

# IRELAND WALES OPERATIONAL PROGRAMME

## ANNUAL IMPLEMENTATION REPORT 2009

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## Executive Summary

1. This is the third Annual Implementation Report (AIR) for the Ireland/Wales INTERREG IVA Programme 2007-2013, covering the calendar year 2009. AIRs are central to the process of reviewing programme performance and provide an annual opportunity to take stock of progress.

The Programme, which supports joint projects, aims to promote the sustainable development of the programme area through an integrated approach to economic, social, environmental and technological development.

The total budget is €70m, including €52m in ERDF grant with the balance made up of match funding from Welsh and Irish partnership interests.

The main Priorities and Themes are:

**Priority 1:** Knowledge, Innovation and Skills for Growth

**Priority 2:** Climate Change and Sustainable Regeneration

A third Priority, Technical Assistance, will support effective and transparent management of the Programme, including publicity, research and evaluation.

Two cross-cutting themes underpin the whole Programme, namely the promotion of equal opportunities and sustainable development.

The headline activity for the Programme in 2009 was as follows:

The Steering Committees met on April 22<sup>nd</sup> and 23<sup>rd</sup> 2009 to consider the applications from the second call which closed on September 19<sup>th</sup> 2008 and approved 12 of the 28 projects for funding with an ERDF grant allocation of just over €8.6 million.

The third call for proposals opened in July 2009 and closed on September 25<sup>th</sup> 2009. This was a targeted call and only applications from the targeted themes, Priority 1 Theme 2 and Priority 2 Theme 2, were considered. The outcome of this call was that the Programme received 13 applications<sup>1</sup>.

The Programme also issued its first payments to projects during 2009 and issued 2 drawdown requests to the Commission, one in September with another in December.

The Programme Monitoring Committee met once during 2009. This was on June 18<sup>th</sup> at Dun Laoghaire in Ireland.

The Annual Event which focused on Priority 1 Theme 1, *The Innovation & Creativity Conference* took place on the 19<sup>th</sup> June in Dun Laoghaire where over 80 people attended.

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<sup>1</sup> The Steering Committee considered 10 of these applications in March 2010 and approved 5 of them with an ERDF grant allocation of just over €4.7 million.

The report is formatted along lines recommended by the Commission.

## 1. Summary Details

<b>OPERATIONAL PROGRAMME</b>	<b>Objective Concerned:</b> Territorial Cooperation
	<b>Eligible area concerned:</b> South West Wales, Isle of Anglesey, Conwy, Denbighshire, Gwynedd, Dublin, Mid East, South East – All NUTS III areas
	<b>Programming period:</b> 2007-2013
	<b>Programme number (CCI):</b> 2007CB163PO062
	<b>Programme Title:</b> Ireland Wales Programme
<b>ANNUAL IMPLEMENTATION REPORT</b>	<b>Reporting Year:</b> 2009
	<b>Date of approval of the Annual Report by the Monitoring Committee:</b> June 18 <sup>th</sup> 2009

## 2. Overview of the Implementation of the Operational Programme

### 2.1 Achievement and Analysis of Progress

- **Information on the physical progress of the Operational Programme:**

The Programme has three Priorities and is worth over €70.3 million with more than €52 million of that available in ERDF grant support.

The first two Priorities are broken down into themes which will focus the investment in specific areas.

Priority 1 – Knowledge, Innovation and Skills for Growth (Total Budget €39.6 million)

Theme 1 – Innovation and Competitiveness

Theme 2 – Skills for Competitiveness and Employment Integration

Priority 2 – Climate Change and Sustainable Regeneration (Total Budget €26.4 million)

Theme 1 – Climate Change and Sustainable Development

Theme 2 – Sustainable Regeneration of Communities

Priority 3 – Technical Assistance (Total Budget €4.2 million)

The Programme continued to make progress in 2009 where the Steering Committees met to consider the projects submitted under the second call for proposals while the third call was closed on September 25<sup>th</sup>.

The Steering Committee sat on April 22<sup>nd</sup> and 23<sup>rd</sup> 2009 to consider 26 of the 28 applications received under Call 2. They supported 12 projects with an ERDF grant requirement of €16.6 million. Call 3 closed in September 2009 and the JTS received

13 applications with a grant request of €12.6 million and will be considered by the Steering Committee in March 2010.

The Subsidy Contracts for the Call 2 projects were issued over the course of the remainder of 2009. Projects began operating in earnest once they had their own start up procedures in place.

The Programme also paid out its first claims to projects.

In relation to Technical Assistance the JTS was fully staffed in 2008. The main focus in 2009 was the hosting of the annual event, working on raising the commitment levels and starting to control expenditure.

- **Financial Information (all in euro)**

The financial data for Priorities 1 and 2 refer to the projects that have submitted payment claims to the JTS in the course of 2009. The low levels of spend reported in the first two tables reflect the slow rate of implementation of the projects that were approved. The rates of commitment can be considered quite healthy at this point of the programme cycle as evidenced by the middle columns of the second table.

The financial data for Priority 3 relates to Technical Assistance which covers the operating costs of the Joint Technical Secretariat and associated programme management costs.

