

IFB

EUROPEAN DIVISION  
17 SEP 1996  
RECEIVED



*Urgent*  
*Phyllis*  
*I raised this by*  
*Ms Kelly on 19/9*  
*to draft of*  
*EU D*  
*20/9*

*[Handwritten initials]*

Mr J Kelly  
European Division  
Department of Finance & Personnel  
The Arches Centre  
Bloomfield Avenue  
BELFAST

Your Ref.  
Our Ref.  
Date 17 September 1996

*Jacqueline*  
Dear Mrs Kelly

**LETTERS OF OFFER**

1. I am enclosing draft versions of the proposed letters of offer from the Northern Ireland Partnership Board to the District Partnerships, and from the District Partnerships to the Project Promoters for grant assistance under Sub Programme 6 of the EU Special Support Programme for Peace and Reconciliation.
2. I would be grateful for your urgent comments on the drafts, and in particular any views you might have on Annex A of both drafts which will set out the spend profile for the grant assistance. On looking at existing letters of offer from various sources, it is not immediately clear to me how Departments and Intermediary Funding Bodies have established their systems of grant assistance for Projects of a year or two years duration.
3. I would also be keen to know of the spend profile for Project Promoters should only show spend up to December 1997 - this would of course restrict the duration of projects to 15 months (letters of offer to issue in October 1996). If you would consider faxing me your comments before noon on Friday 20 September, I should be very much obliged.

Yours sincerely

*Pauline*  
PAULINE KEEGAN

NORTHERN IRELAND PARTNERSHIP BOARD  
BROOKMOUNT BUILDINGS, 42 FOUNTAIN STREET, BELFAST BT1 5EE  
TEL (01232) 547805/6 FAX (01232) 251944

SN96G156 NIPB

The Northern Ireland Partnership Board is a cross-sectoral partnership, established to deliver the District Partnerships Sub programme of the European Union Special Support Programme for Peace and Reconciliation in Northern Ireland and the Border Counties of Ireland 1995 - 1999.

**LETTER OF OFFER****NIPB TO DISTRICT PARTNERSHIPS****EU SPECIAL SUPPORT PROGRAMME FOR PEACE AND RECONCILIATION****SUB PROGRAMME 6 - DISTRICT PARTNERSHIPS****LETTER OF OFFER (PHASE 1)**

1. I refer to the Action Plan (Phase 1) submitted to the Northern Ireland Partnership Board ("the NIPB") on \_\_\_\_\_
2. The NIPB has instructed me to inform you that this letter should be construed as approval to the Action Plan (Phase 1) subject to the following specifications:-
  
3. The NIPB, therefore, acting in accordance with Council regulations (EEC) Nos 2081/93, 2082/93, 2083/93 and 2084/93, hereby offers to \_\_\_\_\_ District Partnership, grant aid towards the funding of \_\_\_\_\_ projects within Phase 1 of the Action Plan, as detailed in the Schedule at Annex A, and in accordance with the terms and conditions attached to this letter of offer as set out at Annex B.
4. Grant assistance will be available from the European Regional Development Fund, the European Social Fund and the European Agriculture Guarantee and Guidance Fund, at the rate of 75% , with 25% matching funding offered by the Department of the Environment (NI) on eligible expenditure as specified in Annex A.
5. Payment of grant is conditional upon the \_\_\_\_\_ District Partnership signing the attached agreement and accepting the terms and conditions attached to this letter of offer as set out at Annex B.
6. The grant shall be available from the date of acceptance of this offer against written claims made and submitted by the Partnership on standard forms issued on behalf of the NIPB.

7. The financial assistance shall be advanced as follows:-
- (i) a first instalment of the total expenditure estimated to be required for the purpose of implementing the Action Plan (Phase 1) in the first three months as specified in Annex A, shall be made as soon as practicable after the execution of this agreement;
  - (ii) further instalments may be made at intervals of three months following the payment of the first instalment, on receipt of a duly completed claim form, provided always.
    - (a) the claim form, is based on estimates of projected expenditure for the forthcoming three months and of expenditure incurred during the previous three months as set out at Annex A;
    - (b) that the amount of any instalment may be reduced by any unspent portion immediately preceding instalment; and
    - (c) the NIPB may, at its discretion, pay instalments at intervals of other than three months where it is satisfied that it is appropriate to do so.
  - (iii) The Schedule at Annex A may be amended subject to the agreement of the NIPB.
8. This letter is issued in duplicate. If you are prepared to accept this offer of grant in accordance with the provisions contained within this letter of offer together with the terms and conditions specified at Annex B, the Form of Acceptance should be completed on the original of the letter and the letter returned to the NIPB Secretariat.
9. If not accepted within one month of the date of this letter, the offer shall be deemed to be withdrawn.

