

# Southern and Eastern Regional Operational Programme 2014-2020

---

## Citizens' Summary



## Contents

Chapter 1: Introduction and Background.....	5
1.1 Introduction .....	5
1.2 Legal basis.....	5
1.3 Definition of the Southern and Eastern region.....	6
1.4 Preparation of the Operational Programme and the Partnership Principle .....	7
1.5 Partnership Agreement for the European Structural and Investment Funds.....	10
1.6 Operational Programme Structure.....	10
Chapter 2: Programme Strategy.....	11
2.1 Introduction .....	11
2.2 EU Policy Context.....	11
2.3 National Policy Context .....	16
2.4 Socio-economic Context .....	21
2.5 Regional Innovation and Competitiveness and Smart Specialisation.....	37
2.6 Territorial Needs and SWOT Analysis .....	39
2.6 Lessons Learned from the 2007-13 Regional Programme.....	48
2.7 Priority Needs Identified .....	50
2.8 Justification for Selected Investment Priorities.....	63
Chapter 3: Investment Priorities .....	70
3.1 Priority 1: Strengthening RTDI in the S&E Region .....	70
3.2 Priority 2: Information and Communication Technologies .....	81
3.3 Priority 3: SME support, promotion and capability development .....	88
3.4 Priority 4: Low Carbon Economy .....	95
3.5 Priority 5: Sustainable Urban Development.....	103
3.6 Priority 6: Technical Assistance.....	109
Chapter 4: Financial Allocations .....	113
Chapter 5: Horizontal Principles .....	116
5.1 Introduction .....	116
5.2 Promotion of Equality between Men and Women.....	117
5.3 Promotion of Equal Opportunities, Non Discrimination and Accessibility for persons with Disabilities .....	119
5.4 Promotion of Sustainable Development.....	122
5.5 Promotion of Social Inclusion.....	124

Chapter 6: Complementarity and Co-ordination Arrangements .....	126
6.1 Introduction .....	126
6.2 Co-ordination at the level of Intermediate Bodies .....	126
6.3 Complementarities and Synergies across Priority Axes .....	129
6.4 Use of the European Structural and Investment Funds in a Complementary Manner 131	
6.4.1 Co-ordination Arrangements .....	131
6.4.2 ESF Human Capital Investment Programme .....	132
6.4.3 Rural Development Programme .....	133
6.3.4 European Maritime and Fisheries Fund .....	134
6.3.5 European Territorial Co-operation Programmes .....	135
6.5 Complementarities and Synergies with other Union funds and Instruments .....	135
6.5.1 ‘Horizon 2020’ .....	136
6.5.2 ‘COSME’ .....	137
6.5.3 ‘Creative Europe’ .....	138
6.5.4 LIFE Programme .....	139
6.5.5 Connecting Europe Facility .....	140
6.5.6 ESPON .....	141
6.5.7 EIB/EIF Financial Instruments and Europe 2020 Project Bond Initiative .....	141
6.6 ESI funds synergies with the Europe 2020 Strategy and Flagship Initiatives .....	142
6.7 Complementary national investment programmes and strategies .....	145
6.8 Potential contribution to the Atlantic Strategy Action Plan .....	145
Chapter 7: Implementation .....	147
7.1 Implementation Provisions .....	147
7.2 Managing and Monitoring Arrangements .....	147
7.3 Annual and Final Implementation Reports .....	150
7.4 Implementation .....	152
7.5 Financial Management and Control Arrangements .....	152
7.6 Compliance with State Aid and Public Procurement Rules .....	158
7.7 Selection Criteria .....	158
7.8 Evaluation .....	159
7.9 Information and Publicity .....	161
7.10 Major Projects .....	163

7.11 Partnership Arrangements .....	163
7.12 Reduction in the administrative burden for beneficiaries .....	164
Annexes .....	167
Annex 1: Partners involved in preparation of programme .....	168
Annex 2: Strategic Environmental Assessment (SEA) Non Technical Summary .....	170
Annex 3: Ex-ante conditionalities .....	171

## Chapter 1: Introduction and Background

### 1.1 Introduction

This is the third Regional Operational Programme for the Southern and Eastern (S&E) Region, supported under EU Cohesion Policy, since the inaugural Programme 2000-06.

The Southern and Eastern region has been classified as a ‘more developed region’ for the 2014-2020 programme period, having a GDP per capita which was above 90% of the average GDP of the EU 27 over the 2007-2009 reference period<sup>1</sup>. Under the 2000-06 programming period the S&E region had a phasing out regime for Objective 1 until the end of 2005 (with the exception of the NUTS III South-East region which enjoyed this designation for a further 12 months) and was designated as a Competitiveness & Employment Region for the 2007-13 programme.

The Irish Government, as set out in the Partnership Agreement for the European Structural and Investment Funds has decided that European Regional Development Funds made available to Ireland under the EU’s Multi-annual Financial Framework (MFF) 2014-2020 will be delivered through separate Regional Operational Programmes (OPs) for the BMW and the S&E Regions. The Southern and Eastern Regional Assembly has been designated by the Government to be the Managing Authority for the S&E Regional Operational Programme 2014-2020 and is responsible for its preparation and delivery, in accordance with the Common Provisions Regulation.

Given the agreed objectives of Cohesion policy, European Structural and Investment Funds will be concentrated on implementing the priorities of the Union, in particular the Europe2020 goals of smart, sustainable and inclusive growth. The specific focus of the European Regional Development Fund under the investment in growth and jobs goal will be on research and innovation, information and communications technologies (ICT), small and medium-sized enterprises (SMEs) and promoting a low carbon economy. In addition, it is considered necessary for the ERDF to support integrated actions for sustainable urban development.

For the 2014-2020 programme period there are additional provisions that have been introduced as agreed between the European Commission, the European Parliament and the Member States, which must also be taken into account. These include:

- Conditionalities (both ex-ante and macro-economic);
- Thematic Concentration on a limited set of priorities;
- Enhanced results-orientation and a performance framework;
- Introduction of e-cohesion and simplification for beneficiaries;
- New potential administrative arrangements (ITI, CLLD etc.) and promotion of the greater use of Financial Instruments.

This OP has been prepared in this context and sets out a development strategy, including a coherent set of priorities to meet the strategic objectives that have been set for the Regional OP, taking account of specific regional needs.

### 1.2 Legal basis

The Treaty on the Functioning of the European Union (Article 176) provides that the European Regional Development Fund is intended to redress the main regional imbalances in the Union, thus contributing to economic, social and territorial cohesion.

---

<sup>1</sup> Article 90 of the Common Provisions Regulation

The legal basis for the preparation and content of the Operational Programme is set out in the Common Provisions Regulation (EU) 1303/2013, which will be referred to as the Common Provisions Regulation (CPR) throughout this programme document. The Common Provisions Regulation is supplemented by a guidance document and a structured template for the content of the Operational Programme, which has been provided by the European Commission under a Delegated Act.

Specific provisions concerning the types of activity which can be supported by the ERDF, in order to contribute to the investment priorities within the agreed thematic objectives set out in the Common Provisions Regulation, are laid down in the ERDF Regulation (EU) 1301/2013.

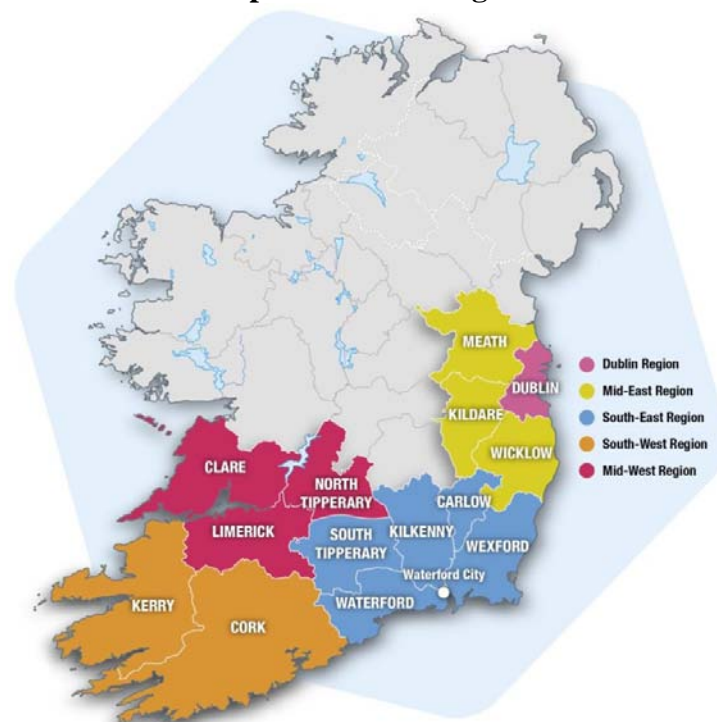
### **1.3 Definition of the Southern and Eastern region**

The eligible region as covered by this OP is called the Southern and Eastern (S&E) Region which is a NUTS II region. The S&E region accounts for 53% of the land area of Ireland, 73% of the population and 81% of GVA<sup>2</sup>. As of the 1<sup>st</sup> June, 2014 the S&E Region consists of the following 17 No. Local Authority areas:

Dublin City, Cork City, Limerick City & County, Waterford City & County, and Counties Dún Laoghaire-Rathdown, Fingal, South Dublin, Clare, Carlow, Tipperary, Wexford, Kilkenny, Cork, Kerry, Kildare, Meath, Wicklow.

The territory is presented in the map (below).

**Map of the S&E Region**



*Source: S&E Regional Assembly*

Arising from planned reforms of local and regional administration in Ireland announced by the Irish Government in October 2012, the two existing Regional Assemblies and eight Regional Authorities are to be re-configured into revised Regional Assemblies following the

<sup>2</sup> Source: CSO County Incomes and Regional GDP (2010): Table 17a.

European and Local elections in mid-2014. Ireland has not yet applied to Eurostat to re-define the NUTS classifications. In compliance with Articles 90 and 99 of the Common Provisions Regulation, the existing NUTS II classifications must therefore be used for programming purposes for the 2014-2020 programme period.

## ***1.4 Preparation of the Operational Programme and the Partnership Principle***

The Southern and Eastern Regional Operational Programme was prepared in co-operation with a wide range of partners and stakeholders as required under Article 5 of the Common Provisions Regulation and as detailed in the ‘Code of Conduct on Partnership’ which is intended to support and facilitate Member States and Managing Authorities in the implementation of the partnership principle. This principle has long been one of the key guiding principles of the EU funds under shared management with Member States and Regions and it implies close co-operation and involvement of public authorities, regional and local stakeholders, private and sectoral and community representatives in all stages of programming, from planning through to implementation, monitoring and evaluation. The added value of the partnership principle lies in the enhanced commitment to and ownership of Cohesion Policy and the increased expertise and valuable perspectives which each partner brings to the programming process. Partnership also helps to improve co-ordination and avoid policy fragmentation.

The Code of Conduct on Partnership requires that all partners who can significantly influence or be significantly affected by implementation of the programmes should be involved in a timely, meaningful and transparent manner; and, in particular those partners who are most relevant in view of the planned use of the European Structural and Investment Funds contributing to the programme.

The preparation of this programme followed several key overlapping stages, with attention paid to the partnership principle at every stage.

### **Phase 1 Initial Stakeholder Consultation**

The first phase of the preparation process was the issuing of a consultation paper to all identified stakeholders in April 2013. This paper included the policy context for the 2014-2020 programmes, details on Thematic Objectives and Investment Priorities, implementation arrangements and programme requirements. Stakeholders were invited to make submissions and to respond to key questions as follows:

1. What are the problems / issues /opportunities from your perspective (or within the remit of your organisation) that are best addressed by the new round of ERDF Programmes? (Please bear in mind the eleven Structural Funds thematic objectives from the draft regulations referred to above).
2. From the list of thematic objectives, in your opinion which other objectives should be included in the Operational Programmes, not covered by the first four Thematic Objectives?
3. Bearing in mind the thematic objectives, do you have any views on whether new implementation arrangements, such as Community Led Local Development, Integrated Territorial Investments, or Financial Instruments should be deployed in the new programming period?

- |  |
|--|
| <ol style="list-style-type: none"><li>4. What key things need to change in the way the Funds are currently used in order to reduce the administrative burden involved, whilst conforming to EU management control requirements?</li><li>5. Are there improvements which could be made to the way the Horizontal Principles of Equality and Sustainable Development are integrated into the programme design?</li></ol> |
|--|

This consultation paper and invitation to make submissions was issued to the following:

- Regional Authorities, Local Authorities;
- Government Departments and Development Agencies;
- Potential Implementing Bodies and Beneficiary Bodies;
- Higher Education Institutions and their regional network organisation;
- Organisations representing business and employers and trade unions;
- Community and voluntary organisations; and
- Organisations representing the horizontal principles of environmental sustainability, and equality, including gender equality and social inclusion.

In addition, the Monitoring Committee for the S&E Regional OP was consulted at a meeting on 30<sup>th</sup> April, 2013. The members of the Regional Assembly were briefed on the Cohesion Policy and consulted with on the programme preparation at a joint meeting with the BMW Regional Assembly on 12<sup>th</sup> July 2013. Workshops were held with the members of the Southern and Eastern Regional Assembly on 25<sup>th</sup> October 2013 and again on the 8<sup>th</sup> February 2014 to brief the members on the preparation of the programme and to engage them in the process.

Arising from the invitation to make submissions, 24 were received in total (see Annex 1). These submissions were reviewed in detail in the context of the Needs Analysis and the identification of investment priorities and a summary of each was included in the draft ERDF Needs Analysis Report. They are published on the Southern Regional Assembly web-site [www.southernassembly.ie](http://www.southernassembly.ie).

## **Phase 2 Consultation on draft ERDF Needs Analysis and identified investment priorities**

The Needs Analysis process was undertaken jointly with the Border, Midland and Western Regional Assembly and the Department of Education & Skills (ESF Managing Authority), with the expert assistance of the National Institute for Regional and Spatial Analysis, NUI Maynooth and the Limerick Institute of Technology. The outcomes of the analysis are detailed in Chapter 2 of this Operational Programme.

An overview of the Needs Analysis and proposed investment priorities for the ERDF co-financed Regional OPs was presented at the Partnership Agreement consultation workshop on 13<sup>th</sup> November in Dublin, which was attended by national and regional authorities and representative organisations.

Following completion of the Needs Analysis, a half-day regional consultation workshop was held on 26<sup>th</sup> November 2013 in the offices of the S&E Regional Assembly. The workshop facilitated engagement with stakeholders on the outcomes of the Needs Analysis, the proposed investment priorities and the ex-ante evaluation process.

In total, 73 organisations were invited to attend, of whom 16 attended, representing local authorities, regional authorities, state development agencies, Regional OP Monitoring Committee member and economic and social partners.



### **Phase 3: Meetings with Government Departments and Agencies**

Over the February to November 2013 period, meetings were held with relevant Government Departments and State Agencies on the preparation of the Regional Operational Programmes and potential actions for inclusion in the programmes. These meetings were held jointly with the BMW Regional Assembly and with the Department of Public Expenditure and Reform. Roundtable meetings involving the Managing Authorities for all 4 funds were held with representatives of the horizontal principles of sustainable development, equality, gender equality and social inclusion in Dublin on 23<sup>rd</sup> January 2014 to review the proposals for the integration of these principles into the European Structural and Investment fund programmes, in compliance with Articles 7 and 8 of the Common Provisions Regulation.

A roundtable meeting was hosted jointly by the Regional OP Managing Authorities with the statutory bodies with responsibility for the horizontal principles on 18<sup>th</sup> June 2014 to discuss in detail the proposed arrangements for the integration of the horizontal principles into the Regional OPs. The meeting reviewed proposed arrangements for screening each of the co-funded schemes in respect of the principles and the arrangements for reporting to the Managing Authority and the Monitoring Committee.

### **Phase 4: Public Consultation on draft S&E Regional Operational Programme**

The Southern & Eastern Regional Assembly approved the final draft for public consultation on 2nd May 2014. The Monitoring Committee for the S&E Regional OP was consulted on the final draft on 14th May 2014.

The final draft of the S&E Operational Programme along with the draft Environmental Report prepared in accordance with the SEA Directive was made available widely for public consultation between 30th May and 30th June 2014. Arising from this, 15 submissions were received and these were reviewed and summarised and informed final amendments to the Operational Programme text.

These submissions influenced the programme strategy and OP content in a number of important areas. They reinforced the need for fibre broadband infrastructure in currently unserved areas, the need for an adequately funded urban initiative available to the designated gateways (and hubs) and the need for supports for innovation and entrepreneurship. They also provided additional input into the defined needs of rural areas, the use of universal design in public infrastructure. The submissions highlighted the importance of integrating sustainability principles and compliance with EU and national environmental legislation and the importance of assessing the social impacts of public investment. The submissions also identified other investment priorities that could have been considered, e.g., major transport infrastructure, renewable energy, supports for health infrastructure.

The ex-ante evaluation report (section 3.1) describes the process of programme development undertaken by the Managing Authority as having been “well planned, focussed and structured whilst allowing time for debate and discussion around key elements of programme design.”

## ***1.5 Partnership Agreement for the European Structural and Investment Funds***

Ireland submitted its Partnership Agreement for the European Structural and Investment Funds to the European Commission on the **22<sup>nd</sup> April 2014**. The Partnership Agreement sets out arrangements to ensure alignment with the Union strategy for smart, sustainable and inclusive growth; an analysis of disparities, development needs and growth potentials; selected Thematic Objectives and a summary of the results expected; indicative allocations at national level; arrangements to ensure the effective implementation and co-ordination between of the funds; a summary of the assessment of ex ante conditionalities; and, a summary of the integrated approaches to territorial development.

## ***1.6 Operational Programme Structure***

The remainder of the Operational Programme is structured as follows:

Chapter 2 details the programme strategy, taking account of the policy context, socio-economic situation, territorial development needs and growth potentials. A justification for the selected Thematic Objectives and Investment Priorities is also provided.

Chapter 3 describes each of the Priorities, including the Priority objectives, planned actions and implementation arrangements, results expected, target groups and specific territories targeted (where appropriate) and financial and output indicators in respect of the performance framework. The principles for the selection of operations under each Priority axis are also provided.

Chapter 4 provides the financial plan for the Operational Programme, including tables specifying for each year and for each Priority axis the amount of the financial appropriation from the ERDF and the national co-financing and also indicating the amounts related to the performance reserve. This chapter also includes a justification of the financial allocations, taking account of the findings of the ex-ante evaluation. An indicative list of expected major projects is also provided.

Chapter 5 describes the proposed actions to take into account environmental protection, promotion of equal opportunities and equality between men and women.

Chapter 6 details the mechanisms for co-ordination of the programme with other EU and national funding programmes and the programme contribution to the Atlantic Strategy.

Chapter 7 describes the arrangements for the implementation and monitoring and financial management and control of the Programme and the responsible authorities are identified. This includes the proposed involvement of partners in the implementation, monitoring and evaluation of the programme. A summary of the assessment of the administrative burden on beneficiaries is also provided and the actions planned to reduce the burden.

The Annexes include a review of the fulfilment of the applicable ex ante conditionalities.

## Chapter 2: Programme Strategy

### 2.1 Introduction

In accordance with Article 27 of the Common Provisions Regulation, each Programme is required to set out a strategy for the Programme's contribution to the Union strategy for smart, sustainable and inclusive growth consistent with this Regulation, the fund-specific rules and with the content of the Partnership Agreement. This chapter of the Programme details the programme strategy, taking account of the EU and national policy context, socio-economic situation, territorial development needs and growth potentials. It presents a summarised SWOT and territorial analysis of the S&E region, drawing in particular, on the outcomes of a comprehensive Needs Analysis process undertaken in 2013. A justification for the selected Thematic Objectives and Investment Priorities is also provided.

### 2.2 EU Policy Context

EU Cohesion Policy for the period 2014-2020 has a key role in delivering on the European 2020 objectives and also needs to ensure that the strategy is implemented according to territorial cohesion principles.

**Europe 2020**, which is the European Union's overarching growth strategy, puts forward three mutually reinforcing priorities:

- Smart growth: developing an economy based on knowledge and innovation;
- Sustainable growth: promoting a more resource efficient, greener and more competitive economy; and
- Inclusive growth: fostering a high-employment economy delivering social and territorial cohesion.

It also focuses on five overarching headline targets that have to be reached by 2020. These targets require a mixture of national and EU action, utilising the full range of policies and instruments available including the European Regional Development Fund (ERDF). The same principle applies for the seven underpinning flagship initiatives.

The alignment of the Cohesion Policy and the Europe 2020 Strategy for Smart, Sustainable and Inclusive Growth is conducted through the definition of 11 Thematic Objectives (Article 9, CPR), further broken down by Investment Priorities (Article 5, ERDF regulation) to be addressed via the process of thematic concentration (Article 4, ERDF Regulation).

The first building block for the **Cohesion Policy 2014-2020** was the Fifth Cohesion Report<sup>3</sup> which was adopted in November 2010. It introduced a strategic framework for aligning Cohesion Policy with the Europe 2020 Strategy, highlighting the importance of a strategic programming approach for the post 2013 period. The Report envisaged that a Common Strategic Framework (CSF) adopted by the Commission would translate the Europe 2020 strategy into investment priorities. Based on the CSF, Partnership Agreements will be drawn up on a national level to outline the allocation of national and EU resources between programmes and priority areas, conditionalities and targets. These would be agreed and signed between the Member State and the Commission. Operational Programmes (OPs)

---

<sup>3</sup> [http://ec.europa.eu/regional\\_policy/sources/docoffic/official/reports/cohesion5/pdf/5scr\\_en.pdf](http://ec.europa.eu/regional_policy/sources/docoffic/official/reports/cohesion5/pdf/5scr_en.pdf)

would then draw on these strategic documents and translate them into specific investment priorities, with measurable targets.

The adoption of the **Territorial Agenda<sup>4</sup> 2020** in May 2011, aimed to provide strategic orientation for territorial development, fostering the integration of the territorial dimension within different policies across all governance levels while overseeing the implementation of the “Europe 2020” strategy in accordance with the principle of territorial cohesion.

The **Common Provisions Regulation** (EU) 1303/2013 adopted in December 2013 is designed to reinforce the strategic dimension of the policy and to ensure that EU investment is targeted on Europe's long-term goals for growth and jobs. In order to ensure that the European Structural and Investment Funds deliver long-lasting impacts, the CPR contains a new approach to the way cohesion policy is designed and implemented, namely:

- Concentrating on the Europe 2020 Strategy’s priorities of smart, sustainable and inclusive growth;
- Introduction of conditionalities;
- Rewarding performance;
- Supporting integrated programming;
- Focusing on results – monitoring progress towards agreed objectives;
- Reinforcing territorial cohesion; and
- Simplifying delivery.

The Common Provisions Regulation (CPR) – which establishes the key areas of support, territorial challenges to be addressed, policy objectives, priority areas for cooperation activities, coordination mechanisms and mechanisms for coherence and consistency with the economic policies of Member States and the Union – defines the thematic objectives for the Common Strategic Framework Funds that contribute to the EU strategy for smart, sustainable and inclusive growth.

The draft CPR (Article 9) provides that the ESI Funds shall support the following 11 **Thematic Objectives**:

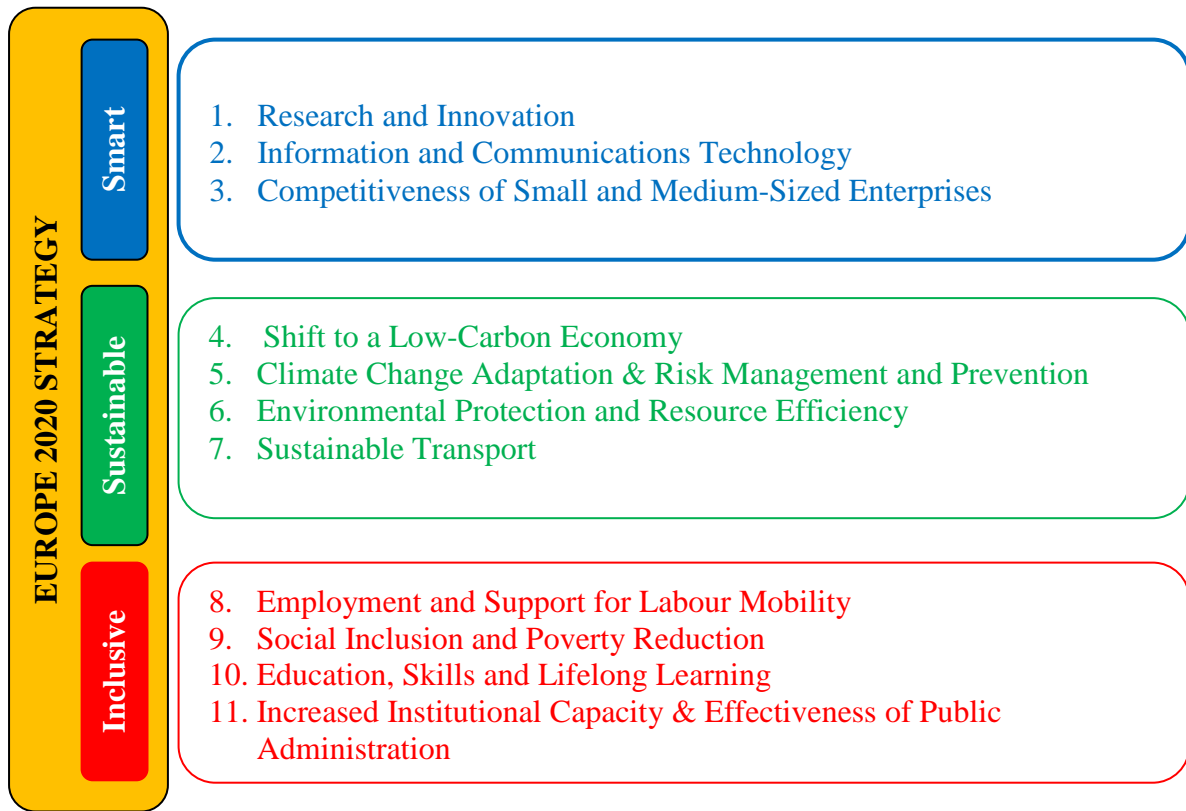
1. Strengthening research, technological development and innovation;
2. Enhancing access to, and use and quality of, information and communication technologies;
3. Enhancing the competitiveness of small and medium-sized enterprises, the agricultural sector (for the EAFRD) and the fisheries and aquaculture sector (for the EMFF);
4. Supporting the shift towards a low-carbon economy in all sectors;
5. Promoting climate change adaptation, risk prevention and management;
6. Protecting the environment and promoting resource efficiency;
7. Promoting sustainable transport and removing bottlenecks in key network infrastructures;
8. Promoting employment and supporting labour mobility;
9. Promoting social inclusion and combating poverty;
10. Investing in education, skills and lifelong learning; and
11. Enhancing institutional capacity and an efficient public administration.

These are broken down in the context of the Europe 2020 strategy as follows:

---

<sup>4</sup> <http://www.eu2011.hu/files/bveu/documents/TA2020.pdf>

**Breakdown of the Eleven CSF thematic objectives in the context of the  
Europe 2020 Strategy**



The **European Regional Development Fund (ERDF)** aims to strengthen economic, social and territorial cohesion in the European Union by correcting imbalances between regions. In particular, the ERDF supports the following activities in order to contribute to the investment priorities as set out in Article 5 of the draft ERDF Regulation:

1. Productive investment, which contributes to creating and safeguarding sustainable jobs, through direct aid for investment in small and medium-sized enterprises (SMEs);
2. Productive investment, irrespective of the size of the enterprise concerned which contributes to investment priorities (1) to (4) of Article 5 of the ERDF Regulation;
3. Investments in infrastructure providing basic services to citizens in the areas of energy, environment, transport, and information and communication technologies (ICT);
4. Investments in social, health, research, innovation, business and educational infrastructure;
5. Investment in the development of endogenous potential through fixed investment in equipment and small-scale infrastructure;
6. Services to enterprises, support to research and innovation bodies; and investment in technology and applied research in enterprises; and
7. Networking, cooperation and exchange of experience between competent regional, local, urban and other public authorities, economic and social partners and relevant bodies representing civil society, studies, preparatory actions and capacity building.

To ensure that EU investments are concentrated on those priorities, minimum allocations are set in the ERDF Regulation for a number of priority areas. In addition, the proposed ERDF regulation provides for an increased focus on sustainable urban development.

The aim of the **Common Strategic Framework** is to increase coherence between policy commitments made in the context of Europe 2020 and investment on the ground through the Operational Programmes. It encourages integration by setting out how the funds can work together and provides a source of strategic direction to be translated by Member States and regions into the programming of the CSF Funds in the context of their specific needs, opportunities and challenges. This builds on experience from previous programming periods and serves to address several factors affecting the effectiveness of investment including the need for a strategic orientation and concentration, the need to avoid fragmentation of investments and a weak response to actual needs.

The Common Strategic Framework translates the objectives and targets of the Union priorities of smart, sustainable and inclusive growth into key actions for the ERDF, the CF, the ESF, the EAFRD and the EMFF in order to ensure an integrated use of the CSF Funds to deliver common objectives. The Common Strategic Framework requires a focus on a small number of priorities in order to concentrate resources from the Structural Funds and national budgets on a small number of thematic priorities, linked to the Europe 2020 objectives, including:

- Each of the Thematic Objectives set out in the proposal for the Common Provisions Regulation;
- The main Europe 2020 targets and policy objectives that should be addressed by Member States in their Partnership Agreements, closely linked to their National Reform Programmes, and key actions, corresponding to investment priorities and Union priorities, which are expected to generate the greatest impact on growth, jobs and sustainability during implementation of the programmes;
- Specific outputs and results to be achieved, within a more results-oriented monitoring and evaluation framework and linkages with the governance process of the European Semester;
- The coordination and integration of the CSF Funds;
- Horizontal principles and policy objectives for the implementation of the CSF Funds;
- The development of Partnership Agreements and programmes to address the territorial challenges of smart, sustainable and inclusive growth; and
- Strengthen partnerships in order to increase the involvement of local and regional stakeholders, social partners and civil society organisations in the implementation of Operational Programmes' priorities for cooperation activities.

Based on the foregoing context, the **European Commission Position Paper on Ireland**, prepared on an inter-services basis, provides strategic direction for the use of Structural Funds in the 2014-2020 programming period. It identifies key country challenges and calls for an optimisation of the use of the funds, by concentrating resources in a limited number of priority areas.

Among the key challenges identified are:

- High levels of overall and youth unemployment, increasingly long-term in nature and the increasing risk of social exclusion;

- Insufficient commercialisation of basic research;
- Low availability of finance for the private sector, particularly for SMEs; and
- Inefficient use of resources.

The position paper on Ireland calls for optimising the use of European Structural and Investment Funds by establishing a strong link to productivity and competitiveness enhancing reforms, leveraging private resources and boosting potential high growth sectors, while emphasising the need to preserve solidarity within the Union and ensuring the sustainable use of natural resources for future generations. There is also a need to concentrate future EU spending on priority areas to maximise the results to be obtained, rather than spreading funding too thinly.

The position paper encourages Ireland to focus on fostering competitiveness and employment and to address inefficient use and exploitation of natural resources and exploiting the job-creation and commercial opportunities provided by the harnessing of Ireland's substantial renewable energy resource including marine renewables.

Priorities for funding identified in the position paper include:

- Combating long-term and youth unemployment and social exclusion;
- Promotion of R&D investment and the competitiveness of the business sector; and
- Promotion of an environmentally friendly and resource-efficient economy.

The position paper also addresses arrangements for efficient programme delivery, co-ordination, complementarity and synergy, reduction in the administrative burden and partnership arrangements.

The Common Provisions Regulation also includes **innovative administrative arrangements** for the 2014-2020 programmes which are optional for ERDF co-financed programmes, namely, Community Led Local Development (CLLD) and Integrated Territorial Investments (ITI). Both seek to engage regional and local actors and local communities in the implementation of programmes.

Community-led local development (CLLD) is a mechanism for involving partners at local level in programme delivery on a bottom-up basis, as exemplified by the LEADER approach to rural development. CLLD is focused on specific sub-regional territories, led by local action groups that must be composed of representatives of public and private local socio-economic interests. Supported investments are implemented via integrated and multi-sectoral area-based local development strategies. CLLD aims at increasing the effectiveness and efficiency of territorial development strategies by delegating decision-making and implementation to a local partnership of public, private and civil society actors.

An Integrated Territorial Investment (ITI) is an instrument which provides for integrated delivery arrangements for investments. This can be applied on a top-down basis where a territorial strategy for an urban, rural or other defined area involves investment from more than one priority axis of one or more Operational Programme. In this manner, funding from several Priority axes and programmes can be bundled into an integrated investment strategy for a certain territory or functional area. Such an integrated territorial investment strategy can be introduced over the lifetime of the Operational Programme(s) and An ITI allows Managing Authorities to delegate the implementation of parts of different Priority axes to one

body (such as a local authority) to ensure that investments are undertaken in a complementary manner.

In addition, European Structural and Investment Funds (including ERDF) may be used to support financial instruments under one or more programmes, including when organised through special purpose holding funds, in order to contribute to the achievement of specific objectives. While not necessarily an administrative innovation, one of the European Commission’s objectives for the 2014-2020 period is to increase the overall level of European Structural and Investment Funds delivered through Financial Instruments (FI). Financial Instruments are geared towards investments which are expected to be financially viable and where a clear market failure currently exists. A financial instrument is essentially a fund which is set up using EU Structural Funds with the aim of investing in projects and leveraging other financing, including that from the EIB i.e. instead of using EU funds as a grant, a financial instrument invests in projects that generate a return.

### 2.3 National Policy Context

Ireland’s **National Reform Programme 2014 (NRP)** sets out the progress towards achievements of Ireland’s headline targets under the Europe 2020 Strategy. It is presented within the framework of the enhanced economic governance arrangements underpinning the European Semester and in tandem with the medium-term macroeconomic outlook provided by the Stability Programme Update.

The NRP is intended to be consistent with the territorial aspects of the Europe 2020 Strategy, to achieve smart, sustainable and inclusive growth by recognising and harnessing the potential of different regions, each with their diverse but complementary development opportunities.

**Table 1: Europe 2020 Headline & Ireland Targets**

<b>Europe 2020 Headline Target</b>	<b>National Target - Ireland</b>	<b>Achievement (NRP April 2014)</b>
75% of population aged 20-64 should be employed	69-71%	65.5% (2013) 70.9% (Men) 60.3% (Women)
3% EU’s GDP should be invested in R&D	2% of GDP 2.5% of GNP	1.72% of GDP 2.13% of GNP
20/20/20 climate/energy targets should be met (including an increase to 30% of emissions reduction if the conditions are right): 20% of energy from renewables 20% increase in energy efficiency 20% reduction in greenhouse gas emissions in the non-traded sector compared to 2005 levels	16% energy from renewables  20% increase in energy efficiency  20% reduction in greenhouse gases	7.1% (2012) of energy is from renewables; 19.6% of electricity is from renewables  1% reduced consumption (NEEAP, 2011)  Reduction is estimated between 1.6% and 2.5% in 2013 (EPA,



		2013)
The share of early school leavers should be under 10% and at least over 40% of the younger generation should have a tertiary degree.	Early school leavers under 8% 30-34 year olds with a tertiary degree at least 60%	9.7% (2012) 51.1% (2012)
At least 20m fewer people in at-risk-of-poverty and social exclusion	The Irish contribution to the Europe 2020 target is to reduce by a minimum of 200,000 the population in 'combined poverty' (i.e., consistent poverty or at-risk-of-poverty or basic deprivation).  The National Social Target for Poverty Reduction in Ireland is to reduce consistent poverty to 4 per cent by 2016 (interim target) and to 2 per cent or less by 2020, from a baseline rate of 6.3 per cent in 2010.	The population experiencing 'combined poverty' was 35.7 per cent in 2012, equating to 1.6 million people. Nominally, this represents an increase of 95,000 from 2011 or 225,000 people on the 2010 baseline figures.  The latest (2012) rates for poverty and deprivation are: 1. At-risk-of-poverty 16.5% 2. Deprivation rate 26.9% 3. Consistent poverty rate 7.7%

In April 2014, the Irish Government submitted its stability programme update for 2013<sup>5</sup>. The Government's stated primary macroeconomic policy objective is to put the economy back on a sustainable growth path so as to move to a point where sustained net employment creation is taking place. It reports that considerable progress is being made towards achieving this objective and that competitiveness has improved substantially in recent years, underpinning strong inward investment flows and robust export growth. In addition, tangible progress is being made to ensure a banking system healthy enough to support productive investment by *inter alia* the SME sector. In relation to the public finances, the policy objective remains the correction of the excessive general government deficit by 2015, as recommended by the ECOFIN Council in late-2010.

The **country-specific recommendations on Ireland's 2014 National Reform Programme** published in June 2014, made a number of recommendations in relation to the continuation of budgetary structural adjustment efforts, enhance cost-effectiveness in the health sector, improve active labour market policies and continue reforms of further education and training, tackle low work intensity households and facilitate female labour market participation, advance initiatives to improve SME's access to finance, accelerate restructuring solutions for mortgages in arrears and address the costs of legal services. The actions proposed under Priority 3 of the S&E Regional OP will enhance SME's access to finance, while supports for RTDI under priority 1 will also make a contribution to delivering on this recommendation.

<sup>5</sup> <http://www.finance.gov.ie/documents/publications/reports/2013/spufin2013.pdf>

The multi-annual **Action Plan for Jobs** process aims to have 100,000 more people in work by 2016 and 2 million people in work by 2020 through the introduction of additional employment supporting measures. Assuming the current 20-64 year old population holds constant, attaining the *Action Plan for Jobs* target would have a significant positive impact on Ireland’s 2020 employment rate target, reaching 67.6% by 2016 and 70.1% by 2020, almost exactly the mid-point of Ireland’s employment rate range of 69%-71% for 2020.

The Government's first *Action Plan for Jobs* was launched in February 2012 and contained 270 distinct actions to be implemented across 15 Government Departments, as well as a number of State Agencies and Offices to improve the operating environment for business and support the creation of jobs. Of the 270 actions for delivery in 2012, 249 (92%) were implemented on time and while unemployment remains high, there are signs of progress in the labour market. For example in 2012, IDA Ireland-supported multinational companies created the highest number of new jobs in a decade with 6,570 net new jobs recorded, whilst Enterprise Ireland-supported indigenous companies had their best performance since 2006 with the creation of more than 3,000 net new jobs.

In February 2013, the Government launched the 2013 *Action Plan for Jobs* which will build on the progress made in 2012. The 2013 Plan contains a total of 333 actions for delivery across all Government Departments and 46 State agencies. These actions will support improved access to finance by SMEs, help to build competitive advantage, further improve the skills base, and encourage entrepreneurship and support start-up activity, assist businesses to grow, and develop and deepen global investment opportunities. The Plan includes seven landmark projects, or “Disruptive Reforms”, which have been selected for particular attention because of their potential to have a significant impact on job creation.

In November 2011 the Irish Government published its medium-term capital investment framework, **Infrastructure and Capital Investment 2012–2016**. The report presented the outcomes of a Government-wide review of infrastructure and capital investment policy led by the Department of Public Expenditure and Reform, taking account of the constrained fiscal environment.

The framework looked at four components of the investment strategy, namely:

1. **Economic infrastructure:** encompassing transport networks, energy provision and telecommunications capacity;
2. **Investment in the productive sector and human capital:** such as direct supports for enterprise development and science, technology and innovation advancement and capital investment in educational infrastructure;
3. **Critical social investment:** such as the health service and social housing programmes; and
4. **Environmental infrastructure:** including waste and water systems and investment for environmental sustainability.

**Table 2: Infrastructure & Capital Investment Priorities 2012–2016**

<p>Infrastructure Investment Priorities 2012 – 2016</p> <p>1. Economic Infrastructure</p> <ul style="list-style-type: none"> <li>• Adequate maintenance of the National Road Network and targeted improvements to specific segments including advancing PPPs;</li> <li>• Development of the Cross-City Luas line and continued investment in rail safety, replacement of public buses, upgrading bus corridors and completion of important</li> </ul>
---

pedestrian and cycle lane projects;

- Support investment in Next Generation Broadband; and
- Enhancement of Ireland's tourism product offering.

## 2. Productive Sector and Human Capital

- Continued support to industry and to RTDI investment;
- Investment in Agriculture, food and the marine programmes;
- Expand stock and capacity of primary and second level schools; and
- Completion of existing higher education capital commitments.

## 3. Environmental Infrastructure

- Water services investment to ensure adequate capacity and meet environmental targets;
- Transition to alternative funding models to meet energy efficiency targets; and
- Investment in flood defence and mitigation and continued investment in forestry support programmes.

## 4. Social Investment

- Maintain health capital spending;
- Support primary care, long-term care and community care facilities;
- Further investment in social housing; and
- Sports capital investment.

The **National Spatial Strategy 2002-2020** provides a twenty-year planning framework aimed at achieving a better balance of social, economic and physical development and population growth across the regions. The NSS represents an important territorial development framework and defines a long-term spatial development strategy, to which other national policies should adhere. In particular, the NSS calls for a focussing of investment around a network of nine competitive Gateways, supported by an additional nine Hub towns as well as other large towns in order to drive the development of their wider regions.

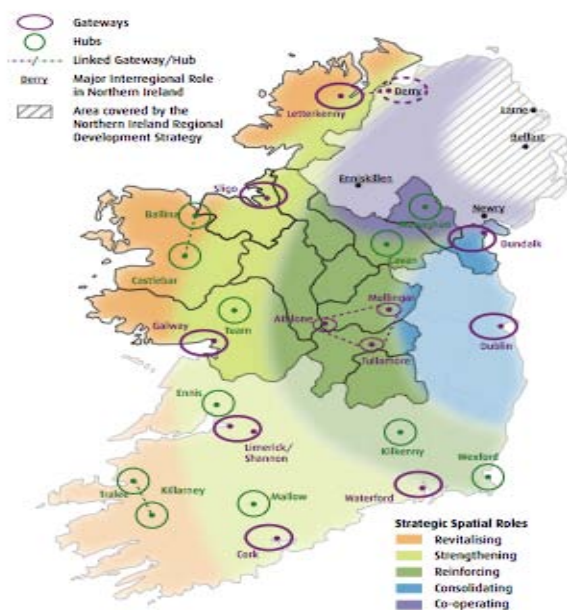
The NSS recognises the divergent levels of economic growth between and within the S&E and BMW Regions. It underlines the importance of more balanced regional development as a policy priority and proposes that the principal way of addressing this is to harness the development potential of key Gateways and Hubs, which will help generate critical mass in the regional economies. The development of these urban centres is intrinsically linked to the development of the surrounding hinterlands.

The NSS sees population growth as a key asset which can be harnessed in order to achieve balanced regional development. Balanced regional development is predicated on building strong urban structures to accommodate this population growth right across the country. There are four designated Gateways in the S&E Region: Cork, Dublin, Limerick-Shannon and Waterford and five in the BMW Region: Dundalk, Galway, Letterkenny, Sligo; and the Midland Gateway of Athlone, Mullingar and Tullamore. In addition a number of support Hub towns are identified in each region (S&E Region: Ennis, Kilkenny, Mallow, Tralee/Killarney and Wexford and in the BMW Region: Castlebar/Ballina, Tuam, Cavan, Castlebar/Ballina, Monaghan and Tuam, see Map 1 below).

The NSS recognises that County towns and large provincial towns are critical elements in Ireland’s spatial structure and act as a focus for strengthening their hinterlands. It also recognises (p. 36) that smaller towns and villages also have much potential that can be capitalised on and they have a vital contribution to make to balanced regional development. Rural areas also make an important contribution to the broader regional economy in sectors such as agriculture and food, marine, tourism, forestry, natural resources and energy and in the provision of local services. The enhance availability of broadband provides opportunities for enterprises based in small settlements to have a global reach.

The publication of the report *Implementing the National Spatial Strategy: 2010 Update and Outlook* in October 2010 provided the first review of progress to date of Ireland’s NSS. This report continued to emphasise that the NSS remains a critical instrument to inform and assist the prioritisation and co-ordination of scarce resources. However the report recognises that many Gateway and Hubs have underperformed in the period under review (this is also illustrated in the Gateway Development Index Reports). It is acknowledged that development-driven planning and urban-generated commuter settlement patterns during the boom years have created demand for uneconomic and inefficient infrastructure, and service provision in suburban and extra-urban green-field locations. The report recommends that future significant capital investment in physical infrastructure should be more closely aligned with settlement policy in order to better integrate strategic planning and investment prioritisation so that infrastructure provision is efficiently targeted and co-oriented. Recognition is also given to addressing the challenges of Ireland’s rural areas and to fully utilise the potential and uniqueness of these areas. The report crucially also recommends the development and identification of more practical and realistic arrangements for the co-ordination of regional investment – which involves improving linkages between Government Departments and Agencies, regional and local authorities in the context of strengthening regional and local government in general.

**Map 1: National Spatial Strategy 2002-2020 Gateways & Hubs Map**



Source: CSO, *National Income and Expenditure, Annual Results 2011*

The NSS underlines the importance of the Gateways as drivers for regional growth, recognising that this growth is mainly generated by urban centres. It stresses the importance of enhancing the role of the Gateways in regional areas in order to provide balanced growth within Ireland. This supports the justification for the inclusion of an urban development priority in the Regional OPs in order to strengthen the capacity of the designated growth centres in both regions to drive the regions' competitiveness growth and to counterbalance the spatial imbalances that currently exist across the regions. The Department of Environment, Community and Local Government (DoECLG) recently announced their intention to undertake a full review of the NSS to be completed by the end of 2014 or early 2015.

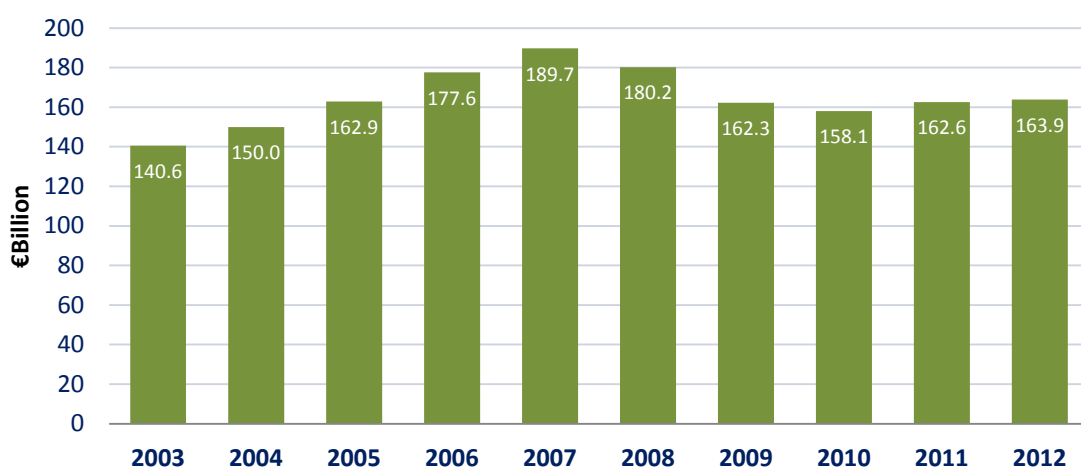
The **National Action Plan for Social Inclusion** aims to build viable and sustainable communities, improving the lives of people living in disadvantaged areas and building social capital. Tackling disadvantage in urban and rural areas is a key priority. Social Inclusion policy is further discussed in Chapter 5: Horizontal Principles, 5.5 Promotion of Social Inclusion.

## 2.4 Socio-economic Context

Ireland faces a very significant challenge of emerging from the economic downturn that has affected the country since 2008 and placing the economy on a sustainable path to recovery. It is acknowledged that the European Structural and Investment Funds will deliver a very important contribution as a key source of public investment and serve as a catalyst for sustainable growth, employment and competitiveness, particularly in less advantaged regions. This section provides a brief analysis of the current national socio-economic context, including in respect of the regional disparities in economic, employment, demographic and deprivation trends.

The Irish economy has suffered considerable dislocation in recent years in the aftermath of the collapse of the real estate bubble in 2007 with Gross Domestic Product (GDP) down 9% in real terms from peak values.

**Figure 1: Ireland's GDP at Current Market Prices 2003-2012, €bn**

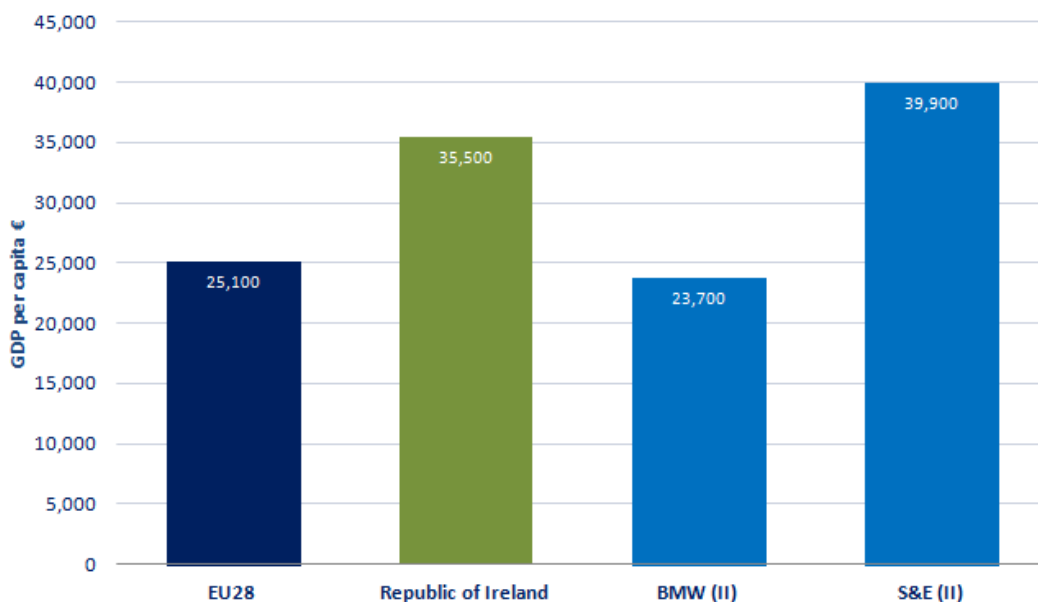


Source: CSO, National Income and Expenditure, Annual Results 2012

Economic activity contracted for three full years between 2008 and 2010, with sharp falls in investment and private consumption due to the effects of the banking crisis, fiscal consolidation, household deleveraging, low business investment and weak confidence. Public finances have also deteriorated markedly, with a government deficit (net of banking recapitalisation costs) of 9% of GDP recorded in 2011 (7.2% in 2013), one of the largest in the EU. In December 2010 a 3-year IMF-EU-ECB financial assistance programme was put in place, providing financing of €85 billion, which aimed at bringing the general government deficit to below 3% of GDP by 2015. Significant progress was made in closing this deficit and Ireland emerged from the IMF-EU-ECB financial assistance programme at the end of 2013.

While the economic crisis has hit Ireland particularly hard, a recovery in GDP growth of 2.8% in 2011 and modest growth of 0.1% in 2012 was recorded, mostly driven by a robust performance of net exports on the back of competitiveness gains, lower business costs and the continued attractiveness of Ireland as a location for Foreign Direct Investment (FDI). Total exports grew by 2.9% in 2012 in real terms to their highest level ever. Nationally, GDP per capita exceeds the EU-27 average by approximately thirty% (see Figure 2). These developments, together with the improvements seen in Government bond yields, represent a strong vote of confidence in Ireland.

**Figure 2: EU 27, Ireland NUTS II GDP per Capita 2011**



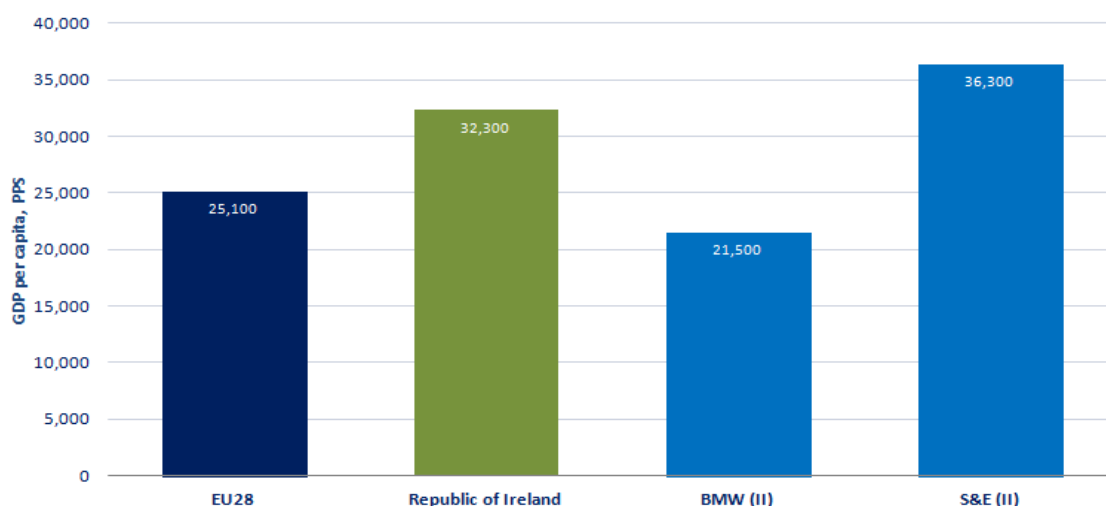
*Source: Eurostat, Regional GDP per capita in the EU in 2011*

While the consequences of the economic collapse have been severe, the past fifteen years has also seen unprecedented capital investment in the Irish economy, particularly in transport infrastructure and the development of Ireland’s R&D base. On this basis, Ireland is well placed to capitalise on the global upturn and a strengthening of Irish export growth is expected over the medium term. The improvement in exports should also translate into higher investment and confidence, with beneficial effects in the labour market and, eventually, on personal consumer spending. As a result, domestic demand, particularly in

respect of the domestic service economy, is projected to increase once again in 2014, although the pace of growth will likely be moderate given the scale of the imbalances that will still need to be worked through<sup>6 7</sup>.

There are very significant regional asymmetries in economic performance and the historical difference between the regions has re-emerged since the onset of the economic crisis. In 2010, GDP per capita (purchasing power standard) in the Southern and Eastern (S&E) region exceeded that recorded in the Border, Midland and Western (BMW) region by more than half (see Figure 3). This is largely due to the greater reliance of the BMW Region on construction activity, which masked the structural weakness of the underlying economy and has since contracted sharply. The dominance of Dublin and to a lesser extent Cork and Galway, as the economic engines for the country has become ever more pronounced in recent years. The combined share of manufacturing employment<sup>8</sup> in firms assisted by Ireland’s development agencies in Dublin, Cork and Galway rose from 42.5% in 2006 to 51.8% in 2011. In the services sector the domination of the “big three” cities was most pronounced with the combined share rising from 77.7% to 80.6%. A major future challenge for Ireland is managing these regional asymmetries and creating a more balanced economic structure while maintaining national competitiveness.

**Figure 3: EU 27, Ireland & NUTS II GDP per Capita 2011 (Purchasing Power Standard)**



*Source: Eurostat, Regional GDP Regional GDP per capita in the EU in 2011*

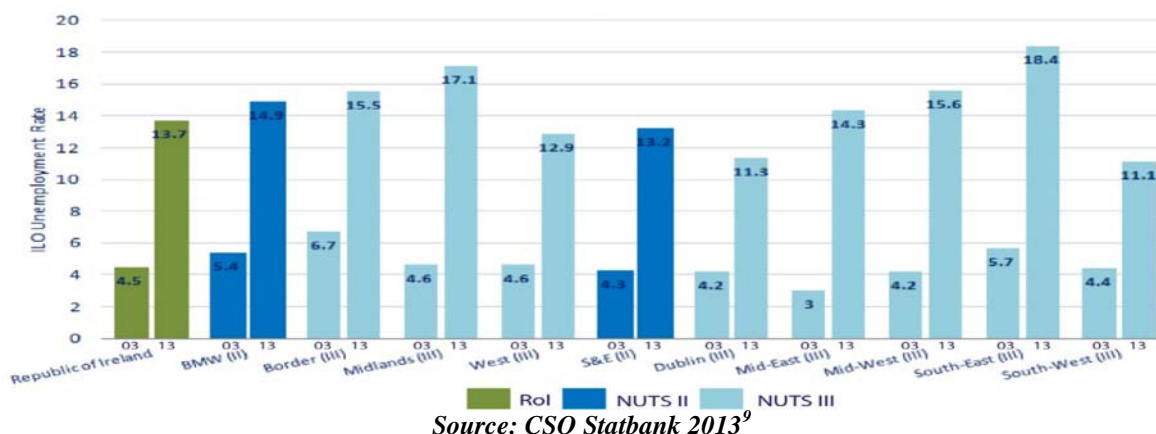
As a result of the economic downturn, almost all sectors of the economy experienced a sharp contraction in output. Consequently, this led to large-scale job losses and a rise in unemployment. Between 2000 and 2007 the unemployment rate averaged 4.5 per cent per annum. With the onset of recession the level and rate of unemployment increased substantially and employment has shrunk by almost 17% from its 2007 peak. Unemployment has risen ten percentage points since 2007 to a high of 14.8% in 2010 - one of the highest in Europe. Ireland’s unemployment challenge has been identified by both the European Commission and the Irish Government as the greatest challenge facing the country.

