

# DÁIL ÉIREANN

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## AN COMHCHOISTE UM GHNÓTHAÍ AN AONTAIS EORPAIGH

### JOINT COMMITTEE ON EUROPEAN UNION AFFAIRS

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*Dé Céadaoin, 26 Eanáir 2022*

*Wednesday, 26 January 2022*

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Tháinig an Comhchoiste le chéile ag 9.30 a.m.

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The Joint Committee met at 9.30 a.m.

Comhaltaí a bhí i láthair / Members present:

Teachtaí Dála / Deputies	Seanadóirí / Senators
Francis Noel Duffy,	Lisa Chambers,
Marian Harkin,	Regina Doherty,
Seán Haughey,	Sharon Keogan,
Ruairí Ó Murchú,	Vincent P. Martin.
Neale Richmond.	

Teachta / Deputy Brendan Howlin sa Chathaoir / in the Chair.

*The joint committee met in private session until 9.44 a.m.*

## **Special EU Programmes Body: Engagement with the Department of Public Expenditure and Reform**

**Vice Chairman:** I welcome the Minister for Public Expenditure and Reform, Deputy Michael McGrath, and his officials to our meeting. We will be engaging with the Minister on the Special EU Programmes Body, SEUPB.

Before we begin, I am obliged to read a housekeeping note on privilege. All witnesses are reminded of the long-standing parliamentary practice that they should not criticise or make charges against any person or entity by name or in such a way as to make him or her identifiable, or otherwise engage in speech that might be regarded as damaging to the good name of the person or entity. Therefore, if a witness's statements are potentially defamatory to an identifiable person, they will be directed to discontinue the remarks. It is imperative that they comply with any such direction.

Members are reminded of the long-standing parliamentary practice to the effect that they should not comment on, criticise and make charges against a person outside of the Houses or an official either by name or in such a way as to make him or her identifiable. I remind members of the constitutional requirement that they must be physically present within the confines of the Leinster House complex in order to participate in public meetings. I will not permit a member to participate where they are not adhering to this constitutional requirement. Therefore, any member who attempts to participate from outside of the precincts will be asked to leave the meeting. In this regard, I ask any member who participating online to indicate that they are on the Leinster House campus grounds.

Those were the technicalities. I invite the Minister to make his opening statement.

**Minister for Public Expenditure and Reform. (Deputy Michael McGrath):** I thank the committee for inviting me to join it this morning to discuss work of the Special EU Programmes Body, SEUPB. Joining me are Mr. Andrew Condon, Ms Catherine Clynes and Mr. Peter Molloy from my Department's PEACEPLUS North South Ministerial Council, NSMC, and North South unit.

I am very glad to have the opportunity to engage with committee members today on the SEUPB and the cross-border EU programmes that it manages. Since the 1990s and the first tentative steps of the peace process, the EU has been responsible across successive funding programmes for the investment of more than €3.3 billion in support of peace and prosperity on the island of Ireland. This investment has made a vital contribution to enhanced North-South co-operation and to shared better outcomes for the people of this island. Indeed, I would suggest that today, as we consider both the ongoing impact of Brexit and as we look ahead to rebuilding after the Covid pandemic, this support is now more needed than ever before.

Responsibility for the development and management of these programmes rests with the SEUPB, a North-South implementation body, NSIB, established, of course, on foot of the Good Friday Agreement. The SEUPB is headquartered in Belfast, with smaller offices in Omagh and Monaghan and has a headcount of 57 staff. The SEUPB is led by chief executive, Ms Gina McIntyre, and is accountable jointly to myself as Minister for Public Expenditure and Reform in

Ireland and to Northern Ireland Minister of Finance, Conor Murphy, MLA. There are a number of aspects of the SEUPB's important work which I would like to briefly highlight this morning.

I might first address the two current, that is, 2014 to 2020, EU cross-border programmes managed by the SEUPB, INTERREG VA and PEACE IV. These two programmes cover an investment area of Northern Ireland, the Border counties of Ireland and, in the case of INTERREG VA only, parts of western Scotland. Between them, they have a combined value of some €553 million, representing a major and ongoing financial commitment from the EU, the Northern Ireland Executive, and the Irish Government. The INTERREG VA programme has a total value of €283 million and is designed to promote greater economic, social and territorial cohesion across the region. The PEACE IV programme has total funding of €270 million and is intended to advance peace and reconciliation on the island of Ireland. Both programmes are now fully financially committed in support of some 130 individual projects, but project activity will continue on both until 2023 and into 2024.

