

Southern & Eastern Regional Operational Programme 2007-13

Minutes of the 2nd Meeting of Monitoring Committee

Assembly House, Waterford

29th April 2008

Introduction

The Chair opened by welcoming Members to the second meeting of the 2007 – 2013 programming period. He advised that following reorganisation within DG Regio, a new team from the European Commission had taken up membership of the Monitoring Committee; Mr Jack Enwengen Head of Unit, Mr Stephen Langley Desk Officer and Mr Noel Farrell. The Chair also welcomed back Cllr. Peter Considine to the Committee following illness.

1. Adoption of the Agenda

The agenda was agreed.

2. Adoption of the minutes of the First meeting of the Monitoring Committee held on the 16th November 2007.

Mr. Noel Farrell, European Commission referred to Mr Roggeri's intervention at the first meeting stating that he would like to reiterate some of the key messages. He outlined that the Monitoring Committee should focus on results and continued that eligibility criteria and indicators should enable the Monitoring Committee to closely follow implementation on the ground. He stressed the importance of environmental and social sustainability. Mr Farrell suggested that partnership in the Monitoring Committee could be broadened, in particular in relation to business interests. Finally on Financial Management and Control aspects the spirit of the old Article 4 now Article 60 remains the same however the Monitoring Committee should not limit its focus to the legal aspects related to these checks but also to the cost effectiveness of expenditure.

With these comments the minutes were adopted.

3. Progress Reports for each Priority

The Chair outlined that 2007 was very much the preparatory year. The Operational Programme was submitted to the European Commission within the timeframe specified and following negotiations it was formally approved on October 16, 2007. He continued by outlining that a number of the interventions contained in the Operational Programme have already commenced operations. The Chair also stressed that the Managing Authority is obliged by the 30th June to formally present to the Commission the 2007 Annual Implementation Report.

Stephen Langley, European Commission stated that the Programme Monitoring Committee should always have the opportunity to discuss the Annual Implementation Report and approve it during an actual Programme Monitoring Committee meeting. He

also queried the performance indicators in the progress reports versus the same indicators in the Operational Programme and asked that these had been reviewed. The Chair stated that it is the intention of the Managing Authority to have a draft Annual Implementation Report for consideration at future Monitoring Committee meetings.

Priority 1

The Applied Research Enhancement Programme: Dr. Jennifer Melia advised that this is currently open, following the IRCC approval meeting there will be two centres funded the South and East.

She also stated that the first phase of the **Commercial Fund** closed in January; successful applicants were informed of the results during the last two weeks. The second phase is due to open up next month.

Campus Incubation Centres –A new call to extend Campus Incubation Centres across the Institutes of Technology is due to launch at the end of this week. The fund will be for €15 to €20 million and will be a competitive call.

Stephen Langley, European Commission queried the baselines and final targets of the performance indicators.

Building Research Capacity: Siobhan Harkin, Higher Education Authority explained that Cycles three and four are currently ongoing, cycle 5 will be announced in the coming weeks and cycle 6 will be announced in 2010. Cycle 5 will be the largest cycle to date and the funding will be announced by the Minister in the coming weeks.

The Chair stressed that it will be a requirement for all Intermediate Bodies to notify the Managing Authority each year on the annual allocation for each Theme. It is against this figure that progress will reported on an annual basis.

Micro Enterprise: Margaret Ryan, Enterprise Ireland outlined that the theme is delivered through the 22 County and City Enterprise Boards, their function is to stimulate economic activity and to develop entrepreneurial activity at local level. All operational matters in relation to coordination of the work of the County and City Enterprise Boards have transferred to Enterprise Ireland since January 2008 and Enterprise Ireland will be the Intermediary Body for this theme. For the reporting period expenditure was €14.3million of which €5.7million was ERDF. The changing economic environment means that the current financial supports available to the County / City Enterprise Boards needs re-examination and a submission received from the County and City Enterprise Boards is currently being examined by Enterprise Ireland and the Department of Enterprise, Trade and Employment. This should ensure that the Micro-Enterprise theme will achieve its targets.

Priority 2

Risk Prevention & Water Protection: Eoin Hester, Dept. Environment, Heritage & Local Government explained that no progress has been reported hence no reports had been submitted for these sub-themes.

In response the Chair explained that this area is exclusively exchequer funded and hence there is no consequence to the ERDF.

Renewable Energy: Mathew Kennedy, Sustainable Energy Ireland outlined that this is concentrated on the stimulation of the deployment of renewable energy and also the stimulation of energy efficiency across a variety of sectors within Ireland. The programme has met its targets certainly for the first three strands or sub-themes throughout the last year.

