



SOUTHERN
Regional Assembly
Promoting our Region



**Ireland's European Structural and
Investment Funds Programmes
2014-2020**

Co-funded by the Irish Government
and the European Union

EU Funds: Ireland Wales Co-operation Programme 2014-2020 Citizen's Summary

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STRATEGY

1.1 This section defines the strategy of the Ireland Wales Cooperation Programme 2014-2020 (IW Programme). In developing the strategy, a full socio-economic analysis was undertaken to identify needs, challenges and opportunities across the Programme area. This has been subject to ex-ante evaluation and represents a robust evidence base upon which this strategy is developed.

IRELAND/WALES CROSS BORDER PROGRAMME (2014-2020)



1.2 The Programme area has a population of approximately 4 million people across eleven NUTS III regions. In Ireland, the programme area covers the counties of Carlow, Cork, Dublin City, Dun Laoghaire/Rathdown, Fingal, Kerry, Kildare, Kilkenny, Meath, South Dublin, Tipperary, Waterford, Wexford and Wicklow. In Wales, it covers Carmarthenshire, Ceredigion, Conwy, Denbighshire, Gwynedd, Flintshire, Isle of Anglesey, Pembrokeshire, Swansea and Wrexham. Over two thirds (70%) of the total population for the Programme area is based in Ireland with 30% in Wales; the population difference is largely due to the inclusion of the Dublin region.

1.3 The cross border region is centered on the main sea routes between Ireland and Wales and the main access points for Irish goods to Britain and European markets and vice versa i.e. the central corridor of Dublin/Dun Laoghaire and Holyhead and the southern sea corridor of Rosslare/New

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Ross/Waterford and Fishguard/Pembroke Dock/Milford Haven. The ports are of strategic importance and form vital links across the sea border. Ireland and Wales are also connected by an air route between Cardiff and Dublin which provides further access to the Programme area.

1.4 Most of the spatial area of the programme within Wales is recognised as a less developed region by the European Commission. The geography, social and economic make-up and the recession of 2009 combine to create a challenging condition in which to stimulate economic growth. As such it qualifies for additional support under the European Union's European Structural and Investment Funds (ESIF) Programme to promote economic convergence with the more prosperous regions of the EU. However, structural funds are not sufficient to transform the region's performance.

1.5 The Irish economy has faced extreme challenges due to a recession and fiscal crisis starting in 2008, in stark contrast to the growth of preceding years. The severity of this crisis led the Irish Government to seek assistance in 2010 from an EU/IMF (International Monetary Fund) Programme for Financial Support worth €85 billion. The Irish Government has worked closely with the IMF and the European Commission to readjust and restore economic stability. The significant progress which has been made is reflected in the successful completion of the EU/IMF Programme in December 2013.

1.6 The strategy of the Ireland Wales Programme is based on a synthesis of the European and National framework, lessons learned from the 2007-2013 Programme and the needs and challenges of the Programme area.

The European Framework

1.7 There are a number of strategies and policies which set out the European Framework for delivering smart, sustainable and inclusive growth. The joint socio-economic analysis outlines in more detail what these strategies and policies are and how they relate to the Ireland Wales Programme. The key strategies and policies are:

- The Europe 2020 strategy;
- The Territorial Agenda 2020;
- The Common Strategic Framework;
- Horizon 2020;

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- The European Commission policy paper on 'Regional policy contributing to smart growth in Europe 2020' (published in 2010);
- The EU strategy on adaptation to climate change (adopted by the European Commission in April 2013);
- The 'Maritime strategy for the Atlantic Area' (adopted in 2011) and the subsequent 'Action Plan for a Maritime Strategy for the Atlantic Area' (published in May 2013);
- The specific European Territorial Cooperation (ETC) priorities issued by the European Commission for both the United Kingdom and Ireland in their respective 2012 country specific position papers on the development of the Partnership Agreements and programmes for the period 2014-2020.

The National Framework

1.8 The Welsh chapter of the UK Partnership Agreement and the Irish Partnership Agreement set out the national framework with regard to the smart, sustainable and inclusive growth priorities and challenges identified for the Welsh and Irish regional programmes. The joint socio-economic analysis further expands upon those areas which have been identified as specific shared cross-border challenges. These include increasing innovation, adaptation to climate change and the sustainable use of cultural and natural resources and heritage. There are a number of documents at a national level which relate directly to the Ireland Wales Programme and these include:

- Irish Government's 'Report of the Research Prioritisation Steering Group' (2012);
- The Welsh Government's 'Science for Wales' and 'Innovation Wales' strategies;
- The Irish Government's 'National Climate Change Adaptation Framework' (2012);
- The Welsh Government's 'Climate Change Strategy for Wales';
- Irish Government's 'Delivering Our Green Potential' (2012);
- The Welsh Government's 'Sustaining a Living Wales' Green Paper;
- The Irish Government's 'Harnessing our Ocean Wealth: An Integrated Marine Plan for Ireland' (2012);

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- The UK and Irish Government's 'Evaluating the Value of the Economic Relationship between the UK and Ireland' (June 2013);

1.9 The Ireland Wales Programme will seek to align itself to national policies and to achieve a strategic fit where these intersect with the identified cross-border needs and challenges. This document has been developed in consultation with policy colleagues in both Wales and Ireland to ensure that this is achieved.

Ireland Wales Co-operation Programme Vision Statement

1.10 *'To provide the framework for organisations in the cross-border area to actively cooperate to address challenges and shared priorities of common interest on both sides of the Irish Sea thereby contributing and adding value to the economic and sustainable development priorities of Ireland and Wales.'*

This will be achieved by utilising the talents, skills, experiences and expertise within the Irish Sea region.

Challenges for the Ireland-Wales Cooperation Programme

1.11 The programme managing bodies completed a joint socio-economic analysis and SWOT analysis of the Programme area, which was used as the basis for identifying the Programme area's joint needs and challenges. The strategy for the Ireland Wales Programme will focus on these areas, and, in particular, those in which cross-border cooperation can provide the greatest added value:

- *Challenge 1:* Utilising the potential of the Irish sea
- *Challenge 2:* Improving knowledge flow
- *Challenge 3:* Improving SMEs' innovative capabilities
- *Challenge 4:* Vulnerability to the impacts of Climate Change
- *Challenge 5:* Using natural and cultural heritage and resources to drive economic growth
- *Challenge 6:* Economic and Social Cohesion

Overview of the Programme strategy

1.12 The overarching strategy for the Ireland Wales Programme will be to address challenges and shared priorities of common interest to Ireland and Wales. The Programme will support activities addressing a more focused

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set of thematic activities which can go some way to providing solutions to these challenges and in so doing achieve the greatest impact and genuine cross-border added value and effect. The Programme will target economic objectives in alignment with the emphasis on jobs and growth within ERDF Programmes. It will have a greater focus on outcomes and results, making these results measurable and visible and generating a greater impact. This stronger focus will help with the development of quality operations, deliver clearer messages to stakeholders and improve the operation selection process. In striving to meet this goal, due attention has to be given to the scale of the Programme and realistic expectations about what can be achieved and what is deliverable at both programme and operation levels within the budget available. To this extent, the Programme can act as an enabler and innovator in seeking solutions to issues facing the cross-border region.

1.13 The Programme also provides the opportunity to encourage piloting and test bedding activity which may have the potential to feed into the Welsh and Irish regional programmes and to other ETC programmes at the transnational and inter-regional level and other EU and national funding initiatives, as well as establishing best practice and knowledge with wider geographical potential. The Programme will also seek to address geographical imbalances in the spread of operations across the Programme area with some regions currently participating more heavily than others. The Programme will also consider the flexibility in the Regulations for interventions from organisations outside the immediate geographical area to address particular challenges and where their involvement can provide specific added value to the cross-border area (for example linking our two capital cities of Dublin and Cardiff).

1.14 The following paragraphs present an overview of the new Ireland Wales Programme strategy. Before elaborating on the strategy, it is important to note the Programme cannot address all specific cross-border development needs. This is for a number of reasons: the Programme has limited resources and financial capacity; there is an increased need to ensure measurable results; the need to take into account lessons learned from the 2007-2013 Programme; and the successful implementation of the Programme requires national support.

1.15 As a result, the Programme strategy places a particular focus on three Thematic Objectives (TOs) which can only address these themes to a limited degree:

- **TO 1:** Strengthening research, technological development and innovation;

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- **TO 5:** Promoting climate change adaptation, risk prevention and management;
- **TO 6:** Protecting the environment and promoting resource efficiency.

1.16 The Ireland Wales Programme strategy covers a coherent and complimentary set of three Thematic Objectives (TOs), three Investment Priorities (IPs) and three Specific Objectives (SOs).

1.17 The Programme and its three chosen Priority Axes will build upon the successes of operation activity within the 2007-2013 programme and priorities of the 2007-13 Programme. However, there will be a difference in the focus of the priorities between the two Programmes. The Irish Sea will be a more central focus for the Programme given the maritime nature of the border between Ireland and Wales and the significant benefits which can be derived from this important resource. The Innovation axis (PA1, incorporating TO1) will have a stronger focus on SMEs in the context of shared priorities of the smart specialisation strategies; the Climate Change axis (PA2, incorporating TO5) will focus specifically on climate change adaptation on the Irish Sea and coastal communities; the Utilisation of Cultural and Natural Heritage and Resources axis (PA3, incorporating TO6) will have a particular focus on the Irish Sea as a common means of delivering economic growth through increasing visitor numbers.

Justification for the choice of Thematic Objectives and Investment Priorities

1.18 The choice of Thematic Objectives (TO) and Investment Priorities (IP) has been carried out on the basis of the following:

- The potential added value of adopting a cross-border approach for the implementation of actions under the specific TO;
- Evidence arising from the joint socio-economic analysis and the SWOT analysis for the Programme area;
- Lessons learned from the 2007-2013 Programme which includes the experiences of Programme management bodies and operation partners;
- The relevance of the TOs to the key challenges and most important cross-border development needs identified under each of the overarching objectives of the EU2020 strategy within the Programme area;
- The relevance of the TOs to the maritime nature of the border between Ireland and Wales;

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- The financial capacity of the Programme and its potential to generate impact on the identified needs and challenges;
- Alignment with the strategic priorities of both the Welsh and the Irish Governments.

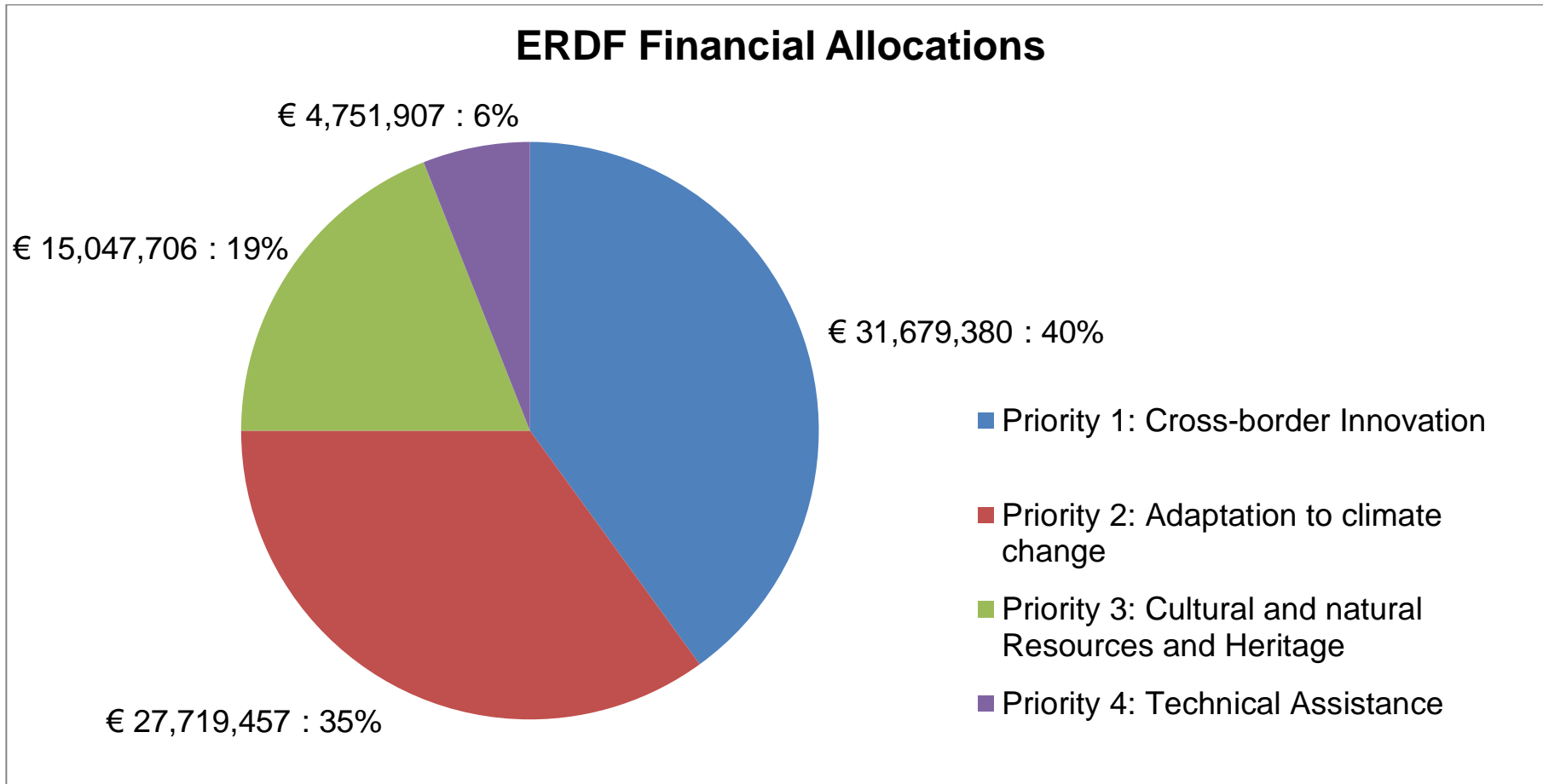
1.19 The selection of three Priorities for the programme, one for each TO, covering smart and sustainable growth was based on an analysis of each of the preceding points and discussions between Ireland and Wales including joint stakeholder workshops and the involvement of the Welsh Government's European Territorial Cooperation workstream. All of which included a consideration of the EU and national framework, lessons learned and the needs and challenges of the Programme. Inclusive Growth will be implemented as a cross-cutting element within all selected IPs and will also be further considered in developing the Programme's operation selection criteria. The Inclusive Growth dimension is also visible as a Type of Action within a specific objective, wherever relevant.