The range of funding interventions being carried out under the INTERREG and PEACE programmes is very broad indeed. I will briefly mention just two today in order to give you some idea of the excellent work being done here. Under INTERREG VA, the €8.5 million North West Centre for Advanced Manufacturing, NWCAM, project is linking the academic capabilities of Ireland, Northern Ireland and western Scotland in order to drive cross-Border advanced manufacturing for the life and health science sector. Project partners include Institute of Technology, IT, Sligo, Letterkenny IT, the University of Ulster and the University of Glasgow. Meanwhile, under PEACE IV, the €9.5 million Monaghan Peace Campus project is developing a major new shared space which will serve as a community hub for Monaghan town. This is a landmark cross-community development, achieved with the involvement, support and commitment of the Orange Order and the Ulster Scots Agency. It is the first time that either body has participated in a PEACE project in County Monaghan. Finally, in the context of Brexit, it is important that I note that the 2020 withdrawal agreement between the EU and the UK, as well as its accompanying political declaration, provides for the full completion of both programmes out to their normal closure dates. I will also talk about the work of the Special EU Programmes Body, SEUPB, on the new PEACEPLUS programme, the development of which many members will have been following closely over recent months. This unique new EU programme will continue to work with the INTERREG and peace programmes over the 2021 to 2027 period by combining these two existing funding streams into a single cohesive programme for the Border counties of Ireland and Northern Ireland. Ireland has consistently advocated for a new North-South EU programme to carry on this important work post-Brexit. I am therefore pleased to report that programme development is now at a very advanced stage. The SEUPB has been working closely with my Department and with the Department of Finance in Northern Ireland over the course of this process. The development of the PEACEPLUS programme has been informed by extensive stakeholder engagement. This has included two major public consultations held across the eligible area for PEACEPLUS in 2019, 2020 and 2021, as well as close engagement with Departments North and South in order to identify and develop areas of cross-Border co-operation. On foot of this development work the SEUPB has finalised a draft PEACEPLUS programme structured around six thematic investment areas - building peaceful and thriving communities; delivering economic regeneration and transformation; empowering and investing in young people; healthy and inclusive communities; supporting a sustainable and better connected future; and building and enhancing partnership and collaboration. This draft programme was approved by Government, by the Northern Ireland Executive and by the North-South Ministerial Council in October 2021. It is now in the process of submission to the European Commission for its final review and approval. This progress will allow for a formal

launch of PEACEPLUS and the opening of funding calls later this year. SEUPB has already commenced pre-development support work to ensure that the programme can be mobilised without delay following its launch. While a formal financing agreement for PEACEPLUS is still being finalised, financial commitments from the EU, the UK and Ireland mean that the new programme will have a total value of more than €1.1 billion. That is more than twice the value of the current INTERREG and peace programmes combined. This represents an unprecedented financial commitment in the history of these cross-Border EU programmes. PEACEPLUS is an ambitious and exciting new development that will leave an enduring legacy on this island. I thank the committee for the opportunity to give these opening remarks and look forward to our discussion.

**Vice Chairman:** I thank the Minister. I open now to any member who wishes to indicate. While members are thinking I may pose a question. I have some familiarity with the programme. I was privileged to co-chair the SEUPB for five years. It is an extraordinarily valuable initiative. It has now reached a substantial mass of money. I have two questions for the Minister. Will the Minister explain the evaluation process for eligible projects? In the beginning of the programme much of it was contingent on peace building, sometimes occupying communities in a focused way. We have gone beyond that now. Since the bedrock of the Good Friday Agreement had three strands, does the commitment to the bedding-down of peace now require a more all-island approach rather than simply a Border approach, an each-side-of-the-Border approach, so that there is a greater understanding of issues on an all-island basis? Is that something that could be encompassed or supported by the new funding round?

**Deputy Michael McGrath:** I thank the Leas-Cathaoirleach. I take this opportunity to acknowledge all of his work in this area. His work in the past in regard to peace and INTERREG programmes and indeed as a predecessor of mine in regard to cohesion policy and all the excellent work he did on behalf of Ireland during his period in government. His period in government goes back to the 1990s and after the formation of this Department in 2011, all of that work has left a lasting legacy. There are a number of key priorities as we move forward with the new PEACEPLUS programme, one of which is to ensure that the programme is accessible. We now have a draft programme that we are on the cusp of submitting to the European Commission. We expect a rapid evaluation and assessment of the programme by the Commission because there has been ongoing contact, and the chef de cabinet, Commissioner Ferreira came before the committee before Christmas as well. We are hopefully going to be in a position formally to launch PEACEPLUS in the first half of this year, as early as possible in the first half of this year. That is the objective.

One of the key priorities will be to make sure that this funding goes to where it is really needed and where it will make a significant impact. I have discussed this with my colleague, Conor Murphy, on a number of occasions. We are anxious that the funding will be as accessible as possible to marginalised communities in particular. We have placed a keen focus on the issue of grass-roots accessibility. Therefore a programme of pre-funding support is already under way, and training for applicants. We see that as an important process of simplifying the application procedures insofar as we possibly can. It is also important to highlight that the two new small grants programmes now included in PEACEPLUS are designed to allow smaller organisations and groups to access the programme with minimum bureaucracy because very often the accusation is made that there is too much red tape and bureaucracy. Where a significant amount of EU funding is involved there will always be compliance work and regulations that must be adhered to. Having said that, within that framework we are anxious, and the SEUPB is also, to minimise the amount of bureaucracy. Pobal will be involved in administering these

small grant schemes on behalf of the SEUPB. Local authorities will also have an important role in regard to delivering projects in PEACEPLUS. Each local authority will be asked to develop a PEACEPLUS community action plan. The SEUPB is already providing pre-development support to councils to start this work. A total of €110 million is available for the action plans.

