 Managing Authority – Role and Responsibilities
- 2.3 Certifying Authority – Role and Responsibilities
- 2.4 Audit Authority – Role and Responsibilities
- 2.5 Intermediate Bodies – Role and Responsibilities
- 2.6 Programme Monitoring Committee – Role and Responsibilities
- 2.7 Working Groups – Role and Responsibilities
- 2.8 Staff responsible for Programme Administration

3.0 Programme Implementation, Timetable and Database

- 3.1 Programme Timetable
- 3.2 Annual Timetable
- 3.3 Programme Database

4.0 Designation of Operations / Schemes to be Co-Financed

- 4.1 Background
- 4.2 Regulatory Requirement
- 4.3 Selection of Operations
- 4.4 Managing Authority High-Level Assessment
- 4.5 Selection of Operations (where IB is the beneficiary)
- 4.6 Managing Authority Action – Post-Scheme Assessment
- 4.7 Memoranda of Understanding
- 4.8 Assignment of Funding Letter
- 4.9 Project Application / Selection – at Intermediate Body level

4.10 Technical Assistance

5.0 Major Project Application

5.1 Background

6.0 State Aid

6.1 Roles and Responsibilities

6.2 Changes to State Aid provisions or Scheme Administration

6.3 Revenue Generation

6.4 Financial Instruments (FIs)

7.0 Core Requirements and Terms and Conditions for Letters Of Offer and / or Contracts

7.1 Introduction

7.2 Letters of Offer

7.3 General Requirements

7.4 Terms of Contracts Awarded

8.0 Finance

8.1 Programme Pre-Financing Payments

8.2 Exchange Rates

8.3 Performance Reserve

8.4 Accounts, Management Declaration and Annual Audit Summary

9.0 Tendering Procedures

10.0 N+3 Targets

10.1 Background

10.2 Progression of N+3 Targets

10.3 N+3 Forecasting – Purpose

10.4 N+3 Forecasting – Managing Authority Actions

10.5 N+3 Forecasting – Intermediate Body Actions

10.6 Miscellaneous Financial Requirements

11.0 Interim Claims / Drawdowns Process

11.1 Background

11.2 Applications for Reimbursement for IBs - Verifications

11.3 Frequency of Drawdowns

11.4 Drawdown Signatories

11.5 Irregularities and Recoveries

11.6 – 11.14 Drawdown Process

11.14 Indicative Drawdown Timetable

12.0 Management Verification

- 12.1 General
- 12.2 Managing Authority Role in Management Verification
- 12.3 Intermediate Body Role in Management Verification
- 12.4 Risk Assessment and Sampling

13.0 Audit Trail and Retention of Documents

- 13.1 Audit Trail
- 13.2 Retention of Documents

14.0 Information and Publicity

- 14.1 General
- 14.2 Roles and Responsibilities
- 14.3 Non-compliance
- 14.4 Guidance

15.0 Monitoring and Evaluation

- 15.1 Performance Indicators and Targets and their Assessment
- 15.2 Validation of Performance Data
- 15.3 Annual Implementation Report
- 15.4 Information Requirements for the Annual and Final Implementation Reports
- 15.5 Citizens' Summary
- 15.6 Submitting Reports for Approval
- 15.7 Annual Review Meeting (CPR Article 51)

16.0 Evaluation (CPR Articles 54 – 57)

- 16.1 Introduction
- 16.2 Ex-post Evaluation

Annexes

- A** – Certificate of Expenditure Declared
- B** – Standard Clauses for a Letter of Offer
- C** – Standard Clauses for Contract
- D** – Template Memorandum of Understanding
- E** – Template Assignment of Funding Letter
- F** – Management Declaration
- G** – Template for Annual Audit Summary
- H** – Template: Documents supporting the MA Management Declaration
- I** – Designation Submission Template

- J – Priority 1 & 2 Selection Criteria
- K – Priority 3 Selection Criteria

1.0 INTRODUCTION

1.1 Background

The draft Investment for Growth and Jobs Programme for Northern Ireland 2014-2020 (the Programme) was approved by the Northern Ireland Executive on 16 July 2013 and was subsequently adopted by the European Commission on 12 December 2014 (CCI: 2014UK16RFOP003).

The Programme is worth a total of €513,382,728, of which 60% (€308,029,636, including a 6% Performance Reserve) comes from the European Regional Development Fund (ERDF), with the remaining 40% (€205,353,092) being the National contribution.

The Programme will focus on improving Northern Ireland's sustainable economic growth. The Programme will be delivered by the Department for the Economy (DfE) and will focus on the following priority areas:

- Promoting Research and Innovation;
- Promoting SME competitiveness; and
- Supporting the shift towards a low-carbon economy.

1.2 Operating Manual – Purpose

The Operating Manual (Manual) is intended as a general reference guide for the implementation of the Programme. The Manual has been produced by the Programme Managing Authority, which is part of the European Fund Management Division within the Department for the Economy (DfE).

The Manual should also be read in conjunction with the Operational Programme document which is available on the Programme's website: www.jobsandgrowthni.gov.uk

This guidance is produced from a number of sources including:

- The European Commission;
- Department of Finance (DoF) as Member State for the Programme;
- Department for the Economy as Managing Authority for the Programme.

The Manual must also be read in conjunction with the relevant laws and guidance which will provide more detail on the prescribed implementing arrangements and procedures. More detailed information can be found on the Programme website: www.jobsandgrowthni.gov.uk

The main EC [Regulations](#) relating to the Programme are as follows:

- The Common Provisions Regulation EU No. 1303/2013 – (CPR)
- The European Regional Development Fund 1301/2013 - (ERDF Regulation)
- Various Implementing and Delegated Regulations

The Managing Authority can be contacted using the details below:

The Investment for Growth and Jobs Programme
Managing Authority
Department for the Economy
Adelaide House
39-49 Adelaide Street
Belfast
BT2 8FD

Telephone: 028 9052 9571
TextRelay: 18001 028 9052 9571
Email: igjni@economy-ni.gov.uk

2.0 **ROLES AND RESPONSIBILITIES**

2.1 **Member State – Role and Responsibilities**

The role of Member State in Northern Ireland is carried out by the Department of Finance (DoF). Their main functions are defined in Article 122 of the CPR and are summarized below:

- Preparation, negotiation and approval of the Operational Programme;
- Ex-ante evaluation;
- Setting up of management, monitoring and control arrangements;
- Correct management and reporting of Irregularities to the European Commission (EC);
- Designation of the Managing Authority;
- Publicity and information; and
- Chair and secretariat of the Programme Monitoring Committee and related Working Groups.

2.2 **Managing Authority – Role and Responsibilities**

The Member State designated DfE as the Managing Authority for the Programme on **<insert date>**. The Managing Authority is responsible for managing the Programme in accordance with the principle of sound financial management. The functions of the **Managing Authority** are specified in Article 125 of the CPR. In summary, DfE as Managing Authority will:

- Develop and maintain the **Operational Programme** document and seek modification approvals from the European Commission as appropriate;
- Support the work of the **Programme Monitoring Committee** referred to in Article 49 of the CPR and provide it with the information it requires to carry out its tasks, in particular financial and physical data relating to the progress of the operational programme in achieving its objectives against the agreed indicators and milestones;

- Draw up and, after approval by the monitoring committee, submit to the Commission **annual and final implementation reports** referred to in Article 50 of the CPR;
- Develop an **Operating Manual** and supplementary Guidance Notes as required and provide **guidance and training** to Intermediate Bodies and beneficiaries as appropriate to ensure compliance with all regulatory requirements and successful delivery of the Programme;
- Provide financial assistance to the Member State from the Technical Assistance budget for **establishment and maintenance of a database**. This database will record and store in computerised form data on each operation necessary for monitoring, evaluation, financial management, verification and audit;
- Ensure that the **data** referred to in the point above is **collected**, entered and stored in the system to enable meaningful **monitoring and reporting**;
- Draw up and seek approval of the Member State and Programme Monitoring Committee for **selection procedures and criteria**. These should ensure that operations selected contribute to the achievement of agreed Programme and priority objectives and results and can be attributed to an approved intervention category (Annex II of 215/2014). The procedures and criteria must also be non-discriminatory and transparent and take account of the general principles set out in Articles 7 (equality) and 8 (sustainable development) of the CPR;
- Ensure procedures, guidance and templates are established for the **assessment and approval of operations** which ensure that:
 - each beneficiary has adequate administrative, financial and operational capacity;

- where the operation has started before the submission of an application for funding under the Programme, applicable law relevant for the operation has been complied with;
 - operations selected only include productive activities within the programme area in accordance with Article 70;
- Submit **Major Project Applications** to the EC as appropriate in accordance with the regulatory requirements;
 - Establish procedures, guidance and templates which ensure that each beneficiary is provided with a **document setting out the conditions for support** for each operation including the specific requirements concerning the products or services to be delivered under the operation, the financing plan, and the time-limit for execution;
 - Establish procedures, guidance and templates for **financial management and control** which set out expenditure verification and accounting treatment/codification requirements where expenditure is reimbursed on a real cost basis. These will also include effective and proportionate risk assessment and anti-fraud measures;
 - Explore opportunities for **simplification** in terms of procedures and cost reimbursement;
 - Ensure that where the Managing Authority is also a beneficiary there are arrangements established for the verifications which ensure adequate **separation of functions**. In this case, the Certifying Authority will conduct the verifications. The DfE Certifying Authority is in a functionally separate Division of the Department and there is therefore clear separation between the Managing and Certifying Authorities;
 - Establish procedures and plans to ensure achievement of **annual expenditure targets**;

- Establish procedures and guidance which ensure that a full **audit trail** is established and maintained in accordance with the requirements of Article 72(g);
- Draw up the **management declaration and annual summary** referred to in Article 59 (5) (a) and (b) of the Financial Regulation (EU No. 966/2012) ;
- Develop and implement an **Information and Publicity Plan** to ensure compliance with requirements of Article 115 of the CPR;
- Maintain and make available publicly a **list of beneficiaries and operations financed** and amount of grant allocated and received;
- Develop an **Evaluation Plan** to ensure evaluations are carried out in accordance with the requirements of Article 114 of the CPR;
- Publish and disseminate the Departmental **anti-fraud policy** and **risk management** procedures and ensure that all staff administering EU funding have the appropriate knowledge and training;
- Establish procedures for reporting, monitoring and investigating **irregularities** and for the recovery of amounts unduly paid;
- Establish proportionate procedures to identify, assess and monitor **revenue-generating projects** in accordance with Article 61 of the CPR;

Reporting Requirement

Regulation	Requirement	Annual	2015	2016	2017	2019	2022
CPR Art 112	Submission of Financial Data - Total Eligible Costs and number of operations supported	31 Jan <i>(see also July and October)</i>					
	Forecast of payment applications for current and subsequent financial years						
CPR Art 138	Submission of Annual Accounts, Management Declaration and Annual Summary, Audit Opinion of Accounts and annual summary of ACR	(2016-2025) 15 Feb					
CPR Art 37(3)	Financial Instruments - Ex-ante assessment to be submitted to PMC for information		28 May				
EU 480/2014 Art 12(2)	Financial Instruments - PMC to be informed of methodology for management costs and fees and receive annual reports on the costs and fees effectively paid in the preceding calendar year	Spring PMC					
CPR Art 50 & 111	Annual Implementation Reports (except 2017 and 2019)	31 May					
CPR Art 46(1)	Report on FEIs to be included as an annex to AIR	31 May					
CPR Art 116	Communication Strategies to be submitted to PMC for approval no later than 6 months after adoption of programme + progress report at least once a year.		12 June				
CPR Art 50 (4) and (5)	Annual Implementation Reports for 2017 and 2019				30 June	30 June	
CPR Art 46(1)	AIR to included report on FEIs				30 June	30 June	

Regulation	Requirement	Annual	2015	2016	2017	2019	2022
CPR Art 50(4) + 111(4)	AIR to include report on actions taken to promote sustainable development				30 June	30 June	
CPR 135 Art 2)	Submission of final application for Interim payment	31 July					
CPR Art 112	Submission of Financial Data - Total Eligible Costs and number of operations supported	31 July					
	forecast of payment applications for current and subsequent financial years						
CPR Art 127(4)	Audit Strategy within 8 months of adoption of Programme. Updated annually from 2016-2024. Submit to Commission upon request.		12 Aug				
CPR Art 52(1)	Progress Report on implementation of PA				31 Aug	31 Aug	
CPR Art 112	Submission of Financial Data - Total Eligible Costs and number of operations supported	31 Oct					
CPR Art 114	Evaluation Plan to be submitted to PMC within one year of adoption of programme		12 Dec				
CPR Art 19(2)	Fulfilment of any remaining ex ante conditionalities			31 Dec			
CPR 122(3)	Electronic data exchange system with beneficiaries (ecohesion)		31 Dec				
CPR Art 114(2)	Report on Evaluations carried out within programming period						31 Dec

2.3 Certifying Authority – Role and Responsibilities

DfE will also fulfill the role of Certifying Authority for the Programme. The Certifying Authority Unit is functionally independent from the Managing Authority Unit. In accordance with Article 126 of the CPR, the Certifying Authority is responsible for the following:

- a. drawing up and submitting payment applications to the Commission, and certifying that they result from reliable accounting systems, are based on verifiable supporting documents and have been subject to verifications by the Managing Authority;
- b. drawing up the accounts referred to in point (a) of Article 59(5) of the Financial Regulation;
- c. certifying the completeness, accuracy and veracity of the accounts and that the expenditure entered in the accounts complies with applicable law and has been incurred in respect of operations selected for funding in accordance with the criteria applicable to the Programme and complying with applicable law;
- d. ensuring that there is a system which records and stores, in computerised form, accounting records for each operation, and which supports all the data required for drawing up payment applications and accounts, including records of amounts recoverable, amounts recovered and amounts withdrawn following cancellation of all or part of the contribution for an operation or Programme;
- e. ensuring, for the purposes of drawing up and submitting payment applications, that it has received adequate information from the Managing Authority on the procedures and verifications carried out in relation to expenditure;
- f. taking account when drawing up and submitting payment applications of the results of all audits carried out by, or under the responsibility of, the Audit Authority;
- g. maintaining, in a computerised form, accounting records of expenditure declared to the Commission and of the corresponding public contribution paid to beneficiaries;

- h. keeping an account of amounts recoverable and of amounts withdrawn following cancellation of all or part of the contribution for an operation. Amounts recovered shall be repaid to the budget of the Union prior to the closure of the Programme by deducting them from the subsequent statement of expenditure.

All of the functions listed in the CPR will be carried out by the designated CA within DfE, without delegation.

2.4 Audit Authority – Role and Responsibilities

The Audit Authority, designated by the Member State, is functionally independent from the Managing and Certifying Authorities. Although in the same Division as DfE Internal Audit Service, the Audit Authority operates independently. However, the Audit Authority will, where appropriate, place reliance on the work of the Internal Audit Service in regard to the system audits of management and control. The Audit Authority, which reports directly to the DfE Audit Committee (and Director of Finance only on administrative matters), will be involved in the coordination of the planning and the outcome of system audits to ensure relevance, completeness and integrity. The Audit Authority has also direct responsibility for the audit of operations.

The main functions of the Audit Authority, which are set out in Article 127 of the CPR, are restated below for reference:

1. The audit authority shall ensure that audits are carried out on the proper functioning of the management and control system of the operational programme and on an appropriate sample of operations on the basis of the declared expenditure. The declared expenditure shall be audited based on a representative sample and, as a general rule, on statistical sampling methods.

A non-statistical sampling method may be used on the professional judgement of the audit authority, in duly justified cases, in accordance with internationally accepted audit standards and in any case where the

number of operations for an accounting year is insufficient to allow the use of a statistical method.

In such cases, the size of the sample shall be sufficient to enable the audit authority to draw up a valid audit opinion in accordance with the second subparagraph of Article 59(5) of the Financial Regulation.

The non-statistical sample method shall cover a minimum of 5 % of operations for which expenditure has been declared to the Commission during an accounting year and 10% of the expenditure which has been declared to the Commission during an accounting year.