**P SWEENEY**

**ANNEX A**

**Project 1**

Project Name

Project Promoter

Capital Costs

Revenue Costs

Funding Timescale

Quarterly Profile

## ANNEX B

**EU SPECIAL SUPPORT PROGRAMME FOR PEACE AND RECONCILIATION****TERMS AND CONDITIONS APPLICABLE TO THE PAYMENT OF PROGRAMME FUNDS TO A DISTRICT PARTNERSHIP****1. DEFINITIONS**

- "The NIPB" means the Northern Ireland Partnership Board
- "The Commission" means the European Commission
- "The Department" means the Department of the Environment for Northern Ireland
- "The District Partnership" means the party to which the letter of offer has been issued by the NIPB
- "The Letter of Offer" means that letter to which these terms and conditions are attached setting out the Programme for which all assistance received by the District Partnership from the NIPB shall be expended
- "The Programme" means these actions set out in Sub Programme 6 of the EU Special Support Programme for Peace and Reconciliation and specified in the letter of offer
- "The Programme Funds" means all financial assistance received by the District Partnership from the NIPB for the purpose of the Programme.

**2. GENERAL CONDITIONS**

- (i) The District Partnership shall use the Programme funds only for the purposes of Sub Programme 6, and shall apply the Programme funds with due account to efficiency, economy and effectiveness, and shall perform all its objectives to the satisfaction of the NIPB, the Commission and the Department.
- (ii) The District Partnership shall advise the NIPB as soon as practicable of any underspend of Programme funds, actual or anticipated.
- (iii) The District Partnership shall use its best endeavours to achieve the aims and objectives of Sub Programme 6 to the satisfaction of the NIPB, the Department and the Commission

### 3. FINANCIAL INFORMATION, CONTROLS, AUDIT AND ACCESS

- (i) The District Partnership shall maintain or ensure that there is maintained either a separate accounting system or an adequate account codification in relation to all monies received and expended by it out of its operation so as to facilitate the verification of all expenditure by the NIPB, the Commission, the European Court of Auditors, the Comptroller and Auditor General, Internal Audit Division of the Department and Local Government Audit. The District Partnership shall maintain and keep safely all records, financial or otherwise relating to the Programme funds until 31 December 2004, or such date that may be notified by the NIPB.
- (ii) The District Partnership shall ensure that any recipient of assistance from the Partnership for the purposes of the Programme shall maintain proper accounting records; and shall procure that it can obtain such records for inspection by the NIPB within four weeks of the NIPB inquiry of the District Partnership that they be produced.
- (iii) The District Partnership shall permit or cause to permit (and shall procure such right from any recipient of assistance from the Partnership for the purposes of the Programme) the NIPB, Commission, the European Court of Auditors, the Comptroller and Auditor General, the Internal Audit Division of the Department and Local Government Audit to enter its premises at any reasonable time to interview any person, inspect any asset, and inspect, copy, record and take away any accounting or other record.
- (iv) Where the District Partnership is a Limited Company, it shall provide the NIPB with an annual audited and certified statement of accounts with a year end 31 March by end July each year. Where the District Partnership operates a Service Level Agreement with the District Council, the District Partnership shall provide NIPB with an annual audited and certified receipts and payment account with a year end 31 March relating to its operation by 31 July each year.

Such other financial information as may be required by the NIPB shall be provided within two weeks of demand.

The District Partnership shall ensure that all records, financial or otherwise relating to the Programme (including those of any recipient of assistance) shall be maintained and kept safely until the expiry of seven years after the last payment of grant for the Programme.

### 4. DISBURSEMENTS BY THE DISTRICT PARTNERSHIP

- (i) (a) Programme funds shall be disbursed by the District Partnership only for the purposes of the Programme.
- (b) Programme funds shall be disbursed by the District Partnerships only on receipt of applications supported by all relevant information and after approved by the NIPB.
- (c) In allocating funding from the Programme, the District Partnership shall take into account allocations of resources under other measures/Sub-programmes of the EU

Special Support Programme for Peace and Reconciliation, under the single Programming Document for NI or under Community Initiative Programmes for similar purposes and other Government Schemes, and shall take steps to ensure the most appropriate use of Programme funds, and the avoidance of depreciation of funding for individual projects or parts of projects.

