



From: Maeve Hamilton
ERDF Competitiveness Programme Managing Authority

Date: 22 December 2010

To: Fiona Hepper
DETI Energy Division

**THE EUROPEAN SUSTAINABLE COMPETITIVENESS PROGRAMME FOR
NORTHERN IRELAND 2007-2013**

**PRIORITY 3 - Improving Accessibility and Protecting and Enhancing the
Environment**

INTERMEDIATE BODY – Energy Division

**PROJECT –
Economic Appraisal of a Northern Ireland Renewable Heat Incentive
(RHI)**

MANAGING AUTHORITY GRANT AWARD – TERMS AND CONDITIONS

1. I refer to the submission received 13 December 2010 which provided information concerning the proposed inclusion of an Economic Appraisal of a Northern Ireland Renewable Heat Incentive (RHI), herein referred to as “the Project” for funding under Priority 3: Improving Accessibility and Protecting and Enhancing the Environment of **THE EUROPEAN SUSTAINABLE COMPETITIVENESS PROGRAMME FOR NORTHERN IRELAND 2007-2013 (The Programme)**.



2. The Managing Authority has assessed the Project and is satisfied that it fulfils the selection criteria approved by the Programme Monitoring Committee at its meeting on 31 January 2008.
3. For operations such as this, which are implemented through award of contract, the Intermediate Body (IB) effectively becomes the “lead beneficiary” as defined in Article 20 of EC Regulation No 1080/2006. In these cases, the level of control exercised by the Managing Authority will be increased to ensure that there is appropriate independence in the process.
4. On this basis, DETI Energy Division is allocated grant of £ Sensitive commercial information redacted by the RHI Inquiry made up of national match funding of £ Sensitive commercial information redacted by the RHI Inquiry and European Regional Development Fund (ERDF) £ Sensitive commercial information redacted by the RHI Inquiry. This is the total amount allocated and it must not be exceeded without the prior written agreement of the Managing Authority through formal amendment of this letter.
5. This grant award relates to approved eligible expenditure incurred on or after 1st January 2007 and cleared through the bank account on or before 31 December 2015.
6. This allocation does not remove the requirement for the IB to ensure that the national match expenditure is secured and expended in line with provisions under the Comprehensive Spending Review and the Investment Strategy for Northern Ireland. Where changes are proposed, these must be addressed through normal Departmental budget management processes and in consultation with the Managing Authority. The IB must ensure that its financial management of the



Project is in line with the requirements of Managing Public Money Northern Ireland.

7. This grant award is subject to the IB's compliance with the monitoring, control, financial and reporting arrangements set out in:
- The Operational Programme;
 - The signed Memorandum of Understanding between the IB and the Managing Authority;
 - The Competitiveness Programme Operating Manual; and
 - Member State and Managing Authority Guidance.

These documents are all set out at <http://www.detini.gov.uk/deti-euro-prog-guidance.htm> and should be accessed directly from the website to ensure that the most up to date version is being referenced.

8. The Managing Authority will conduct such administrative and on-the-spot checks of the expenditure declared by the IB as the Managing Authority deems appropriate in line with the Managing Authority's assessment of the risk associated with the operation.
9. The written procedure covering the Managing Authority verification of an Intermediate Body is set out in Annex A of the Operating Manual. You will note that this process requires the completion of a quarterly "Certificate of Expenditure Declared" for all expenditure submitted to the Managing Authority for inclusion in a claim to the European Commission.



10. To confirm your acceptance of the terms and conditions please sign Appendix 1 to this letter and return one copy to the Managing Authority by 14 January 2011. The other copy should be signed and retained for your own records.

11. Should you have any queries please contact Damien Ryan, tel: (028) 905 29384.

MAEVE HAMILTON



Appendix 1

FORM OF ACCEPTANCE

DETI Energy Division

of

Netherleigh
Massey Avenue
Belfast
BT4 2JP

being the Intermediate Body referred to in this Agreement hereby accepts this grant award on the terms and conditions set out herein including compliance with the monitoring, control, financial and reporting arrangements set out in paragraph 5.

I am hereby authorised to accept this grant award on behalf of the above Intermediate Body.

Signed: _____

Name in block capitals: _____

Date: _____

NOTE

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