2. SUMMARIES OF FINANCE, RESULTS, OUTPUTS AND PERFORMANCE FRAMEWORK

2a Summary of financial allocations by Priority Axis (in €)

| Priority Axis | Union Support | Match Funding Total | Public Match Funding | Private Match Funding | Total investment | Intervention Rate (Max) |
|---------------|-------------------|---------------------|----------------------|-----------------------|-------------------|-------------------------|
| 1 | 31,679,380 | 7,919,844 | 7,127,860 | 791,984 | 39,599,224 | 80% |
| 2 | 27,719,457 | 6,929,863 | 6,583,370 | 346,493 | 34,649,320 | 80% |
| 3 | 15,047,706 | 3,761,926 | 3,573,830 | 188,096 | 18,809,632 | 80% |
| 4 | 4,751,907 | 1,187,976 | 1,187,976 | 0 | 5,939,883 | 80% |
| Total | 79,198,450 | 19,799,609 | 18,473,036 | 1,326,573 | 98,998,059 | 80% |

2b Chart of financial allocations by Priority Axis



2c Summary of Results and Outputs by Specific Objective

| (1) Cross-border Innovation | | | |
|--|--|--|---------------------|
| Specific Objective | Result indicators/ Targets | Outputs [*Commission Core indicators] | Target value |
| SO1 To increase the intensity of knowledge transfer collaborations involving research organisations and SMEs in line with the shared priorities of the smart specialisation strategies | Levels of investment in R&D and innovation arising from cross-border collaboration in shared priorities as specified in smart specialisation strategies Target: TBC | Number of enterprises receiving support* | 1200 |
| | | Number of enterprises receiving non-financial support* | 1200 |
| | | Employment increase in supported enterprises* | 35 |
| | | Number of enterprises cooperating with research institutions* | 70 |
| | | Private investment matching public support in innovation or R&D projects* | €791,984 |
| | | Number of enterprises supported to introduce new to the market products* | 30 |
| | | Number of enterprises supported to introduce new to the firm products* | 600 |
| | | Number of enterprises participating in cross-border, transnational or interregional research projects* | 50 |
| | | Number of research institutions participating in cross-border, transnational or interregional research projects* | 45 |
| | | Number of new or enhanced cross-border innovation networks | 6 |
| Number of pilot projects completed | 3 | | |

SUMMARY TABLES AND CHARTS

| (2) Adaptation of the Irish sea and costal communities to climate change | | | |
|--|---|--|---------------------|
| Specific Objective | Result indicators/ Targets | Outputs [*Commission Core indicators] | Target value |
| SO2 To increase capacity and knowledge of climate change adaptation for the Irish sea and coastal communities | Levels of knowledge of adaptation to climate change amongst communities and businesses Target: TBC | Number of research institutions participating in cross-border, transnational or interregional research projects* | 10 |
| | | Number of pilot projects completed | 2 |
| | | Number of new awareness raising initiatives targeting coastal communities | 60 |
| | | Number of organisations cooperating in enhancing the marine and coastal environment | 24 |
| (3) Cultural and Natural Resources and Heritage | | | |
| Specific Objective | Result indicators/ Targets | Outputs [*Commission Core indicators] | Target value |
| SO3 To sustainably realise the potential of natural and cultural assets in increasing visitor numbers to coastal communities in the Programme area | Total number of overseas visitors to the coastal communities of the Programme area Target: 7,040,040 overseas visitors | Employment increase in supported enterprises* | 10 |
| | | Number of pilot projects completed | 2 |
| | | Number of new tourism networks promoting cultural, natural or heritage assets | 12 |
| | | Number of coastal communities participating in cross-border cooperation around cultural, natural or heritage tourism | 20 |

2d Summary of Performance Framework

| Priority Axis | Indicator Type | Definition of the indicator or implementation step | Milestone for 2018 | Final target (2023) | Explanation of the relevance of the indicator, where appropriate |
|------------------------------------|---------------------|---|--------------------|---------------------|--|
| (1) Cross-border Innovation | Implementation step | Number of projects approved with enterprises cooperating with research institutions | 5 | n/a | It is expected the activity relating to the cooperation between enterprises and research institutions will have started but will not yet be completed. Therefore, an implementation step has been chosen to complement the output indicator ' <i>Number of enterprises cooperating with research institutions</i> '. These types of projects will account for more than 50% of the financial allocation to the priority. Past experience would strongly indicate that by securing at least 50% of expected projects by the milestone year, the target will be met. |
| | Output | Number of enterprises cooperating with research institutions | n/a | 70 | These types of projects will account for more than 50% of the financial allocation to the priority. The first approvals will not be confirmed until the second half of 2015; the majority of projects are expected to have a duration of three years, therefore it is unlikely that there will be any complete projects by the milestone of end 2018. |
| | Financial | Total amount of eligible expenditure entered into the | €7,751,906 | €39,599,244 | This indicator is in line with N+3 targets. |

SUMMARY TABLES AND CHARTS

| Priority Axis | Indicator Type | Definition of the indicator or implementation step | Milestone for 2018 | Final target (2023) | Explanation of the relevance of the indicator, where appropriate |
|--|---------------------|--|--------------------|---------------------|---|
| | | accounting system of the certifying authority and certified by the authority | | | |
| (2) Adaptation of the Irish sea and coastal communities to climate change | Implementation step | Number of projects approved with organisations cooperating on a cross-border basis to enhance the marine and coastal environment | 4 | n/a | This has been chosen to complement the output indicator ' <i>Number of organisations cooperating in enhancing the marine and coastal environment</i> ' as cooperation is defined as lasting the lifetime of the project. This means the activity will have started but may not yet be complete. These types of projects will account for more than 50% of the financial allocation to the priority. Past experience would strongly indicate that by securing at least 50% of expected projects by the milestone year, the target will be met. |
| | Output | Number of organisations cooperating in enhancing the marine and coastal environment | n/a | 24 | These types of projects will account for more than 50% of the financial allocation to the priority. The first approvals will not be confirmed until the second half of 2015; the majority of projects are expected to have a duration of three years, therefore it is unlikely that there will be any complete projects by the milestone of end 2018. |
| | Financial | Total amount of eligible expenditure entered into the | €4,157,919 | €34,649,320 | This indicator is in line with N+3 targets. |

SUMMARY TABLES AND CHARTS

| Priority Axis | Indicator Type | Definition of the indicator or implementation step | Milestone for 2018 | Final target (2023) | Explanation of the relevance of the indicator, where appropriate |
|--|---------------------|--|--------------------|---------------------|--|
| | | accounting system of the certifying authority and certified by the authority | | | |
| (3) Cultural and Natural Resources and Heritage | Implementation step | Number of projects approved involving coastal communities participating in cross-border cooperation around cultural, natural or heritage tourism | 4 | n/a | This has been chosen to complement the output indicator ' <i>Number of coastal communities participating in cross-border cooperation around cultural, natural or heritage tourism</i> ' as cooperation is defined as lasting the lifetime of the project. This means the activity will have started but may not yet be complete by 2018. These types of projects will account for more than 50% of the financial allocation to the priority. Past experience would strongly indicate that by securing at least 50% of expected projects by the milestone year, the target will be met. |
| | Output | Number of coastal communities participating in cross-border cooperation around cultural, natural or heritage tourism | n/a | 20 | These types of projects will account for more than 50% of the financial allocation to the priority. The first approvals will not be confirmed until the second half of 2015; the majority of projects are expected to have a duration of three years, therefore it is unlikely that there will be any complete projects by the milestone of end 2018. |
| | Financial | Total amount of eligible expenditure entered into the | €2,257,156 | €18,809,632 | This indicator is in line with N+3 targets. |

SUMMARY TABLES AND CHARTS

| Priority Axis | Indicator Type | Definition of the indicator or implementation step | Milestone for 2018 | Final target (2023) | Explanation of the relevance of the indicator, where appropriate |
|---------------|----------------|--|--------------------|---------------------|--|
| | | accounting system of the certifying authority and certified by the authority | | | |

CROSS-CUTTING THEMES

Sustainable development

2.1 Both Ireland and Wales value the importance of sustainable development. The Welsh Chapter of the UK Partnership Agreement provides an overview of the approach to promoting the horizontal principles across the ESI funds in Wales which includes the Sustainable Development Cross Cutting Theme (CCT). It also outlines the main Welsh Government organising principles and objectives for sustainability which provide the basis for the implementation of the CCT within the ESI Programmes in Wales. In terms of environmental sustainability, *Sustaining a Living Wales* is the Welsh Government's new approach to natural resource management in Wales and is based on the ecosystem approach. An ecosystem being defined as all the living things, in an environment, including their interactions, with each other and their environment.

2.2 The Irish Government launched a renewed sustainable development framework in June 2012. The objectives of the, *Our Sustainable Future – A Framework for Sustainable Development for Ireland*, are to identify and prioritise policy areas and mechanisms where a sustainable development approach will add value and enable continuous improvement of quality of life for current and future generations and set out clear measures, responsibilities and timelines in an implementation plan.¹

2.3 The Programme will contribute to the achievement to environmental sustainability goals as follows:

- Promoting research and innovation in the area of climate change under the Priority 1 – building on the investments which have already been made in this area under the 2007-2013 Programme;

¹<http://www.environ.ie/en/Environment/SustainableDevelopment/PublicationsDocuments/FileDownload.30452.en.pdf>

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- Increasing the potential to generate renewable energy through support for R&D in the Marine Energy industry under the Priority 1;
- Developing the environment sector through supporting R&D activity in eco-innovation under the Priority 1 and through supporting green growth in the Priority 3;
- Promoting, developing and evaluating Climate Change adaptation measures under the Priority 2;
- Promoting the sustainable use of natural heritage and resources under the Priority 3;
- Enhancing the environment – particularly the coastal and marine environment to support blue and green growth under the Priority 1.

2.4 In addition, the following actions will be taken in the selection and development of operations under this Programme:

- Targets will be set at a Priority level providing an important driver to ensure that operations address the Programme's CCT objectives;
- Ensure operation selection criteria assess operations on the basis of environmental protection requirements, resource efficiency, climate change mitigation and adaptation, disaster resilience and risk prevention;
- Ongoing specialist advice will be made available to operations. A key objective will be to provide the specialist input at an early stage in the process to maximise take-up of the opportunities to promote the cross cutting themes;
- A programme of awareness raising and training will be provided, as appropriate, to Programme staff and operation beneficiaries on the benefits of, and best practice in, integrating the CCTs;
- Activity level guidance will be prepared together with best practice case study examples that will provide specific information on how beneficiaries can address the CCTs within their business plans;

CROSS-CUTTING THEMES

- Monitor and evaluate the application of the principle and have regard to the results of such monitoring and evaluation actions;
- Update reports to Programme Monitoring Committee (PMC) and other stakeholders;
- Involve bodies working in the fields of sustainable development at all stages (preparation, implementation, monitoring, evaluation), including the provision of advice on sustainable development in fund-related activities;
- All beneficiaries should consider ways to integrate sustainable development. For example: appointing or designating an appropriate member of staff to champion the integration of this CCT within an 'operation'.

2.5 Through indirect measures, at an individual or organisational level, and through ensuring operations adopt appropriate sustainable development practices and principles in the delivery of activity, investments will be able to support the overall Welsh Government and Irish Government sustainable development principles and objectives.

2.6 Operation proposals are only eligible if the operation objectives and activities do not conflict with the principles of sustainable development as defined by the European Union's 'Guiding Principles for Sustainable Development'. Following this, the applicants are obliged to define in their application how their operations contribute to sustainable development. By signing the application form, applicants automatically agree with the principle of sustainable development.

2.7 The contribution of the Ireland Wales Programme to the promotion of sustainable development will be part of the Ireland Wales Programme evaluation.

Equal opportunities and non-discrimination

2.8 The horizontal principle of equal opportunities and non-discrimination is embedded in the legislation of the EU, UK, Wales and Ireland. The integration of equal opportunities, gender mainstreaming and the Welsh and Irish languages is important not only for legal reasons, but also because different social and demographic sections of society in the labour market contribute to the overall effectiveness of the activity delivered by the programmes.

CROSS-CUTTING THEMES

2.9 The UK Partnership Agreement includes details of the approach to promoting the horizontal principles across the ESI funds in Wales. The Welsh Government launched its Strategic Equality Plan (2012-16) and equality objectives in 2012. The Strategic Equality Plan was developed in-line with public sector equality duties under the Equality Act (Statutory Duties) (Wales) Regulations 2011. The UK Equality Act 2010 places a duty on the public sector, known as the public sector equality duty (PSED). WEFO is bound by the PSED as it is part of the Welsh Government.

2.10 The Employment Equality Act, 2004 and the Equal Status Acts, 2000 to 2004 in Ireland outlaw discrimination in employment, vocational training, education, advertising, collective agreements, accommodation, the provision of goods and services and other opportunities to which the public generally have access. In addition, Ireland's National Disability Strategy 2004 builds on existing policy and legislation. More information on European and National policies can be found in the Equality Impact Assessment (EIA).

2.11 Key equality objectives for the Ireland Wales Programme are to:

- Support RD&I which seeks to address aspects of societal challenges, specifically for communities which are excluded or at risk of exclusion under Priority 1;
- Flexible support for innovation which targets underrepresented groups e.g. disabled people under Priority 1;
- Identifying barriers to innovation faced by underrepresented groups and putting in place mitigating actions under Priority 1;
- Encourage the creation of an environment which supports inclusive work places and promotes equality of opportunity for staff, including reconciliation of work and private life;
- Support activities which contribute to social and economic inclusion including groups, such as the young, elderly, and migrants who are more likely to suffer from economic or social difficulties particularly under Priority 3;

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- Encouraging local involvement and community engagement particularly under Priority 3 and Priority 2.

2.12 An Equality Impact Assessment (EIA) has been undertaken to assess the potential impacts of the Programme on people with different socio-demographic characteristics. The EIA supports the compliance of the Welsh Government with the PSED. The report also addresses the Welsh and Irish language. The report concludes the Programme has the capacity to deliver the sustainable and innovative growth, climate change management and maximisation of resources required to the benefit of all within the Programme as long as the operations which are delivered drive towards closing the gap between different equality groups. It also recognises the Welsh Government has a strong tradition of integrating equality into its European programmes.

