

IRELAND WALES OPERATIONAL PROGRAMME

ANNUAL IMPLEMENTATION REPORT 2012

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Executive Summary

1. This is the sixth Annual Implementation Report (AIR) for the Ireland/Wales INTERREG IVA Programme 2007-2013, covering the calendar year 2012. 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 2012 was as follows:

The Programme launched an extension call in 2012 and received 6 applications. Five were approved while one of these subsequently declined the opportunity.

The Programme Monitoring Committee met twice in 2012, on May 30th in Llandudno Junction and on November 7th in Dublin.

The Programme exceeded the N+2 target for 2012¹ by €1.3 million and made 5 drawdown requests to the European Commission, in May, June, August, November and December.

In 2012, the Ireland Wales Programme worked with other Territorial Cooperation programmes to jointly pilot “European Cooperation Day” to highlight the benefits of EU funding and cross-border cooperation on local life. On 21 September, the day was celebrated in local communities across 40 European countries under the joint theme, “Sharing Borders, Growing Closer”.

The report is formatted along lines recommended by the Commission.

¹ Cumulative target at end of 2012 - €25.2 million

1. Summary Details

OPERATIONAL PROGRAMME	Objective Concerned: Territorial Cooperation
	Eligible area concerned: South West Wales, Isle of Anglesey, Conwy, Denbighshire, Gwynedd, Dublin, Mid East, South East – All NUTS III areas
	Programming period: 2007-2013
	Programme number (CCI): 2007CB163PO062
	Programme Title: Ireland Wales Programme
ANNUAL IMPLEMENTATION REPORT	Reporting Year: 2011
	Date of approval of the Annual Report by the Monitoring Committee: May 16 th 2013

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 2012 where the Programme Monitoring Committee considered applications from 6 projects who applied for funded extensions to their current projects. Four of the applications were successful which resulted in the awarding of €290,000 in grant. This left a balance of €106,000 in Priority 1 and a balance of €535,000 in Priority 2.

The Programme paid out €9.2 million ERDF to projects, and exceeded its N+2 target for 2012 by €1.3 million.

In relation to Technical Assistance the JTS replaced 1 member of staff who resigned during 2012 on the First Level Control function while recruiting an additional controller. Operationally, the main focus in 2012 was the hosting of European Cooperation Day, completing the allocation of the budget and continuing to control expenditure.

At the end of 2012 the Programme now has 41 approved projects which are worth 99% and 97% of the overall programme grant allocation for Priorities 1 and 2 respectively. This should provide the programme with a sufficient platform to meet its N+2 obligations for its remaining lifetime.

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

The financial data for Priorities 1 and 2 refer to the cumulative figures for total spend by Priority 1 and 2 projects by the end of 2012. The acceleration of spend has continued with the Round 5 projects coming on stream and with many projects reaching maturity or coming close to completion.

The programme is continuing to work on a pro-active basis with all projects to ensure that spend is brought into line with profile both in terms of ad hoc advice from JTS staff, the Aftercare Service and the hosting of Financial Management Workshops.

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.

	Expenditure paid out by beneficiaries included in the claims sent to the Managing Authority	Corresponding Public Contribution	Private Expenditure	Expenditure paid by the body responsible for making payments to the beneficiaries	Total Payments received from the Commission
Priority Axis 1 – ERDF knowledge Innovation & Skills for Growth	15,192,133	15,192,133	-	10,721,869.88	10,402,746.91
Priority Axis 2 – ERDF Climate Change and Sustainable Regeneration	11,602,895	11,602,895	-	8,525,141.11	7,971,773.16
Priority Axis 3 – Technical Assistance	3,433,454	3,433,454	-	2,575,090.01	2,271,962.80
Grand Total	30,228,481	30,228,481	-	21,822,101.00	20,646,482.87