I will touch on the issue of programme implementation and give an outline of the structure, how decisions are made and ongoing monitoring. The SEUPB will be the managing authority for the PEACEPLUS programme. This role will include responsibility for selecting projects, managing payments and claims, monitoring and reporting. Programme delivery will be overseen by a programme monitoring committee. A governance structure is required under EU regulations. The programme governing committee will include Northern and Southern representatives from central and local government, business, trade union, community and voluntary sector, environment, rural equality, youth and health sector organisations. It has a wide reach and is intended to be as representative as possible of the communities where we hope this programme will have the greatest impact. My Department and the Department of Finance in Northern Ireland are the member state representatives on the monitoring committee. PEACEPLUS will be implemented by individual projects that are awarded following thematic calls for applications issued by SEUPB. Those calls will commence promptly once the programme has been approved by the European Commission. That formal application stage will get underway in the coming months.

I want to use this opportunity to highlight and build a profile of PEACEPLUS within all the communities of the Border counties and throughout Northern Ireland because the opportunity actually to apply for this funding will be coming on stream quite quickly. In addition, a steering committee appointed by the programme monitoring committee is responsible for project selection. This committee will decide to accept or reject project applications using application information and assessment reports produced by the SEUPB. Steering committees include representatives from the member states and the relevant sectoral Departments, North and South. We expect that most calls for applications will be launched this year and next year and that programme expenditure will continue beyond the programme period and will likely run to 2029. The SEUPB has already commenced pre-application support to facilitate early mobilisation of the PEACEPLUS programme following its approval by the Commission. Just to give an example, a workshop for potential applicants for the PEACEPLUS youth programme was held on 10 December last year, with the SEUPB as appointed consultants who are currently working with local authorities of the programme area on the design of their PEACEPLUS community peace action plan. To be fair, SEUPB and the relevant Departments are doing all that we can to make sure that this programme hits the ground running as soon as we have approval from the European Commission in the coming months. We look forward to seeing the money start to flow to communities and to getting this formal application process under way as soon as possible.

**Vice Chairman:** I might as well complete my question before I move on. The next speakers will be Deputy Richmond, Deputy Ó Murchú and Senator Chambers, in that order.

Is there any scope to broaden the projects that might be considered beyond simply the Border region? Obviously, peacebuilding can be done on an all-island basis. How does the Minister envisage the programme dovetailing or working with the Taoiseach's initiative and the €500 million expended there as there will be overlap?

**Deputy Michael McGrath:** The PEACEPLUS will cover the eligible area of Northern Ireland and the Border counties of Ireland, which are Cavan, Donegal, Leitrim, Louth, Monaghan

and Sligo. However, there will be scope under the new programme for project partners from beyond the eligible area to take part in programme activities. This is known as the “functional area concept”, based on the fact that it makes sense for some projects to extend beyond the eligible area. The funding is essentially for the core area for which it is designed, which is the Border counties and all of Northern Ireland. However, in bringing forward proposals, it will be open to applicants to identify project partners that are beyond that core eligible area.

We see much potential there because, of course, the impact of PEACEPLUS and the need to build reconciliation and achieve the thematic objectives of PEACEPLUS extend beyond that clearly defined geographic area. We see significant synergies with the shared island unit and there is ongoing collaboration with that unit. As the Vice Chairman knows, it is based within the Department of the Taoiseach. This has a similar and related but, ultimately, a different focus. We will be working to a defined programme because we have significant EU funding.

As the Vice Chairman knows, we published the PEACEPLUS draft programme. The overview has been published and it lays out the overall thematic areas that we expect to see implemented over the period ahead. We have indicated the amount of money across those six thematic areas and, of course, this includes building peaceful and thriving communities, which is a key objective of the shared island unit as well. As part of that, the Irish Government is providing public resources from this Government towards long-awaited infrastructure projects in Northern Ireland and, indeed, in the Border area as well. Over €300 million of the PEACEPLUS programme is supporting a sustainable and better connected future. Of course, many of the shared island infrastructure projects are very much aligned with that. Therefore, there will be ongoing collaboration and synergies between the shared island unit and PEACEPLUS.

**Deputy Neale Richmond:** I will start with less of a question and more of a comment. To follow on Vice Chairman’s final question, much engagement and overlap with the shared island unit would be something very beneficial and we should look at the potential that it offers in great detail. Certainly, from a Dublin point of view, it is something that should be pushed through.

I have slightly more specific questions. Obviously, the draft programme was approved at the North South Ministerial Council, NSMC, in October, but subsequent to that, there has been a boycott of such meetings by a certain unionist party. Can the Minister comment on what impact that is having, or could potentially have, on the work plan being agreed, finalised and, most important, rolled out?