2.13 Specific to this Programme, the following actions will be taken in the selection and development of operations to promote equal opportunities and prevent any discrimination based on the nine protected characteristics outlined above:

- Take appropriate steps in the implementation of the Programme to prevent discrimination;
- Ensure operation selection criteria will assess operations on their compliance with equal opportunity requirements and non-discrimination;
- On-going specialist advice available to operations – provide specialist input at an early stage to maximise take-up of opportunities to promote gender mainstreaming and equal opportunities;
- Programme of awareness raising and training for programme staff and beneficiaries on how to integrate equal opportunities objectives;
- Activity level guidance with best practice case study examples providing specific information on how beneficiaries can address gender mainstreaming and equal opportunities in their business plans;
- Monitor and evaluate the application of the principle and have regard to the results of such monitoring and evaluation actions;
- Update reports to PMC and other stakeholders;

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- Involve bodies in charge of equality and organisations representing people with disabilities at all stages including the provision of advice on equality in fund-related activities;
- Websites to promote activity should be fully assessable/bilingual;
- Beneficiaries should evidence in their applications where they have worked – and will continue to work – with local communities, business owners and relevant user groups to ensure ‘Operations’ are designed with end-user in-mind, help maximise benefits and help ensure buy-in and support e.g. local disability access groups or other isolated members of the community;
- All beneficiaries should consider ways to integrate equal opportunities and gender mainstreaming.

2.14 The contribution of the Programme to the promotion of equal opportunities and non-discrimination will be part of the Programme’s evaluation.

Equality between men and women

2.15 Equality between men and women is one of the founding principles in European law, and is accepted and supported within Ireland and Wales. The promotion of equality between men and women is explicitly mentioned in article 7 of Regulation EU 1303/2013 (‘common provisions’). The principle of equality between men and women is also embedded in the programme and relevant for all operations in the Programme.

2.16 The Welsh Government launched its Strategic Equality Plan (2012-16) and equality objectives on 2 April 2012. These highlight how the Welsh Government is fulfilling its legal obligations as well as its strong commitment to equality and inclusion. The Strategic Equality Plan was developed in-line with the general duties under the Public Sector Equality Duty (PSED) of the Equality Act 2010.

2.17 Irish Government policy in this area includes a double strategy consisting of a legal framework which provides for equal treatment for women and men and legislative backing for positive action initiatives for women and men including positive action in particular circumstances and commitments to apply a gender equality perspective in all areas (gender mainstreaming). The National Women’s Strategy 2007-2016 reflects a commitment to the achievement of “an Ireland

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where all women enjoy equality with men and can achieve their full potential, while enjoying a safe and fulfilling life”.

2.18 The Equality Impact Assessment (EIA) addressed sex and gender as one of the protected socio-demographic characteristics it considers. The EIA concluded the Programme has the potential to realise positive impacts for women and girls by addressing some traditional barriers to enterprise and employment, such as limited access to support. However, implementation of the Programme will be critical to ensure that the opportunities to improve gender equality in small business ownership are maximised.

2.19 Key equality objectives in relation to equality between men and women for the Ireland Wales Programme are to:

- Taking into account, for example, the pay gap between men and women, the lack of women in decision making positions and the relevance of women on management level for the competitiveness of enterprises, specific actions by operations which support the participation and situation of women are welcomed and might be reflected in selection criteria, especially for Priority 1 and Priority 3.
- Identifying specific barriers to innovation faced by women and putting in place mitigating actions under Priority 1;
- Support entrepreneurship and business start-up initiatives to encourage more take up from women;
- Opportunities which highlight the unique contribution women make to their community under Priority 3.

2.20 Specific to this Programme, the following actions to be taken in the selection and development of operations to promote equality between men and women are as set out in section 8.2. In addition to these, gender balance will be a key consideration for the make-up of all Programme level committees including the Programme Monitoring Committee.

2.21 The contribution of the Ireland Wales Programme to the promotion of equality between men and women will be part of the Programme’s evaluation.

PRIORITY AXIS 1: CROSS-BORDER INNOVATION

Introduction

2.22 The Programme's first Priority Axis (PA1) is 'Cross-border Innovation'.

'Enhanced innovation performance' in the context of this Programme is defined as better exploitation of research outcomes for the development of new technologies, products, processes and services generating an impact on the social, demographic, spatial, economic and environmental conditions of the Programme area. 'High innovation capacity', namely the applied knowledge, skills, tools & networks to develop new ideas will be a pre-requisite to achieve this result.

2.23 The success of the Innovation and Competiveness theme in the 2007-2013 programme, as well as the socio-economic analysis and the national and European frameworks, have influenced the selection and development of this Priority Axis. This Priority will particularly focus on increasing innovation within SMEs, including social enterprises, within shared priorities of the smart specialisation strategies.

2.24 The programme predominately focusses on the 'test' or 'development' phases of innovation, therefore acting as an enabler. It aims to bring innovative outputs closer to the market and to support shared priorities of the relevant smart specialisation strategies in Ireland and Wales. *Science for Wales* and *Innovation Wales* (which together form the Welsh Smart Specialisation Strategy) and the *Research Prioritisation Strategy* (which forms the Irish Smart Specialisation Strategy) provide an appropriate policy framework for this Priority. However, we would expect the sectoral focus of the Programme to adapt as new priority areas emerge over the lifetime of the programme.

2.25 There will be a particular focus on activities and sectors where there is complementarity between the expertise in both territories. These areas will include:

- Marine and Environmental Sciences (including renewable energy);
- Food and Drink;
- Life Sciences.

2.26 PA1 includes one Thematic Objective (TO) and one Investment Priority (IP) which translates into one Specific Objective (SO). This Priority Axis focusses on applied research and innovation and is inclusive in its thematic scope. However, it is important for operations applying under this Priority to establish a clear linkage with the shared priorities of the smart specialisation strategies.

SPECIFIC OBJECTIVE 1: To increase the intensity of knowledge transfer collaborations involving research organisations and SMEs in line with the shared priorities of the smart specialisation strategies

2.27 The Ireland Wales Programme area has considerable innovation potential with a number of Higher Education Institutions (HEIs) producing high quality research. The Smart Specialisation Strategies (S3s) of both countries recognise pockets of world class expertise exist in academia in areas with commercial potential. They also recognise emerging clusters of Smart Specialisation as well as opportunities to build on existing best practise in the commercialisation of R&D. There is particular complementarity between the S3s in the aforementioned three sectors.

2.28 However, this research potential is not necessarily trickling down to the private sector and SMEs in particular. This links to the SWOT which identifies both a number of HEIs producing high quality research and a large SME sector with R&D potential. Despite some increase, R&D still accounts for a relatively small proportion of GDP. Section 1 confirms continuing difficulties in transforming science and research into commercial outputs. Welsh enterprises are also not seeing the same levels of successful new products or improved products as other regions of the UK whilst Irish SMEs have a lower total turnover attributed to new to firm and new to market product innovation activities than larger organisations. The Programme provides opportunities to contribute to encouraging increased investment in R&D through cross border activity. This Priority aims to address the stimulation of collaboration on a cross border and cross sectoral level, the creation of networks and clusters and addressing barriers to innovation. The results this Priority seeks to achieve are:

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- To identify and address the barriers faced by SMEs including social enterprises;
- To increase the number of cross-border networks between research institutions and SMEs therefore raising the intensity of knowledge transfer through collaboration. The Programme will utilise a wider range of expertise and experience which can be accessed in respect to the shared priorities of the S3s;
- To bring new innovative products closer to the market as a result of the cross-border collaboration between research organisations and SMEs in shared priorities of the S3s;
- To strengthen responses to the S3s and providing opportunities to develop the international competitiveness of SMEs in line with the identified shared priorities.

2.29 In this way, the Programme aims to assist with increasing SMEs' R&D investments in the shared S3 sectors.

2.30 The Ireland Wales Programme will stimulate the innovation potential to address social challenges by utilising innovative solutions addressing challenges faced by communities under pressure and populations which are excluded or at risk of exclusion, addressing aspects of Challenge 6 and contributing to Europe 2020's 'inclusive growth' objective.

Result Indicator

| Indicator | Measurement Unit | Baseline Value | Baseline Year | Target Value ² (2023) | Source of Data | Frequency of reporting |
|---|------------------|----------------|---------------|----------------------------------|--|---|
| Levels of investment in R&D and innovation arising from cross-border collaboration in shared priorities as specified in smart specialisation strategies | TBC | TBC | 2015 | TBC | TBC – Data / Programme specific survey | 2015 (baseline) 2018 2021 2023 (closure value) |

2.31 The data for the result indicator will either be collected through existing data, a business omnibus survey or a programme-specific survey, with baseline and target set in 2015. The measurement unit will be determined by the survey/data which will inform the baseline. This section will be updated as work progresses and baselines are set.

Actions to be supported under the investment priority

2.32 This Priority targets the lack of capacity within SMEs – including social enterprises – to innovate by encouraging collaboration between Higher

² Target values can be qualitative or quantitative.

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Education (HE) and Further Education (FE) institutions and other public sector organisations (e.g. local authorities, third sector) with SMEs and across the Ireland Wales Programme area to enable increased productivity within shared priorities of the Welsh and Irish smart specialisation strategies.

2.33 The main focus of this Priority will therefore be co-operation between the HE and FE institutions in the cross-border region and its SMEs and the transfer of knowledge to the region's SMEs to jointly improve innovation performance and expertise focussing on the shared priorities of the smart specialisation strategies.

2.34 Whilst it is important to increase the flow of knowledge between sectors, it is the translation of research and innovation processes into new and improved commercial products, processes and services which can contribute to an increase in jobs and growth across the programme area. This will be done through cooperative actions which advance the development of specific products, services or processes to a stage of market-readiness.

2.35 Actions will focus mainly on the concept/technology validation phase of the innovation idea including its design, testing and development phases. Success cannot be guaranteed and we will seek to support a balanced range of investments including pilot actions and applied research and innovation, alongside operations with clear market exploitation potential. Operations will be expected to focus on the shared priorities of the smart specialisation strategies and will be prioritised based on their demonstration of the clear advantages of working on a cross-border basis on this activity. Through cooperating with HEIs and research institutes, SMEs will be able to gain the experience and competence which can be a barrier to engagement.

2.36 The Programme seeks to increase investment in these shared priority areas with a clear link to economic outcomes, where it can contribute to growth and productivity in the Programme area. However, whilst actions aimed at increasing smart growth are important, there will also be a focus within this priority on inclusive growth and social innovation. Actions should be specifically targeted at ensuring the protection and integration of at risk or marginalised communities and finding balanced solutions for both rural and urban communities. Actions aiming to support development, testing and implementation of innovative solutions to meet social needs and problems ('social innovation') and which can also contribute to economic regeneration of these communities are welcome.

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This will include actions which support innovation within social enterprises and social entrepreneurial activity.

2.37 Given the shared priorities areas of marine and environmental sciences (including renewable energy), eco-innovation will be a central thread running through this priority. Actions will be aimed at the creation of cross-border clusters and networks focussed on marine and environmental sciences as well as the development of innovation technologies, products, processes and services aimed at significant and demonstrable progress towards the goal of sustainable development. Actions will also be aimed at exploring the potential for marine energy production in the Irish Sea and other forms of renewable energy production.

2.38 The types of cross-border co-operation in the Programme will incorporate one or more of the following components in all three Priority Axes:

- The **establishment or development** of a network, co-operation platform, portal or strategy;
- The **transfer or adoption** of knowledge, expertise, technologies or best practice;
- The **enabling or paving the way** for investment in the design, development, testing or delivery of new processes, products, studies or services – for example pilot actions, demonstration models etc.;
- **Minor scale investments** where there is demonstrable cross-border added value and compliance with the objectives of the Programme (e.g. relevant small-scale investment, such as purchase of equipment for pilot or demonstration purposes, e-infrastructure etc.).

2.39 Operation objectives will align with the Programme SOs. Operation outputs will be strictly linked to the operation specific objectives and linked to the project expected results. Operation outputs will be consistent with programme actions, thus delivering against Programme output indicators.

2.40 Examples of indicative types of cross-border actions to be supported under this SO include:

PRIORITY AXIS 1: CROSS-BORDER INNOVATION

- Transfer of knowledge between academia (higher and further education and research institutions) and SMEs to support business innovation in line with the shared priorities of the smart specialisation strategies and improve innovation, including supply chains between SMEs and academia;
- Piloting of initiatives to test innovative products, processes or services, based on Key Enabling Technologies and the S3s, in areas with commercial potential including cross-border research and pilot operations to demonstrate practical application and transferability to business and wider communities;
- Cross-border demonstration, testing, and marketing of new products, services, processes and systems, based on Key Enabling Technologies and the S3s i.e. enabling development of new products, processes or services, including those with commercialisation potential;
- Creation of cross-border innovation clusters or networks such as creating a platform for HEI, third sector, businesses and public sector agencies to collaborate and co-ordinate their activities on a cross-border basis to meet the needs of the Programme area – for example a portal based on the Irish Sea;
- Joint cross-border design of innovative solutions which could include piloting, testing or finding ways to overcome barriers to innovation particularly those faced by SMEs and Social Enterprises including barriers faced by underrepresented groups and populations which are isolated, excluded or at risk of exclusion;
- Co-operation platforms which develop the concept of the citizen scientist (i.e. community involvement) working innovatively with HEIs and other research organisations thus enabling community enterprises to learn from academia, innovate and increase investment;
- Linking academia and SMEs to develop and transfer models of best practice to assist internationalisation and competitiveness of SMEs and trade developed using cross-border partnerships.

PRIORITY AXIS 1: CROSS-BORDER INNOVATION

2.41 As well as addressing economic growth, actions under this Priority can also aim to address social needs in the Programme area and allow the Programme to deliver towards Europe 2020's 'inclusive growth' target.

Identification of target thematic fields

2.42 The relevant Smart Specialisation Strategies in Ireland and Wales will provide the appropriate policy framework to guide the selection of operations under this Specific Objective. There will be a focus on the three aforementioned priority areas.

2.43 In this context, the cross-border Programme will also draw on the importance of Key Enabling technologies (KETs) in the cross-border region, e.g. ICT applications, nanotechnology, optoelectronics.

Identification of main target groups

2.44 The main target groups for this specific objective are:

- Education and knowledge institutions-, including private or semi-public research organisations; these institutions will co-operate with each other to stimulate R&D and to transfer knowledge to SMEs;
- SMEs and Social Enterprises;
- Intermediate bodies, such as chambers of commerce, development agencies, cluster organisations, technology transfer offices, local authorities; these institutions are expected to be engaged as operation partners to support innovation in SMEs;
- Civil society stakeholders (e.g. third sector organisations such as NGOs and non-profit organisations); these institutions will primarily be connected to interventions involving Social Enterprises.

Specific territories targeted

2.45 This Priority Axis supports operations across the whole Programme area, thereby providing opportunities for partners from all regions.

Identification of main beneficiaries

2.46 The Ireland Wales Programme has successfully facilitated a history of working relationships between a wide range of organisations including HE and FE institutions, Government departments, public bodies and third sector organisations. This Priority seeks to build on this and utilise their experience of scientific and environmental excellence to develop innovative solutions to benefit the Programme area.

2.47 The main beneficiaries directly involved in the interventions under this specific objective are:

- Governmental organisations (local, regional, national and international);
- Education and knowledge institutions-, including private or semi-public research organisations;
- Enterprises and businesses – i.e. SMEs and social enterprises.