Situation at the end of 2012

	Programme Allocation		Total Commitment			Total Spend		
	Total Cost	ERDF	Total Cost	ERDF	% Overall Allocation	Total Cost	ERDF	% Overall Allocation
Priority 1	39,626,863	29,720,147	41,776,353	29,613,715	99.64%	15,192,133	11,394,099.41	38.33%
Priority 2	26,417,908	19,813,431	25,953,149	19,278,044	97.30%	11,602,895	8,702,171.23	43.92%
Priority 3	4,215,623	3,161,717	3,433,454	2,575,090	81.31%	3,433,454	2,575,090.01	81.45%
Programme Total	70,260,394	52,695,295	71,162,956	51,466,849	97.67%	30,228,481	22,671,360.65	43.02%

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

Priority	Code Dimension 1 Priority and Theme	Code Dimension 2 Form of Finance	Code Dimension 3 Territory	Code Dimension 4 Economic Activity	Community Contribution – Actual	Community Contribution – forecast by OP
1	1	1	8	22	€4,096,751	€5,750,000
1	3	1	8	22	€12,011,437	€6,753,000
1	4	1	8	22	€4,375,704	€5,329,088
2	43	1	8	08	€363,586	€4,000,000
2	49	1	8	21	€8,060,171	€6,750,000
2	51	1	8	21	€2,944,974	€2,459,614
2	61	1	8	20	€7,909,313	€6,603,817
1	62	1	8	18	€7,459,638	€7,500,000
1	64	1	8	18	€1,670,185	€4,388,059
3	85	1	8	00	€2,089,767	€2,100,000
3	86	1	8	00	€485,323	€1,061,717
TOTAL					€51,466,849	€52,695,295

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.

The 9 codes under Priorities 1 and 2 reflect a clear effort on the part of the Programme to focus its resources in a small number of areas in an effort to gain the maximum effectiveness from the ERDF investment.

The original indicative forecast which was published in the OP has been largely met in many cases. The outcome against forecast figures has been quite accurate which is remarkable in the context of the changed economic environment. In the case of Code 43, Energy Efficiency, co-generation, energy management less projects were submitted and approved than expected while the opposite was the case in relation to Code 3.

The data is virtually identical compared to 2011 with just a small drop in Code 62 which reflects a minor budget adjustment in relation to the SLNIW project. As noted earlier 4 projects were successful in their bid for funded extensions to their current projects and additional money was committed. However this was offset against some ERDF de-commitments from under spending projects and projects which released funds voluntarily as they could deliver the outputs cheaper than they had originally budgeted for.

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 43 – Energy Efficiency, co-generation, energy management

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 progress in 2012 in the face of extremely challenging economic conditions. Call 5 projects began operations while the Programme opened a call, offering existing projects the opportunity to extend their project.

Progress against spend and performance indicators has continued to improve in 2012 compared to previous years. However challenges do remain in terms of ensuring that projects commence operations speedily and spend according to their agreed profile. This is monitored closely by the JTS at all levels of its operation, in the first instance through the Development Officer Aftercare Service and then through the normal control channels.

In particular, projects do 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.

In relation to spend as a whole the JTS exceeded its N+2 target for the year by €1.3 million.

In terms of judging the effect of the promotion of equal opportunities between men and women in project implementation, this has proved to be somewhat challenging as many projects are simply repeating what they have stated in their project proposal in the progress reports.

However, the issue is raised and discussed during Development Officer Aftercare visits and reports and examples of good practice have been found during these visits. However it has been challenging to elaborate this further into a programme-wide view. The subject matter of the project can also be a factor as many projects such as Project FUTSAL and Walkways lend themselves easily to the promotion of equal opportunities while this can be more challenging in the case of climate change projects such as Smart Coasts or IMPACT.

At this point, the above practice of monitoring through Development Officer visits will continue for the remaining life of the current programme.

For the 2014-2020 Programme, the Programme partnership will reflect and take advice from equality experts in WEFO and in the Irish Government in terms of how best to integrate and monitor this for the new period. Further updates will be provided in future AIRs.

