



Southern and Eastern Regional Operational Programme 2000-06

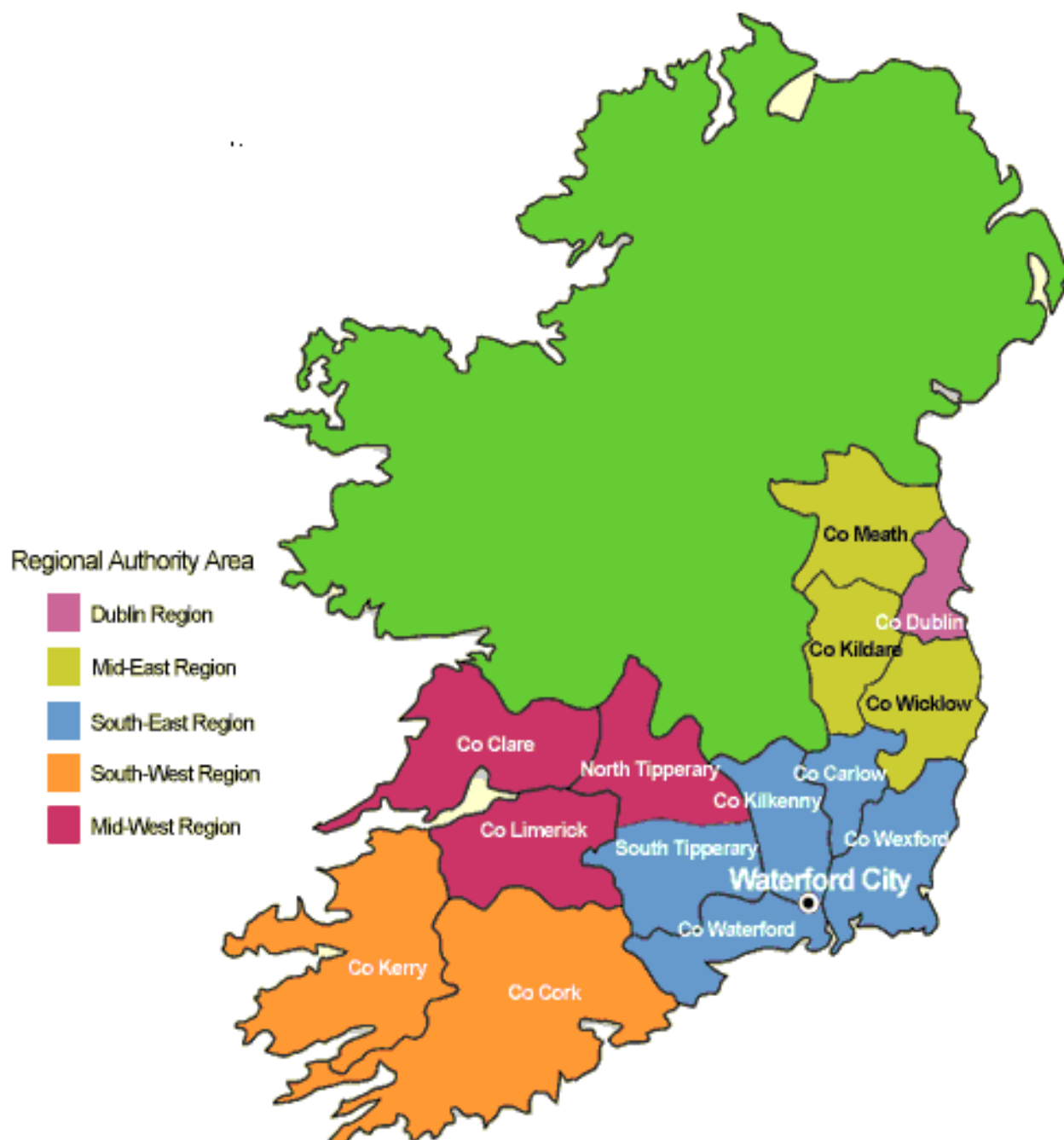
Final Implementation Report

September, 2010

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1. Introduction

1.1 Basic information

CCI n:	Decision Reference No. 2000 IE 16 1 PO 005		
	27/11/2000	C(2000)3380	Approving the operational programme
	21/10/2002	111094	Approval of modification to the Programme C
	25/10/2002	C(2002)3482	Table changes
	22/12/2003	C(2003)5278	EAGGF Decommittment
	30/12/2003	C(2003)5388	Extended range of EAGGF
	23/03/2004	C(2004)344	Fisheries guidance
	15/12/2004	C(2004)5280	EAGGF Decommittment
	27/12/2004	C(2004)5733	Programme amendments
	07/09/2005	09295	Approval of modification to the Programme C
	05/12/2005	C(2005)4962	Table changes
	16/12/2005	C(2005)5713	Structural Fund Total to €574,948,119.00
	31/08/2006	C(2006)3999	EAGGF Tables - Farm Waste
	27/12/2006	C(2006)7263	Approval of modification to the Programme C
	24/04/2007	04054	Approval of modification to the Programme C
	03/07/2008	C(2008)3388	Approval of modification to the Programme C
	10/12/2008	11896	Approval of modification to the Programme C
	18/02/2009	C(2009) 1127	Final Date for Eligibility
Objective no-	Objective 1 in Transition		
Member State / Region:	Ireland / Southern and Eastern		
Title of the assistance:	Southern and Eastern Regional Operational Programme 2000-2006		
Programming Years:	2000-2006		
Managing Authority:	Southern & Eastern Regional Assembly		
Paying Authorities:	Department of Finance (ERDF), Department of Enterprise, Trade & Employment (ESF), and the Department of Agriculture, Fisheries & Food. (EAGGF & FIFG).		
Monitoring Committee approval date:	23 rd September, 2010.		

1.2 Introduction

This is the Final Implementation Report of the Southern & Eastern Regional OP. The report has been prepared in compliance with Article 37 of Regulation 1260/1999 and with the EU Commission Guidance on Closure.

1.3 Background

Up until 1999, the Republic of Ireland was treated as one region for Structural Fund purposes. The Irish authorities negotiated an agreement which resulted in the designation of the country into two NUTS II regions:

- The Border, Midland and Western Region (BMW Region) which has retained Objective 1 status for the purpose of Structural Funds for the full period to 2006; and
- The Southern and Eastern Region (S&E Region) which qualified for a six year phasing out regime for Objective 1 Structural Funding up to the end of 2005.

The Southern & Eastern Regional Operational Programme complemented the Inter-regional Operational Programmes and extended their impact at local level across the Region as a whole. To set the context for the final report, it is appropriate to set out the strategic objectives of the Operational Programme:

- Maintain and improve the transport infrastructure to provide easier access to employment, training and social opportunities and to markets for employers wishing to establish enterprises in more remote areas;
- Provide effective linkages to the National Road network and to the public transport system;
- Support the establishment of high value added information and services sector enterprises in the Region by providing access to advanced communications and e-commerce/digital infrastructure and services and promote an inclusive information society;
- Improve the quality of the environmental, cultural, social and recreational infrastructure so as to enhance the attractiveness of the Region, as a place to live, visit, work or establish an enterprise and to contribute to sustainable development;
- Increase per capita GVA and support convergence with national averages by improving the quality of the labour supply, supporting the development of innovation systems at regional level and the establishment of high quality jobs within reasonable commuting distance;
- Support the regeneration of rural communities by providing alternative sources of income for farmers, rural dwellers, the underemployed and those engaged in marginal economic activity, through farm diversification Measures, area-based rural development initiatives and by moving production up the value chain;
- Augment employment opportunities in the less developed and economically disadvantaged rural areas of the Region through the promotion of Tourism, Forestry, Fishery Harbours, Aquaculture Development and Gaeltacht/Islands;
- Provide structural aid and back-up support in rural areas, especially targeted at young farmers so as to support the production of commercially viable quality product at farm level and to promote the protection of the environment; and
- Provide support through a comprehensive programme of Measures for those seeking access to training, those wishing to enter or return to the workforce, especially women and for family and community development.

These strategic objectives were implemented under four Priorities (Sub-Programmes) namely, Local Infrastructure; Local Enterprise Development; Agriculture and Rural Development; and Social Inclusion and Childcare. These Priorities complemented the major expenditure under the Inter-regional Programmes by focusing on the specific development needs of the Region.

1.4 Overview of the Report

Chapter 1 gives details of the background to and the strategic objectives of the S&E Regional Operational Programme. Chapter 2 sets out the socio-economic and policy environment in which the Operational Programme was implemented. Chapter 3 outlines progress in the implementation of the Operational Programme at Priority level. Chapters 4 to 7 outlines progress in the implementation of the Operational Programme at Measure level, with a separate chapter for each of the four Structural Funds. Chapter 8 provides details of management and financial control. Chapter 9 outlines the steps taken to ensure the quality and effectiveness of implementation. Finally there are a series of Annexes covering such matters as Project Listings, Horizontal Principles reports, State Aid compliance, and Fields of Intervention.

1.5 Treatment of non EU co-financed Expenditure

This final implementation report focuses on co-financed expenditure under the Operational Programme. However for completeness final implementation data for non co-financed Measures/Sub-Measures is included in Annex 1. These measure-level reports for non co-financed Measures are generally less detailed and provide

details of progress to the end of 2006 only as expenditure incurred after 1st January 2007 was included in the National Development Plan 2007-13.

1.6 Fund-level Reports

The S&E Regional OP 2000-06 included Measures co-funded by all 4 Structural Funds: ERDF, ESF, EAGGF and FIFG. In accordance with the Commission Closure Guidelines, this Final Report incorporates all 4 Fund reports in a single integrated final implementation report. However for convenience, each specific Fund co-financed measures have been grouped together under separate ERDF, ESF, EAGGF and FIFG chapters. Any issues or regulatory requirements specific to a Fund are dealt with under these Fund chapters.

1.7 Annual Report for 2008

As an Annual Implementation Report for the year 2008, the last full year of implementation, was previously submitted to and approved by the European Commission, a separate report for the six month period in 2009 is not required by Regulation and thus has not been included as a separate chapter to this Final Report.

1.8 Treatment of 2006 Commitment to Programme

In accordance with Article 6(1) paragraph 2 of Council Regulation (EC) No.1260/1999, support under Objective 1 has been provided for certain NUTS III areas which allows them to be assisted on a transitional basis in 2006, despite the fact that they are set in a NUTS II region which benefits from Community funding for support on a transitional basis ending on 31st December, 2005. The rationale for this transitional support in 2006 is that the NUTS III area in question met the criteria for eligibility for Objective 2 under Article 4 of Council Regulation (EC) No. 1260/1999. As a consequence, it was decided that the programmes concerned were entitled to a further commitment from the Community budget in 2006 in accordance with Annex II to Commission Decision 1999/502/EC.

The Southern & Eastern Region Objective 1 O.P. met such criteria with its constituent NUTS III South-East sub-region eligible for transitional support in 2006.

However, as the Commission Decision approving the Programme set the end date for eligibility for all expenditure under the Programme as the 31st December, 2008 (subsequently extended by Commission decision to 30th June, 2009), it was subsequently agreed by the Commission, by letter dated the 10th March, 2006, that all operations eligible under the S&E Regional Objective 1 Programme may be potentially eligible for co-financing from by the 2006 Community budget, provided that by closure of the Programme, the Managing Authority could provide an assurance that an amount not less than the 2006 commitment to the Programme was spent within the NUTS III South-East sub-region.

The Managing Authority now confirms that an amount not less than the respective Fund 2006 commitment to the Programme, was incurred within the South-East NUTS III sub-region. In the subsequent Fund Reports in Chapters 4-7, greater details will be provided at Measure level documenting how this was achieved.

1.9 Monitoring Committee Approval

Article 34(1) of regulation 1260/1999 requires that the Monitoring Committee approves the Final Implementation Report.

This report was circulated to the members of the Programme Monitoring Committee for approval by written procedure and was approved on the 23rd September, 2010

2. Operational Framework

2.1 Socio-Economic Context

2.1.1 The National Macro-Economic Context

Over the last decade, unprecedented economic growth has seen the level of Irish real GDP almost double in size. There have been many reasons advanced for Ireland's economic development, which in combination can help explain the exceptionally strong growth rates experienced. They include EU membership, the stimulus provided by structural and cohesion funds and access to the Single Market; Ireland's low corporation tax rate and a large and expanding multinational presence; a high proportion of the population of working age; increased participation in the labour market especially by females; a reversal of the trend of emigration towards net inward migration up to 2008; sustained investment in education and training; co-ordinated social partnership agreements and a more stable public finance position.

Ireland however is now enduring a significant reverse of fortunes. This downturn can be traced to the emergent weakening of the domestic housing market in 2007 and the associated reduction in consumption growth towards the end of the year. These trends have continued throughout 2008 and have ultimately led to the collapse of the construction sector, one of the key sectors which had driven Ireland's extensive growth. The output from construction fell nationally by 18.4% in the 3rd quarter of 2008 compared to the corresponding period in 2007. This has been further exacerbated by the deterioration in economic conditions internationally resulting from the severe disruption of international financial markets and the emergence of a global banking crisis which has constrained the availability of credit, the impact of which has severely dented the economic performance of Ireland's leading trading partners in the US, UK and euro area. The resultant drop in global demand has, in tandem with an appreciation of the Euro against both the UK Sterling and US Dollar has contributed to negative export growth. Declining domestic consumer confidence has also depressed private consumption. All of these factors culminated in Ireland becoming the first eurozone country to officially enter recession in September 2008 following two consecutive quarters of negative growth in the 2nd and 3rd quarter of 2008. This has been followed by a further fall 6.7% in output in the final quarter of 2008 compared to the corresponding period in the previous year as illustrated in the following graph.



Source: Central Statistics Office (2009), *Quarterly National Accounts 2008 Q4*.

The scale and speed of developments has seen a rapid deterioration in Ireland's fiscal position and a sharp rise in unemployment. Unemployment rose to 11.4%¹ in April 2009 compared to 4.6% in the 1st quarter of 2008². These trends are likely to deepen in the short run. The Irish Central Bank's latest Quarterly Bulletin³ forecasts that the Irish economy will contract by almost 7% in 2009 and it expects economic growth to shrink by 12% in total from 2008 to 2010. While the Economic and Social Research Institute (ESRI) in their Quarterly Economic Commentary⁴ expect unemployment to rise to 16.8% in 2010. Ireland's recovery is dependent upon a revitalisation in domestic demand and will rely heavily upon an upturn in the global economy due to its status as a small open economy. Projections from international organisations such as the OECD, IMF and ECB project a further decline in the global market in the first half of 2009, followed by a relatively flat trend in 2009 and a modest recovery during 2010.

2.1.2 The Southern & Eastern Regional Context

The S&E Region consists of 53% of the land area, 73% of the population and the average value added per person generated in the S&E region was 10.2% above the state average in 2006. The Southern and Eastern region covers 16 county councils and 4 cities, and has 5 constituent sub-regions (Regional Authorities). The region extends from the south west of the country (Kerry) up to county Meath and it includes the capital, Dublin. The other main cities of the region are Cork, Limerick and Waterford.

2.1.3 Demographic Trends in the S&E Region

Overall the population of the Republic grew by 8.0% over the six year 1996-2002 inter-censal period and by 8.2% over the four year 2002-2006 period. The population of the S&E Region is 3.105m in a Region of 36,414 km² (85.3 persons per km²).

The 2006 Census showed that population increased in every county in Ireland however the nature of this growth was not even. The fastest growing counties were Fingal (+43,400 or 22.1%), Meath (+28,616 or 21.4%) and Kildare (+22,131 or 13.5%). The population of all counties in Leinster apart from Dublin City (+2%), Dún Laoghaire-Rathdown (+1%) and Dublin South (+3.4%) grew by more than the national average rate of 8.1%. Taking a ten year perspective (i.e. 1996-2006), three counties in the S&E Region accounted for about 29% of the 609,000 growth in population at State level. They were Fingal, Meath and Kildare.

On the other hand Cork City and Limerick City were the only two of the thirty-four administrative counties to experience population decline between 2002 and 2006, the decreases being 3.2% and 2.7% respectively. Cork County (+11.4%) was the fastest growing county in Munster, followed by Waterford County (+9.2%) and Limerick County (+8.3%). Developments in the suburban areas adjacent to the cities of Cork, Waterford and Limerick were major contributors to this growth. In relation to sustainable settlement patterns, the outcomes of the 2006 census as well as indicating positive population trends in many previously under-developing counties also indicate that urban sprawl continues to be a feature of new settlement patterns. This is demonstrated by the changes in the population of the Mid-East Region which grew by 18.8% between the years 1996-2002 and by 18.1% to 2006. The following bar chart shows the population levels for the NUTS III regions over the three censi.