On a more thematic aspect to the work, these are all very important and we have to stress that much good work has been done by the previous iterations of this body and programmes. It is the nature of reconciliation and peacebuilding and the evolution thereof, coming out of the post-Troubles era into the more difficult political scenario that, let us be frank, we are facing at the moment. It is not necessarily focused on legacy issues to do with the Troubles, but very current political issues; the impact of Brexit providing another divisive wedge and the lack of implementation at executive levels of certain policies. Can the Minister comment on how the programme and plans are being modernised and are reflective of the contemporary needs, as well as what has worked previously? Where is the potential to grow the impact of the various programmes?

**Deputy Michael McGrath:** I thank the Deputy for his comments and questions. I welcome his comments on the shared island fund that we have provided. It is undoubtedly the case that PEACEPLUS will be directly complementary to the capital investment that is being deployed through shared island fund and, indeed, through Project Ireland 2040. The new pro-

gramme will support a broad range of activities, which will contribute to connectivity, prosperity and sustainability across the island. They are complementary and I very much look forward to seeing progress in the roll out of this programme over the period ahead.

On any potential threats or risks for PEACEPLUS arising from the political situation in Northern Ireland, it is important to say that we did, as the Deputy acknowledged, get approval from the Northern Ireland Executive, from the NSMC and the Irish Government as well, last October. At this point in time, it is full steam ahead. The final touches are being put to the formal submission to the European Commission and we expect that to be made within the next couple of weeks. That will be a key milestone. With the NSMC approval in place, along with the approval for the draft programme last October as well from the Government here and the Northern Ireland Executive, we believe there is not any remaining threat, as such, to the final steps being taken in relation to the submission of the application and the approval by the European Commission, and then the kickstarting of the application process across all of the different thematic areas. That is important.

On the reach and impact of the programme generally, there are differences to the previous programmes, PEACE IV and INTERREG VA. This is very much a combined programme. It is important to say it is heavily shaped and informed by the extensive consultation process that took place with stakeholders, which goes back 2019 through 2020, and indeed, last year as well. The nature of PEACEPLUS will be different and not just because of the different scale involved. As I said earlier, it is more than twice the level of funding available under the combined INTERREG and PEACE predecessor programmes. The reach and the nature of the programmes are also different. There have been learnings from the current programmes and those have fed into the process. In addition, the extensive stakeholder consultation has proven to be very valuable. It will make for a much more impactful programme over the next number of years.

**Deputy Ruairí Ó Murchú:** I thank the Minister and his officials for coming here today. Very quickly, on the Commission and those last pieces of the process, when will this be in play?

**Deputy Michael McGrath:** I cannot commit the Commission to a particular timeframe. To be fair, the Commission has been really supportive throughout this whole process. It will already have seen much, if not all, of the formal application previously. It has been directly involved in helping to guide the completion of the application process. Therefore, it will not come as a surprise to it. Certainly, the timeline that we are working to is that it will be submitted, approved and launched in the first half of the year. We are working to a timeline within the next four or five months. I acknowledge the really strong support at a political level across the European Union and also at the level of the Commission where President Von der Leyen has taken a direct personal interest in PEACEPLUS. This is a real success story for the European Union and the European Commission. They want to see it progressed over the period ahead.

In a post-Brexit environment, this is a programme where the funding is made up of a very significant contribution from the UK Government, the European Union, the Northern Ireland Executive and the Irish Government. It is a unique instrument, particularly in a post-Brexit environment. The European Commission sees this as an opportunity to further the cause of peace and reconciliation. With the amount of funding that is available, this is a fantastic opportunity for the North and the Border counties. We are determined to make this programme as impactful as possible over the period ahead. We expect a formal launch in the next four to five months.

**Deputy Ruairí Ó Murchú:** That is good and possibly one of the few things to be salvaged

from Brexit. What does the Minister mean by the pre-application work or the preparatory work that has been done by the SEUBP?

**Deputy Michael McGrath:** There has been extensive consultation and engagement as part of this process. Forums have been held by the SEUBP with communities and bodies likely to be applying for funding under the different thematic areas. I referred to a specific one that took place in recent weeks. Considerable effort has been put into ensuring that this process is as simple and straightforward as possible.

One of the learnings from previous programmes is to ensure that the funding is accessible. Pre-application support to facilitate early mobilisation of the programme following its approval by the European Commission has already commenced. There was a workshop for potential applicants on 10 December. Consultants have been appointed and are working with local authorities across the programme on the design of their PEACEPLUS community peace action plans. We expect that the groundwork and preparation will be helpful when it comes to the formal application stage in the coming months.

**Deputy Ruairí Ó Murchú:** There will be considerable interaction by local authorities with elected representatives and others. Sometimes when local authorities run projects, they look after those pieces of work that suit themselves and in some cases suit individuals. The biggest problem we have always had with project funding is that those with capacity are those that receive. That is understandable in some cases, but it can lead to some of the problems the Minister mentioned earlier of ensuring the money gets to where we want it to go. Irrespective of the rights and wrongs of the themes that have been chosen, we need to ensure that worthwhile projects are put in place. What involvement does the Department of Public Expenditure and Reform have in overseeing this? I understand that it cannot micromanage every individual project and interaction at a local authority level.

