

## **Southern & Eastern Regional Operational Programme 2007-2013**

### **5<sup>th</sup> Meeting of the Monitoring Committee**

**14<sup>th</sup> December, 2010**

#### **Introduction**

The Chair, Mr Stephen Blair welcomed all present and advised Members of the context in which this meeting was being held, which was a special meeting to consider the preliminary findings of an evaluation of the S&E OP which was being undertaken. He informed the Committee that, unlike under the previous programming period where the midterm evaluation was mandatory, this on-going evaluation around the mid-term point was discretionary. Mr Blair advised that a Steering Committee had been established to direct the evaluation and that, in summer 2010, the Central Evaluation Unit, Department of Finance, had been commissioned to carry out the work.

#### **1. Adoption of the Agenda**

The Draft Agenda, as circulated, was agreed and adopted.

#### **2. Adoption of the minutes of the 4<sup>th</sup> meeting of the Monitoring Committee held on 28<sup>th</sup> April 2010**

The minutes of the meeting held on the 28<sup>th</sup> April 2010 were agreed and adopted.

#### **Matters Arising**

##### **Broadband**

Mary Farrell, DCENR asked that the minutes be amended to ensure that line 2 and line 16 of the section dealing with Broadband tallied in terms of context. The Chair agreed that the minutes would be so amended.

#### **3. Presentation on Preliminary Findings of Mid-Term Evaluation of S&E OP 2007-13 by Eoin Dormer & Ed Hearne of Central Expenditure Evaluation Unit, Department of Finance.**

Mr Blair advised the Members of the background to the appointment of the Central Evaluation Unit, Department of Finance, to undertake the MTE of the Regional Operational Programme. This, he added, would constitute an independent analysis of Programme with recommendations to be made, if required, and he welcomed Mr Eoin Dormer and Mr Ed Hearne from the Unit and invited them to begin.

Mr Ed Hearne began the presentation by noting that the findings, as presented, were still preliminary in nature and that further work was required before finalisation of the results. Mr Hearne described the economic context within which the review was taking place with a contraction in the construction sector, emigration, GDP and GNP at 2004-05 levels and disparities at NUTS II level within the Region as a whole. Mr Hearne also made reference to the Infrastructure Investment Priorities 2010-2016, an effective updating of the NDP 2007-2013 as the underlying factors of the NDP, such as a benign international environment, hadn't held. Mr Hearne also outlined, at a macro level, the main sectoral investment priorities.

Mr Ed Hearne then began an overview of progress at Priority and Theme level and Mr Blair invited the Measure leaders from each IB to give a short update on their respective theme when called upon.

#### **Priority 1 – Innovation and the Knowledge Economy**

##### **RTDI Theme encompassing the Applied Research Enhancement, Incubation Centres, Commercialisation Fund and Research capacity sub themes**

Mr Hearne provided indicative figures of expected spend for each sub theme to end 2013 and noted that the Priority is performing well, was being driven by PRTLI, that progress on the other sub themes was less due to budgetary uncertainty, that priorities for funding of ARE's and Incubation centres had not yet been agreed and that the ERDF target drawdown for the Priority had already been achieved.



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Mr Stephen Langley, EU Commission, noting the strong spend under PRTL, queried the spend and its contribution to the Irish economy in terms of competitiveness and growth. Mr Dormer advised that an evaluation was underway on the PRTL scheme and the results would be available in 2011. Mr Stewart Roche, HEA, advised that this review would update the situation from the 2004 data.

Regarding the Incubation Centres, Ms Jennifer Melia, Enterprise Ireland, advised that the Incubation Centre at University of Limerick would open in 2011 with a second centre currently being evaluated in Maynooth. Regarding the ARE's and the Commercialisation Fund, Ms Melia advised that expenditure had been on hold since early 2010 but that €7m in new funding had been secured from Department of Finance towards a new Commercialisation Fund. Ms Melia also advised of reported funding for the period 2007- 2009 that was recently input to the EUSF IT system.

Mr Stewart Roche, HEA, updated the Meeting on PRTL expenditure for the 2007-2009 periods.

Mr Tomas Sheehan, DETI, advised that, in respect of the MicroEnterprise sub theme, there had been a 22% increase in capital allocations to CEB's on a selective basis. Mr Sheehan also advised of a possible restructuring of CEB's following a ministerial announcement in July 2010.

### **Priority 2 Environment and Accessibility**

Mr Hearne outlined financial progress, outputs and prospects, per sub theme, noting that there was reasonable progress for ICT and limited progress for energy subject to change. Mr Hearne advised that expected spend over the period 2010-2013 would be of the order of €30m across the ICT and Renewable Energy sub themes with a high degree of uncertainty for the energy subthemes and that, at Priority level, 60% of targeted ERDF drawdown had already been achieved. Mr Hearne also advised that only limited expenditure was expected in the areas of Source Water Protection and Village Sewerage Schemes.

Mr Matthew Kennedy, SEAI, provided updated expenditure data for the period to end 2010 in respect of the Energy for Business, CHP/ Bio heat, Renewable Energy research, Development and Demonstration and the Ocean Energy sub-themes.

Ms Mary Farrell, DCENR, advised that the NBS was completed with 1,028 Electoral Districts covered encompassing 235,000 fixed business and private residences. Mr Liam Connellan, Director MWRA, advised that he was constantly queried as to when rural areas, not serviced by the NBS, would receive broadband coverage. Mr Blair advised that a new scheme would be launched in 2011, funded by the EAGGF, which would meet the broadband needs of individual households & businesses who currently cannot get a broadband connection even though their general area are serviced.