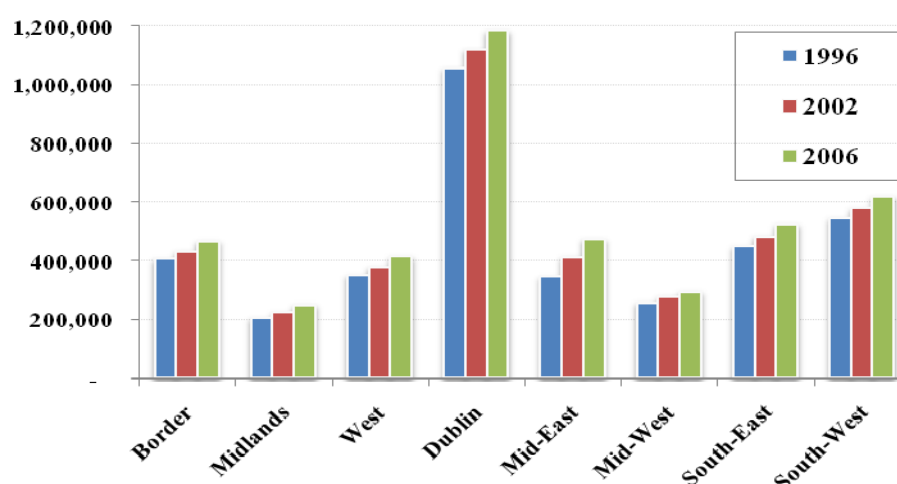
¹ Central Statistics Office (2009), Live Register April 2009. This rate represents the estimated standardised unemployment rate for April 2009

² Central Statistics Office (2008), Quarterly Household Survey 2008 Q1

³ Central Bank (2009). Quarterly Bulletin No.2 2009 (April)

⁴ ESRI 2009. Quarterly Economic Commentary Spring 2009

Population of the 1996-2006 by NUTS III Regions



Source: Central Statistics Office, Census of Population 2006

2.1.4 Main socio-economic trends 2000-2008

Table 1: Southern & Eastern Region Socio-economic indicators

	Year	State	S&E	BMW
Population (000's)	2006	4,239.8	3,105.5	1,134.3
Employment (000's) ⁵	2009	1,887.7	1,405.2	482.5
Unemployment rate	2009	12.4	12.1	13.2
Disposable income per capita (state = 100)	2007	100	102.7	92.5 ⁶
GVA per person (state = 100)	2006	100	110.2	72.2

Regional GVA Trends

In terms of regional economic growth performance, the most recently published data on Regional GVA (Gross Value Added) and Disposable Incomes is for 2007. The average value added per person generated in the Southern and Eastern region was 11.2% above the State average in 2007. The level of GVA per person in the Southern and Eastern region increased by 57.1% in the period 2000 to 2007 while the GVA per person in the Border, Midlands and Western region increased by 53.6% during the same period.

The gross value added per person in the Border, Midland and Western NUTS2 region was 69.3% of the State average in 2007, down from 71.0% in 2006. When measured against the EU average it has decreased from 103.2% in 2006 to 102.7% in 2007. At the NUTS3 regional level, the Dublin region had the highest GVA per person in 2007 at 41.2% above the State average. The combined Dublin plus Mid East region in 2007 was 22.8% above the State average. The level of GVA per person in this region has exceeded the State average by at least 17% in each year since 2000. Dublin and Mid East regions are combined together as they are affected significantly by workers living in one region and commuting to work in the other. Meanwhile the Midland region has the lowest GVA per person in 2007 at 65.8% of the State average.⁷

Over the period 2000 to 2006, the output from the Region grew by 12.1 % compared to 15.2% for the BMW Region, it is important to note however that the BMW Region grew for a much lower base. The S&E Region contributed 81.1% of total national GVA in 2005 this figure has fluctuated within one percentage point over the period under consideration and stood at 80.7% in latest figures released from the CSO⁸. What is clear from the figures below is that Ireland's economy during 2000-2006 has been largely driven by the Dublin and South-

⁵ QNHS – Quarter 4 2009- Labour Market- published 24th March 2010

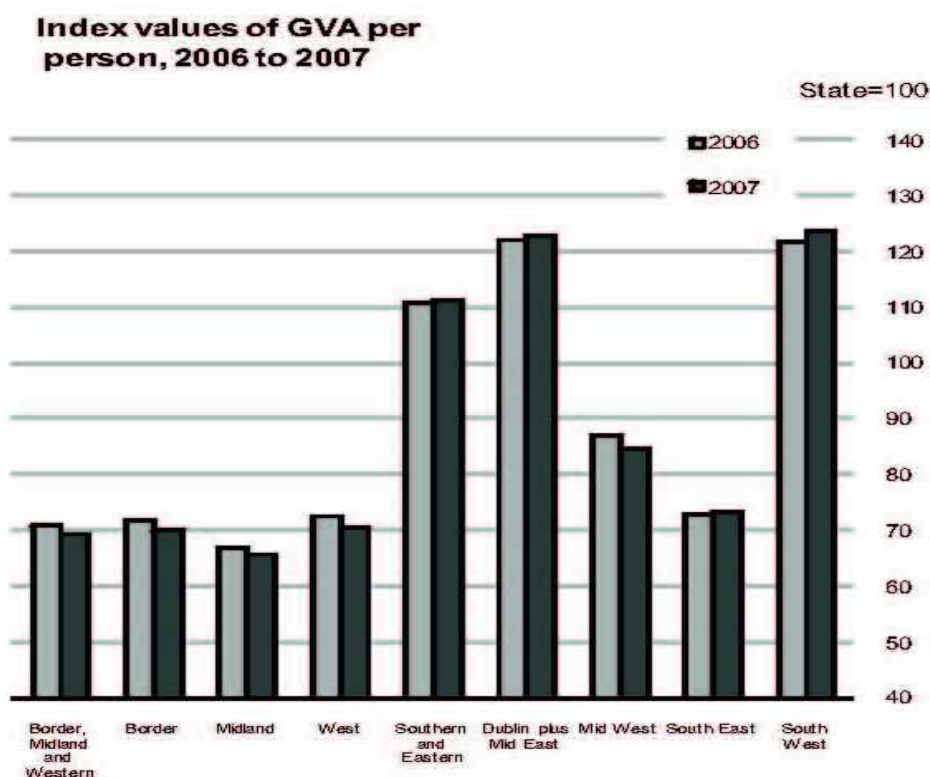
⁶ County Incomes and Regional GDP 2007

⁷ County Incomes and Regional GDP 2007

⁸ Central Statistics Office (2009) County Incomes and Regional GDP 2009

West Region while the remaining regions have struggled to make any significant gains outside their historical share of national output.

Index Values of GVA per Person, 2006 to 2007



Source: Central Statistics Office (2010), County Incomes and Regional GDP 2007

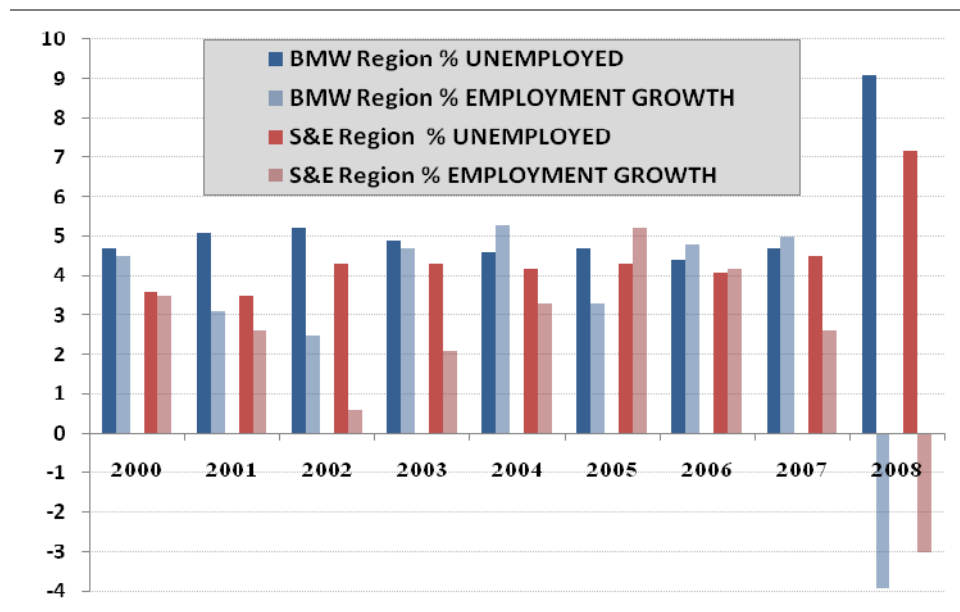
Regional Income Trends

For the two NUTS 2 regions in the State, the disposable income per person in 2007 of the Southern and Eastern region was 2.7% above the State average while the corresponding figure for the Border, Midland and Western NUTS 2 region was 7.5% below the State average. The gap of 10.2 points between the two regions has decreased from the gap that existed in 2006 (10.9 points) and in 2005 (11.6 points). At the level of the eight Regional Authority areas the Dublin region had the highest disposable income per person, being 10.8% above the State average in 2007; the comparable figure in 2000 was 16.6%. The disposable income per person of the Midland region was 8.8% below the State average in 2007 and was the lowest of the eight Regional Authority areas.

Regional Labour Market Trends

The impact of the changed economic circumstances is very much evident in the data from 2008 and 2009. Total employment dropped by 3.2% in the S&E Region in 2008 and by a further 7.9% in 2009. In the 4th quarter of 2009, unemployment had reached 12.1% in the S&E Region compared to 13.2% in the BMW Region. These trends which are a consequence of the current macro-economic environment are likely to continue and we can expect these gaps to widen in the medium-term.

Unemployment & Annual Employment Growth Rates 2000-2008



Source: Central Statistics Office, Quarterly National Household Survey 2000-2008

2.2 National, Regional, and Sectoral Policy Developments 2000-2009

2.2.1 National Development Plan 2000-2006

The National Development Plan (NDP) 2000-2006 was launched on November 15th 1999 and represented a blueprint for Ireland's continuing economic progress and provided investment of €57bn over seven years in infrastructure, productive investment, education and training, regional development and social inclusion.

The plan was framed after an extensive consultation process that included social partners and regional interests. It reflected the broad consensus on the future development needs of the country. The strategy as supported by a commitment to multi-annual investment in key areas of infrastructural investment, education and training, the productive sector and promotion of social inclusion.

The NDP 2000-2006 has seven Operational Programmes:

- Economic Infrastructure;
- Human Resources and Employment;
- Productive Sector;
- Two Regional Operational Programmes;
- PEACE; and
- Technical Assistance.

To illustrate its commitment to addressing the regional problem, the Irish government included balanced regional development as one of four core objectives of the NDP 2000-2006; established two regional assemblies to act as the designated managing authorities for the two Regional Operational Programmes (OP's) within the NDP; and, committed itself to produce a National Spatial Strategy within a short timeframe.

The NDP acknowledged that more balanced development would increase prosperity in the less developed regions and reduce congestion in the more developed regions. The government's objective for regional policy as stated in the NDP was to:

Achieve more balanced regional development in order to reduce the disparities between and within the two regions and to develop the potential of both to contribute to the greatest possible extent to the continuing prosperity of the

At the national level, the Foot and Mouth Disease control measures had a significant negative impact on the region in 2001. Controls on movement reduced economic activity generally but had a particularly severe impact

on the tourism sector, particularly in rural areas and more peripheral regions. This was partly, but not fully, compensated by the estimated benefits to the agriculture sector from replacing UK supplies. FMD also directly affected progress in the Operational Programme itself, as restrictions on access to farmland prevented progress on the Agriculture and Rural Development Priority. The controls hindered progress in other areas, as restricted access to land halted progress on infrastructure projects and restrictions on movement hindered measures involving meetings. The national response also imposed a very significant cost on the Exchequer, both directly through the concentration of public resources and indirectly through loss of revenue. The concentration of resources also imposed limits on the capacity of the public sector to manage other elements of the OP. The events of 11 September 2001 sharpened the general slowdown in the international economy and its effect on the region, particularly in terms of confidence. The Tourism and Travel statistics for 2001 show a decrease of 5.1% in visits to Ireland by non-residents, to 6,081,000. However, total expenditure (excluding international fares) was up by 10% from €2.854m to €3.154m.

This change in the environment had a direct impact on the Exchequer position, with major shortfalls in tax receipts in 2002. This led to careful control of outturns in 2002 and a significant slowing in expenditure growth in the Revised Estimates for 2003. In the context of the overall national priorities of economic and social infrastructure, this had a very direct effect on 2003 provisions for a number of Regional OP measures. The 2003 Revised Estimates provided a total increase of 7% in spending over 2002 outturns; split between 8% increase in current spending and a 1% reduction in voted capital spending. While co-financing for measures has generally provided a basis for arguing that they should be protected from reductions in expenditure, it is notable that the Independent Estimates Review Committee expressed some doubt over this.

2.2.2 National Spatial Strategy 2002-2020

The publication of the **National Spatial Strategy** in November 2002 established a 20-year framework for regional development in Ireland. It identified four Gateways and five Hubs in the S&E Region which would act as the economic drivers for the Region. One mechanism to facilitate the implementation of this strategy was through the **Regional Planning Guidelines** (RPGs) process. The RPGs were initially adopted by the Regional Authorities in 2004 for each of the NUTS III regions⁹ and outline how development will take place over timeframe of the NSS. The areas, which they cover, include managing population growth, regional identity, infrastructure, social facilities, sustainability of rural areas, the environment, economic development and cultural amenities. The Regional Authorities are currently engaged in a review of the RPGs and the preparation of new RPGs for the period 2010-2022, to be completed by 2010. In parallel to this the **2009 Planning Amendment Bill** seeks to strengthen links between local and regional planning.

Forfás published a **Gateways Investment Priorities Study** in 2005. The objective of this study was to "...contribute to a renewed impetus in the implementation of the NSS and the overall Gateway approach". Key investment priorities for each of the 9 designated Gateways and overall delivery arrangements are set out in the study report.

The government announced in the NDP 2007-2013 the provision of a **Gateway Innovation Fund (GIF)** as a strategic target intervention to stimulate the growth and development of the 9 Gateway cities and towns identified under the National Spatial Strategy 2002-2020. A fund of €300m was earmarked for the GIF over three years 2008-2010 under the management of the Department of Environment, Heritage and Local Government. Due to the adverse economic conditions and the resultant impact on exchequer finances the roll-out of the GIF has been deferred in the medium term.

The **Gateway Development Index** (GDI) which has been commissioned in 2008 by the BMW and S&E Regional Assemblies, examines for the first time the economic and social progress of the 9 Gateways as identified under the NSS. These Gateways are identified as key catalysts to stimulate regional growth and their development is central to realisation of the Regions' potential. The Index will examine a suite of indicators and the findings of this study were published in the 1st quarter of 2009. This GDI will be repeated again in 2010 and 2013 in line with the mid-term review of the Regional Operational Programmes and the National Development Plan, and the conclusion of these programmes.

Not alone does the NSS provide a spatial framework for the full range of policy areas over the next twenty years, but it also provided a reference point for the Mid Term Review of the National Development Plan/Community Support Framework. In that context, the Managing Authority advertised for and selected evaluators to carry out the Mid Term Evaluation of the Southern and Eastern Regional Operational Programme.

⁹ Dublin and the Mid-East combined to produce Planning Guidelines for the Greater Dublin Area.

As part of the Mid Term Evaluation, evaluators had also been appointed to carry out evaluation of certain “cross-cutting” questions that needed to be addressed for EAGGF-funded measures, in conjunction with CAP Rural Development Plan Mid Term Evaluation.

Interim Evaluations were also carried out for the S&E OP in 2002, on the Non-National Roads Measures (in conjunction with the National Roads Measure in the ESIOP) and on the Local Development Measure as part of an evaluation of Labour Market Measures (in conjunction with the EHROP). Evaluations of the Childcare Measures and of Social Inclusion Coordinating Mechanisms were undertaken at end-2002. At end-2002, negotiations were ongoing on a new social partnership agreement which was agreed in 2003 for an 18 month period.

2.2.3 Other National Policy Developments

The first half of the programming period also saw major developments in relation to CAP reform. The EU Commission’s revised CAP reforms announced in January 2003 were discussed by the Council of Agriculture Ministers at end June at which Ireland was able to secure a number of concessions from the original proposals. These concessions involved maintaining many of the chief benefits agreed under Agenda 2000 while establishing a policy framework to develop a more market-orientated and sustainable agricultural and food sector for the benefit of farmers and consumers.

In 2006, the launch of the Government’s Strategy on Science and Technology (SSTI) for 2007-2013, with important implications for the Region took place. This policy was further refined in 2008 with the publication of the Government’s Smart Economy Framework document

Building Ireland’s Smart Economy

In December 2008, the Government launched its economic recovery plan **Building Ireland’s Smart Economy - A Framework for Sustainable Economic Renewal**. This document sets out a number of priorities and actions that the Irish Government will be taking in the short and medium term to address the economic challenges presented the country’s recessionary status.

Key strategic aims and objectives of plan include:

- Stabilisation of public finances and improved competitiveness;
- Provision of support to those who become unemployed and also to Irish and multinational companies;
- Generation of high levels of commercialisation and greater retention of ideas that occur from that investment;
- Implementation of a ‘new green deal’ to move from fossil fuel-based energy production through investment in renewable energy and to promote the green enterprise sector and the creation of ‘green-collar’ jobs;
- The continued development of first-class infrastructure that will improve the quality of life and increase the competitiveness of Irish business; and
- The reduction and reform of the public sector.