<sup>6</sup> Government of Ireland (2013), National Reform Programme for Ireland - 2013 Update

<sup>7</sup> <http://www.centralbank.ie/polstats/econpolicy/Pages/forecast.aspx>

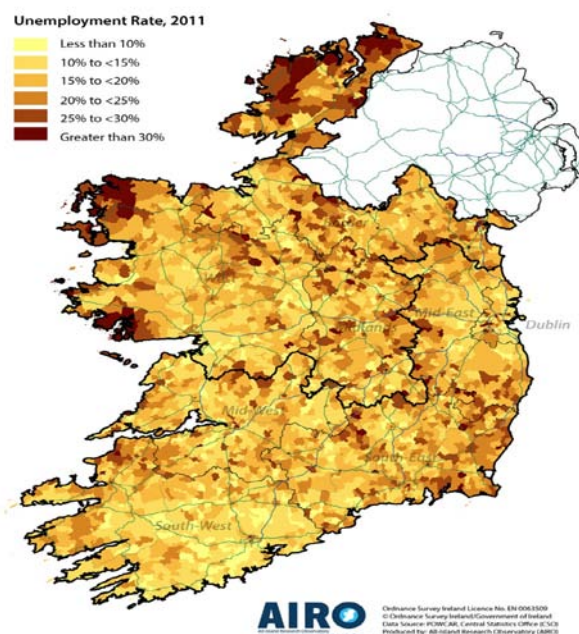
<sup>8</sup> Assisted by either the Industrial Development Authority or Enterprise Ireland

**Figure 4: Ireland, NUTS II & NUTS III ILO Unemployment Rate 2003-2013**



The unemployment rate fell back to just under 14% in 2013 and is expected to continue to reduce further in the coming years, albeit at a slow, pace as the economy stabilises. Reaching the Europe 2020 goal of 69-71% of those aged 20-64 in employment will be extremely challenging and require sustained and determined effort. Unemployment has been highly regionally disaggregated with notable increases in the Midland (17.1%) and the South-East (18.4%) Regions (See Figure 4 and Map 2). As shown in Figure 5, nationally, the total amount of people on the Live Register has increased by 144% with acute increases in the Midland and Mid-East Regions<sup>10</sup>. This reflects a sharp rise in those seeking State benefits to subsidise part-time, seasonal and casual working arrangements which has been brought about by the much changed economic conditions.

**Map 2: Ireland's Labour Force Unemployment Rate, 2011**



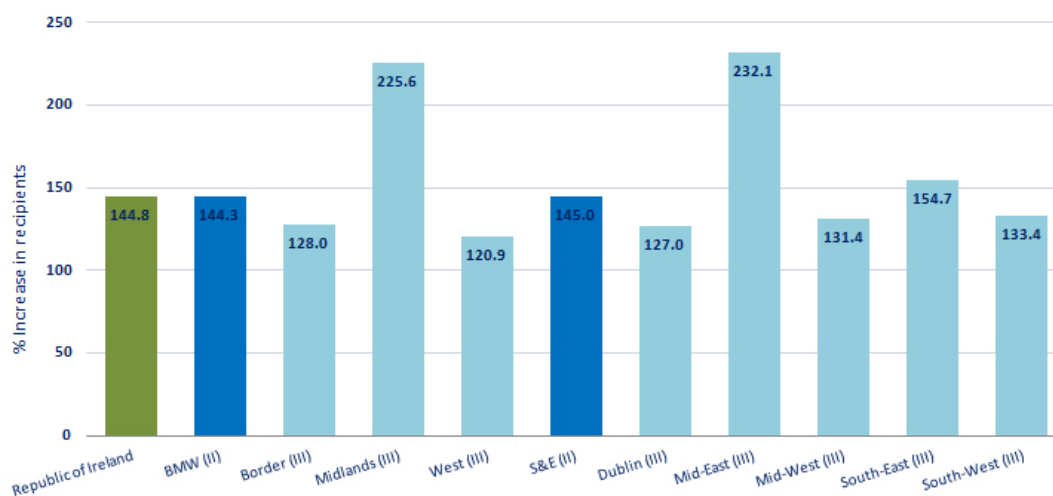
Source: CSO, Census 2011, Theme 8 - Economic Status

<sup>9</sup> <http://www.cso.ie/px/pxeirestat/Statire/SelectVarVal/Define.asp?maintable=QNQ20&PLanguage=0>

<sup>10</sup> The Live Register is not designed to measure unemployment. It includes part-time workers (those who work up to three days a week), seasonal and casual workers entitled to Jobseeker's Benefit or Allowance.



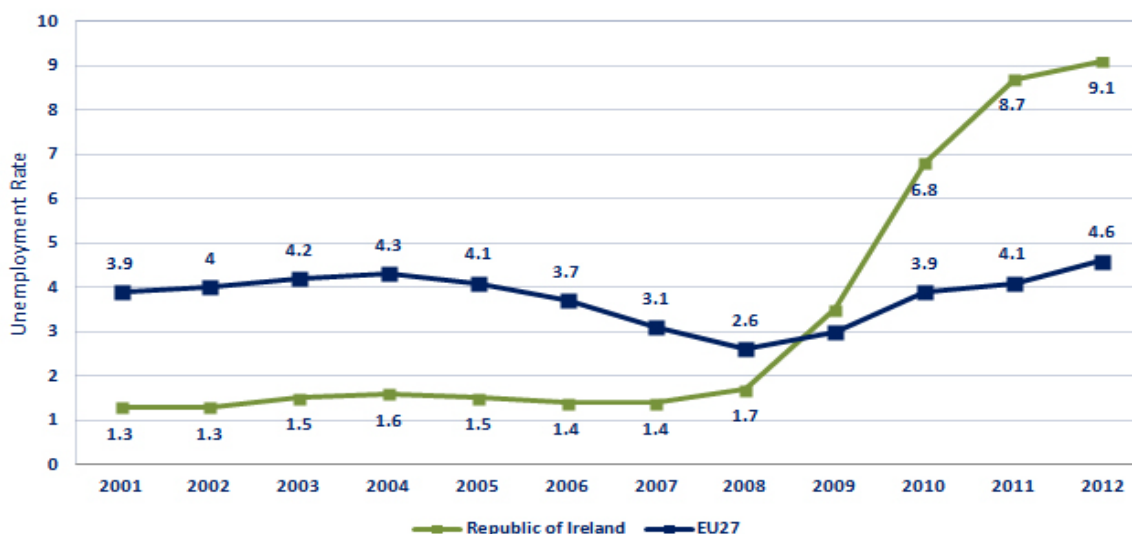
**Figure 5: Ireland, NUTS II & NUTS III Percentage Increase in Live Register Recipients 2003-2013**



Source: CSO, Statbank<sup>11</sup>

Unemployment is also increasingly long term in nature with a steep rise in the number of people unemployed for longer than one year now representing 60% of all unemployed and, at 9.1%, significantly exceeds the EU average of 4.6% in 2012 (see Figure 6).

**Figure 6: EU27 & Ireland Long-Term Unemployment Rates 2001-2012**



Source: CSO, Statbank<sup>12</sup>

Youth unemployment<sup>13</sup> is also a particular problem and reached 30.4% in 2012, well above the EU average of 22.8%. This has resulted in a new wave of emigration of highly trained and skilled young people, particularly to countries such as Australia, New Zealand and Canada which in part serve to disguise the true extent of the unemployment challenge.

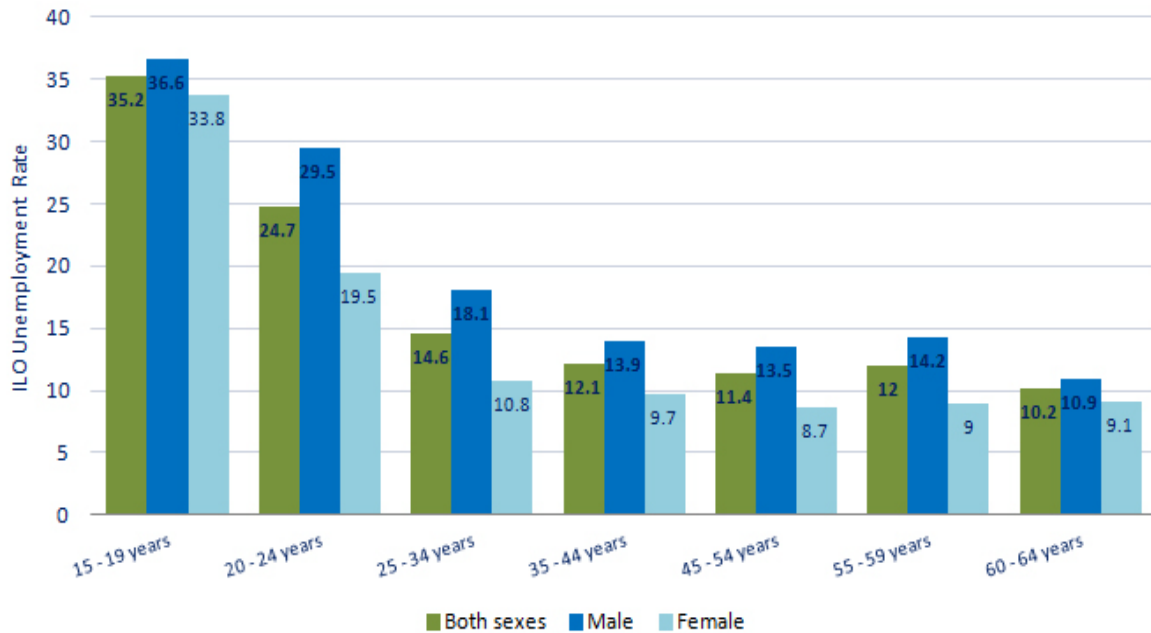
<sup>11</sup>[http://www.cso.ie/px/pxeirestat/Database/eirestat/Live%20Register/Live%20Register\\_statbank.asp?SP=LiveRegister&Planguage=0](http://www.cso.ie/px/pxeirestat/Database/eirestat/Live%20Register/Live%20Register_statbank.asp?SP=LiveRegister&Planguage=0)

<sup>12</sup> Ibid

<sup>13</sup> Youth Unemployment includes all the youth (i.e. people between the ages of 15 and 24, inclusive) who are unemployed

Following a number of years of continued youth emigration the youth unemployment rate has now actually declined and stands at 26.6% (taking 15-19 and 20-24 cohorts together). In general, youth unemployment rates are much higher for males as can be seen from Figure 7.

**Figure 7: Ireland’s Unemployment Rates by Gender & Age Group 2013**



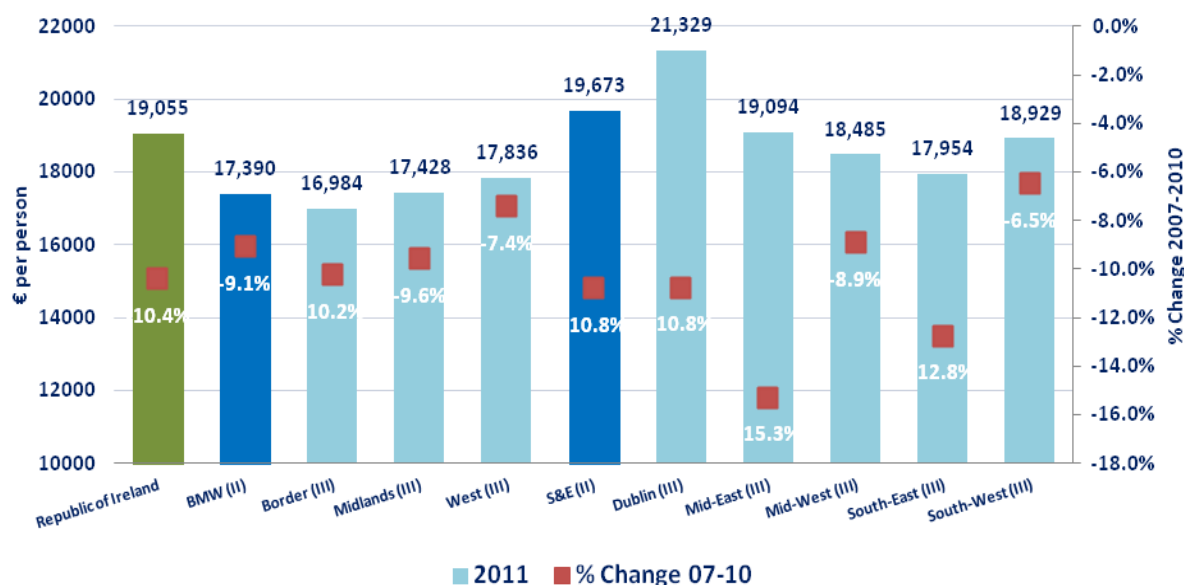
Source: CSO, Statbank<sup>14</sup>

Nationally, unemployment is higher for men, particularly low-skilled men, than for women, with the male unemployment rate at 16% as compared with a female unemployment rate of 11.1%. This reflects the acute collapse of the construction sector, in particular. The NEET<sup>15</sup> rate rose 8.2% to 18.9% with the main driver behind this a rise in male NEET rates. The sectors most adversely impacted by job losses include construction, business and financial services as well as retail and manufacturing sectors. Falling household incomes have held back consumer spending leading to weak consumer demand and an extremely fragile domestic economy (See Figure 8).

<sup>14</sup> <http://www.cso.ie/px/pxeirestat/Statire/SelectVarVal/Define.asp?maintable=QNQ20&PLanguage=0>

<sup>15</sup> Not in Employment, Education or Training.

**Figure 8: Ireland, NUTS II & NUTS III Disposable Income per Person 2011 % Change 2007-2011 (€)**



Source: Source: CSO (2014), County and Regional Incomes 2011

Nationally productivity per capita significantly exceeds the EU average (See Figure 9). However, as discussed above, inward investment continues to be typically attracted to the (more populous) areas of Greater Dublin and Cork in the S&E Region than the predominantly rural BMW Region, with the exception of Galway in the West region which has a strong medical technology cluster and has contributed to an impressive regional economic performance. The South-West region also recorded some impressive gains in employment in IDA supported companies over the period 2009-2013, partly due to the presence of the headquarters for a wide range of multi-national companies specialising in areas such as ICT, Biopharma/Pharma and Medical Technologies (See Table 3).

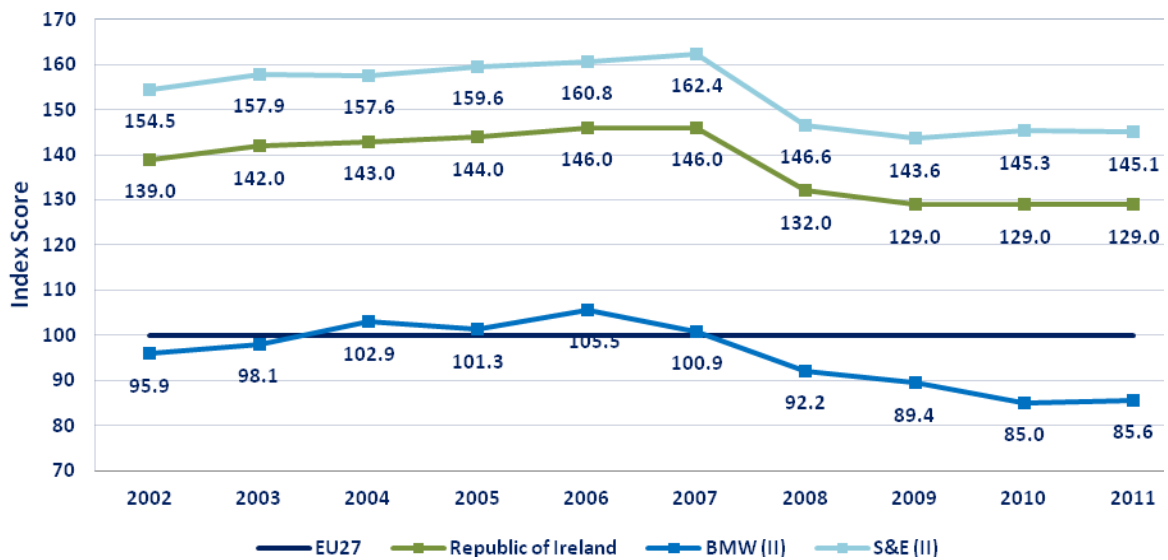
**Table 3: Total Employment by Region in IDA Supported Companies 2009-2013**

Area/Region	2009	2010	2011	2012	2013	% Change 2009/2013
<b>Border</b>						
North-West	5,261	5,113	5,318	5,199	5,159	-2%
North-East	3,098	2,899	2,977	3,271	3,799	23%
<b>West &amp; Mid-West</b>						
West	13,435	13,877	15,730	16,447	17,343	29%
Mid-West	8,221	7,974	8,160	8,690	8,936	9%
<b>Midlands &amp; East</b>						
Midlands	4,804	4,499	4,564	4,829	4,812	0%
East	67,183	68,183	71,723	75,804	80,152	19%
<b>South</b>						
South-West	24,044	25,461	26,435	27,818	28,992	21%
South-East	13,087	12,945	11,932	11,983	11,919	-9%
<b>IDA Ireland</b>	<b>139,133</b>	<b>140,951</b>	<b>146,839</b>	<b>154,041</b>	<b>161,112</b>	<b>16%</b>

Source: IDA Annual Report 2013

As illustrated in Figure 10, GVA figures for 2010 show that Greater Dublin Areas accounted for 42% of total national GVA due to the high proportion of the workforce working in high value-added sectors, particularly finance, business services and information technology. On the other hand, the BMW Region (outside of Galway) and more peripheral parts of the S&E Region are characterised by an industrial structure which has an under-representation of higher value added sectors and relatively low productivity on an individual sectoral basis. Figure 10 also illustrates the productivity gap between NUTS III regions.

**Figure 9: EU 27, Ireland, NUTS II & NUTS III Indices of GVA per Person at Basic Prices 2002-2011 (EU27 = 100)**



Source: CSO (2014), County and Regional Incomes 2011

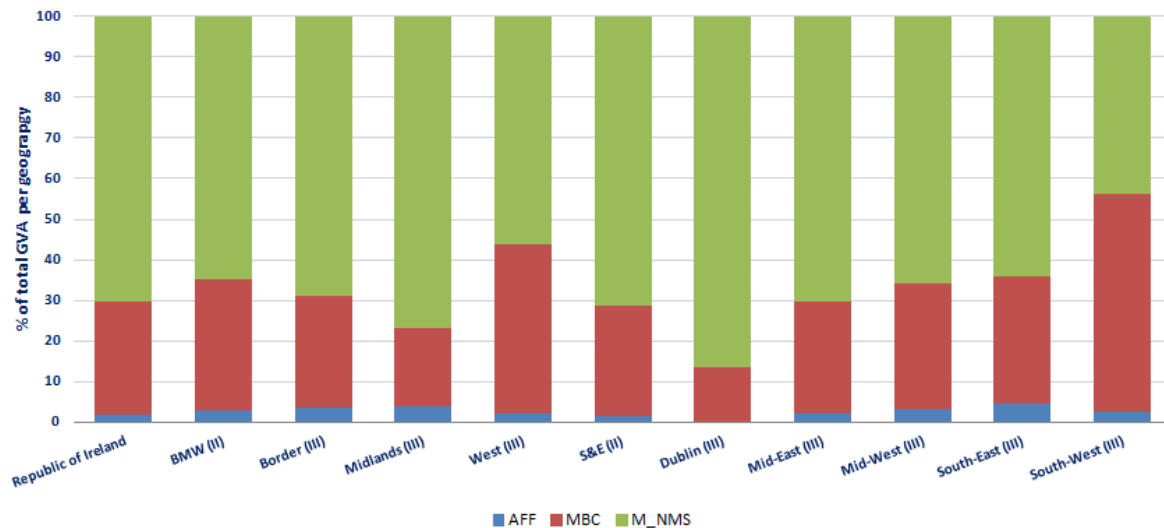
**Figure 10: NUTS III Regional Contribution to National GVA 2011**



Source: CSO (2014), County and Regional Incomes 2011

The sectoral breakdown of GVA shows the strong dominance of high value added sectors of Market and Non-Market Services (M\_NMS), particularly in the Dublin region. In the South-West and West regions the higher proportion of Manufacturing, Building and Construction (MBC) sectors is indicative of the regionally successful pharma and medical services clusters

in Cork and Galway respectively. Agriculture, Forestry and Fishing (AFF) remains an important part of regional economies particularly in the South-East Region (See Figure 11). These output figures for the Dublin and South-West Regions in particular are strongly influenced by the presence of high added-value multi-national companies based in these regions and inter-regional commuting patterns which attribute the output to the place of production rather than to the place of residence of employees.



**Figure 11: Ireland, NUTS II & NUTS III GVA at Basic Prices 2011**  
*Source: CSO (2014), County and Regional Incomes 2011*

The European Regional Competitiveness Index<sup>16</sup>, which covers a wide range of issues related to territorial competitiveness including innovation, quality of institutions, infrastructure (including digital networks) and measures of health and human capital, places the S&E Region as the 131<sup>st</sup> most competitive region out of 262 European regions, this represent a drop from 46<sup>th</sup> position in 2010. Similarly the BMW Region has slipped down these rankings but its decline has been less dramatic. In 2010 the Region was ranked 132<sup>nd</sup> and in 2013 the Region is placed in the bottom third of regions at 173<sup>rd</sup> position reflecting the challenging economic position in which it continue to operate.

Some addition pillars of the Index are selected and further illustrated in Table 5 below.

<sup>16</sup> European Commission (2013) EU Regional Competitiveness Index (RCI) 2013.

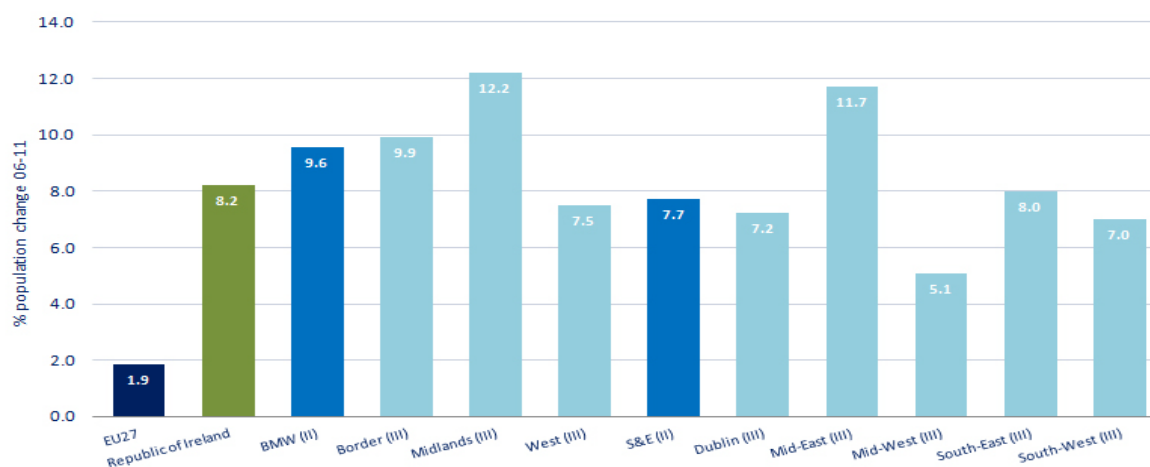
**Table 4: European Regional Competitiveness Index 2013, NUTS II Ireland Rankings by Selected Pillars**

	BMW Region	S&E Region
Infrastructure	195	167
Health	129	76
Higher Education and Lifelong Learning	120	74
Labour Market Efficiency	222	192
Market Size	193	151
Technological Readiness (Household)	148	116
Technological Readiness (Enterprises)	104	75
Business Sophistication	170	50
Innovation	64	38

*Source: European Commission (2013). EU Regional Competitiveness Index (RCI) 2013.*

Despite the severe economic downturn since 2008, Census 2011 results show that Ireland’s population continues to grow, increasing by 348,000 persons since 2006 to 4.6 million, mostly driven by immigration in 2006 and 2007 and by a very high birth rate. This growth rate has been tempered since 2008 by increased emigration which was estimated to have increased to 87,100 from 80,600 in the year to April 2011, while the number of immigrants is estimated to have fallen marginally to 52,700 from 53,300 over the same period. These combined changes resulted in an increase in the net outward migration from 27,400 in the year to April 2011 to 34,400 in the year to April 2012. The combined effect of natural increase and negative net migration resulted in an overall small increase in the population of 10,500 bringing the population estimate to 4.59 million in April 2012<sup>17</sup>. Ireland’s population performance and high fertility rate are distinctive in the European context, and Ireland is one of the few remaining developed economies to continue to experience significant population growth. Again, while all regions experienced a significant growth in population, this population growth is regionally uneven with higher rates of growth recorded in the Mid-East and Midland regions due to the strong economic pull of Dublin (See Figure 12 and Map 3).

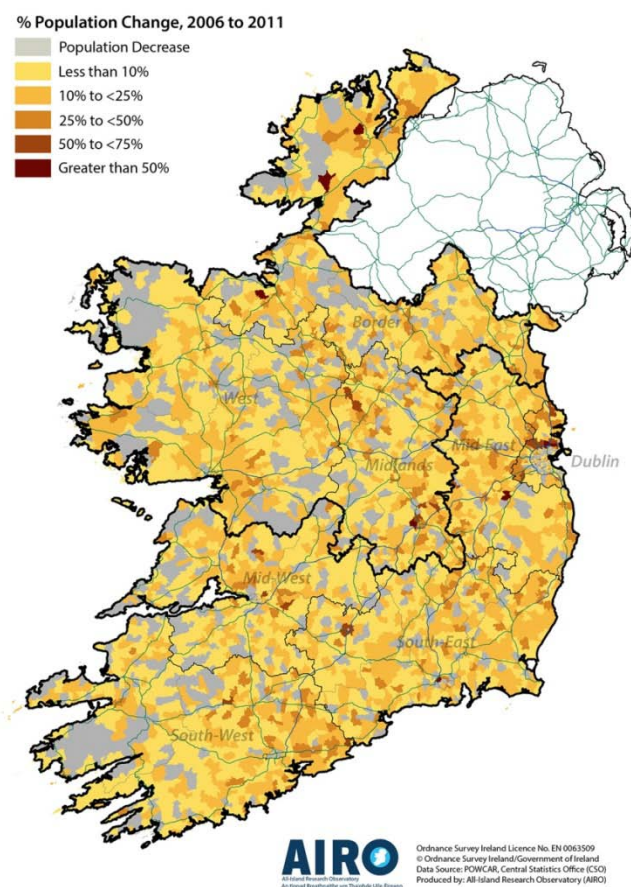
**Figure 12: EU27, Ireland, NUTS II & NUTS III Percentage Population Change 2006-2011**



*Source: CSO, Census 2011*

<sup>17</sup> Population and Migration Estimates; April 2012 (with revisions from April 2007 to April 2011), CSO, 2012

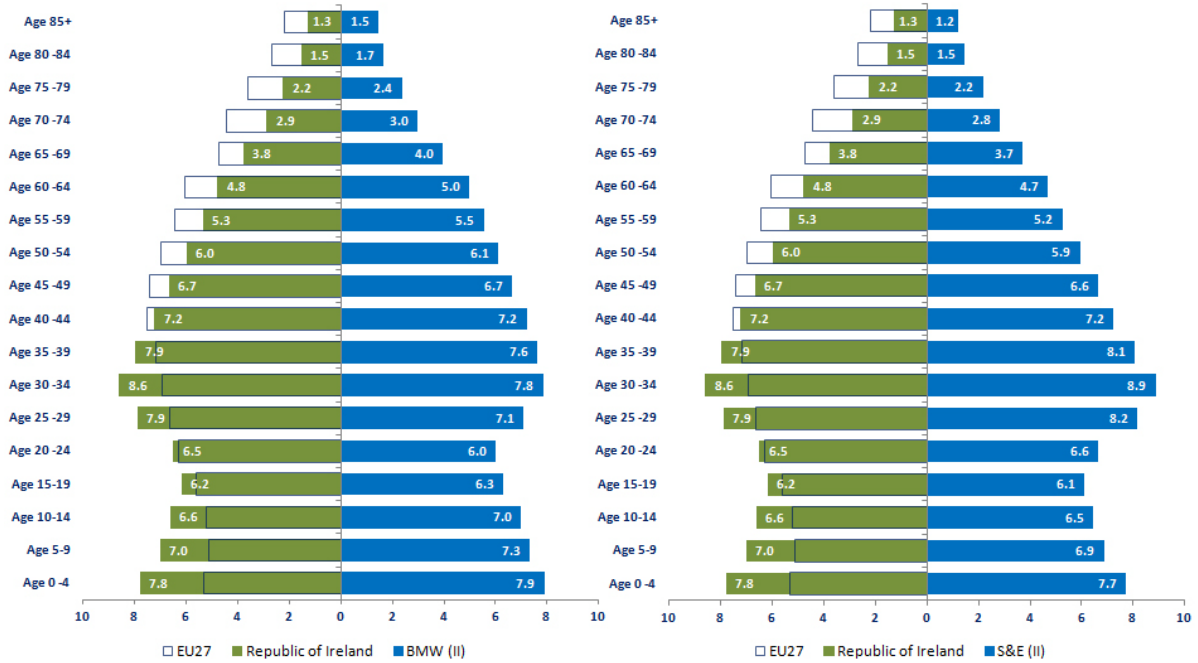
### Map 3: Demographic Change in Ireland 2006-2011



Source: CSO, Census 2011

With an average age of 36.1 years in 2011, Ireland’s population is relatively young compared to the rest of the EU. 34.1% of persons are aged 0-24 as compared to the EU average of 27.5%. Despite some significant sub-regional variations, the age profile between the regions does not differ markedly. However, there is a slightly higher ageing population in the BMW Region with 12.6% of the population aged 65+. This compares to 11.4% in the S&E Region (See Figure 13).

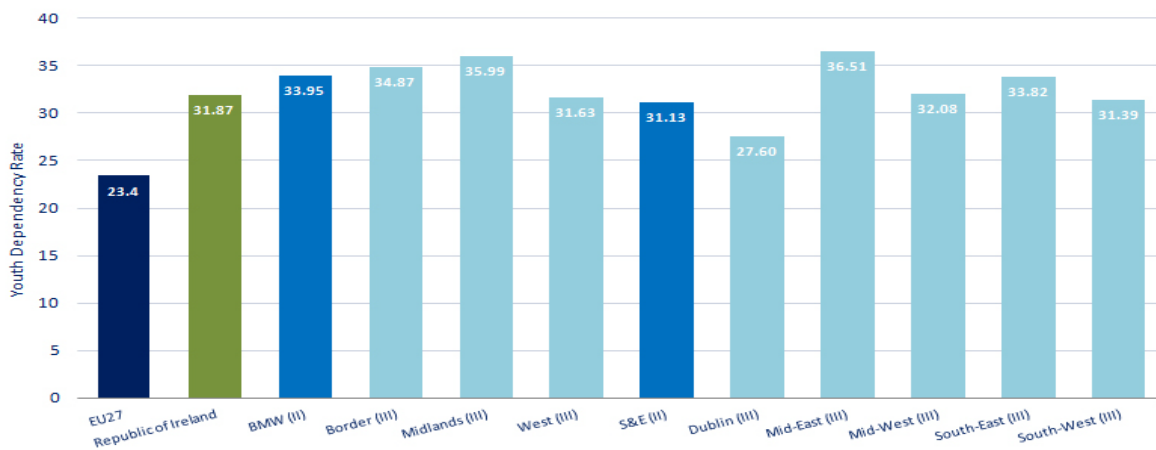
**Figure 13: EU27, Ireland & NUTS II by Age Band 2011**



Source: CSO, Census 2011

The total dependency rate is the population aged 65+ (primarily retired population) and the population aged 0-14 (children) expressed as a percentage of the population aged 15-64 (the most economically active age groups). High values indicate areas of relatively high percentages of less economically active population, a more dependent population. The total dependency rate of 49.3% is slightly lower than the EU average of 50.2%. Splitting between the Old Age (65+) and Young (0-15) age dependency rates it is evident that the total rate in Ireland is much more heavily weighted on the young dependency rate (31.9% as compared to EU average of 23.4%) and points to the fact that Ireland is currently experiencing a high fertility rate with a significant proportion of the population in the 0-14 age category (See Figure 14). Conversely, the old age dependency rate in Ireland at 17.4% is significantly lower than the EU average of 28.8%.

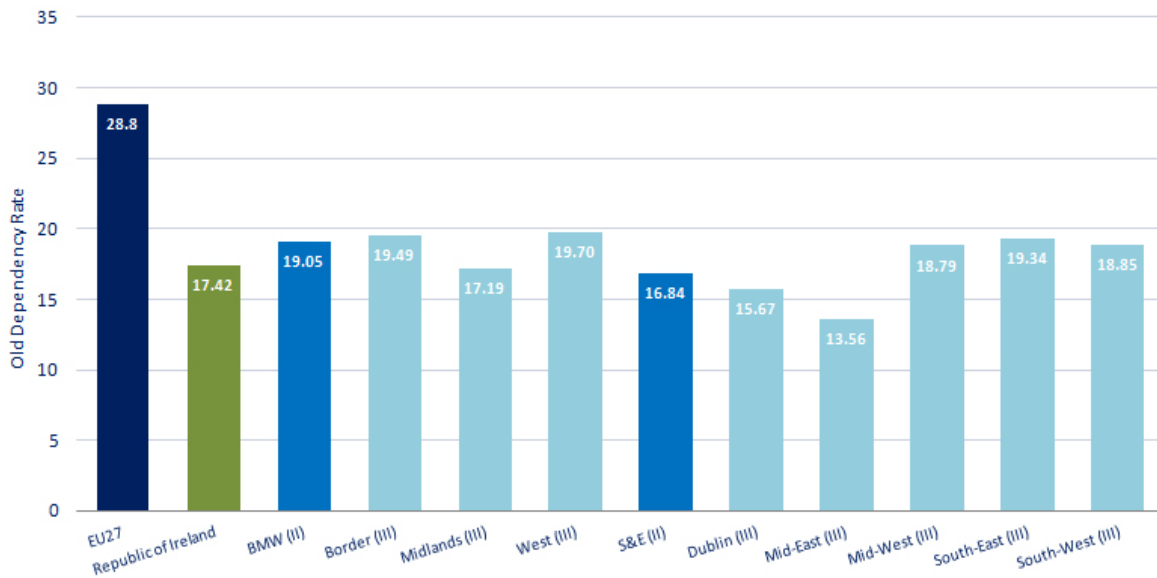
**Figure 14: EU27, Ireland, NUTS II & NUTS III Youth Dependency Rates 2011**





Source: CSO, Census 2011 & Eurostat (EU27 rate is for 2012)

**Figure 15: EU27, Ireland, NUTS II & NUTS III Old Dependency Rates 2011**

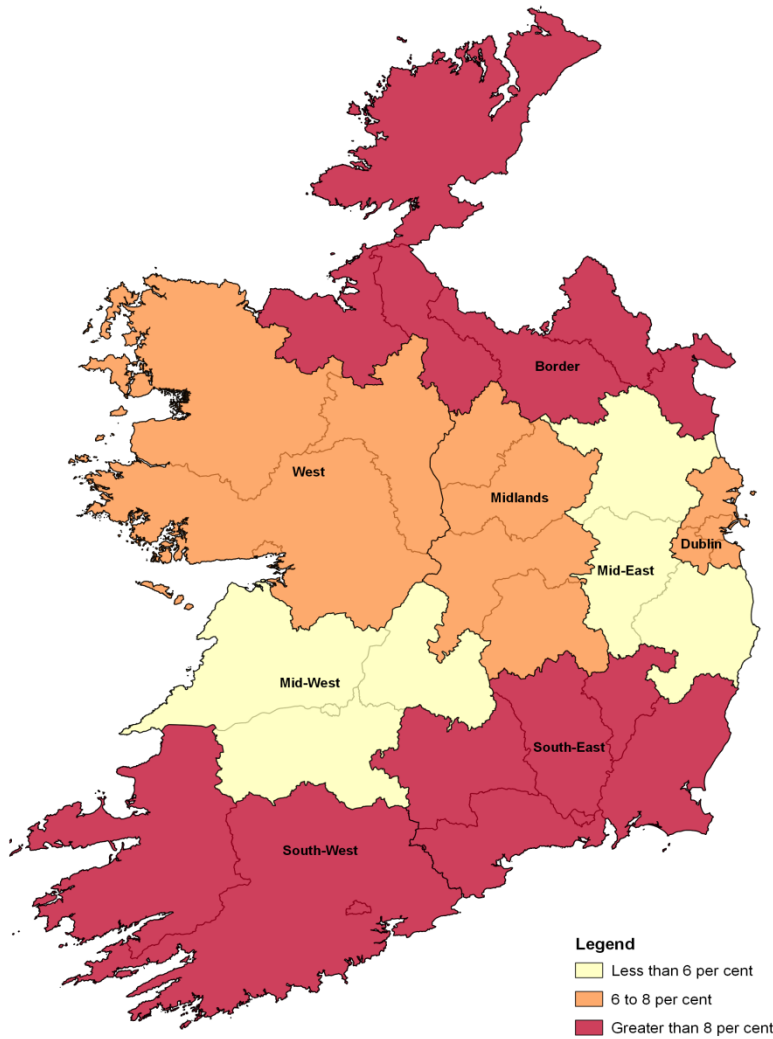


Source: CSO, Census 2011 & Eurostat (EU27 rate is for 2012)

National data on poverty shows a national rate of consistent poverty of 7.7 per cent in 2012. The highest rate of consistent poverty was recorded for the Border, Midland and Western Region at 9.4 per cent. This compares to 7.1 per cent for the Southern and Eastern Region. Another geographical pattern that can be examined is the rural-urban distinction: The consistent poverty rate in rural areas in 2012 was 7.3 per cent, as compared to 8 per cent in urban areas.

Map 4 shows the rates of consistent poverty across NUTS 3 regions in 2012. The highest rate was 12.7 per cent in the Border region, this increased from 9.7 per cent in 2011. In contrast, the Mid-East region experienced the lowest level at 4.1, which fell from 7.9 per cent in 2011. Further analysis is required to determine if the changes are statistically significant. Other regions with rates above the national average were the South-East and South-West at 10.6 and 9.7 per cent respectively.

**Map 4: Rates of consistent poverty in NUTS 3 regions, 2012**



*Source: CSO SILC 2012, 2011 Census Boundary File, Contains Ordnance Survey Ireland data © OSi 2012*

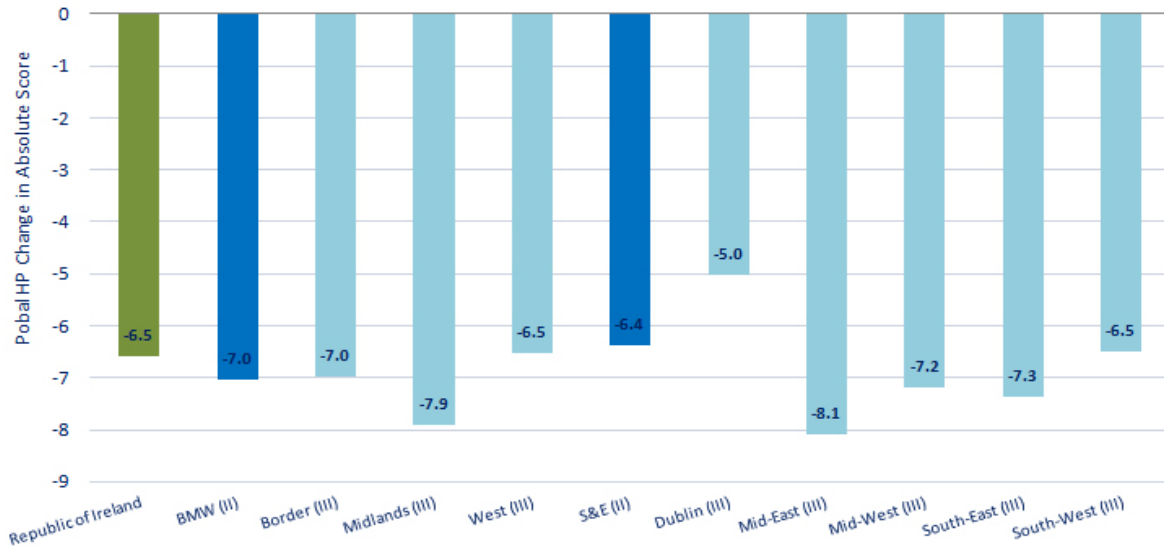
Of particular concern from a poverty perspective is the high proportion of the population aged 0-59 years in households with very low work intensity (aka jobless households). This has intensified with the onset of the economic recession and the rise in unemployment; rising from 15 per cent in 2005 to 24 per cent in 2011. Consistent poverty is strongly associated with very low work intensity. In 2011, of the 6.9 per cent of the population in consistent poverty, 4.8 per cent was accounted for by jobless households (69 per cent share) and 2.1 per cent by non-jobless households (31 per cent share).

The 2011 Pobal HP Deprivation Index<sup>18</sup> shows the level of overall affluence and deprivation at the level of 3,409 Electoral Divisions (EDs) in 2006 and 2011 in Ireland. Map 4 details the

<sup>18</sup> The 2011 Pobal HP Deprivation Index is the latest in a series of deprivation indices developed by Trutz Haase and Jonathan Pratschke and funded by Pobal. Based on the just recently released data from the 2011 Census of Population, the index shows the level of overall affluence and deprivation at the level of 18,488 Small Areas in 2006 and 2011, using identical measurement scales.

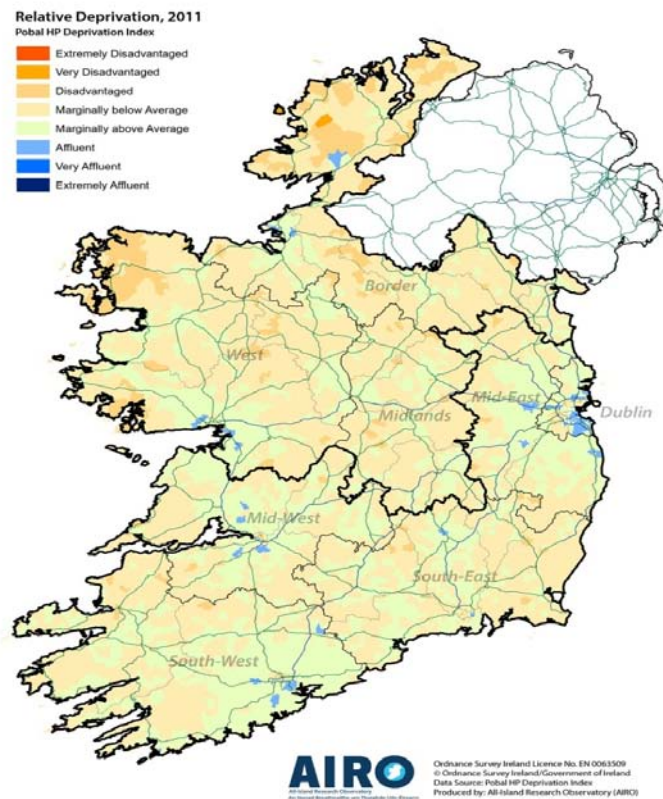
relative deprivation scores across Ireland at the ED level. Comparing the relative changes in the HP Index Scores between 2006 and 2011, we can conclude that the dominance of Ireland’s urban environs has continued unabated, albeit in a differentiated manner (see Figure 16).

**Figure 16: Ireland, NUTS II & NUTS III Change in Absolute Pobal HP Deprivation Index Score 2011**



Source: Pobal HP Deprivation Index 2011

**Map 5: Ireland Relative Deprivation Score Pobal HP Deprivation Index 2011**

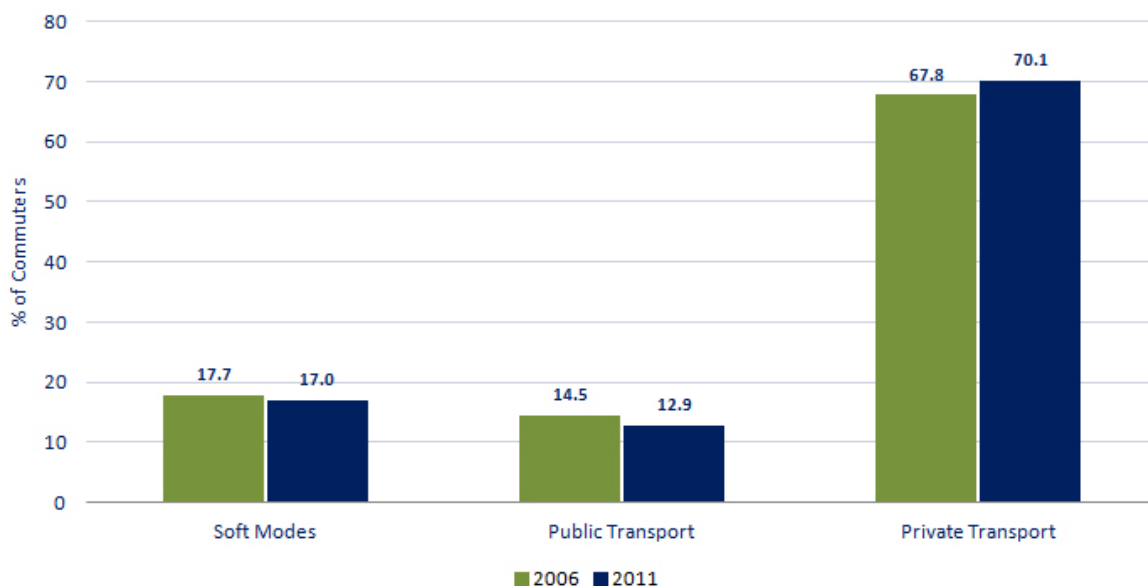


Source: Pobal HP Deprivation Index 2011

The rapid pace of recent growth experienced in Ireland has had a significant impact on the quality of the environment. By European standards, Ireland has experienced a relatively high rate of land use change since the early 1990s. Since 2000 the area under artificial surfaces increased by approximately 15%. This mainly occurred on former agricultural lands on the periphery of existing urban areas, including significant low density and private car dependent suburbanisation (See Figure 17). As a consequence, in many regions the urban structure is weak. A significant legacy of the property bubble is both town centre and suburban vacancy and housing oversupply. Irish greenhouse gas emissions rose significantly since 2000 and Ireland now has the second highest per capita greenhouse gas emissions in Europe.

Transport and agriculture account for 20% and 30% of emissions respectively and are two sectors which present significant challenges in mitigating. Ireland is also one of the most fossil fuel dependent countries in Europe and diversifying the energy mix and enhancing energy security is a key government priority. Incentivisation of renewable energy, particularly wind energy given Ireland’s large resource, has seen a 14.3% year-on-year in renewable energy usage between 2005 and 2011. However, Ireland still has a significant distance to go to reach the 2020 renewable energy, greenhouse gas reduction and energy efficiency targets. The majority of Ireland’s habitats that are listed under the Habitats Directive are reported to be of poor or bad conservation status. Only 7% of listed habitats are considered to be in a favourable state. Progress has been made in the designation of EU-protected areas in Ireland, but several areas of national importance remain undesignated, but significant aspects of biodiversity in Ireland are under threat from unsustainable activities. By European standards water quality in Ireland is good but the country still faces major challenges to achieve water quality targets set for 2015, 2021 and 2027 as required by the Water Framework Directive (WFD).

**Figure 17: Ireland Change in Transport Use by Mode 2006-2011**



*Source: CSO, Census 2006 and 2011*

## **2.5 Regional Innovation and Competitiveness and Smart Specialisation**

The Irish Government's Action Plan for Jobs (2014) focuses on regaining lost competitiveness, boosting productivity, increasing export intensity and diversity of markets, taking measures to improve Ireland's attractiveness as a location for foreign investment and achieving an increase in start-ups and entrepreneurial activity. The strategy recognises that creating a competitive business environment is essential to ensuring Ireland and its regions achieve sustainable economic growth and higher levels of employment growth. It also recognises that regions that support strong and dynamic enterprises are crucial to Ireland's return to overall economic growth.

The Action Plan highlights that Ireland has built up a strong science base in recent years but the focus of Ireland's science, technology and innovation (STI) policy must now be on accelerating the economic and societal return on STI investment, further strengthening enterprise engagement with public research and driving more commercialisation of publicly performed research. Investment in STI is acknowledged as an essential component of supporting an innovative and enterprising economy. It assists in creating and maintaining high-value jobs and attracts, develops and nurtures business, scientists and talented people.

The National Research Prioritisation Exercise, which is the core element of Ireland's Smart Specialisation Strategy for Research and Innovation, includes provisions to enhance the effectiveness of the national research system, the labour market for researchers and optimal circulation, access to and transfer of scientific knowledge as well as enhancing the conditions for further transnational cooperation. The European Research Area Progress Report 2013 Staff Working Document<sup>19</sup> notes that the science technology and innovation system in Ireland is well aligned with the ERA priority to promote effective national research systems, with peer-reviewed competitive funding continuing to prevail in Ireland.

A detailed "Framework of Metrics and Targets for Monitoring Public Investment in Science, Technology and Innovation" has been drawn up to measure the outputs and impact of funding provided. This framework was adopted to stretch the public enterprise support system in order to maximise the impact of public investment in R&D under the National Research Prioritisation Exercise and to assess the success over time of the implementation of Research Prioritisation.

In line with Ireland's Smart Specialisation Strategy which builds upon the Research Prioritisation Exercise, the majority of competitive public research funding is being aligned with 14 priority areas where Ireland is most likely to get economic and societal returns, particularly in the form of jobs. Relevant Key Enabling Technologies (KETs) and integrating infrastructure will also be supported. The priority areas, which cover food, health, ICT, manufacturing, energy and innovation in business services and processes, were identified on the basis of existing strengths of the public research and enterprise base and opportunities that exist in term of the global marketplace. Ireland's Smart Specialisation Strategy is a dynamic policy with mechanisms already in place to assess performance, and commitment to develop a process to add priority areas or de-prioritise others.

---

<sup>19</sup> [http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=SWD:2013:0333\(54\):FIN:EN:PDF](http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=SWD:2013:0333(54):FIN:EN:PDF)

Ireland's Research Priorities are as follows:

1. Future Networks & Communications
2. Food for Health
3. Data Analytics, Management, Security & Privacy
4. Sustainable Food Production & Processing
5. Digital Platforms, Content & Applications
6. Marine Renewable Energy
7. Connected Health & Independent Living
8. Smart Grids & Smart Cities
9. Medical Devices
10. Manufacturing Competitiveness

The Action Plan for Jobs recognises some of the barriers to enterprise driven competitiveness improvements, including access to finance, lack the innovation capacity, language and international sales skills, to take advantage of growth opportunities. It envisages increased support for indigenous firms seeking to trade internationally, ICT skills initiatives, new measures promoting access to finance and direct support to the enterprise sector to build their capacity for research and development. The Action Plan also states that successful delivery of the National Broadband Plan will ultimately underpin job creation across all sectors of the economy by providing high quality connectivity across the country.

The capability building supports offered by Enterprise Ireland provide support for scaling, management development, mentoring and cluster development within Irish-owned companies as well as strengthening the capacity of Irish-owned firms to benefit from linkages with the multinational enterprise base in Ireland. There will be a renewed focus on Industry-led clustering initiatives.

The Action Plan puts a strong focus on a number of domestic sectors where there is potential for significant job creation with the correct supporting measures, whilst also building on exporting sectors which have been growing over the last number of years, such as Agri-food, Tourism, International Financial Services, Aviation Services and the Green Economy (green jobs and eco-innovation). The targets for 2014 are 13,000 additional jobs in indigenous enterprises, including microenterprises with a net increase of 6,000 jobs in foreign-owned firms in Ireland.

The focus of the Action Plan for Jobs and of Ireland's Smart Specialisation Strategy is clearly reflected in Priorities 1, 2, 3 and 4 of the Operational Programme:

- Investment Priority 1(a) – alignment with identified priority sectors, enhancement of scientific talent and focus on research engagement with industry
- Investment Priority 1(b) – focus on commercialisation, innovation partnerships with industry;
- Investment Priority 2(a) – provision of next generation broadband access will underpin job creation across all sectors of the economy
- Investment Priority 3(a) – emphasis on entrepreneurship will boost enterprise start-up rates and the capabilities of early-stage entrepreneurs

- Investment Priority 4(e) will boost employment in the green economy through labour-intensive retrofitting initiatives providing ambitious energy efficiency by using the latest cost-efficient state-of-the-art-retrofitting techniques.

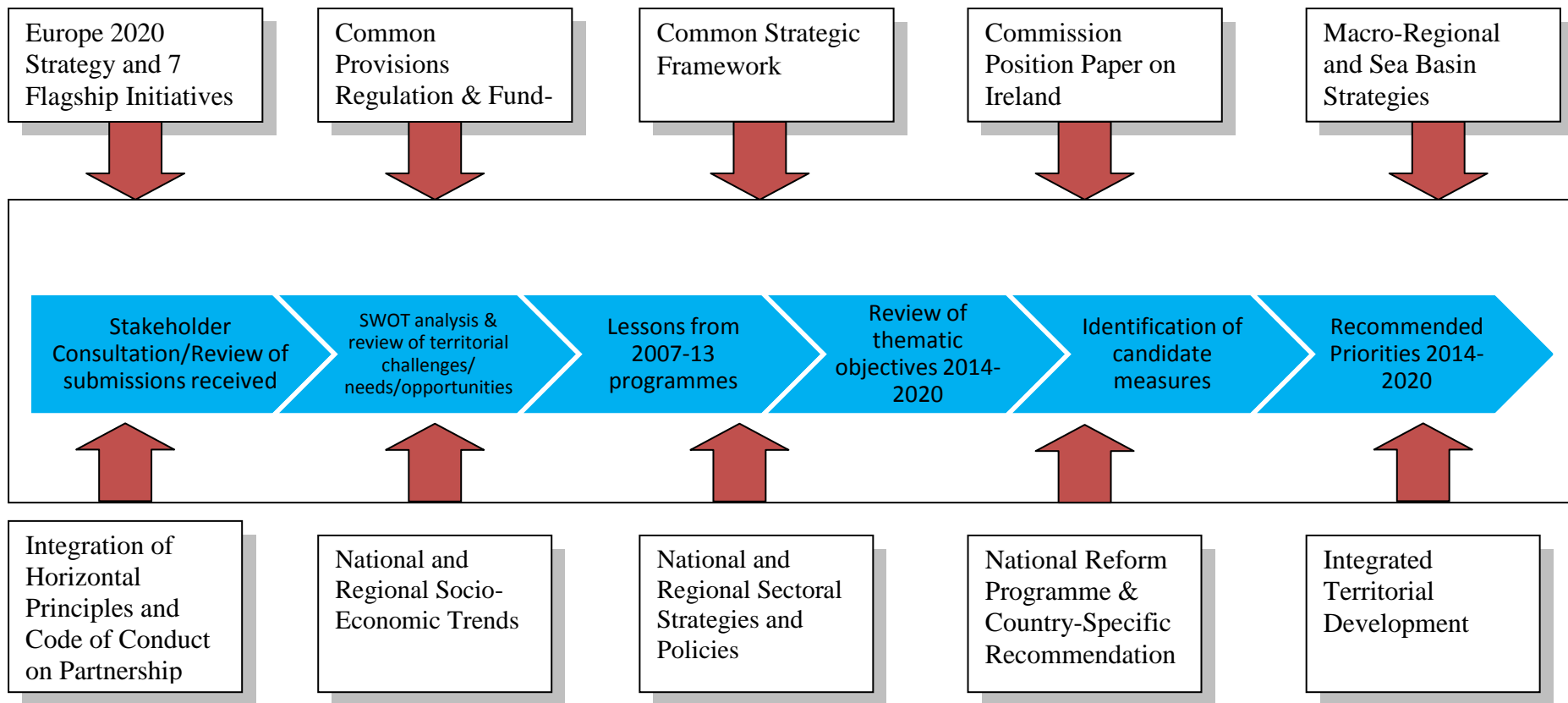
## **2.6 Territorial Needs and SWOT Analysis**

A comprehensive territorial Needs and SWOT analysis was undertaken jointly for the BMW and S&E Regional Operational Programmes in 2013, in conjunction with the ESF Managing Authority. The overall objective of the Needs Analysis was to ensure that the strategic choices made by the Irish programming bodies were justified, that they were consistent with the EU strategies of smart, sustainable and inclusive growth, with the ERDF and ESF fund-specific missions and with the Treaty goals of economic, social and territorial cohesion (Articles 174 and 175 of the Treaty on the Functioning of the European Union).

To this end, the Needs Analysis was intended to provide an evidence-base in setting out the baseline situation and underpinning policies and strategies in respect of the selected prioritised themes for the ERDF and ESF co-financed programmes. The overall scope of the Needs Analysis with respect to the ERDF was as follows:

- An analysis of the EU, national and regional strategies and policies which underpin the thematic objectives as set out in the Common Provisions Regulation;
- A review of the baseline situation and trends with respect to the thematic objectives for ERDF co-funding and related sectors, with an emphasis on their potential to stimulate economic growth and employment creation;
- An analysis of development needs and challenges, territorial disparities at NUTS II level, including a SWOT analysis at NUTS II level for each of the 11 thematic objectives;
- Identification of any potential constraints or bottlenecks that could inhibit progress and any significant regional weaknesses/issues hindering the overall performance of the Regions;
- The identification of geographic areas most affected by poverty or of target groups at highest risk of discrimination or exclusion;
- An analysis of lessons learned from the 2007-13 programming period;
- Key policy challenges, opportunities and other external environment factors likely to be faced in the 2014-2020 programme period;
- A review of the current situation with regard to promotion of sustainable development, addressing climate change, gender equality and non-discrimination in public policy and in respect of their integration into EU co-financed programmes; and
- Identification of key needs to be addressed in the ERDF co-financed Operational Programmes, a justification for this selection and identification of needs that will be addressed using other EU co-financed programmes and/or national resources.

