

## MEMORANDUM

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To: LEGAL CONTACT AND PROJECT BOARD

Date: 10 February 2026

From: Director of Programmes

Subject: Project Performance Targets

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The following memo is to formally notify you of your **project implementation performance targets for the 2026 calendar year**, it will set out your project's:

- (1) Expenditure Targets
- (2) Claim Submission Targets
- (3) Quarterly Forecasting process; and
- (4) Procedure for non-attainment of targets

PEACEPLUS, like all other EU Structural Funding Programmes, must meet annual expenditure targets based on the value of claims submitted to the European Commission- this is commonly referred to as the "N+3" target. If the Programme fails to meet this target in any given year, the shortfall is automatically de-committed from the Programme, and there will be a permanent loss of funds to the Programme and to Northern Ireland and Ireland. On your behalf, SEUPB draws down funding not only from the European Commission, but also, from national budgets held by government Departments in Northern Ireland and Ireland. As you are aware, we are working in an increasingly cash-restricted environment and therefore it is crucial that we are able to utilise every cent of funding allocated to us within the timeframe available.

We therefore need your project implementation and cost expenditure to match your forecast for the incoming year as closely as possible. Significant changes from the agreed profile may impact on our ability to make payments to your project.

Based on the latest forecast submissions from Projects, the N+3 target is achievable however this is on the assumption that those forecasts are accurate and that no further slippage occurs. Projects have already had significant slippage in 2025 due to a range of factors, some of which were outside of their control, and we have major concerns that further slippage in 2026 will impact on the Programme's ability to meet its performance and expenditure targets. A slippage of 10-15% across the programme could result in a loss of funding in the range of €15-20 m. It is therefore imperative that we receive early warning of potential slippage to enable SEUPB to take corrective actions at the wider programme level and avoid loss of funding to the region.

Every project must play its part in relation to compliance with the claim submission process, from ensuring accurate forecasting, through to timely and accurate submission of claims.

## 1. Expenditure Targets

In order to achieve this target and avoid any de-commitment of funds to the Programme, each project is being given an expenditure target for eligible expenditure which relates directly to its letter of offer, project implementation plan and spend profile. The latest forecast submission by projects along with the latest correspondence with their SEUPB Project Officer will be used to inform the target that will be monitored.

Each project will receive direct correspondence setting out their expenditure target for 2026 within the next 2 weeks.

SEUPB does understand that issues in relation to implementation can arise which will impact on your ability to deliver your project in line with the submitted spend profile. Therefore, I would encourage all projects to keep in regular contact with their assigned Project Officer in SEUPB and to provide early warning of any potential problems which might impact on delivery of key actions and cost expenditure. SEUPB will try to assist where possible.

## 2. Claim Submission Targets

The timely submission of claims, in line with the requirements of the Programme Manual and standard conditions of grant is critical to meeting the target. The programme target is only met when all expenditure has been fully verified and payments issued by SEUPB to a Project.

A 12-week period is available for (1) project partners to submit their partner reports, (2) the External Controller to complete the Management Verification and (3) the Lead Partner to submit the Joint Finance Report. SEUPB will monitor each stage for compliance.

Lead Partners are reminded of their **responsibility on behalf of the Partnership** for overall coordination, management and implementation of the project. This includes monitoring the spending of the project budget foreseen for each Project Partner, Partner forecasts and claim submissions.

## 3. Quarterly Forecasts

**Note Standard Conditions of Grant outline as follows:** - 6.3 of the Standard conditions of grant - 'Before the payment of the first claim, Lead Partners will be required to submit a claims submission plan in the format provided by the Joint Secretariat. Once approved, this will constitute the Project's annual spend targets. Any failure to meet annual spend targets must be supported by a robust rationale. **SEUPB reserves the right to decommit from Budget underspend, as per annual targets. The claims submission plan will be reviewed periodically.**'

Projects will be given the opportunity of updating expenditure forecasts and work plans on a quarterly basis. This quarterly review gives the projects opportunity to request a re-profiling of project activity and expenditure. However, please note any reduction in the overall 2026 expenditure profile for a project must be agreed by SEUPB in writing.

It is important that Projects provide explanation for the slippage within the forecast as soon as possible and provide an assessment of major risks/ issues that further impact on spend timelines. This will help us in assessing the overall risk to the Programme and prioritise support.

***If you become aware of a potential significant (greater than €50k) deviation from your profile (either positive or negative) please inform your Project Officer immediately, and do not wait until the next quarterly forecast.***

#### 4. Procedure for non-attainment of expenditure targets

Should your project fail to meet the quarterly expenditure targets set, without appropriate justification and early warning to SEUPB, SEUPB may invoke the conditions outlined in your Letter of Offer.

As per the Standard Conditions of Grant, the **failure to achieve the quarterly targets may result in the under-spend being deducted from your total funding amount by way of an addendum to your Letter of Offer.** All under-spends will be reviewed quarterly and a subsequent addendum to your Letter of Offer may be issued reducing total funding.

There will be no penalty for exceeding annual targets (always assuming that you are working within your overall budget outlined in your Letter of Offer). It should be noted that SEUPB will endeavour to ensure cash is available if the overspend amount is notified to us in reasonable time.

We appreciate the efforts all Lead Partners and Project Partners have made in previous years to ensure that targets have been achieved however we have never faced an N+3 challenge as significant as this one. This year our focus must be on realising the benefits of each project and supporting you to achieve individual targets as well as ensuring we can meet the targets at Programme level.

We look forward to working with you in 2026.

Kind Regards



Julie Kurth  
Director of Programme Management and Delivery (Joint Secretariat)