**Deputy Michael McGrath:** My Department is involved in the process throughout. While ultimately PEACEPLUS will involve selecting individual projects to be funded, that will follow the thematic calls. The calls will be under each individual theme and then the relevant applications will come in. Normally the applications are of a cross-Border nature. They generally do not come in from a single entity on a sole basis. They are generally put together by at least two bodies working together on a cross-Border basis. While that can include local authorities, State agencies, Departments and non-governmental organisations, third level institutions in the academic area and so on can also be involved.

As the Deputy would expect, there is a robust and transparent process, involving assessment of the applications that come in. This is approved by the programme monitoring committee to support project selection. It will also involve independent technical experts where appropriate. We all have a job to do to raise the profile of this in the coming months and to inform the elected members of all the councils in the relevant areas that there will be funding opportunities and that they should be very much involved through their local authorities in shaping their approach and putting forward priority projects during the application stage. That is why today's appearance is important. All of us coming through our respective parties and Independents should raise the profile of this issue with local authorities at an elected level as well as the work that is ongoing at official level.

**Deputy Ruairí Ó Murchú:** I agree completely that there is an onus on all of us to ensure information gets out to the organisations and that those relationships are made. I have seen where some of the smaller pieces of work have been done. The SEUBP and whoever else have

made connections with some organisations. In some cases, it is about redirecting them and pointing out that this does not necessarily suit them but it might suit others or a conglomerate of local organisations. Sometimes the local GAA club might think this is another means of getting funding. That is fine, but it is not necessarily what this is for.

I wish to put this on the record and I do not necessarily expect a reply. I was very close to Kevin Mulgrew, someone we lost in recent months. He was very involved in Coiste na nIar-chimí, the ex-prisoner network, and Fáilte Abhaile in Dundalk. He would probably have felt that PEACEPLUS and what was being planned would not fulfil some of the other work that had been done previously by the PEACE project as regards the ex-prisoner network and continuing some of the issues that still impact on former political prisoners, their families and communities as well as those who were forced to move jurisdictions as a result of the conflict and whatever else. That is where that is.

As the Minister said previously, there has always been a particular problem with projects even through local authorities with the desperate levels of bureaucracy relating to European money and specifically PEACE money. I had a meeting with the SEUBP at which it was stated that there were two problems when these are run through a local authority or whatever. Sometimes when tendering, excessive criteria were put in which then had to be adhered to. Sometimes there was a misread by the local authority and they were nearly tougher than what one would experience from the SEUBP or at EU level. We need to deal with that and ensure we avoid a recurrence. That said, we still obviously need top levels of governance, accountability and all the rest. We do not need to bring it to the realms of farce by, for example, accounting for every individual light bulb bought, which has occurred over the years.

**Deputy Michael McGrath:** I thank the Deputy for his comments. There is no specific theme in PEACEPLUS related to ex-prisoners but the thrust of the programme is to place emphasis on providing support to the most marginalised within our communities, including ex-prisoners. They are not excluded from being part of projects that will be funded under PEACEPLUS.

It is important to give a sense of the level of consultation that took place in the development of the programme. The initial public consultation took place between December 2019 and February 2020. That involved 16 public events, covering every county in the eligible area as well as a collection of over 300 written submissions from stakeholders. That was the first round. There was then a second consultation between March and May 2021 with over 400 written submissions received. By any measure that is a very high level of engagement from the stakeholders and the general public. We often hold consultations in Ireland and we do not get a level of involvement of that order. There has been, as I said, intense engagement between the two Government Departments, along with the SEUPB. There has been research and independent evaluations of the current INTERREG and PEACE programmes, so all the learnings from that work and that level of consultation has fed into the development of the programme.

Now the Covid situation has improved, I am really looking forward to getting out on the ground and seeing some of the projects that have been funded under the current INTERREG and PEACE programmes and also, over the period ahead, to see some of the projects that are being put forward for funding. I am really anxious to get out and see much of that.

The Deputy's point about red tape and bureaucracy is heard. All this funding is of course subject to audit. There will always be a significant level of compliance work with EU regulations. It has been consistently raised over the course of the consultation and the programme

development that it be kept to a minimum while still complying with the standards we must abide by for the use of public money. It is to be hoped that will manifest itself.

**Vice Chairman:** I thank the Minister. I am going to move on.

**Deputy Ruairí Ó Murchú:** It is not a question. It is about ensuring that, as I said, whether it is local authorities or whoever is involved, nobody adds any complications. I think we all agree that would be a positive thing to do.

**Senator Lisa Chambers:** I wish the Minister good morning. I have two very brief questions. First, does the Minister think there have been any negative implications for the programme flowing from the ongoing negotiations on the Northern Ireland protocol? Second, is he in a position to give a few examples of the types of programmes he envisages being funded under this programme?

**Deputy Michael McGrath:** I thank the Senator. In answer to her first question, we do not see any risks to the funding commitment that has been put in place in relation to the ongoing discussions between the UK and the EU. Obviously, we are monitoring the situation on an ongoing basis but the funding commitment has been provided by the UK Treasury. The EU funding is certainly secure as part of the overall EU budget and we are now in a position to proceed with the formal application. There is certainly no suggestion at any point of any party to PEACEPLUS resiling from the funding commitments that have been made.