	<b>Expenditure paid out by beneficiaries included in the payment claims sent to the Managing Authority</b>	<b>Corresponding public contribution</b>	<b>Private Expenditure</b>	<b>Expenditure paid by the body responsible for making payments to the beneficiaries</b>	<b>Total Payments received from the Commission</b>
<b>Priority Axis 1 – ERDF Knowledge Innovation and Skills for Growth</b>	188,768	188,768	-	141,576	106,680
<b>Priority Axis 2 – ERDF Climate Change and Sustainable Regeneration</b>	220,099	220,099	-	165,074	56,586
<b>Priority Axis 3 – Technical Assistance</b>	1,487,321	1,487,321	-	1,115,491	1,317,382
<b>Grand Total</b>	<b>1,896,188</b>	<b>1,896,188</b>	<b>-</b>	<b>1,422,141</b>	<b>1,480,648</b>

### Situation at the end of 2009

	<b>Programme Allocation</b>		<b>Total Commitment</b>			<b>Total Spend</b>		
	Total Cost	ERDF	Total Cost	ERDF	% overall allocation	Total Cost	ERDF	% of overall allocation
<b>Priority 1</b>	39,626,863	29,720,147	16,005,395	11,927,247	<b>40.13%</b>	188,768	141,576	<b>0.48%</b>
<b>Priority 2</b>	26,417,908	19,813,431	13,114,100	9,775,359	<b>49.34%</b>	220,099	165,074	<b>0.83%</b>
<b>Priority 3</b>	4,215,623	3,161,717	1,487,322	1,115,491	<b>35.28%</b>	1,487,322	1,115,491	<b>35.28%</b>
<b>Programme Total</b>	70,260,394	52,695,295	30,606,817	22,818,097	<b>43.30%</b>	1,896,189	1,422,142	<b>2.70%</b>

- **Information about the breakdown of the use of the funds**

Priority	Code Dimension 1 <b>Priority and Theme</b>	Code Dimension 2 <b>Form of Finance</b>	Code Dimension 3 <b>Territory</b>	Community Contribution – actual	Community Contribution - forecast by OP
1	01	01	08	€ 1,980,003	€ 5,750,000
1	03	01	08	€ 4,258,186	€ 6,753,000
1	04	01	08	€ 3,672,450	€ 5,329,088
2	49	01	08	€ 4,916,243	€ 6,750,000
2	51	01	08	€ 1,857,698	€ 2,549,614
2	61	01	08	€ 3,001,498	€ 6,603,817
1	62	01	08	€ 1,304,707	€ 7,500,000
1	64	01	08	€ 711,901	€ 4,388,059
3	85	01	08	€ 1,115,491	€ 2,100,000
<b>TOTAL</b>				<b>€ 22,818,177</b>	<b>€ 47,723,578</b>

The purpose of this table is to show the breakdown of the use of funds within the programme. It relates to Art 9(3) of EC Regulation 1083/2006.

Code 01 - R&TD activities in research centres

Code 03 – Technology transfer and improvement of cooperation networks between small businesses (SME's), between these and other businesses and universities, post secondary establishments of all kinds, regional authorities, research centres and scientific and technological poles

Code 04 - Assistance to R&TD, particularly in SMEs (*including access to R&TD services in research centres*)

Code 49 – Mitigation and adaptation to climate change

Code 51 – Promotion of biodiversity and nature protection

Code 61 – Integrated projects for urban and rural regeneration

Code 62 – Development of life-long learning systems and strategies in firms; training and services for employees to step up their adaptability to change; promoting entrepreneurship and innovation

Code 64 - Development of specific services for employment, training and support in connection with restructuring of sectors and firms, and development of systems for anticipating economic changes and future requirements in terms of jobs and skills

Code 85 – Technical Assistance, Preparation, implementation, monitoring and inspection

Code 1 – Non repayable aid

Code 08 – Cross Border Cooperation Area

- **Assistance by target groups**

Not applicable

- **Assistance repaid or reused**

Not applicable

- **Qualitative analysis**

The Programme continued to make good progress in 2009 in the face of extremely challenging economic conditions.

Demand continued to be strong which was evidenced by the approval of 12 joint projects in April with 43 different partners participating in them. Such was the level of demand, in Priority 1 Theme 1 and Priority 2 Theme 1 in particular that the PMC felt it appropriate to target the 3<sup>rd</sup> call at Priority 1 Theme 2 and Priority 2 Theme 2.

This call opened at the end of June 2009 and closed on September 25<sup>th</sup> and the programme received 13 applications which included the participation of 37 different partners. This call was due to be considered by the PSC in March 2010.

In relation to Round 3 the JTS and the DO team continued with the successful series of Applicant Workshops that attracted a combined audience of over 150 people from a wide variety of organisations. The workshops are useful and effective in that it allows people to get direct guidance in terms of what you need in order to build a good partnership and project bid. Applicants value this process as shown in evaluation forms that are handed out during the events. It also allows the JTS and DO team to build relationships with the different partnerships in order to ensure that well developed applications are submitted by the closing date.

The progress against spend and indicators reflects the fact that projects were slow to commence operations and as a result the level of spend is relatively low. Projects did however; need time to compile their claims to ensure that they were in compliance with the requirements of the First Level Control regime. This task is more detailed and time consuming compared to previous programming periods due to the changes in the regulations. The fact that projects are in the early part of their lifecycle means that the level of reported physical progress is also quite low.

In relation to spend as a whole the JTS did process all claims that received in 2009 but the amount was not sufficient in order for the programme to meet its N+2 target for the year. The outcome revealed a shortfall in certified expenditure of €1,464,133.32. However the Council of Ministers had agreed on a proposal to set aside the N+2 obligations for 2009 which, subject to Parliament agreement in 2010, would mean no decommitment for 2009.

It is too early in the life of the programme to make a judgement on the effect of the promotion of equal opportunities between men and women in project implementation.

## **2.2 Information about compliance with Community law**

Cross Cutting Theme experts are advisors to both the Programme Steering and Monitoring Committees. Their role is to provide advice and guidance to both Committees from both a strategic and project specific angle.

Cross Cutting Theme advisors are in place for each Steering Committee meeting and they provided advice and guidance to the Steering Committees and to the projects where appropriate.

Experts provided detailed written comment and analysis on the Round 2 and 3 applications and made a series of recommendations for improvement on each project.

These recommendations have since been collated and used as the basis of a Good Practice Guide for all future applicants and has been placed on the programme website.

Compliance with Community law is also addressed as part of the First Level Control process.

## **2.3 Significant problems encountered and measure taken to overcome them**

The changes to the regulations, particularly the introduction of the First Level Control regime in Article 16 of the ERDF Regulation has proven to be a significant problem in relation to the implementation of the programme.