Guiding Principles for the selection of operations

2.48 Actions carried out to fulfil this specific objective (SO) are selected on the basis of the following key principles:

- **Cross-border additionality:** operations should have a clear focus on delivering joint cross-border actions and must demonstrate the additionality of the cross-border approach compared to regional, national, interregional or transnational approaches;
- **External coherence:** operations building on the results generated by other European programmes (such as the EU's Research Framework Programme

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and Horizon 2020) are welcome. An explanation of synergies should be provided and it must be ensured there is no duplication of existing or previous operations carried out under other European programmes or national funding. Operations – where relevant – should seek to align with the relevant priorities of the European Commission Action Plan for a Maritime Strategy in the Atlantic Area. In the case of the Atlantic Area Strategy, the programme authorities will consult those departments within the Welsh and Irish Governments which are involved in tracking development of the Strategy to seek advice on relevance and coherence of emerging operations;

- **Sector-specific relevance:** the relevant smart specialisation strategies in Ireland and Wales will provide the appropriate policy framework to guide the selection of operations under this SO and operations should demonstrate alignment with the shared priorities of the Welsh and Irish Smart Specialisation strategies;
- **Cross-sectoral relevance:** partnerships must involve a diversified mix of innovation stakeholders (for example enterprises, researchers, education institutions, training organisations, policy-makers, private investors, end users);
- **Result-based approach:** operations should be geared towards a specific innovative product, service, process or cross-border tool. In addition, operations should demonstrate that they contribute to one or more key social, economic or environmental challenge of the Programme area. Operations must demonstrate how they contribute to the Programme's result indicator under this SO;
- ***In the interests of optimising the capture and assimilation of results from the Programme, each operation will be required to describe how they intend to capitalise the outputs attributed to their operations and how this capitalisation will contribute to the SO and RI within the timeframe of the Programme.*** In this Priority Axis, as an example, operations will be asked to explain how the relevant part of the innovation process will evolve through the innovation chain. Detailed procedures will be embedded into the design of implementation guidance for the Programme which will include a requirement to build capitalisation into the evaluation of operations including a focus on short, medium and longer term benefits. The Programme will monitor the implementation of these plans;

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- The consideration of environment related and social related aspects within this Priority Axis will benefit the Programme with additional synergies, e.g. eco-innovation and green growth, social innovation;
- Incorporation of the horizontal principles of sustainable development and equal opportunities/non-discrimination into the selection criteria.

2.49 Operations focussing on purely academic cooperation or basic research will not be considered as part of this programme.

2.50 Activity focusing on providing training and improving skills can be included as an element of a operations where it complements and supports the main operations activity.

2.51 Where assistance is granted from the Funds to a large enterprise, the Managing Authority shall assure itself that the financial contribution from the Funds does not result in a substantial loss of jobs in existing locations within the Union.

Output Indicators

| Indicator | Measurement unit | Target value (2023) | Source of data | Frequency of reporting |
|---|-----------------------|---------------------|----------------------|------------------------|
| Number of enterprises receiving support | Enterprises | 1,200 | Programme Monitoring | Annual |
| Number of enterprises receiving non-financial support | Enterprises | 1,200 | Programme Monitoring | Annual |
| Employment increase in supported enterprises | Full time equivalents | 35 | Programme Monitoring | Annual |
| Number of enterprises cooperating with | Enterprises | 70 | Programme | Annual |

PRIORITY AXIS 1: CROSS-BORDER INNOVATION

| Indicator | Measurement unit | Target value (2023) | Source of data | Frequency of reporting |
|---|----------------------------|----------------------------|-----------------------|-------------------------------|
| research institutions | | | Monitoring | |
| Private investment matching public support in innovation or R&D operations | EUR | 791,984 | Programme Monitoring | Annual |
| Number of enterprises supported to introduce new to the market products | Enterprises | 30 | Programme Monitoring | Annual |
| Number of enterprises supported to introduce new to the firm products | Enterprises | 600 | Programme Monitoring | Annual |
| Number of enterprises participating in cross-border, transnational or interregional research operations | Enterprises | 50 | Programme Monitoring | Annual |
| Number of research institutions participating in cross-border, transnational or interregional research operations | Organisations | 45 | Programme Monitoring | Annual |
| Number of new or enhanced cross-border innovation networks | Networks | 6 | Programme Monitoring | Annual |
| Number of pilot operations completed | Completed pilot operations | 3 | Programme Monitoring | Annual |

5. PRIORITY AXIS 2: ADAPTATION OF THE IRISH SEA AND COASTAL COMMUNITIES TO CLIMATE CHANGE

Introduction

- 5.1 The Programme's second Priority Axis (PA2) is the 'Adaptation of the Irish Sea and Coastal Communities to Climate Change'. Climate change is one of the most significant current global issues and both parts of the cross-border region need to reduce their greenhouse gases emissions to help limit the extent of climate change; whilst also adapting to its effects. This issue is already having a significant impact across the Programme area and these are only forecast to increase. PA2 also recognises the importance of making the most of the potential opportunities presented by climate change.
- 5.2 Priority Axis 2 includes one Thematic Objective (TO) and one Investment Priority (IP) which translates into one Specific Objective (SO). The IP is 5a which focusses on adaptation to climate change. It is important to establish clear links between the impact of climate change on jobs and growth, the well-being of those who live, work and visit the Programme area and on the Irish Sea.
- 5.3 This Priority Axis will seek to ensure alignment with the EU Climate Change Adaptation Strategy and in particular with its objectives around 'Climate-proofing' action at EU level and better informed decision-making as well as both the Welsh and Irish national policies around climate change adaptation.

SPECIFIC OBJECTIVE 2: To increase capacity and knowledge of Climate Change adaptation for the Irish Sea and coastal communities

5.4 The Programme area is already experiencing the effects of climate change and these have impacted on society, the economy, businesses and our shared ecosystem and these effects are likely to increase and intensify.

5.5 Given these impacts will be occurring in and around the Irish Sea, there is specific value in commissioning research, sharing existing research and expertise, monitoring impacts and increasing capacity and knowledge of climate change adaptation raising awareness on a cross-border basis with the focus on the Irish Sea and the region's coastal communities. The climate change theme from the 2007-2013 Programme shows there is clear added value in working on a cross-border basis on this issue particularly around building knowledge about the specific impacts on the Irish Sea and appropriate responses to these.

5.6 The key focus of this Priority will be to increase knowledge about climate change adaptation for the Irish Sea and coastal communities. In this way, the results that this Priority seeks to achieve are:

- Better knowledge within Irish Sea coastal communities to adapt to climate change, improving their security, well-being and health;
- Increased knowledge of the impacts of climate change – negative and potentially positive – and greater capacity of adapting them by the use of cross-border strategies and adaptation tools;
- Increased acknowledgement and capacity to benefit from the potential positive impacts of climate change (e.g. increases in tourist numbers and a lengthened tourist season due to the warmer summers or reduction in cold weather related illness and deaths);
- Increased capacity to share knowledge of climate change across the Irish Sea and the cross-border region.

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5.7 Previous programmes have developed innovative operations based on the Irish Sea which have improved our knowledge of its ecosystems, biodiversity and habitats. A key goal for this Programme is to preserve and enhance the marine and coastal environment for the enjoyment of future generations in the face of the increasing impacts of climate change. The Irish Sea has significant blue growth potential and the enhancement and conservation of this important resource is vital for sustainable economic development.

5.8 Actions must address the challenges outlined in the Strategy section, not only through contributing to the knowledge base around climate change adaptation but also the dissemination of that knowledge to both the scientific community and the communities affected. Outputs should therefore be measured not only in terms of research undertaken but also awareness raising initiatives undertaken.

Result Indicator

| Indicator | Measurement Unit | Baseline Value | Baseline Year | Target Value ³ (2023) | Source of Data | Frequency of reporting |
|--|------------------|----------------|---------------|----------------------------------|--------------------------------------|---|
| Levels of knowledge of adaptation to climate change amongst communities and businesses | TBC | TBC | 2015 | TBC | TBC – Data/Programme specific survey | 2015 (baseline) 2018, 2021, 2023 (closure value) |

5.10 The data for the result indicator will either be collected through a business or individual omnibus survey or a programme-specific survey, with baseline and target set in 2015. The measurement unit will be determined by the survey/data which will

³ Target values can be qualitative or quantitative.

PRIORITY AXIS 2: ADAPTATION TO CLIMATE CHANGE

inform the baseline. This section will be updated as work progresses and baselines are set.

Actions to be supported under the investment priority

5.9 Given the maritime nature of the border between Ireland and Wales, this priority will focus on increasing knowledge and awareness of climate change adaptation for the Irish Sea and coastal communities. Actions will be aimed at reducing knowledge gaps, the transfer of that knowledge amongst key stakeholders and the wider dissemination to the communities affected.

5.10 The types of cross-border co-operation in the Programme will incorporate one or more of the following components in all three Priority Axes:

- The **establishment or development** of a network, co-operation platform, portal or strategy;
- The **transfer or adoption** of knowledge, expertise, technologies or best practice;
- The **enabling or paving the way** for investment in the design, development, testing or delivery of new processes, products, studies or services – for example pilot actions, demonstration models etc.;
- **Minor scale investments** where there is demonstrable cross-border added value and compliance with the objectives of the Programme (e.g. relevant small-scale investment, such as purchase of equipment for pilot or demonstration purposes, e-infrastructure etc.).

5.11 Examples of indicative types of actions to be supported to be supported under this SO include :

- Providing mechanisms and platforms for the sharing of knowledge about risks and opportunities from climate change between stakeholders in Ireland and Wales. These could include web portals, workshops/seminars etc.;

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- Jointly commissioned research where there are clear gaps in the evidence based on shared climate change impacts on the Irish Sea and coastal communities;
- Developing assessment tools which assess the impact, risk and vulnerability of the Irish Sea and coastal communities to climate change – including flooding – and which can increase the knowledge basis and support the decision making processes of public sector bodies and the general public;
- Transferring knowledge, expertise and best practice on adaptation measures between the two regions of the Programme area. These could include how to guides, best practice databases, workshops/seminars/conferences, web portals;
- Developing further knowledge and understanding of the environment of the Irish Sea including its bio-diversity, habitats and species and its vulnerability to climate change – utilising shared marine and science based expertise within HE/FE institutions in the region to develop adaptation strategies/models;
- Joint development of tools to stimulate the cross-border exchange of knowledge and best practices with regard to climate change adaptation amongst coastal communities to influence behavioural change (e.g. web portals containing examples of good practice, newsletters and annual reports, seminars, conferences and good practice guides);
- Development of cross-border pilot operations to raise awareness and share knowledge of climate change adaptation;
- Transferring knowledge, expertise and best practices on nature-based solutions to adapt to climate change (e.g. natural water retention measures for the management and prevention of floods).

Identification of main target groups

- Statutory Bodies and organisations (including local and regional government);

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- HEIs and research institutes;
- Third sector organisations;
- Businesses including SMEs and social enterprises.

Specific territories targeted

5.12 Given the maritime nature of the border between Ireland and Wales, there will be a focus on increasing knowledge and awareness about the impacts of climate change and climate change adaptation for the Irish Sea and marine and coastal communities and environments. However, the impacts of climate change can be felt across the entirety of the Programme area, including in the hinterlands, and therefore these actions cannot be wholly confined to the sea and coastline.

Identification of main beneficiaries

5.13 The Ireland Wales Programme has a history of successfully facilitating working relationships between a large number of organisations including HEIs, Government departments, public bodies and third sector organisations. This kind of cross-border engagement should result in tangible benefits and outputs. Cross-border cooperation should therefore be seen as a means of initiating and delivering change. In order to participate, organisations must demonstrate how they will support cooperation between participating organisations and produce tangible outcomes.

- HEIs and research institutes;
- Organisations in the green and blue sector;
- Public Sector organisations and bodies;
- Third sector organisations working on the environment and climate change;
- Businesses, business organisations and networks.

Guiding principles for the selection of operations

5.14 Actions carried out to fulfill this specific objective are selected on the basis of five key principles:

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- **Cross-border additionality:** operations should have a clear focus on delivering joint cross-border actions and must demonstrate the additionality of the cross-border approach compared to regional, national, interregional or transnational approaches;
- **External coherence:** operations building on the results generated by other European programmes (such as the Life programme) are welcome. An explanation of synergies should be provided and it must be ensured there is no duplication of existing or previous operations carried out under other European programmes or national funding. Operations should – where relevant – seek to align with the relevant priorities of the European Commission Action Plan for a Maritime Strategy in the Atlantic Area. In the case of the Atlantic Area Strategy, the programme authorities will consult those departments within the Welsh and Irish Governments which are involved in tracking development of the Strategy to seek advice on relevance and coherence of emerging operations;
- **Cross sectoral relevance:** partnerships should involve a diversified mix of stakeholders (for example enterprises, researchers, education institutions, training organisations, policy-makers, private investors, end users);
- **Fit with high-level national and international strategies:** actions taken under this Programme will need to be carefully integrated with wider national and international action;
- **Result-based approach:** Operations should be geared towards the development and implementation of real solutions (technological, organisational, financial, regulatory and institutional) leading to an increase in the adaptation of the Programme area to climate change;
- ***In the interests of optimising the capture and assimilation of results from the Programme, each operation will be required to describe how they intend to capitalise the outputs attributed to their operations and how this capitalisation will contribute to the SO and RI within the timeframe of the Programme.*** In this Priority Axis, as an example, operations will be asked to explain how the gathering and dissemination of knowledge, capacity building and development of tools and pilots could be

PRIORITY AXIS 2: ADAPTATION TO CLIMATE CHANGE

capitalised to increase the adaptation of the Irish Sea and coastal communities to climate change. Detailed procedures will be embedded into the design of implementation guidance for the Programme which will include a requirement to build capitalisation into the evaluation of operations including a focus on short, medium and longer term benefits. The Programme will monitor the implementation of these plans;

- Incorporation of the horizontal principles of sustainable development and equal opportunities/non-discrimination into the selection criteria;
- Operations focussing on purely academic cooperation or basic research are not to be funded by this Programme;
- Activity focusing on providing training and improving skills can be included as an element of a operation where it complements and supports the main operation activity.