Jack Enwengen, European Commission, enquired if it is intended that this theme would stimulate further innovative ways of saving energy in the private sector or creating energy innovative pilot actions actually to further stimulate the development of renewable energy or energy efficiency measures.

Mathew Kennedy responded that the theme would be delivering and contributing towards the Irish targets, focusing on wave, ocean, wind and bio-energy and through the Sustainable Development Zones.

Cllr Conal Kavanagh, Regional Assembly asked if there was financial subvention for the installation of wind energy turbines for small businesses or small enterprises.

Mathew Kennedy replied by saying that investment is being made at a technological level through a micro energy scheme focused on wind with a funding of up to €2million which has yet to be deployed.

In relation to a query about planning exemptions for renewable energy projects that Chair stated that the Department were not in a position to answer, but that the Managing Authority will try to establish this for the benefit of the Committee and circulate the information. It was also stated that the interventions are co-financed and hence activities relating to the residential sector cannot receive assistance as this is prohibited under the Regulations for 'old' Member States.

Broadband: Kieran Duffy, Dept. Communications, Energy & Natural Resources outlined that the procurement process to select a service provider under the National Broadband Scheme (NBS) is well advanced and will be finalised shortly with contracts signed by July of this year.

Tom Byrne, South East Regional Authority asked if the legal challenge to the process will affect the timeframe of delivery.

Kieran Duffy replied that the legal challenge is not expected to delay the actual procurement process.

Following a number of comments from members of the Monitoring Committee with regard to broadband availability, the procurement process and usage of broadband **Kieran Duffy** responded by saying that the Department are generally happy with the level of broadband generally available in Ireland stating that there have been huge strides in the delivery and availability of broadband in Ireland over the last 5 years or so. However, where the private sector would be unable to justify the provision of broadband services the Department has intervened at various levels. In relation to the time-lines of the procurement process Mr Duffy outlined that these will be addressed before the end of 2009. He went on to say that open access networks will be available in over 90 towns nationwide by the middle of this year. He explained that Comreg address consumer issues as they arise, but if there are particular issues, the Department would be interested to hear about the details. Mr Duffy also explained that the Department is currently discussing some possible interventions with the Managing Authority with regard demand stimulation.

Priority 3

Urban Regeneration Declan Bourke, Dept. Environment, Heritage & Local Government explained that preparations for the new scheme for urban renewal has taken longer than was envisaged, but the Dept. will be seeking approval at political level within the next 7 to 10 days.

The Chair added that funding for the smaller towns and villages will now come through the new Rural Development Programme rather than the European Regional Development Funded Programme. That is the fundamental change and because of the new operating environment an entirely new scheme has to be sanctioned through the department and through the Minister for the Environment, Heritage and Local Government. The Rural Development Programme will have a separate Monitoring Committee. The implementation of operations under this Priority will be governed by overall strategies for the individual Gateways and Hubs. It is intended that a number of individual government departments will contribute by way of providing funding to the Priority. It is the intention to ensure that anything that is funded under this Priority will be consistent with the overall development strategies for the Gateways and Hubs.

Sports, Arts and Swimming Pool Programmes: Mary Nash, Dept. Arts, Sport & Tourism explained that the Sports Capital application process is closed and the assessment process is ongoing. It is expected that announcement on the grants will be made at the end of June. The Arts Capital Programme has two programmes and there is a third to be announced towards the end of this year. An announcement on the Swimming Pool Programme is expected shortly.

The Chair explained that the Managing Authority and the Commission are in negotiations about clarifying some issues about eligibility of certain activities within this priority. On conclusions of these decisions will be made with regard to actions to be co-financed and those to be entirely funded from the Exchequer.

Priority 4

The fourth priority is **Technical Assistance**. The Chair outlined that this funds the management, monitoring and evaluation of the Operational Programme, in particular it funds things like this meeting itself, the various specialist units at central level that provide support to the programmes such as information technology, audit services, information and publicity and so on. Finally this Priority also contributes to the direct costs of the NUTS III Regional Authorities in terms of their EU Operational Committees.

Mr Jack Enwengen European Commission stated that the Commission would welcome the S&E exchanging experiences with other Member States. He also enquired as to the intentions with regard to evaluation, even though it is not a regulatory requirement to produce an evaluation plan.