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 5 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 change to the regulations, particularly the introduction of the First Level Control regime in Article 16 of the ERDF Regulation was a significant problem in relation to the implementation of the programme.

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

The Managing Authority, the Welsh Government and the Programme Monitoring Committee engaged in extensive discussions in order to fully understand the causes of the difficulties and also propose workable solutions.

The following solution was applied:

- Under the guidance of the MA, the JTS undertook a further review of the First Level Control procedures with a view to making adjustments that would lead to further efficiencies and speedier payment without compromising the standards required by the regulation. The changes were trialled in April and May 2011 and fully implemented in July 2011.

The changes in question were signed off by the Audit Authority in the course of 2012 and this in conjunction with the arrival of a replacement First Level Controller has helped to overcome this challenge.

2.4 Changes in the context of the Operational Programme implementation

The context in which the programme operates continued to be quite challenging in 2012. The sharp economic slowdown in each country as advised in earlier reports 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, fluctuations in the exchange rate, and the public service recruitment embargo in Ireland. The fiscal environment in the UK has also changed markedly and this has been particularly noticeable in relation to the Comprehensive Spending Review which has led to significant cuts in public expenditure. Ireland has been subject to an EU/IMF Programme of Support which has also had significant implications for all sectors of society and the economy.

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 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 including ESF and also the Agriculture and Fisheries funds. 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 Welsh Government (via WEFO's Territorial Cooperation Unit) is also represented on the Transnational and Interregional Programmes.

The Steering Committee itself also takes complementarity into account when making its decisions on which projects to select for funding. It should be noted that the Steering Committee, unlike many ETC Programmes, is comprised mainly of sectoral experts for the Programme Priorities. This strengthens the selection process and helps to ensure complementarity as they provide expertise in the areas such as innovation, training, employment, climate change, the environment and community development.

The Managing Authority also sits on selection committees for national programmes in the areas of sea food and agriculture while the internal policy consultation exercise within the Welsh Government also ensures complementarity in these areas.

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 used as the basis for issuing Statements of Expenditure and processing payment claims.

The Programme Monitoring Committee met twice in 2012. On May 30th it met in Llandudno Junction, Wales.

The main outcomes of the meeting were as follows:

- Written comments to be submitted to the JTS by 15th June with the report to be submitted to the European Commission by June 30th.
- The JTS will address project underspend through Aftercare and First Level Control.
- The JTS will simplify the colour coding on the Traffic Light Index.
- Maria will follow up on the MA response to the European Commission's audit letter.
- The JTS is to further review how Programme indicators are reported to the PMC.
- Plans for project clustering are to be finalised.
- The Committee Chairs will brief the Members at the next meeting.

They met again on November 7th in Dublin. The main outcomes of the meeting were as follows:

- JTS to review BU capacity to deliver on reporting requirements which need to be confirmed prior to any approval of the Pathoclimate project.
- The Pathoclimate project should be approved, pending the JTS checking of the capacity issues raised regarding Bangor University.
- 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.
- 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.
- JTS to further review and refine reporting on project delivery for the next meeting

- **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.

In 2012 the JTS completed the action of dealing with outstanding issues from the Mid Term Evaluation Report in the context of the ongoing implementation of the current programme. All matters have now been dealt with as appropriate. The report also made recommendations regarding the development of a successor programme and

these points will be taken into account in relation to the development of a possible future programme.

Ongoing internal evaluation of progress against programme spending targets takes place in monthly JTS phone conferences.

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 2012.

- **Use of Financial Engineering Instruments**

There are no Financial Engineering Instruments in the Ireland Wales Programme.

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 -**

The financial allocation for the Priority remains largely unchanged compared to the end of 2011.

In terms of the achievements of outputs and results, the Priority is now showing considerable progress towards meeting its targets.