Output indicators

| Indicator | Measurement unit | Target value (2023) | Source of data | Frequency of reporting |
|--|-------------------------------|---------------------|----------------------|------------------------|
| Productive investment: Number of research institutions participating in cross-border, transnational or interregional research operations | Organisations | 10 | Programme Monitoring | Annual |
| Number of pilot operations completed | Completed pilot operations | 2 | Programme Monitoring | Annual |
| Number of new awareness raising initiatives targeting coastal communities | Awareness raising initiatives | 60 | Programme Monitoring | Annual |
| Number of organisations cooperating in enhancing the marine and coastal environment | Organisations | 24 | Programme Monitoring | Annual |

6. PRIORITY AXIS 3: CULTURAL AND NATURAL RESOURCES AND HERITAGE

Introduction

6.1 The Programme's third Priority Axis (PA3) is Cultural and Natural Resources and Heritage. The Programme area is focussed on the coastal communities around the Irish Sea and has huge potential in terms of the cultural and natural heritage and assets at its disposal, particularly its maritime and coastal character. The importance of culture and heritage are well recognised in Welsh, Irish and European policies, and the socio-economic benefits of investment in this area are also widely recognised at all levels.

6.2 Priority 3 is influenced by the success of operations from the 2007-13 Programme which addressed the marine environment; focussed on community regeneration from a jobs and growth perspective; and had a community-focussed environmental remit. It focusses on sustainably utilising the cultural, heritage and natural resources in the Programme area, and the potential for green and blue growth, centring on the shared asset of the Irish Sea. PA3 aims to capitalise on the strengths of the unique, shared natural and cultural heritage and the maritime and coastal character of the Programme area to increase visitor numbers to coastal communities and therefore deliver sustainable economic growth. There will be particular support available for micro-enterprises as these form the primary businesses in the sectors involved in cultural and natural heritage.

6.3 It aims to explore opportunities to jointly develop green and blue growth to make the region a more attractive place to live, relocate, work and visit by protecting and capitalising on the strengths of the Programme area; its natural heritage, its shared cultural heritage and its maritime character. Specifically this is to make the Programme area a:

- *More attractive place to live* – to ensure that the Programme area is a place where people can live healthy, active and productive lives and where quality of life is high;
- *More attractive place to relocate to* – to ensure that the Programme area is a place where people choose to relocate to. This links closely to the Programme area being both an attractive place in which to live and work in;

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- *More attractive place to work* – to ensure that the Programme area is a place where businesses choose to invest, or where local entrepreneurs can flourish, where people have a range of career opportunities and are encouraged and supported to reach their full potential;
- *More attractive place to visit* – to ensure that the Programme area is a place people where want to travel to and enjoy, supporting the local economy and where the shared culture and heritage of the area is celebrated and sustained.

6.4 Given the limited resources of the Programme and the variety of factors which contribute to making the Programme area an attractive place to live and work in, this Priority will specifically focus on how to make the area a more attractive place to visit.

6.5 This Priority will involve community engagement to deliver economic benefits to local economies. It will not involve funding for communities to develop a package of community-led operations and local development strategies. PA3 includes one Thematic Objective (TO) and one Investment Priority (IP) which translates into one Specific Objective (SO). The IP is 6c which focusses on where the greatest value can be gained through the sustainable exploitation of cultural and natural heritage and resources. Although there will be a concentration on economic growth, the resulting societal benefits will also form a key component of this Priority.

Definition of 'Cultural and Natural Heritage'

6.6 The European Commission describes cultural heritage as:

'A rich and diverse mosaic of cultural and creative expressions, inherited from past generations and composed by natural, built and archaeological sites as well as museums, monuments, artworks and historic cities.

*It includes literary, musical, and audiovisual works, and the knowledge, practices and traditions of European citizens.'*⁴

6.7 This is expanded upon and broken down in distinct categories by the UNESCO definition of cultural heritage which also defines natural heritage.

Cultural heritage:

⁴ http://ec.europa.eu/culture/policy/culture-policies/cultural-heritage_en.htm

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- Tangible cultural heritage:
 - movable cultural heritage (paintings, sculptures, coins, manuscripts)
 - immovable cultural heritage (monuments, archaeological sites, and so on)
 - underwater cultural heritage (shipwrecks, underwater ruins and cities)
- Intangible cultural heritage: oral traditions, performing arts, rituals

Natural heritage:

- Natural sites with cultural aspects such as cultural landscapes, physical, biological or geological formations.⁵

6.8 These two definitions will be used to inform the approach of this Programme.

Definition of 'Coastal Community'

6.9 Within the programme area, a coastal community applies to any community within a local authority which has a coast. In Wales, this excludes Wrexham. In Ireland, this excludes Tipperary, Carlow, Kildare and Kilkenny.

⁵ UNESCO Definition - <http://www.unesco.org/new/en/culture/themes/illicit-trafficking-of-cultural-property/unesco-database-of-national-cultural-heritage-laws/frequently-asked-questions/definition-of-the-cultural-heritage/>

SPECIFIC OBJECTIVE 3: To sustainably realise the potential of natural and cultural assets in increasing visitor numbers to coastal communities in the Programme area

6.10 Whilst the joint socio-economic analysis highlights clear links that have been identified between the economy and tourism, heritage and the natural environment, the Programme area does not yet take full advantage of all of these unique assets and opportunities and there is certainly scope to approach this jointly.

6.11 Coastal areas could be the destination of choice for visitors from around the world and make a major contribution to sustainable economic prosperity particularly through green and blue growth. The 2007-2013 Programme demonstrated the value that can be added through working on a cross-border basis on issues around the marine environment; and on tackling community regeneration and empowerment through the environment. For this Programme the emphasis will be placed on coastal and marine based environmental areas where the greatest added value can be achieved. These areas have considerable potential to use their natural and cultural heritage and assets – including the Irish Sea – to become more attractive places to visit and to deliver sustainable economic growth through an increase in visitor numbers:

6.12 This Priority will focus on how cultural and natural heritage can be used as a tool to stimulate economic growth by increasing the attractiveness of the Programme area as a place to visit. The emphasis will be on how the Irish Sea can be used to this end and how green and blue growth can be utilised to underpin economic growth.

6.13 The Priority will address the need to balance environmental enhancement and economic benefit and taking forward opportunities for blue growth presented by the Irish Sea. There will be particular support available for micro-enterprises as these form the primary businesses in these sectors.

6.14 Strong, sustainable communities feed into thriving regions which can attract wider economic, social and environmental development. Building healthy local communities involves maximising their unique assets. This Priority will also have an inclusive growth element threaded through it and will focus on the use of cultural and natural heritage in the development and promotion of socially inclusive sustainable development. Whilst the importance of economic growth is significant, it is also important to remember that it is often those interventions

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aimed at providing societal benefits which can increase the attractiveness of an area and therefore its economic potential. Joint actions to link and strengthen communities utilising the natural assets of the Irish Sea and its coastline can act as enablers to provide a sense of empowerment and identity, develop services in communities facing barriers caused by peripherality and in doing so can increase the attractiveness of these areas as places to visit.

6.15 The results that this Priority seeks to achieve are:

- Increase in the number of visitors to the coastal communities of the cross-border region by sustainably utilising their natural and cultural assets;
- Increase in the capacity of coastal communities to utilise their natural and cultural heritage as a driver to economic growth.

Comparable data will be used from both regions, the target value is a 2% increase. Given the scale of the Ireland Wales Programme, it is anticipated that it will contribute to a 0.1% increase.

Result Indicator

| Indicator | Measurement unit | Baseline value | Baseline year | Target value (2023) | Source of data | Frequency of reporting |
|--|-----------------------------|----------------|---------------|---------------------|--|------------------------|
| Total number of overseas visitors to the coastal communities of the Programme area | Number of overseas visitors | 6,902,000 | 2012 | 7,040,040 | In Ireland this data is available for 2012 in the 'Regional Tourism Performance in 2012' published by Failte Ireland in November 2013. In Wales this information is available from the | Annual |

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| Indicator | Measurement unit | Baseline value | Baseline year | Target value (2023) | Source of data | Frequency of reporting |
|-----------|------------------|----------------|---------------|---------------------|------------------|------------------------|
| | | | | | Welsh Government | |

6.16 Comparable data will be used from both regions, the target value is a 2% increase. Given the scale of the Ireland Wales Programme, it is anticipated that it will contribute to a 0.1% increase.

Actions to be supported under the investment priority

6.17 This Priority will aim to increase visitor numbers and enhance sustainable economic growth through cross-border co-operative actions which support, maintain, preserve and promote the unique cultural and natural heritage and assets of the Programme coastal communities. These will be used to support and enhance the local economy through actions focussing on supporting and diversifying the tourism sector. Actions which enhance the natural and cultural environment and therefore make the programme area a more attractive place for visitors will also be a key element of this priority. Actions will also be encouraged which empower communities to deliver conservation, development and regeneration in their own communities through the sustainable exploitation of the natural and cultural heritage and assets available to them to make the programme area a more attractive place to visit.

6.18 Moreover, the consideration of environment related and social related aspects within this Priority Axis will benefit the Programme with additional synergies, e.g. eco-innovation, green growth, and social innovation.

6.19 The types of cross-border co-operation in the Programme will incorporate one or more of the following components in all three Priority Axes:

- The **establishment or development** of a network, co-operation platform, portal or strategy;
- The **transfer or adoption** of knowledge, expertise, technologies or best practice;

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- The **enabling or paving the way** for investment in the design, development, testing or delivery of new processes, products, studies or services – for example pilot actions, demonstration models etc.;
- **Minor scale investments** where there is demonstrable cross-border added value and compliance with the objectives of the Programme (e.g. relevant small-scale investment, such as purchase of equipment for pilot or demonstration purposes, e-infrastructure etc.).

6.20 Examples of indicative types of cross-border actions to be supported under this SO include:

- Cross-border promotion and development of business opportunities which take full advantage of the sustainable management of natural and cultural resources, such as niche tourist attractions, including coastal and cultural attractions and maritime heritage sites – including cross-border marketing approaches; and the implementation of cross-border events and communication measures to increase interest;
- Joint design and implementation and development of cross-border maritime tourism development strategies and initiatives based on the sea and heritage assets – such as support for tourism at sea and maritime heritage;
- To promote opportunities for joint eco-tourism, in particular sustainably using natural and cultural assets for tourism initiatives in coastal areas;
- Joint branding and marketing of our natural and cultural assets to create opportunities for increasing visitors to coastal communities and attractions including promotion of marine leisure e.g. yachting, cruising, canoeing and other water-based activities;
- Utilising the coastal and Sea based environment as an enabler to promote healthy living through outdoor activity;

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- Supporting cross-border entrepreneurial activity involving SMEs and micro-enterprises active in promoting maritime leisure, heritage and traditional, cultural and creative industries located along the coast;
- Enhancing the coastal and marine environment to make the area a more attractive place to visit. This may include activities such as maintaining the blue flag status of beaches, engaging and creating capacity in communities in the conservation of their natural and cultural heritage and ideas in innovative community, environmental and economic development; support for the development and promotion of joint environmental enhancement activities; and cross-border partnerships between research stakeholders and the community;
- Joint design of job enhancing innovative solutions for coastal communities regeneration based on cultural and natural heritage tourism – where common problems are faced or opportunities are available on both sides of the Irish Sea.

6.21 Priority Axis 3 will not support the funding of communities to deliver local development strategies.

Identification of main target groups

- Social enterprises;
- SMEs involved in the tourism sector in coastal communities;
- Third sector organisations;
- Community development groups and associations;
- Environmental organisations.

Specific territories targeted

6.22 Given the maritime nature of the border between Ireland and Wales, there will be a focus on the coastal and marine environments taking due account of the proximity of much of the Programme area to the coast.

6.23 Within the programme area, a coastal community applies to any community within a local authority which has a coast. In Wales, this excludes Wrexham. In Ireland, this excludes Tipperary, Carlow, Kildare and Kilkenny.

Identification of main beneficiaries

6.24 The main beneficiaries directly involved in the interventions under this specific objective are:

- Governmental organisations (local, regional, national and international);
- Civil society stakeholders (for example third sector organisations such as NGOs and non-profit organisations);
- Education and knowledge institutions-, including private or semi-public research organisations;
- Enterprises – including SMEs and social enterprises;
- Community Development groups and associations.

Guiding principles for the selection of operations

6.25 Actions carried out to fulfil this specific objective are selected on the basis of the following principles:

- **Cross-border additionality:** operations should have a clear focus on delivering joint cross-border actions and must demonstrate the additionality of the cross-border approach compared to regional, national, interregional or transnational approaches;
- **External coherence:** operations building on the results generated by other European programmes (such as the European Agricultural Fund for Rural Development) are welcome. An explanation of synergies should be provided and it must be ensured there is no duplication of existing or previous operations carried out under other European programmes or national funding. Operations should – where relevant – seek to align with the relevant priorities of the European Commission Action Plan for a Maritime Strategy in the Atlantic Area. In the case of the Atlantic Area Strategy, the programme authorities will consult those departments within the Welsh and Irish Governments which are involved in tracking development of the Strategy to seek advice on relevance and coherence of emerging operations;
- The Prioritised Action Framework for Natura 2000 and LIFE programme should be considered;

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- **Cross sectoral relevance:** partnerships should involve a diversified mix of stakeholders (for example enterprises, researchers, education institutions, training organisations, policy-makers, private investors, end users);
- **Result-based approach:** operations should be geared towards the use of cultural and natural heritage to deliver real economic benefits. Operations which focus solely on cultural exchanges without any clear economic outcome will not be eligible;
- The UK Partnership Agreement confirms that the Welsh Government also expects the LEADER approach to continue to have an element of international co-operation and learning within the Rural Development Plan 2014-2020. The Programme will ensure complementarity and avoid duplication of any activities supported in this context;
- ***In the interests of optimising the capture and assimilation of results from the Programme, each operation will be required to describe how they intend to capitalise the outputs attributed to their operations and how this capitalisation will contribute to the SO and RI within the timeframe of the Programme.*** In this Priority Axis, as an example, operations will be asked to explain how they plan to develop knowledge exchanged, best practice identified and pilots tested and utilise cultural and natural assets to attract visitors into the cross-border region. Detailed requirements will be embedded into the design of implementation guidance for the Programme which will include a requirement to build capitalisation into the evaluation of operations including a focus on short, medium and longer term benefits. The Programme will monitor the implementation of these plans;
- Incorporation of the horizontal principles of sustainable development and equal opportunities/non-discrimination into the selection criteria;
- One-off events will only be funded if they are part of wider operation activity. The Managing Authority will also ensure that they are covered by Article 5 of Regulation (EU) No 1301/2013 of the European Parliament and of the Council;

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- Activity focusing on providing training raising skill level and improving skills can be included as an element of a operation where it complements and supports the main operation activity.