2. Where audits are carried out by a body other than the audit authority, the audit authority shall ensure that any such body has the necessary functional independence.
3. The audit authority shall ensure that audit work takes account of internationally accepted audit standards.
4. The audit authority shall, within eight months of the adoption of an operational programme, prepare an audit strategy for performance of audits. The audit strategy shall set out the audit methodology, the sampling method for audits on operations and the planning of audits in relation to the current accounting year and the two subsequent accounting years. The audit strategy shall be updated annually from 2016 until and including 2024. Where a common management and control system applies to more than one operational programme, a single audit strategy may be prepared for the operational programmes concerned. The audit authority shall submit the audit strategy to the Commission upon request.
5. The audit authority shall draw up:
 - (a) an audit opinion in accordance with the second subparagraph of Article 59(5) of the Financial Regulation;

- (b) a control report setting out the main findings of the audits carried out in accordance with paragraph 1, including findings with regard to deficiencies found in the management and control systems, and the proposed and implemented corrective actions.

Where a common management and control system applies to more than one operational programme, the information required under point 5(b) above may be grouped in a single report.

- 6. The Commission shall, in order to ensure uniform conditions for the functions of the Audit Authority, adopt implementing acts laying down models for the audit strategy, the audit opinion and the control report. Those implementing acts shall be adopted in accordance with the advisory procedure referred to in CPR A. 150(2).
- 7. The Commission may adopt delegated acts, in accordance with Article 149, to set out the scope and content of audits of operations and audits of the accounts and the methodology for the selection of the sample of operations referred to in paragraph 1 of CPR A.127.
- 8. The Commission may adopt delegated acts, in accordance with CPR A. 149, detailing rules on the use of data collected during audits carried out by Commission officials or authorised Commission representatives.

2.5 Intermediate Bodies – Role and Responsibilities

The Operational Programme identified Invest Northern Ireland (“Invest NI”) as an Intermediate Body to be designated under the Programme in accordance with Article 123 of the CPR. Other Intermediate Bodies may be designated by the Managing Authority as appropriate.

The designation of an Intermediate Body (IB) is formally recorded in writing (CPR A. 123(6)) through a signed Memorandum of Understanding (MoU) between the Managing Authority and the IB. The MoU defines the

Intermediate Body's responsibilities in detail – a template Memorandum of Understanding is set out at Annex D. The Managing Authority will, where required, tailor the Terms and Conditions applied to individual Memoranda to ensure they wholly meet the specific requirements for the Management and Control of Programme expenditure.

2.6 Programme Monitoring Committee – Role and Responsibilities

The Member State (DoF) has responsibility for establishing the Programme Monitoring Committee (Committee). The Committee shall review the implementation of the Programme and progress made towards achieving its objectives. The functions of the Committee are set out in articles 47, 48, 49 and 110 of the CPR and have been agreed as detailed below. The PMC:

- shall review implementation of the programmes and their progress towards achieving the objectives agreed with the European Commission (EC). In doing so, it shall have regard to financial data; common and programme specific output and result indicators; and the performance framework milestones agreed with the EC;
- shall examine all issues that affect the performance of the programme, including the conclusions of the performance reviews;
- shall be consulted and, if considered appropriate, give an opinion on any amendment of the Programmes put forward by the managing authorities, before submission to the EC;
- may make observations to the programme managing authorities regarding implementation and evaluation of the programmes including actions related to the reduction of the administrative burden on beneficiaries. It shall monitor actions taken as a result of such observations
- shall examine in particular:
 - (a) any issues that affect the performance of the operational programmes;
 - (b) progress in implementation of the evaluation plan and the follow-up given to the findings of evaluations;

- (c) implementation of the communications strategy;
- (d) implementation of major projects;
- (e) implementation of joint action plans;
- (f) actions to promote equality between men and women, equal opportunities, and non-discrimination, including accessibility for persons with disabilities;
- (g) actions to promote sustainable development;
- (h) where applicable ex-ante conditionalities are not fulfilled at the date of the submission of the Partnership Agreement and operational programmes, progress on actions to fulfil the applicable ex-ante conditionalities;
- (i) implementation of financial instruments;

The PMC shall examine and approve:

- (a) the methodology and criteria used for the selection of operations;
- (b) the annual and final implementation reports;
- (c) evaluation plans and any changes to the plan;
- (d) programme communications strategies and any changes to those strategies; and
- (e) any proposal by the managing authorities for any amendment to the operational programmes.

2.7 Working Groups – Role and Responsibilities

The Monitoring Committee may appoint Working Groups as it deems appropriate to consider in more detail specific areas of its responsibility. Working Groups will operate under the direction and authority of the Monitoring Committee.

2.8 Staff Responsible for Programme Administration

All staff administering Programme Funding will be made aware of the [DfE Anti-Fraud Policy and DfE Whistleblowing Policy](#). These policies are available on the DfE Intranet site and will be brought to the attention of all staff administering the Programme. In addition, all staff administering Programme expenditure will be provided with appropriate training as deemed necessary. .

3.0 PROGRAMME IMPLEMENTATION TIMETABLE AND DATABASE

3.1 Programme Timetable

Period	Activity
2012-2013	Formulation of draft Programme
July 2013 – October 2013	Consultation Process
16 July 2013	Draft Programme approved by Northern Ireland Executive
12 December 2014	Programme adopted by European Commission
June 2015	Official Programme Launch
31 May 2016	First Annual Implementation Report covering performance from January 2014 to December 2015
15 February 2017	First Management Declaration and Annual Control Report
31 December 2017	First N+3 expenditure target
2017 - 2018	Mid Term Review
30 August 2019	Commission decision on Performance Reserve
31 December 2023	Final date by which expenditure must have been incurred and paid by the Project beneficiary under the Programme

3.2 Indicative Annual Timetable (precise timings and frequency of actions may vary dependent on need)

Month	Key Actions
January	<ul style="list-style-type: none"> • Managing Authority requests input from Intermediate Bodies to Annual Implementation Report; • Managing Authority requests quarterly N+3 financial update from Intermediate Bodies (this may be required monthly from 2017 onwards);
February	<ul style="list-style-type: none"> • Managing Authority requests input from Intermediate Bodies to Progress Report for Monitoring Committee • Audit Authority submits the Annual Control Report to the Commission by 15 February • Managing Authority submits the Management Declaration and Audit Summary to the Commission by 15 February • Certifying Authority submits the Annual Accounts to the Commission by 15 February
March	<ul style="list-style-type: none"> • Progress Report, Annual Implementation Report and other relevant papers must be submitted to Monitoring Committee secretariat 3 weeks prior to Programme Monitoring Committee meeting.
April	<ul style="list-style-type: none"> • Managing Authority initiates quarter 1 drawdown; • Programme Monitoring Committee meets (April / June); • Managing Authority requests quarterly N+3 financial update (this may be required monthly from 2017 onwards) from Intermediate Bodies.
May	<ul style="list-style-type: none"> • Follow up on actions decided by the Programme Monitoring Committee; • Europe Day (9 May) marked by Managing Authority. • Light AIR to be submitted to European Commission through SFC2014 system by 31 May.

June	<ul style="list-style-type: none"> Enhanced AIR (2017 and 2019) to be submitted to European Commission through SFC2014 system by 30th June.
July	<ul style="list-style-type: none"> Managing Authority requests quarterly N+2 financial update from Intermediate Bodies (this may be required monthly from 2017 onwards); Managing Authority initiates quarter 2 drawdown.
August	<ul style="list-style-type: none"> Managing Authority requests input from Intermediate Bodies to PMC Progress Report.
September	<ul style="list-style-type: none"> Progress Report and other relevant papers must be submitted to Monitoring Committee secretariat 3 weeks prior to Programme Monitoring Committee meeting.
October	<ul style="list-style-type: none"> Managing Authority initiates quarter 3 drawdown; Programme Monitoring Committee meets (October / November); Managing Authority requests quarterly N+3 financial update from Intermediate Bodies (this may be required monthly from 2017 onwards).
November	<ul style="list-style-type: none"> Follow up on actions decided by the Programme Monitoring Committee; Managing Authority attendance at Annual Examination Meeting with Commission. Managing Authority initiates final drawdown for N+3.
December	<ul style="list-style-type: none"> Any drawdown claim to be counted towards N+3 must be submitted to the EC before the end of December (first deadline applied on 31 December 2017).

Note: The **EC Financial Year** runs from 1 January to 31 December and applies to the N+3 target and the Annual Implementation Reporting period.
The **EC Accounting Year** runs from 1 July to 30 June and applies to audit and accounting periods (the Annual Control Report, Management Declaration and Annual Summary).

3.3 Programme Database

A database system (referred to as DB2014) is being developed to underpin the management of the Programme.

There are 4 other Operational Programmes to be supported by the new system:

- Northern Ireland European Social Fund Programme (“ESF”) under the Investment for Growth and Jobs Goal (Northern Ireland ESF Programme).
- Peace and Reconciliation ERDF Programme under the Co-operation Objective. (PEACE IV).
- Cross-Border ERDF Programme, jointly with Scotland and Ireland, under the Co-operation Objective (INTERREG VA).
- Agricultural Fund, European Agricultural Fund for Rural Development (EAFRD) (NI Rural Development Programme).

The main functions of the database will be as follows:

- Managing the application process
- Recording appraisal and selection
- Facilitating the issue of Letters of Offer
- Accepting claims
- Recording payments
- Recording management control and verification activity
- Recording irregularities
- Facilitating the input of monitoring and evaluation information
- Facilitating drawdowns
- Recording audit activity.

4.0 DESIGNATION OF OPERATIONS / SCHEMES TO BE CO-FINANCED

4.1 Background

The Spending Priorities and financial allocations within the Investment for Growth and Jobs Programme were agreed by the Northern Ireland Executive in July 2013 on the basis of proposals submitted by Government Departments which were deemed most suitable to achieve the objectives of the Programme. The range of activities that could be delivered under the Programme was concentrated to focus on activities aligned to the Europe 2020 Agenda for jobs and growth and to streamline the implementation and delivery of the Programme relative to its budget.

4.2 Regulatory Requirement

Article 125 of the CPR states that the Managing Authority will draw up and, once approved (by PMC), apply appropriate selection procedures and criteria that;

- ensure the contribution of operations to the achievement of the specific objectives and results of the relevant priority;
- are non-discriminatory and transparent; and
- take into account the general principles set out in Article 7 (Equality) and Article 8 (Sustainable Development)

4.3 Selection of Operations

As indicated in paragraph 2.5, the majority of operations funded under the Programme will be selected by the relevant IB using the PMC approved selection criteria.

The operations selected will generally be administered under the conditions of an approved Scheme as identified in the Operational Programme. For example, Grant for R&D.

In these cases, the Managing Authority will conduct a high-level assessment of the overarching Scheme to ensure compatibility with Programme objectives and other regulatory requirements.

Where the Intermediate Body is the beneficiary of funding (e.g. Design Service) then the Managing Authority will undertake full project level assessment against the agreed selection criteria. Northern Ireland national rules regarding the need for proportionate business planning and approval procedures will also be observed.

The Selection Criteria approved by the Programme Monitoring Committee for Priorities 1, 2 and 3 are available at Annex J and K of this manual.

4.4 Managing Authority High-Level Assessment

Intermediate Bodies will submit proposals detailing how the scheme/ operation contributes to the performance of the Programme and complies with the Selection Criteria approved by the Programme Monitoring Committee. Each submission will include as a **minimum**:

- A description of how the operation/scheme fulfils the Programme assessment criteria;
- Identification and quantification of the contribution to the relevant Thematic Objective indicators and targets;
- Anticipated timeframe for implementation of the scheme;
- Financial profile showing spend by financial year and calendar year;
- Casework submission/business case (supported by evidence that the appropriate level of approval has been received) giving a more detailed rationale for the scheme and what it aims to achieve;
- Sustainability / Environmental Impact Assessment where appropriate;
- Equality Impact Assessment (EQIA) documentation; and

- State aid assessment documentation or written confirmation that the Project/Scheme does not constitute Aid. Where Aid is present then each submission must contain:
 - the scheme/operation's State Aid approval and the associated notification number and details of any block exemption being applied; **or**
 - confirmation that a de minimis exemption is being applied in accordance with Regulation (EU) No. 1407/2013;

A designation submission template is included at Annex I.

- The MA DP with responsibility for the area, will assess the submission against the criteria as set out in table 1 below;
- The assessment will be approved by the Head of the Managing Authority (G7); and
- Only activities achieving a 'yes' to each selection criteria will be successful.

4.5 Selection of Operations (where IB is the beneficiary)

- a Selection Panel will be established consisting of at least 3 members, including a Chairperson;
- The operation will be assessed and scored against the approved selection criteria for the relevant priority (as set out in table 1 below);
- Each Panel member will independently assess the application before the Panel meets.
- At the Panel meeting, it is the responsibility of the Chairperson to ensure that a consensus opinion and score is reached.
- The signed consensus scoring sheet is retained on file, along with each individual Panel member's signed scoring sheet.

As part of the designation process, the Managing Authority will seek to confirm that the Intermediate Body has secured the appropriate approvals (in line with its delegated authority) and that the proposed administration of the

scheme complies with the main requirements for EU expenditure. The following template will be used to record the assessment.

Table 1: Managing Authority - Scheme Level Assessment template

Criteria	Assessment	Yes / No
Thematic Objective	<p>Does the proposed scheme or activity align with and contribute to the achievement of a thematic objective of the Programme?</p> <p>Will the activity contribute to the performance framework indicators for the relevant thematic objective? (See Performance Indicators for related Thematic Objective below).</p> <p>If not, are appropriate new indicators proposed? If yes, this will require a Programme modification and PMC approval prior to inclusion in the Programme.</p>	
Timeframe and financial profile	Does the proposed timeframe and financial profile fit with overall Programme deadlines and N+3 targets?	
Approvals and Value for Money	Are all necessary approvals for the Business Case (or Economic Appraisal) in place?	
State Aid	Has a State Aid Assessment been completed by the IB and included with the IB submission?	

4.6 Managing Authority Action – Post Scheme Assessment

For any unsuccessful proposal, the Managing Authority will formally notify the responsible Intermediate Body in writing of the decision. Where appropriate, the Managing Authority will outline how a proposal could attain the necessary score subject to a number of improvements to the proposal and will set out the areas where improvement is required.

For each successful scheme/operation, the Managing Authority will formally notify the responsible Intermediate Body in writing. The Audit Authority will also be notified of the designation.

A Memorandum of Understanding will be established between the Managing Authority and each Intermediate Body. Where a scheme/operation is approved for a new Intermediate Body, this document will need to be established in accordance with Section 2.5 of this manual.

For schemes/operations which are to be implemented directly by the Intermediate Body, either through direct expenditure on activities or through a contract, an Assignment of Funding Letter will also be issued by the Managing Authority. This process is also further described in Sections 2 and 3 of Annex A to this manual and a template Assignment of Funding Letter is available at Annex E to this manual.

4.7 Memorandum of Understanding

The Managing Authority will formally delegate a number of tasks to its Intermediate Bodies (CPR 1303/2013, A.123, para 6). For each Intermediate Body a Memorandum of Understanding (MoU) will be established. In the case of Non Departmental Public Bodies (Invest NI), the Department will have already established a Management Statement and Financial Memorandum (MSFM). Where this is the case, the MoU issued by the Managing Authority will act as a supplement to the conditions set out in the MSFM documents and detail the Intermediate Body's role in relation to the management of EU Structural Funds under the Programme.

The Managing Authority will, when required, tailor the terms and conditions applied to an individual MoU to ensure it wholly meets the specific requirements for the Management and Control of Programme expenditure.

4.8 Assignment of Funding Letter

Where operations are implemented directly by an Intermediate Body, either through a directly managed project or a contract, the level of control to be exercised by the Managing Authority will be increased to ensure that there is an appropriate level of independence in the process. As such, an Assignment

of Funding Letter (AFL) will be issued which sets out the terms and conditions. Verifications in accordance with Article 125 of the CPR will be conducted by the Managing Authority in compliance with EGESIF guidance.

4.9 Project Application/Selection at Intermediate Body Level

Through the MOU, The MA may delegate to Intermediate Bodies responsibility for administering the application, selection and approval process for the schemes within their remit. Each Intermediate Body will be required to ensure that projects are selected in line with the principles outlined in paragraphs 4.3 to 4.6 above. Intermediate Bodies are required to document the application, selection and approval process which ensures that only operations that fit the Programme objectives are accepted for ERDF funding.

Assessment of applications must be scored against the criteria agreed by the Programme Monitoring Committee. Compliance will be assessed by Managing Authority.

4.10 Technical Assistance

Applications for Technical Assistance will be made through submissions which address the Technical Assistance selection criteria. A Selection Panel within Managing Authority will assess the merits of the submission and how it fits with the indicative activities as set out in the Operational Programme.

