



Special EU Programmes Body
Foras Um Chláir Speisialta An AE
Boord O Owre Ocht UE Projects

Annual Report 08







Contents

Foreword

04

The role of the Special EU Programmes Body

06

Delivering the 2007-2013 Programmes

08

Closure of the 2000-2006 Programmes

15

Sharing Experiences

18

Annual Accounts

20

The Appendices

52



Foreword

2008 has been a challenging year in the history of the Special EU Programmes Body (SEUPB). Following two years of consultation and establishing systems and procedures for the European Union's Programme for Peace and Reconciliation 2007-2013 (PEACE III) and the Cross-border Programme for Territorial Co-operation 2007-2013 (INTERREG IVA), both programmes were officially launched in April. Throughout the year much of the SEUPB's focus, and that of its many partners, was to open and manage calls for applications and to monitor the programmes' implementation.



The new programmes build on the solid foundation of their predecessors and bring the opportunity to forge new partnerships including, for the first time, links with the Western part of Scotland through the INTERREG IVA Programme.

The PEACE III Programme has a total allocation of €333 million, of which €225 million is contributed by the European Union from the European Union Regional Development Fund (ERDF), the remaining €108 million is provided by the two member states. The new programme builds on the legacy of PEACE I and PEACE II but adopts a more strategic approach to ensure the maximum impact of the programme's core objective of reconciling communities and contributing towards a shared society. Work with victims and survivors groups is at the core of the new programme.

The €256 million INTERREG IVA Programme continues to support the EU wide initiative of funding activities which address the economic and social problems that result from the existence of borders. The programme provides a huge opportunity to form partnerships between Northern Ireland, the Border Region of Ireland and Western Scotland through the development of economic, social and collaborative links.

The administration of both PEACE III and INTERREG IVA differs from the way the previous programmes were managed. The SEUPB has a greater responsibility in the delivery of the new programmes. As well as its role of Managing Authority for PEACE III and INTERREG IVA, the SEUPB's Joint Technical Secretariat (JTS) is the main implementation mechanism for both programmes. The JTS ensures a standardised approach to programme process, interpretation of regulations, financial control and offers support and guidance to organisations involved in the implementation of the programmes.

The implementation of the new PEACE III and INTERREG IVA Programmes began immediately after the programmes were officially approved in November 2007, and continued throughout 2008.

Alongside the SEUPB's work on PEACE III and INTERREG IVA, the Body is also actively involved in promoting co-operation through the opportunities presented by the transnational INTERREG IVB and inter-regional INTERREG IVC Programmes. The SEUPB now has a dedicated team that signposts opportunities and advises potential project partners of the ways in which they can become involved in the transnational and inter-regional programmes.

As we move into a new era of funding opportunities we should acknowledge the enormous impact both programmes have had on Northern Ireland and the Border Region of Ireland. Many of the implementing bodies involved in the programmes marked the end of PEACE II and INTERREG IIIA with closure events that celebrated and highlighted their many achievements - over 7,500 projects were funded by both programmes.

The SEUPB delivered on the corporate objectives it had set for 2008. The PEACE II and INTERREG IIIA Programmes have met all of their expenditure targets for each of the years of existence to date. The SEUPB is also satisfied that the Programmes have been implemented in a manner that meets the requirements of the EC Regulations, and conforms to best practice governance in Ireland and Northern Ireland. The SEUPB will be concentrating on the closure of the programmes and is satisfied that all expenditure requirements will be met by the June 2009 deadline.

The positive impact that the European Union funded programmes have on individuals, communities and businesses throughout the region is significant. In order to ensure the objectives of both PEACE III and INTERREG IVA are successfully delivered many people from numerous organisations must work closely together. I would like to thank our partners and everyone involved for their invaluable contribution to the work of the SEUPB and especially the PEACE III and INTERREG IVA Programmes. I would also like to acknowledge the enthusiasm and dedication of my colleagues and thank them for their hard work in carrying out the aims and objectives of the SEUPB.



Pat Colgan
Chief Executive, Special EU Programmes Body



The role of the Special EU Programmes Body

The Special EU Programmes Body (SEUPB) is a North South Body, established under the Agreement between the Government of Ireland and the Government of the United Kingdom of Great Britain and Northern Ireland (the Agreement) and came into effect on 2 December 1999. The Agreement stipulates that the SEUPB will implement the policies directed by the North South Ministerial Council (NSMC) as specified by the North South Co-operation (Implementation Bodies) (Northern Ireland) Order 1999 and the British-Irish Agreement Act 1999, as amended.

As an agent of both governments the SEUPB has acted as the Managing Authority for both the PEACE II and INTERREG IIIA Programmes 2000-2006 and also as the Paying Authority in relation to INTERREG IIIA. The programmes had a combined value of €1,176 million. PEACE II funded 7,103 projects, whilst INTERREG IIIA funded 435 projects.

Since the beginning of 2007, the SEUPB has acted as Managing Authority, Certifying Authority and provided the Joint Technical Secretariat (JTS) for the PEACE III and INTERREG IVA Programmes. In its capacity as Managing Authority, the SEUPB chairs both of the Monitoring Committees for these two programmes. The new programmes have a combined value of €589 million. The SEUPB has a broad role to support North/South participation in INTERREG IVB Transnational programmes which are relevant to Northern Ireland. Alongside this the SEUPB has an advisory and signposting role for North/South participation in the INTERREG IVC Inter-regional programme.

Our mission

“To effectively manage and implement funding programmes on behalf of the two governments and the European Union aimed at delivering social and economic improvements to the people in Northern Ireland and Ireland through cross-border, transnational and inter-regional co-operation.”

Our vision statement

“The SEUPB will work as a trusted agent of both governments and the European Commission in the management and delivery of programmes that contribute to the economic and social well being of the region. Its work will be imbued by the values of openness, transparency and accessibility.”

The Body is under the policy direction of, and reports to, the North South Ministerial Council (NSMC). It is accountable to the Northern Ireland Assembly and to the Houses of the Oireachtas. There were no NSMC meetings in 2008.

Strategic objectives of the Special EU Programmes Body

The strategic objectives of the Body are defined within the specific functional areas which form the basis of its work and are detailed within the Body's Corporate Plan 2008-2010 and Annual Business Plan 2008. These objectives formed the basis of the work of the Body during 2008 and progress on each objective is detailed within this report:

- To ensure the efficient and effective delivery of PEACE III and fully utilise all programme funding.
- To ensure the efficient and effective development and delivery of the INTERREG IVA Programme in Northern Ireland, the Border Region of Ireland and Western Scotland and fully utilise all programme funding.
- To bring PEACE II and INTERREG IIIA to a timely and satisfactory conclusion
- To promote North South participation in INTERREG IVB and INTERREG IVC transnational and inter-regional programmes and act as Regional Contact Point for the Northern Periphery Programme.
- To support and enhance the business performance of the SEUPB through the provision of quality management and effective administration of its activities.





Delivering the 2007 - 2013 Programmes

The major highlight of 2008 was the launch of the 2007-2013 Programmes. The PEACE III and INTERREG IVA Programmes were formally launched on 14 April 2008 in Belfast by Danuta Hübner, then European Commissioner for Regional Policy, Peter Robinson (then Northern Ireland Minister for Finance), and Brian Cowen (then Tánaiste and Minister for Finance in Ireland).

The two programmes address different dimensions of the social and economic challenges facing the region.

The PEACE III Programme carries forward and builds on the legacy of the PEACE I and PEACE II Programmes which covered the period 1995-2006. The PEACE III Programme has a total budget of €333m and continues its emphasis on reconciliation as it focuses on reconciling communities and contributing towards a shared society.

The INTERREG IVA Programme covers Northern Ireland, the Border Region of Ireland and Western Scotland. It has a total budget of €256m and supports cross-border operations which will help to build the social and economic capital of the region.

The main focus of the SEUPB's activity in 2008 was the implementation of the PEACE III and INTERREG IVA Programmes and the start of project selection and approval. With the programme bodies including the Monitoring Committees, Steering Committees and Working Groups set-up the previous year, 2008 focused on supporting these bodies towards the effective implementation of the programmes.



Northern Ireland Assembly DFP Committee

As part of the functions of the Northern Ireland Assembly, the SEUPB was invited to appear before the Finance and Personnel Committee on two occasions in 2008. The meetings provided an opportunity to explain the progress on the implementation of PEACE III and INTERREG IVA.

The Balmoral Show

The SEUPB joined with the Department of Finance and Personnel to participate in the 2008 Balmoral Show in Belfast in May. An exhibition stand provided information on all of the five new European Union programmes operating in Northern Ireland, including PEACE III and INTERREG IVA. SEUPB staff were on hand to offer advice and guidance on how the PEACE and INTERREG programmes would operate. A video highlighting past success stories and the priorities for the 2007-2013 period was also produced and displayed during the exhibition.

Open Days

At the invitation of the European Commission's Directorate General for Regional Development, the SEUPB organised a seminar on Delivering Peace Across Borders at the Open Days for Regions and Cities in Brussels. The seminar included contributions from Gorka Espiau Idoiaga, Senior Advisor for peace building to the Basque Presidency and Nicos Mesarites, President of the Council for Reconstruction and Resettlement in Cyprus.



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1. Local schoolchildren from Tildarg Primary School, Ballyclare visit the SEUPB stand at the Balmoral Show.

2. Danuta Hübner, then European Commissioner for Regional Policy with (left to right) Peter Robinson (then Northern Ireland Minister for Finance), Pat Colgan, SEUPB Chief Executive, and Brian Cowan (then Tanaiste and Minister of Finance, Ireland) at the new Programmes launch in April.

3. The SEUPB delivered a presentation at the Open Days for regions and Cities in Brussels.

An overview of the impact of the three EU Peace programmes on communities in Northern Ireland and the Border Region of Ireland was presented. The value of learning together about leadership for peace was outlined alongside the contribution of ordinary citizens to conflict transformation and the experience of using European Union Structural Funds to manage cross-community reconciliation initiatives.

During the Open Days the SEUPB convened meetings relating specifically to the work of the Peace Network. Set up to communicate the experience of managing, implementing and evaluating EU Peace funding in Northern Ireland and the Border Region of Ireland to other participating regions across Europe, the SEUPB acts as the Network-secretariat.

Programme Implementation

During 2008 the SEUPB took a number of steps to ensure the effective programme implementation in line with Regulations, including issuing a series of Programme Guidance Notes and the production of a Programme Manual for use by staff and lead partners.

The SEUPB coordinated a series of training events for PEACE III Monitoring Committee members and advisors. Outlining members' roles and responsibilities, in line with all relevant procedures, the training also provided an overview of the Programme and the role of its delivery bodies in light of Regulatory requirements. There were two meetings of the PEACE III Monitoring Committee in 2008 - at Tullyarvan Mill, Buncrana on 23 April and Loughgiel Millennium Centre on 22 October.