It has resulted in a need for investment in resources for both projects and the programme management partnership in order to ensure compliance.

Many organisations needed time to adapt to these changes in the regulations. They did not appreciate the demands and challenges of the First Level Control Process and how this differs from what went before. As a result it did lead to the slowing down of the implementation of a number of the projects from Round 2 in particular.

In order to mitigate this JTS organised a Financial Control workshop in Llandudno in October 2009 where they explained all of the processes and procedures and what's expected of individual beneficiaries. It was split between a plenary session of presentations and individual advice clinics in order to provide the clearest advice possible.

The JTS also organised individual meetings between it, the Managing Authority and the research accountants from the Irish and Welsh universities in order to explain the changed requirements.

Another significant problem is that the projects approved under Round 1 were developed and approved in different economic circumstances prior to the global

credit crisis and the deterioration in the Irish and UK economies. The budgets would appear to be over stated as a consequence and this is demonstrated by the fact that projects are not spending according to the profile that they agreed with the JTS and the MA. This poses a threat to the achievement of the N+2 targets.

JTS and DO staff has been in constant dialogue with the projects in question in order to see how the difficulties can be resolved. They have adopted a policy of constructive engagement with the organisations in question in order to see how the difficulties can be addressed.

## **2.4 Changes in the context of the operational programme implementation**

The context in which the programme operates continued to be quite challenging in 2009. The sharp economic slowdown in each country as advised in the 2008 report continued and this, combined with the global credit crisis continues to pose significant challenges, particularly in relation to access to credit, availability of match funding, the decline in the value of sterling v the euro, and the public service recruitment embargo in Ireland.

## **2.5 Substantial modification under Article 57 of Regulation (EC) No 1083/2006**

Not applicable

## **2.6 Complementarity with other instruments**

In general, the requirement for joint cross border projects and the employment of the Lead Partner Principle means that activities funded under this programme should not duplicate, but rather complement the efforts under the other mono-funded programmes being implemented at member state level.

The Programme has the following measures in place to ensure complementarity with other instruments.

Building on the positive experience of the last programming period; the programme partnership appointed Theme Leaders within the Steering Committee membership in Ireland and Wales. The Theme Leader reviews each grant application at an early stage following the closure of the call and provides comments to the JTS regarding quality issues from a sector specific view point. One of the issues that the Theme Leaders have to address with each application is complementarity with other funding instruments.

The Welsh Assembly Government also asks for internal policy comments within its own departments to ensure that the project applications fit with national policy and ensure complementarity with other Structural Funds Programmes. It will also seek comments from UK government departments where appropriate.

As the Managing Authority is also a Managing Authority under the Regional Competitiveness & Employment Objective, and represents Ireland on the Transnational and Inter-regional Programmes, it is well placed to ensure complementarity with other financial instruments.

The Steering Committee itself also takes complementarity into account when making its decisions on which projects to select for funding.

These measures have continued to work well.

## **2.7 Monitoring Arrangements**

- **Monitoring**

The Programme Monitoring Committee and the Managing Authority has responsibility for monitoring of the Operational Programme.

Monitoring information is collected via Progress Report and Payment Claim Forms which are issued to successful projects on a six monthly basis.

The information is securely stored on a central programme database which is now used as the basis for issuing Statements of Expenditure and processing payment claims. Further work to fine tune the system is ongoing.

The Programme Monitoring Committee met once in 2009 on June 18<sup>th</sup> in Dun Laoghaire, Co Dublin. The main outcomes of the meeting were as follows:

- *The JTS are to make the necessary changes to the AIR as requested by the European Commission and submit the report to the Commission in advance of the June 30<sup>th</sup> deadline.*
- *The JTS are to consult with the voluntary sector experts on the PMC in order to provide more precise guidance for the community and voluntary sector.*

- **Evaluation**

All EU Structural Funds Programmes are subject to ex-ante, on-going and ex-post evaluation to gauge the effectiveness of the Programmes and to allow adjustments to be made to the implementation of Programmes if deemed necessary. Evaluations will cover factors contributing to the success or failure of implementation and the achievements and results, including their sustainability.

No evaluations were carried out in 2009 while a full Programme Evaluation is planned for 2010.

## **2.8 National performance reserve (where applicable)**

Not applicable under this programme

## **2.9 Financial Management and Control**

- **Control missions from the European Union**

There were no control missions from the European Union in 2009.

The Article 71 Systems Description and the Audit Strategy was accepted by the European Commission in August 2009.

In January 2009 the Programme started the process of certifying expenditure in accordance with the requirements of Article 16 of the ERDF Regulation. The precise details and methodology of how this achieved is shown in detail in the Systems Description.

Individual project partners declare their spending for the previous 6 months on a Statement of Expenditure which is submitted with the appropriate audit trail to the JTS for desk based verification. Once control work has been completed a Certificate of ERDF Control is issued to each partner.

Once control work has been completed on all project partners the Lead Partner then submits the Payment Claim which is comprised of the consolidated figures for all partners for the previous six month period along with the Certificates of Control. This is subject to further checking and payment is issued once these checks have been deemed satisfactory by all parties in the control cascade.

In October 2009 the Programme staged a financial management workshop for all approved Round 2 beneficiaries. While many Territorial Cooperation Programmes run these workshops for Lead Partners only, the Ireland Wales Programme is of the view that all partners should be involved in order to fully understand the precise requirements of each regulation.

The Programme underwent its first systems audit in October which was carried out by the Audit Authority. The main findings were that the Programme needed to put an on the spot visit programme in place and that work needed to be undertaken to ensure that the IT system was functioning. The on the spot visits programme commenced in May 2010 while the IT system has been functioning since October 2009 although further work is still required in some areas before it can be considered complete.

The Programme aims to communicate all of the requirements in the clearest manner possible to each project and the principal way in which this is done is through a series of Information Notes and Good Practice Guides, all of which are available for download on [www.irelandwales.ie](http://www.irelandwales.ie).