Some of the measures that will be introduced to achieve these measures include:

- The creation of the 'Innovation Fund-Ireland' a €500m venture fund to target research and development projects in small businesses;
- The development of more favourable tax conditions for investing in start-up companies which focus on new technologies and products;
- Continued investment in research and development in parallel with greater incentives for multinational companies to locate more R&D capacity in Ireland;
- The establishment of a €30m National Insulation Programme to insulate 25,000 homes;
- The prioritisation of infrastructure projects under Transport 21. These include the five major inter-urban motorways, the development of the Atlantic Road Corridor and increased public transport capacity; and
- The establishment of a Special Group on Public Service Numbers and Expenditure Programmes will recommend reductions in public service numbers and reallocation of staff by June 2009.

National Reform Programme 2005-2008

Following the mid-term review of the Lisbon Agenda, a revised 3-year strategy focusing on growth and jobs was launched at the European Council in March 2005. As part of this new approach Member States agreed to draw up National Reform Programmes (NRPs) based on an Integrated Guidelines Package (incorporating

macroeconomic, microeconomic and employment guidelines). In drawing up their NRP Member States focused on policies appropriate to their own specific needs and circumstances. The Irish NRP sets out a range of actions to achieve economic and employment growth over the 2005-2008 period. The key issues outlined in the NRP are competitiveness, research and development, lifelong learning and more and better jobs.

As regards the labour market, the focus is on two major challenges in particular:

- Ensuring an adequate labour supply by facilitating greater participation in the workforce by the unemployed, inactive and economic migrants; and
- Maintaining a strong focus on education and training, including lifelong learning.

The NRP was submitted to the European Commission in October 2005 and the Commission's assessment of Member States' NRP's was contained in the first Annual Progress Report, published in January 2006. The Commission's view is that the NRP identifies and responds to most of the main challenges facing Ireland and takes an integrated and ambitious approach to further reinforcing the factors which have underpinned Ireland's recent economic success. The emphasis on policies to integrate inactive people into the labour market, increase female participation and address skills development is strongly endorsed by the Commission. Research and Development and Pensions Coverage are identified as key areas for continued development.

National Development Plan 2007-2013

The National Development Plan (NDP) 2007-2013, launched in January 2007, is a high level strategic document which sets out within a sustainable economic and budgetary framework indicative seven year investment allocations for the various sectoral areas, with a planned investment of €184bn.

The NDP 2007-2013 sets out the strategic objectives of investment for Ireland in the period 2007-2013 as follows:

- Promotion of sustainable economic and budgetary stability;
- Promotion of national competitiveness;
- Fostering better balance in regional development with a particular focus on assisting all regions to deliver to their maximum potential;
- Delivery of economic and social infrastructure in an efficient Value for Money Way which improves the quality of life of our citizens;
- Environmental sustainability;
- Promotion of social inclusion; and
- Development of strong cross-border and all island economic and sectoral co-operation.

The 2007-2013 NDP will focus on five investment priorities as follows:

€bn Investment (Current Prices)

Economic Infrastructure	54.7
Enterprise, Science and Innovation	20.0
Human Capital	25.8
Social Infrastructure	33.6
Social Inclusion	49.6
Total	183.7

The National Development Plan with an emphasis on improving quality of life in a sustainable manner will take account of the National Spatial Strategy, environmental sustainability, impact on Social Inclusion, the all-island dimension, value for money considerations and the requirements of the EU Lisbon process. The new NDP in particular seeks to consolidate progress made under previous programmes and address the investment now necessary to maintain national competitiveness within a sustainable economic and budgetary framework. It also sets out the resourcing commitments necessary to achieve policy developments agreed under the Towards 2016 Agreement. The NDP sets out a framework for the promotion of regional development with a particular focus on investment in the NSS-designated Gateways.

National Strategic Reference Framework (NSRF) 2007-2013

In July 2007, the European Commission approved Ireland's National Strategic Reference Framework (NSRF), this sets out in broad terms how Ireland will invest €750m in EU funding over the period 2007-2013. The NSRF outlines the strategy for allocating the available funding through the selected operational programmes. The objective is to provide an overarching structure for each member state that allows for the development of operational programmes and ensures consistency with Community and national policies.

The NSRF for Ireland sets out the following key priorities:

- Promoting investment in human capital through up-skilling the workforce, increasing participation in the workforce, and activating groups outside the workforce;
- Supporting innovation, knowledge and entrepreneurship in the regions; and
- Strengthening the competitiveness, attractiveness and connectivity of the National Spatial Strategy, through improved access to quality infrastructure and promoting environmental and sustainable development.

These will be implemented through three operational programmes:

1. Border, Midland and Western Region Operational Programme (ERDF);
2. Southern and Eastern Region Operational Programme (ERDF); and
3. European Social Fund (Employment and Human Resources) Operational Programme.

Changes to Public Expenditure Management

A major innovation in public expenditure management was announced in the Irish Government's 2004 Budget involving a commitment to provide rolling 5-year multi-annual envelopes for all capital investment areas. This plan aimed at assisting longer-term planning of infrastructural development which would result in beneficial results for the development of the Region's infrastructure. The programme of decentralisation of more than 10,000 civil and public servants was announced in Budget 2004 aiming at a more balanced regional growth.

Ongoing expenditure reforms have included the Annual Output Statements, introduced in 2007 to set out performance indicators corresponding to the financial allocations for each area of Government spending; and the Unified Budget, also introduced in 2007, whereby national taxation and expenditure decisions are taken at the same time to provide a coherent, comprehensive approach to fiscal decision-making. The multi-annual dimension of current expenditure planning was also emphasised in 2008, partly in response to the need for a firm, credible plan of budgetary consolidation in response to the international and national fiscal deterioration; and the Government has since indicated that this dimension may be developed further, in the context of ongoing discussions at EU level on coordination and strengthening of budgetary processes.

2.3 Policy Developments at Measure Level

There have been a large number of sectoral policy developments covering the programming period which, to varying degrees, have impacted on the implementation of the Programme. The individual Measure level progress reports set out in Chapters 4-7 give details of the relevant policy developments in the respective areas. Set out below are a summary of some of the more significant developments, grouped under each of the four Priorities, while the following section (2.4) summarises the implications of these policy developments for the mutual consistency across the Structural Funds.

2.3.1 Local Infrastructure Priority

Transport

The **Transport 21** Investment Programme was announced in May 2006. From 2006 to 2015, capital investment in the Irish transport system will take place under the framework of Transport 21. Transport 21 is designed to resolve the problems of backlogs in previous capital investments, while at the same time meeting expected growth in transport demand.

The aims of Transport 21 are to:

- Increase accessibility;
- Ensure sustainability;

- Expand capacity;
- Increase use; and
- Enhance quality.

A total national investment package of €34.4bn was been allotted over the 10 year period.

Some key infrastructure projects for the S&E Region include:

- Atlantic Road Corridor;
- Capital works programme in the two regional airports; and
- Roll-out of the National Broadband Scheme.

Rural Water

The **Water Pricing Framework** which was originally approved by the Irish Government in 1997 seeks to significantly improve the transparency of water and waste-water costs and to fully recover the costs of providing water services to non-domestic customers. This is in accordance with national and EU policy on the application of the “polluter pays” principle, including the EU Water Framework Directive (2000/60/EC).

Part 5 of the **Water Services Act 2007** contains provisions relating to metering of water supplies and waste water discharges, enabling a water services provider to supply water and measure the volume of water supply or rate of discharge of waste water via a meter and a charge in respect of meters provided. These will outline the rights of consumers in this area, and how they may be exercised. Metering facilitates enforcement of general water conservation measures by water services authorities (County and City Councils), and complements the general duty of care to keep water distribution and waste water discharge systems leak-free.

Waste Management

Clear policy direction is given in the Government policy statements, ***Changing Our Ways (1998)*** and ***Preventing and Recycling Waste: Delivering Change (2002)***, which recognises the need for a dramatic reduction in reliance on landfill in favour of an integrated waste management policy which prioritises prevention/minimisation, delivers ambitious recycling/recovery targets and brings waste management infrastructure up to modern standards.

The **Waste Management (Amendment) Act, 2001** was enacted on 17 July, 2001 and its primary purpose was to provide a legal mechanism by which the first Regional Waste Management Plans could be made. Section 4 of the Act, provides that the making of a waste management plan will become an executive (management) function, a change from the Waste Management Act 1996, where the power was a reserved (elected member) function.

The Strategy under-pinning the Measure is based on the integrated waste management approach established as Government policy since the publication of the 2004 policy document **Waste Management: Taking Stock and Moving Forward**.

E-Commerce and Communications

One of the key elements of the **Government’s 2003 Broadband Action Plan** was the launch of a new Group Broadband Scheme where small rural communities pool demands and secure high speed connectivity from a range of providers in the Irish market through grants from the government. It enables broadband access for local residents and small and medium sized businesses in the area. In 2005, the scope of the scheme was widened to include County Broadband Schemes co-ordinated by the local and/or regional authorities.

The Department of Communications, Energy and Natural Resources published a **Value for Money and Policy review of Phase I of the Metropolitan Area Networks Programme** in July 2008. The Department also published a draft policy paper on **Next Generation Broadband Networks** for public consultation in June 2008. This paper reviewed current communications infrastructure policy and provided options on the optimum future role for Government in facilitating the roll out of high speed broadband networks.

2.3.2 Local Enterprise Priority

Tourism

In September 2003, this *Tourism Policy Review Group’s* Report final report **New Horizons for Irish Tourism: An Agenda for Action** was published, setting out a strategy for Irish Tourism from 2003-2012. This report established a vision for Irish Tourism recognising the regional significance of tourism and reinforcing themes that are of relevance to the Region, such as product and service innovation, quality standards, positive brand

image and competitiveness for the tourism sector and the need for continuous human resource development and the promotion of professional tourism career paths.

In December 2008, the Minister for Arts Sport and Tourism announced the establishment of a high-level **Tourism Renewal Group**, to review and, where appropriate, renew Ireland's tourism strategy as set out in New Horizons for Irish Tourism: an Agenda for Action 2003-2012". The Report of the Tourism Renewal Group was launched in September 2009. It re-iterates the contribution of the tourism sector to the Irish economy notwithstanding the current challenges facing the industry. The Report makes the case for continue investment in marketing and product development, better exploitation of e-business in tourism, prioritisation of growing market segments and improve ease of access. It sets a target of 3-4% annual growth to 2013.

Micro-Enterprise

The Minister for Trade and Commerce in 2004 announced the publication of a new national **eBusiness Strategy**. The aim of this strategy is to assist and encourage SMEs and micro-enterprises, outside of the Information Communication Technology (ICT) related sectors of the economy, to use ICTs in a way that will maximise their competitive advantage. Obstacles to more effective usage of ICTs by SMEs and micro-enterprises identified in the work on developing the strategy include, lack of appreciation amongst owners/managers of the contribution that ICTs can make to their business, lack of ICT management skills, lack of time to acquire them, difficulty in accessing independent advice and the costs associated with acquiring and maintaining IT systems. The strategy contains a series of recommendations for work to be undertaken by the Department of Enterprise, Trade and Employment in conjunction with the enterprise development agencies to help overcome these obstacles.

The Forfás report published in October 2007, **Towards Developing an Entrepreneurship Policy for Ireland** sets out a blueprint to drive entrepreneurship in Ireland. Following on from the Small Business Forum recommendation that the Government should formally adopt a national entrepreneurship policy, Forfás were tasked with drawing up an entrepreneurship policy statement. The intention is to develop a blueprint to drive entrepreneurship in a similar manner to which characterised the drive to attract foreign direct investment to Ireland.

Regional Innovation Strategies

The first findings of the **Forfás Innovation Survey** published in September 2006 provide data for the first time at a NUTS II region level. It finds that regional innovation activity rates are slightly lower in the BMW Region (50.8%) than the S&E Region (52.2%), although the gap is much wider in the services sector where only 38.4% of service firms in the BMW Region were innovation-active compared with 45.3% of service firms in the S&E Region.

The **Strategy for Science, Technology and Innovation** launched in July 2006 has set as its vision that *"Ireland by 2013 will be internationally renowned for the excellence of its research and will be to the forefront in generating and using new knowledge for economic and social progress within an innovation-driven culture."* The strategy envisages significant increases in research capacity, investment in the fourth level, reform of third level research activity and better management of the research and innovation environments. IP/Commercialisation functions are to be strengthened within higher education institutions and collaborative links will be developed between industry and academic researchers. The strategy also proposes to increase science participation levels in second level, and a doubling of PhD output.

Forestry

The **National Biodiversity Plan** published in 2002, contains thirteen actions directly recommending specific improvements within the forestry sector for the benefit of Biodiversity, and several additional actions relating to the integration of biodiversity concerns into all relevant sectors, including forestry.

Fishery Harbours

The 2002 **Reform of the Common Fisheries Policy** aimed at ensuring the sustainable development of fishing activities from an environmental, economic and social point of view. It also aimed to improve the basis of the decision-making process through sound and transparent scientific advice and increased participation of stakeholders. Coherence with other EU policies such as environmental and development policies was an important element, as were accountability and effectiveness. This established a more long-term approach to fisheries management, involving the establishment of multi-annual recovery plans for stocks outside safe biological limits and of multi-annual management plans for other stocks. It aimed to progressively implement an eco-system-based approach to fisheries management.

Aquaculture

A strategy for the seafood industry was launched in 2007 the report titled **Steering a New Course: Strategy for a Restructured, Sustainable and Profitable Irish Seafood Industry 2007-2013** this sets out a vision for the sustainable, profitable and self reliant seafood industry that will maximise its long term contribution to coastal communities based on fish stocks restored to sustainable levels in the context of a healthy and diverse marine environment. Essential to the achievement of this vision will be a sharp reduction in fishing capacity and effort, more effective management and conservation of fisheries and a much bigger role for aquaculture in meeting the increasing demands for seafood.

In 2008, the Commission launched a **Review of the Common Fisheries Policy** which will be based on an analysis of the achievements and shortcomings of the current policy, and will look at experiences from other fisheries management systems to identify potential avenues for future action.

2.3.3 Agriculture and Rural Development Priority

Agriculture

The Agriculture and Rural Development Priority (Sub-Programme) was complemented by the investment of €4.988bn under EAGGF Guarantee funded **CAP Rural Development Plan 2000-2006** which supported the environment (REPS), compensatory allowances in disadvantaged agricultural areas, forestry and an early retirement scheme for farmers and sought to boost farming incomes especially in the S&E Region and contribute on a continuing basis to the rural economy. These measures are fully consistent with the priorities for agriculture, food and rural development that have been identified at both national and EU level. In terms of its financial and policy impact, the Plan constituted an integral and essential component of Ireland's strategy to address those priorities.

The **Agri-vision 2015 Group** Report, published in November 2004, made recommendations regarding the Government's role in relation to the agriculture and food industry: to facilitate a market-driven agriculture and food industry, provide for environmental and social goods, stimulate rural development and to continue to regulate for food safety, animal welfare and environmental protection.

In July 2007, the EU Rural Development Committee approved Ireland's **Rural Development Programme 2007-2013**. The rural development strategy and programme was developed in line with the EU's rural development framework and through consultation with relevant stakeholders by the Department of Community, Rural and Gaeltacht Affairs. Under the programme Ireland will receive €2.33bn from the European Agriculture Fund for Rural Development (EAFRD) which with national co-financing will bring the total budget to €5.78bn.

Rural Development

The **Rural Enterprise Review** (2005) analysed official enterprise support (including tourism enterprise) already available in rural areas. It made a number of recommendations concerning the support for enterprise in rural areas, including a greater flexibility of support programmes, a greater role for the County Enterprise Boards as first port of call, more soft supports to be made available to tourism providers and more specialist sectoral support of national agencies to be made available to rural enterprises.

2.3.4 Social Inclusion & Childcare

Childcare

The key EU policy for the childcare measures is the **European Employment Strategy** which was strengthened by the Commission in 2004 through offering specific recommendations to each Member State in order to achieve the 'Lisbon 2010 target' of 70% overall employment and 60% for women. The Commission recommended that Ireland's priority should be to attract more people into the labour market and increase the supply and affordability of childcare facilities.

In Budget 2006, the Government announced the establishment of the **National Childcare Investment Programme 2006-2010**, under the Office of the Minister for Children, as a successor to the earlier Equal Opportunities Childcare Programme, co-financed under the Regional Operational Programmes 2000-06. This programme aims to provide a proactive response to the development of quality childcare supports and services which will be planned for and developed locally and centred on the needs of the child and the family.

Other Relevant Priority Developments – Employment and Social Inclusion

The Irish Government launched the **National Action Plan for Social Inclusion 2007-2016** in February 2007. The Plan identifies a number of high level strategic goals in priority areas in order to achieve the overall objective of reducing consistent poverty. The targeted actions and interventions are designed to mobilise resources to address long-standing and serious social deficits. They focus on:

- ensuring children reach their true potential;
- supporting working age people and people with disabilities, through activation measures and the provision of services to increase employment and participation;
- providing the type of supports that enable older people to maintain a comfortable and high quality standard of living; and
- building viable and sustainable communities, improving the lives of people living in disadvantaged areas and building social capital.

In view of the very substantial progress achieved in enhancing income support over recent years, these goals place a renewed emphasis on services, activation measures and supporting quality employment. The plan recognises the continuing challenges faced by those in work but on low incomes, as well as the vulnerability of those in households without any employment. The overall poverty goal is:

- To reduce the number of those experiencing consistent poverty to between 2% and 4% by 2012, with the aim of eliminating consistent poverty by 2016, under the revised definition.