Applications for Technical Assistance can be made by Intermediate Bodies; the Member State and/or the, Certifying and Audit Authorities. The Managing Authority's own Technical Assistance requirements will be expected to fulfill the same criteria however in place of an application, a business case will be completed and submitted to the appropriate delegated level for approval.

Technical Assistance may be used to support activities relating to the following categories of expenditure defined by the European Commission:

- Preparation, implementation, monitoring and inspection;
- Evaluation and studies;
- Information and communication

The indicative activities provided for in the operational programme are:

- Monitoring and Evaluation;
- Information, Communication, Awareness Raising and Publicity;
- Procurement advisory supports including advice on both national and EU procurement requirements, and support throughout the procurement process;
- Recruitment and selection of projects, including economic and technical appraisal;
- Monitoring Committee and other management activities;
- Advice, guidance and training supports for those involved in ERDF administration;
- Programme database development and maintenance;
- Dissemination of Commission correspondence and good practice;
- Verification and audit activity;
- Support for the administration of the Programme to include resources for data capture and input and processing for payment (utilizing Simplified Cost Options where possible);
- Additional staff costs within the Programme Delivery Bodies (which include the Managing Authority, Certifying Authority and Audit Authority, and Intermediate Bodies with delegated responsibility for ERDF management and administration);
- Travel and subsistence costs associated with Programme development, management, implementation and closure;
- Expertise (e.g. State Aid, Construction, Technical) as required for effective and robust Programme implementation;
- Closure of 2007-2013 Programme;
- Development of post 2020 Programme.

As with the other Priority Axes under the Programme, Technical Assistance projects must demonstrate compliance with European and national rules, including the guidance published on the Programme website.

Selection criteria for Technical Assistance is set out in the table below and for approved operations an Assignment of Funding Letter will be issued by the

Managing Authority. Expenditure will be managed in accordance with the regulations and guidance and will be monitored independently by both the Audit and Certifying Authorities.

Technical Assistance Selection Criteria Selection Criteria	Requirement	Assessment
Strategic Fit PRIORITY 4 (Technical Assistance)	<ul style="list-style-type: none"> ▪ Please describe the activity proposed, including a clear demonstration of how it complies with the eligibility rules for Technical Assistance as set out in the Common Provisions Regulation (EC Reg 1303/2013). 	Pass / Fail
Approvals	<ul style="list-style-type: none"> ▪ Please confirm that relevant internal approvals (e.g., internally approved business case) are in place for this project. ▪ Please provide a copy of any such approvals. 	Pass / Fail
Value For Money	<ul style="list-style-type: none"> ▪ Please demonstrate how this funding will deliver Value for Money. 	Pass / Fail

For Priority Axis 4, applications must achieve a 'Pass' against all of the selection criteria.

The Programme has been generally considered in the context of environmental impact and a full environmental Impact Assessment was not considered appropriate in light of the nature of projects to be funded. Individual projects funded through the Programme will be assessed individually using the Development Path Analysis tool as indicated in the approved Operational Programme.

As Technical Assistance is used only to support management and implementation costs associated with Programme delivery a reduced number of selection criteria apply. These functions are considered using the DPA tool to constitute 'Business as usual' and are assessed to have no negative environmental impact.

Beneficiaries of Technical Assistance will either be Government Departments or Non Departmental Public Bodies all of whom are required by national rules to apply with Equality legislation in every aspect of their business.

5.0 MAJOR PROJECT APPLICATION

5.1 Background

A major project is defined in Article 100 of the CPR as “*comprising a series of works, activities or services intended in itself to accomplish an indivisible task of a precise economic or technical nature, which has clearly identified goals and for which the total eligible cost exceeds €50 million*”. The Managing Authority is required to inform the European Commission of major projects, and to obtain a Commission decision as to whether the project can proceed with a financial contribution from the Programme. Total costs are calculated excluding operating costs but where there is any ambiguity; clarification should be sought from the Managing Authority in the first instance. Where necessary, the Managing Authority will seek the opinion of the Member State and/or European Commission.

The IGJ Programme is required under the regulations to allocate at least 15% of the Programme to activities which meet the Low Carbon objectives as defined by the EC. The MA intends to submit a single major project for assessment by the EC for this purpose. The procedure is pre-defined by the EC and is set out at:

http://ec.europa.eu/regional_policy/archive/projects/major_projects/index_en.cfm

6.0 STATE AID

6.1 Roles and Responsibilities

Each Intermediate Body is responsible for ensuring that the individual awards of aid, and aid schemes, they administer comply with State aid rules.

MA will undertake appropriate checks to assess compliance with State aid rules.

Further advice and guidance about State aid can be accessed on the Programme [website](#) or by contacting the State Aid Unit within the Department for the Economy.

6.2 Changes to State aid provisions or Scheme administration

Any change to the State aid position of a scheme/operation is the responsibility of the Intermediate Body and should be communicated without delay to the Managing Authority.

6.3 Revenue Generation

When a project is proceeding on a 'no State aid' basis but is 'revenue generating', it may be subject to Article 61 of Regulation (EU) No. 1303/2013. This article has the effect of reducing the eligible costs of the project in advance, taking into account the potential of the project to generate net revenue, and thereby ensuring the amount of ERDF co-financing is the minimum necessary. Further guidance is provided in EGESIF guidance document: Guidance for Member States on Management Verifications (Ref: 14-0012-02). MA will undertake appropriate checks on compliance with Commission guidance as required.

6.4 Financial Instruments (FIs)

There are specific rules that apply to FIs. These are detailed in Article 37-46 of the Common Provisions Regulation 1303/2013 and DG Regio's [reference guide](#).

MA will employ a specialist resource to undertake appropriate checks on compliance with Commission guidance.

7.0 CORE REQUIREMENTS AND TERMS AND CONDITIONS FOR LETTERS OF OFFER AND/OR CONTRACTS

7.1 Introduction

The purpose of the Letter of Offer and/or contract is to put in place a legally binding agreement between the relevant parties.

The agreement must contain all required terms and conditions needed to ensure compliance with Commission and national requirements.

For Letters of Offer and Contracts, provision must be made for events of default and repayment / clawback.

7.2 Letters of Offer

Due to the varied nature of the activities to be funded under the Programme it is not possible to provide a single uniform Letter of Offer template. Each Intermediate Body, depending on the nature of the operation to be funded, will therefore be required to develop a template. However, an outline of the areas that need to be covered **as a minimum** is provided as Annex B to this manual. Compliance will be assessed during management verification checks.

7.3 General Requirements

Intermediate Bodies should seek agreement on the content of each template Letter of Offer with the Managing Authority **before issue**.

The Programme logo must be included in the Letter of Offer in compliance with the published EC Regulations and Guidance. The logo can be downloaded from the Programme [website](#).

7.4 Terms of Contracts Awarded

Due to the varied nature of the activities to be funded under the Programme it is not possible to provide a single uniform contract template. However, an outline of the areas that need to be covered as a minimum is provided at

Annex C. Compliance will be assessed during Management Verification checks.

For operations implemented through a tendering and contract process, particular care should be taken to ensure compliance with relevant procurement Directives and/or national legal requirements. Guidance on procurement is covered in section 9.

The Programme logo and EU funding source should be included in the contract where practicable in compliance with the published EC Regulations and guidance.

8.0 Finance

8.1 Programme Pre-Financing Payments

Article 134 of Regulation (EU) No 1303/2013 provided for three initial pre-financing payments (sometimes referred to as “advances”) to be made, amounting to 1% of the Programme’s main ERDF allocation in 2014, 1% of the ERDF Programme value in 2015 and 1% of the ERDF Programme value in 2016.

Further annual pre-financing payments shall be paid before 1 July in each of the years from 2016 to 2023. All pre-financing payments due are summarised in the table below:

Year	Pre-Financing Type	Percentage	ERDF Amount
2014	Initial	1.000%	€2,895,478.58
2015	Initial	1.000%	€2,895,478.58
2016	Initial	1.000%	€2,895,478.58
2016	Annual	2.000%	€5,790,957.16
2017	Annual	2.625%	€7,600,631.27
2018	Annual	2.750%	€7,962,566.10
2019	Annual	2.875%	€8,324,500.92
2020	Annual	3.000%	€8,686,435.74
2021	Annual	3.000%	€9,240,889.08
2022	Annual	3.000%	€9,240,889.08
2023	Annual	3.000%	€9,240,889.08
Total		25.250%	€74,774,194.17

Note: The performance reserve value is excluded from the calculation of pre-financing payments up to and including 2020.

These pre-financing payments, including the exchange rates applied and their sterling values at the time of payment are shown in the table below.

Amount (Euros)	Paid	Exchange Rate Applied	Amount (Sterling)
€2,895,478.58	22 Dec 2014	0.7832830	£2,267,979.16
€2,895,478.58	02 Feb 2015	0.744885	£2,156,798.58
€2,895,478.58	27 Jan 2016	0.757715	£2,193,947.57
€5,790,957.16	12 Apr 2016	0.758952	£4,395,058.52
€14,477,392.90			£11,013,783.83

8.2 Exchange Rates

As defined in Articles 80 and 133 of Council Regulation (EU) No 1303/2013, the euro is the currency to be used in Operational Programmes, forecasts of expenditure, statements of expenditure, requests for payments (drawdowns), accounts and expenditure mentioned in annual reports and final implementation reports. The Managing Authority is responsible for keeping the sterling – euro exchange rate under review in consultation with DoF in its Member State role.

Exchange rate fluctuations impact the Programme with regard to the following:

- The amount of sterling expenditure required to deliver the euro value of the Programme;
- The amount of sterling expenditure required to achieve the euro N+3 targets;
- The value of each drawdown submitted to the Commission, following conversion from sterling to Euros;
- The value of each receipt from the Commission, following conversion back from Euros to sterling; and

- The sterling value of the pre-financing payments which are based on percentages of the euro value of the Programme.

8.3 Performance Reserve

In line with Article 20 of Regulation (EU) No 1303/2013, six per cent (€18,481,778 ERDF) of the total Programme allocation is regarded as a performance reserve.

A performance review will be undertaken in 2019 in relation to the performance framework set out for the Programme. The performance review will examine the achievement of the milestones established within the performance framework. The review will be based on the information and assessments presented in the Annual Implementation Report to be submitted by 30 June 2019.

The Commission will make a decision on the Performance Reserve no later than 30 August 2019 – 2 months after the latest receipt of the Annual Implementation Report. The Commission decision will be adopted by means of an implementing act specific to the Programme.

If the milestones have been met the performance reserve will be definitively allocated on the basis of this commission decision (CPR 1303/2013 A.22, sub paras (2) and (3)).

In the event of milestones not being met, the Managing Authority will have 3 months from the date of the decision to propose the reallocation of the performance reserve and other amendments to the Programme in compliance of the Commission decision. (CPR 1303/2013 A.22)

8.4 Accounts, Management Declaration and Annual Audit Summary

The Certifying Authority is required to provide the Commission with annual accounts by 15th February for expenditure declared in the previous accounting year (1 July – 30 June). The accounts must be supported by a Management Declaration and an Annual Audit Summary (prepared and signed by the Managing Authority) together with an opinion of these submissions and the Annual Control Report (ACR) (prepared and signed by the Audit Authority).

No expenditure will be claimed from the Commission before 30 June 15. Therefore, the first accounts must be provided by 15 February 2017 and will be based on expenditure included in payment applications presented to the Commission between 1 July 2015 and 30 June 2016. The final accounting year shall be from 1st July 2023 to 30 June 2024 and the related audit work will be reported in the last ACR due by 15 February 2025.

The Programme Authorities will meet monthly from July each year to ensure that complete, accurate and timely submission of documents to the Commission.

The Managing and Certifying Authorities will provide the Audit Authority with their respective draft documents (supported by an adequate audit trail) by 15 November each year to allow time for review and resolution of any queries by 31 January. The MA, CA and AA will upload their respective final documents to SFC2014 in advance of the 15 February deadline.

The CA, MA and AA have established procedures and templates to ensure that the required accounts and statements comply with the European Commission requirement. The procedures are as follows:

- CA procedures and templates (to be produced by the Certifying Authority)
- MA internal procedures for producing the Management Declaration and Annual Audit Summary (to be developed) to include internal responsibilities, timescales and liaison with AA and CA.
- MA Management Declaration template (Annex F and Annex H)
- MA Template for the Annual Audit Summary (Annex G)

9.0 **TENDERING PROCEDURES**

The Managing Authority requires projects, subject to public procurement rules, to comply with relevant DoF Central Procurement Directorate (CPD) guidance and thresholds and EC procurement regulations applicable at the time. The European Union rules on Procurement apply to contracts that are financed or part financed by Structural Funds grant where the organisation procuring is subject to public procurement rules or in very specific circumstances (such as where the public contribution exceeds 50% of the total cost of the project of a subsidised public works contract which is valued above the applicable EU threshold). If an IB has any doubt about the applicability of procurement requirements for a project Managing Authority (or CPD / IB CoPE) advice should be sought.

Where EU procurement rules apply, contracts are required to be advertised in the Official Journal of the European Communities (OJEC). Bids for contracts must be assessed on an objective basis and contract awards should be published in the OJEC. Documentation supporting the procurement process must be retained in line with Managing Authority document retention requirements and [audit trail guidance](#). ERDF funding will be reclaimed if it is subsequently found that the procurement rules have been breached and the extent of the ERDF to be reclaimed will be informed by the nature and impact of the breach. When determining the financial correction to be applied for non-compliance with the rules on public procurement, Managing Authority will refer to the relevant EC COCOF guidance which can be found on the Programme [website](#).

Organisations that are not financed or supervised by public sector bodies (and commercial organisations in the private sector) are not normally subject to the EU public procurement rules but are nonetheless expected to use fair and open practices including competitive tendering when letting contracts for which they intend to claim ERDF funding through the Programme.

Where procurement rules are applicable, the project is responsible for securing the procurement audit trail. If a framework contract is use, which has been established by a central procurement body, the project should ensure that the related procurement documents can be audited prior to using the contract. Note: Some UK wide framework contracts have proved difficult to audit, therefore, MA advises the procurement documents required for audit are requested in advance of using the contract. The minimum procurement audit trail documents are included in the Managing Authority [Audit Trail guidance document](#).

DoF Central Procurement Directorate is responsible for issuing Central Government procurement guidance and the Managing Authority requires that all procurement which is subject to public procurement requirements complies with CPD policy applicable at the time of the procurement. The thresholds applicable to public procuring authorities are set out in CPD [guidance](#).

CPD revised Procurement Guidance Note 04/12 on 26 March 2015. The previous guidance is attached for information and related to procurement from 17th June 2010.

Effective 17 June 2010



Effective 23 April 2014



Effective 26 March 2015



EU thresholds can be accessed on the CPD [website](#).

Within Northern Ireland there is also a requirement on all bodies subject to Northern Ireland Public Procurement Policy to comply with the [12 Procurement Principles](#) contained within the policy. These include the principles of transparency and competitive supply. A full list of the bodies to which the policy applies can be found on the CPD [website](#).

10.0 N+3 TARGETS

10.1 Background

N+3 targets relate to the value of expenditure submitted to the European Commission through the database by the end of each calendar year, where 'N' refers to a year during the programming period, and the '+3' indicates that the corresponding expenditure target must be achieved no later than 3 years after year 'N'. As an example, the first year of the programming period is 2014, and the first annual N+3 target will apply three years later in 2017, with the target to be met by 31 December in that year. N+3 targets will apply each year from 2017 until 2023.

Every effort must be made to achieve N+3 targets as provision is made in Article 136 of Regulation (EU) No 1303/2013 for the European Commission to automatically decommit any shortfall against the N+3 target for each year.

The N+3 target is based on the euro amount earned, so the impact of exchange rates must be monitored to ensure that sufficient sterling expenditure is incurred to deliver the Euros required.

N+3 performance will be reported at Programme level, however in order to achieve the target, each Intermediate Body will be expected to achieve the agreed N+3 target for its own area of responsibility.

The N+3 target is a cumulative measure of financial performance, so any over-achievement against N+3 in one year can be counted towards the following year's target.

10.2 Progression of N+3 Targets

The N+3 targets are outlined below, showing the amounts to be incurred, recorded on the database and submitted to the Commission through the drawdown process by the 31st December in each of the years stated.