Three Steering Committees were established for the programme. These are administered by the SEUPB, through the Joint Technical Secretariat (JTS) and the implementing body of the Consortium of Border Action (now Pobal) and the Northern Ireland Community Relations Council. The Steering Committees comprise of representatives of the Member States Accountable Departments and various social partners including trade union representatives, community/voluntary sector, agriculture, business, equality authorities and environment organisations. In 2008 the Steering Committees met on 20 occasions.

There are two Steering Committees for the INTERREG IVA Programme. The membership of these committees follows the same criteria as that of the PEACE III Programme and in 2008 they met on 10 occasions.

The INTERREG IVA Monitoring Committee met twice in 2008 - at Easterbrook Hall, Dumfries on 9 April and Loughgiel Millennium Centre on 22 October.

The Monitoring Committees authorised the establishment of three working groups to consider specific areas of programme implementation:

- Monitoring and Evaluation
- Equality; and
- Environment.



PEACE III

With the Reform of Public Administration underway in Northern Ireland, the local councils formed themselves into eight clusters to play a much more strategic part in the delivery of PEACE III. The six county councils in the Border Region of Ireland undertook the same role.

Working in partnership with communities, they established themselves and developed local Peace Action Plans during the year. This approach helped to maintain the strong emphasis on the 'bottom up' approach to delivering the programme and mirrored the partnership approach to addressing shared issues and concerns that is an inherent feature of the programme.

The 14 Peace Action Plans developed by the local council clusters and the county councils were funded under the programme's Building Positive Relations at the Local Level theme. Belfast City Council and the seven clusters in Northern Ireland submitted their action plans by 31 March 2008. All eight plans were considered at a two-day Steering Committee on 12 and 13 May 2008. At this meeting three Local Peace and Reconciliation Action Plans were approved with conditions and the five remaining Northern Ireland clusters were revised and approved with conditions by the Steering Committee on 7 August 2008.

The Border Region of Ireland plans were all received by 13 May 2008, considered and approved with conditions at a Steering Committee on 24 June 2008. All of the Border Region plans were approved at this meeting.

As the programme rolled out during 2008, information and publicity activity has focused on supporting calls for applications, providing resources to assist Lead Partners meet their information and publicity obligations, and providing advice and approval for Lead Partner publicity activities.

A total of 189 applications were received for PEACE III in 2008. By the end of the year, there had been 20 meetings of the Steering Committees which considered 127 applications which resulted in 68 projects being approved with a value of €146.5 million.

The three Steering Committees were administered by the SEUPB's Joint Technical Secretariat (JTS) and the Consortium of Border Action (now Pobal) and the Northern Ireland Community Relations Council.

The organisation Healing Through Remembering received £818,557 of PEACE III funding to further its work on dealing with the past. Its project, 'Whatever you say, say something', will see Healing Through Remembering take a leading role in enabling grass roots organisations, civic society and political representatives to take the practical steps and decisions necessary to acknowledge and deal with the past. The project focuses on acknowledging and dealing with the legacy of conflict through a variety of in-depth focus groups, public seminars and community workshops.

PEACE III is funding a new Peace Bridge across the River Foyle, through the regeneration group Ilex, which will run from the former military base in Ebrington to the rear of the Guildhall. The third bridge across the Foyle has been given £13,343,476 by the programme through its theme of Creating Shared Public Space. This theme aims to support large scale infrastructure developments that will tackle problems of separated communities by creating genuine new shared space or transforming contested space. The bridge will provide an iconic legacy to the programme, the city and the people of the North West region.



The €3 million Castle Saunderson Project on the Cavan/Fermanagh border has also been funded under the PEACE III theme of Creating Shared Public Space. Cavan County Council and Scouting Ireland are the lead partners in the project with the support of the Northern Ireland Scout Council of The Scout Association. This 30 acre development will include a permanent jamboree site capable of accommodating 1,000 people. It will do much to enhance the border area between Cavan, Fermanagh and Monaghan and will result in the economic and social regeneration of a sparsely populated area. The site will provide camping and modern indoor facilities as well as provide a neutral space in natural surroundings where young people can meet and engage with each other in an interactive and non-threatening environment.



Diversity Challenges, which received £99,988 of PEACE III funding, is a project that sources and archives stories of community camaraderie from across Northern Ireland and the Border Region of Ireland. The project sources materials and utilises these materials to provoke discussion and debate among marginalised young people. The project seeks to build and repair relationships and engage the wider community in peace building and reconciliation activities. Diversity Challenges also seeks to increase young peoples' participation by promoting the concepts of 'community' and positive action based co-operation.



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1. An artist's impression of the new Peace Bridge across The Foyle.
2. The location of the River Foyle where the new Peace Bridge is to be built.
3. Visiting the site of the new multi-activity centre for scouts and other youth groups at Castle Saunderson, County Cavan are Ilmar Nabiulin of the 1st Cavan Scouts Group and Megan O'Reilly of the 2nd Cavan Scouts Group.



INTERREG IVA

The INTERREG IVA Programme for Northern Ireland, the Border Region of Ireland and Western Scotland is a European Union Structural Funds Programme. It is supported through the Cross-Border Territorial Co-operation Programme which seeks to address the economic and social problems which result from the existence of borders. The programme continues the earlier programme's strong focus on Northern Ireland and the Border Region of Ireland, by assisting two categories of projects: (i) North/South projects, as before; (ii) and Tripartite projects that involve Northern Ireland, the Border Region of Ireland, and Western Scotland.

During 2008 73 applications were received for the programme. These applications were considered at the ten Steering Committees that were held, including a Steering Committee meeting in Scotland. In total, 128 projects were approved and the value of these projects amounted to €146.7 million. The INTERREG IVA Monitoring Committee met on two occasions, one of which was in Scotland.

With £5 million funding by the INTERREG IVA Programme, marine scientists from Northern Ireland, Western Scotland and the Border Region of Ireland will pioneer research into renewable energy. The 'BioMara' scientists will research creating renewable energy from marine algae and seaweeds.

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1. Minister Arlene Foster (DETI) and Bjami Thorrvardarson, CEO Hibernia Atlantic announce Project Kelvin.

2. The Scottish Association for Marine Science Culture Collection of Algae and Protozoa.



The Scottish Association for Marine Sciences in Oban will work in partnership with Queen's University Belfast and the University of Ulster in Northern Ireland; and the Institutes of Technology in Dundalk and Sligo in Ireland. BioMara is an excellent example of how cross-border working through the joining of resources and innovation can benefit the economy and the environment as well as having a lasting impact on the community.

The INTERREG IVA Programme is also funding Hibernia Atlantic's Project Kelvin, a direct telecommunications submarine cable connecting North America to the North West region. The cable will help improve international telecommunications infrastructure between Northern Ireland and North America as well as mainland Europe. This project is receiving €30 million from the INTERREG IVA Programme.

This is the first direct communications link of its kind into Northern Ireland allowing local businesses to make use of reliable and competitively priced communications to North America and Europe. The international access that Project Kelvin brings will also allow financial institutions, internet-enabled businesses, academia, media companies and any other high-bandwidth entity to come into Northern Ireland and conduct business.

The Knowledge and Innovation Transfer in Engineering project (KITE) is a collaborative programme to promote a shared learning experience for students, the colleges involved, and business across the Border Region of Ireland, Northern Ireland and the West of Scotland. The project is receiving €2,942,077 of funding through the regional co-operation for enterprise theme of the INTERREG IVA Programme. The operation involves the centres of engineering excellence in the Institute of Technology, Sligo (IT Sligo), the Northern Regional College (NRC), Ballymena, and Ayr College.

The aim of the project is to develop innovative technologies, applications and practices to enable on-line interactive tuition. This will allow knowledge and technology transfer between the partners themselves and their respective regional stakeholders. The expertise gained will allow companies to increase their competitiveness by increasing the knowledge and skill levels of their workforce. As a result of this co-operation and innovation, it is hoped the regions will be more attractive for new company start-ups and inward investment.

The role of SEUPB in transnational and Inter-regional programmes, INTERREG IVB and IVC, is to maximise North/South participation in the programmes and to work closely with the NI Assembly and Irish Parliament to identify North/South co-operation opportunities. These programmes encourage the sharing of experiences throughout member states of the European Union and beyond. The programmes assist in finding innovative and creative solutions to common social, economic or sustainability issues.

The Body has been active in fulfilling its obligations as the Regional Contact point for the Northern Periphery Programme (NPP). Three Regional Advisory Group meetings have been held in Northern Ireland to assess projects. Overall, the NPP has approved 19 projects, eight of which have Northern Ireland partners and five of these have Ireland partners.

In relation to the other programmes, eight projects with Northern Ireland partners have been approved in the Atlantic Area programme, five of which have partners in Ireland. One project with Northern Ireland and Ireland partners has been approved in the North West Europe programme and one project in the INTERREG IVC programme.

The Regional INTERREG IVB and IVC Group held its first meeting in December 2008. This group provides a platform for Northern Ireland stakeholders to engage, exchange views, add value and share best practice on the INTERREG IVB and IVC programmes.



Closure of the 2000-2006 Programmes

As the Managing Authority for the 2000-2006 PEACE II and INTERREG IIIA Programmes, the SEUPB is responsible for the successful closure of both programmes.

1. The Programme Closure Event in the Pump House, Belfast.

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PEACE II Programme 2000-2006

By the end of 2008, 6,580 or 93% of the 7,103 PEACE II funded projects had been successfully closed on the central database. Several Implementing Bodies marked the end of their PEACE II activities with closing events celebrating the achievement of the projects they had funded.

Closure Event

The SEUPB managed an event in December 2008 to recognise the closure of the PEACE II and INTERREG IIIA Programmes and to acknowledge the contribution made by the Implementing Bodies. Around 120 representatives of the Implementing Bodies attended and viewed a film which highlighted some of the projects supported by both programmes.

There were informal presentations from the Cross-border Youth Orchestra, Roddensvale School Choir and Belfast Community Circus which had been supported by PEACE II. The event was broadcast live over the internet by the MIDAS Truck project which had been supported by INTERREG IIIA. The Head of the European Commission's Representation in Northern Ireland, Maurice Maxwell, spoke at the event which was compered by UTV's Joe Mahon.

Some of the funded projects highlighted on the DVD included World United, PATCH and The Wave Trauma Centre.



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1. Members of PEACE II funded World United players pictured at an IFA Awards Ceremony, held at the Ramada Hotel, Belfast.

World United is a project organised by the Irish Football Association as part of its Football for All programme. With the support of PEACE II, World United has made a positive contribution to cross-community and cross-cultural integration by bringing people together through their interest of the game. Among the mix of countries and culture were footballers from Portugal, Cameroon, Ivory Coast, Poland, Zimbabwe, Malawi, Brazil, South Africa, Portugal, Iran and Italy. Whilst the team may not always have been successful on the pitch, it was top of the league in bringing a diverse group of people together and helping them to integrate into a community and culture.