The high level goals, as set out in the attached overview, are aimed at:

- The provision of targeted pre-school education;
- Reducing literacy difficulties and tackling early school leaving;
- Maintaining the combined value of child income support measures at 33%-35% of the minimum adult social welfare payment rate;
- Introducing an active case management approach to support those on long-term social welfare into education, training and employment, with an overall aim of reducing by 20% the number of those whose total income is derived from long-term social welfare;
- Maintaining the relative value of the lowest social welfare rate;
- Continuing to increase investment in community care services for older people;
- Maintaining, and if possible enhancing, the value of the State Pension;
- Increasing the employment and participation of people with disabilities;
- Delivering increased housing output to meet the accommodation needs of some 60,000 new households, the homeless, Travellers, older people and people with disabilities;
- Developing 500 primary care teams to improve access to services in the community, with particular emphasis on meeting the needs of holders of medical cards; and
- Developing a strategy aimed at achieving the integration of newcomers in Irish society.

In addition to the high level goals, there are some 154 targeted actions and interventions set out in the Plan designed to ensure that a decisive impact is made on poverty.

The **National Report for Ireland on Strategies for Social Protection and Social Inclusion 2006-2008** was published in September 2006. This outlined Ireland's key objectives and targets over the 2006-2008 period and includes the following over-arching objectives:

- To promote social cohesion, equality between men and women and equal opportunities for all through adequate accessible, financially sustainable, adaptable and efficient social protection systems and social inclusion policies;
- To promote effective and mutual interaction between the Lisbon objectives of greater economic growth, more and better jobs and greater social cohesion, and with the EU's Sustainable Development Strategy; and
- To promote good governance, transparency and the involvement of stakeholders in the design, implementation and monitoring of policy.

2.4 Implications for Mutual Consistency of the Funds

The changes in the general conditions over the period 2000-2008 in respect of socio-economic trends and changes in national, regional and sectoral policies detailed in the previous sections did have implications for the mutual consistency of community funding. These implications are summarised in the following table.

Measure	Fund	Implications
Non-National Roads	ERDF	Strong growth in economic activity increased requirement for investment in transport infrastructure, whilst the NSS (2002) emphasised the role of connectivity to the designated growth centres via regional and local roads.
Rural Water	ERDF	European Court of Justice judgement (2002) in relation to drinking water quality in Ireland prompted an increased investment in rural water infrastructure and the bundling of smaller water supply schemes under Design Build Operate (DBO) contract awards. An action plan was announced in 2003.
Urban and Village Renewal	ERDF	Rapid expansion in population evident over the 1996-2006 intercensal period put pressure on urban landscape in cities, towns and villages. Increased local authority revenues available to co-fund renewal and conservation projects up to 2007, however central government allocation reduced relative to planned investment.
Waste Management	ERDF	Strong growth in economic activity increased levels of waste production. Waste Management Act 2001 promoted greater levels of waste recovery and recycling in Ireland with a requirement for local authority investment in bring banks and recycling facilities at civic sites. Regional Waste Management Plans adopted set recycling targets. The WEEE Directive which came into effect in 2005 necessitated the establishment of collection points for waste electrical and electronic equipment
E-Commerce & Communications	ERDF	Growth in the services sector boosted demand for broadband infrastructure, but IT sector downturn in 2001/02 dampened private sector investment prompting a shift to public sector investment in Metropolitan Area Networks for the remainder of the programme. A broadband action plan was launched in 2003 and the County and Group Broadband Scheme was introduced in 2005.
Technical Assistance	ERDF	No relevant changes in the operational environment.
Tourism	ERDF	Report of the tourism policy review group (2004) affirmed rationale for tourism investment. Low number of viable proposals put forward initially and rate of expenditure was low in the early years of the programme.
Micro-Enterprise	ERDF	Improved economic environment raised the enterprise start-up rate and the demand for entrepreneurship and capacity building supports. The re-launched Lisbon strategy (2005) reinforced the drive towards higher levels of innovation and entrepreneurship.
Regional Innovation Strategies	ERDF	Policy of national enterprise support agencies shifted to supporting high potential start-ups and role of incubation centres on campuses of Institutes of Technology became more important.
Forestry	EAGGF	Continued public commitment to the forestry sector made resources available for woodland improvement and rehabilitation and increased urbanisation raised demand for amenity and urban plantations. Harvesting scheme reviewed in 2001 and discontinued as grant aid was considered to be deadweight.
Fishery Harbours Infrastructure	ERDF	Strong investment in upgrading of strategic fishery harbours was necessitated by insufficient capacity for larger fishing vessels, poor landing, storage and auction facilities and safety concerns, although Common Fisheries Policy reform led to a reduced volume of catches overall.
Aquaculture	FIFG	EU-wide changes in the Common Fisheries Policy withdrew supports for fleet expansion and led to a shift of FIFG funding to

Measure	Fund	Implications
		aquaculture investment as a driver of growth in the fisheries sector.
General Structural Improvement	EAGGF	Measure temporarily suspended due to outbreak of foot and mouth disease in 2001. Uncertainty due to the CAP mid-term review and low farm incomes dampened demand for on-farm investment schemes. However this was countered by improved incentives available under the Rural Environment Protection Scheme, the introduction of the Nitrates Directive and by an increase in the on-farm investment grant thresholds available. EU eligibility was extended post mid-term to the Installation Aid Scheme and to the Dairy Hygiene Scheme
Rural Development	EAGGF	Commitment to rural development programme boosted by White Paper on Rural Development (1999). Slow start of this measure due to administrative delays in selecting local action groups and long lead time associated with the nature of the projects supported.
Childcare Infrastructure	ERDF	Increase in female (and male) labour force participation rates greatly increased demand for childcare services over the 2000-2008 period. Overall investment was higher than initially envisaged.
Childcare Staffing & Quality Improvement	ESF	Childcare staffing supports needed to subsidise childcare in disadvantaged areas and to incentivise parents to take up new employment opportunities.

3. Implementation at Programme and Priority Level.

3.1 Introduction

The Southern & Eastern Regional Operational Programme combines both co-financed expenditure (Structural Funds + Matching Public/Private Expenditure), together with purely nationally funded expenditure. For the purposes of this Final Report, co-financed expenditure is referred to as Community Support Framework (CSF) expenditure. National Development Plan (NDP) expenditure consists of both CSF expenditure and non co-financed national expenditure, and represents the total expenditure under the Programme. For completeness the summary tables which record the overall performance at Programme and Priority level provide details of both NDP and CSF expenditure. However the more detailed financial tables at Fund and Measure level are restricted to CSF expenditure only. Finally in the financial tables provided below in both this Chapter and subsequent Fund Chapters, two sets of figures are provided. The first is **'Reported Expenditure'** and this is the total CSF/NDP expenditure which has been reported by the Intermediate Body through the monitoring system to the end of the Programme on 30th June, 2010. The second is **'Declared Expenditure'**, and this is the total amount declared or certified to the Commission in the Final Statement of Expenditure (the Final Claim).

3.2 Financial Execution

The following two tables provide details of the overall Financial Plan for the Operational Programme, as amended by subsequent Commission decisions, together with details of the CSF broken down by Fund

Regional Operational Programme for the S&E Region (€000) Financial Plan

Priority	Total NDP	Total CSF	Structural Fund Contribution	Matching Public Expenditure	Private Contribution
Local Infrastructure	€2,1914.181	€578.317	€289.158	€289.158	€0
Local Enterprise Development	€274.776	€233.067	€109.092	€109.092	€26.105
Agriculture and Rural Development	€432.441	€303.189	€68.566	€68.566	€188.210
Social Inclusion and Childcare	€1,074.042	€299.615	€149.808	€149.808	€0
Total	€3,972.441	€1,414.330	€616.624	€616.624	€214.315

Breakdown by Fund of EU Structural Fund support for the OP (€000)

Priority	EAGGF	FIFG	ESF	ERDF	S.F. Contribution	Total CSF
Local Infrastructure	€0	€	€0	€289.158	€289.158	€578.316
Local Enterprise Development	€5.817	€11.658	€0	€91.295	€109.092	€233.210
Agricultural and Rural Development	€65.253	€0	€0	€0	€68.566	€303.189
Social Inclusion & Childcare	€0	€0	€88.268	€61.540	€149.807	€299.615
Total	€71.070	€11.658	€88.268	€441.993	€616.624	€1,414.330

^{s10} Member State LT unemployment rate Qtr 4 2008; rate not available at a NUTS11 level

Table: Overall Financial Implementation

Priority	Total NDP	Total CSF	EU Funds	National Public	Private	Non co-financed Public Exp.	Non co-financed Private Exp.
	€m	€m	€m	€m	€m	€m	€m
Programme Total	€4,273.723	€1,737.623	€774.682	€3,056.730	€258.818	€2,474.73	€61.37
Local Infrastructure Priority	€2,465.284	€852.420	€426.210	€1,852.602	€0	€1,612.864	€0
Local Enterprise Priority	€323.443	€281.734	€133.079	€147.402	€42.962	€21.177	€20.532
Agriculture & Rural Development Priority	€410.289	€303.189	€65.253	€132.159	€212.868	€66.262	€40.838
Social Inclusion & Childcare Priority	€1,074.707	€300.280	€150.140	€924.567	€2.988	€774.427	€0

From the above table it is evident that the S&E Regional O.P. has been successfully executed in financial terms. In all over **€4.2 billion** of expenditure has been spent in the Region over the lifetime of the Programme. Financial implementation has been particularly effective in terms of EU co-financed expenditure. While in the OP Financial Plan a total of €1.337 billion was committed under the CSF envelope, in reality over €1.7 billion has been reported as being spent under the Programme. This has meant that the Managing Authority has been able to fully draw down all Structural Funds committed to the Programme by closure. This strong performance has been consistent across all four Priorities and all four Funds, where all financial targets have been exceeded.

Co-Financed Expenditure

The above table gave an overview picture of the total expenditure reported under the overall Programme and included a combination of both co-financed and non co-financed expenditure. For the remainder of this Final Report, all details on expenditure will relate solely to the CSF co-financed expenditure incurred under the Programme. The Tables immediately below set out the final position for all CSF expenditure at Operational Programme, Priority and Fund levels. This will then be followed by summary reports for each of the four Priorities.

Programme Total - All Funds	Total CSF	EU Funds	ERDF	ESF	EAGGF	FIFG	Nat. Public	Private
Total Expenditure €m	€1,737.623	€774.682	€603.354	€88.600	€71.070	€11.658	€3,056.730	€258.818
Revised Forecast	€1,337.172	€574.946	€407.667	€87.337	€69.797	€10.145	€573.615	€188.609
Total Declared Expenditure as % of RF	107.43%	107.19%	108.42%	101.07%	106.57%	114.91%	105.73%	113.30%
Total Reported Expenditure to end of Programme	€1,436.483	€616.301	€441.993	€88.268	€74.383	€11.658	€606.480	€213.701

Local Infrastructure	Total CSF	EU Funds	ERDF	ESF	EAGGF	FIFG	Nat. Public	Private
Total Expenditure €m	€852.420	€426.210	€426.210	€0.000	€0.000	€0.000	€1,852.602	€0.000
Revised Forecast	€553.396	€276.698	€276.698	€0.000	€0.000	€0.000	€276.698	€0.000
Total Declared Expenditure as % of RF	104.50%	104.50%	104.50%	0.00%	0.00%	0.00%	104.50%	0.00%
Total Reported Expenditure to end of Programme	€578.316	€289.158	€289.158	€0.000	€0.000	€0.000	€289.158	€0.000

Local Enterprise	Total CSF	EU Funds	ERDF	ESF	EAGGF	FIFG	Nat. Public	Private
Total Expenditure €m	€281.734	€133.079	€115.604	€0.000	€5.817	€11.658	€147.402	€42.962
Revised Forecast	€239.539	€103.051	€84.893	€0.000	€8.013	€10.145	€101.718	€34.770
Total Declared Expenditure as % of RF	97.36%	105.55%	107.54%	0.00%	72.59%	114.91%	97.28%	73.31%
Total Reported Expenditure to end of Programme	€233.210	€108.769	€91.295	€0.000	€5.817	€11.658	€98.949	€25.491

Agriculture & Rural Development	Total CSF	EU Funds	ERDF	ESF	EAGGF	FIFG	Nat. Public	Private
Total Expenditure €m	€303.189	€65.253	€0.000	€0.000	€65.253	€0.000	€132.159	€212.868
Revised Forecast	€277.411	€61.784	€0.000	€0.000	€61.784	€0.000	€61.786	€153.839
Total Declared Expenditure as % of RF	117.28%	110.98%	0.00%	0.00%	110.98%	0.00%	110.97%	122.34%
Total Reported Expenditure to end of Programme	€325.342	€68.566	€0.000	€0.000	€68.566	€0.000	€68.566	€188.210

Social Inclusion & Childcare	Total CSF	EU Funds	ERDF	ESF	EAGGF	FIFG	Nat. Public	Private
Total Expenditure €m	€300.280	€150.140	€61.540	€88.600	€0.000	€0.000	€924.567	€2.988
Revised Forecast	€266.826	€133.413	€46.076	€87.337	€0.000	€0.000	€133.413	€0.000
Total Declared Expenditure as % of RF	112.29%	112.29%	133.56%	101.07%	0.00%	0.00%	112.29%	0.00%
Total Reported Expenditure to end of Programme	€299.615	€149.807	€61.540	€88.268	€0.000	€0.000	€149.807	€0.000

Programme Total - ERDF ONLY	Total CSF	EU Funds	ERDF	ESF	EAGGF	FIFG	Nat. Public	Private
Total Expenditure €m	€1,166.620	€583.310	€583.310	€0.000	€0.000	€0.000	€583.310	€0.000
Revised Forecast	€829.527	€407.667	€407.667	€0.000	€0.000	€0.000	€414.268	€7.592
Total Declared Expenditure as % of RF	107.09%	108.42%	108.42%	0.00%	0.00%	0.00%	106.09%	90.45%
Total Reported Expenditure to end of Programme	€888.337	€441.993	€441.993	€0.000	€0.000	€0.000	€439.477	€6.867

Programme Total - FIFG ONLY	Total CSF	EU Funds	ERDF	ESF	EAGGF	FIFG	Nat. Public	Private
Total Expenditure €m	€0.000	€0.000	€0.000	€0.000	€0.000	€0.000	€0.000	€0.000
Revised Forecast	€28.223	€10.145	€0.000	€0.000	€0.000	€10.145	€2.210	€15.867
Total Declared Expenditure as %	117.75%	114.91%	0.00%	0.00%	0.00%	114.91%	133.52%	117.38%

of RF								
Total Reported Expenditure to end of Programme	€33.233	€11.658	€0.000	€0.000	€0.000	€11.658	€2.951	€18.624

Programme Total - EAGGF ONLY	Total CSF	EU Funds	ERDF	ESF	EAGGF	FIFG	Nat. Public	Private
Total Expenditure €m	€551.536	€103.738	€0.000	€0.000	€103.738	€0.000	€103.720	€344.060
Revised Forecast	€304.748	€69.797	€0.000	€0.000	€69.797	€0.000	€69.799	€165.150
Total Declared Expenditure as % of RF	90.099%	93.429%	0.000%	#DIV/0!	93.429%	0.000%	93.432%	87.463%
Total Reported Expenditure to end of Programme	€338.236	€74.706	€0.000	€0.000	€74.706	€0.000	€74.706	€188.824

Programme Total - ESF ONLY	Total CSF	EU Funds	ERDF	ESF	EAGGF	FIFG	Nat. Public	Private
Total Expenditure €m	€177.200	€88.600	€0.000	€88.600	€0.000	€0.000	€88.600	€0.000
Revised Forecast	€174.674	€87.337	€0.000	€87.337	€0.000	€0.000	€87.337	€0.000
Total Declared Expenditure as % of RF	101.07%	101.07%	0.00%	101.07%	0.00%	0.00%	101.07%	0.00%
Total Reported Expenditure to end of Programme	€176.535	€88.268	€0.000	€88.268	€0.000	€0.000	€88.268	€0.000