Output indicators

| Indicator | Measurement unit | Target value (2023) | Source of data | Frequency of reporting |
|--|----------------------------|---------------------|----------------------|------------------------|
| Productive investment: Employment increase in supported enterprises | Full time equivalents | 10.00 | Programme Monitoring | Annual |
| Number of pilot operations completed | Completed pilot operations | 2.00 | Programme Monitoring | Annual |
| Number of new tourism networks promoting cultural, natural or heritage assets | Cross-border networks | 12.00 | Programme Monitoring | Annual |
| Number of coastal communities participating in cross-border cooperation around cultural, natural or heritage tourism | Communities | 20.00 | Programme Monitoring | Annual |

7. PRIORITY AXIS 4: TECHNICAL ASSISTANCE

Introduction

7.1 The actions to be supported by Technical Assistance (TA), outlined below, build on and learn lessons from the implementation of activity in the 2007-2013 Ireland Wales Programme.

7.2 Technical Assistance is an essential resource for supporting the effective delivery of the Programme.

SPECIFIC OBJECTIVE 4: To capitalise on best practice and learn lessons from evaluation of current procedures to ensure the efficient and effective management of the 2014-2020 Ireland Wales programme

Actions to be supported

7.3 No result indicator has been added as the Union support for technical assistance will not exceed €15 million.

7.4 Technical Assistance is an essential resource for supporting the effective delivery of the Programme. Salary costs, as with the 2007-13 Programme, will form an important part in the delivery of TA funded activity for the Joint Secretariat, Managing Authority, Audit Authority, Certifying Authority and wider delivery partners. The Programme Authorities have already considered past experience, best practice and lessons learned from the 2007-2013 Programme and will use this to crystallise their approach to management of implementation of the 2014-2020 Programme. The Programme will put in place measures which will include a refreshed approach to operation appraisal including the submission of business plans, aimed at reducing the number of operations failing to meet programme requirements and introducing requirements for more concrete reporting on evaluation and results orientation.

7.5 Salary costs will be incurred as part of all the activity below to enhance the capacity to achieve the overall objectives of the TA priority. This will include funding for Operations Officers as experience of the current and previous programmes suggests the importance of investing in pro-active stimulus to aid operation development. The Programme aims to support actions to intensify cooperation between Programme bodies, to strengthen a sound

PRIORITY AXIS 4: TECHNICAL ASSISTANCE

management and control system, strengthen the support to operation applicants and beneficiaries and to enhance the visibility and capitalisation of Programme results.

Operation generation and selection

- Funding for Operation Officers in Wales and Ireland to foster operation applications, build capacity and facilitate and co-ordinate cross-border partnerships and operations;
- Funding and support for beneficiaries to facilitate and co-ordinate cross-border partnerships and operations via the WIN scheme;
- Support for the preparation of operation bids, advice on eligibility and construction of applications;
- Performing quality assessments of applications for operations.

Support to beneficiaries

- Providing tools and guidance documentation (manuals, supporting operation beneficiaries implement their operation);
- Providing assistance and advice to lead partners and partners on the implementation of their operation;
- Participating in operation related meetings and events and visiting operations to address operation progress, outputs and results as well as barriers to implementation.

Audit and Control

- Putting in place and maintaining effective audit arrangements;
- Irregularity monitoring and reporting;
- Enhanced support to combat fraud and corruption;
- Provision of consistent advice and guidance to partners.

Monitoring, evaluation, control and reporting

PRIORITY AXIS 4: TECHNICAL ASSISTANCE

- Developing and maintaining a computerised system for programme management, monitoring, audit and control;
- Collecting and reporting data concerning indicators and milestones and the progress of the Programme in achieving its objectives;
- Providing guidance and support to ensure adequate control of the programme actions at all levels (partners, controllers, Member State bodies responsible for first level controller approbation) e.g. through seminars, guidance documents and advice;
- Expenditure related to audits and the on-the-spot check of operations;
- Regular reporting to the European Commission on progress of the Programme.

Information and Publicity

- Dissemination of information, publicity and communication including guidance for partners and sponsors, seminars and workshops and networking events;
- Disseminating and promoting of the impacts and results of the Programme;
- Development and maintenance of the Ireland Wales pages of the WEFO website.

Programme Management

- TA will be used, where eligibility allows, to ensure the efficient and effective management of the programme through supporting the duties of the PMC. This includes organisation, preparation and facilitation of meetings of the PMC.

Research and Evaluation

- Programme level research and evaluation;
- Provision of evaluation advice and guidance to sponsor organisations;
- Research and evaluation dissemination and workshops events; and

PRIORITY AXIS 4: TECHNICAL ASSISTANCE

- Management of research and evaluation exercises.

Output indicators

| Indicator | Measurement Unit | Target value (2023) | Source of data |
|---|------------------|---------------------|----------------------|
| Number of training events held | Training events | 4 | Programme Monitoring |
| Number of operation visits and participations in operation events by JS | Operation visits | 300 | Programme Monitoring |
| Number of PMC meetings | PMC meetings | 14 | Programme Monitoring |
| Number of press releases | Press releases | 10 | Programme Monitoring |
| Number of employees (FTEs) whose salaries are co-financed by TA | Number of FTEs | | Programme Monitoring |

8. INTEGRATED APPROACH TO TERRITORIAL DEVELOPMENT

Description of the integrated approach to territorial development

8.1 The Ireland Wales Programme applies an integrated approach to territorial development by building on the Programme area's territorial assets and in particular the Irish Sea. This means the operations approved by the Programme should address territorial challenges, link to relevant territorial development policies (e.g. smart specialisation strategies, regional ERDF programmes) and follow a cross-sectoral approach.

8.2 Reducing territorial disparities, and through doing so achieving a greater level of territorial cohesion in the Programme area, will be a key aim of the programme particularly in Priority Axis 3.

8.3 The Programme contributes to the Europe 2020 Strategy for smart, sustainable and inclusive growth. To unlock new growth opportunities the Programme supports smart specialisation as an instrument to make use of territorial assets where regions are most specialised. It is equally important to build links with other regions and to foster a mentoring/learning approach between them. For example, for Priority Axis 1, operations will need to include partners from different sectors with different experiences of innovation. In this way, growth contributes to increased territorial cohesion in the Programme area.

Alignment with the Atlantic Sea-basin Strategy

8.4 The European Commission Action Plan for a Maritime Strategy in the Atlantic Area was published on May 13, 2013 (COM(2013) 279 final). It is based on the European Commission's Atlantic Strategy (COM(2011)782 final).

8.5 The Action Plan identified four priorities:

1. Promote entrepreneurship and innovation;
2. Protect, secure and develop the potential of the Atlantic marine and coastal environment;

3. Improve accessibility and connectivity;
4. Create a socially inclusive and sustainable model of regional development.

8.6 The Atlantic Strategy and the Action Plan focus on the Atlantic area as a whole, most which is outside the scope of the Programme area. Nonetheless, for the Ireland Wales Programme, alignments have been made to the priorities which are most relevant to the identified needs and challenges of the Irish Sea and the wider Programme area. Given its focus on the Irish Sea, the Programme complements the Action Plan in a number of areas, and it will contribute, in part, to Priorities 1, 2 and 3. The Programme aligns to the following specific objectives in the Action Plan:

- Sharing knowledge between higher education organisations, companies and research centres (complementary to SO1 of the IW Programme);
- Fostering adaptation and diversification of economic activities by promoting the potential of the Atlantic area (complementary to SO3 of the IW Programme);
- Exploring and protecting marine waters and coastal zones (complementary to SO2 and SO3 of the IW Programme);
- Sustainable management of marine resources (complementary to SO3 of the IW Programme);
- Exploitation of the renewable energy potential of the Atlantic area's marine and coastal environment (complementary to SO1 of the IW Programme);
- Fostering better knowledge of social challenges in the Atlantic area (complementary to SO1 and SO3 of the IW Programme);
- Preserving and promoting the Atlantic's cultural heritage (complementary to SO3 of the IW Programme).

INTEGRATED APPROACH TO TERRITORIAL DEVELOPMENT

8.7 Alignment with the Atlantic Area Strategy will be assessed – where relevant – as part of the selection criteria. The Programme will also seek to build alignments with the Atlantic Area Transnational Programme.

9. IMPLEMENTING PROVISIONS FOR THE COOPERATION PROGRAMME

Relevant authorities and bodies ⁶

| Authority/body | Name of the authority/body and department or unit | Head of the authority/body (position or post) |
|----------------------|---|---|
| Managing Authority | Welsh European Funding Office (WEFO) | Chief Executive of the Welsh European Funding Office |
| Certifying Authority | Welsh European Funding Office (WEFO) | Head of Certifying Authority |
| Audit Authority | European Funds Audit Team (Welsh Government) | Head of Corporate Governance and Assurance (Welsh Government) |

Bodies carrying out control and audit tasks

| Authority/body | Name of the authority/body and department or unit | Head of the authority/body (position or post) |
|--|---|--|
| Body or bodies designated to carry out control tasks | Welsh European Funding Office (WEFO) | Chief Executive of the Welsh European Funding Office |
| Body or bodies designated to be responsible for carrying out audit tasks | European Funds Audit Team (Welsh Government) | Head of the European Funds Audit Team |

⁶ In accordance with Article 7 (11) ETC Regulation, the information on the identification of the managing authority, the certifying authority, where appropriate, and the audit authority is not subject to the Commission decision approving the cooperation programme, but remain under the responsibility of the participating Member States.

Joint Secretariat

9.1 A dedicated Joint Secretariat (JS) will be established under the control of the Managing Authority (MA) to deliver the Programme. The MA, after consultation with the relevant Irish Authorities, shall set up a Joint Secretariat located in the Welsh Government. The Irish members of the Joint Secretariat will continue to be located in the Southern Regional Assembly in Waterford, Ireland. Full contact details can be found on <http://wefo.wales.gov.uk/?lang=en>

9.2 In due course these details will also be available on the dedicated WEFO web pages for the Ireland Wales Programme 2014-2020 or a dedicated standalone Programme website. The JS composition and staff recruitment procedure will be approved by the Welsh Government and relevant Irish Authorities following a proposal by the MA. In order to retain staff expertise, it is anticipated the team for the 2014-2020 Programme JS will be similar to that of the Joint Technical Secretariat for the 2007-2013 Programme.

9.3 The JS will assist the Monitoring Committee, MA, and where appropriate, the Audit Authority in carrying out their duties. The JS will be funded from the technical assistance budget.

Management and Control arrangements

9.4 Management of the Programme will be the responsibility of the Managing Authority (MA) under the control of the Programme Monitoring Committee (PMC). The responsibilities of the MA in relation to Ireland will be laid down in a Memorandum of Understanding between the MA and the Department of Public Expenditure and Reform and the Southern Regional Assembly.

9.5 A joint management structure will be established to manage, co-ordinate and monitor the implementation of the Programme. The structure will comprise:

- Managing Authority (MA);
- Certifying Authority (CA);
- Audit Authority (AA);
- Joint Secretariat (JS);

- Programme Monitoring Committee (PMC).

9.6 The programme is not resorting to the option for the functions of the Managing Authority to include carrying out the functions of the Certifying Authority. The Certifying Authority will be based within WEFO, but the functions of the Certifying Authority will be separate and independent of those functions to be performed by the Managing Authority.

Role and tasks of the Managing Authority

9.7 The MA for the 2014-2020 Programme is the Welsh European Funding Office. The MA, assisted by the JS, is responsible for managing the Programme in accordance with the principle of sound financial management as described in Article 125 of the Regulation (EU) 1303/2013 [CPR] and Article 23 of the Regulation (EU) 1299/2013 [ETC]. It ensures that the different programme bodies interact well together.

9.8 This includes the following tasks and responsibilities:

- Accuracy and legality of payment;
- Information and publicity measures related to the Programme;
- Liaison between the authorities implementing the Programme and other interested parties where necessary;
- Liaison with the European Commission and the implementation of all accepted recommendations for amending management and monitoring procedures;
- Supervision of the JS and management of the technical assistance budget;
- Preparation of the committees and advice to the PMC regarding strategic orientations.

9.9 The MA is assisted by the JS in the implementation of its responsibilities and related tasks. They work closely to ensure the fulfilment of its duties.

9.10 The MA has a significant track record in fulfilling these functions for other European funded programmes.

Role and Tasks of the Joint Secretariat

9.11 The detail of the JS' tasks and responsibilities for the day to day administration of the Programme will be agreed at the first PMC meeting, where a JS work programme will be presented. The JS assists the PMC, the MA and, where appropriate, the AA in carrying out their respective functions. Key responsibilities will include:

- Assisting the MA in ensuring the efficient and correct management and implementation of the Programme;
- Preparation and provision of the information needed by the MA and CA in meeting their responsibilities;
- Servicing the PMC and any additional Programme groups , including preparation of papers and drafting of minutes of meetings;
- Implementation and follow-up of all decisions made by the PMC and any additional Programme groups;
- Creation of application forms and applicants' guidelines;
- Assistance to applicants and liaison with the Operation Officers in the operation development and implementation process;
- Administrative assessment of applications for compliance with EU and National requirements and with the agreed selection criteria for the Programme;
- Notification of outcome of grant funding applications, including issuing offers of grant to successful applicants;
- Assisting the MA with the processing of payments to beneficiaries;

- Monitoring progress of operations via submission of reports from operation partners and management information on the IT system (PPIMs);
- Compliance with obligations on information and publicity, including implementation of an Information and Communication strategy;
- Management of the Technical Assistance budget.

9.12 The use of Technical Assistance for resourcing the JS is described in Priority Axis 4 – the Technical Assistance priority. Further tasks and responsibilities may be stipulated by the PMC.

Role and Tasks of the Certifying Authority

9.13 Article 126 of the Common Provisions (Regulation (EU) No 1303/2013) lays down the functions to be carried out by the CA. In particular, the CA will be responsible for drawing up and submitting payment applications to the Commission, and certifying that they result from reliable accounting systems, are based on verifiable supporting documents and have been subject to verifications by the MA.

9.14 It will be also be responsible for drawing up the annual accounts, certifying the completeness, accuracy and veracity of the accounts, maintaining in a computerised form, accounting records of expenditure declared to the Commission and of the corresponding public contribution paid to beneficiaries and keeping an account of amounts recoverable and of amounts withdrawn following cancellation of all or part of the contribution for an operation.

9.15 The proposed CA has a significant track record in fulfilling these functions for other European funded programmes.

Role and Tasks of the Audit Authority

9.16 The Audit Authority will ensure audits are carried out on the proper functioning of the management and control system and on an appropriate sample of operations in compliance with Article 127 of Regulation (EU) No 1303/2013 [CPR]. According to Article 21 of Regulation (EU) No 1299/2013 [ETC], the AA shall be situated in the Member State of the MA. The Audit

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Authority shall be the Welsh Government's European Funds Audit Team and shall carry out the functions provided for in Article 127 of Regulation (EU) No 1303/2013 [CPR].