By end of year	Cumulative N+3 Target (ERDF)	Yearly N+3 Increase (ERDF)	Pre-Financing Amounts Due	Required N+3 ERDF Spend (Cumulative)*	Yearly N+3 ERDF Spend Increase (Annual)*
2014		-	€2,895,478.58	-	-
2015		-	€2,895,478.58	-	-
2016		-	€2,895,478.58	-	-
2016		-	€5,790,957.16	-	-
2017	€38,945,790.00	€38,945,790.00	€7,600,631.27	€16,867,765.83	€16,867,765.83
2018	€78,671,281.00	€39,725,491.00	€7,962,566.10	€48,630,690.73	€31,762,924.90
2019	€119,191,973.00	€40,520,692.00	€8,324,500.92	€80,826,881.82	€32,196,191.09
2020	€160,523,615.00	€41,331,642.00	€8,686,435.74	€113,472,088.08	€32,645,206.26
2021	€202,682,412.00	€42,158,797.00	€9,240,889.08	€146,389,996.00	€32,917,907.92
2022	€245,684,891.00	€43,002,479.00	€9,240,889.08	€180,151,585.92	€33,761,589.92
2023	€289,547,858.00	€43,862,967.00	€9,240,889.08	€308,029,636.00	€127,878,050.08
Totals	€289,547,858.00	€289,547,858.00	€74,774,194.17	€308,029,636.00	€308,029,636.00

* NB: 'Required N+3 ERDF Spend' figures for 2023 include the total of the pre-financing payments due over the lifetime of the Programme, along with the total value of the Performance Reserve (€18,481,778) which does not form part of the yearly N+3 target calculation.

10.3 N+3 Forecasting – Purpose

The purpose of N+3 forecasting is as follows:

- To establish how much expenditure has been incurred to date and to detail the elements of the Programme that it has been incurred against;
- To obtain updated expenditure forecasts for the period until the next N+3 deadline; and
- To obtain updated expenditure forecasts showing anticipated spend over the remainder of the Programme.

10.4 N+3 Forecasting – Managing Authority Actions

The Managing Authority will initiate an N+3 forecasting exercise, usually on a monthly or quarterly basis, depending on the business need. A covering e-mail will issue to Intermediate Bodies advising that the N+3 forecasting exercise is being initiated, advising of the action required by the Intermediate Body, and advising of the deadline for completion of the exercise.

The Managing Authority will also issue a spreadsheet proforma for completion by the Intermediate Bodies in respect of their respective areas of responsibility. This will show the level of detail required for the expenditure to date and forecast information – i.e. information broken down by activity, and by quarter or month as appropriate.

The Managing Authority will review the information provided by the Intermediate Body and determine if any follow-up action is required.

10.5 N+3 Forecasting – Intermediate Body Actions

The Intermediate Body is required to complete the proforma supplied, accurately and in full, within the deadline stipulated. It will therefore be necessary for Intermediate Bodies to request forecast information from those responsible for individual schemes / projects in sufficient time to allow the Intermediate Bodies to meet the requirements and deadline for the forecasting exercise.

10.6 Miscellaneous Financial Requirements

The Managing Authority may also request financial information from Intermediate Bodies on an ad-hoc basis, should this be required for any purpose by the Managing Authority itself, the European Commission, Member State, Certifying Authority, DfE Senior Management or any of the duly-empowered audit bodies.

Information which may be required will include expenditure and commitment information to date and forecast information for subsequent months, quarters or years as appropriate. Breakdowns of this information may be needed by scheme/operation, by cash and/or accrual expenditure. Intermediate Bodies will be expected to be able to provide this information in an accurate and timely manner on request.

11.0 INTERIM CLAIMS / DRAWDOWNS PROCESS

11.1 Background

The Commission's accounting period runs from 1st July to 30th June, during which time interim claims for reimbursement (sometimes referred to as drawdowns) may be submitted by the Certifying Authority to the Commission. The Commission will reimburse 90% of the eligible amount submitted in interim claims, with the remaining 10% being held back as a retention amount, pending approval of the annual accounts (see Article 137 of the Common Provisions Regulation). In addition to this reimbursement, from 2016 to 2023 the Commission will make an annual pre-financing (advance) payment to the Certifying Authority before 1st July each year (Article 134 of Common Provisions Regulation refers).

It is mandatory to submit an interim claim to the Commission between 1st and 31st July each year (although this claim can be for a zero amount) and this must be identified as the final interim claim for the preceding year so as to distinguish it from subsequent interim claims which will relate to the new accounting year.

When the annual accounts have been approved, the Commission will calculate the amount to be paid to the Certifying Authority based on the value of interim claims still to be paid, less the Annual Pre-Financing Payment. The Commission will make this payment within 30 days of the acceptance of the annual accounts. If the calculation results in a negative amount, the Commission will issue a recovery order which will be effected where possible by offsetting against the next interim payment application. Article 139 of the Common Provisions Regulation covers this process in full.

11.2 Applications for Reimbursement to Intermediate Bodies – Verifications

Intermediate Bodies are responsible for ensuring that all applications for reimbursement submitted to them under the Programme are subject to administrative verifications in accordance with Article 125 of the Common Provisions Regulation. These first line verification checks of expenditure

items claimed should be undertaken against supporting documentation to ensure compliance with all applicable European and National rules before payment is made to the project.

It is recognised that while verification of each expenditure item is desirable, this may not be practical. If this is the case, the Intermediate Body should check a sample of expenditure items in line with Managing Authority [guidance on sampling methodology](#).

The administrative verifications should include checks relating to invoice details, arithmetical accuracy, payment dates and payment reference numbers. The Intermediate Body should ensure that the supporting documentation supplied contains sufficient information to enable it to satisfy itself of the eligibility of the item claimed within the context of the Programme, including proof that the expenditure items have been incurred.

The Intermediate Body will record the relevant details of each administrative check on the Programme database.

In addition, the Managing Authority will ensure that all projects are subject to an on the spot management verification in line with the conditions set out in section 12 of this manual. These will also be recorded on the Programme database. In the case of the Managing Authority's own use of Technical Assistance, the Certifying Authority will undertake the on the spot verification to ensure the independence of the checking process.

11.3 Frequency of Drawdowns

The Managing Authority will initiate a regular drawdown process (normally at the end of each quarter) which will require Intermediate Bodies to keep the Programme database updated with all necessary information at all times. In addition to the standard quarterly process, the Managing Authority may undertake further drawdowns should the need arise due to N+3 pressures or for other management reasons.

11.4 Drawdown Signatories

The Managing Authority will hold a list of designated drawdown signatories and their deputies for each Intermediate Body. The Managing Authority will check with the Intermediate Bodies to ensure that the list is up to date for each drawdown. The list will include the name and position held of each signatory and deputy.

11.5 Irregularities and Recoveries

Intermediate Bodies will be expected to maintain comprehensive records of all irregularities detected and recoveries made in respect of their area of responsibility for the Programme. In order to help ensure that the correct amount is included in drawdown claims to the Commission, **all recoveries must be reflected in the Intermediate Bodies' Programme database entries in accordance with** the EGESIF guidance note [15-0017-02](#).

11.6 Drawdown Process - Stage 1a – Available Expenditure Report generated and circulated

The Managing Authority will generate the drawdown available expenditure report from the Programme database summarising the expenditure available for inclusion in drawdown, i.e. expenditure that has been recorded on Programme database but not included in previous drawdown claims to the Commission.

The Managing Authority will also generate the DfE Article 125 based Verification by Project report for each Intermediate Body's area of responsibility. This will show which projects have had a flag status awarded to them on the basis of a completed on the spot verification check. These reports will be circulated by email to the Intermediate Bodies for preliminary checking in respect of their individual areas of responsibility.

11.7 Drawdown Process – Stage 1b – Available Expenditure Report checked & any adjustments made

The Intermediate Bodies will check to ensure that they are satisfied that the reports are an accurate reflection of the expenditure items that are available

for drawdown. The Intermediate Bodies will each confirm to the Managing Authority if they are satisfied with the contents of the reports, or will notify the Managing Authority of any changes required or expenditure items to be excluded from the drawdown process.

Based on the responses from Intermediate Bodies, the information in the DfE Article 125 Verification by Project reports and any additional audit or verification checks undertaken, the Managing Authority will draw up a list of projects or expenditure which will be excluded from the drawdown claim through the Programme database drawdown exclusion process.

11.8 Drawdown Process - Stage 2 – Drawdown Initiation and Exclusion Processing

Before initiating the drawdown, the Managing Authority will check to ensure that Intermediate Bodies have made any changes that were to be made to the entries on the Programme database as a result of their initial checks.

On the Programme database, the Managing Authority will then enter a drawdown name in the format IGJNI – Year (Sequential number of drawdown within that calendar year). A Drawdown Eligibility Date will also be entered and only expenditure with a date paid up to and including the date entered can be included in the drawdown. If any of the schemes are not to be included in the drawdown, they can be de-selected under the 'Choose Drawdown schemes heading. When this has been done, the drawdown can be initiated.

At this stage, if either the Managing Authority or Intermediate Body has identified that any projects or individual expenditure records should not be included in the drawdown for any reason, the Managing Authority will mark the relevant items as excluded on the database, noting the reason for the exclusion.

If this exclusion has taken place after the Intermediate Body certificates have been issued, the certificates will need to be re-issued through the 'Re-Issue

Implementing Body Certificates' facility on the database. The process at this stage will be similar to that outlined at Stages 2-4 above.

11.9 Drawdown Process - Stage 3 – Intermediate Body Certificates generated and circulated

The Managing Authority will then generate drawdown certificates from the Programme database. The current drawdown will be selected from a dropdown list, 'Print Implementing Body Certificates' will be selected as the processing type and 'Print both Implementing Body Certificate and Drawdown Project Expenditure Detail' will be selected as the type of report to be run. The status of the drawdown on the database will now be 'IBCertIssued'. These Programme database certificates will then be saved as PDF documents and emailed to the relevant Intermediate Bodies, along with separate certificates of expenditure declared (see Annex A).

11.10 Drawdown Process Stage 4 – Intermediate Body Certificates checked, signed and returned

The Intermediate Bodies will thoroughly check the information contained in the Programme database certificates relevant to their individual areas of responsibility against their own records. This check should ensure that the information is complete, includes all relevant payments and recoveries in compliance with applicable European and national rules and accurately reflects what the Intermediate Body expects to submit for drawdown for that period.

Once the Intermediate Body has completed the check, the certificates should be signed by the Intermediate Body's designated signatory (or their deputy) to confirm that all the conditions specified in the certificate have been met. The certificate should then be countersigned by a designated official (or their deputy) on behalf of the financial team which has processed the payments included in the drawdown. The Intermediate Body should also sign the certificate of expenditure declared.

The Intermediate Body will keep a copy of the completed certificates and return the original signed certificates to the Managing Authority, along with supporting Account NI documentation where appropriate.

11.11 Drawdown Process Stage 5 – Managing Authority final checks and preparation of documentation for Certifying Authority

The Managing Authority will review the original certificates for authenticity, completeness, and to ensure the information supplied agrees with the Managing Authority's own records and complies with the relevant European and national rules.

When satisfied that the drawdown information supplied by the Intermediate Bodies is in order, the Managing Authority will update the database to show that the IB certificates have been signed off and will mark the drawdown as signed off. The database drawdown status will become 'MA Complete'.

The Managing Authority's authorised signatory (or deputy) will sign the 'Statement of Expenditure Declaration' form and the drawdown documentation will be forwarded to the Certifying Authority.

Managing Authority will then write to the Certifying Authority, providing details of the drawdown and any issues that need to be considered before the drawdown can be submitted to the Commission, using the format prescribed by the Certifying Authority. This letter will also include links to the supporting documentation specified in the Certifying Authority template.

11.12 Drawdown Process Stage 6 – Certifying Authority checks and submission to EC

On receipt of an Interim Payment Application from the Managing Authority, the Certifying Authority will review all supporting documentation, including any audit reports covering the period of the claim, to ensure that the signed certificate of expenditure declared is accurate, results from reliable accounting systems and is based on verifiable supporting documents.

To further confirm the eligibility of the claim the Certifying Authority will draw a random 10% sample of expenditure declared under each Priority and request a copy of the documentation used to verify the eligibility of the expenditure e.g. completed on-the-spot checklist, claims inspectorate check etc.

The Certifying Authority will review the expenditure included in the Certificates of Expenditure declared, make adjustments for any expenditure being withdrawn from the Statement of Expenditure (to ensure it is withdrawn at the same euro rate it was received) and apply flat rate corrections (if applicable).

When satisfied that all requirements have been met and that the Euro claim is accurate, the Certifying Authority's authorised signatory will validate, sign and submit the claim to the European Commission via the SFC 2014 database. The Certifying Authority will receive immediate notification from the database that the claim has been sent.

The Certifying Authority manual sets out the Certifying Authority's role in the drawdown process in full.

11.13 Drawdown Process Stage 7 – EC check and payment

Pursuant to Article 135 of Council Regulation (EU) No 1303/2013 the Commission will, subject to available funding and the absence of a suspension of payment, make interim payments no later than 60 days after the date on which an application for payment is registered with the European Commission. It is therefore expected the payment will be received within 60 days of the completion of Stage 6.

11.14 Drawdown Process – Stage 8 – Distribution of payment

EU Funds are paid via the Northern Ireland Office's (NIO) Central Finance Group. The NIO will notify the Certifying Authority when they have taken receipt of ERDF, the transfer date and the exchange rate applied. The Certifying Authority will ensure the accuracy of the receipt and arrange transfer of the funds from NIO to Paymaster General.

EU receipts are apportioned based on the Intermediate Bodies' percentage of the total euro amount claimed; as such any exchange rate gain or loss is also apportioned on this basis.

The Certifying Authority will notify each Intermediate Body of the sterling claim, adjustments applied, the euro amount claimed and the sterling receipt. DoF require EU funds to be transferred from the Paymaster General Account within 3 working days.

11.15 Indicative Drawdown Timetable

The indicative timetable for the drawdown process is outlined in the table below. The process will normally be initiated in January, April, June and October each year. This cycle may be supplemented by ad-hoc drawdowns as appropriate (see 11.2 above).

Stage	Body Responsible	Time Allowed
Stage 1a Available Expenditure Report generated and circulated	MA	1 day
Stage 1b Available Expenditure Report checked and any adjustments made	IB	1 week
Stage 2 Drawdown Initiation and Exclusion Processing	MA	3 days
Stage 3 IB Certificates generated and circulated	MA	1 day
Stage 4 Certificates checked, signed & returned to MA	IB	3 days
Stage 5 Managing Authority final checks & preparation of documentation for CA	MA	1 week
Stage 6 Certifying Authority checks & submission to EC	CA	2 weeks
Stage 7 EC check and payment	EC	2 months
Stage 8 Distribution of payment	CA	1 month

12.0 MANAGEMENT VERIFICATION

12.1 General

The requirements for management verifications in the 2014-2020 Programmes are established in European Union Regulations. The control system is established to ensure that the schemes/ operations/ projects receiving funding are actually delivered and that expenditure declared has actually been incurred and is eligible in that it complies with Community and national rules.

Commission Regulation (EC) No 1303/2013 Article 125 requires the Managing Authority to ensure that expenditure declared by beneficiaries has been incurred and complies with Community, Programme and National Rules.

Article 125(5) sets out the management verification activity to be carried out, including administrative, financial, technical and physical aspects of operations, in respect of each application for reimbursement, as appropriate. Administrative checks are not deemed to be sufficient on their own and therefore on-the-spot verification checks are carried out in order to check in particular the reality of the operation, delivery of the product/service in full compliance with the terms and conditions of the grant agreement, physical progress, respect for Community rules on publicity and cross cutting themes such as equality and sustainability, and fully compliant public procurement procedures.

Responsibility for verification activity (administrative and on-the-spot), lies primarily with the assigned Intermediate Body. However, the MA has decided to supplement the checks already conducted in order to meet the regulatory requirement to oversee the process and thereby enhance Programme control and reduce incidences of error.

12.2 Managing Authority Role in Management Verification

The Managing Authority is responsible for managing and implementing the operational programme in accordance with the principle of sound financial

management. It can choose to entrust some or all of these tasks to Intermediate Bodies but cannot delegate the overall responsibility for ensuring that checks are properly carried out.