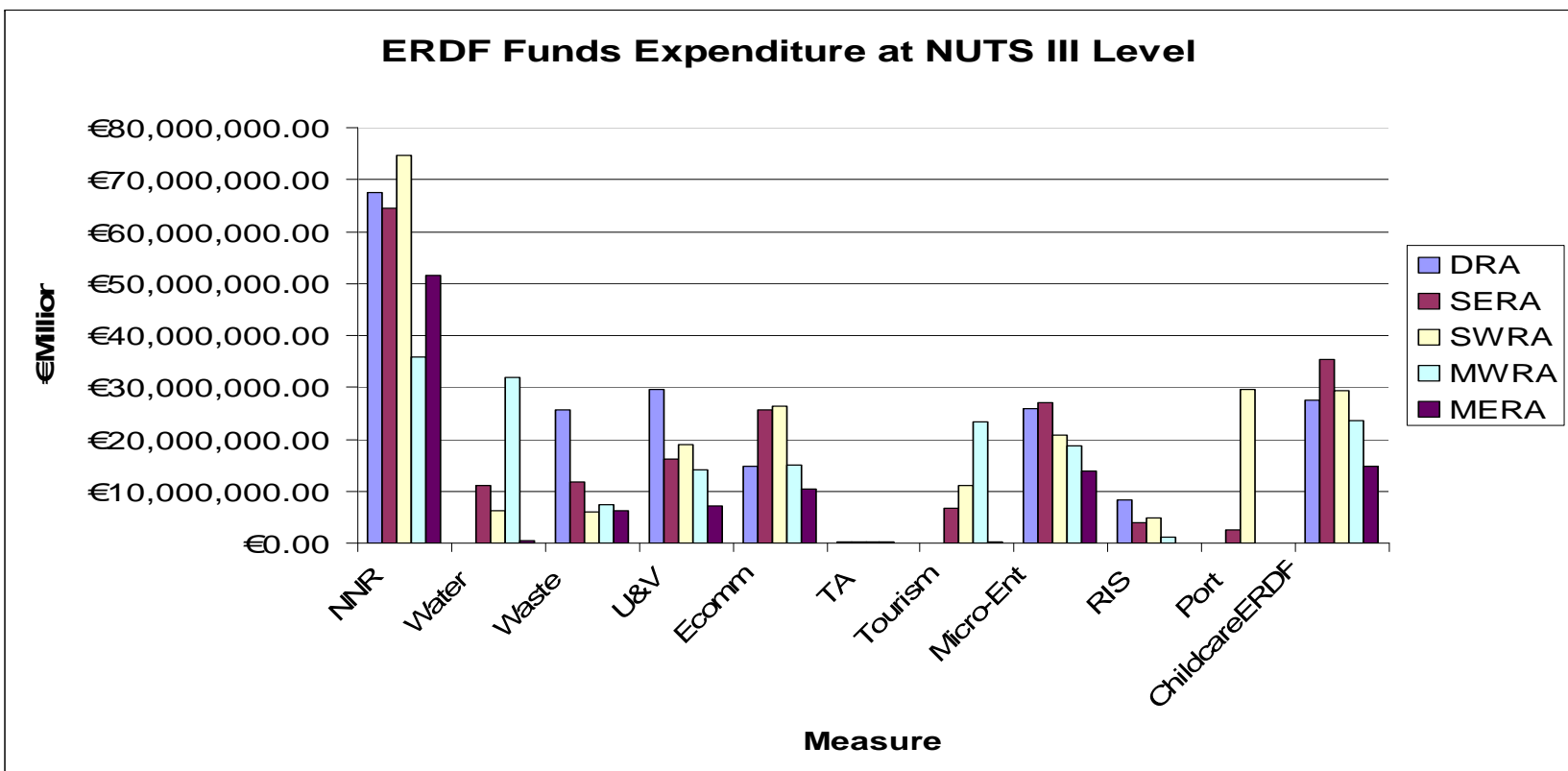
Sub-Regional Breakdown in the use the European Regional Fund

The following table and accompanying graph provide a very good summary overview in the use of the Regional Fund across the entire Southern & Eastern Region. The figures provided are the total declared ERDF co-financed expenditure, disaggregated to both NUTS III (Regional Authority areas) and NUTS IV (County/City Councils). These figures and graph illustrate that there was a good geographic balance achieved in the use of ERDF across the S&E Region and across the Measures.

Table: ERDF Co-financed Declared Expenditure by NUTS III & IV areas.

	NNR	Water	Waste	U&V	E-Comm	TA	Tourism	Micro-E	RIS	Port	Childcare ERDF	Childcare ESF	TOTAL
NUTS111 Region													
DRA:					€14,875,021	€195,476							€15,070,498
Dublin City	€5,159,110	€0	€9,315,751	€21,236,961			€0	€8,561,897	€5,772,544	€0	€20,176,182	€45,632,049	€70,222,444
Fingal	€5,205,754	€0	€417,711	€3,552,368			€0	€5,605,476		€0	€2,682,199	€5,062,147	€17,463,508
Dun Laoghaire	€14,625,180	€0	€350,320	€3,909,573			€0	€5,746,478	€2,582,976	€0	€1,511,633	€4,935,037	€28,726,159
South Dublin	€42,482,210	€0	€15,502,518	€827,173			€0	€6,020,531		€0	€3,060,048	€14,985,438	€67,892,480
	<u>€67,472,253</u>	<u>€0</u>	<u>€25,586,300</u>	<u>€29,526,074</u>	<u>€14,875,021</u>	<u>€195,476</u>	<u>€0</u>	<u>€25,934,383</u>	<u>€8,355,520</u>	<u>€0</u>	<u>€27,430,062</u>	<u>€70,614,671</u>	<u>€269,989,760</u>
SERA:													
					€25,744,680	€216,171							€25,960,851
Kilkenny	€8,762,469	€2,193,566	€0	€2,518,587			€5,437,689	€4,725,326		€0	€5,740,130	€5,579,437	€29,377,768
Carlow	€3,133,236	€6,602,545	€0	€1,532,843			€453,595	€4,217,017	€1,355,081	€0	€3,555,457	€4,704,550	€20,849,774
Wexford	€10,428,551	€1,020,420	€1,630,859	€2,870,724			€630,340	€5,739,138		€866,204	€9,010,133	€7,962,240	€32,196,368
Waterford City	€13,220,796		€1,975,792	€3,734,843			€0	€4,299,719	€2,635,114	€0	€6,684,041	€5,108,049	€32,550,304
Waterford County	€17,286,028		€8,081,043	€2,590,219			€125,000	€3,909,025		€1,623,596	€5,038,063	€2,156,525	€38,652,975
Tipperary South	€11,611,167	€1,188,097	€0	€2,829,422			€0	€4,110,717		€0	€5,293,934	€4,748,605	€25,033,337
	<u>€64,442,247</u>	<u>€11,004,628</u>	<u>€11,687,694</u>	<u>€16,076,637</u>	<u>€25,744,680</u>	<u>€216,171</u>	<u>€6,646,624</u>	<u>€27,000,942</u>	<u>€3,990,195</u>	<u>€2,489,800</u>	<u>€35,321,758</u>	<u>€30,259,406</u>	<u>€234,880,782</u>
SWRA:													
					€26,303,458	€124,715	€7,264,858						€33,693,031
Cork City	€12,474,640		€0	€11,065,529			€0	€4,419,274	€2,625,725	€13,456,879	€8,257,380	€13,731,671	€52,299,427
Cork County	€32,139,160	€3,842,661	€4,131,187	€4,527,287			€1,060,258	€11,395,988		€0	€10,446,933	€10,429,367	€67,543,474
Kerry	€30,005,285	€2,304,365	€1,944,831	€3,326,945			€2,848,097	€4,955,529	€2,217,602	€16,044,586	€10,636,206	€14,493,506	€74,283,447
	<u>€74,619,085</u>	<u>€6,147,026</u>	<u>€6,076,019</u>	<u>€18,919,762</u>	<u>€26,303,458</u>	<u>€124,715</u>	<u>€11,173,213</u>	<u>€20,770,791</u>	<u>€4,843,327</u>	<u>€29,501,465</u>	<u>€29,340,519</u>	<u>€38,654,544</u>	<u>€266,473,923</u>
MWRA:													
					€15,100,029	€170,742							€15,270,771
Clare	€7,909,701	€19,187,391	€2,524,720	€2,791,062			€23,241,319	€5,164,752		€0	€6,531,782	€7,118,602	€67,350,727
Limerick City	€3,084,668		€506,849	€5,416,846			€0	€4,263,977	€1,199,867	€0	€7,521,005	€8,611,460	€21,993,211
Limerick County	€18,946,352	€9,207,759	€3,862,166	€3,524,214			€142,848	€4,935,714		€0	€5,564,092	€3,450,074	€46,183,144
Tipperary North	€5,801,030	€3,601,757	€510,750	€2,477,100			€0	€4,418,939		€0	€3,951,969	€3,933,759	€20,761,545
	<u>€35,741,752</u>	<u>€31,996,907</u>	<u>€7,404,485</u>	<u>€14,209,221</u>	<u>€15,100,029</u>	<u>€170,742</u>	<u>€23,384,167</u>	<u>€18,783,381</u>	<u>€1,199,867</u>	<u>€0</u>	<u>€23,568,848</u>	<u>€23,113,895</u>	<u>€194,673,293</u>
MERA:													
					€10,396,690	€72,212							€10,468,902

Kildare	€19,820,372	€230,649	€2,135,439	€2,574,836			€0	€4,711,343		€0	€2,760,008	€3,409,513	€32,232,646
Meath	€27,082,267	€255,202	€1,527,820	€3,555,148			€0	€4,765,457		€0	€10,177,950	€3,538,445	€47,363,844
Wicklow	€4,710,687		€2,648,728	€1,150,949			€342,952	€4,329,915		€0	€1,937,384	€7,484,110	€15,120,615
	<u>€1,613,327</u>	<u>€485,851</u>	<u>€6,311,987</u>	<u>€7,280,933</u>	<u>€10,396,690</u>	<u>€72,212</u>	<u>€342,952</u>	<u>€13,806,715</u>	<u>€0</u>	<u>€0</u>	<u>€4,875,342</u>	<u>€14,432,068</u>	<u>€19,618,076</u>
MA Level													
Adjustments	-€137,252	-€386,732		€1,916,830	-€3,902,164	€1,024,873		-€11,282,462			-€7,456,701	-€539,167	-€20,223,610
	<u>€293,751,411</u>	<u>€49,247,681</u>	<u>€57,066,483</u>	<u>€87,929,456</u>	<u>€88,517,714</u>	<u>€1,804,189</u>	<u>€41,546,955</u>	<u>€95,013,749</u>	<u>€18,388,909</u>	<u>€31,991,265</u>	<u>€123,079,828</u>	<u>€176,535,417</u>	<u>€1,064,873,058</u>



3.3 Physical Achievements

In order to chart progress in implementing the Operational Programme, it is necessary to establish a number of indicators with associated targets. While this is relatively straight forward at individual Measure level, it much more difficult at Priority and Programme level, and this is especially so in an Operational Programme as complex and diverse as the S&E Regional OP.

Given the wide range of Measures included under each of the Regional OP Priorities and the complementary impact of the inter-regional OP's, it was difficult to identify indicators which could be directly and solely related to the impact of the OP at Priority level. However, a set of indicators at Measure level which capture the major effort of the proposed investment at Priority level were identified as a proxy for such indicators, and were included in the O.P.

This table of indicators has been reproduced here, and has been up-dated to provide the final out-turn figures at the end of the Programme.

Priority	Indicator	Measurement	Baseline	Outturn to 31.12.03	Final Target	Outturn to end of programme
Local Infrastructure	Access	Number of kilometres improved under Non-National Roads Measure	0	17,526.86	24,986	37,202.30
Local Infrastructure		Additional Businesses with 512Kbps downstream and 128Kbps upstream broadband available (access on demand)	0		36,000	36,000
		Of which: Businesses in Rural Areas	0		13,000	13,000
		Of which: Business in RAPID 11 area	0		7,000	7,000
Local Enterprise		Net new jobs created in Micro-Enterprise	0	6,000	23,500	21,798
Agriculture & Rural Development	Environment	Water Quality relating to agriculture – fish kills attributed to agriculture	11	10	No Target	3
Agriculture & Rural Development	Employment	Net new jobs created under rural development measures**	0	225	400 f/t	524 f/t
Social Inclusion & Childcare	Social Inclusion	Net new Childcare places provided	28,671 p/t; 14,072 f/t; 42,743 total	5,617 p/t; 5,493 f/t; 11,110 total	14,336 p/t 7,036 f/t 21,372 total	14,156 p/t 12,086 f/t 26,242 total
Social Inclusion & Childcare	Social Inclusion	Net new Childcare places provided	0	+26%	+50%	+61.4%
		Long-term unemployment rate in Region	3%	None	None	1.8% ¹⁰

Overall, the S&E OP met or exceeded most of its Priority-level targets with the exception of the long-term unemployment rate which started to rise at the end of 2008 due to the onset of the economic crisis. The targets for the local infrastructure priority were both greatly exceeded. The number of full-time jobs in micro-enterprises supported under Priority 2 exceeded its target. In Priority 3, the significant EU co-financed

¹⁰ Member State LT unemployment rate Qtr 4 2008; rate not available at a NUTS11 level

investment in farm waste management led to a decline in the number of fish kill incidents, while the number of jobs created in the EAGGF co-financed Area-based Rural Development Initiative was also high. Finally, under Priority 4 the increase in the number of childcare places supported exceeded the target set.

3.4 Programme Impact

From the preceding two sections it is evident that implementation of the Operational Programme has been very successful in reaching or surpassing its financial and physical targets. What is harder to quantify is the lasting impact of the Programme on the Region. However there are many tell-tale signs to suggest that the 2000-06 S&E Regional OP has made a very real and lasting impact for the betterment of the Region. For instance, as reported on in the previous chapter, for most of this decade the Region has seen continuous rises in employment levels and GVA per capita, while the population of all sub-regions grew over the programming period.

Over the last decade, more than €4 billion has been invested in the Region under the Operational Programme across all four Priorities. Given the diverse range of interventions which were supported under the Programme, this has permitted literally thousands of individual projects to be funded across every town and county within the Region. In this way it is a reality that funding under this Programming will have touched on the lives of most communities throughout the region, whether living in towns or cities or in the most remote rural areas.

The substantial investment made under the **Local Infrastructure Priority**, complimented by investment under the National Economic & Social Infrastructure O.P., has seen a change in the quality of the Region's physical infrastructure. In particular the very considerable investment in the regional and county road networks has lead to a greatly enhanced and safer transportation infrastructure in the Region. Improvements in accessibility were not limited to transportation, as the investment under the E-Commerce & Communications Measure has seen the Region's broadband infrastructure radically overhauled. Under this programme affordable broadband has now been rolled out across the entire Region, the backbone networks have been extended and upgraded, and competition in back-haul has been provided. All of this has meant that the major deficiencies in telecommunications infrastructure which were evident at the start of the programme, which was impeding the balanced development of the region, have now largely been addressed, thus reducing the digital divide between Dublin and the rest of the Region.

Deficiencies in water infrastructure in rural areas have also been tackled under the programme while the Region's waste infrastructure has been greatly improved by the installation of recycling facilities throughout the region, which has contributed greatly to lessening the reliance on landfill for waste disposal. As well as improvements to the environmental quality accruing through these infrastructural measures, investments under the Culture, Recreation & Sports Measure have all combined to improve the attractiveness of the Region as a place to work, live and invest in.

In terms of enterprise promotion, entrepreneurship and innovation, the **Local Enterprise Priority** has complemented the larger national Productive Sector O.P., and has helped to boost the economic performance of the Region over the programming period. Through geographic targeting in the Tourism Measure, the region's product offering has been enhanced and diversified, with a better spatial balance, which has resulted in increased visitor numbers and tourism revenue year on year up to 2008 when the global financial crisis started to bite. Equally through the Micro-Enterprises Measure, the region's indigenous small business were strongly supported through the County Enterprise Boards with over 21,000 new jobs supported by the Programme. The innovation capacity of the Region was also enhanced through forging greater interaction between the Higher Education sector and industry and by developing incubation centres in all of the Region's Institutes of Technology. The seafood sector was another sector to benefit from investment under the programme, and was particularly valuable in generating employment in peripheral areas where job prospects were limited. The aquaculture industry grew strongly in both volume and value over the programme period. Coastal areas benefited from improvements in fishery harbour infrastructure and the development of piers serving Gaeltacht and island communities.

The Programme also had a major beneficial impact on the agricultural sector and indeed the wider rural economy of the Region. Through investment under the **Agriculture & Rural Development Priority** the viability of farm enterprises was sustained over the programme period through on-farm investment programmes and supports for new entrants, while the regeneration of rural communities was supported through both broad based - rural development initiatives and sector-specific supports. The programme enabled farmers to generate additional sources of income through both on-farm and off-farm diversification and complementing Measures contained in the CAP Rural Development Programme. The Programme had a further positive impact in environmental terms, as it supported the transition to more environmentally sustainable farming methods.

Investment under the **Social Inclusion & Childcare Priority** also had a very positive impact on the Region. In particular, the Programme witnessed for the very first time in the history of the State, significant public investment in Childcare facilities. This investment in both physical and human capital has seen over 25,000 new childcare places created throughout the Region. This in turn has facilitated parents, especially those from a disadvantaged background, have been supported back into work and further training/education. From both a gender equality and labour market perspective, the impact has been extremely positive.

Under this Priority a wide range of other supports aimed at increasing the participation of woman in economic and social life, alleviating disadvantage through community-led initiatives and engagement with young people and families at risk, have been sustained over the programme period. Local partnership-based approaches have been extensively deployed across the region to implement local development plans and directly address long-term unemployment.

The combined impacts of this investment across the four Priorities of the Programme have been overwhelmingly positive, and taken together with the substantial public investment in the Region under the national sectoral O.P.'s, has helped to sustain a dynamic and prosperous region which is more sustainable and socially inclusive. The Programme has helped to lay the foundations for the Region to be well placed move into the next phase of its development once the national and global economy picks up. In particular the innovation capacity of the Region has been enhanced to enable the Region to develop its potential in the knowledge economy.

The programme's legacy includes a diverse range of capital investments that will continue to generate economic and social benefits on an ongoing basis; and it has built the capacity of a diverse range of beneficiaries throughout the Region.