The process of undertaking the Needs Analysis was conducted on a collective basis which drew upon the European, National and Regional Policy analysis expertise of the ERDF Managing Authorities, the spatial analysis and mapping expertise of the National Institute for Regional and Spatial Analysis (NIRSA) at NUI Maynooth and the territorial analysis expertise of the Limerick Institute of Technology (LIT). The Needs Analysis process followed a framework that was specifically developed for this purpose, which is shown hereunder.





A thematic SWOT analysis for each of the 11 thematic objectives for the S&E region was undertaken as part of the Needs Analysis process and this identified the following bottlenecks, growth potentials and development needs:

Bottlenecks:

1. Capacity of HEIs throughout the region to access research funding up to the OECD average, generate R&D activity and commercialise R&D outputs;
2. Quality of academic-industrial linkages;
3. Limited resources available for business-based research and innovation;
4. Level of SME establishment and growth (in some sub-regions) including access to various forms of finance;
5. Broadband availability, quality and speed particularly outside urban areas;
6. Deficient transport network in certain parts of the region including roads, rail and public transport;
7. Poor energy performance of the building stock;
8. Level of provision of renewable energy relative to potential;
9. Availability of adequate water and waste-water treatment and distribution; and
10. Lack of funds to invest in major economic projects in key centres and excessive private car commuting.

Potential:

1. Increased R&D activity particularly related to existing clusters and specialisations leading to enhanced innovation and commercialisation;
2. Enhanced linkages between HEIs and enterprise leading to increased R&D commercialisation and employment;
3. Enhanced skills of work-force relative to enterprise needs leading to reduced unemployment;
4. Increased provision of renewable energy from a variety of sources but particularly wind and marine;
5. Significant savings from the improved energy performance of the building stock;
6. Growth of targeted enterprise sectors in which the region already has a strong base, including agri-food, ICT/software, pharma-chemical and financial services;
7. Increased economic activity and employment from enhanced high-speed broadband provision;
8. Reduction in locational imbalances with enhanced roads, public transport and broadband provision;
9. Increased investment in business and enterprise if water and waste-water bottlenecks are removed; and
10. Enhanced attractiveness of urban growth centres to support inward investment, tourism and enterprise development and sustainable commuting patterns.

Development Needs:

1. Increasing research and development activities within HEIs and specialised research institutions including the employment of high-quality researchers and those on research focussed programmes of study and the co-ordination and management of inter-institution projects;
2. Strengthening links between HEIs and industry to increase the level of innovation and R&D within enterprises and accelerate commercialisation of research outputs;

3. Increase the rate of establishment of new SMEs, the growth of SMEs and the entry of SMEs into the export market, including start-ups by women and young entrepreneurs;
4. The continued and expanded use of HEI incubation centres to facilitate the development of spin-in and spin-out enterprises;
5. The development of an appropriately skilled workforce that is available to enterprises;
6. The provision of high-speed and 4G broadband particularly in rural areas;
7. The upgrading of major secondary link roads in order to remove bottlenecks within the road system The continued development of low-carbon transport infrastructure including public transport, cycling, and electrically powered vehicles;
8. The upgrading of water and waste-water facilities particularly in major urban centres;
9. The development of renewable energy resources including wind, marine and biomass in particular and the enhancement of distribution networks and the continued upgrading of the Region's building stock to achieve better energy efficiency; and
10. Development of major economic projects within key regional growth centres.
11. Development of sustainable urban mobility strategies.

An analysis of sub-regional territorial needs was also undertaken based on the following indicators:

- Levels of Unemployment 2013
- Difference in Unemployment between 2003 and 2013
- Disposable Income/Person
- Change in Disposable Income/Person 2007-2010
- Ratio of GVA contribution to percentage of those at work
- Percentage population change 2006-2011
- Youth Dependency
- Older Age Dependency
- Pobal Deprivation Index
- Changes in Deprivation Index
- Percentage of houses connected to the Internet 2012

### Dublin Region

As might be expected this Sub-Region shows the lowest level of deprivation of all the sub-regions. It scores poorly on the change in the number of houses connected to the Internet though this reflects an already high level of connection, the quality of which is also likely to be better than the rest of the country. It also shows a low level of increase in unemployment with the overall level of unemployment also being relatively low. It scores best on the Pobal Deprivation Index as well as the changes in that index and has the highest disposable income of all the Sub-Regions.

### Mid-East Region

This Sub-Region ranks high in terms of disposable income and the Pobal Deprivation Index. However, it displays some trends which might give cause for concern. So, for example, while it ranked second-best in terms of disposable income, it ranked worst in terms of decline in that income. In addition, while it ranked second best in terms of the Pobal Deprivation Index, it ranked worst in terms of changes in that index. In addition while it is ranked at the mid-point with regard to unemployment it ranks below that in terms of changes in unemployment. This suggests that the new populations which grew up in this sub-region in

the last decade may be under particular pressure from the economic decline and the associated loss of employment.

#### Mid-West Region

The Mid-West Sub-Region performs somewhat less than average with regard to the Pobal Deprivation Index and performs at or near average on many measures. It ranks low on three measures – overall unemployment, changes in unemployment and percent population change. However, it performs best with regard to the number of SMEs per head of population which suggests that there is a strong entrepreneurial spirit in the Sub-Region which may help in addressing the issue of unemployment over time provided the right supports are provided.

#### South-East Region

Overall this Sub-Region scores poorly on a number of measures, including unemployment where it ranks lowest, change in unemployment, disposable income and change in disposable income as well as the Pobal Deprivation Index and the changes in that index where it ranks sixth out of the eight Sub-Regions. It also shows a low number of SMEs per head of population which adds to the difficulties for the Sub-Region in addressing the unemployment and disposable income issues. It performs best with regard to population change and internet connectivity.

#### South-West Region

This Sub-Region performs at or better than average on most measures and performs poorly on two measures only. The lower than average increase in population may not be a matter of particular concern and the percent of houses connected to the Internet may also be regarded as less critical than some other measures. The Sub-Region performs third best in terms of the Pobal Deprivation Index and performs best with regards to unemployment and changes in unemployment.

In addition an analysis of rural, urban and coastal and marine needs was undertaken.

#### Urban Development Needs

Sustainable urban development requires that urban areas would be effective and attractive locations economically, socially and environmentally. This would suggest that levels of unemployment should be low, enterprise development high, educational attainment and skills levels high, social deprivation relatively low and environmental indicators such as water quality, air quality and energy use should all be good and improving.

The Gateways and Hubs Development Index (GHDI) 2012 is a useful tool for considering the issues that apply generally within the urban areas of Ireland. The index was published in 2013 by the Regional Assemblies and is updated from the 2009 Index using data available to year-end 2012 that applies to the nine Gateways and the nine Hubs. It should be noted that for the purposes of the index the boundaries extend beyond the administrative boundaries of the cities and towns involved and, in some cases, incorporate a significant element of the rural hinterland, within the functional areas of the growth centres.

From this data it can be seen that the population of each Gateway and Hub grew without exception in the period between 2006 and 2011. The rate of population growth varied considerably between settlements from a high of 11.49% (Mallow) to a low of 4.6% (Tralee-Killarney). This suggests that, from a population point of view, the Gateways and Hubs have the potential to remain and develop as sustainable entities.

The next point of note is the increasing skill levels of the workforce in urban areas. This is reflected in the increase in third-level-qualified workers within the urban areas. It is

interesting to note that the variation in this change is significantly less than that relating to population with most rates lying between 6% and 9%. This suggests the emergence of a more skilled workforce but may also reflect in part losses from the construction industry. From a sustainable development point of view this suggests that the Gateways and Hubs are well placed to engage in the knowledge economy from where much of the employment of the future is likely to emerge. It does also mean, however, that there is a danger of a social divide emerging based on educational attainment and consequent opportunities for employment.

Broadband connectivity has also increased at a very consistent rate within these urban areas – by between 42% and 48% for the majority of towns. This suggests a major increase in broadband activity during the period though it does not indicate the quality of the broadband, its cost or its speed. However, this increase does suggest that access to services and knowledge in an online context is now available to the majority of the urban population.

The level of unemployment in the Gateways and Hubs averaged 19.94% and 20.07% respectively in 2011. This compared with a national unemployment rate of 19.0% when calculated on the same basis with the level of unemployment in all locations having increased significantly since 2006. There was considerable variation in the unemployment rates which ranged from a high of 22.8% (Wexford) to a low of 16.6% (Cork). Within this range it is noticeable that, in general, the larger cities had the lowest rates of unemployment, though, census data also suggests that the unemployment rates in some core city areas are amongst the highest in the country.

Another factor contributing to economic sustainability relates to the rate of formation of new enterprises. This rate fell in virtually all urban areas during the 2006 to the 2011 period. The fall ranged between 1.9% (Cork) and 7.7% (Cavan). This is not surprising given the economic downturn. The decrease tended to be at the lower end of the spectrum in the larger cities and one city, Waterford, went contrary to the general trend with a small increase in business formation. This does suggest, however, that this is an area that needs particular attention across a range of initiatives if future economic vibrancy is to be maintained with its consequential impact on employment and poverty.

With regard to issues of environmental sustainability it is worth noting that the use of private transport generally in Ireland is very high. With the exception of Dublin, Cork to a lesser extent and the other cities to an even lesser extent, intra-urban public transport systems are poorly developed and there is little in the way of commuter services. This leads to congestion and/or slow journey times in many urban centres.

Air quality in Ireland is generally very good and is good in urban as well as rural areas. With regard to water and waste-water facilities, however, there are situations in which future water demand and future waste-water treatment capacity may have negative implications for future development. Some major infrastructure projects are under development such as the Dublin Region Water Supply Project. However, there is an urgent need to manage the use of water in urban areas and to provide additional waste-water treatment in certain urban centres. Finally, it is important to note that there are ambitious population growth targets for certain urban centres and that the achievement of these levels of growth is significantly dependent on the availability of water and waste-water treatment facilities.

A final issue identified was the need for significant investment in economic projects in urban areas. Where an area is in stagnation or not developing at the pace anticipated it often requires a stimulus to address the bottlenecks that are giving rise to the low levels of growth. It is important that any such investment would have a clear purpose, would address an identified need and be clearly integrated with other activities. If these conditions are met, however, individual projects in urban areas can have a significant impact.

### Needs of Rural Areas

Accessibility is a key need of rural areas in Ireland. Accessibility refers both to physical and electronic forms of access.

With regard to physical access, while the radial road system in Ireland and centred on Dublin has improved significantly in the past decade, the transverse routes connecting other major national and regional centres has not improved to the same extent. This still leads to transport bottlenecks in terms of congestion in some cases or slow journey times in others. In addition, rural public transport availability is inconsistent and creates access difficulties for those who do not own private transport.

An important aspect of rurality and the development needs of rural areas is the extent to which rural dwellers commute to urban areas for work. Evidence from the 2011 Census shows that commuting to urban areas is an important aspect of rural dwellers' employment. The WDC Policy Briefing *Commuting to Work: Rural Dwellers, Urban Jobs* (May 2014) shows that:

- In 2011, 35.5% of workers were rural dwellers, but just over a fifth (21.3%) of all jobs was located in rural areas.
- The most significant employment destination for rural dwellers is urban areas (43.5%), while 37% of rural dwellers work in rural areas.
- Nearly one in five (19%) of all rural dwellers commute to work in one of the nine NSS gateways and over one third of these have journey times of 45 minutes or more.
- One in four (24.4%) commute to work in towns, of which over three fifths (62%) are women.<sup>20</sup>

The data show that many rural dwellers commute to work over long distances<sup>21</sup> and a higher share of rural dwellers working in gateways have third level education compared to those working in towns and rural areas. This indicates that rural dwellers have the skills to avail of employment opportunities in gateways and many choose to travel long distances to access better employment opportunities located there.

With regard to electronic access, the availability of broadband in rural areas more restricted than that in urban areas and the speed and quality of the services that are available are also poorer. This gives rise to the danger of the emergence of a digital divide on a geographic basis as well as those that may arise from social and economic factors.

Population and employment decline are some of the key challenges facing some rural areas and towns. Recent evidence from CEDRA shows that the economic downturn has had differing effects on urban and rural Ireland with rural areas particularly affected, with an increase in unemployment of 192% compared to 114% in urban areas between 2006 and 2011<sup>22</sup>. Research for CEDRA also indicates that many of the key issues confronting rural communities are part of a long term economic and social transformation, as well as reflecting

---

<sup>20</sup> [http://www.wdc.ie/wp-content/uploads/WDC\\_Policy-Briefing-no-6-Commuting-Final.pdf](http://www.wdc.ie/wp-content/uploads/WDC_Policy-Briefing-no-6-Commuting-Final.pdf)

<sup>21</sup> 35% of rural dwellers commuting to gateways travel 45 minutes or more. WDC Policy Briefing No.6 *Commuting to Work: Rural Dwellers, Urban Jobs*. WDC 2014.

<sup>22</sup> [http://www.agresearch.teagasc.ie/erc/CEDRA/CEDRA\\_Report.pdf](http://www.agresearch.teagasc.ie/erc/CEDRA/CEDRA_Report.pdf)

the more immediate impacts of the economic crisis, such as the significant decline in construction employment which in part is related to the longer term decline in agricultural employment. Many rural communities have been fundamentally changed through the decline of traditional rural industries, increased underemployment and growing connections between rural and urban areas, such as increased commuting.

The GVA in rural areas tends to be significantly less than that in urban areas. That is to be expected given the higher value-adding occupations tend to be clustered in the urban centres of the country and particularly in the Greater Dublin Area.

Disposable income in the rural areas tends to be lower than that in urban areas. This situation and that in the previous paragraph are pointed to by the lower GVA and disposable income in those sub-regions that are significantly rural in nature.

The nature of water and waste-water services in rural areas is also a matter worth noting both in terms of the quality of service to the rural population and the implications for environmental quality. Nearly 80% of the dwellings in the Aggregate Rural Areas of the country were served by septic tanks in 2011 while nearly two-thirds were served by a private water supply.

The energy efficiency of dwellings in rural areas is not likely to be significantly different to that in urban areas when age of construction is used as a proxy. In 2011 43% of houses in urban areas were built prior to 1980 with 46% of the houses in rural areas built prior to the same year. The corresponding figures for houses built before 1990 were 53% and 57%.

Many rural areas had a significant exposure to the decline in employment in the construction industry. It is noticeable that in 2011 many of the highest unemployment rates in the country were experienced by the more rural counties as well as by the core areas of the country's cities.

The protection and conservation of the country's Natura 2000 sites will also fall primarily on the rural population as the vast majority of these sites lie within the rural areas of the country. This has some implications for social and economic development in these areas though proper management of development can minimise any potential negative effects of these designations.

The rural areas of the country also contain many resources and opportunities for future development including agriculture and food, eco-tourism, the development of the blue economy and wind, bio-mass and marine energy. While some of these developments may not add significant numbers of direct employment opportunities, they do offer the opportunity for the development of income for rural areas and, if managed properly, for the development of employment in the processing and distribution of the raw materials available from within rural areas. Rural areas and smaller towns also have access to a highly skilled and educated workforce, many of whom are currently commuting long distances to work. This human capital resource is an important development opportunity for rural areas and smaller centres. It is a resource for sectors such as knowledge services which can be delivered from smaller towns and rural areas to other parts of Ireland and overseas, as long as sufficient quality broadband services are available.

#### Needs of Coastal & Marine Areas

The Irish seafood sector is a vital indigenous industry which makes a significant contribution to the national economy in terms of output, employment and exports. Generating over 11,000 jobs in the coastal regions the industry contributes circa €700 million to the national economy

annually. This is the equivalent of 0.44% of Irish GDP in 2011<sup>23</sup>. Geographically the industry operates right around the coast of Ireland and is concentrated on the western seaboard from Castletownbere, Co. Cork, in the south-west, to Killybegs, Co Donegal, in the far north-west, and the harbour towns of the south-east coastline.

Ireland's natural resource based seafood industry provides an important source of economic activity in the remote coastal regions. It provides jobs on fishing vessels, on fish farms, in processing operations, in distribution and marketing seafood at home and to export markets and in a large number of smaller ancillary companies that provide services to the mainstream industry operators. In the Irish context the main industry stakeholders are the primary production sectors of fish catching (offshore and inshore) and aquaculture; the primary and secondary processing sectors; the marketing sectors; and ancillary industries such as net-making, vessel repair, transport, and a number of other services, the majority of which are based in coastal locations.

A review of socio-economic data for coastal Electoral Districts indicates challenges in terms of retaining coastal population, above average age dependency rates in areas of the South-East, North and West, poor educational attainment in the West and North-West and levels of semi or unskilled employment have declined, but remain above the national average in many coastal areas. Both male and female unemployment levels are above the national average in many coastal districts, with male unemployment rates higher in all areas.

These indicators illustrate that a fundamental issue arising from the process of restructuring of the Seafood Industry, is the impact that process is having on coastal communities dependent on seafood production. Mechanisms must therefore be developed to support communities dependent on fisheries and aquaculture to tackle the challenges they face as a result of change in the seafood industry, and improve their quality of life, by accessing support to enhance local seafood related activity, community infrastructure and diversification into other activities. The following challenges/ goals were identified as part of the Needs Analysis for the EMFF Programme in Ireland, and these are also relevant to the ERDF Operational Programmes.

- To develop networking and exchange of knowledge , industry collaboration which will lead to results in best practice and long term gains.
- To ensure that responsibly harvested inshore seafood products are rewarded in the market place.
- To ensure that fishing communities develop confidence, broaden their economic base and demonstrate innovation and sustainability.
- To ensure that onshore side of fishing activities are safer, more efficient, and complemented by a substantial growth in marine tourism use.
- To allow for skills development, service provision and support for new and reinvigorated marine based enterprises.
- To ensure piers, harbours and coastal infrastructure that services both fisheries and tourism are sufficient for these purposes.
- To enable key fishing community members to develop new skills, access employment opportunities and develop new businesses.
- To develop artisan seafood businesses which will increase the value and volume of local seafood processed.

---

<sup>23</sup> <http://www.cso.ie/en/media/csoie/releasespublications/documents/economy/2011/nie2011.pdf>

## 2.6 Lessons Learned from the 2007-13 Regional Programme

Thematic Objectives	Lessons Learned
1. RTDI	<p>Under the 2007-13 Regional OPs, significant resources have been allocated to strengthening research capacity, and to commercialisation and technology transfer through a number of schemes largely targeted at building research and technology transfer capacity in the higher education institutions. The performance of the above schemes in terms of physical implementation, achievement of performance indicators and expenditure profile has largely been on track over the 2007-13 period. For the 2014-2020 period greater emphasis will be needed on utilising the existing research facilities to further increase the levels of research activity, with enhanced industrial linkages and partnerships and commercial exploitation. The focus should also be broadened to include industry-led R&amp;D investment to boost BERD levels across Ireland.</p>
2. ICT	<p>The 2007-13 Regional Operational Programmes supported the delivery of broadband services to all remaining un-served areas of Ireland addressing regional infrastructure and service deficits. Investments undertaken include:</p> <ul style="list-style-type: none"> <li>• Roll-out of the National Broadband Scheme;</li> </ul> <p>The implementation of the ICT infrastructure and services initiatives over the 2007-13 period has been effective with all parts of Ireland now having access to at least a basic broadband service, with minimum upload speeds of 1.4Mbps<sup>24</sup>. This is ahead of the European Union’s “Digital Agenda for Europe” target of universal coverage by 2013. Full delivery of 100Mbps services to all post-primary schools will be completed by 2014.</p> <p>While the above initiatives have delivered universal basic broadband availability throughout Ireland, a step change is needed to ensure the availability of high speed broadband (&gt;30Mbps) in all currently un-served settlements, in line with the Digital Agenda for Europe targets.</p>
3. SME	<p>Under the 2007-13 Regional Operational Programme, enhancing the competitiveness of micro-enterprises was supported via the:</p> <ul style="list-style-type: none"> <li>• Micro-enterprise theme administered locally by the County Enterprise Boards</li> </ul> <p>Under the Regional Operational Programme €6m has been allocated to micro-enterprise support actions in the S&amp;E Region up to the end of 2013.</p> <p>Notwithstanding the challenging economic and business environment that has pertained for the past 5 years in Ireland, the micro-enterprise theme has made steady progress in the delivery of a wide range of essential supports and in the achievement of job gains.</p> <p>There is need for continued support for the establishment and expansion of SMEs through targeted initiatives and the delivery of a menu of</p>

<sup>24</sup> Department of Communications, Energy and Natural Resources: <http://goo.gl/CxSC0z>



	supports to enterprises with growth and employment potential.
4. Low Carbon Economy	<p>Under the 2007-13 Regional Operational Programmes measures to support a shift towards a low carbon economy were delivered via a number of schemes and initiatives administered by the Sustainable Energy Authority of Ireland. These include:</p> <ul style="list-style-type: none"> <li>• Energy for Business Programme;</li> <li>• Strategic Development Zones;</li> <li>• Renewable Energy Research, Demonstration &amp; Development Programme (RE RD&amp;D);</li> <li>• CHP &amp; Bioheat (ReHeat) Programme; and</li> <li>• Ocean Energy<sup>25</sup>.</li> </ul> <p>Over €48m is now allocated to these actions in the S&amp;E Region up to the end of 2013, while for the BMW Region the figure is €18m. This falls somewhat short of the indicative targets originally set for this category of expenditure in the Regional Ops.</p> <p>Many of the energy sectors previously grant aided from public funds are no longer supported in this manner and are not amenable to co-financing. There will be significant public investment in energy efficiency measures in the coming years, particularly in housing. This should be prioritised for co-funding and help Ireland to meet the target of 20% reduction in energy demand by 2020.</p>
5. Climate Change Mitigation	<p>There were no initiatives ERDF co-funded under the 2007-13 ROP</p> <p>The proposed focus on energy efficiency in the S&amp;E Regional OP 2014-2020 will make a contribution to this objective by helping to reduce Ireland's Greenhouse gas emissions.</p>
6. Resource Efficiency	<p>There was investment related to this thematic objective, under the Regional Operational Programmes 2007-13:</p> <ul style="list-style-type: none"> <li>• Urban Regeneration.</li> </ul> <p>Both Regional Operational Programmes included provision for a Rural Water Source Protection Programme and a Village Sewerage Scheme<sup>26</sup>. All urban regeneration projects co-financed under the ERDF Gateways Grant Scheme were substantially completed by the end of 2013. Projects were delivered in the nine Gateways across both regions and in the five Hub Towns in the BMW Region under the Regional Programmes.</p> <p>The success of the Gateway and Hubs initiative and the need for further targeted investment to support the economic and social regeneration of key growth centres points to the value of including integrated urban development measures in the 2014-2020 OPs. This will also ensure compliance with the regulatory requirement for a minimum of 5% of ERDF resources to be applied to sustainable urban development.</p>
7. Sustainable Transport	<p>The 2007-13 Regional Operational Programme has seen investment for:</p> <ul style="list-style-type: none"> <li>• Sustainable Transport Schemes in Limerick City including: <ul style="list-style-type: none"> <li>○ improved cycling ways (incl. safe routes to school and to</li> </ul> </li> </ul>

<sup>25</sup> An initiative under the Renewable Energy, R,D&D Programme

<sup>26</sup> The Rural Water Source Protection Programme and a Village Sewerage Scheme were not selected for co-financing under the S&E ROP

	<p>key workplace zones);</p> <ul style="list-style-type: none"> <li>○ better walking facilities, including pedestrianisation;</li> <li>○ lower speed limits in residential and town centre areas;</li> <li>○ school and workplace travel planning</li> </ul> <p>Major transport infrastructure is not considered a priority for co-funding under the 2014-2020 programmes. There may be opportunities for inclusion of sustainable travel as part of integrated urban development plans in the future OPs</p>
--	---

## **2.7 Priority Needs Identified**

The comprehensive ERDF Needs Analysis, described above, included a review of key EU and national policy drivers and an assessment of sectoral trends for each of the thematic objectives, along with urban development.

Arising from the Needs Analysis process and consistent with the strategic priorities identified in Ireland’s national Partnership Agreement and the outcomes of public consultation processes, five thematic objectives were selected and eight investment priorities were chosen for co-financing under the Operational Programme. The selected investment priorities were considered to be the most appropriate to address the identified needs and challenges, address bottlenecks and build upon the development potential, whilst contributing to Union strategies and national development objectives. This section summarises these findings of the Needs Analysis for the selected investment priorities in the 5 specific areas, with reference to relevant EU and national strategies and policies and identified regional needs.

### Strengthening RTDI in the S&E Region

The Europe 2020 strategy and the Flagship Innovation Union Initiative stipulate that Member States should continue to prioritise investment to strengthen the research, technological development and innovation (RTDI) to build capacity and contribute to the development of a high-added value and resilient European economy. This remains a key objective for Ireland, demonstrated by significant investments, co-funded by European funds over the past decade. Research and Development and Innovation (R&D&I) and the application of knowledge are critical drivers for the future success of Irish industry. It is therefore imperative that Ireland focuses on promoting the level, quality and commercial applicability of the R&D&I undertaken, ensuring that industry leads the response to rapid changes in customer needs. In addition, innovation must pervade all aspects of the R&D&I process.

Ireland’s headline national target for Research and Development aims to raise combined public and private investment levels in this sector to 2.5% of GNP (approximately equivalent to 2.0% of GDP). The Report of the Research Prioritisation Group<sup>27</sup> published in November 2011, identified fourteen priority areas for research (see table below), has become the focus of State investment in RTDI.

---

<sup>27</sup> Department of the Jobs, Enterprise and Innovation (2011), Report of the Research Prioritisation Steering Group

The following table details the 14 selected priorities:

1	Future Networks & Communications	8	Food for Health
2	Data Analytics, Management, Security & Privacy	9	Sustainable Food Production & Processing
3	Digital Platforms, Content & Applications	10	Marine Renewable Energy
4	Connected Health & Independent Living	11	Smart Grids & Smart Cities
5	Medical Devices	12	Manufacturing Competitiveness
6	Diagnostics	13	Processing Technologies & Novel Materials
7	Therapeutics – Synthesis, Formulation, Processing & Drug Delivery	14	Innovation in Services and Business Processes

The S&E Region has sectoral strengths in many, if not all of the priority sectors identified due to the presence of most of the third level institutes in the region. The prioritisation report forms the basis for Ireland’s Smart Specialisation Strategy and represents an explicit emphasis on prioritising research that can achieve commercial outcomes within a reasonable timescale and for that research to be valorised accordingly. In addition, the agreed framework that emerged from the National Research Prioritisation Exercise set additional targets in relation to: the share of publicly performed R&D financed by enterprise to grow to €180m by 2017, from a baseline of €31.2 m in 2010; to increase the number of spin-out companies greater than 3 years old from 44 to 69 by 2017; to increase the number of firms engaged in R&D projects of significant scale from 1,070 companies in 2011 to 1,185 companies in 2017; to increase the turnover due to new-to-firm or new-to-market product innovations from 9.3% to 10.3% by 2017; and, a further 1,100 researchers will be employed in the enterprise sector in addition to the circa 10,600 currently employed.

At a regional level, the analysis undertaken highlighted the low level of expenditure on BERD in the S&E region relative to the OECD average (Needs Analysis). In 2011 the S&E region ranked 90<sup>th</sup> out of all EU regions reporting data on GERD, with a per capita spend of €657 on R&D<sup>28</sup>. Patents per billion of GDP in Ireland stands at 2.63 as compared to the EU average of 4.0<sup>29</sup>.

While on track to meet EU 2020 targets in relation to R&D intensity targets it is acknowledged that to attain national targets Ireland will require continued public support<sup>30</sup>.

The Needs Analysis identified that the R&D partnerships between HEIs and businesses in the region are reported as being low and difficult to put in place. It also noted a relatively small rate of conversion of R&D to commercial application.

The Central Statistics Office (CSO) and Forfás published a joint survey on Business Expenditure on R&D (BERD) activities of enterprises in Ireland<sup>31</sup>. The survey asked

<sup>28</sup> <http://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do?jsessionid=9ea7d07d30e4734b2adfc3cc4f9383dbbe2668765c04.e340aN8PchaTby0Lc3aNchuMchqOe0>

<sup>29</sup> CEC (2011), Innovation Union Competitiveness Report – Country Profile: Ireland.

<sup>30</sup> [http://ec.europa.eu/europe2020/pdf/themes/15\\_research\\_\\_development.pdf](http://ec.europa.eu/europe2020/pdf/themes/15_research__development.pdf)

<sup>31</sup> CSO & Forfás (2013), Business Expenditure on Research and Development 2011/2012

businesses across all sectors to report on R&D expenditure for 2011 and provides the most recent comprehensive view. Irish enterprises spent almost €1.86bn on R&D activities in 2011. Small enterprises (<50 employees) accounted for 27% of R&D expenditure, while medium-large enterprises accounted for the balance. Foreign-owned enterprises accounted for the vast majority of expenditure (71% of total business R&D spend in 2011), with approximately the balance coming from Irish indigenous businesses.

Of all R&D performing firms, 35% engaged in joint research projects with other parties in 2011. Foreign companies account for the majority of total BERD with a fairly constant 70 per cent share over the period and reaching €1.32 billion in 2011. Irish BERD increased to €37 million in 2011 from €30 million in 2003, an increase of 75%<sup>32</sup>. Foreign-owned firms showed higher rates of collaboration with all R&D partners in 2011. The highest rate of collaborative R&D activity for Irish firms at 19% was with HEIs in Ireland. Foreign firms were more likely to collaborate with firms outside of Ireland with 27% engaged in joint research projects<sup>33</sup>.

While the region is categorised as an innovation leader<sup>34</sup> the Needs Analysis exercise established that there are relatively low levels of innovation amongst Irish SMEs.

In summary, to bring the region on par with higher performing regions within the EU and OECD, this analysis supports increasing the research and development activities within HEIs and specialised research institutions including the employment of high-quality researchers and those on research focussed programmes of study. It also supports strengthening of the links between HEIs and industry to increase the level of innovation (including eco-innovation) and R&D within enterprises to accelerate the commercialisation of research outputs and direct R&D supports to industry to boost in-company research and innovation levels.

### ICT Infrastructure

The overall aim of the Digital Agenda for Europe is “*to deliver sustainable economic and social benefits from a digital single market based on fast and ultrafast internet and interoperable applications*”<sup>35</sup>. In line with this aim which is an Irish Government priority, ambitious targets are set for the provision of high-speed broadband by 2020 under the National Broadband Plan (NBP). The NBP targets are:

- 70Mbps -100Mbps available to at least 50% of the population with a majority having access to 100Mbps;
- At least 40Mbps, and in many cases much faster speeds, to at least a further 20% of the population and potentially as much as 35% around smaller towns and villages; and
- A minimum of 30Mbps available to all.

Ireland’s National Digital Strategy “Doing More with Digital” launched in July 2013 is focused on building momentum in digital adoption. As part of the digital strategy, a target has been set to get 10,000 Irish businesses online for the first time and to achieve a further 2,000 small Irish businesses trading online over a period of two years, through several complementary initiatives:

---

<sup>32</sup> CSO & Forfás (2013), Business Expenditure on Research and Development 2011/2012, pg. 9

<sup>33</sup> CSO & Forfás (2013), Business Expenditure on Research and Development 2011/2012, pg. 33

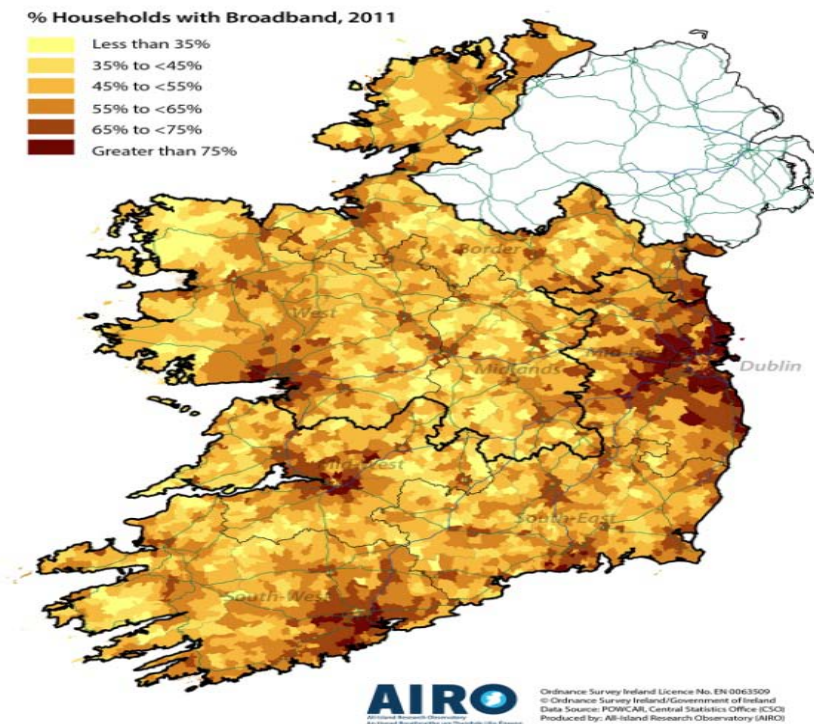
<sup>34</sup> European Union, 2014, Regional Innovation Scoreboard 2014, pg. 4

<sup>35</sup> European Commission (2010), A Digital Agenda for Europe. May 2010

- Development of a “trade-on-line” voucher scheme.
- A “Winning With Web” Awareness scheme – highlighting the value for small business of trading online.
- Better Information on online engagement to inform future policy.
- Support digital enterprise development by providing the skills base, research capacity and key financial supports through EI and IDA, and through the Digital Hub Development Agency and the National Digital Research Centre.

Ireland lags behind the EU and OECD average with regard to total fixed broadband take-up (excluding mobile). According to OECD figures, at the end of 2013, fixed broadband penetration reached 24.4% in Ireland, with the OECD average at 27% of population. Fibre accounts for only 0.5% of connections compared with 9.6% for the OECD.

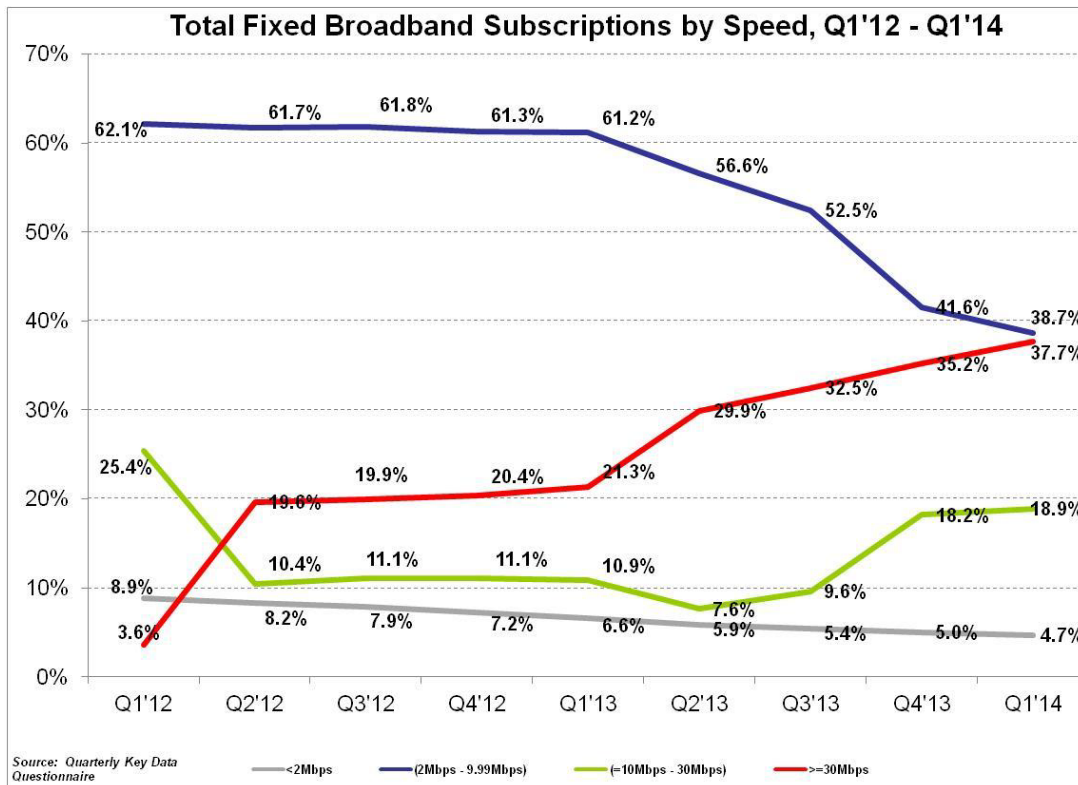
**Map 6: Ireland’s Percentage of Households with Broadband Connections 2011**



From a regional and rural perspective, there are extensive areas in both regions that will require publicly funded investment in order to ensure that they will be provided with high-speed next generation broadband infrastructure, if both the national and EU targets are to be achieved, and the existing digital divide is not to be made worse. It is clear from the above map that areas with the lowest population density have the lowest levels of household broadband connections.

Given the Regions dispersed nature there is also a high reliance nationally on mobile broadband with limited speed and capacity. 47% of broadband subscriptions are mobile subscriptions compared with the OECD average of 41.6% (75 Needs Analysis). There are poor connection speeds available, especially in rural areas. However, as the following

figure<sup>36</sup> illustrates, average broadband speeds continue to increase. In Q1 2014 approximately 56.7% of all broadband subscriptions were equal to or greater than 10 Mbps, up from 32.2%; and 37.7% of all broadband subscriptions were equal to or greater than 30 Mbps up from 21.3% in Q1 2013.



The potential benefits accruing from NGB investment (public and private) will permeate all aspects of the economy and society. Investment has the potential to impact positively on the environment and to promote and support the principles of equality and accessibility. Such investment also offers important synergies with other proposed investment priorities and other CSF funds in Ireland for the 2014-2020 period.

The Needs Analysis highlighted that the prioritisation of investment in ICT infrastructure will:

- Contribute to the EU Digital Agenda objectives and meet national targets in respect of high speed broadband availability;
- Address identified gaps in high speed broadband availability in non-urban areas;
- Provide a key enabling infrastructure for research and development, enterprise start-up and growth and e-government services to contribute to the EU Digital Agenda objectives;
- Promote regional development by enhancing the productive capacity of regional locations;
- Enhance a key driver of the competitiveness of the regional and national economy;
- Stimulate innovation and job creation in SMEs throughout the region;
- Continue to attract foreign direct investment to the S&E Region;

<sup>36</sup> Comreg Quarterly Data Report Q1 2014

- Underpin investment under other ESIF Programmes e.g., e-learning, rural development, development of coastal communities;
- Provide ubiquitous next generation broadband to all citizens, regardless of location, supports equality of opportunity;
- Exploit opportunities for more effective service provision e.g., e-health technologies;
- Complement investment under OP investment priorities in strengthening RTDI, enhancing SMEs and integrated urban development; and,
- Facilitate greater levels of e-working, thus reducing fuel consumption and peak time traffic flows.

### SME Competitiveness

The Small Business Act for Europe<sup>37</sup> set out a clear imperative from the EU to support entrepreneurship and innovation among SMEs and to drive new firm creation, expansion and employment in SMEs, along with the need to overcome a range of operational barriers. This is replicated by the emphasis that the Irish Government has placed upon facilitating and empowering Irish SMEs through their action plan for small business.

The private sector in Ireland consists largely of an indigenous Small and Medium Enterprise (SME) base<sup>38</sup>. The Irish business environment is dominated by SMEs, with 99% (192,531) of businesses being classified as SMEs in 2010. As a consequence, the SME base acts as a major source of employment accounting for 69% of persons engaged, 51.5% of turnover and 46.8% of gross value added (GVA).

There are many recognised barriers to the establishment and expansion of SMEs, one of which is access to finance as a result of the prevailing economic and banking climate. Recent analysis of SME credit availability found that just 52.2% of SME loans are approved (Needs Analysis).

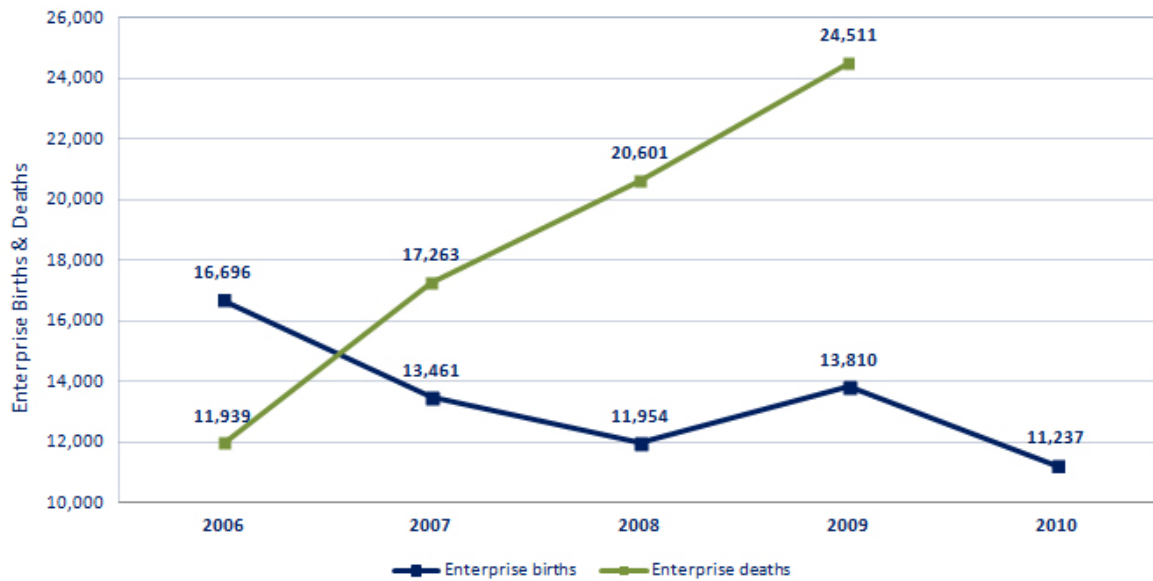
The decline in the number of economically active SMEs as a result of the economic crisis is clear for the following graph. In 2006, there were almost 16,700 enterprises born and by 2010 this figure had fallen to just over 11,200. By contrast the number of enterprise deaths/closures rose steadily over the period to 2009. Enterprise closures increased from 11,900 in 2006 to 24,500 in 2009. Prior to 2009, the vast majority of enterprise deaths were in the construction sector. However, by 2010 this had been overtaken by the services sector (see Figure below).

---

<sup>37</sup> European Commission (2008), Think Small First: A Small Business Act for Europe. June 2008.

<sup>38</sup> The revised European Union definition, used for EU statistical comparisons, defines a small enterprise as one with under 50 employees, and a medium enterprise as one with at least 50 but under 250 employees. Large enterprises have 250 or more employees.

**Figure 18: Ireland’s Number of Enterprise Births & Deaths 2006-2010**



*Source: CSO, Business in Ireland, 2010*

In terms of spatial distribution, the S&E region predominates with over 148,000 of the 194,000 active enterprises in Ireland (Needs Analysis).

The total early-stage entrepreneurial activity rate is 6.1% in Ireland, 18<sup>th</sup> in an OECD ranking of 28 countries and 14<sup>th</sup> in the ranking of the EU 27<sup>39</sup>. The rate is 8.3% for males and 4.0% for females a ratio of 2.1:1<sup>40</sup>. Weak domestic and consumer demand in recent years have left many firms and employees vulnerable - over 56% of private sector workers are employed by non-exporting indigenous firms (Needs Analysis).

The analysis points to the need for continued support for investment in Ireland’s SMEs. Significant barriers exist for SMEs to be enabled to conduct business, therefore a sustained approach which builds upon the achievements of the 2007-2013 Operational Programmes initiatives remains a logical conclusion.

In order to address the above clearly recognised needs, it is proposed to invest in one investment priority under Thematic Objective 3, namely to promote entrepreneurship, with a particular emphasis on high-growth and potentially high-growth sectors by facilitating the economic exploitation of new ideas and fostering the creation of new firms (Investment Priority 3(a)). Such supports will also promote green jobs and eco-innovation. These investment priorities will also contribute to one of the recent (2014) country-specific recommendations for Ireland, namely the facilitation of access to financial support for SMEs (CSR 5, 2014) and will also contribute to reducing Ireland’s unemployment rate (CSR 3, 2014).

<sup>39</sup> GEM 2012 Annual Report, Entrepreneurship in Ireland

<sup>40</sup> ditto



## Low Carbon Economy

The resource-efficient Europe flagship initiative seeks to develop a framework for policies to support the shift towards a low-carbon economy. This will be achieved through an increased use of renewable energy, development of green technologies and a modernised transport sector, and promotion of energy efficiency<sup>41</sup>.

Ireland's second National Energy Efficiency Action Plan (“**NEEAP**”) to 2020<sup>42</sup> emphasises that improving Ireland's energy efficiency is an essential part of Ireland's energy policy. It sets out 97 actions to achieve Ireland's 2020 energy efficiency target which is equivalent to a 20% reduction (31,925GWh) in energy demand across the whole economy and includes a specific 33% energy reduction target for the public sector, equivalent to 3,240GWh. These are ambitious targets and will require considerable investment in order to be achieved.

At 13.8 tonnes of carbon dioxide per capita, Ireland GHG emissions are 50% higher than the EU average<sup>43</sup>. However, while Ireland's per capita aggregate GHG emissions are the second highest in the EU, its CO<sub>2</sub> emissions per capita are the 10<sup>th</sup> highest. This reflects the fact that non-CO<sub>2</sub> GHGs, mainly methane and nitrous oxide from agriculture, make up a significant proportion of total emissions in Ireland<sup>44</sup>.

Data published by the CSO in October 2014 on domestic Building Energy Ratings shows that 79% of pre-1977 dwellings have a BER of D or worse in Ireland, while for houses built post-2010, the comparable figure is just 1%. This clearly demonstrates that the age of dwellings is the most important determinant of the energy performance of domestic dwellings<sup>45</sup>.

**Figure 19: Ireland's Level of Greenhouse Gas Emissions 2000-2011 (million tonnes CO<sub>2</sub> Equivalent)**



*Source: EPA, Ireland's Greenhouse Emissions in 2011*

<sup>41</sup> European Commission (2011), A resource-efficient Europe – Flagship initiative under the Europe 2020 Strategy, January, 2011

<sup>42</sup> [http://www.dcenr.gov.ie/NR/rdonlyres/B18E125F-66B1-4715-9B72-70F0284AEE42/0/2013\\_0206\\_NEEAP\\_PublishedversionforWeb.pdf](http://www.dcenr.gov.ie/NR/rdonlyres/B18E125F-66B1-4715-9B72-70F0284AEE42/0/2013_0206_NEEAP_PublishedversionforWeb.pdf)

<sup>43</sup> CSO (2012), Environmental Indicators Ireland.

<sup>44</sup> EPA (2012), Ireland's Environment – An Assessment.

<sup>45</sup> CSO (2014), <http://www.cso.ie/en/releasesandpublications/er/dber/domesticbuildingenergyratingsquarter32014/#.VMoLyC63rYg>

Ireland has been making good progress in terms of meeting commitments on improving the energy performance and reducing CO<sup>2</sup> emissions from the built environment and the building regulations are an important tool in meeting these standards. However, it should be recognised that there is a considerable stock of social housing in public ownership, generally in disadvantaged areas, which do not meet the new building requirements in terms of energy efficiency and performance. Currently the national social housing stock is comprised of some 130,000 rental properties, most of which are located in the country's cities and towns. It is estimated that there are some 25,000 older properties with low levels of energy performance, due mainly through heat loss through the fabric of the building. A targeted measure to address these issues will be necessary with the objective of securing positive outcomes in terms of improved energy efficiency, carbon savings, and improved comfort levels.

In addition there are large numbers of owner occupied non-Local Authority homes, which were constructed before 2006, where the energy efficiency and performance is very poor. A further targeted measure to address energy efficiency improvements in these homes, specifically targeting the elderly and vulnerable, making the homes more comfortable, healthier and more cost effective to run will also be required.

Based on this analysis it has been decided to concentrate resources on investment priority 4(c) to support energy efficiency in the housing sector. This investment will contribute to meeting the minimum 20% of ERDF resources required to be invested nationally in the low carbon economy and will promote an increase in green jobs in Ireland. This activity is acknowledged to be labour-intensive and will also therefore contribute to Country Specific Recommendation 3 reducing Ireland's unemployment rate (CSR 3, 2014).

The EU 2020 target for renewable energy sources is being addressed through national funding sources and therefore it has been decided to concentrate the limited ERDF resources for low carbon retrofitting of social housing to improve their energy efficiency.

### Sustainable Urban Development

The strategic aim of the urban dimension of cohesion policy for the 2014-2020 period is to reinforce the role of urban actions in support of territorial cohesion and Europe 2020 objectives, through an enhancement of the integrated approach and a renewed focus on sustainable urban development. One of the aims of the European Regional Development Fund (ERDF) is to support sustainable urban development through integrated strategies that tackle the economic, environmental, climate and social challenges of urban areas, including functional urban areas, taking account of the need to promote urban-rural linkages.

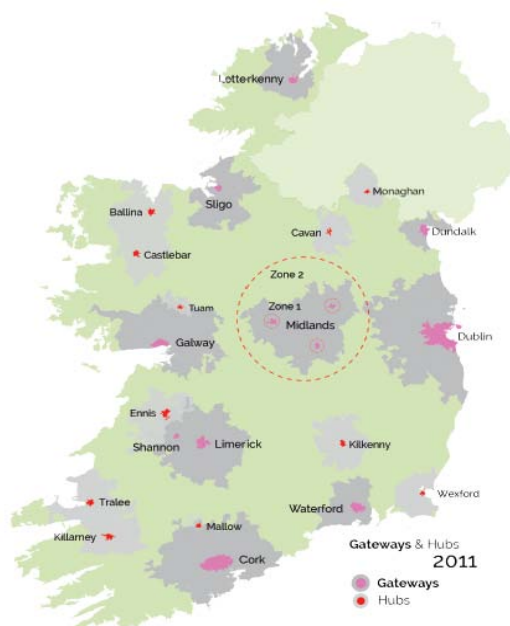
Urban areas are recognised as engines of growth and hubs for creativity and innovation, they add value and act as centres contributing to the development of their wider regions and rural hinterlands, and contribute to the polycentric and balanced territorial development of the EU.

In Ireland the principal strategic framework for urban policy is the National Spatial Strategy 2002-2020, which provides a 20 year planning framework and a hierarchy of designated growth centres. The key objectives of the NSS are set out hereunder. These align very well with the overall goals for the European Structural and Investment Funds:

- Sustain economic and employment growth;

- Improve competitiveness;
- Foster balanced regional development;
- Improve quality of life for all; and
- Maintain and enhance quality and diversity of natural environment and cultural heritage.

**Map 7: Ireland's Gateways & Hubs Functional Areas 2011<sup>46</sup>**



It is intended that the eligible urban areas will be selected in line with the principles specified in Ireland's Partnership Agreement. These urban authorities will develop integrated urban strategies and from these they will select, in accordance with Article 7.3 of the ERDF Regulation (EU) 1301/2013, the most appropriate actions for ERDF co-funding.

Under this priority, it is proposed to have two specific objectives, which will improve the urban environment, regenerate brownfield sites, reduce air pollution, promote noise reduction and promote sustainable multi-modal urban mobility. The measures foreseen for sustainable urban development take sustainable urban mobility plans, noise abatement plans (Environmental Noise Directive (2002/49/EC)), and air quality plans (Ambient Air Quality Directive (2008/50/EC), Gothenburg Protocol) into account.

*Specific Objective 5.1: To revitalise, regenerate and improve the urban environment in the designated urban centres as part of integrated urban strategies*

The Gateways and Hubs Development Index (2012) which measured the performance of both Gateways and Hubs across a range of economic, social and environmental metrics demonstrated that the implementation by Government of NSS policy has facilitated significant investment in public infrastructure, such as transport, ICT, improved water

<sup>46</sup> The functional areas encompasses all DEDs where in excess of 20% of the residents in employment commute to the urban core (Zone 1) for employment, derived from the CSO's Place of Work, School or College Census of Anonymised Records (POWSCAR) data (2011).

services and waste infrastructure that have helped to create the conditions for long-term economic progress in the Gateways and Hubs.

However, the data also revealed that in the case of most of the Gateways and Hubs, the populations of the adjoining hinterlands grew at a far faster pace than that of the urban cores of the Gateways. There is an increased incidence of vacancy in city and town centres, population declining in several core urban areas and lack of incentives for public/private investment in revitalisation schemes. This means that the designated urban growth centres and Gateways do not have the capacity to be effective drivers of regional and national economic development. Ireland's weak urban structure outside of the major cities, presents significant challenges to the future achievement of integrated urban development and highlights the need for continued investment in all of the designated growth centres.

It has been recognised that patterns of urban sprawl and low density development in particular, have led to unsustainable settlement and travel patterns in Ireland (EPA, 2012). The provision of attractive and environmentally sustainable living environments in compact urban centres is an important part of the solution to this problem.

The area under artificial land cover in Ireland grew by 15% in Ireland in the decade 2000-2010, mostly occurring on former agricultural land and on the periphery of existing urban centres (EPA, 2011). This rapid increase in artificial surfaces impacts significantly on many aspects of the environment, including climate, biodiversity, land resources and water quality.

Degradation of air quality in urban areas is also a challenge. While air quality in Ireland is generally good, NO<sub>x</sub> levels have been monitored to be at or above EU limits in some Irish cities, (EPA. 2011) due to excessive vehicular emissions.

It has been estimated (EPA, 2004) that there are circa. 2000 brownfield sites in Ireland, many with potential contamination problems and most of these are in urban areas.

Good urban design plays an important role in facilitating economic activity, changing commuting patterns, maintaining air and water quality, and protecting biodiversity, whilst restoring vacant and derelict sites to new uses.

Data from the Gateways and Hubs Development Index highlights that the rate of new firm formation had fallen during the 2006 to 2011 period. The level of decrease ranged from 1.90 per 1000 employees in the Cork gateway to 2.60 in the Dublin gateway. More significant levels of decrease are observed across the period in the Hubs with a decrease of 3.7 per 1,000 employees in the Wexford hub to 4.6 in the Mallow hub. This demonstrates that the economic performance of the designated growth centres has been sub-optimal.

The unemployment rate in all of the gateways had increased significantly between 2006 and 2011, with the rate in 2011 ranging from 16.6% in the Cork gateway to 22.3% in the Waterford gateway. The deprivation index which is a composite measure incorporating demographic growth, social class composition and labour market strength shows a higher concentration of deprivation in the core or zone 1 of the Waterford gateway in 2011 than that observed in 2006. The proportion of the population experiencing 2 or more deprivation indicators grew from 14% to 24.5% over the past 10 years. Many of these household are concentrated in core urban areas.

This investment priority will take action to improve the urban environment, revitalise and regenerate designated urban areas, consistent with investment priority 6(e) under Article 5 of the ERDF Regulation. It will support integrated urban regeneration initiatives to improve the urban environment and revitalise urban areas, making them more attractive places to live work and visit.

According to the Common Strategic Framework for the ESI Funds 2014-20 support for sustainable integrated urban development is a key action for the European Regional Development Fund under Thematic Objective 6, including the rehabilitation of cultural infrastructure. Part II of the Commission Staff Working Document ‘Elements for a Common Strategic Framework 2014 to 2020’ (page 22) specifically highlights the contribution of culture as a tool for regional development and for urban regeneration.

Sustainable integrated urban development measures supported will focus on the efficient use of existing resources within the urban environment hence reduce the pressure for the centre to ‘spread’ outwards and lead to further land degradation.

#### *Specific Objective 5.2: To support low carbon urban mobility in designated urban centres*

Ireland continues to be over-reliant on private cars for transport. Low-density, car-dependent, green-field development has meant that development has become more dispersed and fragmented geographically, with greater distances between where people live and work. One of the implications of this is that the use of private cars to commute to work or school/college is at 67.7% in the S&E region in 2011 a disimprovement from the 2006 usage of 65.7%<sup>47</sup>.

While transport accounts for less than 20% of Ireland’s GHG emissions, it is the fastest growing source of emissions (>137%) over the past two decades (EPA, 2012). Delivering sustainable transport systems and thereby reducing GHG emissions are important dimensions of Ireland’s climate change agenda. Reduced transport emissions will also make a meaningful contribution to Ireland’s commitment under EU effort-sharing arrangements in relation to climate change and real reductions on current levels of emissions can be achieved.

There is a common challenge facing all of the gateways and hubs to increase non private car commuting into the urban areas. Data from the Gateway & Hubs Development Index, from 2011, shows that the extent of non -private car commuting ranges from 18.23% in Waterford to 39.6% in Dublin. These are well below the national target figure of 55% by 2020 as set out in Ireland’s Smart Travel Policy. This policy highlights the need to focus future population and employment growth in sustainable urban areas and to give priority to cycling, walking and public transport facilities.

This investment priority will support sustainable, multimodal urban mobility initiatives, consistent with investment priority 4(e) of the ERDF Regulation.

In short, €26,000,000.00 ERDF has been allocated to the Priority where local authorities for the designated growth centres in the S&E Region will be invited to submit integrated strategies to tackle the economic, environmental, and social challenges affecting the urban centres, consistent with Article 7 of the ERDF Regulation (EU) 1301/2013, and which support the overall development strategy for the urban area concerned.