- (d) The District Partnership shall, when issuing letters of offer to those receiving assistance under the Scheme, attach suitable conditions to the letter of offer in relation to fraudulent claims for assistance (ie, claiming from other sources of funding for the same part of the project) and fraudulent use of the grant (ie, usage which is outside of the conditions laid down in the District Partnerships letter of offer).
- (ii) The District Partnership shall, when disbursing Programme funds, attach suitable conditions to the use and disposal of assets for which assistance is being provided, and shall require that no asset, where value exceeds £1,000 shall be disposed of within 4 years (or such other period as the NIPB may from time to time prescribe) of the date of its purchase, without the prior agreement of the District Partnership.
- (iii) (a) The District Partnership shall maintain such insurances as are necessary to cover (to the extent that such insurances are reasonably available on the insurance market) all liabilities of the District Partnership to the NIPB and the Commission arising under these terms and conditions.
- (b) As a precondition to any payment of grant, the NIPB may require the District Partnership to produce for inspection such documentary evidence (including if need be the relevant policy or policies and premium receipts) as in its opinion are necessary to satisfy it that the insurances required by paragraph (iii)(a) are properly maintained.
- (iv) Should any conflict of interest, however arising, occur between the District Partnership, any person or body associated with the District Partnership, and/or any recipient of Programme funds, then the District Partnership shall not, without the approval of the NIPB, continue or proceed with the assistance.

## 5. MONITORING AND EVALUATION

The District Partnership shall provide the NIPB and the Secretariat of the Programme Monitoring Committee with such information as it or they may reasonably from time to time require for the purpose of monitoring and evaluating the rate of implementation of the Scheme and the achievement of its objectives.

## 6. PUBLICITY

The NIPB and the department shall be entitled to publish, in accordance with the Commission requirements on information and publicity, details of Programme funds and of the purposes and results of their expenditure.

## 7. POLITICAL ACTIVITIES

The Programme funds shall not be used for any purposes which are party political in intention, use or presentation.

8. (a) The District Partnership shall forthwith advise the NIPB and the Commission of any measure which is likely to infringe or has infringed European community policy and competition rules as set out in Chapter 9.8 of the European Union Peace and Reconciliation Programme
- (b) Notwithstanding any other provision of these terms and conditions the NIPB may:-
- (i) withhold payment of Programme funds and/or reclaim any payment made to the extent necessary to ensure that any payment of Programme funds taken together with any other sources of funding which, in the opinion of the NIPB, has been or is likely to be received for the purpose of implementing the Programme is within the aid limits laid down by the European Communities; and
  - (ii) withhold or reclaim any payment of Programme funds if required to do so by the Commission.

## 9. WITHHOLDING OF PROGRAMME FUNDS

Without prejudice to any other rights of the NIPB under these terms and conditions the NIPB shall be under no obligation to make any payment of Programme funds if at any time.

- (a) the District Partnership has failed to comply with any obligation under these terms and conditions or if an event of default under paragraph 10 occurs;
- (b) it appears to the NIPB on the basis of any accounts or financial information or for any other reason that the anticipated expenditure for which the grant is sought is unlikely to occur;
- (c) the Commission shall for any reason withhold or delay payment to the NIPB of financial assistance under the Programme.

In such cases, the matter shall be subsequently brought to the attention of the Commission and the Monitoring Committee for discussion on what further action is to be taken.

## 10. DEFAULT

If:

- (a) the District Partnership is in breach of any of its obligations relating to the Programme to the Commission;



- (b) the District Partnership is in breach of any of its obligations under the Letter of Offer or these terms and conditions and has failed to remedy such breach within 28 days of receipt of a letter from the NIPB specifying the breach;
- (c) the District Partnership fails to pay or repay to the NIPB any sum due by it whether under these terms and conditions or otherwise;
- (d) the District Partnership is for any reason no longer able to implement the Programme;
- (e) an order is made, or an effective resolution is passed, for the winding-up of the District Partnership or a receiver is appointed over all or any of its property;
- (f) the District Partnership is unable to pay its debts within the meaning of Article 103 of the Insolvency (NI) Order 1989;

then in any such event the NIPB may suspend or terminate the agreement made between the NIPB and the District Partnership by the Letter of Offer and its acceptance, and the NIPB shall be entitled to require the District Partnership to pay to the NIPB the aggregate of all payments of Programme funds (other than those received from a source other than the Commission and the NIPB), or such lesser amount as the NIPB at its discretion may determine.