### **3. Implementation by Priority**

#### **3.1 Priority 1 – Knowledge Innovation and Skills for Growth**

The main focus of this priority is on how the cross border region can make a real contribution towards delivering on the objectives of the revised Lisbon Agenda of creating more and better jobs and creating an environment that can foster innovation and the knowledge economy. It is clear that this is an area that is a high priority for both parts of the cross border region as well as the EU.

It is broken down into two related themes.

Theme 1 – Innovation and Competitiveness

Theme 2 – Skills for Competitiveness and Employment Integration

##### **3.1.1 Achievement of Targets and Analysis of Progress**

- **Information on the physical and financial progress of the Priority - indicator stats now updated**

The Steering Committee for Priority 1 met on April 22<sup>nd</sup> 2009 and approved 7 of the 13 projects that were submitted with an ERDF grant allocation of €8.62 million.

However one of these offers of grant were withdrawn by the JTS one of the partners did not have sufficient match funding in order to allow them to begin the project. As a result the offer of grant was withdrawn by the JTS on behalf of the Steering Committee.

Combined with earlier approvals this gives a cumulative programme position at the end of 2009 of 10 approvals with a combined ERDF grant allocation of €11.93 million.

Details of the projects are listed in Annex II.

##### **\*Priority 1 Theme 1: Innovation and Competitiveness**

<b>Output Indicators</b>	<b>Baseline</b>	<b>End 2009</b>	<b>Final Target</b>
Number of joint projects aimed at promoting and developing innovation in SMEs including linkages with HE/FE institutions	0	2	11
• Number of joint projects aimed at promoting and developing entrepreneurship and the development of new businesses including cross border business clusters	0	2	11
• Number of SMEs assisted	0	7	300

<b>Result Indicators</b>	<b>Baseline</b>	<b>End 2009</b>	<b>Final Target</b>
• Number of new SMEs created	0	0	10
• Number of new products/processes developed	0	0	15
• Number of gross direct new jobs created	0	0	20

\*Priority 1 Theme 2: Skills For Competitiveness And Employment Integration

<b>Output Indicators</b>	<b>Baseline</b>	<b>End 2009</b>	<b>Final Target</b>
Number of collaborative training projects that address the skills needs of SMEs and industry in the cross border region	0	0	9
Number of joint projects aimed at improving and enhancing systems of learning and workforce development	0	0	4
Number of joint projects aimed at providing access to training and education for immigrants and disadvantaged groups	0	0	5
Number of beneficiaries undertaking cross border training courses/modules	0	0	500

<b>Result Indicators</b>	<b>Baseline</b>	<b>End 2009</b>	<b>Final Target</b>
Number of beneficiaries receiving certified qualifications	0	0	350

• **Qualitative Analysis**

The level of demand in Priority 1 remains strong, based on the evidence of Rounds 1 and 2. The targeting of Priority 1 Theme 2 for Round 3 demonstrates awareness on the part of the Programme partnership of the need to ensure that there is a balanced level of commitment between each part of Priority 1.

The approved projects are good quality and closely fit with the aims and objectives of Priority 1. A notable feature of the Round 1 approvals is that many of them build on and add value to partnerships that were in place since the last Ireland Wales Programme.

The approval of a further 6 quality joint projects in Round 2 will make a further significant contribution to the delivery of the programme. The most notable feature of this call was the large number of projects that had more than 2 partners. The aim of

this innovation was to try and build stronger, broader based partnerships that would be able to act on a more integrated level to deliver more effective solutions to the joint challenges that are faced by the Programme area.

Monitoring data reflects the number of claims that were processed by the JTS and the MA in 2009 and refer exclusively to projects that were approved under Round 1. Round 2 projects were due to begin reporting in early 2010 so the figures should look markedly different for the next Annual Implementation Report.

Projects have been slow to commence operations and to keep to their spending and activity timelines and slow to submit claims and this is clearly reflected in the monitoring data.

It is too early in the life of the programme to make a judgement on the effect of the promotion of equal opportunities between men and women in project implementation.

### **3.1.2 Significant problems encountered and measure taken to overcome them**

The major issue that was encountered during the implementation of Priority 1 was the inability of projects to spend to the profile that they agreed with the JTS and the MA in their application and Subsidy Contract.

## **3.2 Priority 2 – Climate Change and Sustainable Regeneration**

The main focus of this priority is on how the cross border region can address the challenges of the Gothenburg agenda and make a real contribution towards building a more sustainable future for the region. Both parts of the region face common challenges in terms of climate change and sustainable development and also in relation to the regeneration of communities.

It is broken down into two related themes.

Theme 1 – Climate Change and Sustainable Development

Theme 2 – Sustainable Regeneration of Communities

### **3.2.1 Achievement of Targets and Analysis of Progress**

- **Information on the physical and financial progress of the Priority**

The Steering Committee met on April 23<sup>rd</sup> 2009 and approved 5 projects under this Priority out of the 13 submitted with an ERDF grant allocation of €7.98 million.

The total programme picture at the end of 2009 shows that there are 7 fully approved projects with a combined ERDF grant allocation of €9.84 million.

Details of these projects are as listed in Annex I.

Priority 2 Theme 1: Climate Change and Sustainable Development

<b>Output Indicators</b>	<b>Baseline</b>	<b>End 2009</b>	<b>Final Target</b>
Number of cross border projects focusing on awareness raising or responding to challenge of climate change	0	1	9
Number of collaborative projects protecting and/or enhancing the natural environment.	0	1	9

<b>Result Indicators</b>	<b>Baseline</b>	<b>End 2009</b>	<b>Final Target</b>
Number of new cross-border links established	0	1	9
No. of measures implemented which react to the challenge of climate change	0	1	9
No. of enhancements undertaken	0	44 <sup>2</sup>	9
No. of projects disseminating results to stakeholders and/or communities or reports published	0	0	9

\*Priority 2 Theme 2: Sustainable Regeneration of Communities

<b>Output Indicators</b>	<b>Baseline</b>	<b>End 2009</b>	<b>Final Target</b>
Number of joint projects focusing on sustainable community regeneration action.	0	0	14

<b>Result Indicators</b>	<b>Baseline</b>	<b>End 2009</b>	<b>Final Target</b>
Number of new community, social enterprise or cultural links established	0	0	7

<sup>2</sup> This refers to the activity of the Green Communities project, precise details regarding the enhancements undertaken will be checked at an on the spot inspection.