The Political Awareness through Culture and History project (PATCH) in East Belfast brought together a group to develop cross-border reconciliation and understanding between eight groups, four from Belfast and four from the Drogheda area. The project was run by the Ballymacarrett Arts and Cultural Society and aimed to promote and support mutual understanding of, and respect for, political and cultural diversity. Small groups of participants meet regularly for site visits and workshop discussions to explore issues including politics, history, citizenship, culture, human rights, parades and diversity. With the confidence gained by working together, a number of cross-community and cross-border activities were undertaken. Projects like PATCH have played a significant role in encouraging people to look around them and meet others from outside their own community.

The Wave Trauma Centre is a grass roots, cross-community, voluntary organisation that supports people bereaved or traumatised as a result of violence in Northern Ireland irrespective of religious, cultural or political belief. With support from PEACE II, WAVE has promoted respect for life and an understanding of difference. Through its activities and services it seeks creative ways of working through issues that have the potential to divide. There are five WAVE centres in Northern Ireland which all offer services such as befriending, psychotherapy/counselling, advice/welfare, training opportunities, complementary therapies and services to youth. The organisation has offered support and care to over 3,600 people which has included a cross section of adults, young people and children.

INTERREG IIIA Programme 2000-2006

By the end of 2008, 327 or 66% of the 435 funded INTERREG IIIA projects had been closed on the central database.

The INTERREG IIIA Programme led to greater cross-border participation in structures, solutions and policy making, improved economic and social cohesion and promoted competitiveness. One of the programme's many successes has been its positive impact on the Small and Medium Enterprise (SME) sector. Through INTERREG funding:

- 857 SMEs expanded in terms of product development,
- 1,128 SMEs expanded in terms of increased sales, and
- 178 SMEs expanded in terms of job creation.

There is also evidence of an improved skills base in the region as a result of INTERREG IIIA support. It has enabled 1,265 programme participants to progress in existing employment, and 125 people have gained new employment through sectoral initiatives and reskilling programmes. Through management and enterprise training, 150 staff were trained in ICT skills and 351 participants promoted and/or established a new business.

The Highlanes Gallery in Drogheda and the F E McWilliam Gallery and Studio in Banbridge have benefited from INTERREG IIIA funding. The Highlanes Gallery is a dedicated visual arts space of international standing for the North East Region of Ireland. The venue is able to take fairly major pieces of historical or contemporary works rarely seen outside Dublin. The gallery also provides a permanent space for the Drogheda Municipal Art Collection, as well as organising a rolling programme of exhibitions and associated activities.

Through the INTERREG IIIA East Border Region Network, Highlanes Gallery has been able to forge links with the team behind the F E McWilliam Gallery in Banbridge. The relationship has led to the exchange of collections. The stunning new F E McWilliam Gallery and Studio has been built by Banbridge District Council to celebrate the life and work of the distinguished sculptor. The striking new building provides a permanent showcase for the significant collection of work which the artist bequeathed to the town.

The cross-border partnerships of North West Region Cross Border Group (NWRCBG), East Border Region (EBR), the Irish Central Border Area Network (ICBAN) and COMET (covering the Belfast Metropolitan area) helped to deliver INTERREG IIIA funds to where they were most needed. Northern Ireland and the Border Region of Ireland have benefited from the work of these partnerships. By bringing local authorities and social partners together, the partnerships have taken advantage of opportunities and addressed common challenges to help create stronger cross-border economic co-operation.

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1. The new art gallery built by Banbridge District Council to celebrate the life and work of F E McWilliams.





Sharing Experiences

During a fact-finding visit to Ireland and Northern Ireland, staff from the Southeast Regional Council of the Czech Republic visited the SEUPB to learn how the Body was implementing PEACE III and INTERREG IVA Programmes. Managing Authorities from Poland and Romania also visited the SEUPB to share approaches to implementation and exchange views on facing the challenges the implementation of EU programmes sometimes bring.

Another opportunity to share good practice came in September when the SEUPB hosted part of a study tour by staff from the Romanian Ministry of Development, Public Works and Housing and the staff from the Managing Authority for their Regional Operational Programme 2007-2013. The visit was largely concerned with learning about good practice in relation to the Managing Authority and Certifying Authority roles of the SEUPB. Information was also exchanged on corporate planning, communications and the management of N+2 targets.

The SEUPB also hosted a study group from Poland's Ministry of Regional Development (MRD). Ten staff from the MRD Certifying Authority Department took part in two sessions on the role of the SEUPB in the running of PEACE II, PEACE III and INTERREG IVA. Presentations and discussions centred on the structure of the SEUPB and the role, responsibilities and practices of the Certifying Authority.

Sharing Learning on Cross-border Co-operation

The European Grouping for Territorial Co-operation (EGTC) is a new European instrument enabling regional and local authorities from different Member States to set up co-operation structures with a legal identity. The instrument provides a new approach for multi-level governance which can facilitate and promote cross-border, transnational and inter-regional co-operation. While the SEUPB



is not an EGTC Group, its experience as a cross-border body implementing EU programmes has provided learning that can be transferred to regions thinking of forming an EGTC Group. The SEUPB's Chief Executive, Pat Colgan, was invited by the European Commission and the Committee of the Regions to speak at a conference in Brussels in June 2008.

Visit of the European and Social Committee

The European Economic and Social Committee invited the SEUPB to contribute to its conference in Belfast in April 2008. The event was part of the information gathering exercise for the Committee's own Opinion Report on the role played by the European Union in the Northern Ireland peace process. The conference gathered information from stakeholders and experts and visited EU funded projects in Belfast.

European Mediation Conference

At the beginning of the year, the 2000-2006 PEACE II Programme supported the second European Mediation Conference which was held in the Waterfront Hall in Belfast. Through a keynote address at the conference, the achievements of the programme and the learning that had been gained were shared with a pan European audience of 350 people. PEACE II funded projects were showcased at the conference and the 'Piping Hot' cross-community cultural group provided entertainment at the conference dinner.

Regio-Stars

The SEUPB was delighted to assist a delegation from the European Commission's Directorate for Regional Policy when it visited the EpiCentre project in the North West and commended it as a finalist for the prestigious 'Regio Stars' awards. These awards reviewed exemplar European Union funded projects which best demonstrate innovation in regional development. The EpiCentre project was funded by the INTERREG IIIA Programme.

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1. The Choir from Bangor Integrated Primary School who performed at the European Economic and Social Committee Conference in Belfast.

2. Cross-community cultural group 'Piping Hot' provided after-dinner entertainment for the European Mediation Conference.





Annual Accounts

Year Ended 31 December 2008

Background Information

The Special EU Programmes Body is a North South Implementation Body sponsored by the Department of Finance and Personnel in Northern Ireland and the Department of Finance in Ireland. The Body was established on the 2nd December 1999 under the Good Friday Agreement 1998 and the British Irish Agreement establishing implementation bodies, which is underpinned by the North South Co-operation (Implementation Bodies) (Northern Ireland) Order 1999 and the British Irish Agreement Act 1999. Reporting to the North/South Ministerial Council, the Special EU Programmes Body's principal functions are to administer certain EU Structural Funds, PEACE, INTERREG and other Community Initiatives to support a range of development and regeneration programmes in Northern Ireland, the Border Region of Ireland and Western Scotland.

These accounts have been prepared in accordance with:

- The financial arrangements of Part 7 of Annex 2 to the British-Irish Agreement establishing Implementation Bodies;
- A direction by the Department of Finance and Personnel and the Department of Finance, as provided for in the Body's Financial Memorandum, and
- The Annual Report and Accounts Guidance provided by the Department of Finance and Personnel and the Department of Finance.

Business Overview

An overview of the Special EU Programmes Body's activities and future developments is given in the Annual Report.

Results for the years

The results of The Special EU Programmes Body are set out in detail on page 28. The surplus for the year was €41,757 (Stg £33,171) - 2007: €17,671 (Stg £12,087).

Fixed Assets

Details of the movement of fixed assets are set out in note 9 to the accounts.

During the year the main expenditure on fixed assets was in relation to improving the Information Technology and controls of the organisation.

Research and Development

There was no significant expenditure in this area.

Important Events Occurring After the Year End

There have been no important events since the year end that impact on these Accounts.

Charitable Donations

The Special EU Programmes Body made no charitable donations during the financial year.

Board Members

The functions of the body are exercised by the Chief Executive. There are no board members.

The Chief Executive holds no other directorships or significant interests which would conflict with his management responsibilities.

Payment to Suppliers

The Special EU Programmes Body is committed to the prompt payment of bills for goods and services received in accordance with the UK Late Payment Of Commercial Debts (Interest) Act 1998 and the Late Payments in Commercial Transactions Regulations 2002.

Unless otherwise stated in the contract, payment is due within 30 or 45 days, as appropriate, of the receipt of the goods or services, or on presentation of a valid invoice or similar demand, whichever is later.

The Body operates a 30-day prompt payment rule across all of its offices regardless of the jurisdiction where the bill originated. Regular reviews conducted to measure how promptly the Special EU Programmes Body paid its bills found that 94.1% (2007 - 96.6%) of bills were paid within this standard.

In December 2008, Public Bodies were instructed to support businesses through making every effort to make payments to suppliers within 10 days of receipt of a valid invoice. In December SEUPB paid 60% of its invoices within 10 days.

The Body has entered into Terms and Conditions for Payment of Grant with Accountable Departments in order to make payments to projects via the Centralised Payment Unit.

This requires the Body to make payments to projects within 10 working days of receipt of a valid claim.

This has been achieved for 99% (2007 - 99%) of payments made during the year, analysed as follows:

	No. of Invoices	Late	% on time
PEACE II	5,269	18	99.66%
INTERREG IIIA	852	12	98.59%
Urban	137	2	98.54%
Total	6,258	32	99.49%

Health & Safety Policy

The Body has developed a written Health and Safety Policy and circulated it to all staff. The policy reflects the legal requirements to be fulfilled on health and safety in both jurisdictions in order for the Body to attain a high standard of health and safety within the organisation.

Disabled Employees

The Body has developed a policy in relation to Disability.

The Body is committed to the implementation of this policy to achieve equality of opportunity for its staff, applicants and potential staff, and to meeting the requirements of the Disability Discrimination Act 1995.

The Body will treat all staff or applicants for employment with disabilities with dignity and respect, and will provide a working environment free from unlawful discrimination, victimisation or harassment on the grounds of disability.