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

Output Indicators	Baseline	End 2012	Final Target
Number of joint projects aimed at promoting and developing innovation in SMEs including linkages with HE/FE institutions	0	6	11
• Number of joint projects aimed at promoting and developing entrepreneurship and the development of new businesses including cross border business clusters	0	7	11
• Number of SMEs assisted	0	953	300

Result Indicators	Baseline	End 2012	Final Target
• Number of new SMEs created	0	47	10
• Number of new products/processes developed	0	540	15
• Number of gross direct new jobs created	0	157	20

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

Output Indicators	Bas eline	End 2012	Final Target
Number of collaborative training projects that address the skills needs of SMEs and industry in the cross border region	0	7	9
Number of joint projects aimed at improving and enhancing systems of learning and workforce development	0	8	4
Number of joint projects aimed at providing access to training and education for immigrants and disadvantaged groups	0	8	5
Number of beneficiaries undertaking cross border training courses/modules	0	935	500

Result Indicators	Baseline	End 2012	Final Target
Number of beneficiaries receiving certified qualifications	0	566	350

- **Qualitative Analysis**

Priority 1 now has 25 approved projects which are of good quality and closely fit with the aims and objectives of Priority 1. There is a keen recognition of the need to innovate and be imaginative on the part of project developers and this has been demonstrated in the quality of the projects that have been approved.

Monitoring data show the contribution that the projects under both themes are making towards the programme achieving its objectives. Data is verified at on the spot inspections and all projects are keeping good records which track their achievements. In the case of Priority 1 most targets are no track to be met or exceeded which is a positive sign in view of the extremely challenging economic circumstances.

The data for Theme 2 is making good progress after a slow start and has improved further as 2012 as the year has evolved. However, delivery of timely reporting information has proved to be particularly challenging in a number of projects on Theme 2 and this is being closely monitored by the Programme team.

One project which has proven to be most successful is the CIME (Creativity and Innovation in Micro-Enterprises) project.

It was a partnership between the South East Regional Authority, Kilkenny County Enterprise Board, Swansea Metropolitan University and University of Wales Trinity St Davids. Its budget was €2.2 million with an ERDF grant allocation of €1.7 million.

The overall aim of the CIME project was to analyse, develop and deliver innovative/creativity techniques, through dedicated programmes involving specialists, into the micro-enterprise and SME sectors in the Ireland-Wales cross-border area.

The project was based on the principle that by cultivating creativity, the micro-enterprise sector would be mobilised, incentivised and empowered to innovate. This initiative provided business leaders with new approaches to developing their strategy right across their business, conducted in an atmosphere that enables space and time to learn, think, act and execute.

It completed its operations last September and succeeded in creating 38 jobs which is equivalent to 25 FTE's in the Micro Enterprises which were supported under the project. The JTS inspected and analysed the material at a closure visit and verified the data. It has significantly overachieved against its set targets.

It also was successful in creating 11 new SME's as a direct result of the project.

At one of the final project events the following achievements were reported.

- 91% of the business assisted had transformed their business operations;
- 97% reported that they had developed value propositions;
- 61% reported that they had improved customer experience;
- 21% had employed a new employee, double the national average;
- 21 companies identified an unmet need which had the potential to export.

Six of the SME's assisted gave a presentation on their businesses and how the CIME project had helped them to improve how they ran their business. This led to increased turnover and in at least one incidence helped the business to stay viable. All of the businesses represented were very positive about the assistance they received from the CIME project.

3.1.2 Significant problems encountered and measure taken to overcome them

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

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

The Managing Authority, the Welsh Government and the Programme Monitoring Committee engaged in extensive discussions in order to fully understand the causes of the difficulties and also propose workable solutions.

The following solution was applied:

- Under the guidance of the MA, the JTS undertook a further review of the First Level Control procedures with a view to making adjustments that would lead to

further efficiencies and speedier payment without compromising the standards required by the regulation. The changes were trialled in April and May 2011 and fully implemented in July 2011.

