



SOUTHERN & EASTERN
Regional Assembly
Promoting Our Region



Ireland's EU Structural Funds
Programmes 2007 - 2013
Co-funded by the Irish Government
and the European Union



Ireland Wales Programme 2007 – 2013

Programme Monitoring Committee (11) Wednesday November 7th, Camden Court Hotel, Dublin

The meeting was held at Camden Court Hotel, Dublin 2

Attendance is as shown at Annex 1 while apologies were received from Cllr. Paddy Kavanagh, Peter Bunting, Carys Thomas, Siobhan Bradley, Tracey Burke, Steve Lloyd, Chriss O' Connell, Mike Pollard and Patrick Lilly.

Agenda Item 1: Opening and Introduction

Stephen Blair, Joint Chair, opened the meeting. He welcomed those in attendance and he mentioned that the Committee will be expected to take important decisions regarding the most effective use of remaining funds.

Agenda Item 2: Minutes of PMC 10 held at Welsh Government Offices, Wales

The minutes of PMC 10 had been circulated in advance of the meeting. There were two amendments.

Maria Jose Doval Tedin pointed out that claims to the Commission should be submitted before October and not November as written in the minutes (pg. 3). Colette Price asked that the word "long term" be inserted in front of the word outcomes (pg. 4) to read "long term outputs".

The minutes were then agreed as a true record.

Simon Baily gave a summary of actions from the previous meeting

Action: The JTS will address project underspend through Aftercare and First Level Control

Simon advised the meeting that project underspend is being dealt with and will form part of a wider discussion under a later agenda item.

Action: The JTS will simplify the colour coding on the Traffic Light Index

The traffic light report has been refined and Simon reported that further enhancements are planned.

Action: The JTS is to further review how Programme indicators are reported to the PMC

The indicator reporting has been addressed since the last PMC, and Simon reported that most projects have attended a workshop on indicator reporting. He commented that indicators are looking healthier than at the last meeting

Action: Plans for project clustering to be finalised

There had been a delay in this matter but it was now being addressed by the JTS and a plan would be put in place for Quarter 1 of next year.

Action: The Committee Chairs will brief the members at the next meeting

Simon advised that the update on the 2014-2020 Programme Preparation would be dealt with later in the agenda

Action: The JTS to submit the AIR to the EC by SFC before June 30th.

AIR submitted to the Commission before the deadline.

Action: Maria will follow up on the MA response to the European Commission's audit letter

Response received by the MA from the EC. All is now in order.

Agenda Item 3: Matters Arising

There was no matters arising

Agenda Item 4: Programme Update Report

Stephen Blair advised the meeting that the Programme is meeting its spending targets and the overall position is positive.

Simon then took the Committee through an overview of Programme progress. In relation to Commitment he advised the committee that 4 projects had been granted extensions under the Extension call and commented that he would have liked a bigger uptake of grant as a small amount of roughly €350,000 remains uncommitted.

In relation to N+2 the position was looking positive. Whilst the report showed a current shortfall, the volume of claims on hand indicated that there would be a surplus of €1.1 million and that this may end up even higher. This would also provide the Programme with a good head start on the 2013 target of €8.9 million. Simon thanked programme staff for their hard work in ensuring that the target was met and advised that the changes in processes had paid dividends.

Simon reported that progress against indicators continues to improve as projects mature and close and that the particular risks outlined at the last meeting are receding. In relation to the provision of time related information and variance analysis as per the WEFO system, this will not happen in the life of this programme but it should be looked at in terms of the development of a system for the 2014-20 Programme. It is intended to review reporting again with a view to providing more information for the next meeting which brings alive, what projects are achieving on the ground.

Action – JTS to further review and refine reporting on project delivery for the next meeting

Simon explained how project indicators are verified by the JTS and how the numbers are evidenced at project closure. He noted that the evidence to date produced by the closed projects provides significant degrees of assurance and the JTS will report more on this at the next PMC.