The Body aims:

- to promote a positive working environment within which people with disabilities are readily accepted;
- to examine the working environment and practices in order to ensure, where practicable, the removal of barriers to the full participation of staff with disabilities in the life of the Body;

- to provide a safe working environment;
- to ensure the development of skills and potential of staff with disabilities, for example, through training and staff development; and
- to provide access to the full range of recruitment and career development opportunities for people with disabilities.

Employee Involvement

Throughout the year employees were kept involved in the full workings and plans of the Body through formal and informal meetings, courses and briefings.



Pat Colgan

Chief Executive Officer
26 June 2009

Statement of Responsibilities

The Department of Finance and Personnel and the Department of Finance have directed the Special EU Programmes Body to prepare a statement of accounts for each year ended 31 December in the form and on the basis set out in the accounts direction at the appendix to these accounts. The accounts are prepared on an accruals basis and must give a true and fair view of the Body's state of affairs at the year end and of its income and expenditure, total recognised gains and losses, and cash flows for the calendar year.

In preparing the accounts the Body is required to:

- Observe the accounts direction issued by the Sponsor Departments, including the relevant accounting and disclosure requirements, and apply accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards have been followed and disclose and explain any material departures in the financial statements; and
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Body will continue in operation.

Chief Executive's Responsibilities

The Chief Executive's responsibilities as the Accounting Officer for the Special EU Programmes Body, including responsibility for the propriety and regularity of the public finances and for the keeping of proper records, are set out in the Financial Memorandum of the Body.

Statement on Internal Control

Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Body's policies, aims and objectives, whilst safeguarding the public funds and the Body's assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money Northern Ireland and Public Financial Procedures.

The Financial Memorandum between the SEUPB and its sponsor departments sets out in detail the responsibilities of the Accounting Officer, (the Chief Executive), within a financial and business framework. The Body must operate within the standards and guidance on accounting and financial procedures, as set out in the Managing Public Money (NI) manual.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Body's policies, aims and objectives, to evaluate the likelihood of those risks being realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Special EU Programmes Body for the year ended 31 December 2008 and up to the date of approval of the annual report and accounts, and accords with the Finance Departments' guidance.

Capacity to handle risk

I have carried out appropriate procedures to ensure that we have identified the Body's objectives and risks and determined a control strategy for each of the significant risks. As a result, risk ownership has been allocated to the appropriate staff and the Body has set out its attitude to risk to the achievement of its objectives.

I have ensured that procedures are in place for verifying that aspects of risk management and internal control are regularly reviewed and reported on. A full risk and control assessment has been carried out for the year ended 31 December 2008.

Risk management has been incorporated fully into the corporate planning and decision making process of the Body.

The Management team must report to me regularly on key risks identified that may affect their area of work.

I receive periodic reports concerning internal control. The appropriate steps are being taken to manage risks in significant areas of responsibility and monitor progress on key projects.

The risk and control framework

Following the identification of the Body's key objectives and risks, further work has been done to bring about more consistency in the way in which the Body treats risks.

During the year ended 31 December 2008, the Body has:

- Regularly reviewed and updated the record of risks facing the organisation;
- Operated a system of key performance and risk indicators;
- Operated an Audit Committee, in line with best practice;

- Maintained an organisation-wide risk register; and
- Arranged for reports from the Directors and Managers of the Body on internal control activities.

Information Assurance

I recognise my responsibility for accurate and secure handling of all information, and the accurate capture and processing of information, particularly where this may be used by third parties, or relied on by other parts of government.

In order to discharge this responsibility effectively, the following actions have been taken:

- The Director of Corporate Services has been appointed as the Body's Accountable Records Officer (ARO). The ARO has in turn taken assurance from managers, who have added information considerations to their risk registers, which are reported on a monthly basis;
- An Information Officer has been appointed to assist with the ongoing implementation of the Body's Information Policies and is undertaking an information audit with all staff to assess common areas of good practice, risks, and improvements required;
- The Body's information risks have been assessed against best practice, and the results presented to the Audit Committee; and
- Several of the risks identified were not key to the organisation, and others will be negated through the implementation of an Electronic Data Management System (first steps towards this are underway).

Review of effectiveness

As Accounting Officer, I also have responsibility for reviewing the effectiveness of the system of internal control.

My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the managers within the Body who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their report to those charged with governance and other reports. I have been advised on the implications of the results of my review of the effectiveness of the system of internal control by the Audit Committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Body has a Service Level Agreement with the Department of Finance and Personnel's Internal Auditor, who operates to standards defined in the Government Internal Audit Manual. Regular reports are received which include the Head of Internal Audit's independent opinion on the adequacy and effectiveness of the Body's system of internal control together with recommendations for improvement. For 2008 an overall annual assurance level of 'substantial' (the highest level attainable) has been awarded.

During 2008, the Body's audit committee met four times and considered a range of issues including the systems of internal control in operation within the Body. Throughout 2008 an independent chairman and one further independent member were active members of the audit committee.

The membership of the Audit Committee during the year was as follows:

Independent Chair	Bryan Johnston
Independent Member	John Cowley
DFP representative	Bill Pauley
DOF representative	Niall MacSweeney (replaced by Pat Casey on 1 November 2008)

The responsibilities of the Committee as a whole are laid out in its Terms of Reference, and include providing advice to the Accounting Officer on the following:

- the strategic processes for risk, control and governance;
- the accounts, accounting policies and annual report;
- planned activity of internal and external audit; and
- assurances relating to governance and management of the EU Programmes.

To aid in the discharge of these responsibilities, the Committee prepares an annual report, and also meets to review its own effectiveness. Appraisals of all members are made annually. The independent members also receive the monthly Senior Management Team minutes.



Pat Colgan
Accounting Officer
26 June 2009

The Certificate of the Comptrollers and Auditors General to the Houses of the Oireachtas and the Northern Ireland Assembly

We have audited the accounts of the Special EU Programmes Body for the year ended 31 December 2008 pursuant to the provisions of the North/South Co-operation (Implementation Bodies) (Northern Ireland) Order 1999 and the British-Irish Agreement Act 1999, which require us to audit and certify, in co-operation, the accounts presented to us by the Body.

The accounts, which have been prepared under the accounting policies set out therein, comprise the Income and Expenditure Account, the Balance sheet, the Cash Flow Statement and the related notes.

Respective Responsibilities of the Body, Chief Executive and the Auditors

The responsibilities of the Body and the Chief Executive, including those pertaining to the preparation of the accounts in accordance with applicable law and regularity of financial transactions are set out in the Statement of Responsibilities.

It is our responsibility to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report our opinion as to whether the accounts give a true and fair view, and have been properly prepared, in accordance with the accounts direction issued under the governing legislation. We also report our opinion as to whether in all material respects the expenditure and income have been applied for the purposes intended by Dáil Éireann and the Northern Ireland Assembly and whether the financial transactions conform to the authorities which govern them; and whether proper accounting records have been kept by the Body.

In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit, and whether the accounts are in agreement with the accounting records.

We review whether the Statement of Internal Control reflects the Body's compliance with applicable guidance on corporate governance and report any material instance where it does not do so, or if the statement is misleading or inconsistent with other information we are aware of from our audit of the accounts. We are not required to consider whether the Statement of Internal Control covers all financial risks and controls, or to form an opinion on the effectiveness of the risk and control procedures.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Without qualifying our opinion we draw attention to the fact that the basis of accounting for pension costs that will be ultimately borne by the Irish Exchequer, and which is disclosed in accounting policy 1.3, does not comply with Financial Reporting Standard 17.

Basis of Audit Opinion

We conducted our audit of the accounts in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices boards. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the accounts. It also includes an assessment of the significant estimates and judgements made by the Body and the Chief Executive in the preparation of the accounts, and of whether the accounting policies are appropriate to the body's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations that we considered necessary to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by error, or fraud or other irregularity and that, in all material respects, the expenditure and income have been applied for the purposes intended by the Northern Ireland Assembly and Dáil Éireann and the financial transactions conform to the authorities which govern them. In forming our opinion we have also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion


In our opinion:

- the accounts, which have been properly prepared in accordance with the accounts direction issued under the governing legislation, give a true and fair view, in accordance with that direction, of the state of the Body's affairs at 31 December 2008 and of its surplus for the year then ended; and
- in all material respects the expenditure and income have been applied for the purposes intended by the Northern Ireland Assembly and Dáil Éireann and the financial transactions conform to the authorities which govern them.

We have obtained all the information and explanations that we consider necessary for the purpose of our audit. In our opinion proper accounting records have been kept by the Body. The accounts are in agreement with the accounting records.



J M Dowdall CB
Comptroller and Auditor General for
Northern Ireland
106 University Street
Belfast BT7 1EU
19 August 2009



John Buckley
Irish Comptroller and Auditor General
Dublin Castle
Dublin 2
Ireland
19 August 2009

Income and expenditure account for the year ended 31 December 2008

Income	Notes	2008	2007	2008	2007
		€	€	£	£
Grant from Departments	2	14,586,091	13,659,077	11,586,378	9,342,095
Other Operating Income	4	22,698	39,478	18,030	27,001
Capital Grant Release	16	105,442	95,070	83,757	65,023
CENTRAL PAYMENTS UNIT					
Grant Received from Accountable Departments	3	61,573,404	75,341,507	48,910,482	51,529,654
EU COMMISSION					
Claims Receivable from the EU	3	21,367,336	24,858,889	16,973,021	17,002,181
Total income		97,654,971	113,994,021	77,571,668	77,965,954

Expenditure	Notes	2008	2007	2008	2007
		€	€	£	£
Depreciation	9	(105,442)	(95,070)	(83,757)	(65,023)
Staff Costs	5	(1,628,900)	(1,613,641)	(1,293,907)	(1,103,646)
Other Operating Costs	7	(1,126,439)	(1,332,959)	(894,780)	(911,674)
Programme Costs	8	(14,109,625)	(11,909,960)	(11,207,900)	(8,145,790)
Interest repayable to Department of Finance and Personnel	3	(13,298)	(21,487)	(10,563)	(14,696)
CENTRAL PAYMENTS UNIT					
Payments Made to Projects	3	(81,660,373)	(99,537,534)	(64,866,449)	(68,078,472)
Exchange gains/(losses)	3	1,030,863	534,301	818,859	365,434
Total expenditure		(97,613,214)	(113,976,350)	(77,538,497)	(77,953,867)
Surplus for the year transferred to General Reserve		41,757	17,671	33,171	12,087

All amounts above relate to continuing activities.

The body has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 31 to 51 form part of these accounts.