Number of new measures implemented	0	0	14
Number of gross direct new jobs created	0	0	6

- **Qualitative Analysis**

The level of demand in Priority 2 is strong, based on the evidence of Rounds 1 and 2. The targeting of Priority 2 Theme 2 for Round 3 demonstrates awareness on the part of the Programme partnership of the need to ensure that there is a balanced level of commitment between each part of Priority 2.

The challenge of engaging with the Community and Voluntary sector was also discussed in detail by both the Monitoring and Steering Committees. The consensus was that the sector had many good ideas but that they often had difficulties in terms of putting them together in an application. This was particularly evident from the projects that were submitted under Round 2 where some of the projects were simply too big in order for them to be carried out effectively.

For the purposes of Round 3 the bid documents made the following message clear:

*“In relation to **Priority 2 Theme 2**, the programme would particularly welcome smaller scale pioneering pilot projects from organisations that are active in the community development and community regeneration field. While the 2007-2013 Ireland Wales Programme does have a more strategic aspect to it, this should not exclude smaller scale organisations that have an interest in developing links across the Irish Sea”.*

The approved projects are good quality and closely fit with the aims and objectives of Priority 2. A notable feature of the Round 1 approvals is that many of them build on and add value to partnerships that were in place since the last Ireland Wales Programme.

The approval of a further 5 quality joint projects in Round 2 will make a further significant contribution to the delivery of the programme. The most notable feature of this call was the large number of projects that had more than 2 partners. The aim of this innovation was to try and build stronger, broader based partnerships that would be able to act on a more integrated level to deliver more effective solutions to the joint challenges that are faced by the Programme area.

Monitoring data reflects the number of claims that were processed by the JTS and the MA in 2009 and refer exclusively to projects that were approved under Round 1. Round 2 projects were start reporting in early 2010 so the figures should look markedly different for the next Annual Implementation Report.

Projects have been slow to commence operations and to keep to their spending and activity timelines and slow to submit claims and this is clearly reflected in the monitoring data.

It is too early in the life of the programme to make a judgement on the effect of the promotion of equal opportunities between men and women in project implementation.

### 3.2.2 Significant problems encountered and measure taken to overcome them

The major issue that was encountered during the implementation of Priority 2 was the inability of projects to spend to the profile that they agreed with the JTS and the MA in their application and Subsidy Contract.

### 3.3 Priority 3 – Technical Assistance

The overall objective of the Priority is to support the management, evaluation and monitoring of the Operational Programme.

Under this Theme the ERDF may, subject to the limits set down in Article 46 (1) (b), support areas such as preparation, management, monitoring, evaluation, information and control activities of the Operational Programme together with activities to reinforce the administrative capacity for implementing the Fund.

#### 3.3.1 Achievement of Targets and Analysis of Progress

- Information on the physical and financial progress of the Priority

Indicators for Priority 3	Baseline	2009	Cumulative End 2009	Final Target
Number of gross direct jobs created	0	0	10	10
Establishment of Joint Technical Secretariat	0	0	1	1
Establishment of project database	0	0	0	1
Number of Publicity Events	0	4	9	14
Number of newsletters produced	0	0	0	6
Number of evaluations and studies carried out	0	0	1	3
Establishment of Programme Website	0	0	1	1

## Financial Progress of the Operational Programme as at December 31<sup>st</sup> 2009

	Community Funding (a)	National Public funding (b)	National private funding (c)	Total funding (d)=(a)+(b)+(c)	Co-financing rate (e)=(a)/(d)	EIB contributions	Other funding
Priority Axis 1 - Knowledge Innovation and Skills for Growth	141,576	47,192	-	188,768	75%		
Priority Axis 2 - Climate Change and Sustainable Regeneration	165,074	55,025	-	220,099	75%		
Priority Axis 3 - Technical Assistance	1,115,491	371,830	-	1,487,321	75%		
TOTAL	1,422,141	474,047	-	1,896,188	75%		

- **Qualitative Analysis**

The Programme made further progress in meeting its targets for the Technical Assistance Priority in 2009.

The project database was part completed during 2009 and now facilitates the production of Statements of Expenditure, Certificates of ERDF Control and the processing of payment claims. Continued work remains to be completed on the system.

The Annual Event which showcases the programme took place on June 19<sup>th</sup> 2009 in the Royal Marine Hotel in Dun Laoghaire. The focus of the event was on Innovation and the European Year for Innovation and Creativity. It was a half day conference attended by over 80 people and featured a series of presentations from experts in the field along with a lively series of question and answer sessions.

The Article 71 Systems description and the Audit Strategy were both formally resubmitted and signed off by the European Commission in 2009.

### **3.3.2 Significant problems encountered and measure taken to overcome them**

The significant problems that were encountered in the implementation of the programme are outlined in more detail in Sections 2.3, 3.1.2 and 3.2.2.

#### **4: Major Projects**

As per Chapter 8.7, page 91 of the Operational Programme document there are no major projects envisaged under this programme.

#### **5: Technical Assistance**

The main purpose of the Technical Assistance Priority is to facilitate the effective management of the programme.

The JTS, who has the responsibility for the day to day management of the programme was fully staffed in 2008 and was able to concentrate on driving the programme forward in 2009.