Strategic Projects: SMART COASTS & WIT

Simon referred to the on-going work with the 2 Strategic Projects. He advised that the JTS visited the project on 3rd October to discuss activity and FLC issues. The project now appears to be on track and is working closely with the Irish, Welsh and UK Governments in order to secure effective follow on after the funding ceases. In relation to FLC, the scale of expenditure posted challenges but that Claim 3 should be paid soon worth roughly €1 million ERDF.

The other strategic project WIT was visited on 9 October and the project is now working effectively and delivering some ground breaking outputs.

Simon informed the meeting that both projects will brief the PMC at the next meeting

Technical Assistance

Simon advised that a report on TA is currently being collated and will be reported on at the next PMC meeting.

Simon then gave an overview of the Traffic Light System Report (Annex 1). He informed the meeting that the JTS is now applying Information Note 14 where required. He reported that actual spend is 85% of profile compared to 79% at the last meeting. This remains a high priority and is the biggest strategic challenge facing the Programme.

Many projects are continuing to struggle with the challenge of remaining within profile and problems are now emerging within the Round 5 projects which are now starting to report on their first claim periods. Particular reference was made to Bangor University where the Programme has significant concerns. Simon advised that he and David Kelly, the Head of the Managing Authority visited Bangor management in October and outlined these concerns. They advised that they are aware of the problem and are trying to rectify it and are currently recruiting staff. Bangor University will continue to be closely monitored and future meetings are planned. He told the meeting that the community and voluntary projects are also proving a challenge in terms of capacity and cash flow in particular CCL and Metal Links. However both projects are planning to hand back money which will improve the spend to profile ratio but this will present challenges in terms of reallocating the money in question.

Stephen mentioned that good progress had been made during 2012. He acknowledged that the Strategic projects haven't met expectations in relation to their speed of spend which would need to be examined for the next Programme. He suggested that time and effort would need to be invested to ensure that they would deliver. Jane McMillan agreed with this adding that the strategic projects took a while to get off the ground. She added that in terms of partnership they had learnt lessons on how to proceed with future projects and that getting money spent was critical

Cllr. Tom Richards advised that in the Report the Lead Partner of INSPIRE is Pembrokeshire County Council and not Pembrokeshire College. He also asked why Ecojel was not in green given that the project was finished. He also asked that another column be added to show the variance between Forecast Spend to Actual Spend. The JTS will make the necessary corrections.

Colette Price addressed the issues surrounding Bangor University and queried whether the Programme can in future better assess the capacity of projects before they are approved. Diana Wilson responded by saying that projects usually have management plans in their applications but what happens after approval is usually very different to what they put in their applications. Simon added that the Programme certainly does assess the management plan. But in the case of Bangor University it has now transpired that they appear to have two people doing the financial administration work for 9 projects.

Colette then questioned whether the funding and claiming arrangements for these posts is being correctly accounted for. Stephen Blair acknowledged that Colette had raised 2 important issues namely 1. The assessment of capacity for one organisation with multiple applications and he suggested perhaps strengthening the evaluation process and 2. One person assigned to more than

one project and whether time then is double counted. One solution to this would be to ensure that during site visits the timesheets are checked by Programme staff.

Gwyn Evans echoed the view that as one person's time may be sourced from different sources that such expenditure needed to be carefully audited.

Joanne Welford raised her concern that some of the projects that have been awarded extensions under the Extension Call are colour coded red and amber. Simon assured Joanne that a condition of the extension granted to these projects is that they must re profile their expenditure which would resolve this issue.

Stephen advised that in spite of the underspend issues that the Programme will meet N+2 comfortably this year.

Agenda Item 5- Allocation of Remaining Funds

Stephen asked the PMC to advise on how best to use the remaining funds in the most effective way. Simon presented the options to the Committee as outlined in the paper which had been circulated in advance.

Stephen mentioned that over commitment is not uncommon in Interreg Programmes as projects don't always spend their allocations and that the proposed level of over commitment represented a low and manageable level of risk.

Stephen suggested that with the remaining funds, allocation could be done in a 2 stage process. In the first instance, approve the Pathoclime project and then wait until the next PMC meeting and decide strategy based on the remaining funds at that point.

At this point the choices presented were to either launch another Extension Call or have a call for preparatory projects for the 2014 programme. This would have a double benefit; utilising reserved funds and have projects primed and ready to go for the new Programme.