The changes in question were signed off by the Audit Authority in the course of 2012 and this in conjunction with the arrival of a replacement First Level Controller has helped to overcome this challenge.

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**

There were marginal changes to the overall financial profile of the Priority with virtually all funds now committed.

The Programme continued to make considerable progress towards meeting its output and result targets.

Priority 2 Theme 1: Climate Change and Sustainable Development

Output Indicators	Baseline	End 2012	Final Target
Number of cross border projects focusing on awareness raising or responding to challenge of climate change	0	7	9
Number of collaborative projects protecting and/or enhancing the natural environment.	0	6	9

Result Indicators	Baseline	End 2012	Final Target
Number of new cross-border links established	0	34	9
No. of measures implemented which react	0	5	9

to the challenge of climate change			
No. of enhancements undertaken	0	254	9
No. of projects disseminating results to stakeholders and/or communities or reports published	0	52	9

*Priority 2 Theme 2: Sustainable Regeneration of Communities

Output Indicators	Baseline	End 2012	Final Target
Number of joint projects focusing on sustainable community regeneration action.	0	7	14

Result Indicators	Baseline	End 2012	Final Target
Number of new community, social enterprise or cultural links established	0	46	7
Number of new measures implemented	0	36	14
Number of gross direct new jobs created	0	38	6

- **Qualitative Analysis**

Priority 2 now has 16 approved projects which are of good quality and closely fit with the aims and objectives of Priority 2. There is a keen recognition of the need to innovate and be imaginative on the part of project developers and this has been demonstrated in the quality of the projects that were approved.

Monitoring data show the contribution that the projects under both themes are making towards the programme achieving its objectives. In many cases the targets that have been set have already been exceeded. The output indicator for Theme 2 is unlikely to be met due to a smaller than anticipated number of projects. Data is verified at on the spot inspections and all projects are keeping good records which track their achievements.

Strong performers include the BRAND project which was aimed at producing a methodology by which communities can be engaged with re-branding their towns. A successful methodology will be constructed, allowing for a Toolkit. This in turn will secure a fruitful exercise of town re-branding for each of the four towns, boosting competition, image and community wellbeing.

The four objectives are:

- Identifying and developing the brand of each town

- Establishing a sustainable cross-border model for urban re-branding (development of a toolkit)
- Developing a community understanding of the need for sustainable development
- Devising new research and consultation processes

3.2.2 Significant problems encountered and measure taken to overcome them

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

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

The Managing Authority, the Welsh Government and the Programme Monitoring Committee engaged in extensive discussions in order to fully understand the causes of the difficulties and also propose workable solutions.

The following solution was applied:

- Under the guidance of the MA, the JTS undertook a further review of the First Level Control procedures with a view to making adjustments that would lead to further efficiencies and speedier payment without compromising the standards required by the regulation. The changes were trialled in April and May 2011 and fully implemented in July 2011.

The changes in question were signed off by the Audit Authority in the course of 2012 and this in conjunction with the arrival of a replacement First Level Controller has helped to overcome this challenge.

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	2012	Cumulative End 2012	Final Target
Number of gross direct jobs created	0	0	13	10
Establishment of Joint Technical Secretariat	0	0	1	1
Establishment of project database	0	0	1	1
Number of Publicity Events	0	2	21	14
Number of newsletters produced	0	2	3	6
Number of evaluations and studies carried out	0	0	2	3
Establishment of Programme Website	0	0	1	1

Financial Progress of the Operational Programme as at December 31st 2012

						For information	
	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	11,394,100	3,798,033	-	15,192,133	75%		
Priority Axis 2 - Climate Change and Sustainable Regeneration	8,702,171	2,900,723	-	11,602,894	75%		
Priority Axis 3 - Technical Assistance	2,575,090	858,363	-	3,433,454	75%		
TOTAL	22,671,361	7,557,119	-	30,228,480			

- **Qualitative Analysis**

The Programme made further progress in meeting its targets for the Technical Assistance Priority in 2012.