Finally it is worth noting the positive impact that regionalisation in Ireland has brought to the administration capacity building within the regions. In particular the devolved programme management arrangements established under the Programme provide an example of how regionally-centred programme administration can be effective, even within complex multi-annual multi-fund programmes and challenging financial control environments. This legacy is benefiting the management of the current Regional Operational Programmes.

Having examined the overall impacts of the Operational Programme, the following sections give an over-view of performance for each of the four Priorities, giving details on financial expenditure and a summary of some of the key achievements. The detailed Measure reports will then follow in Chapters 4-7 grouped by Structural Fund.

3.5 Local Infrastructure Priority

3.5.1 Introduction

The Local Infrastructure Priority comprised the following measures:

- Non-national roads (ERDF)
- Rural Water (ERDF)
- Waste Management (ERDF)
- Urban and Village Renewal (ERDF)
- E-Commerce and Communications (ERDF)
- Regional Airports
- Seaports
- Culture, Recreation and Sports
- Technical Assistance (ERDF)

The overall objectives of the sub-programme were to:

- Complement and reinforce the impact of investment under the ESIOP;
- Contribute to the economic and social development of the S&E region;
- Improve access in the region to employment, training and social opportunities;
- Counteract those factors which restrict the potential of the region as a place to live work and visit for tourism or business purposes; and
- Support the retention of population in remote or rural communities.

3.5.2 Expenditure

Local Infrastructure	Total CSF	EU Funds	ERDF	ESF	EAGGF	FIFG	Nat. Public	Private
Total Reported Expenditure €m	€852.420	€426.210	€426.210	€0.000	€0.000	€0.000	€426.210	€0.000
Revised OP Forecast	€553.396	€276.698	€276.698	€0.000	€0.000	€0.000	€276.698	€0.000
Total Declared Expenditure as % of Revised Forecast	104.50%	104.50%	104.50%	0.00%	0.00%	0.00%	104.50%	0.00%
Total Declared Expenditure	€578.317	€289.158	€289.158	€0.000	€0.000	€0.000	€289.158	€0.000

3.5.3 Key Achievements

Under the **Non National Roads Measure**, the co funded expenditure profiled in the CSF for the S&E Region and the performance indicator targets were exceeded. Over €0.5billion was invested in the Measure, facilitating over 1000km of roads in the Region to be upgraded.

Under the **Rural Water Measure**, projects affected through the ERDF co-financed works have meant improvements in water quality and service quality for approximately persons in the S&E Region .

Under the **Waste Management measure**, 63 Civic Amenity sites were developed, while almost 180,000 tonnes of solid waste was diverted from landfill through these new Bring Centres and Civic Amenity sites.

Over the lifetime of the OP over 420 towns and villages in the Region have been improved under the **Urban and Village Renewal Measure**, while a further 18No. major renewal projects have been completed in the Region's four Cities, which have greatly contributed to the upgrading of the physical fabric of these urban centres.

The E-commerce and Communications Measure has supported a doubling of the number of subscribers to broadband over the programming period. As well as grant-aiding the private sector to upgrade and extend the back-bone telecom infrastructure, the measure also funded the construction of high-speed open-access metropolitan Area Networks (MAN's) in 50 cities and towns through-out the Region.

Under the **Seaports Measure**, 4No.of the Regions principal commercial ports completed projects, adding almost 3million tonnes to the ports handling capacity.

Under the **Regional Airports Measure**, the two regional airports in the S&E Region (Kerry & Waterford) received c. €4m in investment supports for safety and security infrastructures. Over the programming period the regional airports have seen a doubling in passenger numbers.

Over €15m was invested in 15No. major arts and culture projects under the **Culture Recreation and Sports Measure**. A further €80m was spent on heritage conservation projects in the Region. An additional 3km of public mooring and a further 23km of new and improved navigable waterways were funded in the region through the €15m investment in inland waterways.

3.6 Local Enterprise Development Priority

3.6.1 Introduction

The Local Enterprise Development Priority comprised the following measures:

- Tourism (ERDF)
- Micro-enterprise (ERDF)
- Regional Innovation Strategies (ERDF)
- Forestry (EAGGF)
- Fishery Harbours (ERDF) & Gaeltacht/Island Harbours
- Aquaculture (FIFG)

The overriding objective of the local enterprise development sub-programme was to reduce the impact of peripherality, enhance the competitive position of the S&E Region and promote inward investment. The specific objectives were as follows:

- Enhance the quality and availability of employment within the Region;
- Provide opportunities for alternative sources of income for the unemployed and under-employed, in particular, farmers and rural dwellers;
- Upgrade and improve the capabilities and capacity of indigenous firms and their personnel;
- Attract new inward investment and develop the base of non-indigenous industry in the Region; and
- Build-up the marketing capabilities within firms to enable them to avail of opportunities in the global marketplace; and enhance research and technological development within the Region generally and enhance the contribution of the S&E Region's natural resources to social and economic development particularly in the area of tourism, fisheries, forestry and aquaculture.

3.6.2 Expenditure

Local Enterprise	Total CSF	EU Funds	ERDF	ESF	EAGGF	FIFG	Nat. Public	Private
Total Reported Expenditure €m	€281.734	€133.079	€115.604	€0.000	€5.817	€11.658	€126.227	€22.428
Revised OP Forecast	€239.539	€103.051	€84.893	€0.000	€8.013	€10.145	€101.718	€34.770
Total Declared Expenditure as % of Revised Forecast	97.36%	105.55%	107.54%	0.00%	72.59%	114.91%	97.28%	73.31%
Total Declared Expenditure	€233.210	€108.769	€91.295	€0.000	€5.817	€11.658	€98.949	€25.491

3.6.3 Key Achievements

The **ERDF co-funded Tourism Measure** supported 17No. special interest pursuit projects, 3 clusters of attractors, 7 environmental management projects and 1 major attractor (Cliffs of Moher) with a total investment of €41.5m.

Under the **Micro-enterprise Measure**, over 57,000 people received training and over 21,000 full-time jobs were created in supported businesses.

Under the **Regional Innovation Strategies Measure** 9No. Incubation Centres were developed and are now operating (Blanchardstown, Carlow, Cork, Dun Laoghaire, Limerick, National College of Ireland, Tallaght, Tralee and Waterford.) supporting 112 start-up enterprises.

Over 8,000 hectares of woodland have been grant-aided under the EAGGF co-financed **Woodland Improvement sub measure**.

Over €35m was invested in the Region under the **Port Infrastructure Improvement Programme sub-measure** with 42 landing facilities upgraded, and a further 18No. new landing facilities developed.

A total of 48 projects benefited from over €14m of co-financed FIFG investment under the **Aquaculture Development Measure** throughout the Region.

3.7 Agriculture & Rural Development Priority

3.7.1 Introduction

The Agriculture & Rural Development Priority consists of 4 No. Measures, two of which are part co-financed by the EAGGF. The Measures are:

- General Structural Improvement (part EAGGF)
- Alternative Enterprises
- General Rural Development (part EAGGF)
- Services for Agricultural & Rural Development

The overall objectives of the Priority were to:

- Ensure that primary agriculture became more competitive & market orientated
- Foster environmentally sustainable systems of production
- Provide other sources of income for farmers through diversification of activities
- Promote rural development generally by harvesting voluntary & community effort at local level.

3.7.2 Expenditure

Agriculture & Rural Development	Total CSF	EU Funds	ERDF	ESF	EAGGF	FIFG	Nat. Public	Private
Total Reported Expenditure €m	€303.189	€65.253	€0.000	€0.000	€65.253	€0.000	€65.897	€172.030
Revised OP Forecast	€277.411	€61.784	€0.000	€0.000	€61.784	€0.000	€61.786	€153.839
Total Declared Expenditure as % of Revised Forecast	109.29%	105.61%	0.00%	0.00%	105.61%	0.00%	106.65%	111.82%
Total Declared Expenditure	€303.189	€65.253	€0.000	€0.000	€65.253	€0.000	€65.897	€172.030

3.7.3 Key Achievements

Under the EAGGF co-financed **General Structural Improvement measure; Installation Aid for Young Farmers sub measure**, 2724 young farmers were assisted with installations, while over 118,000 ha. were transferred. Under the **Dairy Hygiene** sub-measure over 1,000 farmers were assisted constructing new dairies, and over 434,000 animals were housed under the **Farm Waste Management sub measure**.

Under the **Horticulture sub-measure**, 261 holdings installed harvesting and handling equipment. **In the Potato Sector**, storage facilities for 59,000 tonnes were assisted. Grant aid under the **Organic Sector sub-measure** supported over 24,000 Ha being converted to organic production. There were 192 beneficiaries of the **Housing/Handling Facilities for Alternative Enterprises**.

Under the **EAGGF co-financed Area Based Rural Development Initiative sub-measure**, 524 additional jobs were created in rural areas and over 16,700 people received training.

The Rural Development Fund supported 4 pilot demonstration projects and 1 consultancy reports across the region. **The Teagasc Advisory Service** assisted farmers across the S&E region and by 2006 the Rural Viability Service was provided to over 18,000 clients. A total of 4,193 operators received training certificates under the **Farm Relief Services sub-measure**.

3.8 Social Inclusion and Childcare Priority

3.8.1 Introduction

The Social Inclusion & Childcare Priority consists of 7No. Measures, only two of which were co-financed with Structural Funds. These Measures were:

- Childcare Facilities (ERDF)
- Childcare (ESF)
- Equality for Women
- Community Development & Family Support
- Crime Prevention
- Youth Services
- Local Development

The overall objectives of the Social Inclusion & Childcare Priority were;

- Alleviate poverty and social disadvantage in both urban & rural areas in region
- Integrate/re-integrate the socially excluded into the community/labour force
- Reduce long-term unemployment
- Support the development of vibrant and sustainable communities & families
- Tackle the causes of social disadvantage amongst the youth and communities at risk

- Promote equality and facilitate greater participation of women in the workforce, and more broadly, the achievement of equal opportunities generally
- Reduce the incidence of crime & re-offending.

3.8.2 Expenditure

Social Inclusion & Childcare	Total CSF	EU Funds	ERDF	ESF	EAGGF	FIFG	Nat. Public	Private
Total Reported Expenditure €m	€300.485	€150.242	€61.540	€88.702	€0.000	€0.000	€150.242	€0.000
Revised OP Forecast	€266.826	€133.413	€46.076	€87.337	€0.000	€0.000	€133.413	€0.000
Total Declared Expenditure as % of Revised Forecast	112.29%	112.29%	133.56%	101.07%	0.00%	0.00%	112.29%	0.00%
Total Declared Expenditure	€299.615	€149.807	€61.540	€88.268	€0.000	€0.000	€149.807	€0.000

3.8.3 Key Achievements

Targets set for **Childcare measures** have generally been reached or exceeded. The Programme led to the creation of an additional 25,141 childcare places in the S&E Region exceeding the target by 18%. In relation to the **ERDF co-financed Childcare Facilities Measures**, 441 new facilities were established in the region and 796 facilities were upgraded. **ESF-supported Staffing Grants** directly funded 1,969 staff positions.

The first Phase of the **Equality for Women Measure** covered the period 2000-2004 and supported 37 projects, with over 2000 participants attending training courses.

Under the **Community Development Programme**, a total of 4,138 projects were approved for funding under the Programme, providing services to over 200,000 people. Work is taking place on an ongoing basis on the continued expansion of **Family Services Project**. At the end of 2006, there were over 10,000 families receiving assistance from these centres.

Under the **Youth Services Grant Scheme**, 31 organisations were receiving annual supports at the end of 2006. The cumulative spend under the **Special Projects for Disadvantaged Youth** sub-measure was €60m and 132 projects were supported. Over 78,000 clients are availing of services at the 21 **Youth information Centres** in the S&E Region. A total of 23 **Garda Youth Diversion Projects** had been supported over the 2000-06 period.

The **Local Development** sub measure supported over 110,000 adults, including Local employment Service clients, while over 37,000 adults participated in education and training initiatives.

4. Implementation of ERDF Co-financed Measures

4.1 Introduction

This Chapter provides detailed information on the implementation of each of the 11 No. Measures which were co-financed with ERDF under the Programme. For each Measure, information is supplied on the objectives of the intervention, relevant developments in the socio-economic and policy environment and details on both financial and physical performance over the lifetime of the programme, as measured by the relevant performance indicators. This is further supplemented with information on the administration and financial management of the Measure, including compliance with both EU Policies and the Horizontal Principles.

Overall, in terms of ERDF co-financed activities the Programme was very successful. The total ERDF commitment to the Programme of €407.667million was fully drawn down, and there was no ERDF decommitment over the lifetime of the Programme

4.2 Measure:05.01.01.01, Non National Roads Measure (Local Infrastructure Priority) Intervention Code 312

Sub-Measure: EU Specific Improvement Grants Scheme. Intervention Code 312

1 Introduction

Importance of non-national roads

Non-national roads play a vital role in the success of the Irish economy – 94% of our roads are non-national roads and they carry 54% of all road traffic.

Non-national roads are predominantly, although not exclusively, rural. Improvement works have a positive effect on rural development

- They ensure vital linkages to the strategic national road network and the ports and airports which are our links with the wider European economy.
- They improve access to and from remote and rural areas for rural dwellers, in particular farmers and those seeking access to employment, training, educational and social opportunities
- They assist in increasing the potential for the development of local enterprise, particularly in small-scale agri-business, forestry, tourism, fishing and aquaculture
- They alleviate the negative effects of peripherality and isolation.

The overall impact is to make the regions more attractive places to live in, work or visit and, therefore, raise their level of development, support their economies and contribute to balanced regional development. The carrying out of non-national road schemes was undertaken by local authorities [final beneficiaries] either directly themselves or through contractors appointed following public tendering.

Objectives of the EU Co Financed Specific Improvement Grant Scheme

The sub-measure supported the following priorities of the CSF and OP:

- Balanced Regional Development;
- Development of Economic Infrastructure;
- Local Enterprise Development; and
- Rural Development.

The specific objectives of the sub-measure were to:

- Improve the quality and reliability of the Region's economic and social infrastructure, remedying capacity deficiencies and bottlenecks; and
- Facilitate more balanced and diversified development and growth within the Region while ensuring a high level of environmental protection.

2 Socio-economic and policy environment

In 2002, the Government launched the National Spatial Strategy to assist with the spread of Ireland's economic progress throughout the regions and to ensure that every part of the country can develop to its full potential.

Non-National Roads are strategically important – locally, regionally and nationally. They are a key component in the national infrastructure. As such, they play a crucial part in delivering the vision of the National Spatial Strategy for sustainable, more balanced development of the country.

3 Financial Implementation

Non National Roads EU Co-financed Sub-Measure	Total CSF	EU Funds	ERDF	ESF	EAGGF	FIFG	Nat. Public	Private
Total Reported Expenditure to end of programme €m	€554.536	€277.268	€277.268	€0.000	€0.000	€0.000	€277.268	€0.000
Revised O.P. Forecast	€276.040	€138.020	€138.020	€0.000	€0.000	€0.000	€138.020	€0.000
Total Declared Expenditure as % of Revised Forecast	106.42%	106.42%	106.42%	0.00%	0.00%	0.00%	106.42%	0.00%
Total Declared Expenditure	€293.751	€146.876	€146.876	€0.000	€0.000	€0.000	€146.876	€0.000

From the above table it is evident that this Sub-Measure was extremely successful in financial performance terms with expenditure recorded at a level double what was originally planned as set out in the financial plan.

4 Physical Achievements of the Sub-Measure

	Indicator	Final Target 2000-06	Final out-turn	Final Out-turn as a % of final target
Output	Kms improved under EU Co Financed grant Schemes	874	1,086.72	124.34%
Result	*Km improved under EU Co Financed grant schemes in Clár areas. (34	
Impact	*No. of kms. of new build under the strategic non-national road grants.		797.32	
	*% of traffic volume related to industrial or economic development, tourism development, fisheries, forestry and rural development/agriculture arising from investment under EU co-financed roads grants.		57.3%	

This Sub-Measure was also extremely successful in terms of physical achievements. In excess of 1000 km of roads were improved, which represents almost 25% above the sub-measure target

5 Administration and Management

Steps taken to ensure the quality and effectiveness of implementation, in particular:

Monitoring and Evaluation

The selection and prioritisation of road schemes was determined by the local authorities [Final Beneficiaries] who sought approval and funding from the Department [Intermediate Body]. Once such approval was granted, the carrying out of the project was administered by the local authorities including data collection arrangements. The Departments technical inspectors monitored the physical execution of the scheme.

Measure-specific evaluation

An evaluation conducted by Fitzpatrick Associates in 2002 on the investment in the roads network included the non-national roads measure under the Regional OPs. The evaluation report made 11 recommendations relevant to the S & E Regional OP, as follows:

- Specific targets to be revised upwards;
- Road restoration programme to be extended;
- Pavement condition survey to be updated;
- Higher per capita allocation to urbanised areas;
- A simplified cost-benefit analysis to be applied to some projects;
- EU co-financed scheme to be managed on a multi-annual basis;
- L.A. training programme to be continued;
- Address difficulties in agresso financial accounting system;
- A pavement management software system should be introduced;
- All expenditure including local contributions should e reported; and
- Application of best practice guidelines should be monitored

A Managing Authority response was prepared in which 10 of the 11 findings were accepted and follow-up actions were agreed with the Department of the Environment and Local Government (Intermediate Body at that time) at the October 2002 OP Monitoring Committee meeting. The Managing Authority and Monitoring Committee did not accept the Evaluators' recommendation that a higher per capita allocation should go to urban areas, as this was considered to be contrary to the national objective of balanced regional development.