---

<sup>47</sup> CSO, Census 2011

## Technical Assistance

The extensive responsibilities of the Managing Authority with regard to the overall management of the OP and financial management and control are defined under Article 125 of the Common Provisions Regulation (EU) 1303/2013. Some of these functions will be delegated to Intermediate Bodies via Administrative Agreements to be prepared by the Managing Authority and will encompass specific tasks such as selection of operations, making payments to beneficiaries, uploading information on the IT system on co-funded operations, verifications of eligible expenditure and submitting declarations to the Managing Authority.

Intermediate bodies will also be primarily responsible for the collation of the progress data required for the monitoring and performance appraisal system. The Intermediate Bodies (i.e., Government Departments and Agencies) will be required to ensure effective implementation of the operations and schemes and full compliance with the applicable regulations, particularly those concerning financial management, control, publicity and public procurement.

The Managing Authority has extensive experience in the management, monitoring and evaluation and financial control of ERDF co-financed programmes. It possesses the skills and capabilities required to ensure the effective delivery of this Operational Programme, in accordance with the regulations for the 2014-2020 period. The training and information needs of Managing Authority personnel will be addressed during the lifetime of the Operational Programme and any costs arising will be met from the Technical Assistance budget.

All of the Intermediate Bodies are experienced in the administration and delivery of ERDF co-financed actions and in the fulfilment of financial management and control and compliance requirements. The Managing Authority will work closely with the Intermediate Bodies to ensure that the skills and capabilities needed to fulfil these requirements are in place and will ensure that the training and information needs of Intermediate Body personnel are met. A programme of training seminars will be hosted by the Managing Authority, the content of which is included in the descriptions of actions under the Technical Assistance priority.

Technical Assistance supports will therefore be required for the following purposes, in particular:

1. Maintain the effective implementation arrangements in place in relation to preparation, selection, appraisal and monitoring of programmes and operations which are the subject of co-funded assistance, meetings of the OP Monitoring Committee and any related sub-committees
2. Maintain effective financial management and control, audit and verification activities and put in place effective and proportionate anti-fraud and anti-corruption measures;
3. Undertaking OP-level information actions in accordance with the Communications Strategy and the Annual Communications Action Plan, including costs of participation in the INFORM network and the development and operation of programme-related web-sites;
4. Development and implementation of an Evaluation Plan for the OP, including costs of participation in the EU Evaluation Network;
5. Provision of guidance and training to Intermediate Bodies and beneficiaries to reinforce the capacity of Member State authorities and beneficiaries to administer and

- use those Funds and participation by Managing Authority staff in appropriate training programmes; and,
6. Establishment and operation of the computerised system for data exchange and e-cohesion system.

## **2.8 Justification for Selected Investment Priorities**

The Needs Analysis process reviewed the overall EU and national policy context, the macro-economic context and outlook a review of EU, national and regional policy drivers, trends, activities and achievements 2007-13 for each of the thematic objectives, a thematic SWOT analysis and territorial needs analysis by NUTS II region, a review of the horizontal principles and an assessment of potential synergies, complementarities, co-ordination arrangements with other Funds, and the contribution to the Atlantic Strategy Action Plan. In addition, the submissions received from stakeholders were reviewed and their proposals considered as an integral part of the needs analysis process. The needs analysis was therefore been both multi-dimensional and multi-factorial.

Particular account was taken of the requirements for thematic concentration in more developed regions in the draft Common Provisions Regulation, requiring that not less than 80% of ERDF resources must be concentrated on the Thematic Objectives 1 to 4, while 20% of ERDF resources nationally must be allocated to supporting the shift to a low carbon economy. In addition at least 5% of ERDF nationally must be invested in Sustainable Urban Development.

In addition, the Irish authorities had to have due regard to a number of administrative issues such as the administrative capacity and experience in the administration of EU Structural Funds by potential Intermediary bodies and the recent experience in administering the 2007-13 programmes, the amenability of investment priorities to performance appraisal and potential delivery mechanisms along with potential integrated approaches to territorial development. Each selected investment priority must contribute to a clear defined result indicator – this required programmes to include coherent actions within priorities that contribute to the selected result indicator for the relevant priority and avoid inclusion of a range of loosely related actions. The potential use of integrated approaches to territorial development has also been considered as part of the needs analysis process.

The following table sets out the selected Investment Priorities by Thematic Objective and the justification for their selection:

### **Justification for the Selection of Thematic Objectives and Investment Priorities for the S&E Operational Programme 2014 – 2020**

Selected Thematic Objective	Selected Investment Priority	Justification for Selection
1. Strengthening Research, Technological Development and Innovation	1 (a) Enhancing research and innovation infrastructure (R&I) and capacities to develop R&I excellence and	<ul style="list-style-type: none"> <li>• To assist in meeting a country-specific target in the National Reform Programme;</li> <li>• Priority identified in the European Commission position paper on Ireland;</li> <li>• To build upon the positive achievements of the 2007-13 programmes;</li> </ul>

	<p>promoting centres of competence, in particular those of European interest.</p> <p>1 (b) Promoting business investment in innovation and research, and developing links and synergies between enterprises, R&amp;D centres and higher education, in particular product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in Key Enabling Technologies and diffusion of general purpose technologies.</p>	<ul style="list-style-type: none"> <li>• Potential synergies with Horizon 2020; and</li> <li>• Potential to contribute to the Atlantic Strategy Action Plan.</li>   <li>• To support the achievement of the objectives of Ireland’s Innovation Taskforce report;</li> <li>• To contribute to the Innovation Union agenda; and</li> <li>• Opportunity to commercialise through technology transfer and applied research, the substantial outputs of Ireland’s research programmes.</li> </ul>
<p>2. Enhancing access to, and use and quality of, Information and Communication Technologies</p>	<p>2 (a) Extending broadband deployment and the roll-out of high-speed networks and supporting the adoption of emerging technologies and networks for the</p>	<ul style="list-style-type: none"> <li>• Contribute to the EU Digital Agenda</li> <li>• Meet national targets of high speed broadband</li> <li>• Promote development by enhancing the productive capacity of regional locations</li> <li>• Enhance key drivers of competitiveness of regional and national economy</li> <li>• Stimulate SME innovation and job creation</li> <li>• Attract foreign direct investment</li> </ul>



	digital economy.	<ul style="list-style-type: none"> <li>• Underpin investment under other ESIF Programmes: e-learning, rural development, development of coastal communities</li> <li>• Ubiquitous high speed broadband, support equality of opportunity</li> <li>• Exploit opportunities for effective service provision e.g. e-health technologies</li> <li>• Complement OP investment by strengthening RTDI, enhancing SMEs and integrated urban development</li> <li>• Facilitate greater levels of e-working, reducing fuel consumption, peak time traffic flows</li> <li>• Address gaps in high speed broadband availability in non-urban areas</li> <li>• Provide key enabling infrastructure for R&amp;D, enterprise start-up, growth and e-government services</li> <li>• Next Generation Broadband is prioritised in the national capital investment programme</li> </ul>
3. Enhancing the competitiveness of SMEs	3 (a) Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators.	<ul style="list-style-type: none"> <li>• Priority identified in the European Commission position paper on Ireland;</li> <li>• To address the need to accelerate micro-enterprise start-up and expansion;</li> <li>• To provide financial support to enterprises in accordance with Country-specific recommendation 5 (2014);</li> <li>• To create employment in the start-up and expansion of micro-enterprises enterprises in accordance with Country Specific Recommendation 3 (2014);</li> <li>• To continue the positive delivery of entrepreneurial supports; and</li> <li>• Strongly supported in the public consultation submissions received.</li> </ul>
4. Supporting the Shift Towards a Low Carbon Economy	4 (c) Supporting energy efficiency, smart energy management and renewable energy use in public infrastructures, including in public buildings, and in the housing sector.	<ul style="list-style-type: none"> <li>• Support the attainment of Ireland’s target under the National Energy Efficiency Action Plan;</li> <li>• Priority identified in the European Commission position paper on Ireland and identified as Priority in Irelands PA;</li> <li>• Contribute to the creation of employment in labour-intensive retro-fitting activity, consistent with Country Specific Recommendation 3 (2014); and</li> <li>• Contributes towards the 20% National Target as set out in Article 4 of Regulation (EU) No.</li> </ul>

		1301/2013 (ERDF)
4 - Supporting the shift towards a low-carbon economy in all sectors	4e - Promoting low carbon strategies for all types of territories, in particular for urban areas, including the promotion of sustainable multi-modal urban mobility and mitigation-relevant adaptation measures	<ul style="list-style-type: none"> <li>• To achieve reduced emissions from transport in accordance with the Commission paper;</li> <li>• To support low carbon urban mobility in designated urban centres;</li> <li>• To contribute to meeting Ireland’s EU2020 targets for reduced GHG emissions from transport;</li> <li>• To support the attainment of Ireland’s Smarter Travel Policy target of 20 percentage point increase in non-private car commuting.</li> </ul>
5. Preserving and Protecting the environment and promoting resource efficiency	6 (e) Action to improve the urban environment, revitalisation of cities, [...] regeneration and decontamination of brownfield sites (including conversion areas), reduction of air pollution and promotion of noise-reduction measures.	<ul style="list-style-type: none"> <li>• As part of sustainable urban development strategy, to enhance the quality of urban environments;</li> <li>• To continue the positive delivery of sustainable urban development actions; and</li> <li>• To align with the objectives of the National Spatial Strategy 2002-2020.</li> </ul>

### Ex Ante Evaluation Review of Programme Strategy

The ex ante evaluation of the draft OP (section 4.2) stated that the proposed investment strategy (described above) will contribute positively to the EU2020 priorities, will have a positive influence on the external policy environment, and has drawn upon lessons from past experience. The ex ante evaluation also affirms that stakeholder input has informed programme development.

In their overview of the programme strategy (section 4.3), the evaluators state that programme “has drawn on a wide-ranging evidence base including socio-economic data, National and EU Policy context, stakeholder input and lessons learnt from the delivery of previous programmes and recommendations from previous programme evaluations. This has ensured that the programme is firmly rooted in the needs of and seeks to take advantage of opportunities in the programme region. It should also be well placed to make an impact on the programme region and has the potential to contribute to the Union Strategy for smart, sustainable and inclusive growth – particularly to the smart growth targets and to a lesser extent to the targets relating to sustainable and inclusive growth.”

In their review of the proposed programme strategy (section 5.3), the ex ante evaluation team, drew the following conclusions:

- The priorities have a firm basis in the needs of the programme area – drawing on the strengths and weaknesses and targeting key challenges facing the region;

- The priorities and specific objectives are consistent with and fit within relevant thematic objectives and investment priorities but are appropriately tailored to the specific needs of the programme region;
- The priorities and specific objectives are coherent and complementary and should work well together in supporting the proposed interventions; and
- The actions proposed in the programme are appropriate and suitably reflect the intentions under the development needs, the Investment Priority, Specific Objective

**Table 5: Overview of the investment strategy of the Operational Programme**

Priority Axis	Fund	Union Support	Share of the total Union support to the OP	Thematic Objective	Investment Priorities	Specific objectives corresponding to the investment priority	Common and programme specific result indicators
1.RTDI Capability Development	ERDF	€90,000,000	36.13%	1	1 (a)  1 (b)	To increase the level of research taking place in the S&E region with Company engagement by supplying applied research. To increase the level of commercialisation of research by the higher education institutions in the S&E region	Number of industry partners engaged with funded strategic research centres in the S&E region  Annual number of Licenses as a result of research in S&E Region
2.ICT Infrastructure	ERDF	€30,000,000	12.04%	2	2 (a)	To increase the provision of fibre optic links to all unserved settlements in the S&E Region.	Settlements with high-speed next generation broadband in the S&E Region.
3.SME Competitiveness	ERDF	€34,600,000	13.89%	3	3 (a)	To increase employment levels in micro-enterprises in the S&E Region by supporting business start-ups, business expansion and higher innovation levels in micro-enterprises.	Employment in the micro-enterprise sector in the S&E Region
4.Low Carbon Economy	ERDF	€66,500,000	26.70%	4	4 (c)	To improve energy efficiency in the housing stock.	The average thermal performance of housing units in the S&E Region.
5.Integrated Urban Development	ERDF	€6,000,000	10.44%	6	4 (e)  6 (e)	To support low carbon sustainable, multimodal urban mobility in designated urban centres.  To revitalise, regenerate and improve the urban environment in the designated urban centres as part of integrated urban strategies.	Non private car commuting levels in the designated urban centres.  Improvement in the social, economic and physical conditions in selected urban centres, based on an urban development index.
6.Technical Assistance	ERDF	€2,009,350	0.81%	N/A	N/A	Effective implementation of the Operational Programme	Quantified results are not required for this priority axis in accordance with Article 96(2)(c) of the

					<p>Effective communication of funding opportunities and programme achievements</p> <p>Effective evaluation of the programme</p> <p>Effective capacity building for staff of the Managing Authority and Intermediate Bodies</p> <p>Establishment and operation of an effective computerised system for data exchange and e-cohesion system</p>	Common Provisions Regulation
<b>Total</b>		<b>€249,109,350</b>	<b>100.00%</b>			

## Chapter 3: Investment Priorities

### 3.1 Priority 1: Strengthening RTDI in the S&E Region

<b>Thematic Objective</b>	Strengthening Research, Technological Development and Innovation
<b>Investment Priorities</b>	<p><b>1(a)</b> enhancing research and innovation (R&amp;I) infrastructure and capacities to develop R&amp;I excellence, and promoting centres of competence, in particular those of European interest;</p> <p><b>1(b)</b> promoting business investment in R&amp;I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies;</p>
<b>Specific Objectives</b>	<ol style="list-style-type: none"> <li>1. To increase the level of research taking place in the S&amp;E region with Company engagement by supplying applied research.</li> <li>2. To increase the level of commercialisation of research by the higher education institutions in the S&amp;E region</li> </ol>
<b>Results Indicators</b>	<ol style="list-style-type: none"> <li>1. Number of industry partners engaged with funded strategic research centres in the S&amp;E region</li> <li>2. Annual number of licenses as a result of research in the S&amp;E Region</li> </ol>
<b>Intermediate Bodies</b>	<ol style="list-style-type: none"> <li>1. Science Foundation Ireland</li> <li>2. Marine Institute</li> <li>3. Enterprise Ireland</li> </ol>

#### Justification

The Europe 2020 strategy and the Flagship Innovation Union Initiative stipulate that Member States should continue to prioritise investment to strengthen the research, technological development and innovation (RTDI) to build capacity and contribute to the development of a high-added value and resilient European economy. This remains a key objective for Ireland, demonstrated by significant investments, co-funded by European funds over the past decade. Research and Development and Innovation (R&D&I) and the application of knowledge are critical drivers for the future success of Irish industry. It is therefore imperative that Ireland focuses on promoting the level, quality and commercial applicability of the R&D&I undertaken, ensuring that industry leads the response to rapid changes in customer needs. In addition, innovation must pervade all aspects of the R&D&I process.

Ireland's headline national target for Research and Development aims to raise combined public and private investment levels in this sector to 2.5% of GNP (approximately equivalent

to 2.0% of GDP). In addition, the agreed framework that emerged from the National Research Prioritisation Exercise set additional targets in relation to: the share of publicly performed R&D financed by enterprise to grow to €180m by 2017, from a baseline of €31.2 m in 2010; to increase the number of spin-out companies greater than 3 years old from 44 to 69 by 2017; to increase the number of firms engaged in R&D projects of significant scale from 1070 companies in 2011 to 1185 companies in 2017; to increase the turnover due to new-to-firm or new-to-market product innovations from 9.3% to 10.3% by 2017; and, a further 1,100 researchers will be employed in the enterprise sector in addition to the circa 10,600 currently employed.

The findings of the Needs Analysis both in terms of the identified trends and deficits in RTDI activities and the findings of the SWOT, continue to strongly support the case for investment in Research, Technological Development and Innovation to maintain their catalytic role in the development of the regional economy. The Needs Analysis also highlighted the need to strengthen links between higher education institutions and industry in order to increase the level of research and innovation within enterprises and to accelerate the commercialisation of research results.

The proposed RTDI priority will be clearly aligned with Ireland's identified priority research areas as set out in the Smart Specialisation Strategy (RIS3) to enable regions to maximise local and regional competitive advantages in emerging technological sectors. Ireland's Research and Innovation Strategies for Smart Specialisations (RIS3) is a dynamic policy process which will continue to be reviewed over the lifetime of the Operational Programme 2014-2020 to ensure that it continues to meet the requirements in terms of performance, monitoring, stakeholder involvement and prioritisation.

The selected investment priorities within this thematic objective will also reflect the renewed emphasis on achieving measureable commercial outcomes from the public investment, through commercialisation support programmes. The Needs Analysis also highlighted that there is further scope for investment in marine research activities, in line with Government policy "Harnessing our Ocean Wealth" and consistent with Priority 1 of the Atlantic Strategy Action Plan in the S&E Region.

Further investment in RTDI builds upon investment under the 2007-2013 S&E Regional Operational Programme and also presents synergies with the thematic objective of *Enhancing the Competitiveness of SMEs*.

## **Investment Priority 1(a) Co-funded Interventions**

### **SFI Research Centres Programme**

The objective of the Research Centres Programme is to develop a set of world-leading, large-scale research centres aligned with the 14 priority areas of research identified in the Research Prioritisation Exercise that will provide major economic impact for Ireland. SFI Research Centres link scientists and engineers in partnerships across academia and industry to address crucial research questions; foster the development of new and existing Irish-based technology companies; attract industry that could make an important contribution to Ireland and its economy; attract international research talent and capital; attract, anchor and spin out related companies in Ireland; and increase the numbers of SFI-trained researchers employed in

industry. All of the approved research centre proposals will be aligned with the 14 priorities identified in Ireland's Research Prioritisation Exercise.

The Research Centres are structured on a hub & spoke model consisting of a number of targeted projects undertaken in partnership with industry that connect into a central hub containing the platform research and core operations. A key feature of SFI Research Centres is the creation of a critical mass of internationally leading researchers in strategic areas which become a key attractant to industry and lay the foundation for effective and productive academic and industrial partnerships. The Research Centres provide the foundation for sustainable research activity which can take place in conjunction with Industry Partners and other funding agencies such as EU by leveraging against the core SFI funding, with the objective to meet the changing needs of industry and society. SFI Research Centres envisage evolving to maximise capabilities, outputs and industry offerings including the transfer of knowledge and expertise to enterprises and the spin-out of new, high-technology start-up companies that have the potential to raise external angel or venture funding.

The SFI Research Centre programme will contribute to the specific objective of the investment priority by increasing the level of strategic research taking place in the S&E region, aligned with the Research Prioritisation Exercise, with strong industrial linkages and will also promote eco-innovation, where relevant.

Industry partners are expected to contribute 30% of the cost of research activities in Strategic Research Centres. This relatively high industry cost-share component reflects the importance and urgency of the programme to industry and to ensure maximum impact on growth and jobs. The co-funded expenditure does not include infrastructure.

### **SFI Research Centres: Spokes Programme**

The objective of the Spokes Programme is to promote the further development of existing SFI Research Centres to incorporate new areas of research, new industrial and academic collaborators. The Spokes Programme is an initiative to enable the addition of new industrial and academic partners and projects to an existing SFI Research Centre in the S&E region, so allowing the Centre to expand and develop in line with new priorities and opportunities aligned with the Research Prioritisation Exercise. This will ensure that the Research Centre retains its ability to do cutting edge research and its industrial relevance, and so enhance its sustainability. The Spokes programme also provides a vehicle to link together, in a meaningful and relevant way, different Research Centres. The Programme has been designed to deliver excellent oriented applied research results and discoveries in targeted projects associated with SFI Research Centres aligned with the 14 priorities identified in Ireland's Research Prioritisation Exercise and hence will deliver significant economic and societal impact during the lifetime of the programme.

SFI Spokes will help link scientists and engineers in partnerships because under this programme Industrial and academic researchers (both scientists and Engineers) are linked through funding of projects delivered via the Spokes programmes.

The Spokes Programme will contribute to the specific objective of the investment priority by enabling new industrial and academic partners to join existing strategic research projects. This will increase the level of strategic research activity in the S&E region and enable increased engagement by industry with the supported research centres.

Industry partners are expected to contribute 50% of the cost of research activities in Spokes Projects. This high industry cost-share component reflects the importance and urgency of the



programme to industry and to ensure maximum impact on growth and jobs. The co-funded expenditure does not include infrastructure.

One of the stated objectives of funding the Research Centres is to leverage complementary funding from other sources (in addition to the cost-share with industrial partners outlined above). In particular SFI encourages Research Centres to participate in the development of the European research area by leading initiatives of scale funded by the European Commission's Horizon 2020 initiatives. SFI have agreed annual targets for each research Centre for level of funding to be secured from non-SFI sources including Horizon 2020 and other international funding instruments.

### **Marine Research Programme**

The objective of the Marine Research Programme is to support capacity building and technology transfer through a range of interventions including PhD scholarships, Post-Doctoral Fellowships, research projects and inward/outward research visits. The Marine Research Programme administered by the Marine Institute aims to support a range of interventions including PhD scholarships, Post-Doctoral Fellowships, research projects and inward/outward research visits to support capacity building and technology transfer. The Marine Institute will host competitive calls for funding of marine research activities which will be open to both the public sector and to industry and will co-fund relevant research undertaken by public research bodies which aligns with Ireland's marine research objectives, as set out in the Government policy "Harnessing our Ocean Wealth" and consistent with Priority 1 of the Atlantic Strategy Action Plan, in the S&E Region.

The Marine Institute will also catalyse funding from other funding agencies (e.g. Environmental Protection Agency, Science Foundation Ireland, Irish Research Council, Geological Survey of Ireland, Sustainable Energy Authority of Ireland, etc.) through co-funding initiatives aimed at achieving common research objectives.

The Irish Government's marine strategy "Harnessing our Ocean Wealth" (2013) has identified key sectors with the potential for further growth and expansion. These include the marine biotechnology and high tech marine products and services sectors, currently valued at €85m per annum. These sectors are aligned with Ireland's Research Prioritisation Exercise and are underpinned by marine research.

This initiative will increase the level of research activity taking place in the S&E region aligned with Ireland's marine research priorities and in support of a growing marine economic sector, thus contributing to the specific objective of the investment priority.

The Marine Institute hosts a national contact point for marine and one of the key elements of this role is to identify EU/International funding opportunities for the Irish marine sector, and assist potential applicants with networking to establish the best research consortia.

In addition the Research Office, Marine Institute offers a number of services to researchers in Ireland:

- Provides information on national and international funding opportunities via our Funding webpage <http://www.marine.ie/home/funding/>.
- Responsible for project and financial management of research projects awarded under the Marine Research Sub-Programme.

- Encourages North/South collaborations as funding under the Marine Research Sub-Programme is open to applicants in Northern Ireland also.
- Provides assistance with proposals with respect to strategic context, financial rules and preparation of budgets to Marine Institute staff for research proposals to the EU and other national funding agencies e.g. Science Foundation Ireland, Environmental Protection Agency, etc.
- Encourages marine research collaborations e.g. our travel grants scheme provides funding for overseas pre-proposal meetings to establish consortia for Horizon 2020 proposals.

### Intended Beneficiaries

Investment Priority 1(a) will support both indigenous enterprises and foreign-owned enterprises through engagement with Companies by Strategic Research Centres and Spokes Programme implemented by Science Foundation Ireland. The Marine Institute will also engage primarily with indigenous Irish marine enterprises through the marine research programme. Under the current SFI Research Centre Programme, a majority of industry partners (58%) are indigenous Irish Companies.

An industry partner is a company making a financial contribution to the budget of the Research Centre, as well as an intellectual contribution to the research agenda of the centre. The Industry Partner is represented in the centre by its Industry Collaborator. An industry partner can be either a Multi-national or SME and all Industry partners sign a collaboration agreement with the Research Centre. Under the terms of the standard Collaboration agreements, which outline the IP rights, the Intellectual property (IP) rights generated by the research, is retained by the Research Bodies.

Companies engaged with research institutions will also benefit from the roll-out of high speed fibre broadband in currently unserved areas. This will enable them to secure the maximum commercial and socio-economic advantages.

### Project Selection

Operations will be selected taking account of the general guiding principles as set out in section 7.7 of this document.

In relation to the SFI-administered there are open calls run for researchers in eligible Research Bodies, which generally have fixed deadlines. All submissions are subjected to competitive, international merit review processes carried out by a panel of leading experts who make recommendations to SFI Executive, or SFI Board as appropriate, who make the final decision on awards.

Marine research funding will be administered via competitive calls for proposals from both the research community and industry taking account of the Atlantic Strategy where appropriate. Research proposals are evaluated by a panel of national and international experts maintained by the Marine Institute and drawn from third-level, public and industry sectors. The names of the experts assigned to individual proposals are not made public. However, the Marine Institute makes available lists of all the experts participating on its evaluation panels at regular intervals. To ensure that the best quality scientific research is undertaken, the Marine Institute carries out ongoing project monitoring from grant award to final report that focuses on the achievement of planned project outputs and deliverables.

Strategic context is one of the evaluation criteria for all competitive research proposals (including those co-funded by the European Regional Development Fund), with 20-25% of the overall score allocated to *Strategic context, rationale, benefits and impacts of the project*.

Applicants for funding must clearly demonstrate how their research addresses the objectives of the relevant National/European strategies, specifically:

- Harnessing Our Ocean Wealth – An Integrated Marine Plan for Ireland (July 2012)
- Food Harvest 2020
- Food Research Ireland
- Report of the Research Prioritisation Steering Group
- EU Strategy for the Atlantic (2011)
- Atlantic Action Plan 2014-2020
- Blue Growth

### **Investment Priority 1(b) Co-funded Interventions Enterprise Ireland Commercialisation Fund**

The objective of the Enterprise Ireland Commercialisation Fund is to foster and grow a dynamic and commercially aware research community and to create an environment that promotes entrepreneurship aligned with the Research Prioritisation Exercise. In so doing, an accessible route to commercialisation is established for the transfer of knowledge from the research base into industry. Third-level researchers and researchers in other research producing organisations (RPOs) can apply to carry out applied research that may lead to licensing agreements and spin-out companies.

The programme will fund the development of innovations **at all stages** of the commercial pipeline to the point where they **can be commercialised** as new products, services and companies. This Fund will not support purely exploratory research, nor does it support applied research for companies.

Two funding supports will be provided:

- Feasibility support to investigate the commercial case for the innovation, technology, project idea; and,
- Commercialisation Fund support to develop the innovation/technology for commercialisation.

Researchers in third level institutions and non-profit research agencies and organisations in the Republic of Ireland are eligible to apply. The Commercialisation Fund programme leverages the research strengths and technical expertise in Irish HEIs to develop innovations that will have an economic impact in Ireland. Innovations including those aligned to the 14 areas of Research Priority that provide commercial opportunities which can be exploited by Irish companies operating in relevant markets or which create opportunities for new start-up companies are supported by the programme.

The Commercialisation Fund will contribute to the specific objective of the investment priority by supporting research organisations to develop a route to commercialisation for innovative technology-based projects, leading to the creation of R&D based spin-out enterprises.

## **Enterprise Ireland Innovation Partnership Programme**

The objective of the Innovation Partnership Programme is to propel the use of key technologies by Irish companies by encouraging them to work with Irish research institutes resulting in mutually beneficial co-operation and interaction. Companies can access expertise and resources to develop new and improved products, processes, services, and generate new knowledge and know-how. The participating company benefits in terms of its growth, the evolution of its strategic research and development and the creation of new knowledge that it can use to generate commercial advantage. The research institute benefits in terms of developing skill sets, intellectual property and publications.

The Innovation Partnership Programme is aimed at propelling the use of key technologies by Irish companies is a key part of the strategy for the implementation of the Research Prioritisation Exercise. The Innovation Partnership Programme helps companies to engage in collaborative research projects with Irish universities and institutes of technology to develop new products and services. The Programme will support companies which already have a history of investing in innovation and R&D activity - mostly in-house; is deepening existing links between academia and business in many cases; is serving companies whose main motivations for participation is to help their business to grow and also to access academic knowledge.

For companies, Innovation Partnership funding reduces both the cost and the risk associated with collaborative research. The programme is focused on firms, especially SMEs, which have difficulty exploiting technological developments that are outside their established capacities. It also address the insufficient use being made by industry of the wealth of expertise and technology available from Ireland's knowledge base.

Innovation Partnership funding may follow an Innovation Voucher as a large commitment of a company to R&D. It can also build on commercialisation funding through working with a platform technology developed through the Commercialisation Fund or through SFI funding to customise and advance the technology for a particular field of use. EI's R&D fund could also follow an Innovation Partnership to 'productise the technology developed in an Innovation Partnership. The Programme attracts clients through organised exhibitions, presentations and networking, articles and editorial, advertising and brochures.

The Innovation Partnership programme leverages the research strengths and technical expertise in Irish HEIs to develop innovations that will have an economic impact in Ireland. The Innovation Partnership programme is aligned to 14 areas of the Research Prioritisation Exercise.

The Innovation Partnership Programme contributes to the specific objective of the investment priority by supporting Irish companies to undertake increased R&D activities with the support of public research institutions.

### Intended Beneficiaries

Direct supports will be provided under Investment Priority 1(b) to indigenous Irish enterprises through the Enterprise Ireland Innovation Partnerships (there are no enterprise size limits and some non-indigenous client companies of EI will also be eligible) and to early-stage campus-based start-ups in Irish institutions via the Commercialisation Fund.

Companies engaged in research activities and innovation partnerships will also benefit from the roll-out of high speed fibre broadband in currently unserved areas. This will enable them to secure the maximum commercial and socioeconomic advantages.

### Project Selection

Applications from researchers for Commercialisation Fund supports will be evaluated for their commercial and if appropriate to the support technical merit by internal and/or external evaluators. Funding recommendations for feasibility support will be considered by relevant senior management in Enterprise Ireland who will make the funding decision. Funding recommendations for Commercialisation Fund support are presented to the Industrial Research and Commercialisation Committee in Enterprise Ireland for approval. This committee is currently composed of senior members of Enterprise Ireland, the Department of Enterprise Trade and Employment, the Department of Agriculture, the IDA, senior academics and independent industrial experts and members of the business community.

Innovation Partnership funding is paid to the research-performing organisation. The percentage of the costs paid by Enterprise Ireland is determined by company size and by the type of research (Industrial Research or Experimental Development). There are two phases associated with an Innovation Partnership application. In Phase 1, either an Outline Proposal Document or an Innovation Partnership Feasibility Study application can be submitted. Phase 2 is a Full Application. Full Proposal Applications are accepted following the approval of an outline proposal or following the submission of a report upon completion of an Innovation Partnership Feasibility Study. The company must discuss this proposal in detail with their Development Adviser / Agency Contact before the research institute partner submits it. After Technical and Commercial Assessment, the project is brought to Enterprise Ireland's Industrial Research & Commercialisation Committee for decision.

Operations will be selected taking account of the general guiding principles as set out in section 7.7 of this document.

## Programme-Specific Result Indicators

### Investment Priority 1(a)

ID	Indicator	Measurement Unit	Category of Region	Baseline Value	Baseline Year	Target Value	Source of Data	Frequency of Reporting
1a	Number of Industry partners engaged with funded strategic research centres in the S&E Region	No. of enterprises	More Developed	529	2014	713	SFI	Annual

### Investment Priority 1(b)

ID	Indicator	Measurement Unit	Category of Region	Baseline Value	Baseline Year	Target Value	Source of Data	Frequency of Reporting
1b	Annual number of licenses as a result of research in S&E Region	No. Licenses	More Developed	24	2013	25	EI	Annual

## Priority-level Output Indicators

### Investment Priority 1(a)

ID	Indicator	Measurement Unit	Fund	Category of Region	Target Value	Source of Data	Frequency of Reporting
CO 24	Research, innovation: Number of new researchers in supported entities	Full-Time Equivalents	ERDF	More Developed	689	SFI	Annual
1.1	Number of Awards under the Spokes Programme in the S&E Region	No. of awards	ERDF	More Developed	25	SFI	Annual
1.2	Number of marine research PhDs and Post-Doctoral Researchers funded	No. of researchers	ERDF	More Developed	21	MI	Annual

### Investment Priority 1(b)

<b>ID</b>	<b>Indicator</b>	<b>Measurement Unit</b>	<b>Fund</b>	<b>Category of Region</b>	<b>Target Value</b>	<b>Source of Data</b>	<b>Frequency of Reporting</b>
CO 01	Productive investment: Number of enterprises receiving support	Enterprises	ERDF	More developed	143	Enterprise Ireland	Annual
CO 26	Research, innovation: Number of enterprises co-operating with research institutions	Enterprises	ERDF	More developed	143	Enterprise Ireland	Annual
1.3	Number of commercialisation fund awards	No. of awards	ERDF	More Developed	325	Enterprise Ireland	Annual
CO 04	Productive Investment: Number of enterprises receiving non-financial support (innovation partnerships)	No. of enterprises	ERDF	More Developed	143	Enterprise Ireland	Annual

### Performance Framework of the Priority

Indicator Type	ID	Definition of the Indicator	Measurement Unit	Fund	Category of Region	Milestone 2018	Final Target	Source of Data	Relevance
Output	CO24	Number of new researchers in supported entities	Full-Time Equivalents	ERDF	More Developed	276	689	SFI	This is a key output of SFI Research Centres and IP 1(a). It represents 53.6% of the overall Priority allocation
Output	1.3	Number of commercialisation fund awards	No. of Awards	ERDF	More Developed	130	325	EI	This is a key output of EI Industry R&D Programme and IP 1(b). It represents 25% of the overall Priority allocation and 75% of IP 1b.
Financial	F1	Total amount of eligible expenditure entered into the accounting system of the certifying authority and certified by the authority	€	ERDF	More Developed	€72m	€180m	Certifying Authority	This performance indicator assumes 40% of priority allocated expenditure will be incurred and declared by end 2018 and 100% by end 2023

### Categories of Intervention

ERDF		S&E REGION		Dimension 3 Territory		Dimension 4 Territorial Delivery Mechanism	
Dimension 1 Intervention field		Dimension 2 Form of finance		Dimension 3 Territory		Dimension 4 Territorial Delivery Mechanism	
Code	Amount €	Code	Amount €	Code	Amount €	Code	Amount €
060	60,000,000	01	90,000,000	01	65,000,000	07	90,000,000
062	30,000,000			02	25,000,000		



### 3.2 Priority 2: Information and Communication Technologies

<b>Thematic Objective:</b>	Enhancing access to, and use, and quality of ICT.
<b>Investment Priority:</b>	<b>2(a)</b> Extending broadband deployment and the roll-out of high-speed networks and supporting the adoption of emerging technologies and networks for the digital economy
<b>Specific Objective:</b>	To increase the provision of fibre optic links to all un-served settlements in the S&E Region
<b>Priority Results Indicator:</b>	Settlements with high-speed next generation broadband in the S&E Region
<b>Intermediary Body:</b>	Department of Communications, Energy and Natural Resources

#### Rationale:

High quality and reliable broadband as an enabling infrastructure for economic and social development is increasingly becoming a critical component of a 21<sup>st</sup> century society. The digital part of Ireland's economy is growing at a rate of 16% per year and the opportunities this presents must be harnessed in order to maximise the accruing economic and social benefits. International experience and research supports the view that high speed broadband in particular is a key requirement for growth and jobs. Furthermore, the exponential growth of digital technologies across the globe is driving demand for high speed broadband.

Studies<sup>48</sup> have indicated that SMEs with a strong web presence have been shown internationally to grow twice as quickly, export twice as much and create twice as many jobs as those who have a minimal web presence. Reliable connectivity to the internet is therefore critically important for business growth and development. By providing the requisite connectivity, incentivising digital for small business, and raising awareness of its benefits, it is expected that more businesses will be encouraged to do more with digital. This, in turn, should have a positive impact on efficiencies, increase sales, grow enterprise and create more jobs.

From a societal perspective, broadband is an important facilitator of many activities including education, entertainment, business, eHealth, eGovernment and is increasingly used as a simple and effective way of communication through social media. It is also an essential requirement for more flexible work patterns which can potentially reduce operating costs for commercial and public sector organisations.

Considerable progress has been made in recent years in both the coverage and speeds of national broadband infrastructure with a multiplicity of commercial operators providing services over a diverse range of technology platforms. A combination of private investment and State intervention over the past number of years means that Ireland has met the European Commission Digital Agenda target of having a basic broadband service available to all areas by 2013. The focus must now turn to accelerating the roll out of high speed services and the achievement of the other targets of the Digital Agenda for Europe. Notwithstanding progress made in recent years in delivering a basic broadband service, there still remains an unacceptable digital divide between rural and urban areas. While industry continues to make significant investments in high speed broadband services, it is accepted that Ireland's widely

---

<sup>48</sup> McKinsey Global Institute

dispersed population and topography means that there are some areas where it is simply not viable for the commercial sector to provide services.

Recognising the critical importance of high speed broadband in terms of economic stability and prosperity, the Irish Government is committed to radically changing the broadband landscape in Ireland by ensuring that guaranteed, quality broadband is available to all and that citizens and businesses have the requisite tools to participate fully in, and maximise the benefits of, a digitally enabled economy and society. In this regard, a National Broadband Plan and National Digital Strategy have been adopted and will be implemented over the coming years. These represent a dual strategy of facilitating the provision of high quality infrastructure while at the same time helping citizens, businesses and communities to optimise the use of technology.

Based on the most recent statistics from the OECD from 2011, 90% of Irish enterprises had a fixed broadband connection. In absolute terms this means that approximately 14,000 enterprises within the Southern & Eastern region had yet to connect to a fixed broadband connection. This gives an indication of the number of potential enterprises within the region who could benefit from the roll-out of next generation broadband to the presently un-serviced areas.

The Next Generation Broadband Plan which was published in 2012 contained a suite of measures aimed at ensuring the widespread availability of broadband across the country, irrespective of location. The main focus was to facilitate commercial investment with a commitment from the State that public money would be invested to ensure high speed broadband services would also be available in those parts of the country that were not commercially viable. In addition, the Plan also contained a number of other policy targets including looking at improving interaction with local authorities to help streamline planning and consents for proposed commercial investments (road openings, erection of masts etc.), a review of national spectrum policy as well as leveraging, where possible, the role that State-owned infrastructure might play in broadband deployment.

The National Broadband Plan is a clear expression of the importance of broadband infrastructure to the achievement of Ireland's economic and social objectives. It recognises that the full range of opportunities presented by a digital economy can only be further unlocked if the requisite infrastructure is in place to support the development of new applications, new connectivity, new ways of doing business and new ways of delivering public, private and community services to citizens. It commits to, among other things, a State led investment to deliver high speed broadband in those areas that will not be served by the commercial sector. A comprehensive mapping exercise will identify where the market is expected to deliver high speed broadband services over the coming years and consequently those areas that will need to be targeted by a State led intervention.

The Plan also contained specific proposals around stimulating demand for broadband and, as a consequence, in the summer of 2013, Ireland published the National Digital Strategy (<http://www.dcenr.gov.ie/Communications/NDS/NDSHome.htm>). The strategy recognises that any supply side measures need to have complementary demand side measures, if the benefits of a digital society are to be fully realised. To this end, the National Broadband Plan complements a range of developed and emerging Government initiatives that require high speed broadband in order to realise their full potential. The National Digital Strategy seeks to

stimulate business and consumer demand for ICT and the e-Government Strategy, encompassing e-Health and eLearning.

In tandem with Ireland's National Digital Champion (David Puttnam) a lot of effort is being put into implementing the various recommendations of this Report. The focus is very much on getting small domestic SMEs trading on-line, increasing the use of ICT in the classroom and learning environment and enabling those traditional groups (elderly, unemployed, early school-leavers) to gain basic digital skills. Ireland's e-Government Strategy (dealt with by another Ministry) also has clear targets for increasing the range of public services that can be accessed on-line. Ireland's Central Bank has also developed a national electronic payments plan to try shift business and the public away from cash and cheque transactions.

As part of DCENR's communications strategy for the proposed State intervention, the Department of Communications is heavily engaged with numerous stakeholders who would represent rural dwellers and business. For example, links have been forged with the Irish Farmers' Association to create a compelling picture as to why the farming community should embrace digital technology. A similar case is being developed with other groups representing tourism and small businesses.

In parallel and in order to ensure that the opportunities afforded by the digital era are embraced, the National Digital Strategy seeks to stimulate business and consumer demand for ICT and is part of suite of measures introduced by the Irish Government to ensure that Ireland transitions to a more digitally engaged society. These strategies include the National Payments Plan<sup>49</sup> and the eGovernment Strategy<sup>50</sup>.

To promote greater levels of take-up of high speed broadband, the National Digital Strategy sets out a wide range of measures, including:

- Promotion of e-business and web-based trading opportunities for indigenous firms
- Support for the start-up and expansion of digital enterprises
- Awareness-raising campaigns to reduce the levels of non-internet usage, in collaboration with internet service providers
- Digital skills training initiatives
- Greater deployment of on-line education resources for both mainstream and e-learning uses
- Enhance on-line service delivery for public service users

Promotion of ICT and e-business opportunities and expansion of digital enterprises will be supported under Priority Axis 3 of the OP. Other initiatives will be funded by the Irish exchequer and include, inter alia: the Broadband for Schools initiative and a Trading Online voucher Scheme to promote online trading by SMEs. The Department of Communications, Energy and Natural Resources also liaises with community groups such as LEADER Groups and the Irish Farmers' Association in this regard.

The National Broadband Plan and National Digital Strategy are investing in Ireland's future. While the improvements they seek to deliver will impact across Ireland, they will be especially pronounced in smaller urban and rural areas. Their successful implementation should ensure that the benefits of the internet economy are realised by all. The proposed State investment will be subject to a formal state aid application.

---

<sup>49</sup> <http://www.centralbank.ie/paycurr/paysys/Documents/National%20Payments%20Plan%20-%20Final%20Version.pdf>

<sup>50</sup> <http://egovstrategy.gov.ie/>

Broadband and the need to improve both its availability and quality in rural areas emerged as a strong theme from both research and consultation carried out to support the development of the LEADER elements of the Rural Development Programme 2014-2020. However, it was also determined that the level of funding available and the community-led nature of the delivery methods would not lend itself to significant infrastructural investment from the LEADER elements of the RDP. It is therefore envisaged that LEADER support will be directed to projects that support and promote the uptake of broadband and capacity building efforts to ensure rural communities and business can avail of all of the benefits that broadband has to offer. In this context, the LEADER elements of the RDP aim to add value to national efforts to improve broadband infrastructure. The RDP programme document will include text to include broadband in the context of activities that complement national initiatives in order to ensure flexibility for Local Development Strategies with a view to further refining the specifics of what is and what is not eligible within the framework of the LEADER operating rules that accompany the implementation of the programme. The Managing Authorities for the ERDF and EAFRD co-financed programmes will maintain effective communications to ensure that programmes work together in a complementary manner.

#### Intervention:

The intervention that will be supported under this Priority is a targeted State led investment providing broadband infrastructure in those areas that will not be covered by the commercial sector. This will facilitate the widespread availability of reliable and guaranteed high speed broadband which is a key component in delivering the objectives of the National Broadband Plan and the National Digital Strategy.

#### Project Selection Principles

The areas to be targeted for the provision of high speed broadband will be identified in a comprehensive mapping exercise. A broadband service provider(s) will be selected arising from a competitive tender process for the roll out of high speed broadband in the identified target areas. The criteria selection for the successful bidder(s) will be specified in the request for tender document and will take account of the general principles as set out in section 7.7 of this document.

### Programme Specific Result Indicators

ID	Indicator	Measurement Unit	Category of Region	Baseline Value	Baseline Year	Target Value	Source of Data	Frequency of Reporting
2a	Settlements with high-speed next generation broadband in the S&E Region	No. of settlements	More Developed	391	2014	933	DCENR	Annual

### Investment Priority 2(a)

ID	Indicator	Measurement Unit	Fund	Category of Region	Target Value	Source of Data	Frequency of Reporting
CO 10	ICT Infrastructure: Additional households with broadband access of at least 30Mbps	Households	ERDF	More Developed	164,344	DCENR	Annual

**Performance Framework of the Priority**

Indicator Type	ID	Definition of the Indicator	Measurement Unit	Fund	Category of Region	Milestone 2018	Final Target	Source of Data	Relevance
Output	CO10	ICT Infrastructure: Additional households with broadband access of at least 30Mbps	No. of households	ERDF	More Developed	0	164,344	DCENR	This is a key common output indicator
Financial	F1	Total amount of eligible expenditure entered into the accounting system of the certifying authority and certified by the authority	€	ERDF	More Developed	0.00	€60 m	Certifying Authority	The roll-out of the of next generation broadband fibre will take place in the latter half of the programme
Implementation Milestones- see below	I1	Launch of procurement process to award contract	Number of steps completed	ERDF	More Developed	Procurement process launched	Procurement process launched	DCENR	The final target represents the completion of phase 1 of the National Broadband Plan.

### Categories of Intervention

ERDF		S&E REGION					
Dimension 1 Intervention field		Dimension 2 Form of finance		Dimension 3 Territory		Dimension 4 Territorial Delivery Mechanism	
Code	Amount €	Code	Amount €	Code	Amount €	Code	Amount €
046	30,000,000	01	30,000,000	02	15,000,000	07	30,000,000
				03	15,000,000		

### **3.3 Priority 3: SME support, promotion and capability development**

<b>Thematic Objective:</b>	Enhancing the competitiveness of SMEs
<b>Investment Priorities:</b>	<b>3(a):</b> Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators
<b>Specific Objective</b>	To increase employment levels in micro-enterprises in the S&E Region by supporting business start-ups, business expansion and higher innovation levels in micro-enterprises.
<b>Result Indicator</b>	Employment in the micro-enterprise sector in the S&E Region
<b>Intermediate Body</b>	Enterprise Ireland

#### ***Rationale***

Micro-enterprises account for more than 90% of enterprises in Ireland. The low level of business start-ups in the S&E Region was highlighted in the Needs Analysis, along with limited access to credit for SMEs and the relatively low levels of innovation and internationalisation of the region's micro-enterprise sector. The findings of the Needs Analysis both in terms of the identified trends and the challenges facing enterprises, continue to strongly support the case for investment in Ireland's micro-enterprises which have been most greatly impacted as a result of the economic crisis.

Significant barriers exist for SMEs to overcome to be enabled to conduct business, therefore a sustained approach which builds upon the achievements of the 2007-2013 Operational Programme is clearly justified. Notwithstanding the financial crisis, an additional 3,499 full-time equivalent jobs were created with ERDF support, up to the end of 2013. Ireland has a strong track record in supporting micro-enterprise formation and expansion and there is a clear justification to continue to build upon the successful track record of the City and County Enterprise Boards, albeit via a new institutional arrangement as part of the Local Enterprise Offices within local government.

This priority will support the evolution of the supports currently provided by County Enterprise Boards, into the new Local Enterprise Offices (LEOs) housed within the City and County Councils. The focus of the intervention will be to increase the rates of business start-up and expansion, and enhance management capability, competitiveness, innovation, technological adaptation and the export-orientation of microenterprises. A suite of support services will be provided by the LEOs to enable existing and start-up microenterprises to increase their capability including management, productivity, ICT and sales and marketing. This suite of measures will contribute to job sustainability/growth in existing enterprises in addition to creating new enterprises and employment.

The LEOs will be responsible for cultivating a favourable culture of entrepreneurship and for supporting the development of enterprises at local level. Through their enterprise promotion initiatives, financial supports and training/mentoring programmes since their establishment, the CEBs have enabled their client base to become a key source of start-ups and employment. In light of the challenges presented by the dynamics of the global economy it is critical that the new Local Enterprise Offices are supported in their efforts to maintain and develop their promotional activities so that their client base continues to successfully fulfil that role and deliver high value added enterprises which have potential for increased innovation, growth and employment creation.



The promotion of a sustainable culture of entrepreneurship through the provision of training, management capability inputs and financial supports to existing and new innovative enterprises with growth potential will remain a key objective over the timeframe of the Regional OP.

### **Objective**

The objective of this investment priority is to support business start-ups and SMEs access the finance required for sustainability and growth.

### **Proposed Actions**

This investment priority will support innovative and growth oriented micro-enterprise business start-ups and expansions, with a particular emphasis on high-growth and potentially high-growth sectors through the provision of business information, advisory services, capability building, mentoring and financial supports. The ERDF co-financed financial supports will be targeted at more value added micro-enterprises clients in the manufacturing and traded services activities with a particular emphasis on high-growth and potentially high-growth which do not lead to deadweight and or displacement whereas the non-financial supports are broader and more generally focussed e.g. Training and Mentoring i.e. anybody can potentially avail of same but will meet the specific needs of high growth and potential high growth companies.

In pursuing this, the LEOs will:

- support business start-ups and expansions with appropriate financial supports, including feasibility supports, priming supports and repayable assistance in addition to networking with appropriate private sector finance providers;
- encourage and facilitate higher levels of value added businesses, including green enterprises and eco-innovation, by applying innovation, ICT strategies and export awareness;
- build the capability of owner/managers of micro-businesses through training and development actions including mentoring programmes, peer learning's and access to business networks with a particular focus on high growth and potential high growth enterprises;
- promote local enterprise culture and entrepreneurship throughout society through initiatives such as their Start-Your-Own-Business training courses – targeted at the unemployed, provision of business information and advisory services, schools enterprise programmes, awards schemes, networks including the Women-in-Business, Seniors and Youth enterprise networks. The LEOs run a range of Start-Your-Own-Business Programmes every year which are targeted at the unemployed to encourage them to develop their skills in addition to presenting self employment as a career development option.

Companies will also benefit from the roll-out of high speed fibre broadband in currently unserved areas. This will enable them to secure the maximum commercial and socio-economic advantages. In addition the LEO's are also implementing a scheme on behalf of the Department of Communications Energy and Natural Resources to encourage businesses to trade online via an offer of Digital Online Vouchers.

The LEOs will engage, individually and collectively, in the development and establishment of training programmes and initiatives designed to promote entrepreneurial capability,

entrepreneurship, and adaptation of new technology including ICT applications, on-line business opportunities and innovation, as well as increased export sales by micro enterprises. The training programmes as developed by the LEOs may be delivered by public and/ or private sector training providers. The selection of training providers will have regard to the suitability of a market-driven approach and the scope for private sector participation in delivery as well as to the capacity and experience of potential providers and adherence to cross-cutting themes.

The LEOs are the first stop shop for anybody in Ireland looking to start develop or grow a business. The LEOs will support entrepreneurs and businesses that are eligible for support under current policy. The LEOs have a series of protocols in place with other agencies in the enterprise space and where appropriate will refer on those enquirers to the relevant agency to deal with their enquiry. Those protocols include many of the key local and national agencies including Department of Social Welfare, Revenue Commissioners, Údarás Na Gaeltachta, Micro Finance Ireland, Fáilte Ireland etc. This also involves referrals for H2020 where appropriate. The LEO Customer Service Charter states specifically: *Where your LEO cannot deal with your enquiry it will provide a referral service to the appropriate agency. The Department of Jobs Enterprise and Innovation and Enterprise Ireland have agreed protocols with the relevant agencies to ensure an efficient customer service in response to LEO clients' enquiries.*

Due to the level ERDF resources available for this priority, supports for larger SMEs (i.e. those in excess of 10 employees) will not be delivered through this Priority, but through a number of Irish exchequer funded schemes primarily delivered through Enterprise Ireland. Enterprise Ireland is charged with providing a range of financial support, information services and training relevant to Irish Enterprises. In particular the supports include (inter alia):

- promoting entrepreneurship and supporting high potential start-up companies,
- fostering and investing in in-company R&D & Innovation
- fostering and investing in research collaborations between public and private research performers in Ireland
- supporting the commercialisation of public research institutes
- promoting awareness and access to EU funding research programmes including Horizon 2020
- supporting the adoption of best practice in relation productivity and environmental improvements in Irish Enterprises
- supporting the development of management capabilities in Irish Enterprise
- improving access to finance for Irish SMEs.

The average annual funding for enterprise development allocated by Enterprise Ireland is in the region of €200m and this funding is primarily targeted at supporting the development of manufacturing and internationally traded services companies. The funding and supports are to assist the companies, from entrepreneurs with business propositions for a high potential start-up through to large companies, to expand their activities, improving efficiency and growing international sales.

In instances where Enterprise Ireland does not play a direct role in delivering supports signposting and introductions are made to other relevant government and EU supports. This information is provided through a number of channels including the Enterprise Ireland

website, Ireland's Horizon 2020 website, information events for entrepreneurship, regional Enterprise Ireland Offices and through direct discussions and advice provided by Enterprise Ireland representatives.

### **Administrative Arrangements**

The micro-enterprise support actions will be administered in each local authority area by the relevant Local Enterprise Office. Each Local Enterprise Office will operate in accordance with a Service Level Agreement with Enterprise Ireland setting out the protocols relating to service delivery, operational arrangements, policy and support, budgets and performance metrics. Enterprise Ireland will act as the Intermediary Body for the actions and the Local Enterprise Offices within each City and County Council will be the public beneficiary bodies.

The financial assistance provided will be in the form of repayable and non-repayable grants, with 30% of total approvals being in the form of repayable grants. Each Local Enterprise Office will have discretion to assign a refundability element in the case of individual grants once the overall levels are achieved. Separate records are maintained for grants distributed from the repayable aid accounts.

Repayable grants typically have to be repaid in instalments over a period of 3 – 5 years, sometimes after an initial repayment holiday. Repayable assistance is eligible for inclusion in declarations of co-financed expenditure when first declared only and repayments received from repayable / recycled grants must be used for the same purpose as the original funds.

Enterprise Ireland will be responsible for managing the design and oversight of the entrepreneurship training and accelerator programmes. These programmes will be run in the S&E region in partnership with established stakeholders and partners in the region such as existing entities with start-up incubation facilities.

### Project Selection processes and principles

Approval of micro-enterprise support will be effected through the relevant Local Enterprise Office operating within local authorities. These will pursue a systematic appraisal of all project proposals. An overriding requirement is the avoidance of duplication, displacement or dead-weight. The key selection criteria will be based on national guidelines, take account of the general principles as set out in section 7.7 of this document and include the following:

- The quality, commercial viability of the project proposal and its local relevance;
- overall costs of the project and its cost effectiveness;
- The contribution of the proposal to the development of the enterprise in terms of internal capacity and employment creation;
- Potential for deadweight or displacement;
- Potential to increase the competitiveness of the enterprise and added value to local enterprise development; and
- Adherence to cross cutting themes.

The LEOs will engage, individually and collectively, in the development and establishment of training programmes and initiatives designed to promote entrepreneurial capability, entrepreneurship, and adaptation of new technology including ICT applications, on-line business opportunities and innovation, as well as increased export sales by micro enterprises. The training programmes as developed by the LEOs may be delivered by public and/ or private sector training providers. The selection of training providers will have regard to the suitability of a market-driven approach and the scope for private sector participation in

delivery as well as to the capacity and experience of potential providers and adherence to cross-cutting themes.

Enterprise Ireland in conjunction with partners in the S&E region will jointly promote the entrepreneurship Training and Business Plan Development Interventions. Payments will be made to regional partners towards the cost of running and managing the programmes. Payments in the form of grants and/or stipends to eligible entrepreneurs participating on the programmes will be available following an application and assessment process jointly overseen by Enterprise Ireland and Regional Programme managers. Payments will be made by the programme managers for onward disbursement to participants during the duration of their participation on the programme.

Enterprise Ireland's entrepreneurship training and feasibility programme is targeted at entrepreneurs and early stage start-up companies located across Ireland. The programme will be open to applications from a diversity of sectors including; food & consumer products, information & communication technology, engineering & electronics, medical devices, biotechnology, pharma, digital media, cleantech/renewable energy and eligible internationally traded services. Ideally applicants have the following characteristics:

- Intend establishing a manufacturing or internationally traded services business or a new domestically traded service business with the potential to trade internationally;
- Ambitious and have the capability and commitment needed to develop a sustainable business;
- Growth orientated - planning to achieve turnover greater than €500,000 and create more than five jobs in three to five years time; and
- Develop a business that is built upon on a strong foundation of innovation and/or technology.