On the second question on the specific types of projects, we can get a flavour of it by looking at the projects that were funded under the current PEACE programme and the INTERREG VA programme as well. That will give us an indication but of course we have not made any decisions yet about any specific projects because we are not yet at the formal application stage. If we look at the six themes that are there we see young people will be a key theme, including supporting youth projects in the Border counties and in Northern Ireland to empower and invest in young people. That can take various forms. I would like to see as much of it as possible being led by the community. We see the projects that involve young people directly, providing services to them and providing facilities to them funded under this programme, as being of great potential. There is the whole area of economic regeneration and transformation. Again, there are similarities there with the Shared Island fund. We will see projects that work towards that objective. Of course, the cross-community work will always be centre stage in a peace programme because at its heart this is about reconciliation and ensuring peace is deeply embedded by building relationships on a cross-community basis. It is about bringing people together from all strands of life in Northern Ireland and the Border counties. It might be through a project that is socially-based, based on sport, based on community or economic regeneration or involving young people through the education system. It is about bringing people together to develop a better understanding of each other, where we come from and our respective communities in all their diversity. That will really be the essence of PEACEPLUS. I am sure there will be many projects that are very much consistent with those goals.

**Senator Lisa Chambers:** That is great. I thank the Minister.

**Senator Sharon Keogan:** I thank the Minister for coming in this morning. I am familiar with Gina McIntyre and her staff in the SEUPB. She currently has 57 staff. The Minister has just stated the money is doubling. Therefore, we are going to have to have more staff there. Will there be more staff allocated to that body but also to local authorities that may be administering the programmes, and to Pobal as well?

**Deputy Michael McGrath:** I thank the Senator. She touches on a really important issue, namely, the need to have the capacity to roll out this programme in line with the timeline that is there. As she said, the SEUPB currently has a permanent headcount of 57 employees. The staffing allocation was last reviewed back in 2012 so we believe a review is timely given the very significant increase in the funding that is being made available under PEACEPLUS. Both Departments recognise how vital it is to ensure the SEUPB is resourced appropriately to deliver the new PEACEPLUS programme, as well as managing the ending and the work-out of the current INTERREG and PEACE programmes because those will continue for quite some time as well. We have approved the terms of reference for an external organisational review of the SEUPB. That will commence shortly and be completed this year. This review will allow for an up-to-date assessment of the body's staffing requirements as PEACEPLUS launches and as the current North-South programmes move to closure stage. It may well be that there may be a recommendation arising from that review for an increase in the resources of the body. If that recommendation is made then we will work with our counterparts in Northern Ireland to address that issue. The Senator has touched on an important point and that review will get under way shortly.

**Senator Sharon Keogan:** Does the Minister know of any money from the last programme that went unspent and was returned to the EU? Does he have any knowledge of that?

**Deputy Michael McGrath:** We are still in the work-out phase, as such, of the existing programmes. The final accounting for all of it is yet to be done.

**Senator Sharon Keogan:** All right.

**Deputy Michael McGrath:** There will be continued spend for a period yet on INTERREG VA and PEACE IV so I certainly do not have any information at this point of any resources that have had to be waived as a result of their not being spent.

**Senator Sharon Keogan:** All right. I thank the Minister.

**Vice Chairman:** I thank the Senator. I have a brief follow-up question on that. On the finalisation of the INTERREG and PEACE programmes, has the Minister any indication of what quantity of money is awaiting drawdown as of now? If not, it is something he might come back to us on.

**Deputy Michael McGrath:** I ask Ms Clynes to reply.

**Ms Catherine Clynes:** I thank the Vice Chairman. The current programmes are fully committed and we expect them to be fully spent. They are actually slightly over-committed at the moment. They are committed to the effect of 102% to 103%. We are hoping to maintain that for the next year. The aim of the SEUPB is very much to come in at 100% drawdown. With the previous INTERREG programme, the drawdown was actually slightly over 100% and for the last PEACE programme it was 99%, so the SEUPB has an excellent track record in managing the funds to maximise them. That will be the aim again.

**Vice Chairman:** That is very good. Does anyone else have a question? I have one thing to ask of the Minister. Perhaps in the process of the roll-out of the new programmes his office might give updates periodically to the committee, so we can follow it and maybe be in a position to invite him back if we need updates during the roll-out, if that is acceptable to him.

**Deputy Michael McGrath:** Absolutely, Vice Chairman. I understand as well that Gina

McIntyre is prepared to come before the committee and engage in detail on the work of the SEUPB.

**Vice Chairman:** Very good.

**Deputy Michael McGrath:** We also have a number of other important EU funding streams coming through the Department of Public Expenditure and Reform that I am sure the committee will be taking an interest in over the period ahead. We of course have the Brexit adjustment reserve fund, which is a really important one. We have the National Recovery and Resilience Plan, which is also coming through my Department. Then there is what remains of Cohesion Funding in the form of the European Regional Development Fund, ERDF. There are a number of very important funding streams coming from the EU that are channelled through my Department, which the Vice Chairman will be familiar with. If we can assist the work of the committee with any of those programmes I ask that the committee would reach out to us and we will be as helpful as we possibly can be.