Financial Control

In the Southern & Eastern Region, the Department has completed a 100% look-back review on all local authorities who submitted claims for EU Co-financing aid.

All expenditure was examined in depth, ineligible expenditure has been removed and as a precautionary measure, expenditure that may/may not be eligible has been abstracted also. All other expenditure has been reconciled to the B1 claims submitted. All the necessary data has been forwarded to the Managing Authority for analysis.

Significant Problems encountered

After the start of the Programme the switch over by local authorities from various computer systems to almost all adopting a single system caused some difficulties in processing data initially.

The application of EU Regulations pertaining to the eligibility of the purchase cost of land was the subject of meetings at various levels. Ultimately, as the Measure has well exceeded its financial profile,, it has been decided to withdraw all land costs for EU Co-financing assistance for precautionary reasons.

The following table summarises all of the corrections which were made arising from the look-back review, which have been categorised into three headings, land costs in excess of 10% eligibility rule ceiling, precautionary adjustments, and other irregular expenditure.

Authority	Precautionary Adjustments	Land & related costs as reported by NNR above 10% threshold	Other irregular expenditure
Cork County Council	-€1,672,458.63	€0.00	-€613,001.79
Cork City Council	-€271,117.78	€0.00	-€152,993.45
Carlow County Council	-€169,625.48	-€501,988.22	-€198,535.36
Kerry County Council	-€2,310,454.81	€0.00	€0.00
Kilkenny County Council	-€638,702.43	-€97,130.30	-€130,340.77
Limerick City Council	-€135,962.38	€0.00	-€82,353.74
South Tipp County Council	-€1,785,810.16	€0.00	-€115,259.61
Clonmel Borough	-€22,222.22	-€2,777.78	€0.00
Tralee Town Council	-€29,013.62	€0.00	-€60,688.67
DLR	-€4,519,442.26	-€6,280,107.46	-€596,096.74
Dublin City Council	-€20,739.55	€0.00	-€278,240.09
Fingal County Council	-€500,000.00	€0.00	€0.00
Clare County Council	-€1,378,977.56	-€127,646.92	-€751,406.14
Waterford City Council	-€2,215,274.19	-€5,210,421.56	-€291,552.77
Waterford County Council	-€953,368.16	-€31,246.97	-€84,324.73
Wexford County Council	-€87,497.02	€0.00	-€100,823.85
Wicklow County Council	-€156,904.04	-€106,055.57	-€328,892.40
Meath County Council	-€4,119,164.54	-€950,867.35	-€609,658.72
Kildare County Council	-€4,269,703.41	-€14,144,183.37	-€514,035.86
Limerick County Council	-€1,029,013.62	-€44,169.01	-€545,020.64
North Tipperary County Council	-€806,205.41	-€189,767.84	-€270,036.17
South Dublin County Council	-€1,253,284.74	€0.00	-€10,052,576.01
Listowel	-€60,446.14	€0.00	-€17,905.34
	-€28,405,388.15	-€27,686,362.36	-€15,793,742.86
Less Mazars		€10,606,101.00	€252,661.36
Less FCU			€653,253.00
Also MA adjustment			€114,887.20
			€22,345.35

In total 113No. irregularities have been reported and the necessary corrections made. (see Annex 7 for details)

Publicity Measures

In the Non-National Road Grant Allocations announced by the Minister annually, publicity was given to the NDP and EU aspects of the Programme. NDP and EU logos were used on the Ministers Press Release, the backdrop and the launch invitation. The Minister's speech placed considerable emphasis on the National Development Plan.

Publicity requirements are checked during spot checks carried out by the Regional & Local Roads Division of the Department and as part of their year-end Outputs Circular, local authorities are requested to supply information in relation to compliance with EU and NDP publicity requirements.

Compliance with EU Policies:

Competition Rules

All non-national road schemes are undertaken by local authorities with the approval of the Department and funded solely by the national exchequer and the Authorities' own resources. All non-national road schemes are executed by contractors arising from public tendering, or by the local authorities themselves in which instances, delivery of materials or services is subject to public tendering. Public tendering complies with national and EU guidelines and policies.

Compatibility with Horizontal Principles

Environment

The Grant application procedures for non-national road schemes obliges local authorities to take into account the physical appearance of the countryside through better road surfacing, improved road alignments and more attractive road verging in addition to alleviating congestion of emissions.

In any instance, it is a condition of local authorities seeking non-national road grants from the Department for project based grant categories that they comply with all national and EU statutory requirements including environmental requirements.

In considering road schemes, local authorities must in particular have regard to the Roads Act 1993 and the Road Regulations, 1994 which outline the circumstances in which Environmental Impact Statements are required for roads schemes and the Planning and Development Act, 2000 and Regulations made there-under which outline the procedures to be followed.

Equality

The development and improvement of good non-national roads assists the economic well-being of the entire community thus enhancing employment and social opportunities for all people.

Wider Equality Grounds

The execution of non-national roads schemes is undertaken by local authorities themselves or by public contract under their control. As such, these schemes provide greater opportunities on an equal basis for all sectors to benefit.

Social Inclusion and Rural Development

By their nature non-national road schemes are mainly rural. The non-national roads measure makes a major contribution to rural development by improving access to and from remote and rural areas for rural dwellers, in particular farmers and those seeking access to employment, training, educational and social opportunities, and by alleviating the negative effects of peripherality and isolation. Works under this measure have improved the physical, economic and social conditions of the people they serve and those who use them, thereby making a very positive contribution to rural development. They provide links to strategic transport infrastructure and facilities, particularly the national road network, provide access to industrial production facilities and indigenous raw materials including food and forest products. They also provide improved access to regional ports, harbours, airports and public transport facilities. They make a significant contribution to local development and attract economic development to an area. The types of projects that are eligible under the EU co-financed scheme of grants are very much of a rural nature – e.g. those which will benefit forestry, agriculture, fisheries and tourism. One specific eligible category is “road improvements which are making a significant contribution to rural/agricultural development by improving access to rural areas”.

North South Initiatives

By reason of their location non-national road projects in the Southern & Eastern Region are not in proximity to Northern Ireland but whenever opportunities arose, exchanges of information, policies and procedures were explored with the relevant northern bodies.

4.3 Measure:05.01.02, Rural Water Measure (Local Infrastructure Priority) Intervention Code 344

1 Introduction

The Rural Water measure provided funding for investment in water treatment, disinfection and distribution equipment for group water schemes. The objective was to ensure that group water schemes can provide an adequate supply of water, which meets the requirements of the EU Directive on Drinking Water Quality, within their catchment area. ERDF co-financing was provided for eligible schemes at a rate of 75% in the Southern & Eastern Region. The following details the main elements of the Rural Water Programme where ERDF co-financing could apply.

(a) Small Public Water and Sewerage Schemes

Schemes costing up to €634,869 (increased to €1,000,000 in recent years) were eligible for grant aid under the Rural Water Programme. Local authorities can recoup grants of up to 75% of the cost of the works undertaken from annual block grants provided by the Department of Environment, Heritage and Local Government. Local authorities must commit a minimum of 25% of local resources to their overall programme.

(b) Group Scheme Capital Grants

A grant of 100% of the cost of essential treatment and disinfection facilities is available for group water schemes participating in bundled Design Build Operate (DBO) contracts. Other necessary works like buildings, reservoirs, pipelines associated with the contract are grant aided at up to 85% of cost, subject to a maximum grant of €6,475.66 per house. Grants of up to 85% of cost, subject to a maximum grant of €6,475.66 per house, are available for new group water schemes and for general upgrading of existing group water schemes using conventional procurement.

Responsibility for the prioritisation of group schemes and the approval and payment of grants, subject to the Department's overall block grant allocation, is devolved to County Councils.

(c) Take-over of Group Schemes

Annual Block Grant Allocations to County Councils included an amount for expenditure on the take-over and upgrading of group schemes. Takeover was generally subject to the agreement of the group schemes themselves. Works could include the improvement of a poor quality water supply by the provision of water from a public supply and the upgrading of a group scheme connected to a public supply for the purposes of reducing loss of water through leakage.

The Overall Objectives were to support the following priorities of the CSF and the O.P.

- Balanced Regional Development;
- Development of Economic Infrastructure;
- Local Enterprise Development and Rural Development;
- Social Inclusion; and
- Protection and enhancement of the environment.

The specific objectives of the measure were to:

- improve the quality, reliability and efficiency of the regions water services infrastructure in rural areas by remedying capacity constraint and providing new water treatment facilities;
- remedy capacity constraints and providing new water treatment facilities;
- to protect public health by ensuring compliance with the standards for drinking water; and
- facilitate the balanced and diversified development of rural areas and to improve the lifestyles of rural communities within the region.

2 Socio-economic and policy environment

The administration of the Rural Water Programme was devolved to local authorities in 1997. The main aim of the programme was to provide a quality water supply to as many houses as possible in rural Ireland. The biggest component of the programme related to the provision of funding to group water schemes. The provision of water in rural areas through the use of group water schemes dates back some fifty years. There are up to 5,500 group water schemes throughout the country providing drinking water for some 170,000 households, as well as for farms and other local businesses. The provision of water in this way has supplemented the provision of water supplies by local authorities and meant that many areas benefited from a water supply much earlier than if they had to wait for a local authority supply. Between 2000 and the end of 2008 some €800 million was paid to local authorities nationally under the rural water programme, mainly for improvements to group water schemes. Expenditure in 2009 was a further €100 while, in spite of the difficult economic climate, an allocation of €93 million has been provided for in 2010.

During the course of the 2000 – 2006 programme there was an evolution towards focussing to a large degree on the funding of group water schemes being upgraded through bundled Design/Build/Operate (DBO) contracts. These types of contracts were seen to have advantages over the traditional contracts mainly because they resulted in contractors designing and building the water treatment plants and then being responsible for the running and operation of them for a period of twenty years. The fact that the contractor would be operating the treatment plant for such a period encouraged them to design and build robust plants capable of meeting treatment needs for at least that period. It also meant that such plants would be run and operated by professional personnel rather than solely by local voluntary effort. The bundling of the schemes also allowed a number of group water schemes to amalgamate into one scheme, resulting in better economies of scale and of fewer, but more manageable sized, schemes.

3 Financial Implementation

Rural Water Measure	Total CSF	EU Funds	ERDF	ESF	EAGGF	FIFG	Nat. Public	Private
Total Reported Expenditure €m	€50.826	€25.413	€25.413	€0.000	€0.000	€0.000	€25.413	€0.000
Revised OP Forecast	€46.340	€23.170	€23.170	€0.000	€0.000	€0.000	€23.170	€0.000
Total Declared Expenditure as % of Revised Forecast	106.27%	106.27%	106.27%	0.00%	0.00%	0.00%	106.27%	0.00%
Total Declared Expenditure	€49.248	€24.624	€24.624	€0.000	€0.000	€0.000	€24.624	€0.000

The total expenditure under the ERDF co-financed Rural Water Measure reached 106 % of the revised CSF forecast for the Measure in the S&E region.

Exchequer Funding for the Rural Water Programme is provided by means of Block Grant allocations to councils. Allocations are announced at the beginning of each year and payment is made on submission of expenditure claims by councils.

The following details the main elements of the Rural Water Programme and the amount of eligible ERDF co-financed expenditure for the period 1st Jan 2000 to 31st Dec 2008.

Year	Small Public Water Schemes (22 Schemes)	Group Scheme Capital Grants New/Upgrade (84 schemes)	Take-Over of Group Schemes (33 schemes)
2000	352,122.02	1,289,837.00	465,233.10
2001	400,226.17	1,885,020.55	1,326,964.87
2002	322,873.34	2,353,979.78	760,442.66
2003	99,750.55	3,018,053.55	287,342.22
2004	765,562.09	3,441,355.60	520,191.50
2005	1,126,336.92	6,451,109.07	963,521.32
2006	297,702.46	10,802,280.48	969,263.14
2007	365,128.96	5,936,550.66	1,016,463.36
2008	453,237.96	3,103,339.24	860,522.13
	4,182,940.47	38,281,525.93	7,169,944.30

4 Physical Achievements of the Measure

	Indicator	Final Target 2000-06	Final out-turn	Final Out-turn as a % of final target
Output	No. of Water Disinfection/Treatment Plants constructed/ upgraded	130	130	100%
Result	No. of persons in households supplied by new/upgraded schemes	150,000	317,039*	211.36%
Impact	% Compliance with the Drinking Water Regulations	95%	96%	101%

*This figure of 317,039 is for all schemes. However, as part of the closure process, the Managing Authority advised, given that total expenditure substantially exceeded the original measure profile and for better efficiency of final checks on a smaller number of larger projects, that projects with costs of less than €100,000 be omitted. When the schemes less than €100,000 are excluded the number of persons supplied equals 128,000. It is considered that the original estimate of 150,000 was an under estimation of the numbers likely to benefit.

A final outturn of 130 is reported for the no. of Water Disinfection/Treatment Plants constructed/ upgraded; all of the schemes delivered under the programme are not included in the final expenditure declaration to the Commission.

All of the performance indicators for this investment programme have been met or exceeded over the 2000-06 programming period, and the Measure has achieved its key objectives. Projects undertaken through the ERDF co-financed works for the period in question have meant improvements in water quality and service quality for 317,039 persons in the Southern and Eastern Region of which 219,310 were connected to Small Public Water Schemes the remaining 97,729 benefited through new and upgraded group water scheme supplies.

5 Administration and Management

Steps taken to ensure the quality and effectiveness of implementation

Monitoring and evaluation measures, including data collection arrangements

Data provided by local authorities in their claims for payment of their block grant allocations under the Rural Water Programme and from meetings with local authorities have been used to monitor progress on schemes.

Financial Control

B1.s and accompanying documentation received from local authorities were checked to verify certified ERDF eligible expenditure. Where necessary Local authorities were required to submit amended B1s, with explanations, showing only eligible expenditure and these were used as the basis of the expenditure claimed on B2s.

The amount of ERDF eligible expenditure would also have been checked against what had been returned on the NDP Reporting Form. Local Authorities were obliged to have available copy invoices and proof of payment (e.g. copy of agresso printout) as back-up for their payment claim.

Article 4 Spot Checks have been carried out in the Local Authorities to verify certified eligible expenditure returned against what is held on file in the Local Authority.

As part of the 2010 closure, local authorities confirmed that the figures they had provided were correct and a reconciliation of all local authority Form B1 returns with Form B2.s was carried out by the Department to confirm figures for closure purposes.

In 2010, Article 4 Spot Checks/look back reviews were carried out in six Local Authorities by the Department while a further four were carried out, to assist the Department, by the Managing Authority. These checks were to verify returned certified eligible expenditure on a selected number of schemes in the 10 local authorities against what is held on file in the authorities. The checks were also extended to a look back review of a number of schemes. Details of the article 4 and LBR checks are included at Appendix 6. In total 26 Article 4 checks were carried out on local authorities receiving funding under the Measure. This equates to 11% of Final Declared Expenditure was subjected to Article 4 Management Verification checks. Of this 9% was transaction checked. In relation to the LBR carried out 23% of final Declared Expenditure was subjected to same with 2% of this being transaction tested.

The Department's Engineering Inspector attended local steering group meetings where reports on physical progress on DBO schemes were given either by the local authorities (to whom responsibility for the administration of the Rural Water Programme has been devolved) or the authorities' consultants. He would have been in ongoing contact with the authorities.

Certification of payments and inspection of works as appropriate, before issue of payments to contractors or group schemes, is the responsibility of the local authorities. In this connection, local authority personnel visit projects and certify expenditure before payment by the Council

An audit was carried out in July 2006 by Mazars and Guerad under the Authority of the Directorate General Regional Policy of the European Commission of the South Leinster Rural Water DBO scheme. Some issues were found in relation to advertising the award of a contract in the OJ, issue of receipts for tenders and availability of grant aid letter. Non eligible expenditure of €57,725.11¹¹ was identified – all issues have been resolved.

Summary of any significant problems encountered

¹¹ The Audit report contained a typographical error stating that the amount on the Form B1 was €1,164,983 when it was in fact €1,162,983. Therefore a recommendation to reduce the claim by €2,000 was not required.

The main issue to arise in the period 2000 to 2006 was the finding by the European Court of Justice, in 2002, that Ireland was in breach of its obligations under the Drinking Water Directive by failing to ensure compliance with the quality standards and failure to reflect the binding nature of the Directive in relation to group schemes.

In response to the ECJ case, a Rural Water Action Plan was subsequently drawn up for the provision of treatment facilities for 451 group water schemes affected by the adverse ECJ judgement along with a further 277 schemes identified as needing improvement (728 schemes in total).

This represented a comprehensive and targeted response aimed at achieving compliance with the Directive within the shortest possible timeframe. The strategy implemented to resolve deficiencies in these 728 schemes was based on connecting poor quality schemes to a local authority public supply or, where this was not feasible, to provide stand-alone water treatment and disinfection equipment.