Balance Sheet as at 31 December 2008

	Notes	2008 €	2007 €	2008 £	2007 £
Fixed Assets					
Tangible Assets	9	187,920	157,782	178,994	115,710
Intangible Assets	9	40,348	38,720	38,431	28,395
		228,268	196,502	217,425	144,105
Current Assets					
Debtors	10	21,756,366	22,741,243	20,722,914	16,677,356
Cash at bank and in hand	11	43,374,720	48,268,495	41,314,372	35,397,840
		65,131,086	71,009,738	62,037,286	52,075,196
Current Liabilities					
Creditors - amounts falling due within one year	12	(65,029,224)	(70,922,666)	(61,940,263)	(52,011,342)
Net Current Assets		101,862	87,072	97,023	63,854
Total Assets less Current Liabilities		330,130	283,574	314,448	207,959
Creditors-amount falling due after more than one year	13	-	-	-	-
		330,130	283,574	314,448	207,959
Financed by: Capital and Reserves					
General Reserve	15	101,864	87,072	97,025	63,854
Capital Grant Reserve	16	228,266	196,502	217,423	144,105
		330,130	283,574	314,448	207,959

The accounts approved by the Chief Executive on 26 June 2009



Pat Colgan
Chief Executive Officer

The notes on pages 31 to 51 form part of these accounts

Cash Flow Statement for the year ended 31 December 2008

	Notes	2008 €	2007 €	2008 £	2007 £
Net cash (outflow)/inflow from operating activities Capital expenditure and financial investment	17.1	(610,311)	11,322,987	(655,088)	10,370,781
Payments to acquire tangible fixed assets		(137,206)	(93,386)	(108,989)	(63,870)
Exchange (loss)/gain on acquisition of fixed assets		(26,967)	(7,649)	48,086	12,204
Net cash (outflow)/inflow before financing		(774,484)	11,221,952	(715,991)	10,319,115
Financing Capital funding received		137,206	93,386	108,989	63,870
Net cash inflow from financing		137,206	93,386	108,989	63,870
(Decrease)/increase in cash/bank balances	17.2	(637,278)	11,315,338	(607,002)	10,382,985

The notes on pages 31 to 51 form part of these accounts

Accounting Policies

1.1. Accounting Convention

The accounts have been prepared in accordance with the historical cost convention. Without limiting the information given, the accounts are prepared on an accruals basis and comply with the accounting and disclosure requirements of the Companies (Northern Ireland) Order 1986, the Republic of Ireland Companies Acts 1963 to 2006, the accounting standards issued or adopted by the Accounting Standards Board, (except in relation to accounting for pension costs), and accounting and disclosure requirements issued by the Department of Finance and Personnel and by the Department of Finance, insofar as those requirements are appropriate.

1.2. Fixed Assets

Fixed Assets are valued at their cost to the body. Intangible assets comprise purchased software.

Fixed assets are depreciated from the month following their dates of acquisition, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life, or lease period if shorter. The estimated useful lives of the main categories of fixed assets are:

Fixtures and Fittings	7 years
Computer Equipment	3 years
Office Equipment	5 years
Leased assets	The shorter of the term of the lease and the useful economic life of the asset.
Intangible assets	3 years

1.3. Pension Costs

The North/South Pension Scheme was established by the North/South Implementation Bodies and Tourism Ireland Limited with effect from 29 April 2005. It is a defined benefit pension scheme which is funded annually on a pay as you go basis from monies provided by the UK and Irish Exchequers. The Scheme is administered by an external administrator. Funding from the Irish Exchequer is provided by the Department of Finance to the Body which then funds the administrator. The Northern Ireland share of the benefits paid during the year is directly funded to the administrator by the UK Exchequer.

The Northern Ireland element of the costs is accounted for as if the scheme were a defined contribution scheme, i.e. the Body recognises only the employer's contributions in respect of the Northern element of the costs as an expense of the period. It also recognises a corresponding amount as income, representing the value of the resources that the UK Exchequer will make available to the Administrator in respect of these costs. In respect of the element of pension costs ultimately borne by the Irish Exchequer, the Finance Departments (North and South) have directed that the only cost recognised in the Accounts up to 31 December 2008 will be the cost of pensions paid to the extent that this cost is ultimately borne by the Irish Exchequer.

1.4. Value Added Tax

The Special EU Programmes Body is not in a position to reclaim VAT. Therefore VAT is included as expenditure and where appropriate capitalised in the value of fixed assets.

1.5 Leases

Assets held under finance leases and hire purchase contracts are capitalised at their fair value on the inception of the lease and depreciated over the shorter of the period of the lease and the estimated useful economic lives of the assets. The finance charges are allocated over the period of the lease and are charged to the income and expenditure account.

Rentals are charged to the income and expenditure account over the term of the lease.

1.6 Currencies

The Body's transactions are effected in the currencies of each jurisdiction. The Financial Statements are presented in both currencies, each representing an aggregation of all transactions for the year in each jurisdiction translated at the average respective exchange rates during the year. At the year end assets and liabilities are translated at the rate existing at that time.

1.7 Central Payments Unit

The Body operates a Central Payments Unit that has been established to make payments to projects funded under PEACE II & III, INTERREG IIIA & IVA, and Urban on behalf of Accountable Government Departments in Ireland and Northern Ireland. Service Level Agreements are put in place between the Body and each Department.

Funds are drawn from the Departments and held in dedicated bank accounts. Payments are made to projects on the basis of suitably authorised vouchers received mostly from Implementing Bodies, JTS, and Government Departments.

In respect of PEACE II and Urban, funds drawn from Departments are held within creditors, and released to the I&E in line with expenditure (payments made to projects). The balance of unspent funds remain within creditors as 'Amounts Repayable to Government Departments'.

Notes to the accounts for the year ended 31 December 2008

For INTERREG IIIA, IVA, and PEACE III, payments made to projects are again shown within expenditure on the I&E.

Income to cover these payments is split between the EU Commission 'Claims Receivable', and match funding from Departments. As with PEACE II and Urban, any unspent funds received from Departments are shown within creditors.

In terms of Accountability for the funds, whilst the Body's Accounting Officer is responsible for the integrity of the systems and controls of the Unit, the Departments remain accountable for the funds, although they may require the Body's Accounting Officer to accompany their Accounting Officer to any hearing of the Public Accounts Committee.

The Agreements also state that the funds may not be used at the discretion of the Body, but only for the purposes of making payments to projects under the relevant Accountable Department, Programme, Measure and Implementing Body.

The Body carries out this function in its role as Managing Authority for the PEACE II & III Programmes and INTERREG IIIA & IVA Community Initiatives, and on behalf of the Department for Social Development which is Managing Authority for the Urban Community Initiative.

The amounts repayable to Government Departments at 31 December 2008 are shown within Creditors (note 12).

Detailed balances are shown in the Appendices to these accounts.

The amounts due to Government Departments shown on the balance sheet and the related Appendices are on a cash basis, as this is the relevant means of accounting for this unit. The transactions in relation to Measures for which the Body acts as Implementing Body/Agent are removed from these results to be included in the main accounts on an accruals basis. It should therefore be noted that for these particular measures, balances payable to Departments by CPU (cash basis) will not agree directly to those payable by the Body (accruals basis).

2. Grant from the Departments

	DFP	DOF	OTHER NI DEPTS	TOTAL 2008	TOTAL 2007	TOTAL 2008	TOTAL 2007
	€	€	€	€	€	£	£
Grant receivable:							
Administration and Expenses	1,583,596	1,204,100	-	2,787,696	2,946,288	2,214,390	2,015,102
Programme for Peace & Reconciliation II	4,187,327	4,810,322	1,951,568	10,949,217	10,302,326	8,697,449	7,046,257
INTERREG IIIA Programme	297,268	116,805	-	414,073	332,285	328,916	227,266
Programme for Peace & Reconciliation III	126,242	130,893	-	257,135	37,235	204,254	25,467
INTERREG IVA Programme	106,782	71,188	-	177,970	40,943	141,369	28,003
EIB Interest Rate Subsidy Scheme	-	-	-	-	-	-	-
Capital funding	24,351	24,351	-	48,702	85,828	38,686	58,702
Total	6,325,566	6,357,659	1,951,568	14,634,793	13,744,905	11,625,064	9,400,797
Split as follows:							
Grants credited to Income & Expenditure account	6,301,215	6,333,308	1,951,568	14,586,091	13,659,077	11,586,378	9,342,095
Grants credited to Capital Grant Reserve	24,351	24,351	-	48,702	85,828	38,686	58,702
Total	6,325,566	6,357,659	1,951,568	14,634,793	13,744,905	11,625,064	9,400,797

In general terms, contributions are made towards Programme costs in the following manner:

	DFP	DOF
PEACE II	80%	20%
INTERREG III	60%	40%
PEACE III	49%	51%
INTERREG IV	60%	40%

although certain costs are funded on a different basis by the two Departments.

3. Operational Analysis

In terms of the areas of activity, the results for the year can be analysed as follows:

Income	PEACE II	INTERREG IIIA	PEACE III	INTERREG IVA	Central Payments Unit	Administration	TOTAL
	€	€	€	€	€	€	€
Income							
Grant Receivable	10,949,217	414,072	257,135	177,970	-	2,787,697	14,586,091
Grants from Accountable Departments	-	-	-	-	61,573,404	-	61,573,404
Other Operating Income	-	-	-	-	-	22,698	22,698
Capital Grant Release	-	-	-	-	-	105,442	105,442
Claims receivable from the EU	-	1,242,216	535,104	533,909	19,056,107	-	21,367,336
Total	10,949,217	1,656,288	792,239	711,879	80,629,511	2,915,837	97,654,971
Expenditure							
Depreciation	-	-	-	-	-	(105,442)	(105,442)
Staff Costs	-	-	-	-	-	(1,628,900)	(1,628,900)
Other Operating Costs	-	-	-	-	-	(1,126,439)	(1,126,439)
Programme Costs	(10,949,219)	(1,656,288)	(792,239)	(711,879)	-	-	(14,109,625)
Interest repayable to Department of Finance and Personnel	-	-	-	-	-	(13,298)	(13,298)
Payments Made to Projects	-	-	-	-	(81,660,373)	-	(81,660,373)
Exchange gains	-	-	-	-	1,030,863	-	1,030,863
Total	(10,949,219)	(1,656,288)	(792,239)	(711,879)	(80,629,510)	(2,874,079)	(97,613,214)
Surplus	(2)	-	-	-	1	41,758	41,757

3. Operational Analysis (continued)

Income	PEACE II	INTERREG IIIA	PEACE III	INTERREG IVA	Central Payments Unit	Administration	TOTAL
	£	£	£	£	£	£	£
Income							
Grant Receivable	8,697,448	328,916	204,254	141,369	-	2,214,391	11,586,378
Grants from Accountable Departments	-	-	-	-	48,910,482	-	48,910,482
Other Operating Income	-	-	-	-	-	18,030	18,030
Capital Grant Release	-	-	-	-	-	83,757	83,757
Claims receivable from the EU	-	986,748	425,057	424,108	15,137,108	-	16,973,021
	8,697,448	1,315,664	629,311	565,477	64,047,590	2,316,178	77,571,668
Expenditure							
Depreciation	-	-	-	-	-	(83,757)	(83,757)
Staff Costs	-	-	-	-	-	(1,293,907)	(1,293,907)
Other Operating Costs	-	-	-	-	-	(894,780)	(894,780)
Programme Costs	(8,697,448)	(1,315,664)	(629,311)	(565,477)	-	-	(11,207,900)
Interest repayable to Department of Finance and Personnel	-	-	-	-	-	(10,563)	(10,563)
Payments Made to Projects	-	-	-	-	(64,866,449)	-	(64,866,449)
Exchange gains	-	-	-	-	818,859	-	818,859
	(8,697,448)	(1,315,664)	(629,311)	(565,477)	(64,047,590)	(2,283,007)	(77,538,497)
Surplus	-	-	-	-	-	33,171	33,171

4. Other operating income

	2008 €	2007 €	2008 £	2007 £
Interest Receivable	22,698	39,478	18,030	27,001

5. Staff costs

(a) The average weekly number of employees (full time equivalent) was:	2008	2007
Senior Management	4	4
Programme Delivery (permanent)	27	19
Programme Delivery (agency)	2	1
Administration (permanent)	26	20
Administration (agency)	1	5
Total	60	49

Administration includes Finance, Human Resources, Central Payments Unit, Communications and general administration.