In such cases, the matter shall be subsequently brought to the attention of the Commission and the Programme Monitoring Committee for discussion on what further action is to be taken.

**LETTER OF OFFER**

**District Partnership to Project Promoter EU Special Support Programme for Peace and Reconciliation**

- 1. Thank you for your application dated \_\_\_\_\_ on behalf of \_\_\_\_\_ towards the cost of \_\_\_\_\_
- 2. I am please to inform you that \_\_\_\_\_ District Partnership is prepared to grant \_\_\_\_\_ % of the Project Costs, £ \_\_\_\_\_ subject to the detailed Schedule at Annex A, and in accordance with the terms and conditions set out below.

**Terms and conditions**

- 3. Payment of grant is conditional upon \_\_\_\_\_ signing the attached agreement and accepting the terms and conditions within this letter of offer.
- 4. The grant shall be used only for the project and purposes as defined in the application which \_\_\_\_\_ District Partnership has agreed to fund. \_\_\_\_\_ District Partnership reserves the right to withhold any or all of the payments and/or to require \_\_\_\_\_ to repay part of or all of the grant if there is a substantial or material change in the nature, scale or timing of the Project, or if the grant is used for purposes other than those specified in the application.
- 5. Where the \_\_\_\_\_ District Partnership has agreed to fund all or part of a project, \_\_\_\_\_ must not obtain or endeavour to obtain financial assistance for that project or part of that project from any other sources of funding, either public or private.
- 6. No aspect of the activity being funded should be party political in intention, use or presentation, any activities such as campaigning by \_\_\_\_\_ must be in furtherance of, and ancillary to, its main purposes.

7. The day to day management of the Project shall be the responsibility of the applicant who will appoint a Project Manager to act as a contact point with \_\_\_\_\_ District Partnership.
8. Where a project is responsible for the employment of staff, employment conditions and practices must comply with all the relevant employment legislation, and should take account of current good practice in relation to employment rights and equal opportunities.
9. Any asset for which financial assistance is being provided, and whose value exceeds £1,000, shall not be disposed of within 4 years (or such period as the District Partnership may from time to time prescribe) of the date of its purchase, without the prior agreement of the District Partnership.
10. \_\_\_\_\_ must maintain a separate accounting system which clearly indicates the detail of how the grant has been expended. Receipts/invoices relating to any expenditure must be available for inspection by \_\_\_\_\_ District Partnership and representatives from the Northern Ireland Partnership Board.
11. \_\_\_\_\_ shall maintain and keep safely all records, financial or otherwise relating to the project until 31 December 2004, or such other date that shall be notified.
12. \_\_\_\_\_ District Partnership reserves the right to terminate payment of grant funding subject to not less than 3 months notice being given in writing. In the event of termination, \_\_\_\_\_ will be reimbursed for expenditure properly incurred under the terms of this letter, including any financial instalment as may be necessary to carry out outstanding and unavoidable commitments, provided these are, in the view of the \_\_\_\_\_ District Partnership reasonable and incurred in good faith.
13. Without prejudice to any other rights of \_\_\_\_\_ District Partnership under this letter of offer, \_\_\_\_\_ District Partnership shall be under no obligation to make any payment of grant or any further payment of grant if at any time \_\_\_\_\_ is in breach of its obligations under this letter of offer.
14. Any premises, records, financial or otherwise, or equipment used for the project shall be open to inspection by officers representing \_\_\_\_\_ District Partnership and the

Northern Ireland Partnership Board. The right is also reserved for representatives from the European Commission, the European Court of Auditors and the Comptroller and Auditor General to examine books and records underlying the expenditure for which grant has been made.

15. \_\_\_\_\_ shall publicise the grant assistance by the inclusion of a printed acknowledgement in all publicity material. The \_\_\_\_\_ District Partnership Board, The Northern Ireland Partnership Board and the Department of the Environment for Northern Ireland shall be entitled to publish details of the assistance referred to in this letter at such times and in such a manner as they may decide.
16. On completion of the project \_\_\_\_\_ shall mount a permanent plaque incorporating the EC logo.
17. If you are prepared to accept this offer on behalf of \_\_\_\_\_ on the terms and conditions stated, the Form of Acceptance should be completed on the original of this letter and the letter returned to \_\_\_\_\_ District Partnership.

**ANNEX A**

Project Name

Amount of Assistance

Capital Costs

Revenue Costs

Funding Timescale

Grant Payment Schedule

SN95G160 NIPB CMA

TOTAL P. 14