**Vice Chairman:** Deputy Harkin wishes to pose a question.

**Deputy Marian Harkin:** I thank the Minister. I listened to the Minister's reply to Deputy Richmond on the learning from the previous programme. Having listened to the Minister's contribution this morning it was clear that one of those learnings was the need to simplify not just the applications but also the process and the ongoing auditing process etc. I judged from the Minister's comments that one of the main actions he proposes to take is to support those who are applying and, I presume, throughout the process itself. That is support for those who are applying, but in the actual application process are there any changes from what the Minister has learned and what he has seen before from the consultation process? Does the Minister propose any other changes?

My second question is related. Apart from this aspect of the programme, will the Minister give some examples of other learnings, and any specific actions the Minister is taking to address the issues that were raised? I thank the Minister.

**Deputy Michael McGrath:** It is an issue that continues to be raised. The Northern Ireland Minister of Finance, Conor Murphy, MLA, and I are both very anxious that the programme processes are efficient and effective, and place the minimum burden on applicants at the application stage and throughout the project, in the funding and in the drawdown of money under the programme. We have been working with the Special EU Programmes Body to make sure that we have a shorter and more efficient assessment process. That work is ongoing.

There will be pre-application support. That will involve the SEUPB engaging much earlier and on a one-to-one basis with potential applicants. That support will be of great assistance and should improve the overall experience for applicants, result in better quality applications and, hopefully, a higher success rate for individual applications.

The body will also make increased use of the simplified cost options, which will significantly improve the claims' processing times. This has been raised as a specific issue. I believe it is in development with the final programme and getting the finishing touches.

With regard to the administration of the programme, once applications come in we will see the real learnings. From talking with the Minister of Finance, Conor Murphy, and from engaging with the SEUPB, I am aware that they have learned from the existing programmes. They got the feedback and I gave an indication earlier of the level of public consultation. It really

has been quite extensive. A consistent message was received from existing recipients under the current programmes, and those who aspire to be funded under PEACEPLUS. The answer will be in the detail in the roll out of PEACEPLUS. I am certainly very anxious to make sure that it is as streamlined and simplified as possible.

**Vice Chairman:** Does Deputy Harkin have a further question?

**Deputy Marian Harkin:** No. I accept what the Minister is saying and that we must wait to see the detail. I accept the Minister's bona fides that there has been a very extensive consultation, and I am aware of some of that. Those of us who have been around a while, and especially where all kinds of programmes are concerned including EU programmes, would be well aware of the fact that consultation does not always mean that the issues raised are always brought on board. I am certainly not going to prejudge what is happening in this instance. I am more than happy to accept that the consultation has been meaningful and not necessarily just box ticking here and there, and that we will see as the programme rolls out that it does actually contribute in a real, meaningful and positive way to the implementation of the programme. I look forward to seeing it.

**Deputy Michael McGrath:** I will highlight the new development of small grants that are intended for local community groups. Again, this issue came up time and again across the whole consultation period as it was carried out. It was the issue of accessibility for small grassroots and community-oriented community organisations. As I said earlier, we have two new small grant programmes included in PEACEPLUS, to allow those smaller organisations and groups to access the programme with minimum bureaucracy. Pobal will be involved in administering these small grants on behalf of the SEUPB. Pobal has a wealth of experience in administering grants to local bodies. Those small grants are an important new reform, which should result in a greater reach of the overall programme and the money percolating down to the very small community groups on the ground throughout the Border counties and in Northern Ireland.

**Deputy Ruairí Ó Murchú:** The small grants, and looking at some of the learnings and difficulties that would have previously existed around the bureaucracy, are very positive measures. In fairness, whatever I may think about what is not in the programme, if the Minister is looking at those things then it covers a fair amount of scope.

How tight are the criteria? In the process that is left regarding the Commission, I would imagine that nothing is really likely to change between now and hitting the road. Is that the case?

**Deputy Michael McGrath:** That is correct. We are very much at the final stages. The outline of the draft programme has been published, and the full application is just about putting flesh on the bones of that. The overall thematic areas are now agreed and the draft programme has been approved by all key stakeholders. Now it is just about additional detail. The Commission is very much aware of the overall structure and the six themes. We expect that it would be a further elaboration on that within the final application. As I said, it is going in over the next two weeks or so. We are almost there at this point.

**Deputy Ruairí Ó Murchú:** Does the Minister believe that the scope is fairly wide within them and that there are not overly strict criteria? I do not mean the governance, which is obviously necessary.

**Deputy Michael McGrath:** I believe the themes are broad enough to encompass the over-

whelming majority of projects that people would have in mind. The steering committee must have regard to the detailed assessment criteria when it is assessing individual applications, but our sense certainly is that the themes are broad enough to enable applications to be successful right across the full reach.