### Programme Specific Result Indicators

ID	Indicator	Measurement Unit	Category of Region	Baseline Value	Baseline Year	Target Value	Source of Data	Frequency of Reporting
3a	Employment in micro enterprises in S&E Region	Full Time Equivalents (FTE)	More Developed	169,866 <sup>51</sup>	2011	186,852.00	CSO	Annual

### Priority-level Output Indicators

ID	Indicator	Measurement Unit	Fund	Category of Region	Target Value	Source of Data	Frequency of Reporting
CO01	Productive investment: Number of enterprises receiving support	Enterprises	ERDF	More developed	51,736.00	Enterprise Ireland	Annual
CO02	Productive investment: Number of enterprises receiving grants	Enterprises	ERDF	More developed	1,804.00	Enterprise Ireland	Annual
CO06	Productive investment: Private investment matching public support to enterprises (grants)	€	ERDF	More developed	13,649,599.00	Enterprise Ireland	Annual
CO08	Productive investment: Employment increase in supported enterprises	FTE	ERDF	More Developed	5,760	EI	Annual
CO05	Number of new enterprises supported	Enterprises	ERDF	More Developed	2,398	EI	Annual
CO04	Number of enterprises receiving non-financial support	Enterprises	ERDF	More Developed	17,770	EI	Annual
3.1	Number of participants of enterprise training programmes	Participants	ERDF	More Developed	105,552	EI	Annual

<sup>51</sup> CSO (2011) Business Demography NACE Rev 2 by Employment Size, County, Year and Statistic; <http://www.cso.ie/px/pxeirestat/Statire/SelectVarVal/Define.asp?maintable=BRA08&PLanguage=0>

### Performance Framework of the Priority

Indicator Type	ID	Definition of the Indicator	Measurement Unit	Fund	Category of Region	Milestone 2018	Final Target	Source of Data	Relevance
Output	CO08	Employment increase in supported enterprises	No. of employees	ERDF	More Developed	2,304	5,760	EI	Captures a key outcome of the supported intervention
Financial	F1	Eligible Priority Expenditure Certified	€	ERDF	More Developed	€27.680 m	€69.200 m	Certifying Authority	The financial indicator assumes that 40% of allocated eligible expenditure will be declared by 2018 and 100% by 2023

### Categories of Intervention

ERDF		S&E REGION					
Dimension 1 Intervention field		Dimension 2 Form of finance		Dimension 3 Territory		Dimension 4 Territorial Delivery Mechanism	
Code	Amount €	Code	Amount €	Code	Amount €	Code	Amount €
001	34,600,000	01	24,220,000	01	10,860,000	07	34,600,000
		02	10,380,000	02	12,580,000		
				03	11,160,000		

### 3.4 Priority 4: Low Carbon Economy

<b>Thematic Objective</b>	Supporting the shift towards a low-carbon economy in all sectors in the S&E region.
<b>Investment Priorities</b>	4. (c) Supporting energy efficiency, smart energy management and renewable energy use in public infrastructures, including in public buildings, and in the housing sector.
<b>Specific Objectives</b>	To improve energy efficiency in the housing stock.
<b>Result Indicators</b>	The average thermal performance of housing units in the S&E Region
<b>Intermediate Bodies</b>	Department of Communications, Energy and Natural Resources Department of Environment, Community and Local Government

#### Justification (Rationale)

The resource-efficient Europe flagship initiative seeks to develop a framework for policies to support the shift towards a low-carbon economy. This will be achieved through an increased use of renewable energy, development of green technologies and a modernised transport sector, and promotion of energy efficiency<sup>52</sup>. Member States are required to adopt a National Renewable Energy Action Plan under Directive 2009/28/EC and the plan sets the National targets for the share of energy from renewable sources consumed in transport, electricity and heating and cooling in 2020, taking into account the effects of other policy measures relating to energy efficiency on final consumption of energy.<sup>53</sup> Ireland's second National Energy Efficiency Action Plan ("NEEAP") to 2020<sup>54</sup> emphasises that improving Ireland's energy efficiency is an essential part of Ireland's energy policy. It sets out 97 actions to achieve Ireland's 2020 energy efficiency target which is equivalent to a 20% reduction (31,925GWh) in energy demand across the whole economy and includes a specific 33% energy reduction target for the public sector, equivalent to 3,240GWh. These are ambitious targets and will require considerable investment in order to be achieved.

The Department of Communications, Energy and Natural Resources and the Sustainable Energy Authority of Ireland (SEAI) are encouraging further activity in the non-residential sector (a separate work-stream is assessing the suitability of the residential sector for a market-based financing programme). In pursuit of this objective, the Department is working towards the publication of a National Energy Services Framework<sup>55</sup>, which is anticipated to play a central role in the delivery of the energy and climate targets. The Department proposes the Framework as a means to assist in stimulating retrofit activity and investment into the energy efficiency sector.

Ireland has been making good progress in terms of meeting commitments on improving the energy performance and reducing CO<sup>2</sup> emissions from the built environment and the building regulations are an important tool in meeting these standards.

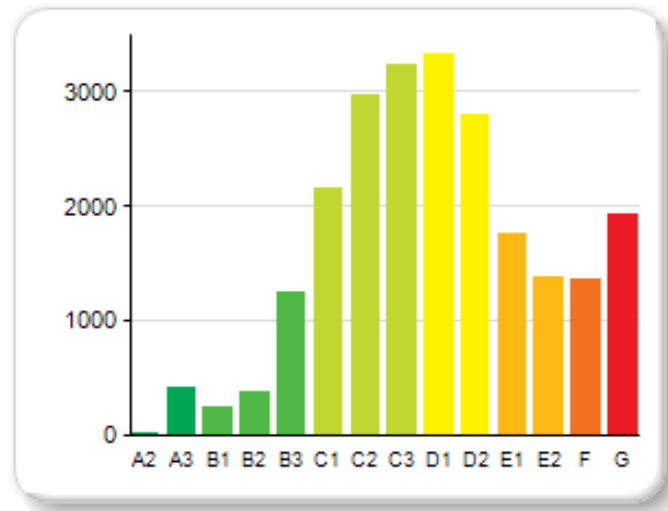
<sup>52</sup> European Commission (2011), A resource-efficient Europe – Flagship initiative under the Europe 2020 Strategy, January, 2011.

<sup>53</sup> National Renewable Energy Action Plan – IRELAND, 2010.

<sup>54</sup> [http://www.dcenr.gov.ie/NR/ronlyres/B18E125F-66B1-4715-9B72-70F0284AEE42/0/2013\\_0206\\_NEEAP\\_PublishedversionforWeb.pdf](http://www.dcenr.gov.ie/NR/ronlyres/B18E125F-66B1-4715-9B72-70F0284AEE42/0/2013_0206_NEEAP_PublishedversionforWeb.pdf)

<sup>55</sup> National Energy Services Framework. Available at: <http://goo.gl/PFZXF>

Ireland has 1,994,845 domestic dwellings according to the Central Statistics Organisation<sup>56</sup>, with 1,658,243 permanently occupied<sup>57</sup>. The current median Building Energy Rating (Energy Performance Certificate – EPC) for domestic dwellings is a D1. The distribution is as follows:



Source SEAI

However, it should be recognised that there is a considerable stock of social housing in public ownership, generally in disadvantaged areas, which do not meet the new building requirements in terms of energy efficiency and performance. Currently the national social housing stock is comprised of some 130,000 rental properties, most of which are located in the country's cities and towns. It is estimated that there are some 25,000 older properties with low levels of energy performance, due mainly through heat loss through the fabric of the building. A targeted measure to address these issues will be necessary with the objective of securing positive outcomes in terms of improved energy efficiency, carbon savings, and improved comfort levels.

In addition there are large numbers of owner occupied non-Local Authority homes, which were constructed before 2006, where the energy efficiency and performance is very poor. A further targeted measure to address energy efficiency improvements in these homes, specifically targeting the elderly and vulnerable, making the homes more comfortable, healthier and more cost effective to run will also be required.

The shift to higher resource efficiency and to a low-carbon economy also has the high potential to enhance economic growth and employment creation in Ireland. As a part of its commitment under the Action Plan for Jobs 2012<sup>58</sup>, the Government published a policy statement on growth and employment in the Green Economy – *Delivering Our Green Potential*<sup>59</sup>. The Expert Group on Future Skills (EGFS) estimates that up to 10,000 extra jobs could be created in six key sub-sections of the Green Economy by 2015<sup>60</sup>, one of which is Efficient Energy Use and Management.

<sup>56</sup> <http://www.cso.ie/en/census/census2011reports/census2011profile4theroofoverourheads-housinginireland/>

<sup>57</sup> [http://www.cso.ie/quicktables/GetQuickTables.aspx?FileName=CNA33.asp&TableName=Number+of+private+household+s+and+persons+in+private+households+in+each+Province+,+County+and+City&StatisticalProduct=DB\\_CN](http://www.cso.ie/quicktables/GetQuickTables.aspx?FileName=CNA33.asp&TableName=Number+of+private+household+s+and+persons+in+private+households+in+each+Province+,+County+and+City&StatisticalProduct=DB_CN)

<sup>58</sup> Action Plan for Jobs 2012.

<sup>59</sup> Delivering Our Green Potential, 2012.

<sup>60</sup> Future Skills Needs of Enterprise within the Green Economy in Ireland, November, 2010.



Given the requirement that 20% of ERDF resources must be allocated to this thematic objective nationally over the 2014-2020 period and Ireland's challenging targets under EU 2020, a new delivery mechanism is required in order to significantly boost investment in this sector. The outcomes of a feasibility study being carried by the EIB, into the potential use of financial instruments in the retrofit of social housing schemes is significant in this regard. This sector may have the potential for generating some financial returns, in terms of energy savings thus rendering it suitable for co-financing via a financial instrument. While financial instruments are probably more appropriate for large scale, energy efficiency schemes, a more conventional Local Authority/Voluntary Housing managed grant scheme may be more suitable for some social housing retrofit schemes.

The trend analysis which identified the inherent challenges in attaining the 2020 targets and the findings of the SWOT strongly supports the inclusion of this as a key investment priority and recognises the opportunities for strong regional growth arising from such investment.

The positive environmental impacts of such investment are identified in a number of the public consultation submissions received in support of thematic objective four. Such investment also offers important synergies with other proposed investment priorities and other CSF funds in Ireland for the 2014-2020 period. Retrofitting of social housing also addresses environmental sustainability and social inclusion horizontal principles. The actions to be funded under this priority axis will support the creation of green jobs, for employees working in the labour-intensive retrofitting of existing dwellings.

## **Proposed Co-funded Actions**

### **Social Housing Retrofit**

#### ***Scheme 1 - Apartments***

Of the 25,000 older properties a particular difficulty arises in the case of some 2,000 apartments located in large flat complexes in Dublin city especially, where more than 1,500 of these are found. These 5-storey maisonettes do not meet new building standards of energy efficiency and require a substantial energy retrofit to address this as well as renewable energy use, condensation risk etc. These 5-storey blocks are solid, well located and currently support stable communities in city centre locations and make a positive contribution to the urban form. In the case of Cork and Limerick, the flat complexes are smaller in scale but exhibit the same deficiencies in terms of thermal performance and comfort levels. They will be the subject of similar thermal improvement works.

Installation and design of energy efficiency retrofit works will be performed to National Building Regulations and to the detail provided in the National Standards Authority of Ireland Code of Practice for Energy Efficiency Retrofit of Dwellings.

Therefore this theme will provide funding for (i) the energy retrofitting of up to 2,000 thermally deficient and older social housing units and (ii) facilitate a transition to renewable energy use in public housing through the implementation of a number of pilot projects.

The principal objective of the retrofitting proposal is to meet Ireland's commitments in relation to carbon emissions reductions and energy reduction targets for 2020. Implementation of energy efficiency measures in buildings will make a significant contribution to Ireland's carbon emissions reduction targets and energy reduction targets for 2020. The frameworks within which these measures are being implemented are provided by the recast Energy Performance of Buildings Directive and Energy Efficiency Directive.

Energy savings in buildings will contribute 45% of Ireland's total energy savings targets for 2020. The energy retrofitting of buildings in the private and public sector hold the greatest potential for energy savings.

It is intended that this retrofitting proposal will fully meet the stringent requirements and ambitious targets of the Energy Efficiency Directive.

Secondary objectives of the retrofitting proposal include:

- Stimulating employment generation within the construction/energy retrofitting sector. This measure will support some 4167 jobs, taking account of both direct and indirect jobs, over the implementation period;
- Demonstrating the importance of public sector bodies leading by example as required by the Recast Energy Performance of Buildings Directive and the Energy Efficiency Directive.

The targeted housing units shall undergo an ambitious and all-at-the-same time comprehensive energy efficiency improvements resulting in at least an improvement in one energy efficiency grade rating to be fit for purpose.

A programme of Energy Retrofitting works will include:

- Insulation works;
- Installation of new heating systems based on 91% efficient gas boiler with zoning, temperature controls, and factory insulated hot water cylinders;
- Interventions to improve energy efficiency and seal buildings including draught proofing and ventilation systems; and
- Replacement of windows and doors with high performance double glazing and triple glazing.

### ***Scheme 2 – Local Authority Houses***

#### **Measure 1: Insulation Retrofitting Programme.**

This scheme will focus on older properties with solid masonry wall construction with a view to retrofitting attic/roof and wall insulation. Due to the higher cost of providing either external wall insulation and/or internal dry-lining/insulation, grants of up to €10,000 per dwelling will generally be payable. The funding will include the replacement of poorly performing doors and windows where necessary.

It is estimated that at least 13,000 such properties across Ireland (8,750 in the S&E Region) will require to be retrofitted in the coming years at an estimated cost of €10,000 each.

The targeted housing units shall undergo an ambitious and all-at-the-same time comprehensive energy efficiency improvements resulting in at least an improvement in one energy efficiency grade rating to be fit for purpose.

Properties in all local authority areas are eligible for funding.

#### **Measure 2: Retrofitting of Vacant Social Housing Stock.**

In addition to achieving best use of existing resources, minimising voids attracts a much enhanced perception of local authorities where housing applicants can be accommodated as quickly as possible and vacant dwellings are not the source of anti-social behaviour.

Over 4,000 social housing units are vacant at present. A targeted measure is being introduced which will focus exclusively on vacant and boarded-up properties with the objective of returning at least 3,500 of these (2,355 in the S&E region) to productive use as quickly as possible. Funding of up to €30,000 per unit will be provided for a suite of retrofitting works.

The programme will focus on retrofitting of the fabric of the dwelling (insulation of walls/roofs, window/door replacement, heating system improvement, etc). The measure will apply across all local authorities in the S&E region.

Retrofitting on the selected properties under the above measures will be based on the results of a conditional and thermal efficiency survey of social housing units. Local Authorities are required to identify properties without adequate basic fabric insulation or thermal saving measures. Priority will be given to ensuring that all social housing stock will have, as a minimum, wall insulation and attic insulation (300mm). Following this, Local Authorities will identify properties which have un-insulated solid walls – pre 1978 dwellings, solid block, hollow block or mass concrete wall; u-Value.2.1. The document “Guidance note on energy retrofitting of dwellings, 2013” outlines the methodology and offers guidance to Local Authorities to assist in prioritising works for upgrading the energy efficiency of the social housing stock. Priority is given to stock with less than 100mm insulation at present.

The targeted housing units shall undergo an ambitious and all-at-the-same time comprehensive energy efficiency improvements resulting in at least an improvement in one energy efficiency grade rating to be fit for purpose.

### **Better Energy Warmer Homes Scheme**

The Better Energy Warmer Homes scheme is run by the Sustainable Energy Authority of Ireland on behalf of the Minister for Communications, Energy and Natural Resources. The scheme is targeted at low-income households at risk of energy poverty. The objectives of the scheme are to improve the energy efficiency of the household at risk and in the process reduce the amount of expenditure that is required to be spent on energy. Other secondary objectives are to improve health and well-being, while reducing the amount of disposal income spent on energy. A reduction in spend on energy will also make a positive contribution to reducing poverty in at-risk households.

The Better Energy Warmer Homes scheme delivers a range of energy efficiency measures to households that are vulnerable to energy poverty. The scheme is delivered through a combination of private contractors appointed through public procurement which is augmented by SEAI-appointed Community Based Organisations (CBOs), in order to ensure national coverage. Measures typically installed in eligible households include dry lining, draught proofing, attic insulation, lagging jackets for hot water tanks, low energy light bulbs and cavity wall insulation. A technical survey is carried out by an independent company hired by the SEAI to assess the suitability of each home to receive measures. All energy efficiency works will be undertaken in accordance with SR 54 - Code of practice for the energy efficient retrofit of dwellings (Methodology for the energy efficient retrofit of existing dwellings). This code does not set a minimum standard for energy performance requirements however the targeted housing units shall undergo an ambitious and all-at-the-same time comprehensive energy efficiency improvements resulting in at least an improvement in one energy efficiency grade rating to be fit for purpose.

### **Selection Processes and Principle Criteria for the three schemes**

For the two schemes targeted at social housing Local authorities are asked to submit details of all tenanted social housing units within their stock which are subject to low energy

performance and in need of retrofitting. Authorities are requested to prioritise those properties which could be retrofitted in the shortest possible timeframe i.e. - those with cavity wall construction. Therefore phase 1 works will prioritise these properties with cavity wall construction and energy retrofitting included roof/attic insulation and pumping of cavity walls. Phase 2 works will include attic and wall insulation of properties with solid masonry construction, requiring external cladding or internal dry-lining and insulation. Phase 2 works will also include the replacement of poorly performing windows and doors and replacement of deficient heating systems.

Proposals will be invited by the Department of the Environment, Community and Local Government from Local Authorities under a targeted measure to return vacant social houses to productive use. Properties will be selected on the basis of unit cost, the extent of local housing need and the age/condition of the property.

For the scheme targeted at private housing there are two mechanisms by which work is allocated. In the first instance, the SEAI appoint private contractors via an open and transparent procurement process, which is fully in compliance with public procurement rules (etenders.ie reference: 83171). Contractors then sign a framework agreement to work to the terms and conditions of the scheme. Households apply either directly to the SEAI or via a network of community-based organisations. Each household is deemed eligible if it meets the minimum specification<sup>61</sup>:

- Owner occupied non-Local Authority homes
- Constructed before 2006
- The owner is in receipt of one of the following:
  - Fuel Allowance as part of the National Fuel Scheme
  - Job Seekers Allowance for over six months and with children under 7 years of age
  - Family Income Supplement

Households are individually (and independently) surveyed to assess what measures are appropriate. Applications are then batched, generally on a geographical basis and allocated to individual contractors. Following completion of works the SEAI undertake a Building Energy Rating of the dwelling. Contractors / CBO's are paid once SEAI receive appropriate confirmations that the works are done and pass the relevant audit and quality controls.

Ireland has chosen not to utilise a co-financed Financial Instruments for the purposes of achieving the objectives of the low-carbon economy due to the nature and ownership of the state-owned building stock. Furthermore, Ireland has established a commercial Energy Efficiency Fund to target energy efficiency improvements in the non-residential sector, the modalities of which do not fit easily with the Regulations governing the use of Financial Instruments.

All operations will be selected taking account of the general guiding principles as set out in section 7.7 of this document.

---

<sup>61</sup> [http://www.seai.ie/Grants/Warmer\\_Homes\\_Scheme/About\\_the\\_BEWH.html](http://www.seai.ie/Grants/Warmer_Homes_Scheme/About_the_BEWH.html)

## Programme Specific Result Indicators

### Investment Priority 4(c)

ID	Indicator	Measurement Unit	Category of Region	Baseline Value	Baseline Year	Target Value	Source of Data	Frequency of Reporting
4c.1	The average thermal performance of households in the S&E Region.	KWh/BRm2/Year	More developed	210.00	2014	185.00	Sustainable Energy Authority of Ireland	Annual

## Priority-level Output Indicators

### Investment Priority 4(c)

ID	Indicator	Measurement Unit	Fund	Category of Region	Target Value	Source of Data	Frequency of Reporting
CO 31	Energy efficiency: Number of Households with improved energy consumption classification	Number of households	ERDF	More Developed	19,497	DCENR, SEAI and DECLG	Annual
CO 34	GHG Reduction* Estimated annual decrease of GHG	Tonnes of CO2 equivalent	ERDF	More Developed	8,945	DECLG	Annual

\*Arising from social housing retrofit

### Performance Framework of the Priority

Indicator Type	ID	Definition of the Indicator	Measurement Unit	Fund	Category of Region	Milestone 2018	Final Target	Source of Data	Relevance
Output	CO3 1	Energy efficiency: Number of Households with improved energy consumption classification	No. of households	ERDF	More Developed	7,799	19,497	DCENR, SEAI and DECLG	This is a key Common Output Indicator for this Priority
Financial	F1.1	Total amount of eligible expenditure entered into the accounting system of the certifying authority and certified by the authority	€	ERDF	More Developed	€26.6m	€66.5m	Certifying Authority	This financial indicator assumes 40% of eligible expenditure declared by 2018 and 100% by 2023

### Categories of Intervention

ERDF		S&E Region					
Dimension 1 Intervention field		Dimension 2 Form of finance		Dimension 3 Territory		Dimension 4 Territorial Delivery Mechanism	
Code	Amount €	Code	Amount €	Code	Amount €	Code	Amount €
014	66,500,000	01	66,500,000	01	20,615,000	07	66,500,000
				02	23,940,000		
				03	21,945,000		

### 3.5 Priority 5: Sustainable Urban Development

<b>Thematic Objective</b>	Preserving and Protecting the environment and promoting resource efficiency
<b>Investment Priorities</b>	<b>6(e):</b> Taking action to improve the urban environment, to revitalise cities, regenerate and decontaminate brownfield sites (including conversion areas), reduce air pollution and promote noise-reduction measures. 4(e) Promoting low-carbon strategies for all types of territories, in particular for urban areas, including the promotion of sustainable multimodal urban mobility and mitigation-relevant adaptation measures.
<b>Specific Objectives</b>	(1) To revitalise, regenerate and improve the urban environment in the designated urban centres as part of integrated urban strategies; (2) To support low carbon sustainable, multimodal urban mobility in designated urban centres
<b>Result Indicators</b>	(S.O. 1) Improvement in the social, economic and physical conditions in selected urban centres, based on an urban development index (S.O. 2) Non-private car commuting levels in the designated urban centres.
<b>Intermediate Body</b>	Southern Regional Assembly

#### Context

Cohesion policy stresses the role of urban investment, in support of territorial cohesion objectives, through integrated urban actions. Urban areas are recognised as engines for economic growth and as hubs for knowledge, creativity and innovation. On the other hand, particular challenges such as congestion, degradation and concentrations of disadvantage are prevalent in urban areas. Under the Investment for Growth and Jobs goal, a minimum of 5% of ERDF resources must be allocated to integrated actions for sustainable urban development, where city authorities, sub-regional or local bodies responsible for implementing sustainable urban strategies shall be responsible for tasks relating at least to the selection of operations.

In Ireland the principal strategic framework for urban policy is the National Spatial Strategy 2002-2020, which provides a 20 year planning framework and a hierarchy of designated growth centres. The key objectives of the NSS align very well with the overall goals for the European Structural and Investment Funds:

- Sustain economic and employment growth;
- Improve competitiveness;
- Foster balanced regional development;
- Improve quality of life for all; and
- Maintain and enhance quality and diversity of natural environment and cultural heritage.

The findings of the Gateways and Hubs Development Index and the SWOT analyses highlight continued weaknesses and challenges to be addressed in the designated growth centres along with the opportunities that these centres present to stimulate economic growth

and job creation for the benefit of the wider regional economy. Integrated urban development strategies can also contribute to equality, social inclusion and environmental sustainability objectives. Universal Design should also be a feature of urban planning and development to ensure that it is designed and adaptable to meet the needs of its citizens. The Department of the Environment, Community and Local Government's Urban Design Manual – A Best Practice Guide (May 2009) highlight the benefits of a Universal Design approach. A number of the submissions received as part of the public consultation also called for continued investment targeted at the addressing the physical, economic and social needs of urban centres in an integrated manner.

The urban development needs, bottlenecks and growth potentials have been identified in section 2.6 of the programme and can be summarised as follows:

- The Region is characterised by an unbalanced urban structure with Dublin being very dominant in terms of population and economic activity.
- Each of the region's designated growth centres need a stimulus to reinforce their regional economic development role, boost their attractiveness for enterprises and tourism and unlock public and private investment;
- There are concentrations of socially deprived areas and issues of vacancy in urban centres that require multi-faceted responses, such as upgraded social infrastructure, community facilities and support for social enterprises;
- Further investment is needed to promote uptake of public transport and eco-friendly modes of transport, other than private motorcars;
- Physical regeneration is also needed in some public areas, including environmental enhancement;
- Provision of enhanced arts, tourism and cultural facilities can be drivers of economic regeneration as part of integrated urban strategies;
- Concentration of historic structures in core urban areas are an essential part of urban fabric, but they are in need of regeneration, including the regeneration of urban brownfield sites;
- The priority needs of individual urban centres differ greatly, thus necessitating a wide range of potential investments that would be eligible under a sustainable urban development priority.

Investment priority 6(e) will take action to improve the urban environment, revitalise and regenerate designated urban areas, consistent with investment priority 6(e) under Article 5 of the ERDF Regulation. It will support integrated urban regeneration initiatives to improve the urban environment and revitalise urban areas.

Investment priority 4(e) will lead to reduced GHG emissions through promotion of modal shifts. Alternatives to private car use such as walking, cycling and improved access to public transport will therefore be supported. These actions will also contribute towards creating sustainable communities, having a focus on access to public transport, and the provision of cycleways, bus lanes and pedestrian priority areas.

### **Proposed Actions**

This investment priority will take action to improve the urban environment, revitalise and regenerate designated urban areas, consistent with investment priority 6(e) under Article 5 of the ERDF Regulation. It will support integrated urban regeneration initiatives to improve the urban environment and revitalise urban areas.



Sustainable integrated urban development measures supported will focus on the efficient use of existing resources within the urban environment hence reduce the pressure for the centre to 'spread' outwards and lead to further land degradation.

The actions to be supported could include:

- Green regeneration, physical enhancements and social revitalisation including open public/community spaces;
- Rehabilitation of brownfield sites including renewal of existing and/or demolition and construction of new buildings and landscaping; and
- Rehabilitation/development of cultural infrastructure/assets.

The actions supported under this priority will bring multiple benefits to the selected urban centres. First of all, the preparation of integrated strategies by the relevant authorities will stimulate a comprehensive re-appraisal of development needs, challenges and potential opportunities within the urban areas, in co-operation with local stakeholders. The proposed actions will provide a much-needed stimulus and financial incentives to the urban authorities to invest in strategic measures which address the challenges identified and to avail of new opportunities for economic growth and job creation. These will complement the development objectives specified in the various land-use and transportation strategies and statutory development plans, which are already in place. Furthermore, it is anticipated that the funding of the selected strategies will un-lock and leverage additional public and private investment in the urban areas, thus having a significant multiplier effect.

For example the recent ERDF co-funding of the House of Waterford Crystal and the Bolton Street Coach parking was complemented by additional public investment in the adjacent Waterford Museum of Treasures, which included works to Bishops Palace, the Viking Triangle and public realm works, making the Mall a more attractive area to visit for tourists and residents. The provision of social, arts/culture and heritage facilities in urban centres can provide new uses for previously under-utilised or vacant public buildings or the construction of efficient new buildings in areas in need of revitalisation, thus contributing to environmental improvements and integrated urban regeneration which is central to the objectives of investment priority 6(e). Rehabilitation of buildings and public spaces not only brings improvements in the built environment, but can also bring economic, social and/or cultural benefits

Improving the quality of the physical environment also has a number of positive secondary effects, including social benefits, contributing to improvements in the quality of life for all. Within the context of resource efficiency, the provision of social infrastructure, and support for community initiatives can provide new uses for existing vacant buildings and under-utilised open spaces.

To complement the above, investment priority 4(e) will support sustainable urban mobility initiatives, consistent with investment priority 4(e) of the ERDF Regulation. The multimodal actions to be supported could include a number of the following:

- pedestrianisation;
- installation and extension of a network of cycle lanes;
- installation and extension of bus lanes;

- reduction in short-distance car journeys through the introduction of good quality travel information; and,
- Improved walking and cycling access to public transport.

The actions supported will be consistent with Ireland's Smarter Travel policy. Improved infrastructure in the main urban centres will encourage more people to switch to more sustainable modes of travel thus promoting multi-modal transport availability in Ireland's urban centres. Local authorities are required to promote the delivery of public transport, cycling and more sustainable travel patterns generally in existing urban centres under Ireland's Smarter Travel policy. Local authorities have been tasked with creating sustainable neighbourhoods so that walking and cycling can be the best options for local trips, for example to reach local facilities such as shops and schools and places of work. Alleviation of traffic congestion, as well as improving urban mobility, will also bring benefits in terms of reduced air pollution and noise levels in the urban centres.

Consultation with communities is an important guiding principle in the elaboration of integrated urban development strategies from which urban authorities will select the most appropriate actions for co-funding under the OP.

#### Project Selection

It is intended that the eligible urban areas will be selected in line with the principles specified in Ireland's Partnership Agreement. These urban authorities will develop integrated urban strategies and from these they will select, in accordance with Article 7.3 of the ERDF Regulation (EU) 1301/2013, the most appropriate actions for ERDF co-funding. An Assessment Panel will be established by the Managing Authority whose role will be to determine the allocation of the ERDF resources available and to assure the eligibility of the selected actions.

The Urban Development Priority will be overseen by the Department of Environment, Community and Local Government which has overall responsibility for spatial planning and urban development policy in Ireland. Local Authorities within the designated urban growth centres in the BMW/S&E Regions will be invited to prepare integrated development strategies, and to select specific actions for which support is being sought. Clear guidelines will be provided to the local authorities with the calls for proposals to ensure that the preparation of the integrated strategic proposals and selected actions meet the required standards and target the appropriate challenges in selected urban areas.

An assessment panel will be established to make the awards of ERDF to the selected projects. This panel will be chaired by the Department of Environment, Community and Local Government and will also contain representatives from the Department of Public Expenditure and Reform, the Regional Assemblies and other Government Departments, as appropriate. This panel will examine the selected actions before making allocations, taking account of the overall objectives of the Priority and the specified assessment criteria, eligibility of the selected actions and compliance with the approved selection criteria, in accordance with Articles 125(3)(a), 125(3)(b) and 125(3)(d) of the Common Provisions Regulation.

Actions will be selected by urban authorities on the basis of a detailed specification and criteria to be prepared for the investment programme. These criteria will take account of the

general guiding principles as set out in section 7.7 of this document and inter alia, the following key criteria:

- Coherence with the integrated strategy submitted, including the strategic fit with national, regional and local plans, and individual Urban Centre Strategies.
- Quality of the selected proposal(s) in terms of social inclusion and contribution to economic development of urban centre, universal design and environmental sustainability.
- Social and Economic benefits that the proposal will bring to the community and to the urban centre concerned over-and-above what is there already in terms of employment and sustainable economic development.
- Value for money of the proposed actions to be supported and the expected leverage effect of additional public and private funding.
- Inclusiveness of the consultative process undertaken in the development of the integrated strategy and the prioritization of project actions, in terms of council and community buy-in.
- Delivery arrangement including project management arrangements, milestones, targets, deadlines and outcomes.

There may be more than one call issued to local authorities over the lifetime of the programme.

#### Programme Specific Result Indicators

ID	Indicator	Measurement Unit	Category of Region	Baseline Value	Baseline Year	Target Value	Source of Data	Frequency of Reporting
6e	Improvement in the social, economic and physical conditions in selected urban centres, based on an urban development index	Index Values	More developed	Average GHDI Score 5.0	2012	Average GHDI Score 5.1	Managing Authority Gateways and Hubs Development Index	Every 3 years
4 e	Non-private car commuting levels in the designated urban centres	%	More Developed	22.6	2011	42.26	Central Statistics Office	Every 5 Years

#### Priority-level Output Indicators

ID	Indicator	Measurement Unit	Fund	Category of Region	Target Value	Source of Data	Frequency of Reporting
CO 37	Urban Development: Population (no.) living in areas with integrated urban development strategies (common indicator)	Persons	ERDF	More Developed	1,571,356	Central Statistics Office	Annual
5.1	Number of integrated growth centre	No. of strategies	ERDF	More Developed	9	Managing Authority	Annual

	strategies implemented					administrative records	
5.2	Number of multimodal urban mobility projects	Number of projects	ERDF	More developed	4	Managing Authority administrative records	Annual

### Performance Framework of the Priority

Indicator Type	ID	Definition of the Indicator	Measurement Unit	Fund	Category of Region	Milestone 2018	Final Target	Source of Data	Relevance
Output	5.1	Number of integrated growth centre strategies	No. of strategies	ERDF	More Developed	4	9	Managing Authority's Administrative records	This is the key output indicator for integrated urban development
Financial	F1	Eligible Priority Expenditure Certified	€	ERDF	More Developed	€20.080m	€2.00 m	Certifying Authority	This financial indicator assumes 40% of eligible expenditure declared by 2018 and 100% by 2023

### Categories of Intervention

ERDF		S&E REGION					
Dimension 1 Intervention field		Dimension 2 Form of finance		Dimension 3 Territory		Dimension 4 Territorial Delivery Mechanism	
Code	Amount €	Code	Amount €	Code	Amount €	Code	Amount €
089	13,000,000	01	26,000,000	01	9,000,000	02	26,000,000
094	13,000,000			02	17,000,000		

### 3.6 Priority 6: Technical Assistance

<b>Thematic Objective</b>	Technical Assistance
<b>Investment Priority</b>	
<b>Specific Objectives</b>	<ol style="list-style-type: none"> <li>1. Effective implementation of the Operational Programme</li> <li>2. Effective communication of funding opportunities and programme achievements</li> <li>3. Effective evaluation of the programme</li> <li>4. Effective capacity building for staff of the Managing Authority and Intermediate Bodies</li> <li>5. Establishment and operation of an effective computerised system for data exchange and e-cohesion system</li> </ol>
<b>Result Indicators</b>	Results are not required to be specified under Article 96(2)(c)
<b>Intermediate Body</b>	Southern Regional Assembly

#### Introduction

Under this Priority, expenditure in accordance with Article 59 of Common Provisions Regulation (EU) 1303/2013, shall be eligible to cover costs incurred by the Managing Authority (or agencies acting on its behalf) in relation to the overall management and implementation of the Operational Programme.

Technical Assistance may be used to support the preparatory, management, monitoring, administrative and technical support, evaluation, information, networking and co-ordination activities, complaint resolution and control and audit measures necessary for the effective implementation the Operational Programme under the CPR.

#### Objectives

The overall objective of the Priority is to support the effective implementation of the Regional Operational Programme.

#### Actions supported

Under this Priority the ERDF may, subject to the limits set down in Article 59 (1) support areas such as:

- a) Preparation, selection, appraisal and monitoring of programmes and operations which are the subject of co-funded assistance;
- b) Meetings of the OP Monitoring Committee and any related sub-committees;
- c) All financial management and control, audit and verification activities on co-funded operations, including the preparation and implementation of anti-fraud and anti-corruption strategies;
- d) OP-level information actions in accordance with the Communications Strategy and the Annual Communications Plan, including costs of participation in the INFORM network and the development and operation of programme-related web-sites;
- e) Evaluations of the programme or aspects of it, including costs of participation in the Evaluation Network;

- f) Actions for the reduction of the administrative burden on beneficiaries, including the establishment and operation of the computerised system for data exchange and e-cohesion system;
- g) Provision of guidance and training to Intermediary Bodies and beneficiaries to reinforce the capacity of Member State authorities and beneficiaries to administer and use those Funds and participation by Managing Authority staff in appropriate training programmes;
- h) Cost of establishment and administration of complaint resolution procedures;
- i) Study visits and attendance at meetings and conferences related to EU Cohesion Policy;
- j) Networking, co-ordination and other activities in support of complementarities, with other EU funded programmes, including attendance at steering and monitoring committee meetings;
- k) The ERDF may be used to support actions to reinforce the capacity of relevant partners in accordance with Article 5(3)(e) and to support exchanges of good practices between such partners; and
- l) Any other activities deemed appropriate by the Certifying and Managing Authority.

The actions above referred to above may concern previous and subsequent programming periods.

In addition, taking account of the recent reconfiguration of regional bodies in Ireland, the Technical Assistance Priority will also cover the approved costs of the Midland and Eastern Regional Assembly in relation to their participation in any of the above activities.

The Technical Assistance Priority will cover the appropriate costs of the ERDF Audit Authority, as well as the costs of the management controls undertaken by the Managing Authority.

### **Capacity Development**

Under this priority it is proposed to address the capacity development needs of the personnel engaged in programme management and implementation. This will take the form of the provision of guidance and training to Intermediary Bodies and Beneficiaries to reinforce the capacity of these authorities and Beneficiaries to administer and use those Funds and participation by Managing Authority staff in appropriate training programmes. The capacity development supports for staff of Intermediary and beneficiary bodies will include the following:

- Training and guidance on the overall financial management and control system
- National and EU eligibility rules
- Public Procurement for ERDF co-financed operations
- Information and Publicity
- Integration of Horizontal Principles (including equality and sustainable development)
- Audit Trail and document retention requirements
- EU and national regulations (including Competition and State Aids and EIA and SEA Directives)
- Management verifications
- Preparation for systems and operations audits
- Declarations of eligible expenditure on the ESIF IT System
- E-cohesion

Notwithstanding the need for training programmes for personnel in relation to the new

requirements of the 2014 -2020 programming period, the extensive experience within the Managing Authority in the management, monitoring and evaluation and financial control of ERDF co-financed programmes remains in-situ.. This institutional capacity and skill sets will ensure the effective and efficient delivery of this Operational Programme. The training and information needs of Managing Authority personnel will be addressed during the lifetime of the Operational Programme and any costs arising will be met from the Technical Assistance budget.

### **Administrative Arrangements**

The Priority will be administered by the Regional Assembly under the general control of the Operational Programme Monitoring Committee. Details of the proposed technical assistance and the arrangements for managing the Programme will be approved by the Monitoring Committee.

### **Justification of the financial allocation**

The overall allocation to the technical assistance priority is €2,009,349 ERDF, representing 0.81% of allocated funds. The level of allocation is determined on the basis of €249m. It will be matched by €2,009,349 exchequer funding to defray the costs of actions as described in above.

### **Priority-level Output Indicators**

<b>ID</b>	<b>Indicator</b>	<b>Measurement Unit</b>	<b>Fund</b>	<b>Category of Region</b>	<b>Target Value</b>	<b>Source of Data</b>	<b>Frequency of Reporting</b>
6.1	Number of Monitoring Committee meetings	No. of meetings	ERDF	More Developed	10 ( 1 per year)	MA administrative records	Annual
6.2	Number of Evaluation Studies conducted	No. of studies	ERDF	More Developed	5 ( 1 per priority)	MA	Annual
6.3	Number of annual Information and Publicity Events	No. of events	ERDF	More Developed	7 (1 per annum 2014-2020)	MA	Annual
6.4	Number of Managing Authority Staff employed	Full time equivalents			4.5	MA	Annual
6.5	Number of staff participating in capacity-building measures	Number of Staff			30	MA	Annual
6.6	Computerised system in place for data exchange and e-cohesion	System in place			1	MA	Annual
6.7	Number of representations on other programme committees for complementarity purposes	Number of representatives			6	MA	Annual

### Categories of Intervention

<b>ERDF</b>		<b>S&amp;E REGION</b>					
Dimension 1 Intervention field		Dimension 2 Form of finance		Dimension 3 Territory		Dimension 4 Territorial Delivery Mechanism	
Code	Amount €	Code	Amount €	Code	Amount €	Code	Amount €
121	1,306,077	01	2,009,349	02	2,009,349	07	2,009,349
122	351,636						
123	351,636						



## Chapter 4: Financial Allocations

The financial allocations in this chapter are based on the Government Decision of April 2014 which allocated 43% of funds under the growth and jobs objective to ERDF funding.

### Allocation of Performance Reserve

The table below sets out the total ERDF appropriation envisaged by year, showing the performance reserve amounts separately. The performance reserve constitutes 6% of the priority allocations net of the Technical Assistance Priority

<b>Year</b>	<b>Main Allocation €</b>	<b>Performance Reserve €</b>	<b>Total €</b>
<b>2014</b>	31,496,156	2,010,393	33,506,549
<b>2015</b>	32,126,730	2,050,642	34,177,372
<b>2016</b>	32,769,836	2,091,692	34,861,528
<b>2017</b>	33,425,676	2,133,554	35,559,230
<b>2018</b>	34,094,623	2,176,252	36,270,875
<b>2019</b>	34,776,934	2,219,804	36,996,738
<b>2020</b>	35,472,835	2,264,223	37,737,058
<b>Total</b>	<b>234,162,790</b>	<b>14,946,560</b>	<b>249,109,350</b>

Priority	Fund	Category of Region	Basis of the calculation of Union support	Union Support	National Counterpart	Indicative Breakdown of national Counterpart		Total Funding	Co-financing Rate	EIB Contribution	Main Allocation		Performance Reserve		Share of the Performance Reserve
						National Public	National Private				Union Support	National support	Union Support	National support	
1	ERDF	More Developed	Total Public	90,000,000	90,000,000	90,000,000	0	180,000,000	50%	0	84,600,000	84,600,000	5,400,000	5,400,000	36.13%
2	ERDF	More Developed	Total Public	30,000,000	30,000,000	30,000,000	0	60,000,000	50%	0	28,200,000	28,200,000	1,800,000	1,800,000	12.04%
3	ERDF	More Developed	Total Public	34,600,000	34,600,000	34,600,000	0	69,200,000	50%	0	32,524,000	32,524,000	2,076,000	2,076,000	13.89%
4	ERDF	More Developed	Total Public	66,500,000	66,500,000	66,500,000	0	133,000,000	50%	0	62,510,000	62,510,000	3,990,000	3,990,000	26.70%
5	ERDF	More Developed	Total Public	26,000,000	26,000,000	26,000,000	0	52,000,000	50%	0	24,440,000	24,440,000	1,560,000	1,560,000	10.44%
6	ERDF	More Developed	Total Public	2,009,350	2,009,350	2,009,350	0	4,018,700	50%	0	2,009,350	2,009,350	0	0	0.81%
				249,109,350	249,109,350	249,109,350	0	498,218,700	50%		234,283,350	234,283,350	14,826,000	14,826,000	100%

### Breakdown of the financial plan by Priority axis, Fund and Category of Region

Priority Axis	Fund	Category of region	Thematic Objective	Union Support €	National counterpart €	Total Funding €
1. RTDI	ERDF	More Developed	1	90,000,000	90,000,000	180,000,000
2. ICT	ERDF	More Developed	2	30,000,000	30,000,000	60,000,000
3. SME	ERDF	More Developed	3	34,600,000	34,600,000	69,200,000
4. Low Carbon Economy	ERDF	More Developed	4	66,500,000	66,500,000	133,000,000
5. Integrated Urban Development	ERDF	More Developed	6	26,000,000	26,000,000	52,000,000
6. Technical Assistance	ERDF	More Developed	N/A	2,009,350	2,009,350	4,018,700
<b>Total</b>				<b>249,109,350</b>	<b>249,109,350</b>	<b>498,218,700</b>

Indicative amount of support to be used for climate change objectives		
Priority axis	Indicative amount of support to be used for climate change objectives (€)	Proportion of the total allocation to the operational programme (%)
4	66,500,000.00	26.70%
5	800,000.00	0.32%
<b>Total</b>	<b>67,300,000.00</b>	<b>27.02%</b>

#### Justification of the allocation of financial resources

The allocations to each selected priority as set out above are based on several factors:

1. The identified need for investment following the Needs Analysis process
2. The distance from national targets e.g., the RTDI priority, which accounts for c. 36.1% of the OP allocations
3. The need for investment to comply with EU strategies, e.g., Digital Agenda for Europe. Investment under Thematic objective 2 accounts for 12.1% of the planned investment
4. The level of investment needed as identified by the relevant policy Department and the level of national co-financing available
5. The need to ensure that at least 80% of resources are allocated to thematic objectives 1 to 4, net of Technical Assistance, as required under the Common Provision Regulation. The OP allocates 88.8% of resources to thematic objectives 1 to 4.
6. Contribute to a minimum of 20% of ERDF resources to the low carbon economy objective. The allocation under the S&E OP, above, contributes €66.5m ERDF to this objective.
7. The need to ensure that at least 5% of ERDF resources are allocated to integrated actions for sustainable urban development. This OP allocates 26.7% to this objective to provide a sufficient stimulus to designated urban centres to fulfil their growth centre functions and promote sustainable urban mobility.

## Chapter 5: Horizontal Principles

### 5.1 Introduction

This chapter sets out the policy context and the planned arrangements for the integration of the following EU and national horizontal principles, namely:

- Promotion of equality between men and women;
- Promotion of equal opportunities and prevention of discrimination; and accessibility for people with disabilities;
- Promotion of sustainable development; and
- Promotion of social inclusion.

The importance of North/South Co-operation as cross-cutting theme was considered but it is not prioritised for the S&E region.

#### Lesson from Previous Programmes

The findings and conclusions of the Mid-Term evaluation of the Southern and Eastern Regional Operational Programme 2000-2006<sup>62</sup> concluded in 2003, highlighted considerable problems around the integration of the horizontal principles to the operational programme. Amongst the main difficulties cited were the following:

- Lack of understanding of the overall goals of the principles and how they could be integrated into programme implementation.
- Poor quality and unclear ex-ante analysis of the relevance of the principles to measures in the programme documents.
- Absence of indicators or other data to capture progress in terms of the principles.
- Poor quality, formulaic reporting, often amounting to little more than a repetition of programme complement statements.
- A lack of guidance or support to implementing bodies.

The “*Review of Relevance Exercise of the Horizontal Principles*” an exercise undertaken across the NDP/CSF as a result of recommendations of the Mid-Term Review, resulted in more targeted approaches to the integration of horizontal principles across all Operational Programmes. This resulted in the prioritising of a small number of relevant measures for horizontal principle monitoring purposes.<sup>63</sup> For example, the S&E OP evaluation recommended that “each measure needs to be re-assessed on the basis of its relevance to the particular principle and reporting should be reduced to those areas where clear relevance (and a small number of meaningful indicators) has been agreed and accepted at monitoring committee level”. With the development of specific horizontal principle indicators and a restructuring of the reporting requirement the quality of reporting improved. The resultant learning informed the approach to the integration of cross cutting themes into the design of the 2007-2013 Regional Operational Programme. Additionally the OP and Priority level indicators tracked the impact of the investment under the Programme on the Sustainable Development and Equal Opportunities Horizontal Principles.

---

<sup>62</sup> Including the Mid-Term evaluation of other OPs delivered under the NDP/CSF

<sup>63</sup> The mid-term evaluation reports for the two Regional Operational OPs 2000-2006 and the EHRD OP 2000-2006

## **General Guidelines**

The following general guidelines will be provided by the Managing Authority to the Intermediary Bodies on best practice for the integration of gender principles into the project selection criteria, implementation and monitoring of the programme specifying commitments in relation to:

- Inclusion of the principle as a specific objective of the intervention;
- Inclusion of the principle in project selection criteria;
- Capture of horizontal impacts via performance indicators;
- Ensure data disaggregated by gender is captured and reported where relevant;
- Undertaking impact assessments to ensure that the needs of different groups (e.g., men/women) will be met;
- Engage with specialist units to develop best practice;
- Consult with client groups;
- Ring-fence specific budgets to support pro-active measures;
- Inclusion of the principle in evaluations and reviews;
- Inclusion of horizontal representatives on selection/advisory committees on a partnership basis;
- Enhance the expertise within the Intermediary/Beneficiary body in relation to the principle;
- Promote equality of access and remove barriers to participation (gender equality);
- Ensure the proposed intervention complies with EU and national legislation and public policy in relation to the principle e.g. equal treatment for both genders;
- Outline how the intervention will be planned and implemented in order to have a positive impact and to mitigate any negative impacts;
- Build on and improve on actions taken under previous OPs.

## **5.2 Promotion of Equality between Men and Women**

Gender Equality means that women and men should enjoy the same rights and opportunities and that the different behaviour, aspirations and needs of women and men are equally valued and favoured.

The contribution of the operational programme to the promotion of equality between men and women and, where appropriate, the arrangements to ensure the integration of the gender perspective at operational programme and operation level is specified.

The Common Strategic Framework 2014-2020 specifies that Member States should pursue the objective of equality between men and women as set out in Article 8 of the Treaty on the Functioning of the European Union (TFEU) and ensure that it is mainstreamed into the preparation, implementation, monitoring and evaluation of actions under all the Funds. ERDF-funded programmes are required to explicitly specify the expected contribution of these Funds to gender equality, where appropriate. The positive contribution to the promotion of gender equality achieved through the intervention will be monitored throughout the lifetime of the programme.

Monitoring systems and data collection are considered essential to provide a clear picture of how programmes are meeting gender equality objectives. In this respect it is recommended that Managing Authorities, in conjunction with the Monitoring Committees, should undertake either general self-assessment exercises, specific evaluation studies or a structured reflection focusing on the application of the gender mainstreaming principle. The composition of the

monitoring committees should be gender balanced and should include a gender expertise/responsibility function.

Irish Government policy in this area includes a double strategy consisting of a legal framework which provides for equal treatment for women and men and legislative backing for positive action initiatives for women and men including positive action in particular circumstances and commitments to apply a gender equality perspective in all areas (gender mainstreaming).

The National Women's Strategy 2007-2016 reflects a commitment to the achievement of "an Ireland where all women enjoy equality with men and can achieve their full potential, while enjoying a safe and fulfilling life". The Strategy contains over 200 key actions, the implementation of which will require action on the part of almost all Government Departments and several State Agencies. The Strategy is underpinned by three key themes:

- Equalising Socio-Economic opportunity for women;
- Ensuring the wellbeing of women; and
- Engaging women as equal and active citizens.

These themes are similar to the priority policy areas set out in the EU's Strategy for Equality between Women and Men 2010 -2015. The National Women's Strategy 2007- 2016 includes commitments to increase the availability of childcare services and other initiatives for women to assist the return to employment who have interrupted their careers for family purposes. The Strategy also envisages building further upon gender mainstreaming, a methodology that has been used effectively in many European countries to ensure that a gender perspective is systematically included in all public policy making.

### **Public Consultation on the preparation of the Southern and Eastern Regional Operational Programme 2014-2020**

The Managing Authority invited submissions on the preparation of the OP. Limited feedback was received on how the integration of Horizontal Principles into the programme design could be improved. A number of the submitters identified how proposed interventions could contribute to the promotion of Gender Equality but they were largely silent on the substantial question of the improvement of the integration into the programme design. A number of submitters supported the principle of gender equality. Specific points raised were the under representation of female owners/managers and the need to continue to support the ongoing female entrepreneurship programmes. There was a call for tailored suites of actions to promote gender balance across the business sphere and for a robust proofing model for the application of the HPs. One submitter proposed that the horizontal principles be an associate rather than a direct objective of the OP.

The following arrangements will be made to ensure the integration of the gender equality principle in the S&E Regional Operational Programme 2014-2020:

- Involve bodies in charge of gender equality at all stages (preparation, implementation, monitoring, evaluation), including the provision of advice on gender equality in fund-related activities;
- Pursue the objective of equality between men and women and ensure its mainstreaming through the integration of a gender perspective at all stages of the implementation of the funds, including preparation, project selection criteria, implementation, monitoring and evaluation;

- Include specific actions to promote gender equality including engagement with structures with a function to lead on gender-equality issues;
- Take careful account of how the implementation of projects may affect women and men (gender mainstreaming);
- Take account of the potential contribution of the Operational Programme to gender equality with reference to the specific challenges in the priority investment areas chosen, where relevant;
- Make arrangements for training of relevant staff in the fields of gender equality legislation and policy as well as on gender mainstreaming related to the implementation of the funds, in accordance with the general ex ante conditionality;
- Promote gender balance on the monitoring committees;
- Ensure data disaggregated by gender is captured and reported where relevant;
- Develop meaningful indicators to track gender equality outcomes, results and impacts;
- Set gender equality targets where appropriate. These need to be related to the baseline position (not necessarily 50:50);
- Monitor and evaluate the application of the principle and have regard to the results of such monitoring and evaluation actions;
- Promote equality of access for women and men in practical ways by identifying and removing barriers to their participation through:
  - information, publicity and communication
  - flexible provision and delivery
  - childcare supports
  - transport and facilities

These commitments should be additional to legal obligations which apply in relation to gender equality. This is consistent with the mechanisms in the National Women's Strategy to foster gender mainstreaming at all policy formation and implementation levels, including EU co-financed programmes. The mainstream approach, gives the responsibility to address gender equality to the lead Department which is responsible for implementing the particular measure/activity.

### ***5.3 Promotion of Equal Opportunities, Non Discrimination and Accessibility for persons with Disabilities***

The OP includes a description of the specific actions to promote equal opportunities and prevent discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation during the preparation, design and implementation of the operational programme and in particular in relation to access to funding, taking account of the needs of the various target groups at risk of such discrimination and in particular the requirements for ensuring accessibility for persons with disabilities.

#### **Accessibility and people with disabilities**

The Disability Act 2005 places certain obligations on public bodies with regard to accessibility which will be taken on board where relevant by Intermediate Bodies in the implementation of the programme.

These obligations are as follows:

- Under Section 26 public bodies are required to ensure that their services are accessible for people with disabilities by providing integrated access to mainstream services where practicable and appropriate;
- Under Section 27 public bodies are required to ensure that the goods or services that they purchase are accessible, unless it would not be practicable or justifiable on cost grounds or would result in an unreasonable delay;
- Under Section 28, following a request, communications by a public body to a person with a hearing or visual impairment must, as far as practicable, be provided in an accessible format. Information provided electronically must, as far as practicable, be compatible with adaptive technology. Published information, relevant to persons with intellectual disabilities must also be, as far as practicable, made available in easy to read formats;
- Under Section 29 the head of a public body must ensure that, as far as practicable, the whole or a part of a heritage site in its ownership, management or control and to which the public has access, is accessible to people with disabilities and can be visited by them with ease and dignity.

Article 9 of the UN Convention on the Rights of People with Disabilities requires that States make their physical environment (buildings, roads, indoor and outdoor facilities, schools, housing, medical facilities, and workplaces), transport, and ICT systems accessible for all at the urban and rural level. Ireland has a National Disability Strategy Implementation Plan 2013-2015 which was agreed by members of a National Disability Strategy Implementation Group<sup>64</sup>. This follows on from the National Disability Strategy in 2004. The Implementation Plan has Four High Level Goals under the following themes:

- Equal citizens
- Independence and choice
- Participation
- Maximising potential

The Implementation Plan's High Level Goals are organised around important rights for citizens with disabilities, rather than being arranged around responsibilities of Government Departments. This gives the Implementation Plan an important citizen focus and a framework for ensuring joined up working across Departments. While the UNCRPD is not yet ratified by Ireland, the Implementation Plan states that many of the actions in the Plan ensure compliance with the requirements of different Articles in the Convention.

Implementing Bodies will, where appropriate, assess the impacts for people with disabilities, including accessibility issues. Guidelines for Government Departments on conducting a Disability Impact Assessment will be consulted by staff in this regard<sup>65</sup>. In addition, the National Disability Authority has developed detailed guidance on accessibility to which staff will refer to, including:

- Building for Everyone – a universal design approach which provides detailed technical guidance on designing and maintaining accessibility of the built environment<sup>66</sup>.

---

<sup>64</sup> [http://www.justice.ie/en/JELR/NDS\\_ImplementationPlan\\_FINAL.pdf/Files/NDS\\_ImplementationPlan\\_FINAL.pdf](http://www.justice.ie/en/JELR/NDS_ImplementationPlan_FINAL.pdf/Files/NDS_ImplementationPlan_FINAL.pdf)

<sup>65</sup> <http://www.justice.ie/en/JELR/20120305%20DIA%20Guidelines.pdf/Files/20120305%20DIA%20Guidelines.pdf>

<sup>66</sup> <http://www.nda.ie/cntmgmtnew.nsf/0/EBD4FB92816E8BB480256C830060F761?OpenDocument>



- NDA's Accessibility toolkit portal (<http://accessibility.ie/>) provides guidance and links in relation to accessibility of services and of printed and online information to people with disabilities.
- The Universal Design Standard on Customer Engagement in Tourism developed with the National Standards Authority of Ireland provides a model that is readily adaptable to other service contexts (<http://www.universaldesign.ie/tourism>).

The Employment Equality Act, 2004 and the Equal Status Acts, 2000 to 2004 outlaw discrimination in employment, vocational training, education, advertising, collective agreements, accommodation, the provision of goods and services and other opportunities to which the public generally have access on nine distinct grounds: Gender, Civil Status, Family Status, Age, Disability, Race, Sexual Orientation, Religious Belief and Membership of the Traveller Community. Inequality is also strongly linked to exclusion, as groups that tend to be subject to inequality also tend to be socially excluded, and have higher levels of deprivation.

### **Public Consultation on the preparation of the Southern and Eastern Regional Operational Programme 2014-2020**

The Managing Authority invited submissions on the preparation of the OP. Feedback was received on how the integration of Horizontal Principles into the programme design could be improved. Equality of opportunity was identified but the submissions were silent on the substantial question of the improvement of the integration into the programme design. There was a call for a robust proofing model for the application of the HPs. One submitter proposed that the horizontal principles be associate rather than direct objectives of the OP.

The following arrangements will be made to ensure the integration of the non-discrimination principle in the S&E Regional Operational Programme 2014-2020:

- Involve bodies in charge of equality and organisations representing people with disabilities at all stages (preparation, implementation, monitoring, evaluation), including the provision of advice on equality accessibility and universal design in fund-related activities;
- Identify particular target groups which may have a reduced access to support or are at risk of discrimination, and identify measures to mitigate this risk;
- Take appropriate steps in the implementation of the programme to prevent discrimination in relation to the following categories which are protected by Irish equality legislation; Gender, Civil Status, Family Status, Age, Disability, Race, Sexual Orientation, Religious Belief and Membership of the Traveller Community;
- Ensure that the project selection criteria will, as appropriate, assess projects on the basis of their compliance with equal opportunity requirements statutory obligations on accessibility and non-discrimination;
- Incorporate accessibility for disabled persons and universal design for all as a criterion to be observed in all co-funded public services and facilities including in project specifications, as appropriate;
- Monitor and evaluate the application of the principle and have regard to the results of such monitoring and evaluation actions; and
- Make arrangements, where deemed necessary, for the provision of training and guidance to relevant staff in the fields of anti-discrimination disability, and universal design, including the law and policy, disability law and policy, including accessibility and the practical

application of the United Nations Convention on the Rights of People with Disabilities, in accordance with the general ex ante conditionality.

The Equality and Human Rights Commission, which has a statutory responsibility to promote equality, will be engaged to offer support to intermediary bodies in assessing the impact of their measures on the nine equality grounds and incorporating an equality dimension, as appropriate, in project design and delivery.