Therefore, where certain tasks have been entrusted to other bodies, the Managing Authority will, in its supervisory capacity, obtain assurance that the tasks have been properly carried out. This will be achieved in a number of ways such as:

- Obtaining and reviewing relevant reports prepared by Intermediate Bodies;
- Receiving audit reports prepared in the context of Article 127 of Common Provisions Regulation (EC) No 1303/2013, which should incorporate reviews of the Article 125 verifications done at Intermediate Body level;
- Performing quality checks on verifications carried out by Intermediate Bodies; and
- Carrying out 2nd level A125 checks directly.

12.3 Intermediate Body Role in Management Verification

Intermediate Bodies are responsible for managing projects in accordance with Managing Public Money and relevant DAO guidance as the established procedures governing the management of public money applies to Programme funding. Therefore, 'first level' responsibility for management verification of operations / schemes / projects is delegated primarily to the Intermediate Body. Intermediate Bodies must ensure that Programme expenditure also meets relevant Programme requirements.

[EGESIF](#) Note 14-0012 is the primary source of guidance for management verifications. MA will issue further specific guidance as required.

12.4 Risk Assessment and Sampling

MA will employ a data mining tool as part of its risk assessment procedures and an appropriate policy and [guidance note](#) for its use will be developed and published on the website.

13.0 AUDIT TRAIL AND RETENTION OF DOCUMENTS

13.1 Audit Trail

The audit trail is a comprehensive set of documents which provide a complete history of a scheme/ operation/ project and provide evidence that proper procedures were applied and outcomes achieved.

An adequate audit trail, in accordance with the requirement of Article 72 of the CPR, must be established for the operational programme.

The Managing Authority has developed detailed guidance which can be accessed in the [audit trail guidance](#) section of the Programme's website.

Article 122 (3) of the CPR requires that all exchanges of information between beneficiaries and MA, AA, CA and IBs can be carried out by means of electronic data exchange systems, allowing beneficiaries to submit all required information only once. IBs are required to ensure that such a facility is made available to beneficiaries by 31 December 2015.

13.2 Retention of Documents

The EC regulation (Article 140 of the CPR) relating to Programme documents requires that all documents and information which constitute the audit trail must be retained until at three years from 31 December following the submission of the accounts in which the expenditure of the operation is included. This time period can be extended in the case of legal proceedings or by request of the Commission. However, expenditure within the Programme is subject to state aid rules requiring documents to be held for a period of ten years from the award date. The retention period set by the Managing Authority for the purposes of the Programme, is ten years from the date of the first Letter of Offer to the Project. Note: this statement only relates to Programme document retention requirements and there may be other reasons for projects to retain documents beyond this date.

In the event of termination or closure of the scheme/operation for whatever reason, the documentation must be returned to the Intermediate Body or Managing Authority. In no circumstances should any of the scheme/operation documentation be disposed of without the written permission of the Managing Authority.

14.0 INFORMATION AND PUBLICITY

14.1 General

Information and Communication requirements are set out in Articles 115 to 117 of the CPR.

Article 116 of the CPR requires that all EU co-financed Programme Schemes should be transparent and publicised to the beneficiaries and the general public. Article 116(3) of this regulation requires the Managing Authority to report annually to the Monitoring Committee on the measures taken to provide information on the Programme and how it is being publicised.

The overall aim of publicity is to highlight and promote the role played by the European Union, specifically the European Union Investment for Growth and Jobs Programme, in supporting Projects within Northern Ireland.

14.2 Roles and Responsibilities

The Managing Authority is responsible for drawing up a communication strategy and annual plan, maintaining a Programme website, informing potential beneficiaries about the funding opportunities and publicising to union citizens the role and achievements of the Programme. The Managing Authority will comply with the Information and Publicity requirements laid down in Annex XII of the CPR.

The Managing Authority has developed and will implement an Information and Publicity plan to ensure compliance with regulatory requirements. The Communication Plan has been approved by the Programme Monitoring Committee and the Managing Authority will provide a progress report to the Programme Monitoring Committee at least annually.

The Managing Authority shall also seek to ensure that Intermediate Bodies are compliant with the requirements of this regulation and wholly discharging their delegated responsibility under the CPR for ensuring compliance by beneficiaries.

Intermediate Bodies must also make potential beneficiaries aware that for any successful scheme/operation funded, details of the name of the scheme/operation/ project, a brief description of the activity and the amount of public funding awarded will be publicly available.

In particular Intermediate Bodies responsibilities include, but are not limited to, ensuring that Letters of Offer incorporate the requirement for beneficiaries to inform the general public of the ERDF funding applying to the Project, where the public contribution exceeds €500k. All projects, irrespective of the amount of funding given, must ensure that those taking part in the project or operation are informed of the EU Programme contribution.

The Managing Authority will assess compliance with the requirements through meetings and management verification checks conducted on the Intermediate Bodies and referred to in detail at section 11 of this manual.

The Managing Authority has a designated a named Information and Communication officer in accordance with Article 117 of the CPR. Further [Information and Communication guidance](#) can be found on the Programme website.

14.3 Non-compliance

Non-compliance with the Information and Publicity Requirements will be deemed as an irregularity and could be subject to financial correction.

14.4 Guidance

The Managing Authority maintains publicity guidance on the www.jobsandgrowthni.gov.uk website to guide Intermediate Bodies and ensure that they are well informed of the requirements.

15.0 MONITORING AND EVALUATION

15.1 Performance Indicators and Targets and their Assessment

Requirements for monitoring and reporting are set out in articles 50 and 111 of the CPR. Performance Indicators and Targets were developed at the outset of the Programme and approved by the Commission for each Thematic Objective.

Reporting on performance against indicators and targets is particularly important for accountability at EU level as this enables the collation of aggregated data to demonstrate what Cohesion Policy resources are being spent on and what they are achieving. For this reason, to enable monitoring information to be extracted from the DB2014 database, it is essential that Intermediate Bodies record actual (outturn) values on the database for each of the agreed indicators for which they are responsible.

Intermediate Bodies must also report formally against each of their indicators as part of their input to the Annual Implementation Report from 2017 onwards.

This report should include:

- cumulative achievement up to and including the preceding calendar year;
- analysis of the cumulative year-on-year achievement against the targets; and
- explanation of any significant apparent under/over-achievement against the targets.

IBs should pay particular attention to the milestone targets against which release of the performance reserve depends. Successful achievement will be determined based on the analysis of these targets contained within the AIRs submitted by 30 June in 2017 and 2019.

Intermediate Bodies should use the following questions and related EC guidance to ensure the information provided is appropriate and accurate:

- Has correct and validated information been provided in respect of all the official Programme indicators assigned to your Intermediate Body?
- Does the information you are providing allow the Programme Monitoring Committee and the European Commission to understand and assess performance against the official Programme indicators?
- Is the information on financial implementation satisfactory in relation to expenditure?

15.2 Validation of Performance Data

MA will request input from IBs in January each year. The IB should ensure that all information requested by the Managing Authority for reporting purposes is complete and accurate before submission and signed off by at least Grade 7 level.

MA management verification activity (Article 125) will be completed on all EC supported projects entered on DB2014 and this computer source will be used to check and report on performance for most of the Programme indicators. Other macro indicator information will be obtained from the independent source specified in the OP. All reports used to compile performance will be saved to TRIM to provide an audit trail of the reporting process.

The MA (SO) responsible for compiling the AIR will check the information provided by the IB for accuracy and consistency against IB background information supporting performance and / or DB2014. Trends in indicator forecasting will be checked for reasonableness and achievement of targets and deviations highlighted to management. An audit trail of MA checks completed will be documented in a Management Control Document. The Head of the Managing Authority will sign off the AIR before it is sent to PMC.

In addition, Internal Audit will review the information systems supporting performance reporting to provide assurance that the data compiled is accurate.

The three levels of validation described above will ensure that performance reported is robust and stands up to scrutiny from the Programme Monitoring Committee and the European Commission.

15.3 Annual Implementation Report

In accordance with Article 50 of the CPR the Managing Authority will, from 2016 to 2023 submit by 31 May each year (extended to 30 June in 2017 and 2019) an Annual Report on the implementation of the Programme – the “Annual Implementation Report” covering the previous calendar year.

The purpose of the Annual Implementation Report is to provide a clear analysis of the implementation of the Programme. The information provided should describe the progress made in implementing the Programme, its financial implementation, monitoring and evaluation measures, publicity arrangements and, where relevant, information on major projects.

The volume of information should be proportionate to the amount of expenditure incurred by the Programme at the various stages of its implementation.

The Managing Authority will require Intermediate Bodies to provide information for inclusion in the Annual Implementation Report by the end of February each year at the latest. Intermediate Bodies will be required to provide the information in the form of the template agreed between the Managing Authority and the Intermediate Bodies.

Approval of the Annual implementation Report by the Programme Monitoring Committee is required before its submission to the Commission. The Managing Authority will present the draft report at the appropriate meeting of the Monitoring Committee with a view to the Committee’s approval subsequently being confirmed by written procedure within 2 weeks of the meeting.

The EC has provided further guidance on the Annual Implementation Report in a [Monitoring and Evaluation guidance](#) note (March 2014).

15.4 Information Requirements for the Annual and Final Implementation Reports

There are 2 types of Annual Implementation Report (AIR) for the Programme – light and enhanced. Enhanced AIRs will be submitted in 2017 and 2019.

Light AIRs contain an overview of the implementation of the Programme, which will include:

- key information on the implementation of the OP for the year concerned, to include:
 - key information on financial instruments;
 - financial data; and
 - indicator data, including common and programme specific indicators, including changes in the value of result indicators where appropriate
 - The data transmitted shall relate to values for indicators for fully implemented operations and also, where possible, have regard to the stage of implementation for selected operations.
- Key information on the implementation of the priority axes with reference to:
 - key developments;
 - significant problems; and
 - steps taken to address problems
- progress of the preparation and implementation of major projects.
- a summary of the findings of all evaluations of the programme that have become available during the previous financial year

Beginning from the AIR submitted in 2017 it will also set out key information on the milestones defined in the performance framework. As well as the information set out above, the following information is required for enhanced AIRs:

- progress made towards achieving the objectives of the programme, including the contribution of the Funds to changes in the value of result indicators, when evidence is available from relevant evaluations.
- the ex-ante conditionalities not fulfilled at the time of adoption of the programmes.

- It shall also assess:
 - the implementation of actions to take into account the principles of promotion of equality between men and women and non discrimination based on sex, racial or ethnic origin, religion or belief, disability age or sexual orientation, the role of the partners referred to in Article 5 in the implementation of the programme and report on support used for climate change objectives (CPR A50 and CPR A7)
 - The actions taken to promote sustainable development (CPR A50 and CPR A8)

15.5 Citizens' Summary

A Citizens' Summary of the AIR and Final Implementation Report will also be made available to the public, providing key information contained within the AIR.

15.6 Submitting Reports for Approval

For those Reports which are subject to approval by the Commission (Annual Implementation and Final Reports), the approval of the Programme Monitoring Committee must be obtained in the first instance. Following the Committee's approval, the Reports (and related supporting documentation) will be submitted to the European Commission through SFC2014, (the Commission's web-based system for fund management). The Commission will then review the submitted information and advise the Managing Authority by letter whether or not the Report has been accepted.

15.7 Annual Review Meeting (CPR Article 51)

An annual review meeting may be organised every year from 2016 to 2023 between the Commission and the member state/managing authority.

However, if agreed, the meetings can be limited to 2017 and 2019 to coincide with the enhanced AIRs.

Within three months of the meeting the member state will provide the Commission with the measures taken on any issues raised which significantly affect the implementation of the Programme.

16.0 EVALUATION (CPR Articles 54 – 57)

16.1 Introduction

There is a regulatory requirement to carry out evaluations to improve the effectiveness of the quality and design of the implementation of the Programme and to assess its effectiveness, efficiency and impact. The impact of the Programme shall be evaluated in relation to the targets set under the EU strategy for smart, sustainable and inclusive growth. The evaluations shall be carried out by internal or external experts that are functionally independent of the organization responsible for Programme implementation. Commission guidance on how to carry out evaluation can be found in the guidance section of the Programme [website](#).

The Managing Authority is responsible for drawing up an Evaluation Plan for the Programme. It shall be submitted in accordance with the regulations set out in relation to evaluation. During the Programming period, the Managing Authority will ensure that evaluations are carried out as set out in the Evaluation Plan and that each evaluation is subject to appropriate follow up in accordance with the regulations. An evaluation shall be carried out on each priority at least once during the Programme. A copy of the Plan is available on the Programme [website](#).

16.2 Ex-post Evaluation

The aim of the ex-post evaluation shall examine the effectiveness and efficiency of the Programme and contribution to the Union strategy for smart, sustainable and inclusive growth taking into account the Programme targets. The Commission has primary responsibility for the ex-post evaluation. Ex-post evaluations will be completed by 31 December 2024 and a ‘synthesis’ report outlining the main conclusions of the ex-post evaluations prepared by 31 December 2025.

Details of evaluation for the Investment for Growth and Jobs Programme can be found in the IGJ Monitoring and Evaluation Plan which can be found on the dedicated Programme [website](#).



CERTIFICATE OF EXPENDITURE DECLARED

Intermediate Body Name: _____

Expenditure Period: _____ **to** _____

Amount declared for the expenditure period is £ _____

I hereby confirm:

1. Operations included in the current attached declaration in respect of the Investment for Growth and Jobs Programme for Northern Ireland are progressing in accordance with the objectives laid down in the Commission Decision for the Programme.
2. Physical, technical and financial progress is being appropriately monitored and reported accurately to the Managing Authority.
3. Expenditure included in the declaration is compliant with the provisions of Regulation (EC) No 1303/2013, the Assignment of Funding Letter issued by DfE and the Memorandum of Understanding between DfE and this organisation.

In particular as regards to:

- a. The rules on competition;
- b. The award of public contracts;
- c. Publicity and information requirements;
- d. Environmental protection;
- e. Promotion of equality;

- f. Application of sound financial management and control procedures to the expenditure;
- g. Verification of the delivery of the products and services; and
- h. The reality of expenditure claimed.

4. Appropriate systems are in place and operating effectively in order to prevent, detect and correct irregularities, pursue fraud, and recover unduly paid amounts.

5. All audit trail documentation is held in accordance with the requirements.

6. Expenditure submitted:

- a. has been paid from the organisation accounts within the eligibility period;
- b. has not been previously included in an expenditure declaration to this Programme;
- c. has not attracted/received grant aid from any other source;
- d. has been incurred in operations designated for funding by the Managing Authority;
- e. complies with national and EC eligibility rules;
- f. is accurate and results from accounting systems based on verifiable supporting documents; and
- g. takes account of any recoveries or relevant income accruing to operations financed under the assistance.

I hereby confirm that I am operationally independent from the activities and expenditure included in the declaration and I am authorised to sign the declaration on behalf of the Intermediate Body.

Signed on behalf of the Intermediate Body _____

Position _____

Date _____

Standard Clauses for a LETTER OF OFFER

The following clauses are intended to provide guidance in relation to the minimum content needed for a Letter of Offer to fund beneficiaries. These clauses are not intended to be a comprehensive list, but rather an indication of areas to which Intermediate Bodies should ensure adherence.

❖ **Eligibility period**

This should set out the dates between which approved eligible expenditure must be incurred and cleared through the project bank account. These should be no earlier than 1 January 2014 and no later than 31 December 2023.

❖ **Access to documentation – Inspection and Audit rights**

As a minimum, the Letter of Offer should grant access rights to:

- Intermediate Body;
- DfE;
- Northern Ireland Audit Office;
- European Commission; and
- European Court of Auditors; or
- Any agent acting on behalf of any of the above named organisations.

The clause should also permit these Bodies, with reasonable notice, to enter any premises of the beneficiary in order to inspect any asset and any accounting or other record in respect of any financial assistance which has been paid or may become payable under the terms of the Offer.

❖ **Retention of documentation**

All records concerning the Project shall be retained and made available for inspection for ten years from the date of the first Letter of Offer for the project. However, the Beneficiary should not, without the prior written consent of the intermediate Body dispose of or destroy any documentation associated with the Project within the ten year period. Where a project submits documentation electronically to the IB, the IB is responsible for retaining the electronic record for the required period. If the project is terminated or closed for any reason the

full documentation must be returned to the Intermediate Body or placed in appropriate storage facilities approved by the Intermediate Body.

❖ **Tendering procedures**

The European Community rules on Procurement apply to the purchase of goods, services or works contracts that are financed or part financed by Structural Funds grant where the organisation procuring is subject to public procurement rules or in very specific circumstances (such as where the public contribution exceeds 50% of the total costs of the project of a subsidised public works contract which is valued above the applicable EU threshold). If the IB has any doubt about a project, Managing Authority (or CPD / IB CoPE) advice should be sought.