9.17 The AA shall be assisted by a Group of Auditors (GoA) comprising representatives from both Member States participating in the Programme. The Welsh Government's European Audit Team will be the Welsh member and chair of the GoA. They will be assisted by the ERDF Audit Authority in the Department for Public Expenditure and Reform who will be the member of the GoA in Ireland. Each member state will be responsible for carrying out audits in its territory. The Annual Control Report will be drafted by the AA with assistance and input from the ERDF Audit Authority in Ireland.

9.18 The AA shall be responsible in particular for:

- Ensuring audits are carried out to verify the effective functioning of the management and control system of the operational programme;
- Ensuring audits are carried out on operations on the basis of an appropriate sample to verify expenditure declared;
- Submitting to the Commission an annual control report setting out the findings of the audits carried out during the previous 12 months.

9.19 The group of auditors will be set up within three months of the decision approving the Cooperation Programme. It will be chaired by the Audit Authority. The group of auditors shall draw up and approve its own rules of procedure during its first meeting. Furthermore, the AA shall prepare an audit strategy for performance of audits. The audit strategy shall set out the audit methodology, the sampling method for audits on operations and the planning of audits.

9.20 Finally, the AA will be responsible for drawing up an audit opinion in accordance with the second subparagraph of Article 59(5) of the Financial Regulation, a control report covering the main findings of the audits carried out.

9.21 The AA has a significant track record in fulfilling these functions for other European funded programmes.

Role and tasks of the Programme Monitoring Committee

9.22 In line with Article 47 of Regulation (EU) 1303/2013 [CPR], within three months of the date of notification of the decision adopting a Programme, the Member States, in agreement with the MA, will set up a committee to monitor implementation of the Programme. The Programme Monitoring Committee (PMC) will draw up and unanimously adopt its rules of procedure during the first meeting.

9.23 The PMC will be made up of representatives from the Public, HEI, Private and Third sectors in both Ireland and Wales. The PMC will be jointly chaired by representatives from Wales and Ireland.

9.24 The following groups may be also participate in an advisory capacity:

- Relevant stakeholders may participate upon invitation;
- Representatives of the European Commission;
- The MA, the JS and, where necessary the AA.

9.25 The PMC, in accordance with Article 49 of Regulation (EU) 1303/2013 [CPR], shall review the implementation of the Programme and progress towards achieving its objectives, and more specifically the functions listed in Article 110 of Regulation (EU) No 1303/2013 [CPR]. It will select or set up a (steering) committee which acts under its responsibility for the selection of operations financed by the Programme in line with Article 12 of Regulation (EU) 1299/2013 [ETC].

9.26 The PMC shall examine and approve the methodology and criteria used for selection of operations, the annual and final implementation reports, the evaluation plan for the operational programme, the communication strategy for the operational programme and any proposal by the managing authority for any amendment to the operational programme. The detailed provisions will be drawn up in the PMC's rules of procedure. The PMC will validate the management and control system description that will form the basis for the designation of authorities according to Article 124 (2) of Regulation (EU) 1303/2013 [CPR]. The representatives of the PMC will ensure that on the national level all relevant partners are involved in the preparation, implementation, monitoring and evaluation of the Programme, as referred to in Article 5(2) of Regulation (EU) No 1303/2013 [CPR]. It may also make observations to the MA regarding

implementation and evaluation of the Programme including actions related to the reduction of the administrative burden on beneficiaries.

9.27 With regard to the tasks of the PMC, it shall be ensured that decisions of the PMC will be free from bias and must not be influenced by personal and/or organisational interest of any of the individual members of this committee. Any members who have a conflict of interest in respect of any subject matter up for consideration by the PMC shall declare such interest to the meeting and shall not take part in the decision. The PMC will set out the details of this procedure in its rules of procedure.

Organisation of the assessment, selection of operations and resolution of complaints

9.28 The Programme intends to operate an open call for operations. Throughout the programme period the level of commitment and spend within each Priority Axis will be closely monitored. At certain points within the programme period the decision may be taken to suspend a Priority Axis if sufficient operations have been approved to achieve full commitment. In these instances, operations could be placed on a reserve list to allow the reallocation of returned funds to the programme from completed operations.

9.29 The documents related to the application process will be published on the dedicated IW pages of the WEFO website. They will include the terms of reference, the funding and eligibility rules and the selection procedure.

9.30 All applications will be made available to the members of the PMC or to the members of the designated (steering) committee/s set up by the PMC for decision. Applications will be assessed in several stages to more effectively utilise the time and resource of applicants and the JS. The intended process is as follows:

Stage 1

- Applicants will initially be asked to outline their proposal in an Operation Logic Table (OLT), specifically designed to enable an impartial assessment of the proposal by the JS;

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- The outcome of the JS assessment will be scrutinised by a Technical Group made up of representatives from the MA, the Irish Government and the Southern Regional Assembly;
- The membership of the Technical Group can be supplemented by expert advice as required. A list of cross-sectoral experts may be drawn up by the JS. All decisions will be provided to the PMC and any designated committee/s for information.

Stage 2

- Successful applicants will be invited to submit a first stage formal application (business plan) limited to three core criteria - Strategic Fit (including co-operation criteria), Delivery, and Finance and Compliance.
- This will be assessed impartially by the JS. The application (business plan) will be submitted alongside an assessment report and recommendation from the JS to the designated committee/s for decision. All decisions will be provided to the PMC for information.

Stage 3

- Those applications selected by the designated committee/s will be asked to submit a detailed Business Case addressing Indicators and Outcomes; Value for Money; Project Management; Cross Cutting themes; Suitability of Investment; and Long Term Sustainability.
- Again this will be submitted to the designated committee/s together for final decision with a comprehensive funding decision report and a recommendation from the JS. Following this decision, the MA will prepare a grant funding award letter between the MA and the lead beneficiary of the approved operation. All decisions will be provided to the PMC for information.

9.31 The lead beneficiary of rejected operations will be informed in writing about the reasons why an application has not been approved. Any questions in relation to the assessments will be examined and answered by the MA and JS. In line with the system in place for dealing with complaints in the Welsh regional programmes, the IW Programme will deal with complaints via the Welsh

Government complaints policy and procedure. More information can be found at http://wales.gov.uk/contact_us/makeacomplaint/?lang=en

9.32 All rejected operations will be able to apply again to the Programme once they have addressed the issues which caused them to be rejected.

Signature of the document setting out the conditions of support

9.33 The Managing Authority shall prepare and issue a grant funding award letter to confirm the decision of the PMC; it will set out the conditions of funding as well as the operations beneficiaries' financial and legal responsibilities. The grant funding award will also clearly state that the lead partner and the operation partners will produce and make available all documents to any authorised body of the EU, the Member State or to the Audit Authority, the Certifying Authority, the MA or JS, for control and audit purposes in compliance with Article 140 of Common Provisions (Regulation (EU) No 1303/2013), the grant funding award letter will also make reference to the control systems set up by the IW Programme.

Arrangements for management verifications and related quality controls

9.34 The First Level Controls and Operation Inspection and Verification teams will be responsible for undertaking verifications and financial control for the programme with staff based in both Wales and Ireland. The management of the team in Ireland will continue to be a similar arrangement to that followed for first level controllers in Wales for the 2007 -13 Programme. Day to day direction of activity, reviews of work undertaken and advice guidance will be undertaken by the First Level Controls and Operation Inspection and Verification teams in Wales, whilst the day to day health and wellbeing of staff will be undertaken by a suitable member of the SRA staff in Ireland.

9.35 The Management Verifications processes for all the programmes managed by WEFO are still under consideration, however, it is anticipated there will be a stronger focus on the First Level Controls undertaken prior to the drawdown of funds from the Commission.

9.36 All claims submitted for payment by Operations will be subject to first level control checks. A sample of the content of each claim will then be checked. The size of the sample will be risk based and include a random sample to ensure all

items have a probability to be selected. These reviews will conduct either as desk based checks or 'on site' and will be completed by staff based in both Wales and Ireland.

9.37 'On the Spot' reviews will be undertaken as separate events and will focus on the actual implementation of the operation, publicity and authenticity of the information submitted for first level control. These will be performed on a sample of operations. Again, these will be selected based on the risk rating mentioned earlier. It is envisaged operations will be subject to more than one 'On the Spot' review over the life of the operation. The staff undertaking the 'On the Spot' reviews will be the same individuals used for the first level control visits.

9.38 For both styles of review undertaken, standard working programmes and documentation will be used by both the Irish based and Wales based staff.

9.39 It is expected that the results of the reviews and supporting evidence will be maintained in the 'Reviews' module within WEFO's PPIMS IT system.

Apportionment of liabilities in case of financial corrections

9.40 The Welsh Government, Department for Public Expenditure and Reform (DPER) and the Southern Regional Assembly (SRA) agree the Welsh European Funding Office (WEFO), as the Managing and Certifying Authority for the Programme, shall assume responsibility for the financial management of the Programme resources made available from the ERDF and the Member States' match funding under the Technical Assistance budget.

9.41 WEFO as the Managing and Certifying Authority for the Programme will ensure the deployment and use of the resources referred to above in accordance with acceptable standards of regularity, propriety and value for money in line with relevant European and other regulations and procedures.

9.42 This shall include:

- Submitting payment claims to the European Commission for ERDF;
- Ensuring financial control mechanisms are effective;
- Monitoring Programme and operation achievement to ensure the activity targets, outputs and impacts set out in the Programme are met;

- Making payments to beneficiaries as soon as possible in line with guidance issued by the Programme Monitoring Committee and in accordance with European and other financial regulations and procedures.

9.43 Without prejudice to the Member States' responsibility for detecting and correcting irregularities and for recovering amounts unduly paid, the Managing Authority shall ensure that any amount paid as a result of an irregularity is recovered from the lead beneficiary. The beneficiaries shall repay the lead beneficiary any amounts unduly paid in accordance with the agreement existing between them. If the lead beneficiary does not succeed in securing repayment from a beneficiary, the lead beneficiary shall reimburse the Managing Authority for the amount paid to the beneficiary.

9.44 In respect of the Technical Assistance budget, the Welsh Government and the Department of Public Expenditure and Reform shall bear financial liability for any losses arising in relation to their respective territories. For common costs in the Technical Assistance budget, the Member States shall bear joint financial liability.

9.45 The Department of Public Expenditure and Reform shall cooperate fully with SRA and provide any necessary assistance to enable SRA to fulfil these obligations. SRA and DPER shall use reasonable endeavours to secure recovery of grant paid to beneficiaries within its jurisdiction. WEFO will advise SRA and DPER as soon as they are aware that such situations are identified.

Use of the Euro

9.46 In accordance with Article 28 of Regulation (EU) No 1299/2013 [ETC], and by way of derogation from Article 133 of Regulation (EU) No 1303/2013 [CPR], expenditure incurred in a currency other than the euro shall be converted into euro by the beneficiaries in the month during which expenditure was incurred using the monthly accounting exchange rate of the Commission. The conversion shall be verified by the controller in the Member State or third country in which the beneficiary is located.

Involvement of Partners

9.47 The Ireland Wales Programme is the result of an iterative process based on a broad cross-border dialogue. Partners from national, regional and local

authorities as well as non-governmental bodies contributed to its development. Given the importance of ongoing engagement throughout the lifespan of the programme, this partnership approach will continue during the implementation, monitoring and evaluation of the Programme. The Operations Officers will play an important role in acting as a conduit of information between the JS and the beneficiaries. Some members of the Trilateral group will become Joint-Chairs of the Programme Monitoring Committee (PMC). The PMC (or the PMC designated Steering Committee) is responsible for operation selection, monitoring of results and the performance of both operations and the Programme itself. However, the Chair will only vote when there is no consensus. The Programme relies on continuous feedback and input by its beneficiaries and external stakeholders

9.48 The Ireland Wales Programme has fully embraced the principles of partnership in implementing previous programmes. This will continue to be the case in 2014-2020. The PMC to be established for the programme will be responsible for approving programme operation selection criteria, examining the progress made in delivering agreed programme objectives, and agreeing the Evaluation Plan and any modifications to the programmes.

9.49 The membership of the PMC will be based on the principles of partnership and will take full account of those best practices set out in the European Code of Conduct on Partnership. Nominations will be sought and members drawn from across the private, public and third sectors (including economic and social partners, national, regional and local authorities; and representatives of civil society including representation covering the environment and equality. The Programme authorities will agree a balanced membership from both Ireland and Wales and membership will include a broad gender balance. Draft terms of reference will be prepared and agreed at the inaugural meeting. This will include detailed guidance on how potential conflicts of interests are addressed.

10. COORDINATION WITH OTHER PROGRAMMES

10.1 The Ireland Wales Programme strategy shows a high correspondence with other European programmes in the Ireland Wales Programme area. The following programmes are of specific relevance.

10.2 The Southern and Eastern regional ERDF Programme in Ireland addresses the theme of innovation and focusses on increasing the level of commercialisation of research by HEIs. This relates to SO1 of the IW Programme. The Ireland Wales Programme focusses on research and technological development activities close to the market (for example proof of concept), and market exploitation of new products, processes and services (SO1). The challenges addressed in relation to innovation should be linked either to smart specialisation strategies or to eco and social innovation.

10.3 The regional ERDF Programme in Wales also addresses the theme of innovation focussing on increasing innovation amongst SMEs and increasing the successful translation of research and innovation processes into commercial products, processes and services. The Ireland Wales Programme will also seek alignment between the eco-innovation focus of the Programme and the low-carbon focus of the Welsh ERDF Programme.

10.4 Neither the Welsh nor the Irish ERDF programmes address cultural and natural heritage, however, as can be seen below, there are several other EU funded programmes which do address these themes and will provide alternative funding options. Any operations coming forward under Priority Axis 3 of the Ireland Wales Programme will have to strongly demonstrate the added value of conducting this activity on a cross-border rather than a national basis.

10.5 The European Maritime and Fisheries Fund (EMFF) has the long term aim of ensuring the sustainable use of marine resources. Under article 63 of the relevant regulations the European Union states its support for the establishment of 'community-led local development strategies' with the aim of achieving several objectives, including 'enhancing and capitalising on the environmental assets of the fisheries and aquaculture areas' and 'promoting social well-being and cultural heritage in fisheries and aquaculture areas, including fisheries,

aquaculture and maritime cultural heritage'⁷. Such activity would complement that proposed under Priority Axis 3 of the Ireland Wales Programme.

10.6 Rural development programmes stimulate the socio-economic development of rural areas in both Ireland and Wales, thereby fostering inclusiveness and strengthening territorial cohesion. The Ireland Wales Programme and the rural programmes are complementary on innovation (SO1) in rural areas, and the sustainable development of rural communities (SO3). Cross-border operations are able to create new synergies between the different operations and stakeholders in the rural areas of the Programme area.