The Programme organised 2 further events aimed specifically at projects, issued further newsletters and replaced 2 First Level Control staff who left the Programme during 2011.

In 2012, the Ireland Wales Programme worked with other Territorial Cooperation programmes to jointly pilot “European Cooperation Day” to highlight the benefits of EU funding and cross-border cooperation on local life. On 21 September, the day was celebrated in local communities across 40 European countries under the joint theme, “Sharing Borders, Growing Closer”. This was the Ireland Wales Programme **Annual Event** for 2012.

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 able to concentrate on continuing to develop the implementation of the programme in 2012.

It was responsible for the following key actions:

- Ensuring the Programme met the N+2 target
- Continuing with the First Level Control Process
- Launching the call for project extensions
- Organising 2 meetings of the Programme Monitoring Committee
- Organising a financial control workshop for Round 5 beneficiaries
- Organising a European Cooperation Day as part of the Annual Event.

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 relation to TA expenditure in 2012 the table shows the budget and outturn for the year.

	Budget	Outcome	Outcome v Budget
Staff Costs	764,335	807,397	43,062
Overheads	117,912	33,650	-84,262
Other Overheads	8,463	48,100	39,637
Consultancy Fees	27,364	0	-27,364
Travel Costs	63,209	54,165	-9,044
Publicity and Marketing	4,650	19,176	14,526
Training	2,920	9,320	6,400
Other Revenue	19,483	6,015	-13,468
Capital	0	14,370	14,370
Total	1,008,336	992,193	-16,143

6: Information and Publicity

The Ireland Wales Programme submitted a Communications Plan for approval by the European Commission on January 16th 2008. It was approved on March 12th 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 2012 in order to implement the Communications plan.

In 2012, the Ireland Wales Programme worked with other Territorial Cooperation programmes to jointly pilot “European Cooperation Day” to highlight the benefits of EU funding and cross-border cooperation on local life. On 21 September, the day was celebrated in local communities across 40 European countries under the joint theme, “Sharing Borders, Growing Closer”. This was the Ireland Wales Programme **Annual Event** for 2012.

The Programme developed an activity called Meet Your Neighbours! which brought Newtown Junior School in Waterford and Ferryside Primary School in Carmarthenshire together via video-link to foster understanding and knowledge of the two countries through classroom activities. The activity focused on what makes Ireland and Wales special and what they have in common. It also looked at how the two countries are working together today through funded projects and the wider benefits of sharing borders and growing closer across the EU. The children presented their work to each other via video link on European Cooperation Day, followed by demonstration workshops in each school by the FUTSAL and Coracle projects.

The Programme hosted **two workshops** in 2012. In April, the JTS hosted a workshop for Lead Partners on reporting requirements for Programme indicators, project communication activity and advice on closing projects. The JTS also hosted a finance workshop in Clane, Co. Kildare in May to advise newly approved projects on Programme financial reporting. Both events were supported by colleagues from Wales.

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

The **programme website** continued with further development in 2012 and is aimed at being easy to use and provide a better 'shop window' for the programme. It features a partner search facility, a more lively news service and an information centre which features all key documents that are needed in order to develop and manage a project. We hope that this becomes best practice in time.