Roger then gave a brief outline of Pathoclime aims and objectives. He mentioned that it was designed to address the issues of effluent going into the sea and the aim of the project was to produce models that would monitor pathogens.

Simon mentioned that all partners in the Pathoclime project are very interested bar one, and are willing to reconfigure in light of a maximum allowed limit of €2,000,000 grant assistance. Simon also suggested that the Programme would make an exception with the duration of the project and is willing to allow them a June 2015 completion date.

Stephen reminded the PMC that the Programme Steering Committee has already assessed the project and adjudicated it as meeting the quality standards, therefore the decision for the committee is whether to release the funds needed for the project to commence.

Colette Price suggested that the project is closely related to SMART COASTS. Roger confirmed that there was some degree of correlation and that one of the conditions of approval was that the project would meet up on an annual basis in order to maximise potential benefits.

Gwyn Evans queried who the Lead Partner for the Pathoclime project was? Stephen responded by saying that it was Bangor University. Cllr. Tom Richards raised his concern that Bangor is the Lead

Partner, which he felt raised a further risk to the programme. A lengthy discussion followed on this point. In conclusion, Stephen suggested that as part of due diligence that they would vet the human resources of the project and that adequate assurances regarding capacity to deliver on the reporting requirements would be required from Bangor before the project was signed off. Jane McMillan supported this suggestion.

Action – JTS to review BU capacity to deliver on reporting requirements which need to be confirmed prior to any approval of the Pathoclimate project.

Jane McMillan questioned whether the extension to 2015 would cause a problem with other projects and set a precedent for other projects ending. Stephen responded by stating that Pathoclimate is in reality being given the same time frame as the other projects, the only difference is that Pathoclimate is starting later. He said he would consider this as treating all the projects equally. He mentioned that the deadline of December 2014 is a Programme one and not a regulation deadline

Gwyn Evans queried whether the approval of Pathoclimate and the related over commitment would have implications for Technical Assistance. Stephen assured Gwyn that it wouldn't as it will be funded by Priority 2. In relation to Technical Assistance, the Dept of Public Expenditure will provide additional top up funding.

Cllr. Tomás Breathnach questioned was there any monitoring of the geographical concentration of funding to particular institutions. Simon responded by saying that it was monitored which was becoming increasingly important in view of the difficulties faced from the concentration of funding with Bangor University.

Bangor University are currently involved with 10 projects under the Ireland Wales programme which creates a dilemma as projects have to be considered on their merits. Stephen Blair agreed with this stating that the Higher Education sector has international expertise and Bangor University's involvement has benefits that are region wide

Simon Baily and Jane McMillan both agreed that the Programme should continue with requests for no cost extensions with the proviso that the projects offer additional outputs and results.

Stephen reiterated that there was a merit for preparatory projects which would be a good way of absorbing small amounts of money while preparing for the next programme. Joanne said it was important to ensure that there were projects ready for the next programme and that such an approach could help.

Colette said that while preparatory projects were a great idea initially the appointment of staff was ineligible before the start date and posed a problem, even the advertising of jobs is ineligible and therefore in her opinion preparatory projects were not the solution and would not solve the problem of hitting the ground running.

Stephen disagreed with this and referred to the Northern Periphery projects which weren't designed to have a large amount of physical outputs but they encouraged new participants in the programme. They facilitated the development of new ideas, were fit for purpose and were fully fledged projects.

Jane McMillan acknowledged that it does take time to get things in place. However, all of this would be dependent on the scale of the proposed preparatory projects and ultimately the onus is

on the Programme to judge the scale and amount of money, if the money is relatively small then the Programme can take the risk regarding both the activity and the potential over commitment.

Some members talked about continuity between the 2 programming periods and that it would be helpful for projects. Simon gave the Secretariat perspective and issued a note of caution. While he acknowledged that continuity was useful, projects needed to remember that they had a start and end date. He added that projects are meant to be focusing on sustainability and not just moving from one grant to the next. On balance he was of the view that the best approach was to start looking at preparatory projects as opposed to costed extensions.