It was responsible for the following key actions:

- Beginning the certification of expenditure through the First Level Control Process
- Participating in the signing off on the first set of payment applications from Lead Partners
- Completing the work from the second round of Steering Committees
- Launching the call for Round 3
- Organising the Programme Monitoring Committee
- Organising a financial control workshop for Round 2 beneficiaries
- Organising applicant workshops for prospective Round 3 beneficiaries.
- Organising the annual event

Most of the events in question are based on the growing experience and understanding of what works effectively in terms of programme management. The JTS continue to examine all processes and procedures with a view to making them more effective both for the programme management and also for beneficiaries accessing the services of the JTS.

In order to enhance the understanding of the demands of programme management, the JTS invited INTERACT to deliver a tailored 2 day training session to colleagues from the JTS, the MA and the CA in October 2009. It was most effective and allowed colleagues to get an enhanced understanding of their role and how it can interact within the different layers of programme management

#### **6: Information and Publicity**

The Ireland Wales Programme submitted a Communications Plan for approval by the European Commission on January 16<sup>th</sup> 2008. It was approved on March 12<sup>th</sup> 2008.

The aims and objectives of the Ireland Wales Communications Plan are as follows:

- To highlight the role of Community funding in facilitating cross border cooperation between Ireland and Wales and the real benefits that it brings to local communities.

- To promote the benefits and added value of co-operation to the general public in its widest sense by highlighting project results and outputs and their European dimension.
- To help generate new partnerships by increasing awareness amongst potential beneficiaries on the funding opportunities offered by the Ireland Wales Programme.
- To provide potential beneficiaries and stakeholders with accurate and reliable information to stimulate high quality applications.
- To design programme information in a transparent and easy to read fashion so that it can be easily understood by potential beneficiaries and stakeholders.
- To raise the profile of cross border co-operation within national and regional administrative systems.
- To encourage active dissemination of projects and programme results to professionals and political stakeholders.

The programme undertook the following initiatives in 2009 in order to implement the Communications plan.

The **Annual Event** was held on June 19<sup>th</sup> 2009 in Dun Laoghaire Co Dublin. It was a half day conference which also received accreditation from the European Commission as an official event in the European Year for Innovation and Creativity. The event was a half day conference which focused on the European Year for Innovation and Creativity and featured a panel of speakers from the public and private sectors in both countries

A series of **3 development workshops** for prospective Round 3 applicants were held in the cross-border region in August and September. They were held in Waterford, Carmarthen & Colwyn Bay to ensure full coverage of the Programme area. These are considered as best practice events.

A **financial control workshop** was held in Llandudno in October to brief approved projects on the Programme's financial control system. One to one sessions were held between JTS staff and projects after the event. These are considered as best practice events

The Operational Programme, other documents and a small range of **branded publicity items** were distributed at each meeting and event.

Work began on a **new programme website** in Q4 2009. The purpose of the new site is to make it more interactive, easy to use and provide a better 'shop window' for the programme. This will go live in early 2010 and programme e-zines will be produced quarterly in conjunction with the new site. It will also feature a partner search facility, a more lively news service and an information centre which will feature all key documents that are needed in order to develop and manage a project. We would hope that this becomes best practice in time.

**Plaques** which acknowledge the contribution of the ERDF to the Programme were distributed to all approved Round 1 and 2 projects during 2009.

The Programme's **Information & Communication Guidelines** have been distributed to approved projects. They are also available to applicants and potential applicants. They have also been posted on [www.irelandwales.ie](http://www.irelandwales.ie) along with all of the programme logos for download purposes.

The JTS issued 2 **Press Releases** in 2009 relating to the launch of Round 3 and the Ireland Wales Annual Event. Press and Publicity activity will be enhanced in 2010 in conjunction with the launch of the revamped website.

Indicator	Baseline	Cumulative End 09	Target
Establishment of Programme Website	0	1	1
Major Launch Event	0	1	1
Number of Publicity Events	0	9	14
Number of Press Releases Issued	0	12	14
Number of Newsletters produced	0	0	12
Press Clippings	0	10	To be determined
Website Statistics	0	Not available	To be determined

**Ireland Wales Programme  
Approved Projects 2009**

**Annex I**

				
<b>IRELAND WALES PROGRAMME 2007 – 2013</b>				
<b>INTERREG 4A</b>				
<b>Approved Projects – Round 2</b>				

<b>Project Title</b>	<b>IMPACT - Integrated Management of forest Pests Addressing Climate Trends</b>		
<b>Priority/ Theme</b>	2.1		
<b>Lead Partner</b>	Forest Research, Wales		
<b>Other Partners</b>	National University of Ireland (Biology), National University of Ireland (ICARUS), Swansea University		
<b>Description</b>	<p>IMPACT will assess climate change effects on trees and their pests, both native and exotic, and develop sustainable Integrated Pest Management (IPM) strategies based on Biological Control Agents (BCAs).</p> <p>Unless action is taken, there will be increasing damage to trees leading to lower carbon sequestration and biomass production, as well as adverse socio-economic and ecological effects. New pest control strategies are needed to address these negative outcomes: IMPACT will provide solutions.</p>		
<b>Project Ref.</b>	16		
<b>Approved</b>	Round 2		
<b>Grant Awarded</b>	€1,155,528	<b>Project Cost</b>	€1,540,740

<b>Project Title</b>	<b>CELTIC WAVE - Developing a Sea of Smiles</b>		
<b>Priority/ Theme</b>	1.1		
<b>Lead Partner</b>	Isle of Anglesley County Council		
<b>Other Partners</b>	Milford Haven Port Authority, Swansea City Council, Dublin Port Company, Port of Waterford and Company Port of Cork Company		
<b>Description</b>	<p>Rising fuel costs are seriously affecting the profitability of cruise lines leading to a growing desire to become more fuel efficient. CELTIC WAVE aims to demonstrate how reduced fuel costs can be achieved on selected cruise itineraries by minimising steaming times between ports and therefore lowering the carbon footprint.</p> <p>The project will also address the added values of the brand, cultural synergy, location, shared values and unique selling points of the Ireland Wales connection. This will result in a globally competitive offering on the Irish Sea as a cruise destination which will raise its profile</p>		

	and contribute to the regeneration of both areas.		
<b>Project Ref.</b>	18		
<b>Approved</b>	Round 2		
<b>Grant Awarded</b>	€928,789	<b>Project Cost</b>	€1,238,386