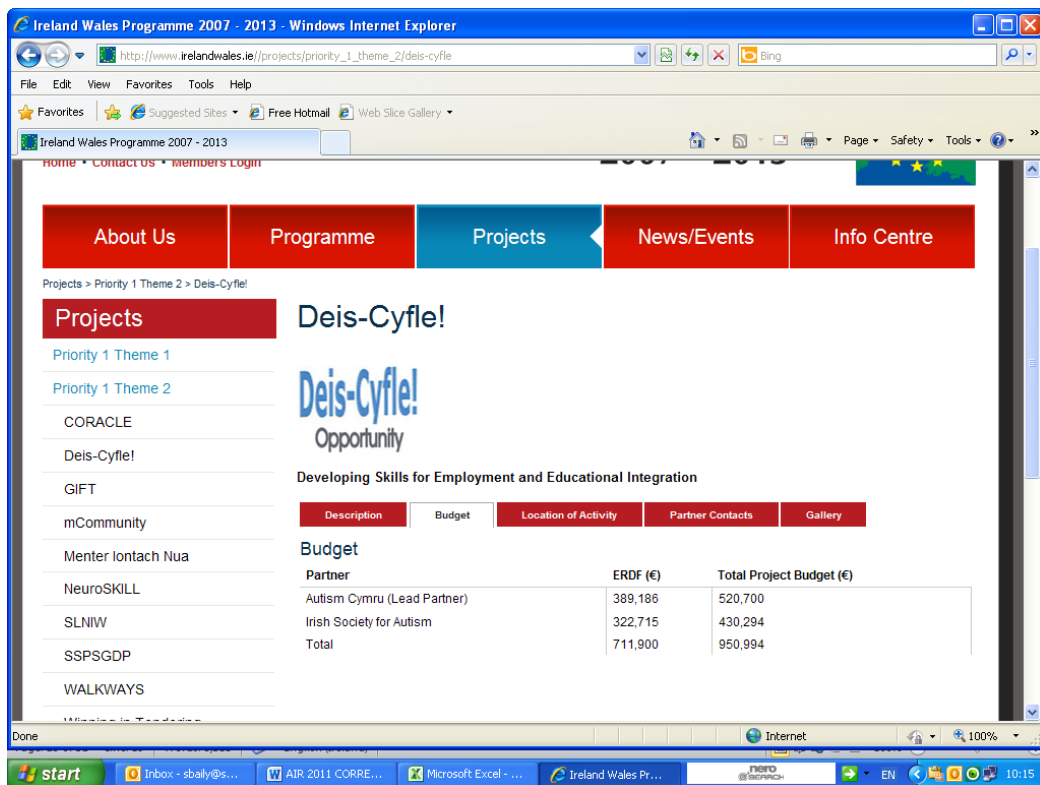
Plaques which acknowledge the contribution of the ERDF to the Programme were distributed to all approved Round 5 projects during 2012.

The Programme has established a presence on **social media** and developed a strategy to go along with this. The Programme has established Facebook and Twitter accounts and these are being used to monitor project activity and also to communicate with the wider community.

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 along with all of the programme logos for download purposes.

The **list of beneficiaries** is published on the Ireland Wales Programme website. It contains details of the names of the operations, the names of the partners and the amount of public funding to each project. This information is also presented on the individual project pages on the programme website.

Project Title	Project Partner	ERDF Amount €	Total Budget €
VISION		982,197	1,360,384
	Coleg Menai LP	473,013	642,737
	Tallaght Institute of Technology	509,184	717,647
Channel Clusters		1,169,552	1,559,405
	Menter a Busnes	607,052	809,405
	Irish Exporters Association	562,500	750,000
WISE		858,275	1,144,368
	IT Carlow LP	543,240	724,320
	ECITB	315,035	420,048
WINSENT		838,914	1,156,600
	PARTAS LP	441,736	585,911
	BASE	115,822	164,675
	Denbigshire County Council	173,912	233,392
	Isle of Anglesey Co. Co.	96,713	129,789



Indicator	Baseline	Cumulative End 12	Target
Establishment of Programme Website	0	1	1
Major Launch Event	0	1	1
Number of Publicity Events	0	21	14
Number of Press Releases Issued	0	12	14
Number of Newsletters produced	0	3	12
Press Clippings	0	>600 (IRE)	To be determined
Website Statistics	0	Graphs to follow	To be determined