**Senator Sharon Keogan:** Will the Minister clarify the amounts of those small grants? Are they less than €50,000? Are they less than €20,000? What does a small grant mean when it comes to this type of money?

The Minister referred to the Border counties. Consider for example Oldbridge in County Meath. I sought development funding to improve that area. It is completely out of this programme because County Meath would not get any funding out of this programme, or very little would come. Is there room to improve the geographical stretch of this programme?

**Deputy Michael McGrath:** I will ask Ms Clynes to come in on the issue of the small grants, and perhaps she may have particular figures. If the geographical areas are outside the direct remit, there is the opportunity to partner with groups from within the geographical area and become part of the application with them. It is possible that there would be funding for projects that extend beyond that area. It would be done on the basis of partnering with applicants from within the area. That is how we envisage this being done. Perhaps Ms Clynes has some information on the quantum of the small grants.

**Ms Catherine Clynes:** I do not have precise information at this stage. The small grant scheme is currently being developed by the SEUPB and Pobal, in consultation with us. They are looking at having a number of different levels so there will be scope for quite small grants of €5,000 to €10,000, for example, but also for much larger grants. While this is obviously subject to change, we could be looking at grants of between €50,000 and €100,000 at the upper end. That is in development and the details will be settled in the coming weeks and months but there should be an opportunity for several different scales.

**Vice Chairman:** Thank you Ms Clynes. I am going to -----

**Deputy Ruairí Ó Murchú:** My apologies, but I have just arrived. I am very good at being a nuisance.

**Vice Chairman:** Deputy Ó Murchú has form in that regard.

**Deputy Ruairí Ó Murchú:** Yes, it is something I should know. I ask the witnesses to give details on the process for assessing applications. Who will make the assessments and who will assess the assessors?

**Deputy Michael McGrath:** I will ask Ms Clynes to provide details on the work of the programme monitoring committee and steering committee.

**Ms Catherine Clynes:** Absolutely. The programme monitoring committee is an EU Structural Funds structure which all Structural Fund programmes use. It is a cross-border committee which represents central and local government, the community and voluntary sector, the environmental sector, trade unions, the business sector and so on. It in turn appoints a steering committee for project selection purposes. The steering committee is a creature of the programme monitoring committee. The SEUPB, which is responsible for managing the programme, puts out calls for applications which are generally competitive. When the applications come in, the SEUPB assesses them, using expert assessors where appropriate, and makes recommendations

to the steering committee. A scoring matrix is used and the process is very transparent and robust. The steering committee, which is set up by the programme monitoring committee, will then consider the tranches of applications in each theme and will score them. The SEUPB is operating in an advisory capacity at this stage and will make the decision on whether to reject or accept an application. There is also a review process available.

**Vice Chairman:** The Minister has agreed to update the committee as these matters flesh themselves out, as the Commission approves and the applications come in. We are very grateful to the Minister and his team for that. I am going to abuse my position in the chair somewhat now. The Minister referenced his availability to talk to us about the Brexit Adjustment Reserve, BAR, fund and I have one brief question on that. The chef de cabinet of Commissioner Ferreira indicated in December that an initial allocation was made. Have particular projects been identified and has money been allocated to them from that fund? The Minister can revert to the committee if he does not have the information to hand today.

**Deputy Michael McGrath:** We received the first tranche of funding just before Christmas. As we indicated in the budget, the intention would be to allocate about half of the overall funding in 2022 and the remaining half next year. There is a reference period and the funding has to be spent before the end of next year. Again, because it is EU funding, there are very clear criteria. There must be a direct, explicit link to the impact of Brexit *vis-à-vis* the spending decisions. We have already made a number of allocations in the fisheries area, for example. We can include expenditure that goes back to the beginning of 2020 because the reckonable or reference period runs from January 2020 to the end of 2023. In so far as possible, however, we want to use the money on new expenditure and new projects to support the sectors that are most affected by Brexit. No doubt Deputy Howlin is interested in and aware of the works that are planned at Rosslare Europort.

**Vice Chairman:** It will come as no surprise that Rosslare is of interest to me

**Deputy Michael McGrath:** As I understand it, that is currently live on eTenders. The aim is to put in place a permanent solution there and that is very much the type of project that will be funded. In the main, the BAR funding comes in the form of pre-financing. Approximately 80% is in the form of pre-financing and we account for it subsequently. The absolute priority is to ensure that we have enough qualifying expenditure to ensure that the money is fully used.

**Vice Chairman:** I am sure that will not be a challenge.

**Deputy Michael McGrath:** We are working with line Departments at the moment on various proposals that they have made. Some allocations have been made at this point, particularly in the fisheries area. We can send a detailed note to the committee on the BAR.

**Vice Chairman:** That would be great and perhaps the Minister could come before the committee on another date to discuss that specifically.

**Deputy Michael McGrath:** I would be happy to do so.

**Vice Chairman:** I thank the Minister and his officials for their attendance. That concludes our discussions on the SEUPB.

The joint committee adjourned at 10.45 a.m. until 9.30 a.m. on Wednesday, 2 February 2022.

JEUA