5. Staff costs (continued)

(b) The costs incurred in respect of these employees were:	2008	2007	2008	2007
	€	€	£	£
Wages and Salaries	2,139,479	1,831,912	1,700,445	1,252,933
Social Security Costs	157,954	138,556	125,566	94,765
Other Pension Costs:				
- Current year ASLCs	236,137	206,398	187,574	141,166
- Previous years' ASLCs	-	37,307	-	25,516
Exchange gain	1,331	-	-	-
	2,534,901	2,214,173	2,013,585	1,514,380
Funded via PEACE II	(237,940)	(204,252)	(189,006)	(139,698)
Funded via INTERREG IIIA	(230,673)	(163,177)	(183,234)	(111,605)
Funded via PEACE III	(138,748)	(40,019)	(110,214)	(27,371)
Funded via INTERREG IVA	(138,748)	(39,714)	(110,214)	(27,163)
Agency staff	(159,892)	(153,370)	(127,010)	(104,897)
Total	1,628,900	1,613,641	1,293,907	1,103,646

Other pension costs represent the Northern share of ASLCs payable in relation to SEUPB staff under the N/SPS. The accounting policy for pensions is detailed in Note 1.3.

(c) The emoluments and pension entitlements of the CEO and key management were as follows:	Emoluments £'000	Real increase in pension earned £'000	Accrued pension £'000	Age (years)	Benefits in kind £'000
Mr P Colgan (Chief Executive)	95 - 100	0 - 5 (including 2.5 - 5 lump sum)	25 - 30 (including 20 - 25 lump sum)	59	nil
Ms G McIntyre (Corporate Services Director)	Consent withheld				
Mr A McNamee (Managing Authority Director)	35 - 40	2.5 - 5 (including 0 - 2.5 lump sum)	10 - 15 (including 10 - 15 lump sum)	38	nil
Mr H Keery (JTS Director)	Consent withheld				

During 2008, SEUPB implemented a determination in relation to remuneration for staff living in one jurisdiction, and working in another. Under the terms of the determination, staff are compensated for the effect of adverse fluctuations in the exchange rate on net salary.

6. Performance against key financial targets

SEUPB successfully operated within its budget allocation for the year. SEUPB successfully managed the achievement of expenditure targets to 31 December 2008 under the PEACE II Programme and INTERREG IIIA Community Initiative.

7. Other operating costs

	2008	2007	2008	2007
	€	€	£	£
Travel and Subsistence	75,175	60,222	59,687	41,189
Telecommunications	76,965	72,560	61,092	49,627
IT & Office Consumables	25,128	21,192	19,960	14,494
Stationery & Printing	8,150	66,135	6,448	45,233
Postage	15,780	18,860	12,535	12,899
Repairs & Maintenance	47,700	62,021	37,882	42,419
Office Premises Expenses	452,586	417,994	358,748	285,886
Consultancy	124,704	228,383	98,391	156,202
Temporary Agency Staff	160,371	153,370	127,010	104,897
Training & Conferences	37,147	37,506	29,328	25,652
Subscriptions	4,808	7,078	3,797	4,841
Publicity and Advertising	55,662	66,126	44,215	45,227
Incidentals	17,176	37,168	13,634	25,421
Hospitality	6,792	5,084	5,393	3,477
Loss on disposals	-	317	-	217
Exchange Gains and Losses	(2,760)	(17,422)	-	(11,916)
Audit fees - External	28,955	32,320	23,000	22,105
- Internal	25,181	29,242	20,002	20,000
Common Chapter	(812)	33,296	(709)	22,773
Regional Partnership Board	90	1,507	71	1,031
EIB	(32,359)	-	(25,704)	-
Total	1,126,439	1,332,959	894,780	911,674

8. Programme costs

	2008	2007	2008	2007
	€	€	£	£
PEACE II North	6,138,893	6,407,667	4,876,398	4,382,509
PEACE II South	4,810,326	3,894,659	3,821,052	2,663,743
INTERREG IIIA North	1,189,070	989,380	944,532	676,684
INTERREG IIIA South	467,218	339,760	371,131	232,378
PEACE III North	504,974	73,117	401,120	50,008
PEACE III South	287,265	41,598	228,190	28,451
INTERREG IVA North	427,127	118,570	339,286	81,096
INTERREG IVA South	284,752	45,201	226,191	30,915
EIB Interest Subsidy Scheme	-	8	-	6
Total	14,109,625	11,909,960	11,207,900	8,145,790

9. Fixed assets

(a) Tangible Fixed Assets	Leasehold Improvements	Office Equipment	Computer Equipment	Fixtures & Fittings	Total	
	€	€	€	€	€	
Cost or Valuation						
At 1 January 2008	1,023,962	95,400	440,601	165,031	1,724,994	
Additions	22,700	6,929	77,176	1,634	108,439	
Disposals	-	-	-	-	-	
At 31 December 2008	1,046,662	102,329	517,777	166,665	1,833,433	
Depreciation						
At 1 January 2008	995,113	92,275	341,513	138,311	1,567,212	
Provision for year	18,299	870	47,724	11,408	78,301	
Depreciation on disposals	-	-	-	-	-	
At 31 December 2008	1,013,412	93,145	389,237	149,719	1,645,513	
Net Book Value						
31-Dec-08	€	33,250	9,184	128,540	16,946	187,920
	£	31,671	8,748	122,434	16,141	178,994
Net Book Value						
31-Dec-07	€	28,849	3,125	99,088	26,720	157,782
	£	21,157	2,292	72,666	19,595	115,710

(i) No assets are held under finance leases or hire purchase contracts.

9. Fixed assets (continued)

(b) Intangible Fixed Assets		Software
		€
Cost or Valuation		
At 1 January 2008		318,583
Additions		28,769
Disposals		-
At 31 December 2008		347,352
Depreciation		
At 1 January 2008		279,863
Provision for year		27,141
Disposals		
At 31 December 2008		307,004
Net Book Value 31-Dec-08	€	40,348
	£	38,431
Net Book Value 31-Dec-07	€	38,720
	£	28,395

10. Debtors (amounts due within one year)

	Note	2008	2007	2008	2007
		€	€	£	£
Prepayments and accrued income		237,276	350,255	226,005	256,861
Technical assistance paid in advance to Implementing Bodies.	(i)	15,748	1,614,136	15,000	1,183,731
Grants due from Departments					
- Revenue		50,986	60,691	48,564	44,508
- PEACE II		2,882,632	-	2,745,704	-
- PEACE III		117,336	34,727	111,762	25,467
- INTERREG IIIA	(iii)	6,743,082	6,597,640	6,422,778	4,838,398
- INTERREG IVA		105,571	38,185	100,556	28,003
Amounts due from EU Commission	(ii)	11,546,279	13,832,368	10,997,818	10,144,007
Other debtors (inc Pension Scheme)		57,456	213,241	54,727	156,381
		21,756,366	22,741,243	20,722,914	16,677,356

(i) In line with contracts entered into with Implementing Bodies involved in the delivery of the PEACE II Programme and INTERREG IIIA Community Initiative, initial payments were made to these organisations based on need. This is in line with EU Regulations and Government Accounting Northern Ireland.

The amounts paid will be converted to actual eligible expenditure during the course of the Programmes.

(ii) The Body acts as Paying Authority for the INTERREG IIIA Community Initiative and is responsible for claiming funds from the EU Commission.

To 31 December 2008, total claims for reimbursement of eligible expenditure amounted to €124,956,959. Of this total, €11,546,279 was outstanding at 31 December 2008.

(iii) In its capacity as Paying Authority for INTERREG IIIA the Body received an advance from the EU Commission of 7% of the Programme - €9,408,770.

In order to facilitate the requirements of Government Accounting Northern Ireland, 60% of the initial amount received, together with interest earned, was transferred to the Consolidated Fund.

These funds will be drawn as required by the Body, and at 31 December 2008 amounted to €5,734,657 - (£5,462,657), included within the balance of €6,743,082 - (£6,422,778). The remainder of this balance relates to funds due from DFP in respect of the INTERREG IIIA Programme.

11. Cash at bank and in hand

	Note	2008	2007	2008	2007
		€	€	£	£
Cash at bank:					
- Held for administration payments		205,016	333,855	195,278	244,833
- Held for programme payments	(i)	43,169,501	47,934,325	41,118,901	35,152,776
Petty cash		203	315	193	231
Total		43,374,720	48,268,495	41,314,372	35,397,840

(i) Cash held for programme payments reflects amounts drawn from Government Departments to enable the Body to manage its obligations to make payments to Implementing Bodies/Agents on a timely basis. These balances are used and re-drawn on a quarterly basis in line with forecasted requirements.