Maria Doval asked about the preparatory projects and suggested looking at clustering projects which she felt was an objective for the future. Stephen said that the timing was right to facilitate work towards the shape of the new Programme next year and to align preparatory projects to that.

Diana spoke in favour of keeping 2 options open: No. 1 Approving Pathoclime and No. 2 the option of no cost extensions as a way of moving spend through partners who are familiar with the programmes processes and can achieve added outputs. She felt that Options 3 and 4 in the proposal needed to be developed a bit further.

The conclusion of the whole discussion and action points arising were as follows:

Action - The Pathoclime project should be approved, pending the JTS checking of the capacity issues raised regarding Bangor University.

Action - The JTS will continue to offer no cost extensions to projects in return for additional outputs and results and will continue to work with projects in order to ascertain the level of underspends and amounts to be returned to the Programme.

Action - The JTS to continue to assess options for the reallocation of underspends as per the options discussed and provide an updated plan to the PMC at its next meeting.

Agenda Item 6- Communications Update

Stephen Blair expressed his thanks and appreciation to WEFO for organising the visit of Minister Alun Davies. Stephen noted the benefits of the visit including meetings with three Irish Government Ministers and two project visits along with his address to the Regional Assembly meeting. Stephen also expressed his thanks to Cllr. Tomás Breathnach for his involvement in the initiative.

Jane McMillan also mentioned that Minister Alun Davies enjoyed the visit to Dublin and was most impressed with the quality of the projects which he visited.

Siobhán then gave a brief overview of the key points of the Communications Report and presented the Programmes involvement in European Cooperation Day 2012 and spoke about plans for European Cooperation Day 2013.

On conclusion of the presentation Stephen Blair mentioned that it was heartening to see the good quality projects that are part of the Ireland Wales Programme and how these projects are ambassadors for the programme.

Jane McMillan congratulated staff on the success of European Cooperation Day. Stephen Blair asked the committee if they had any ideas for European Cooperation Day 2013. There were none forthcoming at this time.

Agenda Item 7- Future Programming

Stephen Blair briefed the PMC regarding progress to date

He advised that the Commission, Parliament and Member States are currently negotiating the details of the regulations and making amendments and changes. The Heads of State and Government are meeting in Brussels on 22/23 November to try and agree the budget. In the previous few days the Cypriot Presidency had revised the original EC proposal which would mean a €50bn reduction. In relation to ETC the budget allocated would bring the amounts available back to the 2007-13 level.

In terms of the regulations, no further major changes are anticipated at this point, prior to their formal approval, potentially during the Irish Presidency of the Council. The key changes to note for members are related to the content of the new programmes. There would be a need to concentrate resources around a small number of areas and there will be a greater emphasis on performance. He advised that WEFO and the MA had been in discussions since the start of the year and while most of the discussion up to now related to structures, now detailed work will start on programme content. The structures and processes are pretty similar to what has gone before in terms of preparing a Regional Profile, SWOT Analysis, Ex Ante Evaluation etc.

Jane McMillan endorsed Stephen's remarks and mentioned that Linda Weaver would be supporting Mike Pollard in developing the new programme. Minister Alun Davies has taken a keen interest in the strategic direction of the new generation of programmes. In his ministerial statement, he had set out that Wales would wish to contribute to the Growth and Jobs agenda but had also made clear what it wouldn't get involved in. She advised that WEFO are just about ready to go to consultation on their national and regional ERDF programmes.

Maria Jose Doval mentioned that the regulations will be maintained more or less as they are. For her it was important to stress that funding will be concentrated in a small number of priority areas with a focus on results and funding activities which contribute to this. She advised that demonstrating cross border added value will be essential and that she will expect that maritime border programmes will have to differentiate themselves compared to land border programmes.

Patricia Hennessy advised that any decisions regarding the management of the Programme won't be made in advance of the EU Summit Meeting on November 22nd.

Colette Price mentioned that Programmes such as this had a strong record in fostering innovation and that this was often based on environmental projects, e.g. CSTP and ECOJEL. She hoped that fostering innovation and protecting the environment would not be forgotten in relation to this.