The IB must ensure that where EU public procurement rules are applicable to an organisation (or project) that the requirement to comply with the relevant EU Directive is explicitly included in the letter of offer. The Managing Authority applies Central Procurement Directorate policy and guidance, and section 9 of the Operating Manual provides guidance on tendering procedures. Organisations that are not financed or supervised by public sector bodies (and commercial organisations in the private sector with the exception of 'subsidized contracts' are not subject to the EU procurement rules but are nonetheless expected to use fair and open practices including competitive tendering when letting contracts for which they intend to claim ERDF funding through the Competitiveness Programme. CPD guidance note: PGN 01/07 '[The Use of Grant for Procurement](#)' should be consulted for detailed guidance relating to public procurement requirements for grant funding.

❖ **EU THRESHOLDS can be accessed on the CPD [website](#).**

Within Northern Ireland there is also a requirement on all bodies subject to Northern Ireland Public Procurement Policy to comply with the [12 Procurement Principles](#) contained within the policy. These include the principles of transparency and competitive supply. A full list of the bodies to which the policy applies is set out in Annex A of the [Northern Ireland Public Procurement Policy](#).

❖ Eligibility Rules

Funding of projects is dependent on funding being received from the European Regional Development Fund of the EU. In the event of such funding not being received, or being discontinued for whatever reason then no liability will exist for the Department of Finance and Personnel, Northern Ireland or any other Government Departments or Agencies in Northern Ireland to provide funding.

All EU expenditure must comply with the principles of sound financial management and in particular with:

- The requirements of [Managing Public Money NI \(MPMNI\)](#)
- Other guidance on financial management issued by [national authorities](#)
- The requirements of relevant [European Union regulations](#)
- Specific [guidance](#) issued by the Programme Managing Authority in accordance with this document

❖ The Common Provisions Regulation (EU 1303/2013)

The regulation is divided into four parts:

Part 1 deals with the subject-matter and definitions,

Part 2 lays down common rules for all European Structural and Investment Funds,

Part 3 lays down general rules for the ERDF, ESF and Cohesion Fund.

Part 4 lays down general rules for the ERDF, ESF, Cohesion fund and EMFF on management and control, financial controls, accounts and financial corrections.

Articles 65 to 71 (in part 2) cover eligibility of expenditure and durability.

Article 65.1 states - *The eligibility of expenditure shall be determined on the basis of national rules, except where specific rules are laid down in, or on the basis of, this Regulation or the Fund-specific rules.*

❖ **Commission Delegated Regulation with specific rules on eligibility of expenditure for Cooperation Programmes (EU 481/2014)**

The regulation sets out specific rules in relation to:

- General provisions (Article 2)
- Staff costs (Article 3)
- Office and administrative expenditure (Article 4)
- Travel and accommodation costs (Article 5)
- External expertise and services costs (Article 6), and
- Equipment expenditure (Article 7).

❖ **Member State Legislation**

The IB should include relevant clauses to require the Beneficiary to comply with the statutory provisions in force in Northern Ireland imposing obligations on the Beneficiary including Health and Safety and Equality of Opportunity.

❖ **Insurance**

Where appropriate, the Beneficiary must fully insure the Project and its assets against all risks appropriate to the type of business including where the IB considers necessary, employer and / or public liability. Such insurance shall include the full reinstatement value of any land or property comprised in the Project and interest of the Intermediate Body should be noted thereon.

❖ **Disclosure and Publicity**

The Intermediate Body shall be entitled to disclose to other Government Agencies, Government Departments, district councils, Local Enterprise Agencies or other bodies involved in economic development in the European Union such information about the financial assistance, the Beneficiary its business or affairs (including without limitation, information which constitutes personal data for the purposes of the Data Protection Act 1998) as considered appropriate. The Intermediate Body shall also be entitled to include any such information in a database of economic, financial and statistical information and to publish or disseminate reports derived from such database to such persons deemed suitable provided that such reports do not specifically identify the Beneficiary.

The Managing Authority and the Intermediate Body shall be entitled to publish details of the amounts and types of assistance awarded and in such manner as they or the European Commission may decide.

The Beneficiary shall render such assistance as may reasonably be requested in connection with any publicity in respect of funding received.

The Beneficiary shall give due recognition to EU funding in compliance with the publicity guidance published. This can be accessed on the Programme website – www.jobsandgrowthni.gov.uk. The correct Programme logos can also be obtained from this site.

❖ **Monitoring and Evaluation**

The Beneficiary shall provide all information required by the Intermediate Body and/or the Managing Authority and in such form as may be required to monitor the rate of implementation of the Project and to assess its effect in relation to its objectives. Failure to provide adequate information may result in claims not being paid.

❖ **Statutory Approvals**

As appropriate, for capital projects, the Beneficiary must verify that all statutory approvals have been received and provide satisfactory evidence that the Beneficiary has complied with any conditions attached.

❖ **Financial Management**

The Beneficiary must maintain either a separate bank account or adequate codification of all income and expenditure associated with the project.

VAT which is recoverable is not eligible. If the Beneficiary is unable to reclaim VAT then this can be considered for assistance only on the formal submission of a declaration from an appropriate authority.

The Beneficiary must inform the Intermediate Body of any irregularities, fraud and theft or of any circumstance which has caused or likely to cause a loss or misuse of funding and provide a full and detailed report in writing.

❖ **Management and Retention of Assets**

The Beneficiary must record ERDF funded assets in the organisation's asset register in line with relevant (or applicable) accounting standards and ensure that these assets are retained in accordance with the requirements established in the Letter of Offer. The IB must ensure that the conditions contained in the Letter of Offer ensure that the project will comply with the requirements set out in [Managing Public Money NI](#) and [DAO \(DoF\) 16/05](#) guidance as well as [Article 71 of EU Regulation \(1303/2013\)](#). Where national guidance and EU regulations have differing requirements, the strictest rules must be applied.

❖ **Limits On State Aid**

Notwithstanding any other provision of this letter, if required as a result of a decision of the Commission or as a result of any other obligation under European Union law, the intermediate body may at any time withhold payment of and/or require repayment of any or all of the Financial Assistance together with interest from the date on which the Financial Assistance was paid at the rate from time to time as required by the Commission and the Client shall on demand by the intermediate body repay such Financial Assistance and interest.

❖ **State aid**

Information on standard clauses that should be applied to Letters of Offer awarded under cover of the General Block Exemption Regulation or De Minimis Regulation can be obtained from DfE State Aid Unit: stateaid@economy-ni.gov.uk

Standard Clauses for CONTRACT

The following clauses are intended to provide guidance in relation to the minimum content needed for a contract. These clauses are not intended to be a comprehensive list, but rather an indication of areas to which Intermediate Bodies should ensure adherence.

❖ Contract period

This should set out the dates between which payments are to be made by the Intermediate Body to the contractor. These should be no earlier than 1 January 2014 and no later than 31 December 2023. Where a contract operates outside these dates, the related expenditure is not eligible in the Programme.

❖ Access to documentation – Inspection and Audit rights

All relevant documentation should be held, by the Intermediate Body. [Guidance on the Audit Trail](#) is available on the Programme's website.

Where actual activity is being delivered by the contractor then as a minimum, the contract should grant access rights to:

- Intermediate Body;
- DfE and its Agents;
- Northern Ireland Audit Office;
- European Commission; and
- European Court of Auditors.

The clause should permit these Bodies, with reasonable notice, to enter any premises relevant to the service delivery for the purposes of verifying the reality and outputs of said service.

❖ Retention of documentation

All records concerning the Project shall be retained and made available for inspection for ten years from the date of the first Assignment of Funding Letter (or Letter of Offer) to the project. For expenditure incurred through a contract,

in most cases the original documents should be retained by the Intermediate Body (or contracting organization). However, where other relevant documents are generated by the contractor (e.g. participant data, sub-contracts, actual 3rd party costs etc.) then provision should be made within the contract for retention in compliance with the requirements either by the contractor or the contracting organisation. Where documents are provided to the Intermediate Body electronically it is the responsibility of the IB to retain the documentation.

If the project is terminated or closed for any reason the full documentation must be returned to the Intermediate Body or placed in appropriate storage facilities approved by the Intermediate Body.

In addition to the ERDF document retention requirements, intermediate bodies should also be aware that the State aid rules require certain documents to be retained and these may have to be retained for a longer period than may be required under the ERDF rules. The State aid procedural regulation (COUNCIL REGULATION (EC) No 659/1999 of 22 March 1999) details that the European Commission may require Member States to recover illegal State aid. However this recovery requirement is subject to a limitation period of ten years, which begins on the day on which the unlawful aid was awarded to the beneficiary either as individual aid or as aid under an aid scheme. As a consequence, State aid rules such as the de minimis regulation and the General Block Exemption Regulation require that Member States retain detailed records containing all information and supporting documentation necessary to establish that all the conditions laid down in the relevant State aid regulations, guidelines, frameworks have been fulfilled. The State aid rules do not say who should maintain these records in the Member State, but this is generally understood to be the awarding body (i.e. the intermediate body).

❖ **Eligibility of Expenditure**

For contract expenditure, eligibility of costs will primarily be assessed on the appropriate award of the tender in compliance with public procurement rules and the relevant thresholds. Where public procurement rules apply, a Centre Of Procurement Expertise (COPE) should be involved in the procurement

process (unless this responsibility has been delegated to an IB) to reduce the risk of non-compliance with public procurement requirements.

Declared expenditure will mainly consist of the payments by the Intermediate Body to the contractor in accordance with the terms of contract. However, in some cases, 3rd Party costs are also paid on the basis of actual cost to the contractor.

The Department of Finance and Personnel has responsibility for the co-ordination of Structural Funds in Northern Ireland and has therefore developed National Eligibility Rules (the Rules). These are available on the Programme's website – www.jobsandgrowthni.gov.uk.

The Rules take into account the EC legislative Rules on Programme and project eligibility and are based on the key principles of sound financial management.

The Rules cover expenditure on projects funded by the Structural Funds, i.e. European Regional Development Fund (ERDF) **and** the European Social Fund (ESF), except where it is explicit that they apply to one fund only.

The Rules apply to all projects approved under the following 2014-2020 Operational Programmes (the Programmes) and apply to all expenditure declared as eligible in any payment claim:

❖ **Member State Legislation**

The Intermediate Body should ensure that the contractor is compliant with the statutory provisions in force in Northern Ireland including Health and Safety and Equality of Opportunity. Prior to contract, the Intermediate Body should also take account of and appropriately address any potential environmental impacts. Where necessary, additional conditions should be included in the contract.

❖ **Insurance**

The contractor should carry appropriate insurance cover which should include public liability insurance and employers liability (where relevant). CPD

[Procurement Guidance Note 06/14](#) provides further details of standard clauses for procurement.

❖ **Disclosure and Publicity**

The contract should make provision for Intermediate Body entitlement to disclose to other Government Agencies, Government Departments, district councils, Local Enterprise Agencies or other bodies involved in economic development in the European Union such information about the financial assistance as considered appropriate. The Intermediate Body shall also be entitled to include any such information in a database of economic, financial and statistical information and to publish or disseminate relevant reports.

The Managing Authority and the Intermediate Body shall be entitled to publish details of the value and type of contract awarded and in such manner as they or the European Commission may decide.

The contract should make provision for compliance with the publicity guidance published. This can be accessed on the Programme's website – www.jobsandgrowthni.gov.uk. The correct European logos can also be obtained from this site.

❖ **Monitoring and Evaluation**

The contract must contain relevant indicators and targets and should have a condition included which covers provision of all information required by the Intermediate Body and/or DfE and in such form as may be required to monitor the rate of implementation of the Project and to assess its effect in relation to its objectives.

❖ **Financial Management**

Clear terms and conditions should be set covering the payment schedule and all original invoices and payment records should be retained by the Intermediate Body.

Payment should only be made by the intermediate Body where the terms and conditions of the contract, including any agreed outputs have been delivered to the appropriate standard.

❖ **Management and Retention of Assets**

The Beneficiary must record ERDF funded assets in the organisation's asset register in line with relevant (or applicable) accounting standards and ensure that these assets are retained in accordance with the requirements established in the Letter of Offer. The IB must ensure that the conditions contained in the Letter of Offer ensure that the project will comply with the requirements set out in [Managing Public Money NI](#) and [DAO \(DoF\) 16/05](#) guidance as well as [Article 71 of EU Regulation \(1303/2013\)](#). Where national guidance and EU regulations have differing requirements, the strictest rules must be applied.



<<Date>>

**MEMORANDUM OF UNDERSTANDING BETWEEN
THE MANAGING AUTHORITY (DEPARTMENT FOR THE ECONOMY OR DfE)
AND THE INTERMEDIATE BODY**

<<IB NAME>>

**ON THE MANAGEMENT OF EU STRUCTURAL FUNDS UNDER THE ERDF
INVESTMENT FOR GROWTH AND JOBS PROGRAMME FOR NORTHERN
IRELAND 2014-2020 CO-FINANCED BY THE EUROPEAN REGIONAL
DEVELOPMENT FUND, CCI: 2014UK16RFOP003**

1. Introduction

1.1 DfE has been designated as the Managing Authority for the Programme by the Department of Finance (DoF) in its role as the Member State. In accordance with Article 123 of Common Provisions Regulation (EC) No 1303/2013 (CPR), the Managing Authority has formally delegated a number of tasks to Intermediate Bodies. This Memorandum of Understanding sets out the role of <<IB Name>>, as an Intermediate Body in relation to the management of EU Structural Funds under this Programme.

2. INTERMEDIATE BODY RESPONSIBILITIES

2.1 Through this Memorandum of Understanding, <<IB Name>> is designated as an Intermediate Body in the ERDF Investment for Growth & Jobs Programme.

2.2 <<IB Name>> will be responsible for implementing schemes/operations under the following priorities of the Programme: (delete as appropriate)

- Priority Axis 1 –
Strengthening Research, Technical Development and Innovation
- Priority Axis 2 – Enhancing the Competitiveness of SMEs
- Priority Axis 3 – Supporting the Shift Towards a Low Carbon Economy in all Sectors
- Priority Axis 4 – Technical Assistance

2.3 <<IB Name>> will distribute, administer and manage, on behalf of the Managing Authority, funding provided by the European Commission and national match funding for the particular schemes/operations which have been designated by the Managing Authority as eligible for inclusion in the ERDF Investment for Growth and Jobs Programme for Northern Ireland 2014-2020.

2.4 This Memorandum of Understanding should also be read in conjunction with the Programme's Operating Manual which is available at: www.jobsandgrowthni.gov.uk. Additional guidance is also published on this website.

3. General Requirements

3.1 The main tasks and obligations are summarised in the following paragraphs with references made to where more detailed information can be accessed.

4. Applications for Scheme Designation

4.1 Formal applications will be submitted to the Managing Authority for schemes/operations to be co-financed under this Programme.

5. Changes to a Scheme

- 5.1 <<IB Name>> shall obtain the Managing Authority's prior consent in writing to any proposed change in the financial profile, administration procedures, nature, conditions and/or business activities of any designated scheme/operation.
- 5.2 <<IB Name>> shall advise the Managing Authority immediately of any major interruption of business activities in relation to any scheme.

6. Selection Process by the Intermediate Body

- 6.1 Each Intermediate Body is required to ensure that projects are selected in line with Section 4 of the Operating Manual. Compliance will be assessed during Management Verification checks as required under CPR A.125.

7. Offers of Funding to Projects/Beneficiaries

- 7.1 For selected projects, <<IB Name>> will:
- prior to making any offer of funding, agree with the project promoter, the appropriate project level output, result and impact indicators and targets and specify any financial information to be provided during the life of the project;
 - ensure projects/beneficiaries receiving an offer of funding understand their rights and obligations prior to acceptance and, where appropriate, provide each selected project/beneficiary with the relevant guidance and regulations;
 - ensure that projects/beneficiaries have adequate information systems for internal management of the project and to provide the necessary output, result, impact and financial monitoring information to agreed standards and timescales; and

- ensure that projects/beneficiaries understand expenditure eligibility requirements as set out in the Regulations, Guidance and Operating Manual, including the requirements for publicity.

8. Monitoring

8.1 <<IB Name>> will, in accordance with Article 125 of CPR, conduct verifications that shall cover administrative, physical, technical and financial aspects of the project in accordance with EGESIF guidance (14-0012-02) on management verification.