<b>Project Title</b>	<b>CIME - Creativity and Innovation in Micro-Enterprises</b>		
<b>Priority/ Theme</b>	1.1		
<b>Lead Partner</b>	South-East Regional Authority: Ireland		
<b>Other Partners</b>	Kilkenny County Enterprise Board, Centre for Creativity, Swansea Metropolitan University and University of Wales Lampeter		
<b>Description</b>	<p>Both parts of the Ireland-Wales border area suffer from a relatively weak <a href="#">Research and Technological Development and Innovation (RTDI)</a> base, particularly amongst the indigenous micro-enterprise sector. The CIME project, through its Creativity Innovation Programmes, will tackle this challenge by combining the knowledge and resources of the project organisations and their associated and local partners.</p> <p>CIME is an initiative which will be unique in Ireland and Wales by enabling the SME beneficiaries to explore ways to liberate ideas and develop an atmosphere in their businesses which will be consistent with creative discovery. CIME will assist business leaders to rethink the design of their organisation around innovative practice, thereby improving the competitiveness of the participating businesses. The project will provide appropriate mechanisms for the analysis, development and implementation of innovative practices into SMEs in the cross-border area.</p>		
<b>Project Ref.</b>	23		
<b>Approved</b>	Round 2		
<b>Grant Awarded</b>	€1,785,755	<b>Project Cost</b>	€2,831,008

<b>Project Title</b>	<b>WINSENT - Wales Ireland Network for Social Entrepreneurship</b>		
<b>Priority/ Theme</b>	1.1		
<b>Lead Partner</b>	Partas Ireland		
<b>Other Partners</b>	BASE, Denbighshire County Council, Isle of Anglesey County Council, Fingal County Council and South Dublin County Council		
<b>Description</b>	<p>The overall mission of WINSENT is to reduce inequalities and poverty by building a thriving social entrepreneurial culture in the social economies of North Wales and Dublin. WINSENT will work with local authorities and public service providers to promote the value of social enterprises in the delivery of local services. WINSENT will create sustainable benefits in marginalised communities by producing jobs; developing skills and establishing a reservoir of information for subsequent use and development.</p> <p>To manage the programme, WINSENT will create a Development Partnership which will build stronger bonds between the partners, and facilitate the exchange of best practice and learning across both areas. WINSENT also aims to facilitate the creation of new social enterprises and the sustainable development of existing social enterprises, thereby creating employment opportunities. Lastly, WINSENT will be instrumental in the establishment of the Wales Ireland Social Entrepreneurship Alliance (WISEA), which will provide a catalyst to grow and sustain the Social Economy in both regions long beyond the term of the programme.</p>		

<b>Project Ref.</b>	25		
<b>Approved</b>	Round 2		
<b>Grant Awarded</b>	€1,073,081	<b>Project Cost</b>	€1,478,655

<b>Project Title</b>	<b>DEIS CYFLE! - Developing Skills for Employment and Educational Integration</b>		
<b>Priority/ Theme</b>	1.2		
<b>Lead Partner</b>	Autism Cymru		
<b>Other Partners</b>	Irish Society for Autism		
<b>Description</b>	<p>The aim of this cross border partnership project between two national charities for autistic spectrum disorders (ASD) is to develop a raft of training and self evaluation mechanisms that will form a basis for increasing the employability of people with ASD.</p> <p>The synergy of professional expertise, knowledge, experience and understanding of both partners will further develop tiered training opportunities for practitioners working with young people and adults with ASD. This in turn will positively impact upon the secondary school experience of youngsters with ASD, enabling them to make realistic life choices and continue on into post school education and employment routes.</p> <p>Deis-Cyfle! will develop cross-border training packages, self-evaluation tools and monitoring and evaluation materials for secondary schools; Colleges of Further and Higher Education; Job Centres and Employment Training/ Preparation Agencies, throughout North and West Wales and Eastern Ireland. These tools will act as the basis for increasing employability of people with ASD. The project also aims to develop bespoke training materials for a range of practitioners which is anticipated to lead to accreditation from cross border Higher Education establishments.</p>		
<b>Project Ref.</b>	29		
<b>Approved</b>	Round 2		
<b>Grant Awarded</b>	€711,900	<b>Project Cost</b>	€950,994

<b>Project Title</b>	<b>ISMLKN - Irish Sea Marine Leisure Knowledge Network</b>		
<b>Priority/ Theme</b>	1.1		
<b>Lead Partner</b>	Pembrokeshire Business Initiative (PBI) - WALES		
<b>Other Partners</b>	Irish Marine Federation (IMF), South and West Wales Marine Leisure (Encompass Consulting), North Wales Watersports		
<b>Description</b>	<p>The overall objective of this project is to establish an industry driven private / public sector partnership – the Irish Sea Marine Leisure Knowledge Network (ISMLKN). The project is based on the development of an integrated Irish Sea marine leisure sector which aims to provide a knowledge based network for the industry.</p> <p>Initial research carried out by the project will establish the private sector's commercial and skills needs and gaps. ISMMLN will then work with marine colleges and key stakeholders to develop courses tailored to suit industry specific skills needs. The project will also identify, collate and assess the impact of the Marine Leisure Industry on eco and socio development. ISMMLN will act as a conduit for the industry to contribute to emerging government marine policies on Integrated Coastal Zone Management (ICZM) and to promote the ICZM message throughout the region.</p>		