### **Priority 3 Sustainable Urban Dimension**

Mr Hearne noted that there was no reported expenditure on a number of sub themes within this priority due to Exchequer funding constraints with only Public Transport and the ERDF Gateway Grants Scheme sub themes recording spend in the period 2007-2009. Mr Hearne also advised that forecast expenditure would fall short of allocation by at least 20% of co-financed profile with the possibility of Dept of Transport provision for smarter travel areas expenditure but this was uncertain.

### **Priority 4 Technical Assistance**

Mr Hearne advised that there was low expenditure on this Priority to date although the costs of the FCU, the EUSF IT system and communications had not yet been factored in. He added that the final outturn was likely to be well below the financial profile.

### **Horizontal Principles and Performance indicators**

Mr Dormer advised of the evaluators' preliminary views regarding the horizontal principles and programme management / selection criteria. Mr Dormer then proceeded to the Priority level Indicators and outlined their findings:

#### **RTDI Theme**

- In general there is a reasonable set of output indicators
- Some misunderstanding of the taxonomy of indicators (e.g. output vs. activity – Commercialisation Fund, PRTL)



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- In some cases lack of comprehensive set of result and impact indicators (e.g. ARE's,)
- No result indicators at all for RERG and RFES
- Poor presentation in the implementation report for PRTLII
  - Breakdown by region
  - Usage of places
  - Not enough result indicators although this is difficult
  - General difficulty around measuring impact of research funding beyond bibliometrics

Mr Blair advised that, in respect of Performance Indicators, the evaluators had been asked to propose indicators where they perceived to be gaps in the reporting of results.

Ms Melia, EI, in reacting to the findings concerning the EI managed sub themes, advised that it was impossible to link a research to an export indicator and also advised that indicators in respect of the Commercialisation fund would be presented to EI's board for consideration in the near future.

#### *Micro Enterprise*

- Straightforward and measurable set of output indicators
- Result indicators not sufficiently comprehensive e.g. sustainability of new enterprises and jobs, cost effectiveness of job creation

#### **Priority 2: Environment and Accessibility**

- Indicators for water related sub themes are broadly satisfactory (could be widened in some cases but low spend in any case )
- Rudimentary output and result indicators for ICT accessibility (no result indicator on actual use, speeds achieved)
- Mixing up activity and result indicators (Energy for Business)
- No monetary values on result indicators (Energy for Business)
- Could do with more focus on carbon emissions savings (CHP) directly attributable to the intervention
- Insufficient result indicators (RD&D)
- Poor presentation

Mr Matthew Kennedy, responding to the findings in respect of SEAI managed sub themes, advised that SEAI had tried to show savings in financial terms only and, in the case of the CHP, carbon savings could be determined if necessary.

Ms Mary Farrell, DCENR, noted that the Department would revert when the feasibility of the proposed indicators had been examined.

#### **Priority 3: Sustainable urban development**

- No indicators for ERDF Gateway grant scheme
- No output indicators for Public transport sub theme
- Good result indicators for Public transport sub theme albeit with attribution issues

#### **Conclusions / Recommendations**

The evaluators outlined their preliminary recommendations as follows:

- Total re-allocation of €25m
  - (i) Move €11m from priority 3 (Sustainable Urban Development) to Priority 1
  - (ii) Move approx €9m from Priority 4 (Technical Assistance) to Priority 1
  - (iii) Move €5m from Priority 2 (Environment and Accessibility) to Priority 1
  - (iii) Increase Priority 1 by €25m
- Resources to be refocused towards those NUTS II regions within the S&E region that are not as economically developed i.e. MWRA & SERA



- Increase the quality of horizontal principle reporting through engagement with implementing bodies and relevant authorities e.g. seminars, training, guidance, follow up on reporting etc
- Focus on the contribution of sub themes to principles and avoid description of activities
- Improve the quality of performance indicators by:
  - Refining existing indicators (more details in final report)
  - Introducing new result indicators (more details in final report)
  - Focus on impact indicators where possible
  - Include indicators for horizontal principles
  - Ensure consistency with core indicators and BMW indicators
- Improve quality of implementation reports by:
  - More focussed presentation
  - Less extraneous descriptive material
  - Consistency between themes
  - Stricter timeliness for reporting progress information

The Director, Mr Blair, advised that these findings were preliminary in nature and welcomed feedback from the members. He added that the MA would respond to the final evaluation report and would bring forward a paper to the next Monitoring Committee meeting for a Programme Modification as a formal decision of the Committee was necessary in advance of the request being sent to the EU Commission.

A number of the Members expressed surprise at the recommendation regarding a refocusing of resources and noted that this would have implications for a number of the Intermediate Bodies.

**4. Any Other Business**

None

**5. Next meeting date**

Mr Blair advised that the next meeting of the Monitoring Committee would take place at the end April /early May 2011 with Members being advised of the exact date.

**Attendees**

Southern & Eastern Regional Assembly	Mr. Stephen Blair - Chair
Southern & Eastern Regional Assembly	Mr. Vincent Dunphy
Southern & Eastern Regional Assembly	Cllr. John Ryan
Department of Finance	Mr. Jim Dean
Department of Enterprise, Trade & Innovation	Mr. Tomas Sheehan
Department of Communications, Energy & Natural Resources	Ms. Mary Farrell
Department of Environment, Heritage & Local Government	Ms Ainle ni Bhriain
Special EU Programme Body	Mr. John Cherry
DG Regio	Mr. Stephen Langley
DG Regio	Mr. Noel Farrell
Mid-West Regional Authority	Mr. Liam Connelly
South-East Regional Authority	Mr. Eoghan Allen
Enterprise Ireland	Dr. Jenny Melia
Higher Education Authority	Mr. Stewart Roche
Sustainable Energy Authority of Ireland	Mr. Matthew Kennedy
Department of Education and Science	Mr. Brian Duggan
Department of Education and Science	Ms Mary Killiher





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