The Chair thanked the Commission for the comments and outlined that the last section of the Progress Reports deals with the Horizontal Principles and it is intended to track the performance of the programme and the individual components against the stated Horizontal Principles as set out in the Operational Programme and as prioritised.

4. Outcome of the Written Procedure regarding Selection Criteria

Ivan Grimes reported that the Managing Authority was in a position to notify the Commission that the Monitoring Committee approved the selection criteria within the regulatory deadline. The Managing Authority would like to remind all Intermediary Bodies that any changes to the selection criteria which may be deemed necessary over the course of implementation of the operations must be approved by the Monitoring Committee and operations must be in compliance with operations approved by this Monitoring Committee.

5. Consideration of Draft Implementation Plans for each Theme/Sub-Theme

The Chair outlined the background to the Implementations Plans stating that they are not a regulatory requirement, like the Programme Complement in the previous funding round. But rather they are a Member State initiative and are primarily a management tool, the Managing Authority felt it was important to have an analogous document that would provide information both to the Monitoring Committee, to the Managing Authority and to the general public to give more detail of precisely how it is that the Themes and Sub-themes are to be implemented, but they have no legal status. There is full integration of the Horizontal Principles within the Implementation Plans.

Cllr. Conal Kavanagh asked in terms of City and County Enterprise Boards are the Department of Enterprise, Trade and Employment taking control of this particular area. Are they planning to look at how micro enterprises are defined?

Margaret Ryan, Enterprise Ireland responded that EI has taken over all operational matters in relation to the County and City Enterprise Boards and that a submission has been prepared, in consultation with the Department of Enterprise, Trade and Employment and one of the items contained in this submission relates to the examination of the type of enterprise that can be supported and also the possibility of increasing the size of the enterprise to be supported from 10 to 20 employees. The broader issue of the types of assistance provided is also being examined.

Patricia Potter, Dublin Regional Authority asked if the Managing Authority expected the Committee to agree these Plans, given that the financial tables are not available.

The Chair responded that the financial budgets will remain purely indicative, and are subject to the annual estimates process as all voted money is provided in Ireland on an annual basis, and therefore will be dealt with on a separate basis.

Patricia Potter then asked if the Urban Regeneration scheme will change.

Stephen Blair responded that the scheme has yet to be finalised and the Managing Authority is in discussion with the department on that. The Managing Authority will continually update the Monitoring Committee as plans are finalised.

6. Financial Management and Control Arrangements

Mr. Noel Tallon, Dept. Finance, ERDF Certifying Authority, dealt with the various items in relation to Financial Management and Control of the New Round of Funds.

Department of Finance Circular on Management and Control: Will set out the responsibilities of the Implementing Body, the responsibility of Level One Public Bodies, Financial Management, Monitoring and Reporting arrangements. This is currently under consideration by the Implementation Group.

National Eligibility Rules – these are a matter for each Member State to establish and are currently under consideration.

Financial Systems Description - is currently underway, subject to compliance testing from the Auditing Authority in accordance with Commission criteria. This has to be submitted to the Commission by Oct 16th 2009.

The Information Technology System – under new regulations this requires the maintenance of accounting records in computerised form. The tender was advertised in the Official Journal, the contract will be awarded in about two weeks and it will be fully implemented by the beginning of August.

Administrative Agreements: The Managing Authority has done considerable work on these in consultation with the Member State and Certifying Authority. The Administrative Agreement will set out the responsibilities of the Intermediate Bodies. The Chair informed the Committee that the Managing Authority will be in consultation with Intermediary Bodies in the very near future regarding these Administrative Agreements.

7. Communications Action Plan

Under the regulations the Member State is obliged to produce a Communication Action Plan, and Ireland has chosen to produce one Communications Action Plan for all the Structural Funds Programmes. The responsibility for the programme level information and publicity requirements now rests with the Managing Authority and is financed out of the Technical Assistance budget.

8. Presentation on Quality of Life measurement in designated Gateways

The Chair gave a presentation on the Quality of Life Index providing detail on the background to the study and explained the involvement of the 2 Regional Assemblies in process. Please see copy presentation attached.

In response to a question from **Marie Butler**, SIPTU the Chair explained that the weighting and scoring of the criteria as outlined in the presentation will be done over the coming period in consultation with the consultants. He went on to further explain that there is an overarching Steering Committee in place to interface between the work of the consultants and the various bodies contributing to the various indexes.

9. Any Other business

Responding to a further question from **Marie Butler**, the Chair explained that through the new I.T. system information at NUTS III level will be available.

10. Next meeting

To be advised.