These verifications should be made up of a combination of administrative checks of the claims received as well as on-the-spot visits to verify delivery and compliance with the Programme requirements.

8.2 All verification and monitoring work shall be fully recorded. This work could include but is not limited to:

- Claim checks (at desk or on-site);
- Checks conducted on invoices received in respect of projects implemented through a contract;
- Visits by Quantity Surveyors, Architects or other technical advisers or experts;
- Visits by project managers to monitor progress;
- Project Board Meetings attended by project management staff;
- Project launches – where the physical existence of the project is verified;
- and
- Formal Article 125 verification work conducted by the relevant staff.

8.3 Responsibility for verification activity (administrative and on-the-spot), lies with <<IB Name>>. The Managing Authority will conduct a process review on an annual basis to gain assurances with regard to the functioning of <<IB Name>>'s first level controls.

8.4 <<IB Name>> will complete the required follow-up action identified by the Managing Authority to address any findings and recommendations within a timescale to be agreed with the Managing Authority.

Performance Monitoring and Information

- 9.1 <<IB Name>> shall ensure that projects/beneficiaries supply appropriate, accurate and timely information for reporting to the Managing Authority and the Programme Monitoring Committee.
- 9.2 <<IB Name>> will provide any information as reasonably requested by the Managing Authority accurately and within the stipulated timescale.
- 9.3 <<IB Name>> will provide information to the Managing Authority each year to enable compilation of the required Annual Implementation Report for the Programme. Information will be required to obtain a clear view of the implementation of each of the schemes/operations as an indication of the progress and performance of the Programme as a whole.

9 Programme Database

- 10.1 <<IB Name>> shall ensure that all project information is accurately input and maintained on the Programme database.

10 Expenditure

- 11.1 Under this Programme EU receipts are earned in respect of co-financed schemes/operations.
- 11.2 <<IB Name>> may administer funding under a grant/aid scheme to a number of beneficiaries. In these cases funding will be governed through a grant Letter of Offer. In addition, a number of schemes/operations are implemented directly by an Intermediate Body, either through a directly managed project or a contract.
- 11.3 <<IB Name>> will comply with Managing Authority procedures for declaring expenditure including the completion of expenditure returns and authorising Certificates of Expenditure as and when required.

- 11.4 All payments by financial beneficiaries must be supported by a fully transparent audit trail including transaction lists traceable through bank statements. Receipted invoices vouching individual items of expenditure are preferred.
- 11.5 <<IB Name>> will ensure that all expenditure presented for reimbursement from the EU is valid, legal, accurate and eligible.

11 N+3

- 12.1 N+3 targets relate to the value of expenditure submitted to the European Commission through the database by the end of each calendar year. The first annual N+3 target applied at 31 December 2017, with further N+3 targets each year until 2023.
- 12.2 N+3 performance will be reported at Programme level, however, in order to achieve the target, each Intermediate Body will be expected to achieve, on a pro-rata basis, the N+3 target for its own area of responsibility as agreed with the Managing Authority.
- 12.3 The N+3 target is a cumulative measure of financial performance, so any over-achievement against N+3 in one year can be counted towards the following year's target.

13 Programme Co-ordination

- 13.1 <<IB Name>> will liaise with other funding bodies to co-ordinate delivery of the Programme, maximise the benefits of any actions and to prevent duplication of actions, or funding which would result in irregularities.

14 Publicity and Communication

- 14.1 <<IB Name>> will conform with CPR Annex XII paragraph 2(2.2) (Information and Publicity) and with any centralised publicity requirements for the Programme, including use of the Programme logo, and will publicise the funding to potential beneficiaries through issuing press notices or articles, responding to media enquiries, holding information seminars and answering enquiries from the general public and potential applicants.
- 14.2 All publicity material must be in compliance with the regulations and additional guidance issued by the Managing Authority and should contribute to achievement of the objectives set out in the Programme Communication Plan. All brochures and documentation, etc shall acknowledge that the scheme/operation is co-financed from the Investment for Growth and Jobs Programme; part financed by the European Regional Development Fund and include the correct Logo for the Programme.

15 Access to Documentation – Inspection and Audit Rights

- 15.1 All funding agreements/Letters of Offer should include a clause defining the rights of access of several organisations:
- The Funding Body and its agents;
 - The NI Audit Office;
 - The European Commission and the European Court of Auditors and their agents;
 - The Audit Authority, Managing Authority, Certifying Authority and their agents; and
 - DfE and their agents.
- 15.2 The recipient of funding shall permit the above named organisations, at any reasonable time, to enter its premises, to interview any person, inspect any

asset and inspect, copy, record and take away any accounting or other record.

16 Retention of Records

- 16.1 <<IB Name>> shall ensure that all records which constitute the audit trail including those of all recipients of funding are maintained and kept safely in line with Article 140 of the CPR. This should be done in accordance with the Operating Manual and any relevant guidance notes issued by the Managing Authority. If the recipient organisation terminates the contract or the project/organisation is closed for any reason then the full documentation associated with the project must be returned to <<IB Name>>. In compliance with principles of e-cohesion, when a project submits documentation electronically, responsibility for retention rests with <<IB Name>>.
- 16.2 In no circumstances should any documentation be destroyed or otherwise disposed of without the written permission of the Managing Authority.

17 Funding from EU Structural and Investment Funds

- 17.1 <<IB Name>> schemes/operations will be co-financed at up to 60% of eligible public expenditure.

<<IB Name>> will ensure that, where schemes/operations are financed by any other EU Programme or EU Community Initiative this is monitored to ensure no duplicate funding and reported as required.

18 Performance

- 18.1 <<IB Name>> will meet the Managing Authority as required to review its performance. These meetings will be arranged by the Managing Authority. <<IB Name>> will provide a written report, as required on such matters as the Managing Authority may specify.

18.2 In order to achieve Programme targets, <<IB Name>> will be expected to achieve indicator targets relating to their area of responsibility.

19 Procurement

19.1 The European Union rules on procurement apply to those contracts that are financed or part financed by Structural Funds grant and which fall within the scope of the EU Procurement Directives. In these cases, contracts above certain limits are required to be advertised in the Official Journal of the European Communities (OJEU). Bids for contracts must be assessed on an objective basis and contract awards should be published in the OJEU.

Grant (or part thereof as determined by the Managing Authority) will be reclaimed (in line with EC COCOF 13-9527 guidelines for determining financial corrections for non-compliance with the rules on public procurement) if it is found subsequently that the procurement rules have not been observed.

19.2 Contracts awarded by <<IB Name>> must comply with public procurement policy. The limits and tendering requirements (including the documentary evidence to be retained) are set out in the Operating Manual and must be complied with. <<IB Name>> should also ensure that any contracts awarded are conducted in consultation with DoF Construction and Procurement Delivery (CPD).

20. Statutory Provisions and Approvals

20.1 <<IB Name>> shall comply with all statutory provisions, regulations and working rules having effect in Northern Ireland and shall take all steps necessary to obtain statutory and other approvals required for the carrying out of schemes/operations.

21. Assets

- 21.1 <<IB Name>> shall ensure that (for audit purposes) each project is required to record ERDF funded assets in the organisation's asset register in line with relevant (or applicable) accounting standards and that such assets are retained in line with the requirements set out in [Managing Public Money NI](#) and [DAO \(DoF\) 16/05](#) guidance as well as [Article 71 of EU Regulation \(1303/2013\)](#). Where national guidance and EU regulations have differing requirements, the strictest rules must be applied.

Where <<IB Name>> is also the beneficiary this requirement shall apply directly to <<IB Name>>.

22. Insurance

- 22.1 <<IB Name>> shall ensure that ERDF funded assets are insured with a reputable firm of insurers. This includes relevant property, assets and effects of an insurable nature. The level of insurance should protect the full replacement cost of the asset and where appropriate note the interest of the Intermediate Body in respect of the funding provided.

23. Legal Compliance

- 23.1 <<IB Name>> shall ensure that its business is operated in compliance with all applicable laws or regulations for the time being and shall not do or omit or suffer to be done anything whereby any Act, Order or Regulation from time to time affecting its business is infringed.

24. Reporting Irregularities

- 24.1 The contents of Council Regulation (EC) No 1303/2013 makes it clear that failure to comply with Regulations and/or any breakdown of management and/or control systems should be treated as an irregularity whether or not the irregularity itself involves any loss or potential loss of funds. As such, <<IB Name>> has responsibility to use the Programme database and to ensure a system is in place to detect, record, report and follow-up cases. This must

involve not only those responsible for monitoring/inspection and financial administration but also those engaged in delivering EU funded schemes/operations.

25. Revenue Generation

25.1 General provisions and eligibility of expenditure rules for revenue generating Projects are set out in Article 61 of Regulation (EU) No 1303/2013.

25.2 Accordingly, where there are ERDF revenue generating projects with a total cost in excess of €1,000,000, the Intermediate Body shall ensure that as part of the appraisal process, the potential for revenue generation is assessed and taken account of in determining the quantum of funding to be offered. EGESIF 14-0017 on Simplified Cost Options includes guidance on revenue generation.

25.3 During the lifetime of a revenue-generating project, the Intermediate Body must monitor the level of actual revenue generated and report any unanticipated revenue earned to the Managing Authority as part of the drawdown process so that this revenue can be deducted from eligible expenditure awarded before it is declared to the Commission.

25.4 CPR Article 61(8) excludes projects subject to the rules on State aid within the meaning of Article 87 (TFEU).

26. Data Protection

26.1 <<IB Name>> will ensure it has the appropriate technical and organisational measures in place to ensure that all data is stored and processed in line with General Data Protection Regulation (2018) (GDPR) requirements. All processing of personal data will be in compliance with the requirements set out in GDPR.

MANAGING AUTHORITY RESPONSIBILITIES

27. Introduction

27.1 DfE is the designated Managing Authority for the ERDF Investment for Growth and Jobs Programme.

28. Selection Process/Designation by the Managing Authority

28.1 All scheme/operation applications submitted will be assessed by the Managing Authority in accordance with the procedures set out in the Programme Operating Manual.

29. Expenditure

29.1 The Managing Authority will regularly request expenditure returns from each Intermediate Body and will co-ordinate and submit claims to the Certifying Authority.

29.2 EU receipts earned in respect of co-financed schemes/operations will be received by the Certifying Authority and distributed to the Intermediate Body as appropriate.

30. Financial Accountability

30.1 The Managing Authority will check that <<IB Name>>, in its role as an Intermediate Body, complies with EU rules on the financial control of European funds and in particular EC Regulation (EC) 1303/2013.

30.2 The Managing Authority will check for compliance with the conditions contained in this Memorandum of Understanding and any Assignment of Funding Letters as appropriate. Checks will be carried out in accordance with Managing Authority procedures and the intensity and nature of the checks will

be determined on the basis of defined risk assessment methods and dependent on the category of expenditure being administered.

30.3 Where schemes/operations are implemented directly, the level of control to be exercised by the Managing Authority will be increased to ensure that there is appropriate independence in the process.

30.4 <<IB Name>> will be given advance notice of Management Verification visits, including specific details of the areas to be examined. The visits will cover the complete audit trail of EU funding and could involve checks at all levels down to final recipient.

30.5 The Audit Authority and Certifying Authorities for the Programme will also undertake checks at these various levels and will take account of any verification findings documented by the Managing Authority.

31. N+3 Monitoring

31.1 The Managing Authority will initiate an N+3 forecasting exercise, usually on a quarterly basis.

31.2 The Managing Authority will review the information provided by the Intermediate Body and determine if any follow-up action is required.

32. Monitoring Committees/Information Provision

32.1 Departmental Intermediate Bodies can be requested to attend the Programme Monitoring Committee (PMC) as required or may attend at any time on request in observer capacity.

32.2 The Managing Authority will prepare reports on the progress of all schemes/operations as part of the overall Progress Report. In addition, Intermediate Bodies may be required to give verbal and / or written reports to the PMC.

32.3 Meetings involving Intermediate Bodies will normally be arranged shortly before Monitoring Committee meetings to discuss progress and other relevant issues.

32.4 The Managing Authority will keep all Intermediate Bodies updated on major developments on the Programme and on new EU rules and Regulations affecting the management of the Structural Funds Programmes.

33. Provision of Assistance

33.1 The Managing Authority is content to provide any further clarification or discuss issues of concern with <<IB Name>> to help assist with the smooth delivery of the Programme.

34. Governing Law

34.1 This Memorandum of Understanding shall be governed in all respects by the laws of Northern Ireland and <<IB Name>> hereby irrevocably submits to the exclusive jurisdiction of the Northern Ireland Courts for all purposes in connection with this Memorandum of Understanding.

Signatures

Signed on behalf of The Managing Authority, DfE: (at least Grade 7)

Position: _____ Date: _____

Signed on behalf of <<IB Name>>: (at least Grade 7)

Position: _____ Date: _____



From: <<Head of European Fund Management Division>>
European Fund Management

Date: << Insert Date >>

To: << Insert Name >>
<< Insert Intermediate Body >>

**THE EUROPEAN INVESTMENT FOR GROWTH AND JOBS PROGRAMME FOR
NORTHERN IRELAND 2014-2020**

PRIORITY << Insert Priority No. and Title >>

INTERMEDIATE BODY (IB) – << Insert Intermediate Body >>

PROJECT – << Insert Project Title >>

MANAGING AUTHORITY

ASSIGNMENT OF FUNDING – TERMS AND CONDITIONS

1. I refer to the submission received << Insert Date >> which provided information concerning the proposed inclusion of << Insert Project Title >>, herein referred to as “the Project” for funding under Priority <, Insert Priority No >>: << Insert Priority Title >> of **THE EUROPEAN INVESTMENT FOR GROWTH AND JOBS PROGRAMME FOR NORTHERN IRELAND 2014-2020(The Programme)**.
2. The Managing Authority has assessed the Project and is satisfied that it fulfills the selection criteria for Priority << insert Priority >>.

3. On this basis, << Insert Intermediate Body >> is assigned << Insert Amount >> under the Programme, comprising of << Insert Amount >> of European Regional Development Fund (ERDF) and << Insert Amount >> of national match. This is the total amount assigned and must not be exceeded without prior written agreement of the Managing Authority through formal amendment of this letter.
4. This assignment of funding under the Programme does not remove the requirement for the IB to secure both the ERDF and the corresponding national match and to expend it in line with provisions under the Comprehensive Spending Review (CSR) and Investment Strategy for Northern Ireland (ISNI). Where changes are proposed, these must be addressed through normal Departmental budget management processes and in consultation with the Managing Authority. The IB must ensure that its financial management of the Project is in line with the requirements of Managing Public Money Northern Ireland.
5. This assignment relates to approved eligible expenditure incurred and defrayed between << Insert date >> and << Insert date >>.
6. This assignment is subject to the IB's compliance with the monitoring, control, financial and reporting arrangements set out in:
 - the associated EC Regulations and Guidance;
 - the Operational Programme;
 - the IGJ Programme Operating Manual; and
 - Member State and Managing Authority Guidance.

These documents are available on the dedicated Programme website and should be accessed directly from the website to ensure that the most up to date version is being referenced.

The award is also subject to the requirements set out in the signed Memorandum of Understanding between the IB and the Managing Authority. You should note that all documents and information which constitute the audit trail must be retained in line with the requirements of Article 140 of the Common Provisions Regulation EC No 1303/2013.

7. The Managing Authority will conduct such administrative and on-the-spot checks of the expenditure declared by the IB as the Managing Authority deems appropriate in line with the Managing Authority's assessment of the risk associated with the operation. For operations such as this, which are implemented directly by an Intermediate Body, the level of control exercised by the Managing Authority will be increased to ensure that there is appropriate independence in the process.
8. Further guidance on Management verification is provided in the EGESIF Document: Guidance for Member States on Management Verification (Ref: 14-0012-02).
9. To confirm your acceptance of the terms and conditions please sign Appendix 1 to this letter and return one copy to the Managing Authority by << Insert Date (normally within 28 days)>>. The other copy should be signed and retained for your own records.
10. Should you have any queries please contact << Insert Name >>, Tel << Insert Telephone Number >>.

<< HEAD OF EUROPEAN FUND MANAGEMENT DIVISION >>

Appendix 1

FORM OF ACCEPTANCE

<< Insert Intermediate Body >>

of

<< Insert Address >.

being the Intermediate Body referred to in this Agreement hereby accepts this assignment of funding under the European Investment for Growth and Jobs Programme for Northern Ireland 2014-2020 on the terms and conditions set out herein including compliance with the monitoring, control, financial and reporting arrangements set out in paragraph 6.