10.7 There is scope for complementarity with the European Agricultural Fund for Rural Development (EAFRD) programme in Wales to promote innovation and the knowledge base, climate change adaptation measures in rural areas and especially through investments under the Grand Challenge areas of energy and environment. Ireland/Wales investments supporting innovation, renewable energy and climate change adaptation may complement activity funded under the EMFF, depending on the specialisms supported.

10.8 The Irish Rural Development Programme will address a wide range of Rural Development Priorities and Focus Areas as set out in the relevant regulation. Within this, there is scope for complementarity via support for innovative practices, climate change measures and the maintenance of natural and cultural heritage.

10.9 There is also strong coherence with Horizon 2020. Of particular relevance to the 2014-20 programmes is the Commission's emphasis on using Structural Funds to prepare the ground for participation in Horizon 2020 operations. There may be opportunities for the Ireland Wales Programme to undertake pilot operations which could be scaled up under Horizon 2020 given the larger financial and geographical scope of that Programme.

⁷ European Union (2014) *REGULATION (EU) No 508/2014 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 15 May 2014 on the European Maritime and Fisheries Fund and repealing Council Regulations (EC) No 2328/2003, (EC) No 861/2006, (EC) No 1198/2006 and (EC) No 791/2007 and Regulation (EU) No 1255/2011 of the European Parliament and of the Council* [online] Available at: <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014R0508&from=EN> [Accessed 30th June 2014] Page 38

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- SO 1 – The second pillar within Horizon 2020 is ‘Strengthening industrial innovation, focusing on innovation by SMEs, increased R&I investment and job creation’. This links with the focus on increasing innovation capacity – particularly in SMEs – in SO1.
- SO 3 – The third pillar within Horizon 2020 focuses on ‘Europe in a changing world – inclusive, innovative and reflective societies’. According to the work programme ‘Europe should improve the understanding of its cultural heritage and of its identities in order to strengthen cohesion and solidarity and to encourage modern visions and uses of its past’.⁸ This links to the focus in SO3 on the utilisation of cultural and natural heritage and resources for economic growth.

10.10 The Innovation Union is one of seven flagship programmes under the Europe 2020 Strategy. Its main focus is to ensure the EU significantly improves its performance in commercial innovation. This links to SO1 and its focus on increasing the commercialisation potential of innovation.

10.11 The COSME programme strengthens the competitiveness and sustainability of the EU’s enterprises. The Ireland Wales Programme shows a number of complementarities with this programme with SMEs and social enterprises being the key target group under SO1 in the Innovation priority. Enterprises will also be supported under SO3 and will play a significant role in the delivering the desired result and outputs of this SO.

10.12 The LIFE programme has a sub-programme which addresses climate change adaptation (with a focus on increasing resilience to climate change). Adaptation to climate change is the key focus of SO2 and as such a significant part of the programme. LIFE also has a sub-programme for environment which is a focus of SO3. The Programme will consider the potential to fund integrated operations where relevant i.e to fund activities through this Programme and LIFE. This offers further opportunity to explore complementarity. In the event

⁸ European Commission (2014) *Horizon 2020: Work Programme 2014-2015 – 13. Europe in a changing world – inclusive, innovative and reflective societies* [online] Available at:

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that this Programme decides to adopt this approach through integrated funding, it will be ensured that no double funding of the same expenditure item will occur.

10.13 In the European Agenda on Culture the Council endorses the ‘promotion of culture as a catalyst for creativity in the framework of the Lisbon strategy for growth, employment, innovation and competitiveness’⁹. The third strand of this¹⁰ relates particularly to the focus of SO3 on the utilisation of cultural and natural heritage for economic growth and in particular its focus on the use of SMEs and social enterprises to achieve this.

10.14 The Enterprise Europe network plays an important role for supporting SMEs with cross-border partnership services (including technology partnership) and other innovation services, in particular key account of management services for the Horizon 2020 Programme. These services are provided to SMEs in all sectors. In addition the network has 17 sector groups which include, inter alia, maritime industries, environment and agri-food. The programme will take into account synergies with this network.

10.15 Other Interreg programmes show thematic similarities with the Ireland Wales Programme. Some of these programmes overlap with the Ireland Wales Programme area (for example, INTERREG Europe Interregional Programme, North West Europe Transnational Programme and Atlantic Area Transnational Programme). These programmes offer the opportunity to scale up successful operations to a transnational or interregional level or to disseminate operation results to a wider geographical area.

- SO1 – Interreg Europe, North West Europe and Atlantic Area programmes all contain a focus on increasing innovation capacity in their respective areas;

http://ec.europa.eu/research/participants/data/ref/h2020/wp/2014_2015/main/h2020-wp1415-societies_en.pdf [Accessed on 10th July 2014] pgs 13-14

⁹ Ibid., pg.4

¹⁰ Fostering a favourable environment for the development of cultural and creative industries, in particular for SMEs, by making better use of existing programmes and initiatives and forming partnerships with other sectors.

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- SO3 – Interreg Europe and Atlantic Area set out the intention to support interventions relating to ‘Conserving, protecting, promoting and developing natural and cultural heritage’ (an Investment Priority under Thematic Objective 6). The Specific Objective 4.1 of Interreg Europe is to; ‘Improve the implementation of regional development policies and programmes, in particular Investment for Growth and Jobs and, where relevant, ETC programmes, in the field of the protection and development of natural and cultural heritage’.

10.16 The Ireland Wales Programme also shows strong alignment with the Atlantic Area programme particularly given the shared marine focus of both programmes.

10.17 Officials involved in the development of the Ireland Wales Programme have also been involved in the development of the North West Europe, Atlantic Area and INTERREG Europe programmes. Alignments between the programmes have been considered in the development of the Ireland Wales Programme where appropriate.

10.18 The INTERACT programme will play a role in the coordination of the different INTERREG programmes and operations.

10.19 The URBACT programme focusses on the transfer and dissemination of good practices on sustainable urban development, including urban-rural linkages. The IW Programme complements the URBACT programme by supporting the uptake of social innovation (SO1).

10.20 The ESPON Programme can deliver useful territorial information to inform operation development and selection in the IW programme. ESPON can also be useful to look at IW operation results in combination with relevant territorial data. This requires a minimum of coordination/cooperation between both programmes.

10.21 The list above shows that in several policy areas more than one EU programme can be used to achieve the objectives of the Europe 2020 strategy. The Ireland Wales Programme recognises the importance of the complementarity between these different EU programmes at the European, national and regional level in both the development and implementation phases of the Programme. The need to coordinate this complementarity will be met by different structures and procedures:

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- Both Member States have their own structures for the coordination of the different programmes, as described in their respective partnership agreements;
- Within WEFO, in terms of managing potential areas of overlap, a Working Group will be established and joint meetings with beneficiaries will be undertaken to plan investment portfolios and manage delivery; avoiding unintentional duplication of funding, identifying the most appropriate source of funding and building portfolios across the funds. This will include representatives from the ERDF, ESF, EAFRD, EMFF and ETC in Wales, as well as a representative from the Horizon 2020 unit. This approach will be monitored by the ESI Funds Management Board;
- As part of the Welsh Government's approach to help integrate and maximise opportunities for the ESI funds and make it easier for organisations to apply for and find out more about the EU funds in Wales, Welsh Government website facilities are being developed so that effective sign posting across the EU funds takes place, and where potential beneficiaries will be directed to specific thematic or funding teams for detailed support and advice;
- A suite of guidance documents, including an Economic Prioritisation Framework (EPF), will be made available by the Welsh Government. The purpose of these is to drive synergy between ESI Funds and Welsh Government economic development strategy by identifying thematic and regional opportunities on which to focus investment, proposed Welsh Government and other key stakeholder strategic interventions and complementary interventions on a regional and national basis. The EPF has been designed, primarily with the Welsh regional programmes in mind. Developments from the EPF will be monitored, however whilst there could be some read across to the EPF, it would not be a determining factor for selection of cross-border operations.
- In accordance with EU Regulation 1303/2013, Ireland has put in place suitable mechanisms that will ensure coordination between the ESI funds and other EU and national instruments. At the National level, a National Coordination Committee of the Funds (NCCF) has been established to

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address cooperation, complementarity and subsidiarity issues between ERDF/ESF, EMFF, EAFRD and ETC Programmes. The role of the Committee is to put in place, where necessary, appropriate systems to address these issues in the Operational Programmes, and address any implementation issues that may warrant demarcation or opportunities for complementarity between the various ESI Funds.

10.22 As a member of the NCCF and as MA for a Regional Operational Programme, SRA is well placed to ensure coordination and complementarities across all ESI funds in Ireland and the Ireland Wales Programme. SRA is also represented on each of the ESI fund Monitoring Committees in Ireland.

10.23 Each Member State will take responsibility for the dissemination of information about the other ESI funds to the relevant departments within the Welsh and Irish Governments and the assurance of complementarity within their organisations.

10.24 Overlap also exists with other ETC programmes. Where appropriate, operation proposals within the Ireland Wales Programme will be shared by the Joint Secretariat with the national Contact Points of other European programmes in the respective Member States. When an operation overlaps with another European programme discussions will take place within the Member States.

10.25 The intention is for WEFO to continue its role as the UK National Correspondent for the Atlantic Area Programme on behalf of UK Government. The intention is that WEFO will be a member of the Atlantic Area PMC and will be able to coordinate the complementarities.

10.26 Both WEFO and SRA are involved in the delivery of the North West Europe transnational programme and the intention is that both organisations will be members of the PMC. As such they will be able to coordinate the complementarities with this programme. When applying for Ireland Wales Programme funding, operations have to indicate how they contribute to or complement other EU programmes. A specific selection criterion for this will be set up.

10.27 The Managing Authority and Joint Secretariat will seek active cooperation with other EU instruments, for example by attending each other's events,

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organising joint events or facilitating operation exchanges between the beneficiaries of the different programmes. In case potential successful cooperation is identified, relevant beneficiaries can be brought together to think about clustering.

11. ADMINISTRATIVE BURDEN FOR BENEFICIARIES

11.1 A scoping study was undertaken by the Welsh European Funding Office to learn from the experiences of organisations in Wales which have had an involvement in European Territorial Cooperation (ETC) programmes including the Ireland Wales Programme. A lessons learned exercise has also been undertaken by members of the JS in both Ireland and Wales based on their experiences and feedback from beneficiaries. Some concerns were raised over the complications involved in the claim process resulting in a delay to payments. There were particular concerns about the duplication in providing information for reports. For the WIN Scheme – which provides financial assistance to eligible organisations against the travel and subsistence costs incurred by applicant organisations travelling to meet or seek potential partners, subject – some organisations had chosen not to claim reimbursement due to the complications of the claims process. To address this specific issue, in the 2014-2020 programme the WIN Scheme will transition to a lump sum payment per operation rather than the reimbursing of costs. The audit process was also seen to create an unacceptable administrative burden.

11.2 The role of the Development Officer model has worked well in the 2007-2013 Programme and this role will be expanded for the 2014-2020 Programme to provide even greater support. The new Operations Officer role will provide a cradle to grave service involving a single officer as a primary point of contact for beneficiaries throughout the application, development and post approval stages.

11.3 The Programme will address feedback from beneficiaries for the 2014-2020 Programmes by maximising integration and harmonisation opportunities wherever possible to assist delivery and further reduce the burden for beneficiaries. This will include a streamlined application and assessment process involving a series of gateways and decision points over the eligibility of operations. This will involve the increased scrutiny of operations at an earlier stage in their development. There will also be a move towards an open call rather than set rounds within which beneficiaries can apply.

11.4 The Welsh European Funding Office has taken over as Managing Authority from the Southern Regional Assembly in Ireland. This means the programme will be brought in line with WEFO working procedures and IT system. A major part of that will be the introduction of the PPIMS IT system. This has led to the

ADMINISTRATIVE BURDEN

harmonisation of processes across structural funds in Wales and has enabled beneficiaries in the Welsh regional programmes to input operation data directly via a web based portal. This has resulted in common processes, the improved exchange of documentation together with efficiency gains and quicker processes and payments to beneficiaries. PPIMS has also been recognised by the Commission as a model for other member-states. It is anticipated the Ireland Wales Programme will benefit from similar improvements in the 2014-2020 period. There have been further improvements to PPIMS for the 2014-2020 period and operations will now only have to input into a transaction list which will automatically populate the claim on the PPIMS system. This will mean beneficiaries will no longer have to reconcile transaction lists with their claims.

11.5 Harmonised ESI programme level eligibility rules and common supporting guidance will be in place for organisations across the Programme area. This will represent a significant simplification for beneficiaries in Ireland and Wales and builds on the Commission's common eligibility provisions in the Common Provisions Regulation for matters such as durability, revenue generation, and simplified cost options. The harmonised eligibility rules will be agreed and published and easily accessible via the programme website in 2015. This is a departure from the current programme where there were separate eligibility rules in Ireland and Wales.

11.6 In addition, the Programme intends to encourage the take-up of simplified cost re-imbusement options (lump sums, flat-rates,) by making legislative options available to potential applicants, issuing detailed guidance, and running training workshops with representatives from key sectors to understand and address the barriers to take-up. It is expected that flat-rate costs in relation to reimbursement of indirect costs will be of particularly interest to beneficiaries.

12. GLOSSARY OF COMMON ACRONYMS

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| AA | Audit Authority |
| CA | Certifying Authority |
| CCT | Cross-Cutting Themes |
| DPER | Department of Public Expenditure & Reform, Irish Government |
| EAFRD | European Agricultural Fund for Rural Development |
| EIA | Equality Impact Assessment |
| EPF | Economic Prioritisation Framework |
| ERDF | European Regional Development Fund |
| ESF | European Social Fund |
| ESIF | European Structural & Investment Fund |
| ETC | European Territorial Co-operation |
| FE | Further Education |
| FTE | Full Time Equivalent |
| GDP | Gross Domestic Product |
| GoA | Group of Auditors |
| HE | Higher Education |
| HEI | Higher Education Institute |
| IP | Investment Priority |
| IMF | International Monetary Fund |
| IW | Ireland Wales |
| JS | Joint Secretariat |
| MA | Managing Authority |
| NCCF | National Coordination Committee of the Funds |
| NGO | Non-Government Organisation |
| OLT | Operation Logic Table |
| PA | Priority Axis |
| PMC | Programme Monitoring Committee |
| PPIMS | Programme Project Information Management System |
| PSED | Public Sector Equality Duty |
| R&D | Research & Development |
| S3 | Smart Specialisation Strategy |
| SME | Small Medium Enterprise |
| SO | Specific Objective |
| SRA | Southern Regional Assembly |
| SWOT | Strengths, Weaknesses, Opportunities & Threats |
| TA | Technical Assistance |
| TO | Thematic Objective |

GLOSSARY OF ACRONYMS

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|------|-------------------------------|
| WIN | Wales Ireland Network |
| WEFO | Welsh European Funding Office |

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