12. Creditors (amounts falling due within one year)

	Note	2008	2007	2008	2007
		€	€	£	£
Trade Creditors and Accruals	(i)	4,514,914	4,018,550	4,300,451	2,947,015
Staff costs creditors including social security		53,959	7,157	51,396	5,249
Amounts repayable to EU Commission/ Government					
- Programme Advances	(iia)	30,718,430	18,412,865	29,259,270	13,503,128
NI Accountable Departments - INTERREG ERDF	(iib)	9,299,026	12,454,314	8,857,312	9,133,407
Amounts repayable to Government Departments					
- Department of Finance		11,909,135	9,655,990	11,343,438	7,081,248
- Department of Finance and Personnel		3,201,076	4,051,369	3,049,020	2,971,083
- Departments using the Central Payments Unit	(iii)	5,332,684	22,322,421	5,079,376	16,370,212
Total		65,029,224	70,922,666	61,940,263	52,011,342

- (i) Grant income was received during 2009 and 2008 to discharge the year end creditors and accruals.
- (ii) a) The Body is the Paying Authority for the INTERREG IIIA Programme. In this capacity it received an advance from the EU Commission of 7% of the Programme - €9,408,770 (£8,961,843). Interest relevant to the funds held by the Body of €1,039,195 (£989,832) has been added to this amount due to the Commission. This results in a total of €10,447,965 (£9,951,675) repayable to the EU Commission. In addition, as Certifying Authority for the PEACE III and INTERREG IV programmes, the Body received 5% advances of €11,242,267 (£10,708,247) and €9,601,103 (£9,145,040). These advances, after adjusting for interest receivable and claims payable, are included in the above balance.
- b) Funds are drawn from the Departments and used to facilitate payments to projects during the course of the year. Claims are then submitted for reimbursement of the ERDF element of eligible expenditure incurred. Upon receipt of these reimbursements from the EU Commission, the Body is required to repay the NI element over to the NI Accountable Departments (via Department of Finance and Personnel). At 31 December 2008 the amount due to the Department was €9,299,026 (£8,857,312).
- (iii) The Body operates a Central Payments Unit to make payments to projects on behalf of Accountable Government Departments. This was in operation during the year for certain Departments in Northern Ireland and Ireland. The Departments passed funds to the Body in order for payments to be made in line with Terms and Conditions for Payment of Grant. Balances held at the end of the year are shown at Appendices 1.1 to 1.3. The total balance on hand at 31 December 2008 comprises:

	2008	2007	2008	2007
	€	€	£	£
PEACE II	2,953,953	16,787,207	2,813,637	12,310,947
INTERREG IIIA	2,162,565	4,908,858	2,059,841	3,599,925
Urban	216,166	626,356	205,898	459,340
Total	5,332,684	22,322,421	5,079,376	16,370,212

13. Creditors (amounts falling due after one year)

	2008	2007	2008	2007
	€	€	£	£

14. Finance Lease Obligations

	2008	2007	2008	2007
	€	€	£	£
Less than one year	-	-	-	-
Between two and five years	-	-	-	-
Total	-	-	-	-

15. Reconciliation of Movements in General Reserve

	2008	2007	2008	2007
	€	€	£	£
At 31 December 2007	87,072	76,775	63,854	51,555
Exchange (losses)/gains	(26,965)	(7,374)	-	212
Surplus for the year	41,757	17,671	33,171	12,087
At 31 December 2008	101,864	87,072	97,025	63,854

16. Reconciliation of Movements in Capital Grant Reserve

	Note	2008	2007	2008	2007
		€	€	£	£
At 31 December 2007		196,502	198,465	144,105	133,269
Capital funding receivable during the period	2	48,702	85,828	38,686	58,702
Funding received via technical assistance		88,504	7,556	70,303	5,168
Profit/(loss) on disposal of fixed assets		-	(283)	-	(193)
Less amount released to income and expenditure account		(105,442)	(95,070)	(83,757)	(65,023)
Add exchange gain on acquisition of fixed assets Translation to year end exchange rate		-	6	48,086	12,182
At 31 December 2008		228,266	196,502	217,423	144,105

17. Notes to cashflow statement

17.1 Reconciliation of result for the period to net cash inflow from operating activities	2008	2007	2008	2007
	€	€	£	£
Result for the period	41,757	17,671	33,171	12,087
Adjustment for non cash transactions				
Exchange differences on translation of opening cash balances at 1 January 2008	4,256,496	(1,421,452)	(6,523,535)	(1,155,260)
Exchange differences on translation of opening fixed asset balances at 1 January 2008	-	-	(9,442)	(9,537)
Exchange differences on current year additions and depreciation	-	-	(38,645)	(2,645)
Depreciation	105,442	95,070	83,757	65,023
Capital Grant Release	(105,442)	(95,070)	(83,757)	(65,023)
Loss on disposal of fixed assets	-	283	-	193
Adjustments for movements in working capital				
Decrease/(increase) in debtors	57,155	(576,420)	(4,725,906)	(1,736,264)
(Decrease)/increase in creditors	(4,965,719)	13,302,905	10,609,269	13,262,207
Net cash inflow from operating activities	(610,311)	11,322,987	(655,088)	10,370,781

17.2 Reconciliation of net cash inflow to movement in net debt	2008	2007	2008	2007
	€	€	£	£
Cash in bank at 31 December 2007	48,268,496	35,531,706	35,397,840	23,859,595
Retranslation to current year exchange rates	(4,256,496)	1,421,452	6,523,535	1,155,260
	44,012,000	36,953,158	41,921,375	25,014,855
Net cash (outflow)/inflow	(637,278)	11,315,338	(607,002)	10,382,985
Cash in bank at 31 December 2008	43,374,722	48,268,496	41,314,373	35,397,840

18. Future capital expenditure

Capital commitments at 31 December 2008 for which no provision has been made:	2008	2007	2008	2007
	€	€	£	£
Contracted	-	-	-	-
Authorised but not contracted	-	-	-	-
Total	-	-	-	-

19. Contingent liabilities/programme commitments

The Body is defending an ongoing employment dispute before an employment tribunal.

The information usually required by FRS 12 is not disclosed on the grounds that it can be expected to prejudice seriously the outcome of the case. The senior management of the Body are of the opinion that the case can be successfully defended.

There were no other contingent liabilities or Programme commitments at 31 December 2008.

20. Operating lease commitments

At 31 December 2008 the Body was committed to making the following payments during the next year in respect of operating leases:

	Land and Buildings 2008 €	Other 2008 €	Land and Buildings 2007 €	Other 2007 €
Leases which expire:				
Within one year	22,472	1,969	-	6,803
Within two to five years	43,176	4,738	171,230	1,391
After five years	-	-	-	-
	65,648	6,707	171,230	8,194
	£	£	£	£
Within one year	21,405	1,875	-	4,989
Within two to five years	41,125	4,513	125,572	1,020
After five years	-	-	-	-
	62,530	6,388	125,572	6,009

22. Related party transactions

The Special EU Programmes Body is a North South Implementation Body sponsored by the Department of Finance and Personnel in Northern Ireland and the Department of Finance in Ireland.

The above named departments are regarded as related parties. During the year the Special EU Programmes Body has had various transactions with these departments.

- (1) The Head of Internal Audit for the Department of Finance and Personnel provides Internal Audit Services to Special EU Programmes Body under an arm's length Service Level Agreement. Costs incurred are shown in Note 7 to the accounts.
- (2) SEUPB have a Service Level Agreement with the Northern Ireland Statistics and Research Agency (NISRA), an executive agency within DFP. NISRA provide a monitoring and evaluation service in relation to the programmes.
- (3) DFP manage a central database which is used by SEUPB and EU Division. A portion of the costs incurred in relation to the database are re-charged to SEUPB on an agreed basis.
- (4) For INTERREG IIIA, in Northern Ireland the initial advance from the EU Commission was passed to the Department of Finance and Personnel as required by Government Accounting Regulations. EU funds are subsequently drawn along with Match funding from the Departments during the year.

In Ireland, the EU funds received remain with the Body as Paying Authority. The Body then draws Match funds from the Departments in order to make payments to projects funded under INTERREG IIIA.

This system relies on expenditure followed by subsequent drawdown from the Commission in order to 'top up' EU funds on hand.

23. Losses and Special Payments

Payments amounting to £32,200 were made during the year to retired members of staff in lieu of pension payments. These were paid by the Body as the Pension Scheme is not yet fully operational, and this amount will be fully reimbursed from the North/South pension scheme.

24. Financial instruments, liquidity, interest rate and foreign exchange risk

24.1 Financial Instruments

Due to the non-trading nature of its activities and the way the Body is financed, the Body is not exposed to the degree of financial risk faced by business entities. The Body has very limited powers to borrow or invest surplus funds, and the financial assets and liabilities are generated by day-to-day operational activities and are not held to change the risks facing the Body in undertaking its activities.

The Body's financial instruments mainly consist of cash, trade debtors and trade creditors.

24.2 Liquidity, Interest Rate and Foreign Currency Risk

The Body's net revenue resource requirements are financed by resources voted annually by the Assembly and the Oireachtas, as is its capital expenditure. It is not therefore exposed to significant liquidity risks.

The Body does not access funds from commercial sources and so is not exposed to significant interest rate risk. The Body's transactions are

effected in the currencies of Northern Ireland and Ireland, with recorded gains and losses being taken to the Income and Expenditure Account. The Body's exposure to foreign currency risk is not significant as it receives agreed levels of funding from its sponsoring Departments, the Department of Finance and Personnel, and the Department of Finance, in sterling and euro respectively, and does not engage in trading activities. However, as the majority of transactions are conducted in sterling, and most funding is received equally from the two Departments, the Body is exposed to foreign currency risk to a limited degree.

In relation to funds drawn from Accountable Departments for the Central Payments Unit, foreign currency risk remains with the sponsor Departments.

25. Contingent Asset

The Body's Annual Accounts for 2007 noted a contingent asset relating to the potential receipt of £941,834, being reimbursement of overpaid tax on bank interest (and corresponding understated interest received). During 2008, SEUPB took receipt of all of the reimbursement due, and immediately returned these funds to the appropriate Government Departments.

26. European court of auditors report on PEACE II ERDF (Ireland)

During 2007, the European Court of Auditors (ECA) carried out an audit of ERDF under the PEACE II Programme. Draft findings were reported in 2008, and SEUPB met with ECA to discuss these findings. At time of signing these accounts, the results of the Audit have not been finalised, however, it is likely that an amount of expenditure will be ruled ineligible. It is SEUPB's role as Managing Authority and Accounting Officer for the PEACE II Programme to bring the issues formally to the relevant Accountable Department's attention and to recommend remedial action. The Accountable Department is responsible for recognising the amount of EU income which it accepts as not recoverable. Therefore it is not appropriate to make any provision within the SEUPB accounts.