#### **5.4 Promotion of Sustainable Development**

The principle of sustainable development requires that the needs of the present be met without compromising the ability of future generations to meet their own needs. In practice, this implies ensuring that environmental protection requirements, resource efficiency, sustainable management of natural resources, climate change mitigation and adaptation, disaster resilience and risk prevention and management are addressed through both dedicated funding streams and through their horizontal integration across the relevant Operational Programmes. For the 2014-2020 programme period, at least 20% of the ERDF allocation must be allocated towards low carbon economy measures.

The objectives of the European Structural and Investment funds are to be pursued in the framework of sustainable development and the Union's promotion of the aim of protecting and improving the environment as set out in Articles 11 and 19 of the Treaty taking into account the polluter pays principle. This implies that those who cause environmental damage should bear the costs of avoiding it or compensating for it. As a general rule, this means that funding should not be used to meet the costs of complying with existing legislation and the principle should be systematically applied across programmes and projects.

The Irish Government launched a renewed sustainable development framework in June 2012. The *objectives of the Our Sustainable Future – A Framework for Sustainable Development for Ireland*<sup>67</sup> are to identify and prioritise policy areas and mechanisms where a sustainable development approach will add value and enable continuous improvement of quality of life for current and future generations and set out clear measures, responsibilities and timelines in an implementation plan.

The framework broadly follows the thematic approach of the *EU Sustainable Development Strategy* and sets out a wide range of measures that seek to ensure an improvement in Ireland's quality of life into the future in areas such as:

- Sustainability of public finances and economic resilience;
- Sustainable consumption and production;
- Conservation and management of natural resources;
- Climate change and clean energy;
- Sustainable agriculture;
- Sustainable transport;
- Social inclusion, sustainable communities and spatial planning;
- Public health;
- Education, communication and behaviour change;

---

<sup>67</sup> <http://www.environ.ie/en/Environment/SustainableDevelopment/PublicationsDocuments/FileDownload.30452.en.pdf>

- Innovation, research and development;
- Skills and training; and
- Global poverty and sustainable development.

The framework identifies the green economy as a central plank to Ireland's economic recovery, consistent with the Action Plan for Jobs 2012. It sets out a medium to long-term plan to guide the essential work needed to progress the sustainable development agenda and more fully exploit opportunities in the green economy in Ireland. It sets a vision on how to transition Ireland to a resource efficient, low-carbon and climate resilient future.

The framework aims to address policy conflicts and trade-offs as part of a coherent, joined-up approach to policy making on sustainable development. It signals a major reorientation of public and private investment, particularly in terms of innovation, research and development in those areas where radically new approaches are considered necessary.

The priorities for action cut across many key challenges and include:

- An effective framework for transition to an innovative, low carbon and resource efficient society;
- Identifying and adopting policies that can help achieve a shift towards a green economy, while maintaining fiscal stability and ensuring sustainable public finances into the future;
- Protecting and restoring Ireland's biodiversity and ecosystems so that benefits essential for all sectors of society will be delivered;
- Securing health and social well-being to enable full participation in society and economic development;
- Effective governance arrangements to ensure delivery of sustainable development;
- A partnership approach to implementation of the strategy; and
- Developing a set of indicators to measure and report on progress.

### **Public Consultation on the preparation of the Southern and Eastern Regional Operational Programme 2014-2020**

The Managing Authority invited submissions on the preparation of the OP. Limited feedback was received on how the integration of Horizontal Principles into the programme design could be improved. A number of the submitters identified how proposed interventions could contribute to the promotion of Sustainable Development but they were largely silent on the substantial question of the improvement of the integration into the programme design.

Throughout the submissions a common thread emerges of support for sustainable development and Energy Efficient and Renewable Energy initiatives. Actions to assist SMEs to reduce their carbon footprint and foster energy awareness and the role of the Digital Agenda and its role in assisting sustainable economic development were highlighted. A number of calls were made for Renewable Energy actions and harnessing technology to contribute to the goal of emissions reduction. The scaling up and translation of good ideas in to mainstream programmes was sought as was modal shifts in transport use both commercial and private and the development of intelligent transport systems. There was a call for a robust proofing model for the application of the HPs. One submitter proposed that the horizontal principles be an associate rather than a direct objective of the OP.

The following arrangements will be made to ensure the integration of the sustainable development principle in the S&E Regional Operational Programme 2014-2020:

- Involve bodies working in the fields of sustainable development at all stages (preparation, implementation, monitoring, evaluation), including the provision of advice on sustainable development in fund-related activities
- Comply with the EIA and Strategic Environmental Assessment Directive, where appropriate;
- Incorporate the principle of sustainable development in the design of measures and operations;
- Ensure that project selection criteria will assess projects on the basis of environmental protection requirements, resource efficiency, climate change mitigation and adaptation, disaster resilience and risk prevention;
- Monitor and evaluate the application of the principle and have regard to the results of such monitoring and evaluation actions; and
- Comply with the polluter pays principle.

## **5.5 Promotion of Social Inclusion**

Since 1997 Ireland has developed national anti-poverty strategies to provide a strategic framework in which to tackle poverty and social exclusion. The current government strategy for promoting social inclusion is the *National Action Plan for Social Inclusion 2007 – 2016*. It uses a lifecycle approach which places the individual at the centre of the policy development and delivery by assessing risks and supports available at key stages of the life cycle. The plan prioritises the national poverty target alongside twelve high level goals and 150 targets across policy areas.

The official definition of poverty is: *People are living in poverty if their income and resources (material, cultural and social) are so inadequate as to preclude them from having a standard of living which is regarded as acceptable by Irish society generally. As a result of inadequate income and resources, people may be excluded and marginalised from participating in activities which are considered the norm for other people in society. (Government of Ireland, 1997)*

This definition captures the multi-dimensional nature of poverty. Social inclusion is an important theme across the Irish Government's priorities.

The National Social Target for Poverty Reduction is: *To reduce consistent poverty (overlap of at-risk-of-poverty and basic deprivation) to 4 % by 2016 (interim target) and to 2% or less by 2020, from a baseline of 6.3%*

The targeted actions and interventions outlined in the National Action Plan for Social Inclusion include building viable and sustainable communities, improving the lives of people living in disadvantaged areas and building social capital.

The Government has agreed to develop and integrated poverty and social impact assessment to strengthen the implementation of social inclusion as a horizontal theme across Government policy and to ensure greater policy coordination in the social sphere. Social impact assessment is an important policy tool for mainstreaming the revised national social target for poverty reduction in all aspects of government policy. SIA has recently been applied to the

welfare and taxation measures arising from the annual Budget. The application of SIA to Budget 2014 was published in March 2014.<sup>68</sup> It is intended to expand SIA in conjunction with relevant departments and other stakeholders but this is dependent on resources, data quality and capacity.

As indicated in the 2014 National Reform Programme Update for Ireland, the trend in meeting the Europe 2020 has been upwards, highlighting the impact of the economic crisis in Ireland.

### **Public Consultation on the preparation of the Southern and Eastern Regional Operational Programme 2014-2020**

The Managing Authority invited submissions on the preparation of the OP. Limited feedback was received on how the integration of Horizontal Principles into the programme design could be improved. A number of the submitters identified how proposed interventions could contribute to the promotion of Social Inclusion but they were largely silent on the substantial question of the improvement of the integration into the programme design.

Community Led Local Development was identified by a number of submissions as the mechanism to deliver an investment programme which among other outcomes would have a positive impact for targeted social inclusion initiatives. Unemployment and the deleterious effect it has on communities was identified by a number of submissions and call were made for an integrated approach to resolve this persistent side effect of the economic crisis. Interventions to alleviate social isolation particularly as experienced in rural areas were highlighted. Refinement of the social deprivation/poverty measurement was sought in recognition of the emergence of cohorts of people who fall within a category affected by the economic crisis and who may not currently be captured.

The following arrangements will be made to ensure the integration of the social inclusion principle in the S&E Regional Operational Programme 2014-2020:

- Involve bodies in charge of social inclusion policy and organisations representing excluded groups at all stages (preparation, implementation, monitoring, evaluation), including the provision of advice on social inclusion in fund-related activities;
- Incorporate measures to ensure Social Inclusion and minimise the effects of social exclusion in the development and implementation of the OPs;
- Track the impact of social inclusion at implementation level on relevant operations within the programmes; and
- Monitor and evaluate the application of the principle and have regard to the results of such monitoring and evaluation actions.

---

<sup>68</sup> <http://www.welfare.ie/en/Pages/Social-impact-assessment-of-the-main-.aspx>

## Chapter 6: Complementarity and Co-ordination Arrangements

### 6.1 Introduction

This chapter reviews the potential complementarities and synergies that may exist within programmes, across ESIF funds, with other EU funds and instruments and with national investment programmes. It also addresses the potential contribution of the programme to the relevant Sea Basin Strategy, which for Ireland is the Atlantic Strategy Action Plan.

In accordance with EU Regulation 1303/2013, Ireland has put in place suitable mechanisms to ensure coordination between the ESI funds and other EU and national instruments. A National Coordination Committee of the Funds (NCCF) has been established to address cooperation, complementarity and subsidiarity issues between ESIF and ETC Programmes.

This Committee has a remit to address any implementation issues regarding demarcation or opportunities for complementarity between the various ESI Funds, to ensure co-ordination of programme management, implementation and monitoring to achieve synergies, clarify demarcations, and avoid duplication and overlaps between funds. The Committee also has regard to the opportunities for complementarities between the ESIF and the EU centrally managed programmes.

The Irish Managing Authorities co-ordinated the preparation of the ESIF programmes and this cooperation will continue in the implementation and monitoring of the programmes. The potential synergies that will exist are set out in 7 sections, as follows:

- Co-ordination at the level of Intermediate Bodies;
- Potential complementarities and synergies between priorities and actions within the programme;
- Use of the European Structural and Investment funds in a complementary manner;
- Complementarities and synergies with other EU funds and instruments;
- Complementarities with the Europe 2020 Strategy and Flagship Initiatives;
- Complementary with national investment programmes; and
- Potential contribution to the Atlantic Strategy Action Plan.

### 6.2 Co-ordination at the level of Intermediate Bodies

#### Priority 1 Strengthening Research, Technological Development and Innovation

One of the stated objectives of co-funding the Research Centres is to leverage complementary funding from other sources, in addition to the cost-share with industrial partners. In particular SFI encourages Research Centres to participate in the development of the European research area by leading initiatives of scale funded by the European Commission's Horizon 2020 initiatives. SFI have agreed annual targets for each research Centre for level of funding to be secured from non-SFI sources including Horizon 2020 and other international funding instruments.

One of the key elements of the national contact point for the marine within the Marine Institute will be to identify EU/International funding opportunities for the Irish marine sector, and assist potential applicants with networking to establish the best research consortia. In the

meantime, we have agreed with Enterprise Ireland that they will handle all initial queries, and will liaise with the Department of Agriculture, Food and the Marine and/or the Marine Institute as appropriate.

The Research Office, Marine Institute hosts a number of services to researchers in Ireland:

- Provides information on national and international funding opportunities via our Funding webpage <http://www.marine.ie/home/funding/>.
- Is responsible for project and financial management of research projects awarded under the Marine Research Sub-Programme.
- Encourages North/South collaborations as funding under the Marine Research Sub-Programme is open to applicants in Northern Ireland also.
- Provides assistance with proposals with respect to strategic context, financial rules and preparation of budgets to Marine Institute staff for research proposals to the EU and other national funding agencies e.g. Science Foundation Ireland, Environmental Protection Agency, etc.
- Encourages marine research collaborations e.g. Marine Institute travel grants scheme provides funding for overseas pre-proposal meetings to establish consortia for Horizon 2020 proposals.

Enterprise Ireland co-ordinates the provision of a range of information services, training and financial support relevant to Irish Enterprise, including innovation and RTDI support services. It is a national government agency charged inter alia with

- promoting entrepreneurship and supporting high potential start-up companies,
- fostering and investing in in-company R&D & Innovation
- fostering and investing in research collaborations between public and private research performers in Ireland
- supporting the commercialisation of public research institutes
- promoting awareness and access to EU funding research programmes including Horizon 2020
- improving access to finance for Irish SMEs.

In instances where Enterprise Ireland does not play a direct role in delivering supports signposting and introductions are made to other relevant government and EU supports. This information is provided through a number of channels including the Enterprise Ireland website, Ireland's Horizon 2020 website, information events for entrepreneurship, regional Enterprise Ireland Offices and through direct discussions and advice provided by Enterprise Ireland representatives.

### Priority 2 Enhancing Access to and Use and Quality of ICT

The Department of Communications, Energy & Natural Resources (DCENR) has primary responsibility for digital issues within the Irish Administration. Any interventions into this market by the State would be channelled through this Department, for example the construction of the Metropolitan Area Networks (MANs), the National Broadband Scheme (2007/08 intervention to provide basic broadband to unserved parts of rural Ireland) plus the recent ERDF co-financed investment in high-speed broadband to all 2<sup>nd</sup> level schools (this latter project was done in tandem with the Department of Education but was led and managed by DCENR).

Ireland's National Digital Champion (David Puttnam) also works under umbrella of DCENR, even when he is interacting with wider stakeholders in Irish society. E-Government is the only ICT function not within DCENR's remit but through the CIO Council (Chief

Information Officer Council) the Department of Public Expenditure & Reform manage and coordinate e-Government activities in the various line ministries.

The Communications policy division is responsible for the development of national policy and legislation governing the telecommunications sector in Ireland, which covers next generation broadband, radio spectrum, electronic communications services and international connectivity. The division, which is the designated Intermediate Body for the National Broadband Plan also contributes to EU policy, in particular on the Digital Agenda for Europe and is responsible for relations with international organisations (EU, OECD and ITU) on electronic communications matters.

### Priority 3 Enhancing the Competitiveness of SMEs

The Local Enterprise Offices (LEOs) are the first stop shop for anybody in Ireland looking to start, develop or grow a business. The LEOs will support entrepreneurs and businesses that are eligible for support under current policy. The LEOs have a series of protocols in place with other agencies in the enterprise space and where appropriate will refer on those enquirers to the relevant agency to deal with their enquiry. Those protocols include many of the key local and national agencies including Department of Social Protection, Revenue Commissioners, Údarás Na Gaeltachta, Micro Finance Ireland, Fáilte Ireland etc. The LEO Customer Service Charter states specifically: Where your LEO cannot deal with your enquiry it will provide a referral service to the appropriate agency. The Department of Jobs, Enterprise and Innovation and Enterprise Ireland have agreed protocols with the relevant agencies to ensure an efficient customer service in response to LEO clients' enquiries.

Enterprise Ireland (EI) co-ordinates the provision of a range of information services, training and financial support relevant to Irish Enterprise. The average annual funding for enterprise development allocated by Enterprise Ireland is in the region of €200m and this funding is primarily targeted at supporting the development of manufacturing and internationally traded services companies. The funding and supports are to assist the companies, from entrepreneurs with business propositions for a high potential start-up through to large companies, to expand their activities, improving efficiency and growing international sales.

EI is a national government agency charged with

- promoting entrepreneurship and supporting high potential start-up companies;
- fostering and investing in in-company R&D & Innovation;
- fostering and investing in research collaborations between public and private research performers in Ireland;
- supporting the commercialisation of public research institutes;
- promoting awareness and access to EU funding research programmes including Horizon 2020;
- supporting the adoption of best practice in relation productivity and environmental improvements in Irish Enterprises;
- supporting the development of management capabilities in Irish Enterprise;
- improving access to finance for Irish SMEs.

In instances where Enterprise Ireland does not play a direct role in delivering supports signposting and introductions are made to other relevant government and EU supports. This information is provided through a number of channels including the Enterprise Ireland website, Ireland's Horizon 2020 website, information events for entrepreneurship, regional Enterprise Ireland Offices and through direct discussions and advice provided by Enterprise Ireland representatives.



#### Priority 4 Low-Carbon Economy

SEAI's mission is to play a leading role in transforming Ireland into a society based on sustainable energy structures, technologies and practices. To fulfil this mission SEAI provides well-timed and informed advice to Government, and co-ordinates the delivery of a range of programmes efficiently and effectively.

At a national level, SEAI interacts and shares information on supported activities with agencies within Ireland that operate within the environmental services and sustainable energy sectors. These include EPA, Marine Institute, Teagasc, IDA, Enterprise Ireland and non-governmental organisations. SEAI is active on joint working groups across these organisations. SEAI coordinates all national research activities in the energy efficiency and low carbon technology fields and compiles/ publishes a national research inventory on an annual basis. SEAI engages with the Association of local energy agencies and throughout the course of its programmatic work, while engaging directly with local energy agencies and their parent local authorities.

SEAI is also responsible for the implementation of EU Directives in Ireland relating to energy use energy efficiency and sits on a number of Concerted Actions with other E.U. Member States. Within Ireland, SEAI engages with various community initiatives, such as INTERREG, and sits on review and evaluation panels specifically for sustainable energy projects being submitted for support under the INTERREG Ireland/Wales programme. This ensures synergies and also enables the avoidance of multiple funding of projects and duplication of effort.

Local Authorities engage with SEAI and with local energy agencies to ensure co-ordination of energy efficiency actions at local level.

### **6.3 Complementarities and Synergies across Priority Axes**

For the S&E Regional Operational Programme 2014-2020, the following complementarities and synergies between priorities and planned actions have been identified.

#### Strengthening Research, Technological Development and Innovation

- The transfer of commercially viable research outputs into industry is facilitated through the Enterprise Ireland managed National Technology Transfer system. The commercial potential of research outputs from the co-financed research, technological development and innovation initiatives under the Regional Operational Programmes acts as both a catalyst for new business start-ups, while also consolidating and improving the competitiveness of existing firms as an outcome of product innovation and new to market and new to firm product offerings; and
- The shift to a low-carbon economy is predicated not only on behavioural changes but more substantively on solutions emerging from the scientific and research community. Support for research and innovation in this sector is critical for stimulating and catalysing technological and business opportunities in the transition to a low carbon economy.

### Enhancing Access to and Use and Quality of ICT

- Ubiquitous high speed broadband is considered a fundamental basic infrastructure. It is essential for economic growth, job creation and competitiveness for SMEs and micro-enterprises. The report of the Next Generation Broadband (NGB) Taskforce recognises the potential that NGB has to enhance SME competitiveness and for job creation; and
- The move to e-commerce is very attractive for retail and business-to-business activity on a number of levels. While there is a growing willingness among Irish people to shop and transact their business online the National Digital Strategy recognises that it is important to stimulate the indigenous economy by helping small Irish business to expand on-line<sup>69</sup>. The roll out of high speed broadband will further incentivise businesses across the country to strengthen their on-line presence and maximise their e-commerce potential.
- The roll-out of high speed broadband also enhances the potential for on-line service delivery. In particular, the export of services such as graphic design, education, architecture, digital content and app development via on-line delivery can only be realised through next generation broadband.

### Enhancing the Competitiveness of SMEs

- The synergies achieved through technology transfer, applied research, technology development and demonstration facilities serves to help companies develop more innovative products, processes, marketing and services. It results in a more diverse national and regional economy through new high-growth activities;
- Compliance with environmental legislation is facilitated by the types of emerging technologies and practices supported under the co-financed Regional Operational Programmes, allowing businesses to met their obligations and achieve cost savings in terms of energy efficiencies and avoidance of penalties; and
- The roll-out of high speed broadband to the areas outside of the main cities will be of particular significance to the micro-enterprise sector. Improved speeds will improve access to market from an e-commerce perspective for existing small businesses and will enhance the attractiveness of the more rural and peripheral regions as business locations.

### Low-Carbon Economy

- The impetus to create a shift to a low-carbon economy permeates across all thematic objectives. The objective creates opportunities for research and development of low-carbon and green technologies and their realisation to market can be assisted through business support programmes;
- Research and development coupled with pilot and demonstration models are an essential component of the planned investment in the renewable energy sector. Currently Ireland's portfolio of electricity comprises 15% wind energy<sup>70</sup> which puts Ireland on target to meet its *Europe 2020* binding renewables commitment of 40%<sup>71</sup>. The potential now exists to develop Ireland's wind resource and by extension electricity export capacity to Great Britain and the rest of Europe. Investment in the East-West and North-South Interconnectors provides the requisite infrastructure to realise this potential; and

---

<sup>69</sup> Department of Communications, Energy and Natural Resources (2013): *Doing More with Digital*, National Digital Strategy for Ireland, phase 1- Digital Engagement, June 2013.

<sup>70</sup> <http://www.iwea.com/>: Wind Energy in Ireland Statistics.

<sup>71</sup> EirGrid, 2013: "Evaluation of the wider economic benefits of GRID25 Investment Programme", April, 2013.

- Planned investment in the National Grid as envisaged under the GRID25 Investment programme will facilitate the integration of renewable energy and is highly ranked by the business community as a key to unlocking renewable energy opportunities<sup>72</sup>.

### *Integrated Urban Development*

- The explicit inter-relatedness of the Europe 2020 priorities of Smart, Sustainable and Inclusive growth promotes an approach to programme design that values the efficiencies that derive from integrated planning and target setting. Planned investment actions across all priorities of the programmes potentially have resonance for Integrated Urban Development;
- Sustainable Transport Initiatives impact positively on the goal of realising a low-carbon economy and contribute to the improvement in air quality and the general quality of life of urban dwellers;
- Investment in Research, Technological Development and Innovation programmes provides employment opportunities and enhances the attractiveness of urban locations as places to live; and
- The scale of benefits derived from schemes that seek to enhance the physical environment, public arts infrastructure and gains in energy efficiencies, contributes directly and indirectly to the improvement of the fabric of urban life and is an example of an integrated approach to planning and delivery of programmes.

## **6.4 Use of the European Structural and Investment Funds in a Complementary Manner**

The basis for coordination between the European Structural and Investment (ESI) Funds is provided for in the Common Provisions Regulation, ensuring consistency and alignment between the funds. This includes a framework for close coordination to ensure that co-financed interventions create synergies and that streamlining leads to a reduction of administrative cost and burden for beneficiaries.

### **6.4.1 Co-ordination Arrangements**

Arrangements will be put in place at a national level to ensure close co-ordination of programme management, implementation and monitoring in order to achieve synergies, clarify demarcations and avoid duplication and overlaps between the funds.

For the 2007-13 programming period, a Committee on Coordination of EU Funds was established to address cooperation and demarcation issues between ERDF/ESF, EFF and EAFRD. The role of the Committee was to put in place, where necessary, appropriate systems to address these issues in the Operational Programmes, and address any implementation issues that may warrant demarcation in the operational programmes and any plans for new programmes to ensure that the Funds are not overlapping. The Committee comprises of the relevant Government Departments and all Managing Authorities for the funds.

---

<sup>72</sup> Ibid.

There has been a high degree of co-operation and co-ordination between the Managing Authorities in Ireland in the preparation of the programmes supported by the ESI funds and this will continue in the implementation and monitoring of the respective programmes. Arrangements for ensuring co-ordination and the concrete measures are taken to maintain this co-ordination throughout the programming period, they are spelled out in the Partnership Agreement, and include:

- The identification of areas of intervention where the CSF Funds can work together in a complementary manner to achieve the thematic objectives set out in the proposed Common Provisions Regulation; and
- The arrangements for close co-ordination of programme management, implementation and monitoring in order to ensure synergies and avoid duplication and overlaps.

The coordinating Committee has a remit to address any implementation issues regarding demarcation or opportunities for complementarity between the various ESI Funds, to ensure co-ordination of programme management, implementation and monitoring to achieve synergies, clarify demarcations, and avoid duplication and overlaps between funds. The Committee also has regard to the opportunities for complementarities between the ESIF and the EU centrally managed programmes.

This section details the use of the ESI funds in a complementary manner, from the perspective of the ERDF co-financed S&E Regional OP, including European Territorial Co-operation Programmes funding. It also analyses potential synergies with the recently adopted Atlantic Sea-basin strategy.

#### **6.4.2 ESF Human Capital Investment Programme**

There are several potential synergies between the objectives of the ESF co-financed programme and the ERDF co-financed Regional Operational Programmes.

- As a general principle, the up-skilling of the labour force across the regions to enhance employability will meet the evolving needs of the regional economy and will increase the competitiveness of enterprises, including micro-enterprises. Regional economic development requires a well-educated, capable and flexible workforce to increase productivity and adaptability within a competitive international environment;
- The micro-enterprise support programme provided by the Local Enterprise Offices will include training, mentoring and capability development programmes for would-be and existing entrepreneurs, complementary to the objectives of the ESF co-financed programme;
- The ERDF co-financed RTDI, broadband and enterprise support programmes will create a more favourable environment for job creation for the unemployed across the S&E region;
- The roll-out of high speed next generation broadband services across Ireland will be an enabler for the greater deployment of e-Government, e-health, e-learning services, thus promoting lifelong learning and social inclusion;
- The planned investment in energy efficiency services will stimulate the demand for skilled energy installers and technicians, thus creating an active labour market in this sector for the unemployed. It is anticipated that many of the energy services supported will be labour-intensive;
- The research, technological development and innovation initiatives co-financed under the Regional Operational Programme will be largely delivered through the higher education

institutions and through their incubation and applied research facilities. These initiatives will create a demand for highly qualified researchers and research assistants, many of whom would otherwise be unemployed or would seek employment outside of the state; and

- There is also potential for complementarity with the integrated urban development measures in the Regional Operational Programmes, through addressing the human resource and social inclusion needs of the selected urban areas.

It is proposed that there will be a continuation of mutual representation on the respective programme monitoring committees for the 2014-2020 period.

### **6.4.3 Rural Development Programme**

The RDP 2014-2020 is built around a number of key investment priorities. The investment priorities selected for the Regional OP will complement those of the RDP in many ways:

- By contributing to the competitiveness, innovation capacity and sustainability of the regions, which contain extensive rural areas from peri-urban to rural heartland to remote and coastal.
- Investment in high speed broadband services will address a significant digital divide affecting rural areas and the environment for innovation, knowledge transfer and economic development in rural areas will be greatly improved.
- Energy efficiency investment in housing will complement the supports via the RDP programme for on-farm energy efficiency, bio-mass production and distribution and community-based energy initiatives, contributing to Ireland's low-carbon economy objectives.
- Entrepreneurship and business development support by the Local Enterprise Offices (LEO) will complement the supports to natural resource-based rural enterprises under the RDP.
- ERDF co-financed research, technological development and innovation investment focuses on the research priority areas identified in the national research prioritisation exercise and in the smart specialisation strategy, several that are relevant to the agri-food sectors; and
- The requirement that a minimum 5% of ERDF resources be allocated integrated urban development will complement the focus on integrated rural development under the RDP.

The Regional Assembly engaged in the consultation for the RDP 2014-2020 and will continue to be represented on the RDP Monitoring Committee.

As applied in previous programmes, there will be close co-ordination in place between the Local Enterprise Offices (LEOs) and the Local Action Groups funded under the Rural Development Programme. This will include the putting in place of sectoral agreements and practical arrangements to ensure both the promotion of synergies and the avoidance of duplication. In addition, all local strategies must be consistent with Local Economic and Community Plans (LECPs) to be developed by each Local Authority, in accordance with the Local Government Reform Act 2014.

The 14 priority research areas in Ireland's smart specialisation strategy include strategic research areas for agriculture and food including "food for health" and "sustainable food production and processing". The Department of Agriculture, Food and the Marine (DAFM) which acts as the Managing Authority for the RDP has established a stakeholder group to oversee and monitor the outputs from these strategic research areas. A set of quantified deliverables has been included in the research prioritisation monitoring framework which are to be achieved by the Department of Agriculture, Food and the Marine and by Teagasc, the Agriculture and Food Development Authority which is a delivery body for some of the actions co-funded under the RDP. These arrangements provide a clear co-ordination link between the ERDF co-financed research and innovation activities and the RDP priorities of increased competitiveness and innovation. In addition, under the RDP, European Innovation Partnerships will set up operational groups with a wide variety of actors to encourage linkages between research / innovation and on the ground practices.

#### **6.3.4 European Maritime and Fisheries Fund**

It is envisaged that support under the European Maritime and Fisheries Fund (EMFF) funded programme for Ireland 2014-2020 will focus on the competitiveness of the seafood sector through innovation, marketing and business development measures, sustainability and safety of the fishing fleet, support for producer organisations and for integrated development strategies implemented by fisheries local action groups.

There are potential complementarities and synergies in a number of areas between the S&E Regional OP and the EMFF programme.

- The Regional Operational Programme will support complementary research and innovation investments, including those related to marine sectors, consistent with the recent prioritisation of this sector under the Research Prioritisation Exercise. Several research institutions including universities, institutes of technology and the Marine Institute have established specialisations in marine research and these centres will be eligible for support either individually or collaboratively, under the Regional Operational Programme;
- Enterprises which seek to add value to marine products or provide innovative marine services will be eligible for support under the micro-enterprise supports provided from the Regional Operational Programme; and
- As stated previously, ERDF co-financed investment in next generation broadband will ensure the progressive roll-out of high speed broadband services to all parts of Ireland, following a comprehensive mapping exercise which will identify areas that will not be provided with high speed broadband from commercial telecommunications providers. These areas will include peripheral coastal areas, and the provision of high speed broadband services to households and business premises in these areas will make a major contribution to the sustainable development of coastal communities.

The Regional OP Managing Authorities have taken account of the Strategic Plan for the marine sector, "Our Ocean Wealth" and the Atlantic Area Sea-basin strategy in undertaking the Needs Analysis and the identification of investment priorities for the 2014-2020 period. The Regional OP Managing Authorities will continue to be represented on the Monitoring Committee for the EMFF programme for the 2014-2020 period.

### **6.3.5 European Territorial Co-operation Programmes**

For the 2014-2020 programming period, the S&E Region will be included (either full territory or partially) in the following European Territorial Co-operation Programmes:

- Ireland-Wales Programme Cross-Border Programme;
- Atlantic Area Transnational Co-operation Programme;
- Northern Periphery and Arctic Transnational Co-operation Programme;
- North West Europe Transnational Co-operation Programme; and
- INTERREG Europe Inter-regional Programme.

Irish national and regional authorities will be represented on the Steering and Monitoring Committees for all of these programmes. The National Contact Points for the transnational co-operation and Interreg Europe programmes are currently hosted by the ERDF Managing Authorities, thus ensuring clear linkages with the ERDF investment priorities for Ireland.

Potential beneficiaries under the ERDF co-financed programmes in Ireland may participate in the ETCs, including, higher education institutions, research bodies, enterprise support agencies, regional development bodies, local authorities and energy agencies.

Opportunities will be explored through the Interreg Europe programme to contribute to the reinforcement of the effectiveness of EU Regional Policy, mainly under the Investment for Growth and Jobs goal.

The thematic priorities for these programmes are not yet finalised, but it is expected that there will be a high degree of overlap with the themes selected. Many of the expected beneficiaries under the ERDF co-financed programmes in Ireland are also likely to participate in the ETC programmes, including, higher education institutions and research bodies, enterprise support agencies, regional bodies, local authorities and energy agencies.

## **6.5 Complementarities and Synergies with other Union funds and Instruments<sup>73</sup>**

Article 55(8) of the draft Common Provisions Regulation provides that:

*An operation may receive support from one or more CSF Funds and from other Union instruments, provided that the expenditure item included in a request for payment for reimbursement by one of the CSF Funds does not receive support from another Fund or Union instrument, or support from the same Fund under another programme.*

In tandem with the ESI funds, the EU offers an additional, and entirely separate, form of funding programmes. As opposed to the Shared Management system of ERDF, ESF, EAFRD and EMFF (jointly administered by the European Commission and appointed Managing Authorities in the Member States), these “Centrally Managed” or “direct” funds are the exclusive competence of the Commission and its agencies as instruments to reflect sectoral EU policy priorities. Their objectives include the provision of a means for the testing

---

<sup>73</sup> The extensive work undertaken by Ronan Gingles, Irish Regions Office in Brussels in the compilation of this section is acknowledged.

of new approaches to address specific EU policy concerns and/or to deliver upon/implement the terms of policy objectives.

This section sets out six such Commission funds thought to present some scope for synergies with the ESI equivalents:

- Horizon 2020 (research and innovation);
- COSME (competitiveness of small businesses);
- Creative Europe (culture and creative industries);
- LIFE (environment and climate change);
- Connecting Europe Facility (telecommunications and infrastructure); and
- EIB Instruments.

In addition, reference will be made to the Connecting Europe Facility (CEF) for infrastructure and to a number of non-grant financing schemes operated by the European Investment Bank (EIB) – both of which operate on a different basis.

### **6.5.1 ‘Horizon 2020’**

Horizon 2020 is an integrated, coherent and flexible funding system that covers all research and innovation funding currently provided through the Framework Programme for Research and Technical Development, the Competitiveness and Innovation Framework Programme (CIP) and the European Institute of Innovation and Technology (EIT) and the activities of the Knowledge and Innovation Communities (KICs).

Given its sheer scale, with a funding budget of €71 billion, the necessity for the development of synergies between ESIF and Horizon 2020, the EU framework programme for Research and Innovation, cannot be understated in order to blend the use of research and innovation funds with those of the ESI funds.

H2020 adopts a business-oriented approach, supporting SMEs, focussing on the innovation cycle and favouring actions aimed at creating innovative products and services aims to provide business opportunities and enhance daily life. Ireland’s Smart Specialisation Strategy lends potential for joint funding between the ESI Funds and H2020.

Equally, the concept of “innovation” is recognisably broader than under FP7, to take in non-technological developments, new uses and combinations of existing technology, new business models and forms of end-user interaction, and non-commercial applications (e.g. social innovation). Compared to FP7, Horizon 2020 will involve a tighter focus on 3 strategic priorities: ‘Excellent Science’, ‘Competitive Industries’ and ‘Better Society’.

Ireland has put in place a comprehensive strategy to promote participation in Horizon2020. The Horizon 2020 national support network in Ireland which is led and co-ordinated by Enterprise Ireland is made up of 32 European Advisors drawn from 10 Irish research and industry agencies. These include Science Foundation Ireland, Enterprise Ireland, the Marine Institute and the Sustainable Energy Authority in Ireland, all of which are Intermediate Bodies for the S&E Regional Operational Programme and this ensures co-ordination at implementation level with ERDF co-financed actions over the lifetime of the programme.



By reference to the implementation of aspects of Ireland's Smart Specialisation Strategy, the relevant areas of activity with potential for joint funding between the two instruments might include:

- Development of research infrastructures of European interest and recognised as vital to undertaking ground-breaking research;
- Building links with innovative clusters and recognising excellence in the S&E region;
- Establishing "European Research Area (ERA) Chairs" to attract outstanding academics, to institutions located in the region but with a clear potential for research excellence;
- Supporting access to international networks for researchers and innovators who are less involved in the ERA or from less developed regions;
- Contributing as appropriate to the European Innovation Partnerships (EIPs);
- Preparing national institutions and/or clusters of excellence for participation in the European Institute of Innovation & Technology (EIT) and its Knowledge and Innovation Communities (KICs); and
- Hosting high-quality international researcher mobility programmes with co-funding from the Marie Skłodowska-Curie Actions.

One of the stated objectives of funding the SFI Research Centres is to leverage complementary funding from other sources (in addition to the cost-share with industrial partners). In particular, SFI encourages Research Centres to participate in the development of the European Research Area by leading initiatives of scale funded by the European Commission's Horizon 2020 initiatives. SFI have agreed annual targets for each research Centre for level of funding to be secured from non-SFI sources including Horizon 2020 and other international funding instruments. At research institution/beneficiary level it is the same research teams led by Principal Investigators who will be active participants in ERDF co-funded operations and in Horizon2020 funded projects.

In terms of the mechanics of blending the funds into joint approaches, the potential exists in relation to development of research infrastructure where ERDF may be deployed towards construction and fitting-out costs with Horizon 2020 being used for research and innovation programmes. The different funding sources could support different phases of the development of a technology over time, starting from basic research, to applied research, to demonstration or to pre-competitive market introduction.

The ERDF aims to enhance research and innovation (R&I) infrastructure, to develop R&I excellence and promote centres of competence. This lends potential for support for different phases of the development of technologies from both the ERDF and H2020. The Managing Authority will co-operate with the national contact points for the H2020 programme.

### **6.5.2 'COSME'**

COSME is the first EU instrument to be dedicated entirely to SMEs largely continues the enterprise (i.e. non-innovation) aspects of the outgoing Competitiveness & Innovation Programme (CIP.) This programme is complementary to Horizon 2020 in its objectives of generating growth and jobs via the Single Market. While H2020 will target innovation-driven growth, COSME will support the creation of a favourable business environment and competitiveness in general and aims to be of relevance to all types of dynamic SME, not only start-ups.

COSME will specifically tackle transnational issues that – thanks to economies of scale and the demonstration effect – can be more effectively addressed at European level. Its four key areas of focus will be:

- Improving the consistency of framework conditions of the economic and regulatory environment for the competitiveness of EU enterprises;
- Measures promoting entrepreneurial skills and attitudes – particularly among specific target groups, such as young or female entrepreneurs;
- Improving SME access to finance in the form of integrated debt and equity financial instruments for growth; and
- Enhanced access to markets and international operation, both within Europe and beyond.

The programme's target is to assist approximately 40,000 European businesses each year and to help create about 30,000 jobs. Synergies could possibly be achieved with the ERDF micro-enterprise support scheme which encompasses training, mentoring, and capability development programmes for would-be and existing entrepreneurs. COSME's offer of loans and venture capital support could be used to complement the ERDF grant element as a next step in output development. Specifically, the programme's support for the commercialisation of sustainable new business concepts in the textiles, footwear and sport and other consumer goods sectors could present opportunities once ERDF has put foundations in place. More generally, the programme's solid focus on SME internationalisation offers prospects to build on ERDF investments in ambitious micro-enterprises. In addition, the stimulation of ICT demand and usage among tourism SMEs may present an opportunity in relation to the ERDF's potential roll-out of next generation broadband services.

### 6.5.3 'Creative Europe'

The new **€1.4 billion** programme for the arts, culture, heritage and related areas, draws together the current Culture, MEDIA and MEDIA Mundus programmes under a single framework to create a simplified and more accessible gateway for European cultural and creative professionals.

'Creative Europe' is intended to strengthen the competitiveness of the sector by looking beyond the intrinsic value of activities in these spheres towards their economic potential to drive growth and employment. It will particularly target support to improve the prospects of artists and cultural professionals and organisations in what is recognised as a fragmented market/cultural space. This includes a strong emphasis on assistance in accessing new markets in Europe and beyond through training to strengthen capacity to work internationally (e.g. language issues) or through direct support (e.g. with distribution of cultural works).

Support for cultural operators' efforts to adapt to the digital era will also be available. The largest chunk of the fund is being provided to the media strand (audio-visual sector including TV and video gaming) while almost €500 million is destined for cultural actions relating to music, publishing, performing arts, fine arts, heritage and other areas. In recognition of the specificities of cultural and creative industries (which tend to be small in stature, to work on a non-mass production basis, and to deal in intangible assets such as intellectual property rights) the Commission is also proposing to allocate more than €200 million to a 'Cultural and Creative Sectors Loan Guarantee Facility' which would attract extra financing from investors on the basis of risk sharing with the EU, thereby enabling small operators to access up to €1 billion in bank loans.

Another cross-cutting element would provide €60 million in support of transnational policy cooperation and exchanges of experience between policymakers and operators, fostering innovative approaches to audience-building and cultural and media literacy, and new business models. The support for cultural operators' efforts to adapt to the digital age is complementary to the operational programme's ICT and SME development objective.

#### **6.5.4 LIFE Programme**

The next (and fifth) generation of the EU programme for the Environment will broadly continue to act as a platform for the testing, implementation, updating and development of EU policy and legislation in this field through innovative pilot or demonstration project approaches which unlock environmental added value. These are intended to ensure policy learning, promote implementation and integration of environmental and climate objectives in Member States' policies and act as a catalyst for more effective investments to transform Europe into a resource-efficient economy. However, it will be more closely aligned to the *Europe 2020* objectives than the current LIFE+ programme has been, including a significant new emphasis on bottom-up climate action.

The larger sub-programme for Environment will operate according to the following strands:

- 'Resource Efficiency' integrating waste, water and air objectives in other sectors;
- 'Biodiversity': to halt loss and restore ecosystem services, while maintaining support for Natura 2000 sites – in particular by actions implementing 'Prioritised Action Frameworks' (to coordinate each Member State's own approaches to the management of its network sites) – and the implementation of the EU Biodiversity Strategy 2020; and
- 'Environmental Governance & Information': information and awareness-raising and knowledge sharing activities to facilitate better environmental enforcement and compliance approaches and overall governance (this will include support for environmental NGOs).

The second sub-programme on Climate Action is set to account for approximately a quarter of the overall budget of €3.46 billion. Its focus has been outlined as covering:

- 'Mitigation': to reduce greenhouse gas emissions, including support to SMEs, improving the knowledge base and facilitating the implementation of EU climate priorities;
- 'Adaptation': efforts to increase resilience in the face of climate challenges – notably through the development or implementation of national/regional/local low-carbon and climate-resilience strategies and enabling decision makers to effectively use knowledge and data about climate change impacts, in particular for adaptation-related planning;
- Policy studies for development of EU policy and legislation and support for local implementation;
- Improving local and regional capacity to develop and implement climate actions in practice, including that of NGOs;
- Facilitating development and implementation of integrated strategies and action plans at regional level centred around climate objectives and mainstreaming across policy areas; and

- Development and demonstration of innovative technologies, systems, methods and instruments for replication, for transfer or mainstreaming.

Of particular relevance is the proposed new delivery aspect ‘Integrated Projects’ which are intended to foster an overall strategic approach to a particular issue and to enable the funding of activities through a range of mechanisms, including a coordinated mixed-use of LIFE and other EU, national and private funding sources. The approach would allow the implementation of policy objectives in the areas of nature, water, waste, air, and climate change mitigation and adaptation to be more strongly linked into other sectoral policy areas. This would allow the LIFE programme to contribute more to complementing the mainstreaming of environment and climate issues and approaches across the 2014-2020 ESI funded programmes most notably in compliance with the ERDF (low-carbon economy) thematic objective.

It is expected that the new programme may continue to allow some focus on ‘urban environment’ issues as part of its remit. This could possibly be deployed in tandem with the 5% minimum Sustainable Urban Development expenditure under the ERDF programmes. However the prioritisation of the ERDF ‘Low-carbon economy’ objective by reference to housing/public building energy efficiency only restricts somewhat the potential for synergies with LIFE which will not cover energy issues.

### **6.5.5 Connecting Europe Facility**

The €29.3 billion ‘Connecting Europe Facility’ (CEF) outlines plans for targeted infrastructure investment at European level which will make a significant contribution to the development of the single market and boost sustainable growth, jobs and competitiveness. The instrument will provide seed finance to kick-start the leverage of other private and public investment in transport (to complete the "transport core network") and energy (completing the "energy priority corridors") to solve missing links and bottlenecks and digital networks. This is intended to make a significant contribution towards making Europe’s economy both more competitive and greener by promoting cleaner transport modes, facilitating the use of renewable energy and enabling cross-border digital services.

In terms of transport, the policy establishes a ‘core’ trans-European (TEN-T) network of the most strategic links between the EU’s major ‘nodes’ (social and economic centres, ports and airports) with a focus on safer, more efficient and less polluting modes in order to identify priority sections and projects. Investments are to be completed by 2030 to deliver a backbone for transportation within the Single Market. A further, longer-term ‘comprehensive’ network of routes (for completion by 2050) is intended to feed into the core network at regional and national level in order to ultimately reach all parts of the EU. This second layer will largely be financed by Member States, with some EU funding possibilities, including with new innovative financing instruments. Various other Irish ports and airports are mapped in this category as are some transport routes. Horizontal priorities for CEF transport funding include rail signalling and air traffic control systems.

The energy component of CEF aims to help to meet the *Europe 2020 Strategy*’s energy and climate objectives while also further developing the internal market for energy through better interconnections, leading to security of supply and the possibility to transport renewable energy in a cost-effective manner across the EU. Furthermore, all Member States will be

involved in the development and deployment of smart grids to integrate offshore renewable energy generation, ‘electricity highways’ and cross-border carbon dioxide storage networks. The mix of eligible actions under the CEF has the express intent of melding together at a trans-European level, the positive outcomes of actions across national and regional programmes. For the Regional OP this has particular resonance for the ICT, Support for SMEs, Low-Carbon Economy and Sustainable Urban Development priorities.

### **6.5.6 ESPON**

The S&E Regional Assembly is represented on the Monitoring Committee for the European Spatial Planning Observatory Network (ESPON). The role of ESPON is to support policy development in relation to the aim of territorial cohesion and a harmonious development of the European territory by (1) providing comparable information, evidence, analyses and scenarios on territorial dynamics and (2) revealing territorial capital and potentials for development of regions and larger territories contributing to European competitiveness, territorial cooperation and a sustainable and balanced development.

### **6.5.7 EIB/EIF Financial Instruments and Europe 2020 Project Bond**

#### **Initiative**

As an alternative to the traditional grant-based approach associated with EU funding, for the 2007-2013 period, a series of European Investment Fund (EIF)-backed equity, debt and guarantee instruments have been developed. As part of numerous Structural Fund Operational Programmes across the EU, these have provided financing for repayable investment in SMEs (JEREMIE) and sustainable urban development projects (JESSICA), and technical assistance for the development of bankable programmes on energy efficiency and renewable energy in buildings (ELENA) as a means to address market failure in these sectors.

The use of ‘Innovative Financial Instruments’ offers a delivery tool for strategic investments with evident commercial potentiality and has the advantage of leveraging additional private and public equity for projects, thereby broadening the impact of EU funding. Funds from the EIB Group can generally be used to finance the national or regional contribution to a project under H2020 or the ESI Funds. In addition, the EIB also has a potential role as a fund manager.

In line with the CEF (above) particularly, the joint European Commission-European Investment Bank (EIB) Europe 2020 Project Bond Initiative offers a means of securing investment resources for the building, financing and operation of infrastructure projects of key strategic European interest and public goods, including relating to climate and environment protection. Investment by the EU will largely be in the form of EIB-backed equity, debt or guarantees by which the (generally public-private partnership) promoter of individual infrastructure projects may issue bonds enhancing their project’s credit rating and lowering their risk profiles in order to attract financing by financial institutions and private capital market investors (including pension funds or insurance companies).

Such an approach could be complemented by public investment at local, regional and national levels and through the ESI Funds – subject to a positive feasibility study – with

energy efficiency measures in buildings likely to present an outlet for the recurring use of ERDF resources and the additional leverage of external financing.

Additionally, funds from the European Investment Bank Group (EIB and EIF) can generally be used to finance the national or regional contribution to a project under Horizon 2020 or the ESI funds. The EIB will typically provide a loan whereas the EIF will typically provide either Venture Capital funds or a guarantee.

The potential for co-financing an energy efficiency fund under Priority 4 was explored by the Irish authorities in 2013. A feasibility study was carried out and an analysis of indicative demand was conducted with potential beneficiaries. As the agreed focus of Priority 4 is on energy efficiency in the social housing sector and in households affected by fuel poverty, it was decided that a financial instrument was not a suitable mechanism for the purposes of achieving the objectives of this investment priority. This is due the fact that the social housing in local authority ownership yields low levels of rent payments and the Better Energy Warmer Homes Scheme is targeted at low income households in receipt of welfare assistance. There is no potential to apply higher charges to either category of these householders to meet the repayments required if a financial instrument were to be applied.

Separately, Ireland has established a commercial Energy Efficiency Fund to target energy efficiency improvements in the non-residential sector, the modalities of which are an uncomfortable fit with the Regulations governing the use of financial instruments.

The Common Provisions Regulation allows the introduction of a financial instrument as a delivery mechanism for the OP, following an ex ante assessment, at any time during the programming period. This will remain under active consideration.

## ***6.6 ESI funds synergies with the Europe 2020 Strategy and Flagship Initiatives***

For the 2014-2020 programming period, the EU policy agenda is dominated by the Europe 2020 – A Strategy for Smart, Sustainable and Inclusive Growth and its concrete European objectives and targets for employment, research and development, climate change and energy sustainability, education, and fighting poverty, in order to overcome the impact of the financial crisis and put Europe back on track for economic growth, which have, crucially, been translated into national equivalents to secure a more direct influence on Member State policies. Its seven related Flagship Initiatives<sup>74</sup> represent sets of interlinking activities in the thematic areas of innovation, digitalisation, youth, resource efficiency, industry, employment and social inclusion. They are intended to guide coordinated action at European, national and sub-national levels towards ultimately realising the overall strategy in these fields.

These initiatives do not have their own budget, but, their influence is reflected in the content of the Commission’s own funding programmes which have emerged from the various DGs. This has been broadly characterised as relating ERDF (through its thematic objectives) to ‘smart’ growth and initiatives; EAFRD and EMFF pertaining in the main to ‘sustainable’ and ESF covering ‘inclusive’.

---

<sup>74</sup> ‘Innovation Union’, ‘Digital Agenda for Europe’, ‘Youth on the move’, ‘Resource-efficient Europe’, ‘An industrial policy for the globalisation era’, ‘An agenda for new skills and jobs’ and ‘European platform against poverty’.

Growth Orientation	Europe 2020 Flagship Initiative	Primary fund	Secondary fund	Partial
'Smart'	<i>Innovation Union</i>	<i>Horizon 2020</i>	ERDF	ESF <i>Erasmus+</i> EMFF EAFRD
	<i>Digital Agenda</i>	ERDF EAFRD	<i>Horizon 2020</i>	ESF <i>CEF</i> <i>(Creative Europe)</i>
	<i>Youth on the move</i>	<i>Erasmus+</i>	ESF (incl. Youth Guarantee)	
'Sustainable'	<i>Resource-efficient Europe</i>	ERDF <i>LIFE</i> <i>CEF</i> <i>EIB/EIF</i>	EAFRD EMFF	
	<i>Industrial policy</i>	<i>EIB/EIF</i> ERDF	ESF <i>COSME</i>	
'Inclusive'	<i>New skills and jobs</i>	ESF	<i>Erasmus+</i>	ERDF <i>Creative Europe</i>
	<i>Platform against poverty</i>	ESF (incl. Youth Guarantee)	ERDF	EAFRD <i>EASI</i>

Of particular relevance to ERDF programmes are the Innovation Union, Digital Agenda, Industrial Policy and Resource Efficient Europe.

'Innovation Union' has the aim of supporting research, development and innovation policies on topics such as climate change, energy and resource efficiency, health and demographic change. The Flagship initiative should provide synergies between the various policies and instruments at European and Member State levels. Different European instruments are involved especially in this thematic field, but Member States also have national and regional policies and programmes related to this field. The Flagship initiative provides the opportunity to establish a unified innovation framework; however, it must establish a compromise between the pursuit of cohesion and the promotion of excellence. On one side, there is increasing global competitiveness, and on the other side there is scarce public funding and a fragmented operating environment. At the EU level, an extensive set of actions is detected in the short term for the definition and standardisation of the framework and the launch of specific support mechanism (e.g. on mobility of researchers). These activities serve the purposes of coherence and performance in the medium term, leading to the enhancement of the European Research Area in the long term.

'Digital Agenda for Europe' aims to support the Digital Single Market by improving fast and ultra-fast internet and interoperable applications. This includes broadband access for all regions in Europe by 2013, increased internet speeds (30 Mbps or above) by 2020, and more than 50 percent of European households connected to internet with a speed above 100 Mbps.

The Flagship initiative concentrates on the broad improvement of the 'hard' and 'soft' factors concerning ICT. The potential of a single market framework for ICT and the potent market drive on ICT are significant drivers of success related to this initiative. On the other side, the market orientation might also lead to market failures, which will require some form of public intervention. This is especially true in the EU-12, which often lack a sufficient basic infrastructure in their ICT network. At the EU level, in the short term the build-up of a legal and procedural framework including guidance to the Member States is foreseen. This will lead to the establishment of capable European agencies and the definition of an interoperable and cross-border network in the medium term, and to Europe-wide e-governance in the long term. At the Member State and local and regional levels, the focus is on the enhancement of ICT skills in the short-to-medium term and the improvement of the infrastructure in the medium-to-long term.

'An Industrial Policy for the Globalisation Era' concentrates on economic, business and labour force aspects considering among others innovation, resource efficiency, business environment, the Single Market and the improvement of SME support. However, this broad thematic spectrum can lead to a loss of focus, and competition between Member States, the lack of coordination and the deepening of existing disparities also jeopardise effectiveness. At the EU level, the establishment of an EU Industrial Policy in the short term is the cornerstone, accompanied by related regulations and guidance. In the medium-to-long term, the horizontal approach to industrial policy, the enhancement of EU standards and the promotion of resource efficiency are identified as paramount challenges. At the Member State and local and regional levels, the focus in the short-to-medium term is on the enhancement of skills, the reduction of the administrative burden for SMEs, and the guarantee of a stable and trustworthy operational environment for SMEs. The restructuring of industries and the promotion of resource efficiency are mentioned for the medium term, and the utilisation of telematics and the creation of efficient transport and logistics networks are a long-term issue.

'Resource-efficient Europe' covers a very broad spectrum concerning resource efficiency and environmental protection related to all policies and programmes at European and national levels, emphasising the horizontal character of the topic. However, this horizontal dimension means that effectiveness and efficiency will only be generated through EU-wide implementation. The EU's fast-growing 'green' industry can be a powerful global asset. At the same time, globalised industrial competition confronts European industry with low-price products and low environmental standards, making the adoption of rigid legal changes towards resource efficiency less welcome. At the EU level, a long list of activities is envisaged for the short term, covering the formulation of new visions and strategies (e.g. on biodiversity), the review of existing policies, operationalisation via financial instruments, structures and monitoring provisions, amongst others. In the medium term, the establishment of concrete tools is addressed (e.g. Life Cycle Assessment, eco-labelling, Green Public Procurement and others), leading to long-term support for research, the introduction of market-based instruments and the abolition of counter-productive subsidies. At the Member State and local and regional levels, the focus in the short term is on the finalisation of the legal and administrative framework (where needed), leading to concrete implementation in the medium-to-long term of very specific actions (e.g. energy efficiency in buildings, development of storage technologies, introduction of fiscal incentives etc.).



## **6.7 Complementary national investment programmes and strategies**

The following table summarises the national investment programmes which will support and reinforce the achievements of the objectives set for the European Structural and Investment Funds:

<b>Thematic Objective</b>	<b>Lead Fund</b>	<b>National Investment Programme</b>
1.Strengthening Research, Technological Development and Innovation	ERDF	Strategy for Science, Technology and Innovation Programme for Research in Third level Institutions Smart Specialisation Strategy (forthcoming)
2.Enhancing Access to and use and quality of ICT	ERDF	National Broadband Plan National Digital Strategy
3.Enhancing the competitiveness of SMEs	ERDF	Action Plan for Jobs
4.Supporting the shift towards a low-carbon economy	ERDF	Renewable Energy Strategy National Energy Efficiency Action Plan
6.Preserving and Protecting the environment and promoting resource efficiency	ERDF	Capital Investment Framework 2012-2016 Water Sector Reform Implementation Strategy

## **6.8 Potential contribution to the Atlantic Strategy Action Plan**

The relevant Sea-basin strategy for the Irish programmes is the Atlantic Area Strategy (2011), supported by a more detailed Action Plan (2013). The Action Plan identifies four overarching priorities each of which contain a number of specific actions which Member States are invited to implement, using EU and national funds that are managed by Member States.

Priority 1: Promote Entrepreneurship and innovation – this will be complemented by the research and innovation support measures that will be supported under the Regional OPs, including support for maritime-related research activities undertaken by the higher education research centres and the Marine Institute. It will also be complemented by supports for micro-enterprise establishment and expansion by the Local Enterprise Offices of local authorities across Ireland. The availability of high speed broadband will also facilitate the establishment of knowledge economy enterprises in coastal Atlantic areas.

Priority 2: Protect, secure and develop the potential of the Atlantic marine and coastal environment – this includes actions to exploit the potential of off-shore energy, one of the potential areas that may be supported by a proposed financial instrument focussed on the renewable energy sector. It will also be supported by research investment in the marine energies and biotechnology sectors under the Regional OPs.

Priority 3: Improve Accessibility and Connectivity - ERDF co-financed investment in next generation broadband will ensure the progressive roll-out of high speed broadband services to

all parts of Ireland, including peripheral coastal areas. This will make a major contribution to the connectivity of coastal communities.

Priority 4: Create a socially inclusive and sustainable model of regional development - the overall impact of the Regional Operational Programmes will be to enhance the innovation capacity, competitiveness, digital connectivity and resource efficiency of the Regions, along with sustainable development of urban centres. This will contribute to the priority of creating a socially inclusive and sustainable model of regional development along the Atlantic seaboard of Ireland.

The Inter-Department Marine Co-ordination Group will be responsible for national co-ordination of the Atlantic Action Plan 2014-2020. They will (together with their line Departments) identify and prioritise funding to generate sustainable economic growth in coastal regions from sectors such as tourism, aquaculture and fisheries, renewable energy, mineral seabed exploration, marine biotechnology, etc.

The funding will be utilised to meet the priorities of the Action Plan, namely:

1. Promote entrepreneurship and innovation;
2. Protect, secure and enhance the marine and coastal environment;
3. Improve accessibility and connectivity;
4. Create a socially inclusive and sustainable model of regional development

## Chapter 7: Implementation

### 7.1 Implementation Provisions

In accordance with the provisions of Council Regulation (EU) 1303/2013 this chapter sets out the implementing provisions of the Operational Programme.