I am hereby authorised to accept this assignment of funding on behalf of the above Intermediate Body.

Signed: _____

Name in block capitals: _____

Date: _____

NOTE

Please do not detach this Acceptance Form from the Assignment of Funding Letter (This letter is issued in duplicate and one complete copy should be returned to the Managing Authority).

Investment for Growth and Jobs
Management Declaration

I, the undersigned (name), Head of the Managing Authority, for the Investment in Growth and Jobs Programme 2014 – 2020 2014UK16RFOP003:

- based on the implementation of the Investment in Growth and Jobs during the accounting year ended 30 June (year),
- based on my own judgment and on all information available to me, including the results from management verifications carried out in accordance with Article 125(5) of Regulation (EU) No 1303/2013 and from audits and controls in relation to the expenditure included in the payment applications submitted to the Commission in respect of the accounting year ended 30 June ... (year),
- and taking into account my obligations under Regulation (EU) No 1303/2013 and in particular Article 125 thereof
- Hereby declare that:
 - the information in the accounts is properly presented, complete and accurate in accordance with Article 137(1) of Regulation (EU) No 1303/2013;
 - the expenditure entered in the accounts was used for its intended purpose, as defined in Regulation (EU) No 1303/2013, and in accordance with the principle of sound financial management ;
 - the management and control system put in place for the operational programme gives the necessary guarantees concerning the legality and regularity of the underlying transactions, in conformity with the applicable law.

I confirm that irregularities identified in final audit or control reports in relation to the accounting year and reported in the annual summary attached to this declaration as required under Article 125(4)(e) of Regulation (EU) No 1303/2013, have been appropriately treated in accordance with Articles 137(1)(b) and 143 of Regulation (EU) No 1303/2013. Where necessary, adequate follow-up was given to deficiencies in the management and control system reported in those reports or is on-going as regards the following required remedial actions: (if appropriate indicate which remedial actions are still on-going, at the date of signing the declaration).

I also confirm that expenditure which is subject to an ongoing assessment of its legality and regularity has been excluded from the accounts pending conclusion of the assessment, for possible inclusion in an interim payment application in a subsequent accounting year, as provided for in Article 137(2) of Regulation (EU) No 1303/2013.

Furthermore, I confirm the reliability of data relating to indicators, milestones and the progress of the Operational Programme required under article 125(2)(a) of Regulation (EU) No 1303/2013, that effective and proportionate anti-fraud measures under Article 125 (4)(c) of Regulation (EU) No 1303/2013 are in place and take account of the risks identified and that I am not aware of any undisclosed matter related to the implementation of the Operational Programme which could be damaging to the reputation of the cohesion policy.

Date: _____

Signature: _____

TEMPLATE FOR THE ANNUAL AUDIT SUMMARY

Investment for Growth and Jobs NI (2014-2020)

Annual Audit Summary (20XX)

for the accounting period

1 July 20XX to 30 June 20XX

CCI: 2014UK16RFOP003

Overall Statement by the Head of the Managing Authority

As Head of the Managing Authority, I am responsible for drawing up an Annual Audit Summary for the Investment in Growth and Jobs Programme.

The Annual Summary for the period (*insert dates XX to XX*) contains the following:

- Annual Assurance Statement – DfE Head of Internal Audit
- Summary of Audits Completed – DfE Head of Internal Audit
- Summary of Audit Authority Article 16 – Head of Audit Authority
- Management Verification Summary – Managing Authority
- Intermediate Body – summary of verifications completed on project expenditure and performance

Annex 1 – Programme Audit Strategy

Annex 2 – Copies of all Internal Audit Reports completed within reporting period

Annex 3 – Internal Audit Review of Performance Reported

Annex 4 - Internal Audit Action Plan of follow up action

Annex 5 – Management Verification supporting documentation

Annex 6 – Programme Action plan for significant issues (Annex may be blank)

Annex 7 – Intermediate Body System Reports

Signed by _____

Date: _____

Head of the Managing Authority

Summary of work completed by Internal Audit

Insert a statement from the Head of Internal Audit (similar to the summary Annual Assurance Statement but for the Programme audit activity).

The statement must include an assessment of the following:

- The implementation of the management and control framework for the Programme;
- the reliability of data relating to indicators, milestones and the progress of the operational programme required under article 125 (2) (a) of Regulation EU (No 1303/2013);
- the effectiveness and proportionate anti-fraud measures referred to under Article 125 (4) (c) of Regulation EU (No 1303/2013);

Annex 1 - Audit Strategy

Annex 2 – Copies of all final Internal Audit Reports

Annex 3 - Action plan listing all audits completed along with summary findings and details of each recommendation / action. Each action must have an assigned responsible owner and a date for resolution.

Internal Audit systems reviews provide a rolling programme and assurance can be taken from audits completed outside the accounting period so long as the system in operation remains the same.

I confirm that the audit statement has been prepared in line with International Auditing Standards.

Signed by: _____

Date: _____

Head of Internal Audit: _____

Audit Authority

Audit Authority work (insert a summary statement of the findings for the Audit Authority checks on expenditure in the Accounting period).

Managing Authority Management Verification

Management verification work (insert a summary of the MA Article 125 management verification)

Develop a template to include the following:

A Summary Statement

Number of Verifications completed

Number of projects with no issues (green)

Number of projects with follow up actions but no financial impact (amber)

Number of projects with potential irregularity identified (red). Quantify total expenditure at risk (red flagged projects including estimated error rate) and outline thematic issues and actions being taken to resolve.

Annex 5 - Source Database reports

Annex 6 – Management Verification Action Plan for resolution if significant errors (over 2%) if applicable

Develop System Reports

- listing all projects included in a claim to the Commission between specified dates, including flag status
- a detailed System report for all projects included in a claim to the commission between specified dates listing, for all or any specified flag status, detailing recommendations and follow up actions

Intermediate Bodies

Intermediate Body – Summary of verifications completed on project expenditure and performance.

Annex 7 - System Reports supporting the statement.

Annexes	
Annex 1 To be completed by Internal Audit	Audit Strategy
Annex 2 To be completed by Internal Audit	<p>List of Internal Audit Reports and summary findings / recommendations.</p> <p>For each audit include the classification of key requirements as set out in Reg (Ref: 480/2014)</p> <p>Classification of key requirements for management and control systems with regard to their functioning</p> <ul style="list-style-type: none"> • Category 1 Works well. No, or only minor improvement(s) needed. • Category 2 Works. Some improvement(s) needed. • Category 3 Works partially. Substantial improvements needed. • Category 4 Essentially does not work. <p>Include follow up audits.</p>
Annex 3 To be completed by Internal Audit	Internal Audit review of performance reported
Annex 4 To be completed by internal audit	Internal Audit Action Plan of follow up action
Annex 5 To be completed by MA DP responsible for management verification	Database Reports of supporting management verification summary of activity
Annex 6 To be completed by MA DP responsible for management verification	Programme Action plan for significant issues (Annex may be blank)
Annex 7	System Reports supporting the Intermediate Body summary statement.
Notes: Documents supporting the summary statements must be annexed to provide an audit trail and enable Audit Authority review.	

Template: Documents supporting the Managing Authority Management Declaration

Managing Authority	
Annex 1	IGJ Management Control Framework
Annex 2 Programme Risk Register at 30 June To be completed by MA	Statement on quarterly updates of risk register: Throughout the accounting period, the Programme risk register has been reviewed and updated and risks identified addressed according to their impact to the correct implementation to the Programme. Risk Register to include the assessment of: <ul style="list-style-type: none"> • Fraud • Irregular expenditure • Performance indicator accuracy of reporting and achievement • N+3 achievement
Annex 3 Programme Training policy	Statement on Training Policy and delivery of training and MA guidance.
Annex 4 Managing Authority guidance	Statement on guidance reviewed and updated
Annex 5 Managing Authority monitoring activity	Statement of Managing Authority meetings with IBs, monthly profiles etc

Annex 6	System Report – irregularities cleared / outstanding. All outstanding irregularities to be included in the Audit Action Plan.
Annex 7	DfE Fraud and Whistle blowing Policies
Certifying Authority	
Annex 8	Copy of Prepared Accounts at 15 November
Annex 9	Copies of CA documents for claims from Commission within Accounting Year
Intermediate Bodies	
Annex 10	<p>IB Assurance Statement (annual and for each claim ... <i>similar to current drawdown IB certificate statement</i>) confirming:</p> <ul style="list-style-type: none"> • the completeness, accuracy and regularity of expenditure • all expenditure included in the accounting period has been subject to a first level check in line with agreed claims procedures and details of the checks are recorded on the System Database • performance reported against indicators are complete and accurate and have been validated in claims checks
Annex 11	System Report confirming claims checks recorded on database for all project claims.
Annex 12	Copy of IB risk register at 30 June
Notes: Documents supporting the summary statements must be annexed to provide an audit trail and enable Audit Authority review.	

DESIGNATION SUBMISSION TEMPLATE

PRIORITY AXIS 1

Name of Scheme:		
Beneficiary of scheme:		
Background information (<i>Provide short Strategic Context</i>):		
PRIORITY AXIS SUMMARY		
PA 1: Strengthening research, technical development and innovation	Milestone 2018	Final Target
CO01: Number of enterprises receiving support	973	2361
Ind 2: Expenditure	€61.9m (ERDF)	€189.16m (ERDF)
PO11: Number of enterprises engaged in R&D for the first time.	66	200

SCHEME CONTRIBUTION TO POLICY

CO01: Number of enterprises receiving support					Milestone 2018			Final target 2023	
2014	2015	2016	2017	2018	2019	2020	2021	2022	2023

PO11: Number of enterprises engaged in R&D for the first time					Milestone 2018			Final target 2023	
2014	2015	2016	2017	2018	2019	2020	2021	2022	2023

SCHEME BUDGET

Ind 2: Expenditure			Milestone 2018	Final Target 2023	
Total Exp	ERDF Grant	Net Income (Revenue Generation)	Public Match Funding	Private Match Funding	

FINANCIAL PROFILES FOR SCHEME

Calendar year:

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023

Financial year:

14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	2023

I confirm the following:

- the administration of the scheme is suitable for receipt of EU funding;
- the scheme is State Aid compliant;
- the scheme has secured all necessary approvals;
- the scheme complies with equality legislation; and
- the scheme complies with sustainability requirements.

List attachments to submission (*minimum*)

- Business Case and approvals
- DPA
- EQIA
- State Aid Assessment

Submitted by: _____

Position held: _____

Date: _____

DESIGNATION SUBMISSION TEMPLATE

PRIORITY AXIS 2

Name of Scheme:		
Beneficiary of scheme:		
Background information (<i>Provide short Strategic Context</i>):		
PRIORITY AXIS SUMMARY		
PA 2: Enhancing the Competiveness of SMEs	Milestone 2018	Final Target
CO01: Number of enterprises receiving support	191	464
CO08: Employment increase in supported enterprises	-	27803
Ind 2: Expenditure	€64.5m (ERDF)	€226.1m (ERDF)

SCHEME CONTRIBUTION TO POLICY

CO01: Number of enterprises receiving support					Milestone 2018			Final target 2023	
2014	2015	2016	2017	2018	2019	2020	2021	2022	2023

CO08: Employment increase in supported enterprises					Milestone 2018			Final target 2023	
					-				
2014	2015	2016	2017	2018	2019	2020	2021	2022	2023

SCHEME BUDGET

Ind 2: Expenditure			Milestone 2018	Final Target 2023	
Total Exp	ERDF Grant	Net Income (Revenue Generation)	Public Match Funding	Private Match Funding	

FINANCIAL PROFILES FOR SCHEME

Calendar year:

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023

Financial year:

14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	2023

I confirm the following:

- the administration of the scheme is suitable for receipt of EU funding;
- the scheme is State Aid compliant;
- the scheme has secured all necessary approvals;
- the scheme complies with equality legislation; and
- the scheme complies with sustainability requirements.

List attachments to submission (*minimum*)

- Business Case and approvals
- DPA
- EQIA
- State Aid Assessment

Submitted by: _____

Position held: _____

Date: _____

INVESTMENT FOR GROWTH AND JOBS PROGRAMME 2014-2020 - PRIORITY 1 & 2 SELECTION CRITERIA

Selection Criteria	Assessment/Comment	Score
<p>Strategic Fit</p> <p>PRIORITY 1 (Potential to promote and strengthen research, technological development and innovation)</p> <p><i>OR</i></p> <p>PRIORITY 2 (Enhancing the competitiveness of SMEs)</p>	<ul style="list-style-type: none"> ▪ Describe how the proposed activity will contribute to promoting and strengthening research, technological development and/or enhancing the competitiveness of SMEs, including how the project will contribute to the indicators and targets relevant for the Priority (attached Annex A) ▪ How does the project fit with the customers' business strategy? ▪ How does the project fit with the Programme for Government and Invest NIs Corporate Plan ▪ Has a study been carried out in relation to the activity? If so, please summarise the findings and attach copies if possible. 	/40
<p>Viability</p>	<ul style="list-style-type: none"> ▪ What is the financial position of the business? ▪ Will the project be successful? ▪ Will it be self-sustaining after the ERDF is no longer available? ▪ What are the projected outcomes? 	/10
<p>Project Risk</p>	<ul style="list-style-type: none"> ▪ Background to the company ▪ Has the company delivered a similar activity previously? 	/10
<p>Economic Efficiency</p>	<ul style="list-style-type: none"> ▪ How does the project satisfy the economic efficiency criterion? ▪ Will the investment have an adequate prospect of a return? ▪ Will the project deliver a net benefit to the NI economy? 	/10

Value for Money	<ul style="list-style-type: none"> ▪ Describe how the proposed activity will provide value for money for the investment –quantified if possible. ▪ Conclude on the assessment detailed in previous areas of the casework in terms of the value for money that the project presents. 	/10
Additionality	<ul style="list-style-type: none"> ▪ Outline the rationale for Invest NI/EU funding ▪ Will the project proceed without Invest NI/EU funding support? 	/10
Promoting sustainable development and the creation of sustainable communities	<ul style="list-style-type: none"> ▪ Record the project’s Developmental Path analysis assessment <p><i>DPA Assessment: A=5 marks; B=6 marks; C=7 marks; D=8 marks; E= 9 marks; F= 10 marks (A minimum of 5 needs to be received in the DPA. If a DPA cannot be assigned the project should not be supported)</i></p>	/10
TOTAL	Each individual criteria must score a minimum of 50% Minimum 65 out of 100 required for ERDF support to be approved	/100

<u>Developmental Path Analysis Categorisation Form</u>		
Project Applicant:		
Project Name:		
Using the project details supplied during the application process, please assess the likely impact of the project on the environment and assign the project to the development path to which it most closely corresponds.		
A.	B.	C.
D.	E.	F.
Signed and dated _____		Date: _____

INVESTMENT FOR GROWTH AND JOBS PROGRAMME 2014-2020 - PRIORITY AXIS 3 SELECTION CRITERIA

Selection Criteria	Assessment/Comment	Score
<p>Strategic Fit</p> <p>PRIORITY AXIS 3 (Supporting the Shift Towards a Low Carbon Economy in all Sectors)</p>	<ul style="list-style-type: none"> ▪ Describe how the proposed activity will contribute to supporting the shift towards a Low Carbon Economy, including how the project will contribute to the indicators and targets relevant for the Priority. ▪ How does the project fit with the Programme for Government? ▪ Has a study been carried out in relation to the activity? If so, please summarise the findings and attach copies if possible. 	/40
<p>Viability</p>	<ul style="list-style-type: none"> ▪ Will the project be successful? ▪ Will it be self-sustaining after the ERDF is no longer available? ▪ What are the projected outcomes? 	/10
<p>Project Risk</p>	<ul style="list-style-type: none"> ▪ Has the Intermediate Body delivered a similar activity previously? 	/10
<p>Economic Efficiency</p>	<ul style="list-style-type: none"> ▪ How does the project satisfy the economic efficiency criterion? ▪ Will the investment have an adequate prospect of a return? ▪ Will the project deliver a net benefit to the NI economy? 	/10
<p>Value for Money</p>	<ul style="list-style-type: none"> ▪ Describe how the proposed activity will provide value for money for the investment – quantified if possible. ▪ Conclude on the assessment detailed in previous areas of the casework in terms of the value for money that the project presents. 	/10