Appendix 1

1.1 PEACE II (unaudited)

A/C Dept.	Imp. Body	Measure	31/12/08	31/12/08	31/12/07	31/12/07
			£	€	£	€
DARD	R.D.C.	1.7B	9,033	9,483	8,015	10,929
DARD	R.D.C.	2.10	52,896	55,534	16,500	22,499
DARD	R.D.C.	1.10A	219,485	230,431	-	-
DARD	R.D.C.	1.10B	112,452	118,060	-	-
DARD	R.D.C	1.11	(194,979)	(204,702)	970,303	1,323,105
DARD	R.C.N.	2.9A	67,288	70,643	77,288	105,389
DARD	R.D.C.	2.9B	205,713	215,972	1,000	1,364
DARD	SEUPB	6.2A	-	-	1,824	2,487
DFP	LSP	3.1	(405,050)	(425,250)	648,002	883,615
DFP	LSP	3.2	(39,538)	(41,509)	68,253	93,070
DFP	CO-OP IRELAND	5.1	531,591	558,101	198,116	270,152
DFP	BA	5.3	(462,432)	(485,493)	338,408	461,453
DFP	BA	5.4	139,307	146,254	84,333	114,996
DHSSPS	NIPPA	2.5	181,473	190,523	149,722	204,161
DHSSPS	NIPPA	2.8	(1,999)	(2,099)	932	1,272
DHSSPS	NIPPA	6.2A	(86,594)	(90,913)	406	553
DE	SELB	2.2	258	271	149,852	204,338
DE	SEUPB	6.2A	51,848	54,434	24,217	33,023
DE.	SELB	2.8	44,173	46,376	44,173	60,235
DSD	CFNI	2.3	77,850	81,733	77,779	106,060
DSD	CFNI	2.4	(301,993)	(317,053)	446,709	609,133

A/C Dept.	Imp. Body	Measure	31/12/08	31/12/08	31/12/07	31/12/07
			£	€	£	€
DSD	CFNI	2.4A	82,604	86,723	103,610	141,283
DSD	CFNI	2.6	20,146	21,150	16,176	22,057
DSD	CFNI	2.7	(625,100)	(656,275)	499,609	681,267
DSD	SEUPB	6.2A	(20)	(21)	401	547
DSD	CFNI	2.8	81,219	85,269	77,719	105,978
DEL	EGSA	1.3	75,187	78,937	75,187	102,525
DEL	PROTEUS	1.3	(374,905)	(393,601)	62,635	85,409
DEL	PLAYBOARD	1.5	10,792	11,330	10,792	14,716
DEL	T.W.N.	1.5	(631,033)	(662,502)	9,438	12,870
DEL	T.W.N.	6.2A	(112,577)	(118,191)	2,559	3,489
OFM/DFM	CRC	2.1	(470,026)	(493,466)	1,312,435	1,789,636
OFM/DFM	SEUPB - CFNI	6.2A	104,058	109,248	86,558	118,031
OFM/DFM	SEUPB - CRC	6.2A	-	-	417	568
OFM/DFM	CFNI	2.8	32,636	34,263	32,636	44,502
OFM/DFM	CFNI	2.4B	617,713	648,518	628,444	856,946
DSD	DSD	2.11	750,861	788,307	753,215	1,027,084
DSD	DSD	6.2	177,826	186,695	177,826	242,484
DCAL	DCAL	1.2A	-	-	-	-
OFM/DFM	OFM/DFM	2.1	5,000	5,249	198,571	270,771
OFM/DFM	OFM/DFM	4.1	-	-	-	-
DE	DENI	5.5	14,893	15,636	58,158	79,304
DARD	DARD	1.2B	14,986	15,733	-	-
DARD	DARD	1.6	257,556	270,397	773,882	1,055,265
DARD	DARD	1.7A	419,595	440,520	321,021	437,745
DARD	DARD	1.9	276,113	289,883	322,361	439,571
DARD	DARD	4.2B	45,299	47,558	50,000	68,180
DARD	DARD	5.6A	(8,050)	(8,451)	150	205
DARD	DARD	5.6B	70,249	73,753	78,038	106,413
DARD	DARD	5.7	82,149	86,245	80,000	109,088

A/C Dept.	Imp. Body	Measure	31/12/08 £	31/12/08 €	31/12/07 £	31/12/07 €
DARD	DARD	6.2A	58,607	61,530	50,000	68,180
DETI	DETI	1.1	-	-	-	-
DEL	DEL	1.3	120,703	126,722	-	-
DEL	DEL	1.4	66,000	69,291	-	-
DEL	DEL	1.5	-	-	-	-
DOF	CO-OP IRELAND	5.1	1,419,179	1,489,950	1,105,049	1,506,845
DCRGA	BA	5.3	(483,196)	(507,293)	673	917
DCRGA	BA	5.4	(668,175)	(701,497)	1,437	1,960
DES	DES	5.5	547,027	574,307	345,861	471,615
DCRGA	BA	1.1	(132,035)	(138,619)	48	66
DCRGA	BA	1.1E	(3,419)	(3,589)	-	-
DCRGA	BA	1.3	(182,415)	(191,512)	-	-
DCRGA	BA	1.4	97,065	101,906	-	-
DCRGA	BA	1.5	360,462	378,438	21	29
DCRGA	BA	2.1	383,518	402,644	22	30
DCRGA	BA	2.2	(50,502)	(53,020)	-	-
DCRGA	BA	2.4	215,787	226,548	-	-
DCRGA	BA	2.4C	61,586	64,657	-	-
DCRGA	BA	2.6	-	-	-	-
DCRGA	BA	2.7	(335,122)	(351,834)	-	-
DCRGA	BA	2.8	-	-	-	-
DCRGA	BA	5.6A&B	-	-	-	-
DCMNR	DCMNR	5.7	343,067	360,176	264,080	360,100
DEHLG	DEHLG	3.3	(122,716)	(128,836)	1,469,703	2,004,087
DEHLG	DEHLG	3.4	-	-	36,383	49,610
DEHLG	DEHLG	4.2A	263	281	-	-
Total			2,813,637	2,953,953	12,310,947	16,787,207

1.2 INTERREG IIIA (unaudited)

A/C Dept.	Measure	31/12/08	31/12/08	31/12/07	31/12/07
		£	€	£	€
DFP	1.1	(786,358)	(825,574)	(38,260)	(52,171)
DFP	1.2	283,747	297,897	7,313	9,974
DFP	1.3	167,943	176,318	(36,595)	(49,901)
DARD	1.4	177,767	186,632	406	553
DARD	2.1E	509,302	534,701	518,066	706,435
DETI	2.1A	1,793,000	1,882,417	145,396	198,262
DETI	2.1C	3,279	3,443	97,098	132,402
DETI	2.1F	-	-	-	-
DETI	2.3	(231,569)	(243,117)	174,495	237,941
DOE	2.2	(172,587)	(181,194)	15,784	21,524
DSD	3.1	(13,400)	(14,068)	220,523	300,705
DHSSPS	3.2	74,815	78,546	31,588	43,073
DRD	2.1 Transport	1,741	1,828	160,859	219,348
DRD	2.1 Road	(45,797)	(48,081)	(202,161)	(275,667)
DEHLG	2.2 Waste	111,256	116,805	60,671	82,731
DEHLG	2.2 Water	-	-	-	-
DCMNR	2.1B Gas	-	-	-	-
DCMNR	2.1C Telecoms	-	-	44,771	61,049
DCMNR	2.1E Ports	(42,680)	(44,809)	60,316	82,247
DCMNR	2.3	23,325	24,488	16,634	22,682
DCRGA	1.4	14,497	15,220	331	451
DCRGA	3.1	(26,284)	(27,595)	8,998	12,269
DHC	3.2	335	352	8,495	11,584
DOT	2.1D	226,691	237,996	309,792	422,433
DOF	2.1D	175,676	184,437	-	-
DOF	1.1	(15,452)	(16,223)	204,831	279,308
DOF	1.2	149,709	157,175	349,529	476,617

A/C Dept.	Measure	31/12/08 £	31/12/08 €	31/12/07 £	31/12/07 €
DOF	1.3	159,491	167,446	183,005	249,546
DOF EU FUNDS	various	(478,606)	(502,475)	1,258,040	1,715,463
Total		2,059,841	2,162,565	3,599,925	4,908,858

1.3 Urban (unaudited)

Accountable Department	Implementing Agent	Measure	Funds Held 31/12/08 £	Funds Held 01/01/08 £
DSD	NBPB	1.1	(16,243)	269,113
DSD	NBPB	1.2	(44,362)	23,782
DSD	NBPB	1.3	274	1,309
DSD	NBPB	2.1	820	1,725
DSD	NBPB	2.2	279,768	107,813
DSD	NBPB	2.3	(14,946)	36,666
DSD	NBPB	3.1	581	40
DSD	NBPB	3.2	6	-
Interest	NBPB		-	18,892
			205,898	459,340



Appendix 2

RDC	Rural Development Council	DFP	Dept of Finance and Personnel
LSP	Local Strategy Partnership	DHSSPS	Dept of Health, Social Services & Public Safety
CO-OP	Co-operation Ireland	DSD	Dept of Social Development
SEUPB	Special EU Programmes Body	DE	Department of Education
BA	Border Action	DEL	Dept of Employment and Learning
CFNI	Community Foundation for Northern Ireland (Formerly NIVT)	OFM/DFM	Office of First and Deputy First Minister
EGSA	Educational Guidance Service for Adults	DCAL	Dept of Culture Arts and Leisure
PROTEUS	Proteus	DETI	Dept of Enterprise, Trade and Investment
PLAYBOARD	Playboard	DRD	Dept of Regional Development
SELB	Southern Education and Library Board	DOF	Dept of Finance
TWN	Training for Women Network	DCRGA	Dept of Community, Rural and Gaeltacht Affairs
CRC	Community Relations Council	DCENR	Dept of Communications, Energy and Natural Resources
NIPPA	Nippa The Early Years Organisation	DHC	Dept of Health and Children
NBPB	North Belfast Partnership Board	DOT	Dept of Transport
ICBAN	Irish Central Border Area Network	DEHLG	Dept of Environment, Health and Local Government
EBR	East Border Region		
NWRCBG	North West Region Cross Border Grouping		
DARD	Dept of Agriculture and Rural Development		



Appendix 3

Accounts direction given by the Northern Ireland Department of Finance & Personnel and the Irish Department of Finance. In accordance with the North/South Co-operation (Implementation Bodies) (Northern Ireland) Order 1999 and the British-Irish Agreement Act 1999.

The annual accounts shall give a true and fair view of the income and expenditure and cash flows for the financial year, and the state of affairs as at the year end. Subject to this requirement, the Body shall prepare accounts for the financial period ended 31 December 2000 and subsequent years in accordance with:

- a. the North/South Implementation Bodies Annual Reports and Accounts Guidance;
- b. Other guidance with Finance Department may issue from time to time in respect of accounts which are required to give a true and fair view;
- c. any other disclosures required by sponsoring Departments;

except where agreed otherwise with Finance Departments, in which case the exception shall be described in the Notes to the Accounts.

Signed by authority of the Department of Finance and Personnel

L O'Reilly

29 June 2001

Department of Finance

A Dunning

29 June 2001





Special EU Programmes Body
Foras Um Chláir Speisialta An AE
Boord O Owre Ocht UE Projecks

The Special EU Programmes Body is a North South Implementation Body sponsored by the Department of Finance and Personnel in Northern Ireland and the Department of Finance in Ireland. Its principal functions are to manage certain European Union Structural Funds and to support a range of development and regeneration programmes in Northern Ireland and Ireland.

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