### 7.2 Managing and Monitoring Arrangements

Management of the OP will be the responsibility of the Managing Authority under the control of the OP Monitoring Committee. The Southern Regional Assembly<sup>75</sup> (SRA) has been designated as the Managing Authority for the S&E Regional OP. The Managing Authority shall be responsible for managing and implementing the OP in accordance with the Common Provisions Regulation and in accordance with the principles of sound financial management. The implementation of the OP will be overseen by the OP Monitoring Committee. The Managing Authority and the Monitoring Committee will carry out their monitoring role with reference to the financial and physical indicators set out in the operational programme.

#### Managing Authority

The responsibilities of the Managing Authority with regard to the overall management of the OP and financial management and control are defined under Article 125 of the Common Provisions Regulation, and include:

- (a) support the work of the monitoring committee and provide it with the information it requires to carry out its tasks, in particular data relating to the progress of the operational programme in achieving its objectives, financial data and data relating to indicators and milestones;
- (b) draw up and, after approval by the monitoring committee, submit to the Commission annual and final implementation reports;
- (c) make available to intermediate bodies and beneficiaries information that is relevant to the execution of their tasks and the implementation of operations respectively;
- (d) establish a system to record and store in computerised form data on each operation necessary for monitoring, evaluation, financial management, verification and audit, including data on individual participants in operations, where applicable;
- (e) ensure that the data referred to in point (d) is collected, entered and stored in the system referred to in point (d) and that gender disaggregated data is made available where relevant;
- (f) verify that the co-financed products and services have been delivered and that expenditure declared by the beneficiaries has been paid and that it complies with applicable law, the operational programme and the conditions for support of the operation;
- (g) ensure that beneficiaries involved in the implementation of operations reimbursed on the basis of eligible costs actually incurred maintain either a separate accounting system or an adequate accounting code for all transactions relating to an operation;
- (h) put in place effective and proportionate anti-fraud measures taking into account the risks identified;

---

<sup>75</sup>On January 1st 2015 the Southern and Eastern Regional Assembly became the Southern Regional Assembly. This change is part of "Putting People First: An Action Plan for Effective Local Government" and as the legal successor to the S&E Regional Assembly the Southern Regional Assembly takes on the role of Managing Authority for the S&E Regional OP. Further details on the regional reorganisation can be found at <http://www.southernassembly.ie/en/about/about>.

- (i) set up procedures to ensure that all documents regarding expenditure and audits required to ensure an adequate audit trail are held in accordance with the requirements of Article 72 of the Common Provisions Regulation; and
- (j) draw up the management declaration and annual summary.

### **Monitoring Committee**

The OP Monitoring Committee will be established within three months of the notification of the Commission adopting the programme. Taking on board the Code of Conduct on Partnership, membership of the Monitoring Committee will comprise *inter alia* representatives from:

- the Managing Authority;
- the Department of Public Expenditure and Reform;
- Government Departments involved in the implementation of the OP (and/or their Agencies);
- the Special EU Programmes Body;
- Regional and Local Implementing Bodies;
- each of the four Social Partners Pillars; and
- appropriate body(ies) to represent each horizontal interest: social inclusion, gender equality, anti-discrimination and sustainable development.

The Commission's representation will serve on the Monitoring Committee in an advisory capacity.

In general, membership will be confined to representatives for each of the above interests. In addition, where feasible and appropriate, membership of the OP Monitoring Committee will include representatives of sectoral interests. Representatives of partner organisations shall be delegated to be part of the monitoring committee by the respective partners through transparent processes. Gender balance will be promoted on the Monitoring Committee. The Managing Authority will provide the chairperson for the Monitoring Committee.

### **Monitoring Committee Responsibilities**

Under Article 49 of the Common Provisions Regulation, the Monitoring Committee shall meet at least once a year and review implementation of the programme and the progress made towards achieving its objectives. In doing so, it shall have regard to the financial data, common and programme-specific indicators, including changes in the value of result indicators and progress towards quantified target values, and the milestones defined in the performance framework and, where relevant, the results of qualitative analyses.

The Monitoring Committee shall examine all issues that affect the performance of the programme, including the conclusions of the performance reviews and shall be consulted and shall, if it considers it to be appropriate, give an opinion on any amendment of the programme proposed by the Managing Authority. The Monitoring Committee may make observations to the Managing Authority regarding implementation and evaluation of the programme including actions related to the reduction of the administrative burden on beneficiaries and shall monitor actions taken as a result of its observations.

In accordance with Article 110, the monitoring committee shall examine in particular:

- (a) any issues that affect the performance of the operational programme;
- (b) progress made in implementation of the evaluation plan and the follow-up given to findings of evaluations;
- (c) implementation of the communication strategy;

- (d) implementation of major projects;
- (e) implementation of joint action plans;
- (f) actions to promote equality between men and women, equal opportunities, and non-discrimination, including accessibility for persons with disabilities;
- (g) actions to promote sustainable development;
- (h) where applicable ex-ante conditionalities are not fulfilled at the date of the submission of the Partnership Agreement and operational programme, progress on actions to fulfil the applicable ex-ante conditionalities; and
- (i) financial instruments.

The monitoring committee shall also examine and approve:

- (a) the methodology and criteria used for selection of operations;
- (b) the annual and final implementation reports;
- (c) the evaluation plan for the operational programme and any amendment of the evaluation plan, including where either is part of a common evaluation plan;
- (d) the communication strategy for the operational programme and any amendment of the strategy; and,
- (e) any proposal by the managing authority for any amendment to the operational programme.

### **Rules and procedures of Monitoring Committee**

Subject to compliance with the principles set out in the foregoing paragraph, and the institutional, legal and financial framework of Ireland, the Monitoring Committee will be responsible for drawing up its own rules of procedure and agreeing them with the Managing Authority in order to exercise its responsibilities in accordance with the general regulation. The Rules of Procedure will take account of Article 11 of the European Code of Conduct on Partnership.

The Managing Authority will provide the Monitoring Committee with the information required to carry out its functions. Intermediary bodies will provide physical and financial progress reports covering the reporting period to the Managing Authority and these will be compiled and synthesised by the Managing Authority. Where decisions are required to be made between meetings, the Managing Authority, with the approval of the Monitoring Committee Chairperson may convene additional meetings or request that the decision be made by means of a written procedure.

### **Monitoring System and Data Collection**

Intermediary Bodies will primarily be responsible for the collation of the progress data required for the monitoring and performance appraisal system. The data will be provided to the Managing Authority in the annual progress report using a standard template developed for this purpose by the Managing Authority. The source of the data will be administrative records for the most part, although statistical data will be compiled specifically on the energy performance of Irish houses (Priority 4) and on the socio-economic performance of the designated growth centres (Priority 5). Intermediary Bodies will use their existing data systems to capture and store administrative records generated either within the Intermediary Body or compiled from beneficiary body returns. As the Intermediary and Beneficiary bodies will be public bodies, a high degree of reliance can be placed on the accuracy and integrity of the data collected. These bodies have considerable experience in programming including the rules around data protection, confidentiality and Conflict of Interest. Each Implementing Body will be made aware of their responsibilities in these areas and if required,

under the technical assistance budget, there is scope to provide capacity development support to intermediary bodies to ensure they are fully aware of and compliant with the rules around these issues. Previous programme evaluations have not identified any bottlenecks in the collection of monitoring data. Data used in the performance framework will be based on completed co-financed operations only.

The schemes planned under the S&E ROP will be implemented by competent region bodies with experience in programming including the rules around data protection, confidentiality and Conflict of Interest. Each implementing body will be made aware of their responsibilities in these areas and if required money from the technical assistance budget may be used to up-skill agencies so that they are fully compliant with the rules around these issues. Under the technical assistance budget intermediary bodies will be provided training so that they are fully aware and compliant with issues around data protection, confidentiality and Conflict of Interest.

The Administrative Agreement to be entered into between the Managing Authority and each Intermediary Body will clearly specify the data collection and collation responsibilities of the Intermediary Bodies, the need for robust, reliable data to underpin programme monitoring and the performance framework and the timely provision of data for these purposes. The Administrative Agreements established will ensure that there are robust procedures in place to safeguard the quality of data collected and each Intermediary Body involved in data collection will conform to stipulations within the Administration Agreements with regards to the timeliness of data collection.

Due to the high degree of overlap between the BMW and S&E Regional Operational programmes, there will be potential for some shared monitoring and data collection procedures. These will be agreed with the Intermediary Bodies concerned and offer the potential for efficiencies in data reporting.

### ***7.3 Annual and Final Implementation Reports***

In accordance with Articles 50 and 111 of the Common Provisions Regulation, from 2016 the Managing Authority will submit an Annual Implementation Report to the Commission on the implementation of the programme in the previous financial year by 31<sup>st</sup> May. The report must be examined and approved by the Monitoring Committee before it is sent to the Commission.

Annual implementation reports shall set out key information on the implementation of the programme and its priorities (including major projects) by reference to the financial data, common and programme-specific indicators and quantified target values, including changes in the value of result indicators where appropriate, and, beginning from the annual implementation report to be submitted in 2017, the milestones defined in the performance framework. The data transmitted shall relate to values for indicators for fully implemented operations and also, where possible, having regard to the stage of implementation, for selected operations. They shall also set out a synthesis of the findings of all evaluations of the programme that have become available during the previous financial year, any issues which affect the performance of the programme, and the measures taken; and, the results of information and publicity measures carried out under the approved communications strategy. The annual implementation report to be submitted in 2016 may also set out, where relevant, actions taken to fulfil ex-ante conditionalities.

The annual implementation report to be submitted in 2017 shall set out and assess the information referred to above and the progress made towards achieving the objectives of the programme, including the contribution of the Funds to changes in the value of result indicators, when evidence is available from relevant evaluations. That annual implementation report shall set out the actions taken to fulfil the ex-ante conditionalities not fulfilled at the time of adoption of the programmes. It shall also assess the implementation of actions to take into account the horizontal principles, the role of the partners in the implementation of the programme and report on support used for climate change objectives.

The annual implementation report to be submitted in 2019 and the final implementation report for the Funds shall, in addition to the information and assessment referred to above, include information on, and assess progress towards, achieving the objectives of the programme and its contribution to achieving the Union strategy for smart, sustainable and inclusive growth.

In order to be deemed admissible, the annual implementation reports referred to above shall contain all the information required in those paragraphs and in the ERDF-specific rules. The Commission shall inform the Member State within 15 working days of the date of receipt of the annual implementation report if it is not admissible, failing which it shall be deemed admissible.

The Commission shall examine the annual and final implementation report and inform the Member State of its observations within two months of the date of receipt of the annual implementation report and within five months of the date of receipt of the final implementation report. Where the Commission does not provide observations within those deadlines, the reports shall be deemed to be accepted. The Commission may make observations to the managing authority concerning issues which significantly affect the implementation of the programme. Where such observations are made, the managing authority shall provide all necessary information with regard to those observations and, where appropriate, inform the Commission, within three months, of measures taken. The annual and final implementation reports, as well as a summary for citizens of their content, shall be made available to the public.

### **Annual Review Meeting**

In accordance with article 51 of the Common Provisions Regulation, every year, when the annual report on implementation referred to above is submitted, an annual review meeting shall be organised between the Commission and each Member State to examine the performance of each programme, taking account of the annual implementation report and the Commission's observations where applicable.

The annual review meeting may cover more than one programme. In 2017 and 2019, the annual review meeting shall cover all programmes in the Member State and shall also take account of the progress reports submitted by the Member State. By way of derogation, the Member State and the Commission may agree not to organise an annual review meeting for a programme in years other than 2017 and 2019.

The annual review meeting shall be chaired by the Commission or, if the Member State so requests, co-chaired by the Member State and the Commission. The Member State shall ensure that appropriate follow-up is given to comments of the Commission following the

annual review meeting concerning issues which significantly affect the implementation of the programme and, where appropriate, inform the Commission, within three months, of the measures taken.

#### **7.4 Implementation**

The Intermediary Bodies (i.e., Government Departments and State Agencies) will be required to ensure effective implementation of their Interventions and their full compliance with the Regulation, particularly those concerning financial management, control (defined in more detail below), publicity and public procurement.

An Administrative Agreement shall be drawn up between the Managing Authority and each Intermediary Body which shall set out the respective roles and responsibilities of the Managing Authority and respective Intermediary Bodies with regard to the implementation, monitoring, evaluation and financial management control of operations co-funded under the OP article 123(6).

The Managing Authority has extensive experience in the management, monitoring and evaluation and financial control of ERDF co-financed programmes. It possesses the skills and capabilities required to ensure the effective delivery of this Operational Programme, in accordance with the regulations for the 2014-2020 period. The training and information needs of Managing Authority personnel will be addressed during the lifetime of the Operational Programme and any costs arising will be met from the Technical Assistance budget.

All of the Intermediary Bodies are experienced in the administration and delivery of ERDF co-financed actions and in the fulfilment of financial management and control and compliance requirements. The Managing Authority will work closely with the Intermediary Bodies to ensure that the skills and capabilities needed to fulfil these requirements are in place and will ensure that the training and information needs of Intermediary Body personnel are met. A programme of training seminars will be hosted by the Managing Authority, the content of which is included in the descriptions of actions under the Technical Assistance priority.

#### **7.5 Financial Management and Control Arrangements**

In accordance with the principle of shared management, Member States and the Commission shall be responsible for the management and control of programmes in accordance with their respective responsibilities laid down in the Common Provisions Regulation and in the Fund-specific rules. The management and control system for the Operational Programme shall provide for:

- (a) a description of the functions of each body involved in management and control, and the allocation of functions within each body;
- (b) compliance with the principle of separation of functions between and within such bodies;
- (c) procedures for ensuring the correctness and regularity of expenditure declared;
- (d) computerised systems for accounting, for the storage and transmission of financial data and data on indicators, for monitoring and for reporting;
- (e) systems for reporting and monitoring where the body responsible entrusts execution of tasks to another body;
- (f) arrangements for auditing the functioning of the management and control systems;
- (g) systems and procedures to ensure an adequate audit trail;



- (h) the prevention, detection and correction of irregularities, including fraud, and the recovery of amounts unduly paid, together with any interest on late payments.

Member States shall fulfil the management, control and audit obligations, and assume the resulting responsibilities, which are laid down in the rules on shared management set out in the Financial Regulation and the Fund-specific rules. Member States shall ensure that their management and control systems for programmes are set up in accordance with the Fund-specific rules and that those systems function effectively. All official exchanges of information between the Member State and the Commission shall be carried out using an electronic data exchange system.

### **Role of Certifying Authority**

The Department of Public Expenditure and Reform has been designated as the Certifying Authority to certify declarations of expenditure and applications for payment before they are set to the Commission. Under Article 126 of the Common Provisions Regulation, the Certifying Authority shall be responsible in particular for:

- (a) drawing up and submitting payment applications to the Commission, and certifying that they result from reliable accounting systems, are based on verifiable supporting documents and have been subject to verifications by the Managing Authority;
- (b) drawing up the accounts referred to in point (a) of Article 59(5) of the Financial Regulation;
- (c) certifying the completeness, accuracy and veracity of the accounts and that the expenditure entered in the accounts complies with applicable law and has been incurred in respect of operations selected for funding in accordance with the criteria applicable to the operational programme and complying with applicable law;
- (d) ensuring that there is a system which records and stores, in computerised form, accounting records for each operation, and which supports all the data required for drawing up payment applications and accounts, including records of amounts recoverable, amounts recovered and amounts withdrawn following cancellation of all or part of the contribution for an operation or operational programme;
- (e) ensuring, for the purposes of drawing up and submitting payment applications, that it has received adequate information from the Managing Authority on the procedures and verifications carried out in relation to expenditure;
- (f) taking account when drawing up and submitting payment applications of the results of all audits carried out by, or under the responsibility of, the Audit Authority;
- (g) maintaining, in a computerised form, accounting records of expenditure declared to the Commission and of the corresponding public contribution paid to beneficiaries;
- (h) keeping an account of amounts recoverable and of amounts withdrawn following cancellation of all or part of the contribution for an operation. Amounts recovered shall be repaid to the budget of the Union prior to the closure of the operational programme by deducting them from the subsequent statement of expenditure.

### **Role of Managing Authority**

The Managing Authority will have primary responsibility for the correctness of management and implementation of the co-financed operations under the OP (Article 125). It is responsible for gathering reliable information, and for ensuring that proper accounts are kept, that the operations are correct and that Community rules are complied with.

The Managing Authority will establish internal controls to ensure sound financial management of EU co-financed expenditure. The tasks of financial management and general

management of the OP will be carried out by separate sections/units within the Managing Authority. The Managing Authority will ensure that the Intermediary Bodies and Beneficiaries are fully informed of their responsibilities in relation to financial management and control of EU co-financed expenditure. It will ensure compliance with Community rules in relation to public procurement. Subject to any guidance which may issue from the Certifying Authority, the Managing Authority will undertake appropriate spot checks of source documentation supporting payment claims which are co-funded before authorising each expenditure claim and forwarding it to the Certifying Authority.

### **Role of Intermediary Bodies**

The Intermediary Bodies will be responsible for submitting eligible expenditure in the format (both electronic and hard copy) required by the Certifying Authority to the Managing Authority in order for payment claims to be prepared for submission to the Certifying Authority.

The Intermediary Bodies will be responsible for ensuring that all payment claims for Structural Fund expenditure, submitted by Beneficiaries, are supported by receipted invoices or documents of equivalent probative value, and that a clear audit trail exists. They will also be responsible for ensuring in respect of co-financed Interventions/projects, that only eligible expenditure actually incurred is submitted to the Managing Authority. The Intermediary Body is responsible for certification of all expenditure incurred by Beneficiaries.

### **Audit Authority**

The ERDF Financial Control Unit, functionally independent of the Managing Authority and Certifying Authority has been designated as the Audit Authority and will be responsible for verifying the effective functioning of the management and control system. The Audit Authority shall ensure that audits are carried out on the proper functioning of the management and control system of the operational programme and on an appropriate sample of operations on the basis of the declared expenditure.

The declared expenditure shall be audited based on a representative sample and, as a general rule, on statistical sampling methods. A non- statistical sampling method may be used on the professional judgement of the audit authority, in duly justified cases, in accordance with internationally accepted audit standards and in any case where the number of operations for an accounting year is insufficient to allow the use of a statistical method. In such cases, the size of the sample shall be sufficient to enable the audit authority to draw up a valid audit opinion in accordance with the second subparagraph of Article 59(5) of the Financial Regulation. The non-statistical sample method shall cover a minimum of 5 % of operations for which expenditure has been declared to the Commission during an accounting year and 10 % of the expenditure which has been declared to the Commission during an accounting year. Where audits are carried out by a body other than the audit authority, the Audit Authority shall ensure that any such body has the necessary functional independence. The Audit Authority shall ensure that audit work takes account of internationally accepted audit standards.

The Audit Authority shall, within eight months of adoption of an operational programme, prepare an audit strategy for performance of audits. The audit strategy shall set out the audit methodology, the sampling method for audits on operations and the planning of audits in relation to the current accounting year and the two subsequent accounting years. The audit strategy shall be updated annually from 2016 until and including 2024. Where a common

management and control system applies to more than one operational programme, a single audit strategy may be prepared for the operational programmes concerned. The Audit Authority shall submit the audit strategy to the Commission upon request.

The Audit Authority shall draw up:

- (a) an audit opinion in accordance with the second subparagraph of Article 59(5) of the Financial Regulation;
- (b) a control report setting out the main findings of the audits carried out in accordance with paragraph 1, including findings with regard to deficiencies found in the management and control systems, and the proposed and implemented corrective actions.

Where a common management and control system applies to more than one operational programme, the information required above, may be grouped in a single report.

The Commission shall, in order to ensure uniform conditions for the implementation of this Article, adopt implementing acts laying down models for the audit strategy, the audit opinion and the control report. The Commission shall be empowered to adopt delegated acts, to set out the scope and content of audits of operations and audits of the accounts and the methodology for the selection of the sample of operations referred to above. The Commission shall be empowered to adopt delegated acts, laying down detailed rules on the use of data collected during audits carried out by Commission officials or authorised Commission representatives.

### **Eligibility of Expenditure**

The eligibility of expenditure shall be determined on the basis of national eligible rules, in addition to the rules set out in Articles 65 to 71 of the Common Provisions Regulation.

Expenditure shall be eligible for a contribution from ERDF if it has been incurred by a beneficiary and paid between the date of submission of the programme to the Commission or from 1 January 2014, whichever is earlier, and 31 December 2023. Operations shall not be selected for support by the ERDF where they have been physically completed or fully implemented before the application for funding under the programme is submitted by the beneficiary to the Managing Authority, irrespective of whether all related payments have been made by the beneficiary.

Expenditure that becomes eligible as a result of an amendment to a programme shall only be eligible from the date of submission to the Commission of the request for amendment or, from the date of entry into force of the decision amending the programme.

An operation may receive support from one or more ESI Funds or from one or more programmes and from other Union instruments, provided that the expenditure item included in a request for payment for reimbursement by one of the ESI Funds does not receive support from another Fund or Union instrument, or support from the same Fund under another programme. The ESI Funds shall be used to provide support in the form of grants, prizes, repayable assistance and financial instruments, or a combination thereof.

Expenditure on co-financed operations is eligible for Community support only where it is incurred for operations decided on by the Managing Authority or under its responsibility, in accordance with criteria fixed by the Monitoring Committee.

### **Receipt of payments**

Payments are made by the Commission (who notifies the Certifying Authority) at OP level to the Exchequer Account in the Central Bank. The competent authority for receiving ERDF payments is the Department of Finance.

### **Payment to Beneficiaries**

In the case of structural funds, financing is usually transferred via the normal vote accounting system through the intermediary department/agency to the beneficiary.

### **Beneficiaries**

The Beneficiaries will be responsible for ensuring that only actual eligible expenditure incurred, and expenditure which comes under the terms of the project as approved by the Intermediary Body, is certified. They will be required to ensure that a clear audit trail exists in relation to EU funds and that all claims are supported by receipted invoices or, where this cannot be done, by accounting documents of equivalent probative value.

### **Irregularity Reporting**

Member States (Article 122) are required to prevent, detect and correct irregularities and recover amounts unduly paid, together with any interest on late payments. They shall notify the Commission of irregularities that exceed EUR 10 000 in contribution from the Funds and shall keep it informed of significant progress in related administrative and legal proceedings. The Member States shall not notify the Commission of irregularities in relation to the following:

- (a) cases where the irregularity consists solely of the failure to execute, in whole or in part, an operation included in the co-financed operational programme owing to the bankruptcy of the beneficiary;
- (b) cases brought to the attention of the Managing Authority or certifying authority by the beneficiary voluntarily and before detection by either authority, whether before or after the payment of the public contribution;
- (c) cases which are detected and corrected by the Managing Authority or Certifying Authority before inclusion of the expenditure concerned in a statement of expenditure submitted to the Commission.

In all other cases, in particular those preceding a bankruptcy or in cases of suspected fraud, the detected irregularities and the associated preventive and corrective measures shall be reported to the Commission. When amounts unduly paid to a beneficiary cannot be recovered and this is as a result of fault or negligence on the part of a Member State, the Member State shall be responsible for reimbursing the amounts concerned to the budget of the Union. Member States may decide not to recover an amount unduly paid if the amount to be recovered from the beneficiary, not including interest, does not exceed EUR 250 in contribution from the Funds.

### **Use of euro**

All amounts set out in the OP, certified statements of expenditure, payment applications and expenditure reports will be denominated in euro. The euro will be used for all grant letters of offer, project approvals, and payment claims in respect of EU co-financed expenditure (article 133).

## **Electronic Data Transfer and e-Cohesion**

Article 112 provides that Member States shall ensure that no later than 31 December 2015, all exchanges of information between beneficiaries and a Managing Authority, Certifying Authority, Audit Authority and Intermediate Bodies can be carried out by means of electronic data exchange systems. The systems shall facilitate interoperability with national and Union frameworks and allow for the beneficiaries to submit information only once.

In addition, Article 14 requires MS to provide an assessment of the existing systems for electronic data exchange and the actions planned to permit all exchanges of information between beneficiaries and authorities responsible for management and control of programmes to be carried out solely by electronic data exchange.

The systems being developed in Ireland will allow beneficiaries to submit supporting documentation and conduct business with the MAs over the internet and to claim funding and view records on-line. The monitoring and reporting system will exploit the potential use of electronic data transfers.

As an initial step, the ERDF Managing Authorities have completed a questionnaire in relation to the current systems of electronic data exchange and to assess the level of compliance of current systems with guidance issued by the Commission in Fiche 6 and Fiche 27.

An Implementation Group made up of members of the Member State Managing Authority and ESI Fund Managing Authorities in Ireland was established in September 2014. A sub group chaired by the MS has also been established to carry out preliminary work on this project and report progress back to the Implementation Group. The sub group is comprised of Managing Authorities of the Programmes who are responsible for managing and implementing the Operational Programmes, the Certifying Authorities who are responsible for submitting payment claims to the Commission and the Audit Authorities who verify the effective functioning of the management and control systems and expenditure declared.

Actions planned will depend on the assessment of existing systems of data exchange currently underway. Once these have been identified, an action plan will be drawn up to ensure Ireland meets its obligations under the regulations in relation to electronic data exchange.

The sub group led by the Department of Public Expenditure and Reform is undertaking an assessment of the current IT systems in place for delivery of ERDF and ESF to determine whether they are fit for purpose for delivery of the 2014-2020 ESI Funds OPs. In conducting this assessment, the sub group is considering the requirements of the 2014-2020 regulations, the views of staff working on current programmes and issues that have arisen during internal and external audits. The purpose of the assessment is to carry out a gap analysis in terms of what is required to comply with the new regulations and how this might best be achieved.

While the existing system has proved suitable for the 2007 – 2013 round of funding, substantial amendments are required to comply with the new Regulations necessitate the procurement of a new system. Work is underway to develop and implement a system which will meet the data and management requirements of the 2014 - 2020 regulations.

The new IT system must be flexible to take account of changing delivery structures and must provide a means for the MAs, AAs and CAs to access all relevant information. The system must be streamlined for beneficiaries. The ‘only once’ encoding principle will be implemented ensuring a reduction in the administrative for beneficiaries and all developments will ensure that data integrity and confidentiality is maintained and that storage is in compliance with the relevant document retention rules.

The open procurement process for the new IT system will begin in 2015 and is expected to be in place by 31 December 2015. The principle of Proportionality will be taken into account

particularly in the context of the level of funding allocated to Ireland under the 2014 – 2020 round of funding and the potential for reductions of ESI funding in future rounds.

### **Complaints Procedure**

In accordance with Article 74(3) Member States shall ensure that effective arrangements for the examination of complaints concerning the ESI Funds are in place. The scope, rules and procedures concerning such arrangements shall be the responsibility of Member States in accordance with their institutional and legal framework. Member States shall, upon request by the Commission, examine complaints submitted to the Commission falling within the scope of their arrangements. Member States shall inform the Commission, upon request, of the results of those examinations.

## **7.6 Compliance with State Aid and Public Procurement Rules**

The Managing Authority will ensure that operations financed by the Funds, or receiving assistance from the EIB or from another financial instrument, will be in conformity with the provisions of the Treaty, with instruments adopted under it and with Community policies and actions in the field of competition and with procedural and material State aid rules applicable at the point of time when the public support is granted.

The Managing Authority will ensure that the European public procurement directives are complied with, in respect of the award of contracts for projects funded by European funds.

## **7.7 Selection Criteria**

As regards the selection of operations and in accordance with Article 125 of the Common Provisions Regulation, the Managing Authority shall:

- (a) draw up and, once approved, apply appropriate selection procedures and criteria that:
  - (i) ensure the contribution of operations to the achievement of the specific objectives and results of the relevant priority;
  - (ii) are non-discriminatory and transparent;
  - (iii) take into account the general principles set out in Articles 7 and 8;
- (b) ensure that a selected operation falls within the scope of the Fund or Funds concerned and can be attributed to a category of intervention or, in the case of the EMFF, a measure identified in the priority or priorities of the operational programme;
- (c) ensure that the beneficiary is provided with a document setting out the conditions for support for each operation including the specific requirements concerning the products or services to be delivered under the operation, the financing plan, and the time-limit for execution;
- (d) satisfy itself that the beneficiary has the administrative, financial and operational capacity to fulfil the conditions referred to in point (c) before approval of the operation;
- (e) satisfy itself that, where the operation has started before the submission of an application for funding to the Managing Authority, applicable law relevant for the operation has been complied with;
- (f) ensure that operations selected for support from the Funds do not include activities which were part of an operation which has been or should have been subject to a procedure of recovery in accordance with Article 71 following the relocation of a productive activity outside the programme area;
- (g) determine the categories of intervention to which the expenditure of an operation shall

be attributed.

The following general principles will apply to the selection of operations for the 2014-2020 programmes:

- transparency in the process – all potential beneficiaries to be aware of the process and criteria to be used;
- incorporation of OP objectives and contribution to defined results;
- incorporation of applicable horizontal principles (e.g., sustainability, equality) into the selection criteria;
- use of competitive selection processes, where feasible;
- cost effectiveness and value for money; and
- consistency in the appraisal of proposals.

## **7.8 Evaluation**

The purpose of evaluations is to improve the quality of the design and implementation of programmes, as well as to assess their effectiveness, efficiency and impact (Article 54 of the CPR). The impact of the programme shall be evaluated, in the light of the mission of ERDF in relation to the targets under the Union strategy for smart, sustainable and inclusive growth and, having regard to the size of the programme, in relation to GDP and unemployment in the programme area concerned, where appropriate.

Evaluations will be carried out by experts functionally independent of the programme authorities. The results shall be published according to the applicable rules on access to documents. Evaluations will be financed from the budget for technical assistance. The Irish authorities will provide the resources necessary for carrying out evaluations organise the production and gathering of the necessary data and use the various types of information provided by the monitoring system.

### **Ex Ante Evaluation**

An independent ex ante evaluation of the S&E Regional OP 2014 was conducted by RSM McClure Watters in accordance with Article 55 of the Common Provisions Regulation, in parallel with the drafting and finalisation of the OP between November and May 2014. The overall aim of the evaluation was to improve the quality, effectiveness and consistency of the assistance and the implementation of the OP. The role of the ex-ante evaluation was to ensure that the Operational Programme clearly articulates its intervention logic and can demonstrate its contribution to the Europe 2020 strategy.

The five key components of an ex-ante evaluation were as follows:

- Programme strategy;
- Indicators, monitoring and evaluation;
- Consistency of financial allocations;
- Contribution to Europe 2020 strategy; and
- Strategic Environmental Assessment.

More specific evaluation questions at ex-ante evaluation stage considered internal and external coherence and the quality of implementation systems. Internal and external coherence relates to the structure of the strategy and its financial allocations and the linkage of the strategy to other regional, national and Community policies, with particular importance

in the Europe 2020 strategy. A copy of the ex-ante evaluation report is available on the Managing Authority's website, the ex-ante conditionalities are provided at Annex 3.

The objective of the Strategic Environmental Assessment, incorporated as a part of the ex-ante evaluation, was to integrate environmental considerations into the preparation and adoption of the Regional Operational Programme 2014-2020 with a view to promoting sustainable development. A copy of the technical summary of the SEA is appended.

### **Ongoing Evaluation**

In accordance with Article 56 of the Common Provisions Regulation, an evaluation plan shall be drawn up by the Managing Authority or Member State and may cover more than one programme and shall be submitted to the OP Monitoring Committee no later than one year after the adoption of the programme, in accordance with Article 114 of the Common Provisions Regulation. The Evaluation Plan will be drawn up by the Managing Authority and will specify inter alia:

- Possible data needs for on-going evaluations including evaluations to assess effectiveness, efficiency and impact for the programme, and in particular for the impact evaluations that should assess the programme contribution to the objectives of each priority axis at least once during the programming period.
- Main evaluations to be undertaken i.e. covering the interventions leading to the main results or responding to specific needs (for example to find out whether further actions are needed to be launched in a specific field of activity).
- Timing of evaluations, their methods and data needs, and possible training activities if deemed necessary.
- Information relating to possible integration of data collection procedures with other ESIF Programmes (e.g., Border, Midland and Western Regional OP).
- Methods to be applied to the planned impact evaluations and availability of the related necessary data through the monitoring system, existing administrative data or national or regional statistics.

During the programming period, the Managing Authority shall ensure that evaluations, including evaluations to assess effectiveness, efficiency and impact, are carried out on the programme on the basis of the agreed evaluation plan and that each evaluation is subject to appropriate follow-up in accordance with the ERDF-specific rules. At least once during the programming period, an evaluation shall assess how support from the ESI Funds has contributed to the objectives for each priority. Thematic evaluations may also be undertaken over the lifetime of the programme. All evaluations shall be examined by the monitoring committee and sent to the Commission.

Evaluation is primarily the responsibility of the Managing Authority, who has built up considerable expertise in these fields in commissioning various evaluations during the previous programming period. Sufficient financial resources have been provided within the Technical Assistance Priority to facilitate a comprehensive programme of evaluations

The Commission may carry out, at its own initiative, evaluations of programmes. It shall inform the managing authority and the results shall be sent to the Managing Authority and provided to the Monitoring Committee concerned.



### **Ex Post Evaluation**

The ex post evaluations shall be carried out by the Commission, or by the Member States in close cooperation with the Commission, as specified in Article 57 of the CPR. Ex post evaluations shall examine the effectiveness and efficiency of the Funds and their contribution to the Union strategy for smart, sustainable and inclusive growth taking account of the targets established in that Union strategy and in accordance with specific requirements established in the ERDF-specific rules. Ex post evaluations shall be completed by 31 December 2024.

### **Implementing Recommendations of Evaluation**

The Managing Authority will consult with the relevant Intermediary Bodies covered by the evaluation recommendations relevant to the OP as to how they propose to address the recommendations. The Managing Authority will then submit a response paper to the Monitoring Committee for approval, addressing all the recommendations. The Monitoring Committee will exercise its discretion whether to implement the response as proposed or to vary it.

## **7.9 Information and Publicity**

In accordance with Article 115, the Irish Authorities will be responsible for:

- (a) drawing up communication strategies;
- (b) ensuring the establishment of a single website or a single website portal providing information on, and access to, all operational programmes in Ireland, including information about the timing of implementation of programming and any related public consultation processes;
- (c) informing potential beneficiaries about funding opportunities under operational programmes;
- (d) publicising to Union citizens the role and achievements of cohesion policy and of the Funds through information and communication actions on the results and impact of Partnership Agreements, operational programmes and operations.

The Irish Authorities will, in order to ensure transparency concerning support from the Funds, maintain a list of operations by operational programme and by Fund in a spreadsheet data format, which allows data to be sorted, searched, extracted, compared and easily published on the internet. The list of operations will be accessible through the single website or the single website portal providing a list and summary of all operational programmes in that Member State. The list of operations shall be updated at least every six months.

The Irish Authorities will also comply with the detailed rules concerning the information and communication measures for the public and information measures for applicants and for beneficiaries as laid down in Annex XII of the Common Provisions Regulation.

The EU logo will be displayed along with the intermediary body's logo in all publicity material, application forms, letters of offer or grant approval, as well as on signs for projects as required under the regulation.

A Communications Action Plan will be drawn up in consultation with the Monitoring Committee, in accordance with Article 116 of the Common Provisions Regulation, for submission to the Commission within six months of the date of adoption of the OP. The strategy will include a description of the approach taken, including the main information and communication measures to be taken and aimed at potential beneficiaries, beneficiaries,

multipliers and the wider public. The communication strategy will include at least the following:

- (a) a description of the approach taken, including the main information and communication measures to be taken by the Member State or the managing authority and aimed at potential beneficiaries, beneficiaries, multipliers and the wider public, having regard to the aims described in Article 115;
- (b) a description of materials that will be made available in formats accessible for people with disabilities;
- (c) a description of how beneficiaries will be supported in their communication activities;
- (d) the indicative budget for implementation of the strategy;
- (e) a description of the administrative bodies, including the staff resources, responsible for implementing the information and communication measures;
- (f) the arrangements for the information and communication measures referred to in point b, including the website or website portal at which such data may be found;
- (g) an indication of how the information and communication measures shall be assessed in terms of visibility and awareness of policy, operational programmes and operations, and of the role played by the Funds and the Union;
- (h) where appropriate, a description of the use of the main results of the previous operational programme;
- (i) an annual update setting out the information and communication activities to be carried out in the following year.

The Managing Authority will inform the Monitoring Committee of progress in implementing the Communications Strategy, the information and communication measures carried out and the means of communication used. The Annual Report on Implementation of the OP shall include examples of information and communication measures for the OP taken in implementing the communication strategy.

The Managing Authority will, in accordance with the communication plan, ensure that the OP is disseminated widely, with details of the financial contributions from the Funds concerned, and that it is made available to all interested parties. It will also ensure that information on the financing opportunities offered by joint assistance from the Community and the Member State through the OP is disseminated as widely as possible.

The Managing Authority will involve in information and communication measures, bodies such as national, regional and local authorities and development agencies; trade and professional associations; economic and social partners; non-governmental organisations; organisations representing business; information centres on Europe and Commission representations in the Member States; and educational institutions, that can widely disseminate information on the OP.

The Managing Authority will ensure that the information and communication measures are implemented in accordance with the communication strategy aiming at the broadest possible media coverage using all suitable forms and methods of communication (including web-sites, brochures) at the appropriate territorial level. The Managing Authority will designate a contact person to be responsible for information and communication and inform the Commission accordingly.

Beneficiaries will be responsible for informing the public about the assistance obtained from the Funds by appropriate information means. Beneficiaries will also ensure that those taking part in an operation have been informed of that funding. Beneficiaries will provide clear notice to the effect that the operation being implemented has been selected under this OP co-financed by ERDF.

The Managing Authority will organise a high profile event at which the OP will be launched. The Managing Authority will ensure that the actions envisaged under the Communications Action Plan will be adequately resourced from the Technical Assistance Priority of the OP.

### **7.10 Major Projects**

Major projects are those which comprise an economically indivisible series of works fulfilling precise technical functions which have clearly defined aims and whose total eligible cost taken into account in determining the contribution of the Funds exceeds €50m or €75m in the case of sustainable transport works under thematic objective 7.

It is envisaged that the Next Generation Broadband Plan will be a major project co-financed under the 2014-2020 S&E Regional OP.

<b>Title</b>	<b>Expected date of submission</b>	<b>Planned start date</b>	<b>Planned completion date</b>	<b>Investment Priority</b>	<b>Priority Axis</b>
Next Generation Broadband Phase 1	2017, Q1	2017, Q1	2018, Q4	2(a) ICT Infrastructure	2

### **7.11 Partnership Arrangements**

The Southern and Eastern Regional Operational Programme was prepared in co-operation with a wide range of partners and stakeholders as required under Article 5 of the Common Provisions Regulation and as detailed in the ‘Code of Conduct on Partnership’ which is intended to support and facilitate Member States and Managing Authorities in the implementation of the partnership principle.

These partners included:

- Competent Regional and Local Authorities
- Competent Urban and other Public Authorities
- Economic and Social Partners
- Bodies representing Civil Society, Environmental Partners and Non-Governmental Organisations
- Bodies responsible for promoting Social Inclusion, Gender Equality and Non-Discrimination

The selection of partners to be involved in programme preparation was based on the identification of appropriate partners from each of the above categories and their inclusion in all requests for submissions. For example, 193 organisations across all 5 categories above were invited to make submissions to the first stage of programme development and were invited to review the draft Operational Programme. The ex-ante evaluation of the Operational Programme states in section 3.1 that “the range of organisations included within the programme development partners, ensures not only representation from all national and regional views but also that the programming process has been able to draw on considerable operational expertise and experience.

This principle has long been one of the key guiding principles of the EU funds under shared management with Member States and Regions and it implies close co-operation and

involvement of public authorities, regional and local stakeholders, private and sectoral and community representatives in all stages of programming, from planning through to implementation, monitoring and evaluation. The added value of the partnership principle lies in the enhanced commitment to and ownership of Cohesion Policy and the increased expertise and valuable perspectives which each partner brings to the programming process. Partnership also helps to improve co-ordination and avoid policy fragmentation.

The Code of Conduct on Partnership requires that all partners who can significantly influence or be significantly affected by implementation of the programmes should be involved in a timely, meaningful and transparent manner; and, in particular those partners who are most relevant in view of the planned use of the European Structural and Investment Funds contributing to the programme.

The preparation of this programme followed several key overlapping stages as already detailed in Chapter 1. A list of partners involved in the preparation of the programme is listed in Annex 1.

Many of the partners referred to above will be actively engaged in programme implementation as Intermediary Bodies and beneficiaries of the interventions. This partnership principle is also strongly reflected in the membership of the OP Monitoring Committee, which is set out in this chapter and in the conduct of evaluations.

### ***7.12 Reduction in the administrative burden for beneficiaries***

The responses to the consultation questionnaire issued prior to drafting the Operational Programme included some commentary on the administrative burden. There were several submissions which called for a lessening of the financial control burden and audit scrutiny on beneficiaries, particularly relating to the recouping of expenditure. There were also calls for better co-ordination of audits and financial control visits by the designated authorities and for proportionate and reasonable financial controls. These responses echo those received by the Department of Public Expenditure and Reform in the course of the consultation on the Partnership Agreement (see section 2.7 of the Partnership Agreement)

In addition, the issue of the administrative burden on Intermediate bodies and Beneficiaries was raised in several bilateral meetings with Government Departments and Agencies that took place during the course of preparing the Operational Programme. The administrative burden associated with the management, monitoring and financial control of EU co-financed programmes was identified as a potential deterrent for Government bodies in identifying suitable initiatives for co-financing.

The Managing Authority has also drawn on its own experience in managing two Regional Operational Programmes (2000-06 and 2007-13) and of the lessons learned arising from this. Many of the administrative changes made over the 2007-13 period have assisted in clarifying and streamlining the administration of EU structural funds, primarily for Intermediate bodies. These changes include the introduction of administrative agreements, the provision of standard management verification checklists, the introduction of the EU Structural Funds IT System, the provision of training and advisory services to Intermediate Bodies and Beneficiaries.

Arising from this, the following actions are planned to reduce the administrative burden on beneficiaries for the 2014-2020 period:

Admin Area	Action Planned	Timeframe*
<b>Use of Flat Rate financing for indirect costs</b>	Apply flat rates for indirect costs under investment priority 1(a) in accordance with Article 68 of the Common Provisions Regulation	June 2015
<b>Use of standard costs for certain measures</b>	Apply standard costs for certain SME support measures e.g. overseas travel allowances for marketing purposes	June 2015
<b>Reduce the number of Audits</b>	Adjusting the sampling population to include both regional OPs as a single population thereby reducing minimum number of audits.	June 2015
<b>Reduce the scope of Audits</b>	In cases where common procedures are in place and have been shown to function satisfactorily, reducing the scope of subsequent operational audits.	June 2015
<b>Reducing the number of verification checks carried out by IBs in ERDF OPs</b>	Sharing responsibility for some verification checks between IBs and ERDF MAs.	June 2015
<b>Single submission principle</b>	Requirement that document should be submitted only once	June 2015
<b>Publicly available document</b>	No requirement for documents which are publicly available to be submitted	June 2015
<b>Reporting templates</b>	Standard reporting templates will be put in place for all progress reports to the OP Monitoring Committee	March 2015 (first meeting of the OP Monitoring Committee)
<b>Verification Checklists</b>	A single comprehensive verification checklist will be provided to all Intermediate Bodies	June 2015

\*It is anticipated that such administrative simplifications will form part of the system description which will be subjected to the designation procedure sometime around June 2015



## ***Annexes***

- 1 Partners involved in preparation of programme
- 2 Non-Technical Summary of Strategic Environmental Assessment
- 3 Ex-ante conditionalities

## ***Annex 1: Partners involved in preparation of programme***

### **Submissions received arising from initial public consultation**

CEB Network  
Inland Fisheries Ireland (IFI)  
Irish Local Development Network  
Department of Communications, Energy and Natural Resources  
EirGrid  
Department of Transport, Tourism and Sport  
Marine Institute  
European Commissioner for Taxation and Customs Union, Audit and Anti-Fraud  
The Revenue Commissioners  
Tipperary Energy Agency (TEA)  
Mid-East Regional Authority  
Mallow Development Partnership  
Kerry County Development Board  
North Tipperary County Council  
Ballyhoura Development Ltd  
Waterford Institute of Technology (WIT)  
South-East Regional Authority  
South-West Regional Authority  
Mid-West Regional Authority  
Dublin Regional Authority  
Dublin Cycling Campaign/Cyclist.ie  
Midland Regional Authority  
Technology Centre for Biorefining and Bioenergy  
The Carlow Kilkenny Energy Agency

### **Organisations attending Stakeholder Workshop (November 2013)**

Mallow Development Partnership  
Waterford City Council  
South Dublin County Council  
Dublin Cycling Campaign / Cyclist.ie  
Local Government Management Agency  
Mid-West Regional Authority  
Ballyhoura Development Ltd.  
Tipperary Energy Agency (TEA)  
Carlow County Council  
Technology Centre for Bio-refining and Bio-energy  
South-East Regional Authority  
Cork City Council  
Carlow Kilkenny Energy Agency  
Inland Fisheries Ireland

### **Bilateral Consultation Meetings with Departments and Agencies**

Department of Public Expenditure & Reform, Structural Funds Policy  
Department of Jobs, Enterprise and Innovation (R&D Policy)  
Science Foundation Ireland  
Enterprise Ireland (Enterprise & Innovation Policy)



Higher Education Authority  
Department of Communications, Energy and Natural Resources (ICT)  
Department of Transport (Public Transport Infrastructure)  
Irish Rail  
National Transport Authority  
Department of the Environment (Urban Planning)  
Department of Communications, Energy & Natural Resources (Energy Policy)  
Enterprise Ireland (Micro-enterprise)  
Marine Institute  
Irish Local Development Network  
Department of the Environment (Housing retrofit)  
Department of Transport (Sustainable Transport)  
Forfás  
Department of Arts, Heritage and the Gaeltacht  
Office of Public Works

**List of Submissions received arising from public consultation 30<sup>th</sup> May – 30<sup>th</sup> June 2014**

Office for Local Authority Management, Local Government Management Agency  
Bord Gáis Networks  
Waterford Institute of Technology  
Limerick Chamber of Commerce  
Environmental Protection Agency  
National Disability Authority  
Climate Change Section, Department of Agriculture, Food & the Marine  
Port of Cork  
Limerick City and County Council  
Irish Council for Social Housing  
Cork City Council  
Social Inclusion Division, Department of Social Protection  
Department of Arts, Heritage and the Gaeltacht  
Tipperary County Council  
Department of Transport, Tourism and Sport

**Attendees at Meeting with statutory bodies responsible for horizontal principles (June 2014)**

Department of the Environment, Community and Local Government  
National Disability Authority  
Department of Social Protection  
Irish Human Rights and Equality Commission  
Department of Justice and Equality (Gender Equality Division)

***Annex 2: Strategic Environmental Assessment (SEA) Non Technical Summary***

## Southern and Eastern Regional Operational Programme 2014-2020

### Strategic Environmental Assessment (SEA)

### Non-Technical Summary



Report by: Helen Davies BSc MSc AIEMA ACIEEM  
Checked by: Robert Edwards BSc MSc MIEMA  
Date: July 2014

Submitted to:  
Rosalind Henry  
RSM McClure Watters

Prepared by:  
ADAS UK Ltd  
4205 Park Approach  
Thorpe Park  
Leeds  
LS15 8GB

# CONTENTS

WHAT IS THE ENVIRONMENTAL REPORT AND WHY HAS IT BEEN WRITTEN? .....	1
WHAT IS THE REGIONAL OPERATIONAL PROGRAMME?.....	1
WHAT IS THE CURRENT STATE OF THE ENVIRONMENT IN THIS REGION OF IRELAND?.....	3
HOW HAS THE DRAFT S&E ROP BEEN ASSESSED?.....	7
WHAT ARE THE ALTERNATIVES?.....	7
WHAT ARE THE LIKELY ENVIRONMENTAL IMPACTS OF THE DRAFT S&E ROP? .....	8
WHAT ARE THE KEY RECOMMENDATIONS FOR ENHANCING THE BENEFICIAL EFFECTS OF THE DRAFT S&E ROP?.....	12
WHAT WILL HAPPEN NEXT?.....	14

## **NON-TECHNICAL SUMMARY**

### **What is the Environmental Report and why has it been written?**

ADAS UK Ltd has been commissioned by the Southern and Eastern (S&E) Regional Assembly to carry out a Strategic Environmental Assessment (SEA) for the Southern and Eastern Regional Operational Programme (ROP) 2014-2020.

The process of SEA was introduced under European Directive 2001/42/EC12 on the assessment of the effects of certain plans and programmes on the environment (SEA Directive), and came into force in Ireland through the European Communities (Environmental Assessment of Certain Plans and Programmes) Regulations 2004 (SI 435/2004 and SI 200/2011), and the Planning and Development (Strategic Environmental Assessment) Regulations 2004 (SI 436/2004 and SI 201/2011).

The Environmental Report describes the outcome of the SEA. This involves an evaluation of the likely environmental effects of implementation and non-implementation of the S&E ROP, including an assessment of realistic strategic alternative approaches. The Report also suggests measures to minimise potentially adverse environmental effects of implementing the S&E ROP, along with enhancement measures that could improve the effect on the environment yet further.

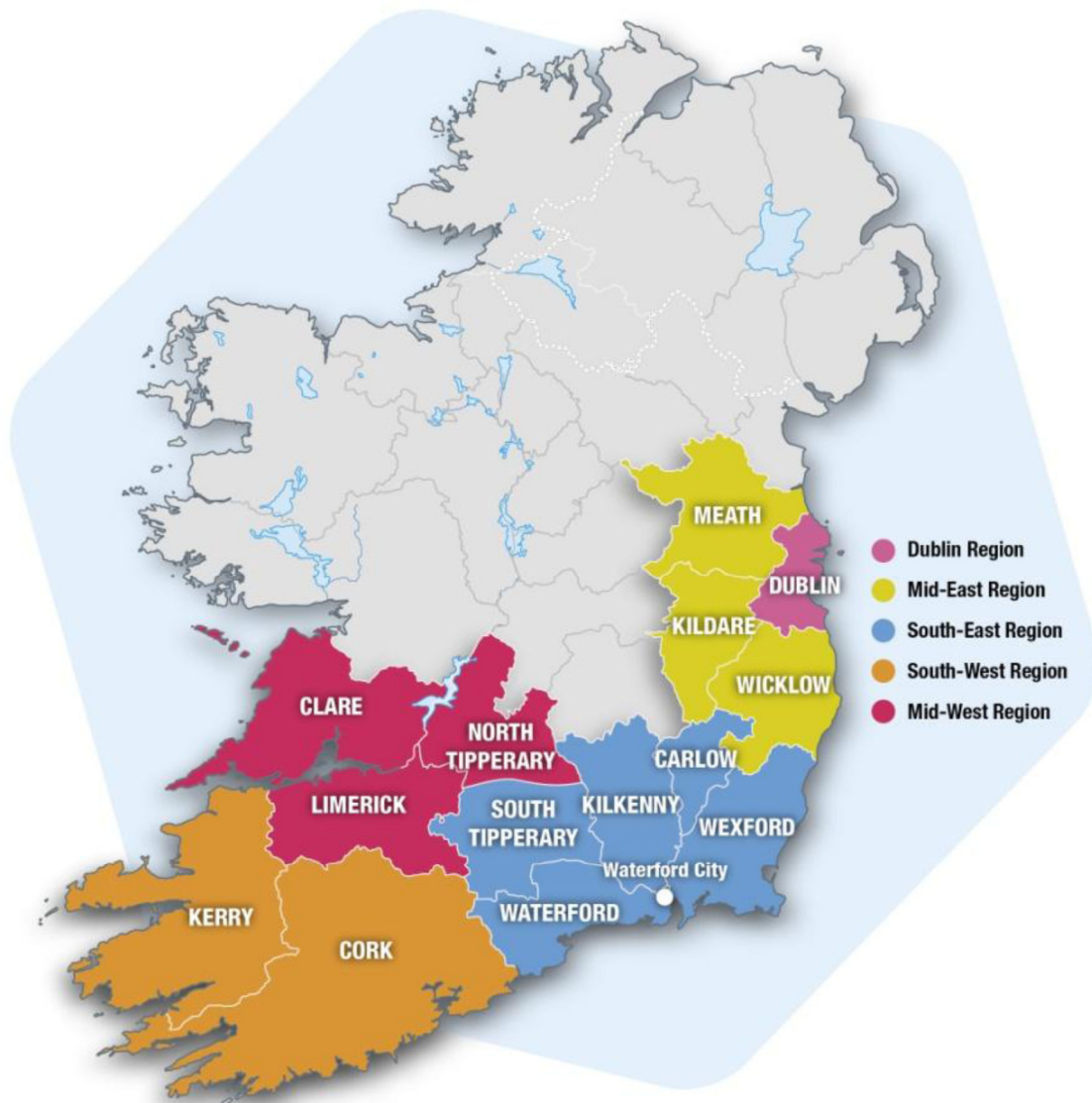
The Environmental Report has been written to accompany the draft S&E ROP and has been issued to the statutory consultation bodies, to other interested organisations and members of the public for viewing and comment for a period of four weeks. This Non-Technical Summary is a simplified version of the Environmental Report.

### **What is the Regional Operational Programme?**

The Irish Government, as set out in the Partnership Agreement for the European Structural and Investment Funds has decided that European Regional Development Funds made available to Ireland under the EU's Multi-annual Financial Framework 2014-2020 will be delivered through separate ROPs for the S&E and the Border, Midland and Western Regions. This is the

third ROP for the S&E Region, supported under EU Cohesion Policy. The S&E region has been classified as a 'more developed region' for the 2014-2020 programme period, having a GDP per capita which was above 90% of the average GDP of the EU 27 over the 2007-2009 reference period. The area covered by the S&E ROP can be seen in the Figure below.

*Figure A: The S&E Region*



In accordance with Article 27 of the Common Provisions Regulation for European Structural and Investment Funds 2014-2020, each programme is required to set out a strategy for the programme's contribution to the EU strategy for smart, sustainable and inclusive growth. The ROP sets out a development strategy, including a coherent set of priorities to meet the strategic

objectives that have been set for the ROP, taking account of specific regional needs. Selected priorities and objectives are as follows:

1. Strengthening Research, Technological Development and Innovation (T.O.1):
  - a. To increase the level of research taking place in the S&E region, with Company engagement.
  - b. To increase the level of commercialisation of research by the higher education institutions in the S&E region.
2. Enhancing access to, and use and quality of, Information and Communication Technologies (T.O.2):
  - a. To increase the provision of fibre optic links to all un-served towns and villages in the S&E Region.
3. Enhancing the competitiveness of SMEs (T.O.3):
  - a. To increase employment levels in micro-enterprises in the S&E Region by supporting business start-ups, business expansion and higher innovation levels in micro-enterprises.
4. Supporting the Shift Towards a Low Carbon Economy (T.O.4)
  - c. To improve energy efficiency in the housing stock.
5. Protecting the environment and promoting resource efficiency (Sustainable Urban Development) (T.O.6):
  - e. To increase the number of integrated urban regeneration initiatives to improve the urban environment and revitalise urban areas.
6. Technical Assistance:
  - a. To support the effective implementation of the Regional Operational Programme.

### **What is the current state of the environment in this Region of Ireland?**

The S&E region has a predominantly urban population which is concentrated in a relatively small number of centres, the largest of which is the Dublin metropolitan area. Though covering 53% of the landmass of Ireland, the S&E region comprises 73% of its population. The recent rise in population in these major urban centres has placed huge strains on infrastructural services and has led to greater demands for investment in areas such as housing, water supply, sanitary services, roads, public transport, telecommunications, education and energy. Strengths, weaknesses, opportunities and threats have been identified for each of eleven sustainability topics; these are summarised below.