Gwyn Evans asked in the discussion with the Welsh Government and Southern and Eastern Regional Assembly had there been conclusions as regards the management structure and whether there would be a change to the Managing Authority

Stephen Blair responded by saying that the new Programme will be building on strengths and utilising the skills and expertise we currently have on both sides. He made reference to WEFO's current strengths with their IT system and also the experiences in changing and building up the FLC systems. He further added that there was a strong team in place and that it made sense to build on this.

Jane McMillan added that nothing had been finalised at this point.

Maria queried if there was any schedule of activities yet? Stephen advised that a separate meeting would take place later between WEFO and the MA. They would be in a position to advise what the next programme will look like at the next PMC meeting and would welcome input from members

Cllr. Tom Richards questioned what input they would require from the PMC members? Stephen said they would like to hear the views of the PMC members in terms of what's working well, what's not? And feedback as to whether the priorities are working well

Jane McMillan referred to innovation and the wider challenge of capturing lessons and applying them within mainstream programmes and funds. Roger Seddon made reference to his experience of developing and delivering workshops on these areas.

Agenda Item 8- Development Officer Report

Roger Seddon outlined the DO Report to the Committee. He paid particular attention to the work that the Welsh DO's are doing on closure and the case by case approach that they use in order to gain the clearest picture possible on project activity. They place particular emphasis on projects telling the story of what they've achieved.

Jane Mc Millan suggested that it's important to capture lessons learned from innovation and wondered if the Programme was thinking about how they were doing this. Roger outlined the experience of the innovation work shop held in North Wales last year and how it provided managers with the opportunity to share opinions on innovation and an opportunity to share good practice.

Gwyn Evans expressed concerns that the report was not sufficiently detailed regarding the contents of what the DO's actually do. Simon acknowledged the point made whilst adding that he didn't want to overload the report with too much detail. He advised that the report will be restructured for the next meeting and will provide more details on the trouble shooting role that the Development Officers have.

Colette suggested engaging some specialist expertise which could help with gathering lessons learnt which could help inform the next programme. Simon added that it was important to find ways of doing this and INVENTORIUM have offered this facility. Roger said that projects should be encouraged to take their experience to other platforms.

Stephen advised that the development of good quality indicators would be a significant challenge for the new programme. The EC was placing an increasing emphasis on this in the new regulations and payment would depend on delivery of performance indicators.

Colette advised that there is a need to focus on qualitative factors and on some way of capturing the qualitative results to measure what has changed as a result of EC investment. These will be the true test of whether we have spent European money well. Stephen agreed that a combination of the two give a clearer picture

Roger added that aftercare visits monitor additional outputs. Gwyn suggested that monitoring is not enough and that outputs should be evaluated and queried if evaluations from closed projects were available. Simon advised that one consideration would be to make evaluations mandatory for projects in the new period.

Agenda ITEM 9- AOB

Stephen Blair suggested late May for the next meeting of the PMC. Some committee members requested an earlier meeting. Stephen suggested early May and the JTS would get back to the Committee with a firm date early in the New Year.

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Appendix 1 Attendance Listing

Name	Organisation
Stephen Blair	<i>Southern and Eastern Regional Assembly- Joint Chair</i>
Cllr. Senan Griffin	Southern and Eastern Regional Assembly
Cllr. Tomas Breathnach	Southern and Eastern Regional Assembly
Patricia Hennessy	Department of Public Expenditure and Reform
Maria Jose Doval Tedin	European Commission
Jane McMillan	<i>Welsh Government- Joint Chair</i>
Cllr. Tom Richards	Welsh Local Government Association (Pembrokeshire County Council)
Joanne Welford	Wales Council for Voluntary Action
Colette Price	Countryside Council for Wales
Gwyn Evans	Welsh Local Government Association (Pembrokeshire County Council)
Simon Baily	Ireland Wales Programme
Caitríona Phelan	Ireland Wales Programme
Siobhán Rudden	Ireland Wales Programme
Breda Curran	Ireland Wales Programme
Diana Wilson	Welsh European Funding Office
Linda Weaver	Welsh European Funding Office
Roger Seddon	Welsh European Funding Office