	ISMKLN will also develop a sector specific commercial support programme for SMEs and act as a catalyst to industry growth, innovation, entrepreneurial development, cluster formation and in the demonstration and dissemination of best practice.		
<b>Project Ref.</b>	30		
<b>Approved</b>	Round 2		
<b>Grant Awarded</b>	€1,086,765	<b>Project Cost</b>	€1,449,020
<b>Project Title</b>	<b>BRAND - Bringing Revitalisation and Nurturing Development</b>		
<b>Priority/ Theme</b>	2.2		
<b>Lead Partner</b>	Denbighshire County Council, Wales		
<b>Other Partners</b>	Isle of Anglesey County Council, Kildare County Council and Dún Laoghaire - Rathdown County Council		
<b>Description</b>	<p>The BRAND project came about as a result of the experiences of the towns of Athy, Dún Laoghaire, Holyhead and Rhyl in community regeneration. These towns have experienced difficulties with the perceptions of difference sectors such as residents, businesses, the tourism and hospitality sector and external opinion formers, which in turn has adversely affected community regeneration.</p> <p>The aim of the BRAND project is to develop and test a method of place re-branding and re-engaging communities. BRAND also aims to create a toolkit of the methodology developed and to make this available to other areas as a template for community regeneration.</p> <p>Activities will include carrying out a brand audit, including an exercise of 'ranking' both the strengths and image contamination factors in each of the four towns. BRAND aims to change perception from negative to positive; to have an impact on community revitalisation and to contribute to increased and sustained socio-economic well-being in the four towns.</p>		
<b>Project Ref.</b>	36		
<b>Approved</b>	Round 2		
<b>Grant Awarded</b>	€1,484,043	<b>Project Cost</b>	€1,978,724

<b>Project Title</b>	<b>INVENTORIUM - Preincubation of Digital Innovation</b>		
<b>Priority/ Theme</b>	1.1		
<b>Lead Partner</b>	CAST Ltd, Wales		
<b>Other Partners</b>	NDRC		
<b>Description</b>	<p>The INVENTORIUM project aims to establish a sustainable mechanism for the generation of new ideas that will lead to the formation of new businesses or contribute to sustaining existing businesses, with particular focus on digital technologies for health, public services, education, leisure, entertainment, environment and transport.</p> <p>By bringing together stakeholders from relevant sectors, this project will create novel mechanisms and channels for technology transfer, complementing ongoing activity and enhancing and contributing to sustainable business and entrepreneurial activities across both Ireland and Wales.</p>		
<b>Project Ref.</b>	32		
<b>Approved</b>	Round 2		
<b>Grant Awarded</b>	€1,980,003	<b>Project Cost</b>	€2,641,671

<b>Project Title</b>	<b>CSTP - Celtic Sea Trout Project</b>		
<b>Priority/ Theme</b>	2.1		
<b>Lead Partner</b>	Bangor University, Wales		
<b>Other Partners</b>	Central Fisheries Board, Environment Agency, University College Cork, Association of Rivers Trusts		
<b>Description</b>	Sea trout fisheries are at risk from over fishing and climate change leading to warmer waters. They are important for tourism, the fishing industry and peripheral communities. CSTP aims to fill a major gap in the knowledge & management of sea trout fisheries. It asks where sea trout go in the sea; their ecology, environmental pressures; how their stocks are interlinked, & how to optimise economic benefits whilst protecting stocks and biodiversity. This requires a fuller understanding of their distribution & the ecological processes affecting its in its various habitats. This proposal provides this knowledge & better advice for management of this joint resource. It will enhance & protect stocks & fisheries, contributing to social well-being & inclusion in rural & peripheral communities, increased employment, improved understanding underpinning better management of climate change & protection of biodiversity.		
<b>Project Ref.</b>	40		
<b>Approved</b>	Round 2		
<b>Grant Awarded</b>	€1,561,381	<b>Project Cost</b>	€2,081,841

<b>Project Title</b>	<b>RISING TIDE - The Regeneration of Coastal Communities</b>		
<b>Priority/ Theme</b>	2.2		
<b>Lead Partner</b>	Milford Haven Port Authority, Wales		
<b>Other Partners</b>	JFK Trust, Pembrokeshire College and County Wexford Partnership		
<b>Description</b>	<p>The RISING TIDE project aims to support social inclusion through joint activities, events and training. The project also aims to develop and promote joint opportunities for sustainable community regeneration, drawing on and giving recognition to the maritime identity, maritime heritage and coastal environment of the cross border region.</p> <p>RISING TIDE aims to develop accredited training programmes, with progression routes for marginalised members of the community, which will include the participants' woodworking, construction and design skills, as well as communication, team building and PC use. The project will also work on community regeneration programmes to develop local events, activities and projects with local stakeholders in the development of maritime tourism and the promotion of local enterprise.</p>		
<b>Project Ref.</b>	41		
<b>Approved</b>	Round 2		
<b>Grant Awarded</b>	€1,517,375	<b>Project Cost</b>	€2,103,030

<b>Project Title</b>	<b>Susfish - Shellfish productivity in the Irish Sea: working towards a sustainable future</b>		
<b>Priority/ Theme</b>	2.2		
<b>Lead Partner</b>	Bangor University, Wales		
<b>Other Partners</b>	University College Cork, Swansea University, Trinity College Dublin, Aberystwyth University		
<b>Description</b>	The SUSFISH project will aim to produce positive opportunities for the Irish Sea shellfish		

	<p>industry from the possible negative effects of global climate change. Innovatively, SUSFISH will identify the effects that climate change will have on shellfish stocks using a suite of techniques including oceanographic models linked to IPCC climatic data, historic and current data collation, experimental research and importantly the use of economic assessments to identify economic benefit and sustainable development for the TC region. Experts from BU, SU, AU, TCD (inc. BIM) and UCC have been drawn together to address climatic impacts and cross border management in SUSFISH. The results of this research will lead to the identification of adaptation and or mitigation measures to the impacts of climate change followed by the production of guidelines for the future fisheries management for the TC area. SUSFISH will identify strategies for exploiting potential opportunities from the changing climate as well as identifying how best to mitigate economic losses.</p>		
<b>Project Ref.</b>	42		
<b>Approved</b>	Round 2		
<b>Grant Awarded</b>	€2,199,334	<b>Project Cost:</b>	€2,932,444