Strengths and Opportunities	Weaknesses and Threats
<b>Ecology and Nature Conservation</b>	
<ul style="list-style-type: none"> <li>• Rich natural terrestrial and marine environment, including a number of internationally significant habitat types such as limestone pavement, machair, turloughs, and active peatlands.</li> <li>• Detailed conservation objective established for Natura 2000 sites.</li> <li>• Local Biodiversity Action Plans incorporated by most Local Authorities within their County Development Plan, which include the objectives of the National Biodiversity Plan including protection of biodiversity in the wider countryside.</li> <li>• Agri-environmental options and Natura 2000 schemes have been launched.</li> </ul>	<ul style="list-style-type: none"> <li>• Relatively few protected habitats and species currently in a favourable state, and many are considered to be of poor or bad status.</li> <li>• Main threats are peat cutting, wetland reclamation, infrastructure development, overgrazing, water pollution, invasive species, recreation, and exploitation of natural fish stocks.</li> <li>• Habitats Directive compliant management of Natura 2000 sites remains a challenge, especially in coastal areas and lakes of the Western region.</li> <li>• Intermediate value sites vital to the preservation of ecological networks have no statutory protection and rely on the planning system to safeguard their integrity.</li> </ul>
<b>Socio-Economics</b>	
<ul style="list-style-type: none"> <li>• Ireland as a whole has significant strengths in research, technology, ICT, development, innovation, and marine science.</li> <li>• Ireland's terrestrial and marine ecosystems and resources contribute significantly to the economy.</li> <li>• Regions with the S&amp;E region tend to have high levels of foreign direct investment.</li> <li>• The Dublin Region is performing well economically and has the highest disposable income of Ireland's eight sub-regions.</li> <li>• The Mid-East Region has the second highest disposable income in Ireland.</li> <li>• The Mid-West Region has a high number of SMEs, suggesting an entrepreneurial culture.</li> <li>• South-West Region has the lowest levels of unemployment.</li> </ul>	<ul style="list-style-type: none"> <li>• The marine economy's contribution to GDP is low in proportion to its potential.</li> <li>• The Mid-East Region has seen a decline in average incomes.</li> <li>• The Mid-West and South-East Regions also performs poorly in terms of changes in unemployment and has high levels of unemployment.</li> </ul>
<b>Health and Quality of Life</b>	
<ul style="list-style-type: none"> <li>• The preservation of the Irish environment recognised as a key contributor to improving residents' health and well-being.</li> <li>• Broadband provision under previous ROPs has enhanced quality of life and access to information, services, and resources.</li> </ul>	<ul style="list-style-type: none"> <li>• Levels of health provision are poor relative to EU standards.</li> <li>• Obesity levels are significant relative to EU standards.</li> </ul>



Strengths and Opportunities	Weaknesses and Threats
<ul style="list-style-type: none"> <li>• Relatively high levels of people with tertiary education in S&amp;E Region and improved in school performance.</li> <li>• High numbers of people have access to broadband and personal computers in this region.</li> </ul>	
<b>Soil and Land Use</b>	
<ul style="list-style-type: none"> <li>• Significant tracts of peatland, including many bogs with international designation.</li> <li>• Many areas of geological heritage interest, including some with international designation.</li> <li>• Rural S&amp;E Region is important for forestry, recreation and tourism</li> <li>• S&amp;E Region is geologically rich and includes internationally designated sites.</li> </ul>	<ul style="list-style-type: none"> <li>• 95% of Ireland's peatland habitats are in a degraded state due to domestic and industrial extraction, afforestation, wind farms, recreational activities and invasive species.</li> <li>• Many geological heritage sites remain without statutory protection.</li> <li>• Development pressures over the past 20 years have led to significant land use change and an increase in the area of artificial surfaces.</li> </ul>
<b>Water</b>	
<ul style="list-style-type: none"> <li>• Water quality compares favourably to other EU countries and shows a trend of improvement.</li> <li>• Pollution reduction measures have been effectively implemented.</li> <li>• Intact peatlands act as effective water stores to mitigate flood risk.</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance with European waste water treatment legislation remains poor.</li> <li>• Many waste water treatment plants need upgrades, and their coverage needs to be extended.</li> <li>• Peatland degradation linked to poorer water quality in the region.</li> <li>• Drier summers predicted in the future due to climate change, with knock-on impacts on water supply and quality.</li> <li>• Agricultural pollution remain an issue for water quality in the region.</li> <li>• Water quality in the Natura 2000 sites is still an issue, especially in the Mid-West Region.</li> </ul>
<b>Air Quality</b>	
<ul style="list-style-type: none"> <li>• Air quality of a high standard amongst the best in Europe and Ireland overall.</li> <li>• All EU air quality standards met with the exception of NO<sub>x</sub>, though actions have been set out to address this issue.</li> </ul>	<ul style="list-style-type: none"> <li>• 2010 emission ceiling for NO<sub>x</sub> was breached due to increased reliance on car transportation.</li> <li>• Ozone levels exceeded WHO guideline values.</li> <li>• Meeting new PM2.5 concentration standards will be a challenge.</li> </ul>
<b>Climate Change</b>	
<ul style="list-style-type: none"> <li>• Renewable energy usage has increased significantly and exceeded the interim EU target.</li> <li>• Tax incentives and electric charging facilities provided to promote low-emission vehicles.</li> </ul>	<ul style="list-style-type: none"> <li>• Ireland's per capita greenhouse gas (GHG) emissions second highest in the EU, and population is increasing.</li> <li>• Transport sector a significant contributor to GHG emissions due to lack of public transport and a dispersed population.</li> </ul>

Strengths and Opportunities	Weaknesses and Threats
<ul style="list-style-type: none"> <li>• Peatland and grassland, which are prominent in the region can act as good carbon stores and sinks.</li> <li>• The South-West Region has the highest capacity to produce wind power of all the regions.</li> </ul>	<ul style="list-style-type: none"> <li>• Renewable energy development capacity hampered by grid access difficulties.</li> <li>• Over-reliance on peat powered energy.</li> <li>• Peat degradation leads to net GHG emissions.</li> <li>• Climate change presents challenges for landuse and development of the region, due to resulting flood risk and coastal erosion.</li> </ul>
<b>Material Assets</b>	
<ul style="list-style-type: none"> <li>• Significant natural resources, including water, soils, sand and aggregates.</li> <li>• Waste reduction indicators improving and almost all EU requirements met.</li> </ul>	<ul style="list-style-type: none"> <li>• Landfill capacity very limited.</li> <li>• Requires greater effort to reduce municipal solid waste.</li> <li>• End-of-life vehicle targets not met.</li> <li>• The Mid-East and Dublin Regions produced the highest volume of waste per capita in 2011.</li> </ul>
<b>Cultural Heritage</b>	
<ul style="list-style-type: none"> <li>• Two international recognised sites and multiple nationally listed monuments.</li> <li>• Historic environment a material contributor to employment and tourism.</li> <li>• The region is home to Sceilg Mhicil, a property on the World Heritage list.</li> <li>• Rich and varied architecture.</li> <li>• Gaelic speaking communities well established in western seaboard counties.</li> </ul>	<ul style="list-style-type: none"> <li>• Historic monuments in rural areas are in decline due to a variety of factors.</li> <li>• Rural tourism is poorly coordinated</li> </ul>
<b>Landscape and Seascape</b>	
<ul style="list-style-type: none"> <li>• Diverse range of landscapes including three National Parks such as the internationally recognised Burren which covers parts of County Clare.</li> <li>• The River Shannon is an important landscape feature.</li> </ul>	<ul style="list-style-type: none"> <li>• Few landscape character assessments carried out due to lack of expertise.</li> <li>• Fragmented approach to landscape management and rural tourism are missed opportunities.</li> <li>• Increased population growth and demand for housing and agriculture threatening landscape.</li> <li>• Intensive farming is a threat to the landscape in the region.</li> </ul>
<b>Green Infrastructure and Ecosystem Services</b>	
<ul style="list-style-type: none"> <li>• Ireland's terrestrial ecosystems a significant contributor to GDP.</li> <li>• Significant opportunities to tap Ireland's marine wealth, for example seaweed biotechnology.</li> <li>• Green Infrastructure projects in place in the region.</li> </ul>	<ul style="list-style-type: none"> <li>• Knowledge about biodiversity is below EU average.</li> <li>• Green Infrastructure expansion is challenging due to multiple stakeholders.</li> </ul>

## How has the draft S&E ROP been assessed?

The draft S&E ROP has been assessed against a number of SEA objectives designed to cover the broad range of environmental issues facing Ireland. These objectives are used within high level and detailed assessment matrices to ascertain the magnitude of likely effects, the sensitivity or value of the receiving environment (including people and wildlife) and thus significance of impacts of the ROP priorities and objectives.

Assessments of alternatives to the S&E ROP as a whole have been undertaken, along with an assessment of likely cumulative effects of objectives within the draft S&E ROP and likely in-combination effects of the draft S&E ROP with other plans and programmes. Opportunities for improvement and measures to address possible impacts have also been identified.

## What are the alternatives?

Five strategic alternatives have been assessed against the SEA objectives.

- Alternative 1: Continue with the current ROP 2007-2013 priorities and interventions.
- Alternative 2: Do nothing or 'zero' option where EU and Irish Government funding for an ROP would be withdrawn.
- Alternative 3: Proceed with the potential outline priorities and objectives as drafted by S&E for discussion with stakeholders in November 2013.
- Alternative 4: Proceed with the proposed priorities and objectives as drafted by S&E for public consultation in May 2014.
- Alternative 5: Adapt the ROP priorities and objectives to follow an "ecosystems approach".

Each alternative assessed was considered to have environmental strengths and weaknesses. Alternative 2 fared the worst on both environmental and socio-economic objectives, whilst Alternatives 1, 3, and 4 perform similarly against most of the SEA objectives and were generally positive. Alternative 5 was considered to have stronger beneficial impacts on some environmental and socio-economic factors such as water, climate, green infrastructure, and health.

The option S&E has chosen to take forward to public consultation is Alternative 4, even though Alternative 5 performs better environmentally. This is because the current S&E ROP has a more primary focus on business growth and employment however maintaining an overall aim of sustainability.

### What are the likely environmental impacts of the draft S&E ROP?

The S&E ROP as drafted is expected to have beneficial impacts as a result of the proposed focus on research, the provision of fibre-optic links across the region, the development of entrepreneurs and SMEs, the improved energy efficiency of housing stock, and the regeneration of selected urban centres. These are summarised in the sub-section “*What are the key recommendations for enhancing the beneficial impacts of the draft S&E ROP?*” below.

No major adverse impacts were identified. However, the SEA did recognise some potential minor/moderate adverse and uncertain impacts related to business growth, the installation of the broadband infrastructure, and the construction and operation of new buildings and the renovation of existing ones on brownfield sites. These impacts are summarised by sustainability topic below, alongside measures that should be carried out through the planning system (or by Government departments) to ensure these impacts are mitigated.

Adverse/Uncertain Effect	Potential Mitigation
<b>Ecology and Nature Conservation</b>	
<ul style="list-style-type: none"> <li>The construction works associated with new, renovated, or retrofitted buildings, over-and/or underground broadband installations, and urban regeneration may have <b>moderate/minor adverse</b> effects on habitats and species, potentially including designated sites, protected species, and sites which form part of national and international ecological corridors. (2a, 3a, 4c, 6e)</li> </ul>	<ul style="list-style-type: none"> <li>Standard mitigation in line with existing planning and EIA requirements should be carried out to determine the likelihood of damage to habitats and species during the works.</li> <li>Where developments would otherwise pass through a protected site, alternative routes should be considered. Failing this, Appropriate Assessment screening will need to be carried out and consent from the appropriate consenting authority will be required.</li> <li>Measures should be taken to avoid the spread of pests/invasive species during the construction phase.</li> <li>Construction work should avoid breeding seasons and other sensitive times for protected species that may be affected at the local level.</li> <li>Any removal of vegetation should be preceded by an ecological survey for protected species.</li> <li>Consideration should be given for other habitats of ecological value at a local or national context. Particular care should be taken to minimise damage to habitats identified in Local Biodiversity Action Plans and County Development Plans, and those which may form part of wider ecological networks.</li> </ul>
<b>Socio-Economics</b>	
<ul style="list-style-type: none"> <li>No adverse or uncertain effects</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>
<b>Health and Quality of Life</b>	
<ul style="list-style-type: none"> <li>No adverse or uncertain effects</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>
<b>Soil and Land Use</b>	
<ul style="list-style-type: none"> <li>The construction works associated with new, renovated, or retrofitted buildings, over-and/or underground broadband installations, and urban regeneration will have <b>uncertain effects</b> on soil and land use. (2a, 3a, 6e)</li> <li>Erosion, compaction, and pollution during the construction phase are potential risks to soils, whilst damage to underlying bedrock can occur in areas of shallow or exposed soil.</li> </ul>	<ul style="list-style-type: none"> <li>Standard best practice methods should be followed to avoid damage to soils during construction.</li> <li>Laying of underground cables for broadband should be avoided in areas with a geological heritage designation. Failing this, consideration must be given to the level of statutory protection and any specific conservation objectives relevant to the site.</li> </ul>
<b>Water</b>	
<ul style="list-style-type: none"> <li>The construction works associated with new, renovated, or retrofitted buildings, over-and/or underground broadband</li> </ul>	<ul style="list-style-type: none"> <li>Standard best practice methods should be followed to avoid damage to water during construction.</li> </ul>

Adverse/Uncertain Effect	Potential Mitigation
<p>installations, and urban regeneration will have <b>uncertain effects</b> on water quality and flood risk. (2a, 3a, 6e)</p> <ul style="list-style-type: none"> <li>• Chemical and fuel spillages may cause pollution of groundwater and waterways, whilst erosion to river banks may occur during broadband installation.</li> <li>• Additional run-off may occur with the increase in impermeable surfaces.</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainable drainage (SuDS) should be provided in urban regeneration areas where possible.</li> </ul>
<b>Air Quality</b>	
<ul style="list-style-type: none"> <li>• The construction works associated with new, renovated, or retrofitted buildings, over-and/or underground broadband installations, and urban regeneration will have <b>uncertain effects</b> on air quality, as will the encouragement of business development. (2a, 3a, 4c, 6e)</li> <li>• Temporary dust, particulate matter, ozone, and GHG emissions may occur during construction projects.</li> <li>• Business growth may increase energy use and transportation with effects on air quality.</li> </ul>	<ul style="list-style-type: none"> <li>• Business expansion may need to be preceded by sustainable transport initiatives in areas with existing air quality problems.</li> </ul>
<b>Climate Change</b>	
<ul style="list-style-type: none"> <li>• Encouragement of business development and energy efficiency measures will have <b>uncertain effects</b> on GHG emissions.</li> <li>• Business growth may increase demand for energy and transportation. (2a, 3a, 6e)</li> <li>• Improving energy efficiency of existing and new buildings will help reduce net GHG emissions. (4c)</li> </ul>	<ul style="list-style-type: none"> <li>• Re-use of ICT equipment should be promoted.</li> <li>• Funding to assist SMEs and expansion should incorporate advice on energy efficiency, resource use, and sustainable transport.</li> <li>• Urban regeneration, and new premise construction projects should include energy efficiency and climate change adaptation measures.</li> </ul>
<b>Material Assets</b>	
<ul style="list-style-type: none"> <li>• The construction works associated with new, renovated, or retrofitted buildings, over-and/or underground broadband installations, and urban regeneration will have <b>uncertain effects</b> on material assets. (2a, 3a, 4c, 6e)</li> <li>• Increased access to broadband could cause a rise in demand for ICT equipment and energy/resource use.</li> </ul>	<ul style="list-style-type: none"> <li>• Funding to assist SMEs and expansion should incorporate advice on energy efficiency, resource use, and sustainable transport.</li> </ul>
<b>Cultural Heritage</b>	
<ul style="list-style-type: none"> <li>• The construction works associated with new, renovated, or retrofitted buildings, over-and/or underground broadband installations, and urban regeneration will have <b>uncertain effects</b> on cultural heritage. (2a, 3a, 4c, 6e)</li> </ul>	<ul style="list-style-type: none"> <li>• Standard best practice methods should be followed to avoid damage to heritage assets during construction</li> </ul>

Adverse/Uncertain Effect	Potential Mitigation
<ul style="list-style-type: none"> <li>There is the potential for damage to protected monuments and heritage features during the construction phase.</li> </ul>	
<b>Landscape and Seascape</b>	
<ul style="list-style-type: none"> <li>The construction works associated with new, renovated, or retrofitted buildings, over-and/or underground broadband installations, and urban regeneration will have <b>uncertain effects</b> on landscape and seascape. (2a, 3a, 4c, 6e)</li> <li>There is the potential for adverse effects on landscape character during the construction phase.</li> <li>Installation of overground broadband cables in rural areas may adversely affect their character. However, the re-generation of existing buildings and brownfields sites may ameliorate these areas. (2a, 6e)</li> </ul>	<ul style="list-style-type: none"> <li>Standard best practice methods should be followed to avoid damage to landscape character during construction.</li> </ul>
<b>Green Infrastructure and Ecosystem Services</b>	
<ul style="list-style-type: none"> <li>No uncertain or adverse effects.</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>

The assessment of cumulative effects revealed that (prior to mitigation) there could be minor adverse or uncertain cumulative effects in relation to S&E's ecology, climate, cultural heritage, and landscape. There could also be in-combination effects on the environment between the S&E ROP and other plans and programmes promoting economic growth and development, in particular through the increase in land demand and the pressure on existing habitats and species. The schemes which could cause in-combination effects include A Strategy for Growth: Medium Term Economic Strategy 2014-2020, Delivering a Connected Society – A National Plan for Ireland (2012), Infrastructure and Capital Investment 2012-2016: Medium Term Exchequer Framework, and Building Ireland's Smart Economy: A Framework for Sustainable Economic Renewal (2008).

## What are the key recommendations for enhancing the beneficial effects of the draft S&E ROP?

The draft S&E ROP's strong focus on growth and jobs and energy efficiency will add to the benefits delivered through the current ROP. However, if resources allow, even more could be done to maximise the environmental benefits. Enhancement measures are suggested below, by sustainability topic for consideration by the Regional Assembly; such measures may be regarded as best practice. (Corresponding S&E ROP objectives are shown in brackets if relevant).

Beneficial Effect	Potential Enhancement
<b>Ecology and Nature Conservation</b>	
<ul style="list-style-type: none"> <li>Strategic research related to the marine environment may have a <b>minor beneficial</b> effect on ecology. (1a)</li> </ul>	<ul style="list-style-type: none"> <li>Encourage funding for marine research to focus predominantly on biodiversity and ecosystem services, given low levels of information currently available.</li> <li>Make use of the findings of ongoing National Habitat Surveys and biodiversity reports being prepared by the National Biodiversity Data Centre, BirdWatch, and Bat Conservation Ireland to enhance levels of information on Ireland's biodiversity and ecosystem services.</li> </ul>
<b>Socio-Economics</b>	
<ul style="list-style-type: none"> <li>Funding of research, enterprise growth, extending broadband provision, urban regeneration, and warmer homes will have a <b>major beneficial</b> effect on the economy. (1a, 1b, 2a, 3a, 4c, 6e)</li> </ul>	
<b>Health and Quality of Life</b>	
<ul style="list-style-type: none"> <li>Measures to improve energy efficiency and increase internet access, alongside regeneration of urban areas will have a <b>moderate/major beneficial</b> effect on health and life quality (2a, 4c, 6e)</li> </ul>	<ul style="list-style-type: none"> <li>Walking, cycling and other outdoor activity facilitation as part of regeneration proposals can help improve public health.</li> </ul>
<b>Soil and Land Use</b>	
<ul style="list-style-type: none"> <li>Decontamination of brownfield sites will have a <b>minor beneficial effect</b> on soil quality. (6e)</li> </ul>	<ul style="list-style-type: none"> <li>Provision of green spaces and SuDS in urban regeneration projects can help reduce soil sealing.</li> </ul>
<b>Water</b>	
<ul style="list-style-type: none"> <li>Strategic research related to the marine environment may have a <b>minor beneficial</b> effect on water. (1a)</li> </ul>	<ul style="list-style-type: none"> <li>Provision of green spaces and SuDS in urban regeneration projects can help ameliorate flood risk from run-off.</li> </ul>



Beneficial Effect	Potential Enhancement
<b>Air Quality</b>	
<ul style="list-style-type: none"> <li>Regeneration of urban areas may have a <b>minor beneficial</b> effect by addressing existing air pollution issues. (6e)</li> </ul>	<ul style="list-style-type: none"> <li>Walking, cycling and other outdoor activity facilitation as part of regeneration proposals can help reduce the need for vehicle transportation and thus improve air quality.</li> </ul>
<b>Climate Change</b>	
<ul style="list-style-type: none"> <li>Increased internet access may reduce the need to travel and thus have a <b>minor beneficial</b> effect on climate change. (2a)</li> </ul>	<ul style="list-style-type: none"> <li>Walking, cycling and other outdoor activity facilitation as part of regeneration proposals can help reduce the need for vehicle transportation and thus reduce GHG emissions.</li> <li>Urban regeneration projects could include measures for climate change adaptation, such as green spaces, SuDS, and street trees.</li> </ul>
<b>Material Assets</b>	
<ul style="list-style-type: none"> <li>Improving the energy efficiency of the housing stock will substantially reduce energy wastage, whilst urban regeneration will maximise use of existing assets, leading to a <b>minor/moderate beneficial</b> effect on material assets. (4c, 6e)</li> </ul>	<ul style="list-style-type: none"> <li>Construction works should be encouraged to make use of sustainable, locally sourced, and/or recycled materials where possible.</li> </ul>
<b>Cultural Heritage</b>	
<ul style="list-style-type: none"> <li>Urban regeneration is likely to have a <b>minor/moderate beneficial</b> effect by enhance the quality and diversity of cultural heritage whilst retrofitting existing housing could enhance the townscape. (6e)</li> </ul>	
<b>Landscape and Seascape</b>	
<ul style="list-style-type: none"> <li>No beneficial effects anticipated.</li> </ul>	
<b>Green Infrastructure and Ecosystem Services</b>	
<ul style="list-style-type: none"> <li>Strategic research related to the marine environment, and environmental enhancement through urban regeneration projects may have a <b>minor beneficial</b> effect on ecosystem services. (1a, 6e)</li> </ul>	<ul style="list-style-type: none"> <li>Encourage funding for marine research to focus predominantly on biodiversity and ecosystem services, given low levels of information currently available.</li> <li>Make use of the findings of ongoing National Habitat Surveys and biodiversity reports being prepared by the National Biodiversity Data Centre, BirdWatch, and Bat Conservation Ireland to enhance levels of information on Ireland's biodiversity and ecosystem services.</li> </ul>

### What will happen next?

The Environmental Report has been submitted to the statutory authorities and made available to other interested parties to facilitate determination of the likely effect of the S&E ROP, as currently drafted, on the environment.

Upon adoption of the ROP, the S&E Regional Assembly, Intermediate bodies or Local Authorities (as appropriate) will monitor its environmental impact and achievement. Initiatives will include: monitoring the level of reduced energy demand in retrofitted housing; the number of urban development projects and their environmental outcomes; the number of SMEs supported in the environmental service sector; the number of research projects funded with an environmental sustainability focus; the length of new broadband cable passing through sites with statutory protection across Ireland; and the number of such sites affected.

***Annex 3: Ex-ante conditionalities***

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
<p>T.01.1 - Research and innovation: The existence of a national or regional smart specialisation strategy in line with the National Reform Program, to leverage private research and innovation expenditure, which complies with the features of well performing national or regional R&amp;I systems.</p>	<p>1 - A national or regional smart specialisation strategy is in place that:</p>	<p>Yes</p>	<p>Links to supporting documents for Ireland’s Smart Specialisation strategy and the Report of the National Research Prioritisation Group are listed below. The full RIS3 is attached as annex 10 to the OP.</p> <p><a href="http://www.djei.ie/science/technology/RIS3summary2014.pdf">http://www.djei.ie/science/technology/RIS3summary2014.pdf</a></p> <p><a href="http://www.djei.ie/science/technology/ris3.htm">http://www.djei.ie/science/technology/ris3.htm</a></p> <p><a href="http://www.forfas.ie/media/ffs20120301-Research_Prioritisation_Exercise_Report.pdf">http://www.forfas.ie/media/ffs20120301-Research_Prioritisation_Exercise_Report.pdf</a></p> <p><a href="http://www.forfas.ie/publication/search.jsp?ft=/publications/2013/Title,11020,en.php">http://www.forfas.ie/publication/search.jsp?ft=/publications/2013/Title,11020,en.php</a></p>	<p>A document setting out how Ireland’s National Research Prioritisation Exercise (NRPE) meets the relevant ex-ante conditionality criteria for a smart specialisation strategy for research and innovation, including a description of a monitoring mechanism and budgetary framework which was submitted to the European Commission for consideration in December 2013 and was subjected to a Peer Review in Dublin on 3rd July 2014</p> <p>In accordance with article 19 and annex XI of the CPR and consistent with our institutional and legal framework, we have assessed and concluded that we meet the ex-ante conditionality criteria for TO1. We have a national RIS3 in place and indicative multi-annual plans for budgeting and prioritisation of investments linked to Europe’s R&amp;D 2020 target.</p> <p>The strategy is based on analysis to concentrate resources on a limited set of R&amp;I priorities, has measures to stimulate private RTD investment, contains a monitoring mechanism; and has identified budget resources.</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
T.01.1 - Research and innovation: The existence of a national or regional smart specialisation strategy in line with the National Reform Program, to leverage private research and innovation expenditure, which complies with the features of well performing national or regional R&I systems.	2 - is based on a SWOT or similar analysis to concentrate resources on a limited set of research and innovation priorities;	Yes	<a href="http://www.forfas.ie/media/ffs20120301-Research_Prioritisation_Exercise_Report.pdf">http://www.forfas.ie/media/ffs20120301-Research_Prioritisation_Exercise_Report.pdf</a>	The undertaking of Ireland's Research Prioritisation Exercise, which provides the foundation for Ireland's Smart Specialisation Strategy was based on a comprehensive analysis in order to identify research and innovation priorities
T.01.1 - Research and innovation: The existence of a national or regional smart specialisation strategy in line with the National Reform Program, to leverage private research and innovation expenditure, which complies with the features of well performing national or regional R&I systems.	3 - outlines measures to stimulate private RTD investment;	Yes	<a href="http://www.forfas.ie/media/ffs20120301-Research_Prioritisation_Exercise_Report.pdf">http://www.forfas.ie/media/ffs20120301-Research_Prioritisation_Exercise_Report.pdf</a>	The Report of the Research Prioritisation Exercise includes measures to stimulate private RTDI investment in the prioritised sectors
T.01.1 - Research and innovation: The existence of a national or regional smart specialisation strategy in line with the National Reform Program, to leverage private research and innovation expenditure, which complies with the features of well performing national or regional R&I	4 - contains a monitoring mechanism.	Yes	<a href="http://www.forfas.ie/media/22072013-Research_Prioritisation_A_Framework_for_Monitoring_Public_Investment_in_STI-Publication.pdf">http://www.forfas.ie/media/22072013-Research_Prioritisation_A_Framework_for_Monitoring_Public_Investment_in_STI-Publication.pdf</a>	In response to a systemic recommendation in the report of the Research Prioritisation Steering Group, a Framework of Metrics and Targets for STI Investment has been developed based on work carried out by Forfás. This Framework will monitor the impact of the implementation of research prioritisation in the 14 Priority

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
systems.				Areas
T.01.1 - Research and innovation: The existence of a national or regional smart specialisation strategy in line with the National Reform Program, to leverage private research and innovation expenditure, which complies with the features of well performing national or regional R&I systems.	5 - A framework outlining available budgetary resources for research and innovation has been adopted.	Yes	<a href="http://budget.gov.ie/Budgets/2014/Documents/Part%20II%20-%20Expenditure%20Allocations%202014%20-%202016.pdf">http://budget.gov.ie/Budgets/2014/Documents/Part%20II%20-%20Expenditure%20Allocations%202014%20-%202016.pdf</a>	Multiannual public expenditure allocations for the period 2014-2016, within which R&D allocations will be made by relevant Departments, have been determined.
T.02.2 - Next Generation Network (NGN) Infrastructure: The existence of national or regional NGN Plans which take account of regional actions in order to reach the Union high speed Internet access targets, focusing on areas where the market fails to provide an open infrastructure at an affordable cost and of a quality in line with the Union competition and State aid rules, and to provide accessible services to vulnerable groups.	1 - A national or regional NGN Plan is in place that contains:	Yes	<a href="http://www.dcenr.gov.ie/Communications/Communications+Development/Next+Generation+Broadband/">http://www.dcenr.gov.ie/Communications/Communications+Development/Next+Generation+Broadband/</a>	The National Broadband Plan, published in Autumn 2012, is a clear expression of the importance of broadband infrastructure to the achievement of Ireland's economic and social objectives and outlines the Government's commitment to delivering high speed broadband availability across the country.
T.02.2 - Next Generation Network (NGN) Infrastructure: The existence of national or regional NGN Plans which take account of regional actions in order to reach the Union high speed Internet access targets, focusing on	2 - a plan of infrastructure investments based on an economic analysis taking account of existing private and public infrastructures and planned investments;	Yes	<a href="http://www.dcenr.gov.ie/Communications/Communications+Development/Next+Generation+Broadband/">http://www.dcenr.gov.ie/Communications/Communications+Development/Next+Generation+Broadband/</a>	Delivery of this commitment is to be achieved through a combination of a State-led investment in those areas where it is evident that the market will not deliver. A comprehensive mapping exercise will identify where the market

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
areas where the market fails to provide an open infrastructure at an affordable cost and of a quality in line with the Union competition and State aid rules, and to provide accessible services to vulnerable groups.				is expected to deliver high speed broadband services over the coming years and consequently those areas that will need to be targeted by a State led intervention.
T.02.2 - Next Generation Network (NGN) Infrastructure: The existence of national or regional NGN Plans which take account of regional actions in order to reach the Union high speed Internet access targets, focusing on areas where the market fails to provide an open infrastructure at an affordable cost and of a quality in line with the Union competition and State aid rules, and to provide accessible services to vulnerable groups.	3 - sustainable investment models that enhance competition and provide access to open, affordable, quality and future-proof infrastructure and services;	Yes	<a href="http://www.dcenr.gov.ie/Communications/Communications+Development/Next+Generation+Broadband/">http://www.dcenr.gov.ie/Communications/Communications+Development/Next+Generation+Broadband/</a>	The full range of opportunities presented by a digital economy can only be further unlocked if the requisite infrastructure is in place to support the development of new applications, new connectivity and new ways of delivering public, private and community services to citizens. The supply side measures will have complementary demand side measures.
T.02.2 - Next Generation Network (NGN) Infrastructure: The existence of national or regional NGN Plans which take account of regional actions in order to reach the Union high speed Internet access targets, focusing on areas where the market fails to provide an open infrastructure at an affordable cost and of a quality in line with the Union competition and State aid rules, and to provide accessible services to vulnerable groups.	4 - measures to stimulate private investment.	Yes	<a href="http://www.dcenr.gov.ie/Communications/Communications+Development/Next+Generation+Broadband/">http://www.dcenr.gov.ie/Communications/Communications+Development/Next+Generation+Broadband/</a>	The National Broadband Plan complements a range of developed and emerging Government initiatives that require high speed broadband in order to realise their full potential. These include the National Digital Strategy which seeks to stimulate business and consumer demand for ICT and the e-Government Strategy, encompassing e-Health and eLearning.

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
T.03.1 - Specific actions have been carried out to underpin the promotion of entrepreneurship taking into account the Small Business Act (SBA).	1 - The specific actions are: measures have been put in place with the objective of reducing the time and cost involved in setting-up a business taking account of the targets of the SBA;	Yes	<a href="http://www.oireachtas.ie/viewdoc.asp?DocID=22537">http://www.oireachtas.ie/viewdoc.asp?DocID=22537</a>	The Companies Bill contains significant simplification provisions. It will be possible, using a newer and more streamlined process, to incorporate a new company in Ireland with a single document model constitution and with the option of having only one director. This process is anticipated to be faster than the current incorporation process and it is intended that the process will be capable of completion entirely online.
T.03.1 - Specific actions have been carried out to underpin the promotion of entrepreneurship taking into account the Small Business Act (SBA).	2 - The specific actions are: measures have been put in place with the objective of reducing the time needed to get licenses and permits to take up and perform the specific activity of an enterprise taking account of the targets of the SBA;	Yes	<a href="http://www.forfas.ie/media/191212-Forfas_Review_of_Licences-Publication.pdf">http://www.forfas.ie/media/191212-Forfas_Review_of_Licences-Publication.pdf</a>	As part of the Action Plans for Jobs Forfás has reviewed 159 licences for key sectors of the economy. The key recommendation from the review is for the relevant licensing authorities to proceed towards the development of integrated licensing systems, to rationalise the number of licences and to streamline processes and therefore reduce the overall administrative burden on business.
T.03.1 - Specific actions have been carried out to underpin the promotion of entrepreneurship taking into account the Small Business Act (SBA).	3 - The specific actions are: mechanism is in place to monitor the implementation of the measures of the SBA which have been put in place and assess the impact on SMEs.	Yes	<a href="http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/performance-review/index_en.htm">http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/performance-review/index_en.htm</a>	The SME Performance Review represents one of the main tools employed by the European Commission to annually monitor and assess Member States' performance in implementing the Small Business Act. Data is based on reports prepared by consultants, including statistical



Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
				information derived from Eurostat data
T.04.1 - Actions have been carried out to promote cost effective improvements of energy end use efficiency and cost effective investment in energy efficiency when constructing or renovating buildings.	1 - The actions are: measures to ensure minimum requirements are in place related to the energy performance of buildings consistent with Article 3, Article 4 and Article 5 of Directive 2010/31/EU of the European Parliament and of the Council;	Yes	<a href="http://www.environ.ie/en/Legislation/DevelopmentandHousing/BuildingStandards/FileDownload,27314,en.pdf">http://www.environ.ie/en/Legislation/DevelopmentandHousing/BuildingStandards/FileDownload,27314,en.pdf</a>  Article 3  Building Regulations (Part L Amendment) Regulations 2011 (S.I. No. 259 of 2011)  Article 4  Building Regulations (Part L Amendment) Regulations 2011 (S.I. No. 259 of 2011)  Article 5  Report on the development of	Ireland's building code introduced an energy performance assessment methodology for dwellings in 2005. The Building Regulations (S.I. No. 259 of 2008) introduced a new methodology (known as "NEAP") to calculate the energy demand for buildings other than dwellings. Minimum energy performance requirements for buildings are in place for both dwellings and buildings other than dwellings.

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
			Cost Optimal Calculations and Gap Analysis for buildings in Ireland under Directive 2010/31/EU on the energy performance of buildings (recast) – Section 1 Residential Buildings	
T.04.1 - Actions have been carried out to promote cost effective improvements of energy end use efficiency and cost effective investment in energy efficiency when constructing or renovating buildings.	2 - The actions are: measures necessary to establish a system of certification of the energy performance of buildings consistent with Article 11 of Directive 2010/31/EU;	Yes	European Union (Energy Performance of Buildings) Regulations 2012 (S.I. No. 243 of 2012)	Regulations 3, 17, 20, 21 and 22 of the European Union (Energy Performance of Buildings) Regulations 2012 fulfil the requirements set out in Article 11 of Directive 2010/31/EU in relation to energy performance certificates. Ireland's Building Energy Rating (BER) certificates are based on individual assessments of the building units concerned rather than an assumed equivalence with a representative building.
T.04.1 - Actions have been carried out to promote cost effective improvements of energy end use efficiency and cost effective investment in energy efficiency when constructing or renovating buildings.	3 - The actions are: measures to ensure strategic planning on energy efficiency, consistent with Article 3 of Directive 2012/27/EU of the European Parliament and of the Council;	Yes	<a href="http://www.dcenr.gov.ie/Energy/Energy+Efficiency+and+Affordability+Division/National+Energy+Efficiency+Action+Plan.htm">http://www.dcenr.gov.ie/Energy/Energy+Efficiency+and+Affordability+Division/National+Energy+Efficiency+Action+Plan.htm</a>	The NEEAP sets a clear vision for each of the sectors covered by the Action Plan, around which public and private sector actors can mobilise. The Department of Communications, Energy and Natural Resources has reviewed, updated and replaced certain actions from the first Plan as appropriate to ensure that Ireland

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
				remains on track to meet its national and EU targets.
T.04.1 - Actions have been carried out to promote cost effective improvements of energy end use efficiency and cost effective investment in energy efficiency when constructing or renovating buildings.	4 - The actions are: measures consistent with Article 13 of Directive 2006/32/EC of the European Parliament and of the Council on energy end-use efficiency and energy services to ensure the provision to final customers of individual meters in so far as it is technically possible, financially reasonable and proportionate in relation to the potential energy savings.	Yes	<a href="http://www.dcenr.gov.ie/NR/rdo_nlyres/20F27340-A720-492C-8340-6E3E4B7DE85D/0/DCENRNE_EAP2014publishedversion.pdf">http://www.dcenr.gov.ie/NR/rdo_nlyres/20F27340-A720-492C-8340-6E3E4B7DE85D/0/DCENRNE_EAP2014publishedversion.pdf</a>	The National Smart Metering Programme is a central component of the strategy to radically enhance management of energy demand, deliver smart networks and enable greater energy efficiency through the use of cutting-edge technology and consumer empowerment. A national roll-out of Smart Meters will lead to lower customer bills, greater customer information and lower CO2 emissions.
G.1 - The existence of administrative capacity for the implementation and application of Union anti-discrimination law and policy in the field of ESI Funds.	1 - Arrangements in accordance with the institutional and legal framework of Member States for the involvement of bodies responsible for the promotion of equal treatment of all persons throughout the preparation and implementation of programmes, including the provision of advice on equality in ESI fund related activities.	Yes	<a href="http://www.equality.ie/en/">http://www.equality.ie/en/</a>  See Sections 7 and 11 of the Operational Programme  See Sections 3.6 and 5.3 of the OP Citizens' Summary	This sets out details of the involvement of bodies responsible for the promotion of equal treatment of all persons throughout the preparation and implementation of the programme and their role in the provision of advice on equality in ESI related activities
G.1 - The existence of administrative capacity for the implementation and application of Union anti-discrimination law and policy in the	2 - Arrangements for training for staff of the authorities involved in the management and control of the ESI Funds in the fields of Union anti	Yes	<a href="http://www.equality.ie/en/E-learning-course-on-">http://www.equality.ie/en/E-learning-course-on-</a>	Arrangements for the training of staff of authorities involved in the management and control of ESI funds in the field of anti discrimination law

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
field of ESI Funds.	discrimination law and policy.		<p>Equality.html</p> <p><a href="http://www.equality.ie/en/">http://www.equality.ie/en/</a></p> <p>See Section 2B (Technical Assistance) and Section 11 (Horizontal Principles) of the Operational Programme</p> <p>See Sections 3.6 and 5.3 of the OP Citizens' Summary</p>	<p>and policy are included in the Operational Programme</p> <p>The Equality Authority will provide support to implementing bodies to meet the horizontal equality and anti-discrimination objectives.</p>
G.2 - The existence of administrative capacity for the implementation and application of Union gender equality law and policy in the field of ESI Funds.	1 - Arrangements in accordance with the institutional and legal framework of Member States for the involvement of bodies responsible for gender equality throughout the preparation and implementation of programmes, including the provision of advice on gender equality in ESI Fund-related activities.	Yes	<p><a href="http://www.genderequality.ie/">http://www.genderequality.ie/</a></p> <p>See sections 7 and 11 of the Operational Programme</p> <p>See section 5.2 of the Citizens' Summary of the Operational Programme</p>	This sets out details of the involvement of bodies responsible for the promotion of gender equality throughout the preparation and implementation of the programme and their role in the provision of advice on gender equality in ESI related activities

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
G.2 - The existence of administrative capacity for the implementation and application of Union gender equality law and policy in the field of ESI Funds.	2 - Arrangements for training for staff of the authorities involved in the management and control of the ESI Funds in the fields of Union gender equality law and policy as well as on gender mainstreaming.	Yes	<a href="http://www.equality.ie/en/E-learning-course-on-Equality.html">http://www.equality.ie/en/E-learning-course-on-Equality.html</a>  <a href="http://www.equality.ie/en/">http://www.equality.ie/en/</a>  See Section 2B (Technical Assistance) and Section 11 (Horizontal Principles) of the Operational Programme  See section 3.6 and 5.2 of the Citizens' Summary of the Operational Programme	Arrangements for the training of staff of authorities involved in the management and control of ESI funds in the field of gender equality law and policy are included in the Operational Programme
G.3 - The existence of administrative capacity for the implementation and application of the United Nations Convention on the rights of persons with disabilities (UNCRPD) in the field of ESI Funds in accordance with Council Decision 2010/48/EC.	1 - Arrangements in accordance with the institutional and legal framework of Member States for the consultation and involvement of bodies in charge of protection of rights of persons with disabilities or representative organisations of persons with disabilities and other relevant stakeholders throughout the preparation and implementation of programmes.	Yes	<a href="http://universaldesign.ie/Built-Environment/Building-for-Everyone/">http://universaldesign.ie/Built-Environment/Building-for-Everyone/</a>  <a href="http://accessibility.ie">http://accessibility.ie</a>  <a href="http://www.hse.ie/timetomoveon/">http://www.hse.ie/timetomoveon/</a>  <a href="http://deinstitutionalisationguide.">http://deinstitutionalisationguide.</a>	This sets out details of the involvement of bodies responsible for the promotion of the rights of persons with disabilities and other relevant stakeholders throughout the preparation and implementation of the programme and their role in the provision of advice on equality in ESI related activities

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
			<p>eu/  <a href="http://www.nda.ie/cntmgmtnew.nsf/accessibilityhomepage?OpenPage">www.nda.ie/cntmgmtnew.nsf/accessibilityhomepage?OpenPage</a>  <a href="http://www.justice.ie">http://www.justice.ie</a> for NDS Implementation Plan + Guidelines for Disability IA            See Section 7 Operational programme            Section 5.3 of the Citizens' summary of OP</p>	
<p>G.3 - The existence of administrative capacity for the implementation and application of the United Nations Convention on the rights of persons with disabilities (UNCRPD) in the field of ESI Funds in accordance with Council Decision 2010/48/EC.</p>	<p>2 - Arrangements for training for staff of the authorities involved in the management and control of the ESI Funds in the fields of applicable Union and national disability law and policy, including accessibility and the practical application of the UNCRPD as reflected in Union and national legislation, as appropriate.</p>	<p>Yes</p>	<p><a href="http://www.nda.ie/Good-practice/">http://www.nda.ie/Good-practice/</a>  <a href="http://www.ombudsman.gov.ie/en/about-us/legislation/the-disability-act/making-a-complaint-to-the-ombudsman-under-the-disability-act/">http://www.ombudsman.gov.ie/en/about-us/legislation/the-disability-act/making-a-complaint-to-the-ombudsman-under-the-disability-act/</a>            See Section 2B (Technical Assistance) and Section 11 (Horizontal Principles) of the</p>	<p>The National Disability Authority has produced two approved Codes of Practice under the Disability Act and has a statutory function to monitor the implementation of standards and Codes of Practice in programmes and services provided to persons with disabilities and to report to Minister for Justice and Equality. They also produce guidelines covering a broad range of areas including the universal design of the built environment, products, services and information and communications technology so that these can be</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
			<p>Operational Programme</p> <p>See Section 3.6 and Section 5.3 of the Citizens' Summary of the Operational Programme</p>	<p>accessed, understood and used by all persons including staff of the MAs and IBs.</p> <p>In addition, there is a complaints system in place whereby the office of the Ombudsman is empowered by law to examine complaints concerning failures by public bodies to provide accessible buildings, services and information as required under part 3 of the Disability Act 2005.</p>
<p>G.3 - The existence of administrative capacity for the implementation and application of the United Nations Convention on the rights of persons with disabilities (UNCRPD) in the field of ESI Funds in accordance with Council Decision 2010/48/EC.</p>	<p>3 - Arrangements to ensure monitoring of the implementation of Article 9 of the UNCRPD in relation to the ESI Funds throughout the preparation and the implementation of the programmes.</p>	<p>Yes</p>	<p><a href="http://accessibility.ie/">http://accessibility.ie/</a></p> <p>See Section 11 (Horizontal Principles) of the Operational Programme and Section 5.3 of the Citizens' Summary of the Operational Programme</p>	<p>Ireland has signed but not yet ratified the UNCRPD. The National Disability Authority has developed detailed guidance on accessibility for people with disabilities for use by staff preparing and implementing OPs. A National Disability Strategy is in place. Government Guidelines have been published on conducting a Disability Impact Assessment.</p>
<p>G.4 - The existence of arrangements for the effective application of Union public procurement law in the field of</p>	<p>1 - Arrangements for the effective application of Union public procurement rules through appropriate</p>	<p>Yes</p>	<p><a href="http://www.procurement.ie/publication">www.procurement.ie/publication</a></p>	<p>Guidelines for national and EU public procurement requirements are available online for all staff involved in the</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
the ESI Funds.	mechanisms.			<p>implementation of ESI Funds.</p> <p>The Office of Government Procurement has been established under the auspices of the Department of Public Expenditure and Reform. This Office has the capacity to give substantive practical and legal advice on applicability of public procurement and compliance with those EU rules to staff dealing with ESI funds.</p> <p>The implementation of the OP will adhere to the TFEU principles of equal treatment, non-discrimination and transparency.</p> <p>When spending ESIF funds involves public contracts or concessions, national authorities will respect EU public procurement rules and in particular (i) Directives 2004/18/EC and 2004/17/EC, (ii) Directives 2014/23/EU, 2014/24/EU and 2014/25/EU once transposed into national legislation, (iii) Directive 2007/66/EC [amending Directives 89/665/EEC and 92/13/EEC], and (iv) the general EU public procurement principles.</p>



Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
G.4 - The existence of arrangements for the effective application of Union public procurement law in the field of the ESI Funds.	2 - Arrangements which ensure transparent contract award procedures.	Yes	<a href="http://www.procurement.ie/">http://www.procurement.ie/</a> See Section 7.6 of the Citizens' Summary of the Operational Programme	Public sector contracts are advertised centrally online Procedures will include appropriate publication of schemes, and transparent selection and award criteria. Relevant procurement rules and Treaty principles will be communicated to all staff involved in implementation of the OP Appropriate monitoring of compliance will be in place.
G.4 - The existence of arrangements for the effective application of Union public procurement law in the field of the ESI Funds.	3 - Arrangements for training and dissemination of information for staff involved in the implementation of the ESI funds.	Yes	<a href="http://www.procurement.ie/publications">www.procurement.ie/publications</a>  See Section 2B (Technical Assistance) of the Operational Programme and Section 3.6 of the Citizens' Summary.	Training and guidance on public procurement will be provided to Implementing Bodies and Public Beneficiary Bodies  The website acts as a central resource for buyers and suppliers to assist them with public service procurement activities. Through the National Procurement Service, the Office provides professional procurement services and advice to ensure that the public service can avail of the best value goods and services, in a legally compliant manner.  The Office of Government Procurement will act as a central resource to which MAs and Intermediate Bodies can refer for advice when undertaking procurement

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
				exercises.
G.4 - The existence of arrangements for the effective application of Union public procurement law in the field of the ESI Funds.	4 - Arrangements to ensure administrative capacity for implementation and application of Union public procurement rules.	Yes	See Section 2B (Technical Assistance) of the Operational Programme and Section 3.6 of the Citizens' Summary.	Training and guidance on public procurement will be provided to Implementing Bodies and Public Beneficiary Bodies to ensure sufficient administrative capacity is in place
G.5 - The existence of arrangements for the effective application of Union State aid rules in the field of the ESI Funds.	1 - Arrangements for the effective application of Union State aid rules.	Yes	<a href="http://www.djei.ie/enterprise/stataid/">http://www.djei.ie/enterprise/stataid/</a>  <a href="http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32013R1305&amp;from=EN">http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32013R1305&amp;from=EN</a>  See Section 2B (Technical Assistance) of the Operational Programme and Section 7.6 of the Citizens' Summary.  Verification of Compliance with State Aids law will form part of the verification checks performed in accordance with	There is a dedicated national contact point for State Aid queries. State Aid Section in the Department of Jobs, Enterprise & Innovation (DJEI) ensures compliance of that Department's Industrial Development schemes with EU State Aid rules and advises and assists other Departments to achieve the same in relation to their schemes.  Where necessary, the Section notifies aid schemes to be implemented by DJEI and its agencies to the EU Commission and obtains Commission decisions that the schemes are in accordance with the EU State Aid rules. It also advises other Departments on achieving similar decisions in

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
			Article 125 of the CPR	<p>relation to their schemes.</p> <p>In addition, the Section chairs an Inter-Departmental State Aid Group to monitor State Aid</p> <p>There is also a dedicated State Aid Section in the Department of Jobs, Enterprise and Innovation to ensure compliance of Industrial Development schemes with EU State Aid rules and advise and assist other Departments to achieve the same in relation to their schemes.</p>
G.5 - The existence of arrangements for the effective application of Union State aid rules in the field of the ESI Funds.	2 - Arrangements for training and dissemination of information for staff involved in the implementation of the ESI funds.	Yes	<p><a href="http://www.djei.ie/enterprise/stateaid/index.htm">http://www.djei.ie/enterprise/stateaid/index.htm</a></p> <p><a href="http://www.djei.ie/enterprise/stateaid/whatistateaid.htm">http://www.djei.ie/enterprise/stateaid/whatistateaid.htm</a></p> <p>See Section 2B (Technical Assistance) for proposed capability development actions</p>	<p>Training on State Aid has been, and will continue to be, provided by MAs to staff involved in the implementation of the ESI Funds. Technical Assistance will be used to address the capacity development needs of the personnel engaged in programme management and implementation.</p> <p>This will take the form of the provision of guidance and training on State Aid to Intermediary Bodies and beneficiaries to reinforce the capacity of these authorities and beneficiaries to administer and use those Funds and participation by Managing Authority staff in appropriate training</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
				<p>programmes on State Aid.</p> <p>State Aid Unit in DJEI also disseminates information to interested stakeholders - training, seminars, and publications from the Commission etc.</p> <p>Dedicated web pages outlining current State Aid rules are published and updated regularly by the State Aid Section in DJEI. This includes the provision of guidance and training on EU Competition and State Aids laws, which will be carried out on an ongoing basis.</p>
<p>G.5 - The existence of arrangements for the effective application of Union State aid rules in the field of the ESI Funds.</p>	<p>3 - Arrangements to ensure administrative capacity for implementation and application of Union State aid rules.</p>	<p>Yes</p>	<p><a href="http://www.djei.ie/enterprise/stat_eaid/">http://www.djei.ie/enterprise/stat_eaid/</a></p> <p>See Section 2B (Technical Assistance)</p> <p>See Section 7.6 of the Citizens' Summary of the Operational Programme</p>	<p>Many of the State Agencies have nominated senior officials as State Aid experts - for example Enterprise Ireland has appointed a legal expert responsible for State Aid matters.</p> <p>State Aid Unit met with DG COMP in June 2014 to discuss renewed partnership between Ireland/COMP on State Aid policy and future structures for collaboration - focus on compliance, transparency &amp; evaluation together with identification of training needs and developing a training action plan</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
				<p>Ireland's current profile (based on duration of procedures, efficiency of notification phases, infringement cases etc.) is second out of the EU 28.</p> <p>The feedback from State Aid Units in COMP indicates that there is a good and effective relationship with the Irish authorities - cooperative, transparent and efficient.</p> <p>This sets out proposed capability development actions, including the provision of guidance and training on EU Competition and State Aids laws</p>
<p>G.6 - The existence of arrangements for the effective application of Union environmental legislation related to EIA and SEA.</p>	<p>1 - Arrangements for the effective application of Directive 2011/92/EU of the European Parliament and of the Council (EIA) and of Directive 2001/42/EC of the European Parliament and of the Council (SEA).</p>	<p>Yes</p>	<p><a href="http://www.lawreform.ie/_fileupload/RevisedActs/WithAnnotations/EN_ACT_2000_0030.PDF">http://www.lawreform.ie/_fileupload/RevisedActs/WithAnnotations/EN_ACT_2000_0030.PDF</a></p> <p><a href="http://www.environ.ie/en/Legislation/DevelopmentandHousing/Planning/FileDownload,32879,en.pdf">http://www.environ.ie/en/Legislation/DevelopmentandHousing/Planning/FileDownload,32879,en.pdf</a></p> <p><a href="http://www.environ.ie/en/Legislation/DevelopmentandHousing/Planning/FileDownload,14420,en.pdf">http://www.environ.ie/en/Legislation/DevelopmentandHousing/Planning/FileDownload,14420,en.pdf</a></p>	<p>Legislative arrangements for the effective application of the EIA and SEA Directives are set out in the Planning and Development Act 2000-2014. Further legislation is in the Planning and Development Regulations 2001-2013; European Communities (Environmental Assessment of Certain Plans and Programmes) Regulations 2004 (S.I. Nos. 435 and 436 of 2004); European Communities (Environmental Assessment of Certain Plans and Programmes) (Amendment)</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
			<p>pdf</p> <p><a href="http://www.environ.ie/en/Legislation/DevelopmentandHousing/Planning/FileDownload,31554,en.pdf">http://www.environ.ie/en/Legislation/DevelopmentandHousing/Planning/FileDownload,31554,en.pdf</a></p> <p><a href="http://www.environ.ie/en/Legislation/DevelopmentandHousing/Planning/FileDownload,14421,en.pdf">http://www.environ.ie/en/Legislation/DevelopmentandHousing/Planning/FileDownload,14421,en.pdf</a></p>	<p>Regulations 2011, (S.I. Nos. 200 and 201 of 2011).</p> <p>We note result of the assessment of the fulfilment of the general ex ante conditionality with regard to the EIA and SEA legislation is without prejudice to the on-going infringement procedure (Infringement Procedure 2012/4028).</p>
<p>G.6 - The existence of arrangements for the effective application of Union environmental legislation related to EIA and SEA.</p>	<p>2 - Arrangements for training and dissemination of information for staff involved in the implementation of the EIA and SEA Directives.</p>	<p>Yes</p>	<p>See Section 2B (Technical Assistance) of the Operational Programme which includes training supports for staff involved in the implementation of the EIA and SEA Directives</p> <p>See Section 11 (Sustainable Development) of the Operational Programme and Section 5.4 of the Citizens' Summary of the Operational Programme</p>	<p>This includes the arrangements for the training and dissemination of information for staff involved in the implementation of the EIA and SEA Directives</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
G.6 - The existence of arrangements for the effective application of Union environmental legislation related to EIA and SEA.	3 - Arrangements to ensure sufficient administrative capacity.	Yes	See Section 2B (Technical Assistance) of the Operational Programme which includes training and capability development supports for staff involved in the implementation of the EIA and SEA Directives	This includes arrangements to ensure sufficient administrative capacity in relation to the effective application of environmental legislation related to EIA and SEA
G.7 - The existence of a statistical basis necessary to undertake evaluations to assess the effectiveness and impact of the programmes. The existence of a system of result indicators necessary to select actions, which most effectively contribute to desired results, to monitor progress towards results and to undertake impact evaluation.	1 - Arrangements for timely collection and aggregation of statistical data with the following elements are in place: the identification of sources and mechanisms to ensure statistical validation.	Yes	See Section 7.2 of the Citizens' Summary of the Operational Programme on the Monitoring System and Data Collection Arrangements	This section of the programme sets out the arrangements for the timely collection and aggregation of statistical data. The sources of all indicators are included in Section 2 of the Operational Programme
G.7 - The existence of a statistical basis necessary to undertake evaluations to assess the effectiveness and impact of the programmes. The existence of a system of result indicators necessary to select actions, which most effectively contribute to desired results, to monitor progress towards results and to undertake impact evaluation.	2 - Arrangements for timely collection and aggregation of statistical data with the following elements are in place: arrangements for publication and public availability of aggregated data.	Yes	See Section 7.3 on Annual Implementation reports in the Citizens' Summary of the Operational Programme	Approved Annual Implementation Reports including aggregated data will be made available publicly on the Managing Authority website

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
G.7 - The existence of a statistical basis necessary to undertake evaluations to assess the effectiveness and impact of the programmes. The existence of a system of result indicators necessary to select actions, which most effectively contribute to desired results, to monitor progress towards results and to undertake impact evaluation.	3 - An effective system of result indicators including: the selection of result indicators for each programme providing information on what motivates the selection of policy actions financed by the programme.	Yes	See Intervention Logic document uploaded with the Operational Programme	The Intervention Logic for the Operational Programme is included as an additional document with the Operational Programme. This includes the selected results indicators and demonstrates a coherent rationale for the selection of policy actions to be financed by the programme
G.7 - The existence of a statistical basis necessary to undertake evaluations to assess the effectiveness and impact of the programmes. The existence of a system of result indicators necessary to select actions, which most effectively contribute to desired results, to monitor progress towards results and to undertake impact evaluation.	4 - An effective system of result indicators including: the establishment of targets for these indicators.	Yes	See Table 8.2 of the Ex Ante Evaluation Report.	A summary table setting out the justification for selection, relevance, verifiable source, collection/reporting and calculation methods and realism of all targets set is included as an additional document appended to the Operational Programme. This demonstrates that an effective system is in place to establish targets for the results indicators.
G.7 - The existence of a statistical basis necessary to undertake evaluations to assess the effectiveness and impact of the programmes. The existence of a system of result indicators necessary to select actions, which most effectively contribute to desired results, to monitor progress towards results and to undertake impact evaluation.	5 - An effective system of result indicators including: the consistency of each indicator with the following requisites: robustness and statistical validation, clarity of normative interpretation, responsiveness to policy, timely collection of data.	Yes	See Summary of Indicators for the Programme, uploaded separately  See Table 8.2 of the Ex Ante Evaluation Report.	A summary table setting out the relevance, collection/reporting and calculation methods and realism of all targets set is included as an additional document appended to the Operational Programme. This demonstrates that the selected indicators are robust, statistically validated, clear in terms of their normative interpretation, responsive to policy and collectible in



Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
				a timely manner.
G.7 - The existence of a statistical basis necessary to undertake evaluations to assess the effectiveness and impact of the programmes. The existence of a system of result indicators necessary to select actions, which most effectively contribute to desired results, to monitor progress towards results and to undertake impact evaluation.	6 - Procedures in place to ensure that all operations financed by the programme adopt an effective system of indicators.	Yes	See Section 7.2 'Monitoring System and Data Collection' of the Citizens' Summary of the Operational Programme.  See also Table 8.4 of the Ex Ante Evaluation Report	Arrangements for data collection on operations is included in Section 7.2 'Monitoring System and Data Collection' of the Citizens' Summary of the Operational Programme. Table 8.4 of the Ex Ante Evaluation report on the Assessment of the Monitoring and Data Collection System, states that the independent Evaluators are satisfied with the monitoring/data collection arrangements in place and the procedures to ensure the quality of the data collected.

## 9.2 Description of actions to fulfil ex-ante conditionalities, responsible bodies and timetable

**Table 25: Actions to fulfil applicable general ex-ante conditionalities**

General ex-ante conditionality	Criteria not fulfilled	Actions to be taken	Deadline (date)	Bodies responsible