At the end of 2009 improvement works had been completed on 619 of the 728 group water schemes previously identified as in need of upgrading. These 619 schemes serve over 76,500 households. Works are underway on a further 105 schemes with the remaining 4 schemes proceeding in 2010.

The EU closed the case in Q1, 2010.

Irregularities

87 No. Irregularities have been reported and the necessary adjustments made in the final declaration. (see Annex 7 for details)

Measures taken to ensure publicity of the assistance towards potential beneficiaries and the general public

Local authorities were advised by the Department of the need to comply with appropriate publicity requirements, including signage, advertisements, public notices and approval notifications and use of EU logo. Guidance was provided to authorities on how to comply and training seminars held. Some signs and “Commemorative Plaques” were also provided to each authority by the Department in 2005.

Local authorities were required to confirm on the Form B1.s returned by them that EU publicity requirements were being observed.

Pictures of typical signage erected at sites of water schemes are set out below:

Compliance with EU Policies:

Public Contracts

The Department had a Procurement Guidance Document compiled in 2002 to assist local authorities in ensuring that planning and construction of rural water projects are in compliance with national and EU requirements. Letters issued to Rural Water Liaison Officers in October 2002 and a circular (Circular L18/02) issued to each authority in November 2002. The Intermediate Body and the Managing Authority held training seminars/information sessions to which personnel in Local Authorities responsible for the delivery of the Measure on the ground were invited to attend. Compliance with the public procurement formed an essential part of this training. .

Local authorities were required to confirm on the Form B1.s returned by them that public procurement requirements were being observed.

Procurement was examined during the spot checks. In any such case where compliance was not confirmed, penalties, by way of reduction of eligible expenditure, have been applied.

Compatibility with Horizontal Principles

Rural Development was the main Horizontal Principle applicable in this case.

The provision of improved water supplies to over 317,000 persons impacted very positively on the lives of the people involved. It improved their living conditions and increased the attractiveness of living and staying in rural areas.

It also aided Social Inclusion by improving water supplies and helping to insure that a quality water supply was available to all persons in the vicinity of a group water scheme.

North South Initiatives

Given the geographic coverage, no significant initiatives to report.

4.4 Measure:05.01.03, Waste Management Measure (Local Infrastructure Priority) Intervention Code 343

1 Introduction

The waste management measure provided co-funding for investment by local authorities in waste recovery and recycling infrastructure for municipal and other waste, to be developed in accordance with regional and local waste management plans. The objective was to support the development of an integrated waste management infrastructure for the S&E region that would reduce reliance on waste disposal and facilitate waste recovery and recycling, thereby enabling the region to achieve the ambitious target that 10% or less of waste is consigned to landfill.

The measure was implemented through the provision of grant-aid by the Department of Environment, Heritage & Local Government (Intermediate Body), generally at the rate of 75% of approved costs, to local authorities in respect of the development of facilities for the recovery of municipal waste (other than for thermal treatment facilities). Projects were selected by the Intermediate Body, who selected and prioritised projects proposed by the Local Authorities for assessment and approval. Regional waste management plans for the S&E region provide for the phased development of waste management facilities such as civic amenity sites and transfer stations, composting and other biological treatment plants and materials recovery facilities. Criteria for selection of projects included:

- eligibility under the measure;
- contribution to the measure objectives;
- horizontal impacts, particularly in relation to the environment; and
- placement of facilities with priority going to areas with limited access to recycling facilities.

Objectives of the Waste Management Measure

The Waste Management measure supported the following CSF priorities:

- Balanced Regional Development;
- Development of Economic Infrastructure; and
- Rural Development.

In addition it supported the achievement of specific requirements of EU waste legislation, which, inter alia, obliges Member States to:

- attain specified targets for the recovery and recycling of packaging waste and for the diversion of biodegradable municipal waste from landfill;
- ensure that hazardous waste may only be land-filled in dedicated hazardous waste facilities;
- move towards national self-sufficiency by establishing an integrated and adequate network of disposal installations;
- The essential objectives of the solid waste measure are to support the development of an integrated waste management infrastructure for the S&E Region that will:
- facilitate and support the further physical and economic development of the Region, in accordance with the principles of sustainable development;
- facilitate the development of an integrated approach to waste management in the S&E Region aimed at reducing reliance on municipal waste landfill and utilising other waste treatment options to achieve ambitious recycling and recovery targets;
- enable Ireland to respond to the imperatives and objectives of EU and national waste management policy, particularly in respect of the management of municipal and hazardous wastes;
- facilitate the achievement of relevant waste recovery targets;
- create employment and generate economic activity in the waste sector;
- maintain the Region's current high quality environment by facilitating a high level of environmental protection.

2 Socio-economic and policy environment

A comprehensive policy framework for modernising our approach to waste management was put in place in 1998 in the form of the Policy Statement “Waste Management: Changing our Ways”. In summary, the policy approach was based on the “integrated waste management” approach, based on the internationally adopted hierarchy of options which places greatest emphasis on waste prevention, followed by minimisation, re-use, recycling, energy recover and, finally, the environmentally sustainable disposal of residual waste. The policy context was strengthened in 2002 with the publication of “Preventing and Recycling Waste: Delivering Change”.

In parallel with the modernisation of our waste management policies, a comprehensive body of legislation has been put in place to provide a sound legal basis for waste management planning and to comprehensively regulate activities in the waste sector. The Waste Management Act 1996 and amendments made to it through the Waste Management (Amendment) Act 2001 and the Protection of the Environment Act 2003, along with a wide range of supporting regulations, have brought the law in relation to waste in Ireland into line with best European practice.

“Changing our Ways” highlighted the need for a new approach to the delivery of waste infrastructure and services. This challenged the older model of stand-alone provision of waste services by individual local authorities. It emphasised instead the need for co-operation with neighbouring local authorities and the utilisation of the potential of the private sector to contribute to the delivery of services. Local authorities were therefore encouraged to adopt a regional approach to waste management planning in order to secure a level of scale and activity which would provide a sound basis for the development of integrated and innovative waste management solutions.

In 2007, the Department launched a €13m programme to promote recycling in Ireland entitled ‘Market Development Programme for Waste Resources 2007-2011’. The aim of the Programme is to promote more recycling in Ireland of recovered waste resources with a focus on three priority waste streams: organics, paper and plastics.

The Minister has published a Draft Statement of Waste Policy, outlining the key principles and actions which it is envisaged will inform Irish waste policy for the coming decade and beyond.

In February 2008, a procurement process was initiated to appoint consultants to undertake a comprehensive study on the waste sector, to underpin the overall review, and to cover a wide range of issues to help identify how best to proceed with further efforts to reduce waste levels, improve recycling rates and deliver equitable and cost-effective sustainable waste management solutions. This study, the Eunomia Report, was published by the Minister in November 2009. Using the Eunomia Report as a basis, the Minister has prepared a new draft Statement of Waste Policy, which sets the context to ensure that waste management services are delivered by the public and private sectors in an environmentally progressive and cost efficient manner. This draft Statement is available at <http://www.environ.ie/en/Environment/Waste/PublicConsultations/>. In advance of finalising the Statement of Waste Policy by Government, comments have been invited from relevant stakeholders and any other interested parties. The closing date for receipt of comments is 1st October 2010.

3 Financial Implementation

Waste Management Measure	Total CSF	EU Funds	ERDF	ESF	EAGGF	FIFG	Nat. Public	Private
Total Reported Expenditure €m	€52.080	€26.040	€26.040	€0.000	€0.000	€0.000	€26.040	€0.000
Revised OP Forecast	€52.080	€26.040	€26.040	€0.000	€0.000	€0.000	€26.040	€0.000
Total Declared Expenditure as % of Revised Forecast	109.57%	109.57%	109.57%	0.00%	0.00%	0.00%	109.57%	0.00%
Total Declared Expenditure	€57.066	€28.533	€28.533	€0.000	€0.000	€0.000	€28.533	€0.000

Due to delays encountered in the establishment of the Waste Management Capital Grants Scheme, no expenditure took place in 2000 and 2001. In general, expenditure was slow to take off, but escalated significantly in the latter part of the programme and has exceeded the targets over the term of the Programme.

Financial Implementation:

Funding for the Measure and grant payment procedures

Of the eligible expenditure of €57,066,481.61, reported for this measure 75% was provided by the Intermediate Body to the final beneficiaries i.e. Local Authorities. The remaining 25% of funding was provided from the local authorities own resources.

The funding provided by the Intermediate Body has been sourced primarily from the Environment Fund. This Fund which was established in March 2002, uses proceeds from the levies on plastic shopping bags and the landfill of waste to fund projects which are of benefit to the environment, including waste recovery activities and schemes to reduce waste.

Some funding was also provided from the Department Vote for this measure, particularly towards the development of larger scale waste recycling infrastructure such as the materials recovery facility at Ballymount in Dublin. Over the full term of the Measure €30.1m of the grants paid towards eligible expenditure has been drawn from the Environment Fund and the remaining €13.3m from the Department’s Vote. It should be noted

that the total grant amount will be in excess of the eligible expenditure as only the eligible expenditure is reported to the Commission.

Once a grant application was approved, the final beneficiary could develop the facility in accordance with the conditions of the approval. Grants were paid in arrears – i.e. the final beneficiary must have already incurred the expenditure before it could seek grant payment.

The final beneficiary submitted claims for grant recoupment on the Department's Form WIR PC 01 and also submitted a B1 at the same time. Each claim had to be supported by

- Back-up documentation for all items being claimed, such as copy invoices, copies of timesheets etc.; and
- Evidence that the Local Authority had already paid for the items being claimed, such as Agresso printouts or copy bank statements.

On receipt of a claim, all invoices and other documentation backing up the claim were checked by the Intermediate Body to ensure their compliance with the grant scheme and the ERDF eligibility criteria. Ineligible items were removed and a revised B1, incorporating only items deemed eligible, was then submitted by the final beneficiary. This revised B1, rather than the initial B1 supplied by the final beneficiary, formed the basis of the B2's prepared by the Intermediate Body and submitted to the Managing Authority at regular intervals.

4 Physical Achievements of the Measure

	Indicator	Final Target 2000-06	Final out-turn	Final Out-turn as a % of final target
Output	Density of Bring Banks per 1000 population	1	0.43	43%
Result	Number of Civic Amenity Sites	55	63	114.5%
Impact	Tonnes of Solid Waste diverted from landfill via Bring Centres and CASs	186,259	179,299	96%
	% Waste diverted from landfill via CAS's and Bring Banks	10%	10.95%	109.5%

Since the introduction of the measure the national network of waste recycling facilities has been considerably developed. In the S& E region the number of civic amenity sites has increased from 47 in 2003 to 63 at end 2008. Bring banks have increased from 1,184 to 1,326 over the same period showing a 12% increase. This increase has contributed to an overall national recycling rate of 26% of household waste at end 2007.

While actual outturn for density of Bring Banks per 1000 population has increased, it has not been to the extent originally anticipated. In the light of experience of anti-social behaviour in the vicinity of some bottle banks, certain Local Authorities decided to cluster their bring banks or to re-locate them within Civic Amenity Sites, thereby leading to a lower number of bring banks per head of population than anticipated.

When targets were being established the increase in population was not anticipated to the extent that has occurred. This has resulted in a smaller increase in density per head of population than was anticipated.

5 Transitional Support for South-East NUTS III Sub-Region in 2006

This Measure had no financial commitment in 2006. However of the total expenditure of €56 million declared for the Measure, it is worth noting that over €11 million, or 20.4% of the Measure expenditure was incurred within the South-East NUTS III sub-region.

6 Administration and Management

Steps taken to ensure the quality and effectiveness of implementation, in particular:

Monitoring and Evaluation

Data collected in the calculation of the annual subvention, paid by the Department of the Environment, Heritage and Local Government to Local Authorities in respect of the operational costs incurred in operating their waste recycling facilities, is used to monitor the effectiveness of implementation. The data compiled by the Environmental Protection Agency and published in the National Waste Report (most recent report available is for 2008) is also used for monitoring and evaluation purposes.

Financial Control

All projects were subject to Article 4 desk check when claims for payment of grants were received. Local Authorities were obliged to supply copy invoices and proof of payment (e.g. copy of agresso printout) as back-up for their payment claim. These were checked at section level and ineligible items removed from claims.

Local authorities were required to submit amended B1s showing only eligible expenditure and these were used as the basis of the expenditure claimed on B2s.

On the spot Article 4 and look-back review transaction testing was also carried out on 48% of the expenditure claimed on the B2. This involved examining the original documentation retained by the final beneficiary, ensuring that publicity and all other eligibility requirements had been complied with and an on-site inspection of the grant-aided facility. Public Procurement Procedures were checked during the course of on-site Article 4 testing, using the Article 4 checklist section on procurement. Annex 6 summarises the details of projects subject to Article 4 / Look-back reviews over the course of the measure.

Significant Problems encountered

Problems were encountered in Local Authorities not fully complying with the publicity requirements. This was corrected by requiring particular local authorities to take appropriate corrective action if the issue was discovered during Article 4/lookback reviews. Circulars also issued to each Local Authority reminding them of their obligations regarding publicity.

A further difficulty was encountered in that some local authorities did not submit claims in a timely manner. This was addressed with the issue of a number of circulars imposing strict deadlines for the submission of claims. Local authorities were informed that failure to adhere to these deadlines rendered claims invalid under the Grant Scheme and this ensured that their claims were submitted in a timely manner.

Problems were also encountered in the submission by final beneficiaries of ineligible items of expenditure. As previously indicated this was counter-acted by subjecting all claims for grant payment to Article 4 desk check, including copy invoices and proof of payment. Ineligible items were removed from claims and local authorities were informed of those items deemed ineligible. Local authorities were required to submit amended B1s showing only eligible expenditure and these were used as the basis of the expenditure claimed on B2s.

11 irregularity reports were submitted by the Managing Authority (see Annex 7 for details).

Publicity Measures

The Scheme was launched in 2002 with the issue of a circular to all local authorities inviting applications for grant assistance. In subsequent years circulars issued to all local authorities inviting new rounds of applications and clarifying elements of, and requirements under, the measure. Local authorities were also advised of the existence of, and progress under, the measure through forums such as the CCMA (the County and City Managers Association). It is apparent from the range of schemes assisted and the number of local authorities that have availed of assistance that all potential beneficiaries were aware of the existence of the measure.

As the Scheme was only open to local authorities it was not appropriate to invite applications from the private sector. However over the term of the measure the Department issued Circular letters to remind local authorities of the publicity requirements of the National Development Plan and the EU Structural Funds.

Local authorities were informed that the EU and National Development Plan logos must be displayed in all publicity material, application forms, letters of offer or grant approval as well as on signs for projects as required under the Commission Regulation on Information and Publicity.

In carrying out its' on site inspections to date, the Department's inspectorate has paid particular attention to this aspect of the measure. All Local Authorities with projects under the measure have been reminded of the requirement to maintain a publicity section within their project file. They have also been requested to submit evidence of compliance to the Waste Policy Section.

Article 4 and pre-closure check visits carried out by the Department's staff also pay particular attention to this aspect of the measure.

Compliance with EU Policies:

Competition Rules (state aid)

It was decided at an early stage that only Local authority projects would be eligible under the Scheme. Therefore the private sector was fully excluded and has not received any grant assistance under this measure.

Public Contracts

It is a condition of assistance under the grant scheme through which this measure is implemented that public procurement procedures must be followed in full. Local Authorities were fully informed of this requirement under the Terms and Conditions of the grant scheme and by means of circular.

Where appropriate, compliance with public procurement procedures was assessed in the course of the appraisal of initial applications and Article 4 and pre-closure check visits

carried out by the Intermediate Body also paid particular attention to this aspect of the measure.

Compatibility with Horizontal Principles

Steps taken to ensure compatibility with applicable Horizontal Principles

Environment

By its nature this measure has a positive impact on the environment. When assessing applications for funding of recycling and recovery facilities, the effect of providing a given facility was reviewed in order to ensure that additional, rather than substitute, facilities are being provided, that there is no unnecessary duplication and that there is a reasonable geographic/population centre distribution of facilities in order to make facilities available to as many people as possible. The other horizontal principles are not applicable to this particular measure.

North South Initiatives

The scope for North-South co-operation in this Region was limited. However, there continues to be increasing cooperation in the tackling of illegal waste activities which have been a particular problem close to the Border.

4.5 Measure:05.01.04, Urban & Village Renewal Measure (Local Infrastructure Priority) Intervention Code 343 & 1306.

1 Introduction

The aim of the Urban and Village Renewal measure is to provide financial support for a range of interventions to upgrade cities, towns and villages to make them more attractive places in which to live and work encourage social and economic development and facilitate and support the development of tourism and tourism-related activity.

The Urban and Village Renewal Measure supported the following priorities of the CSF:

- Balanced Regional Development;
- Development of Economic Infrastructure;
- Rural Development; and
- Social Inclusion.

The specific objectives of the measure were to:

- upgrade urban and village locations to make them more attractive places in which to live and work;
- promote environmentally sustainable social and economic development within the areas, with local community involvement;
- promote more balanced regional development;
- promote social inclusion in rural and urban areas;
- facilitate and support the development of tourism and tourism-related activity in the target areas;
- encourage high standards of urban design compatible with the character of the area; and
- conserve and protect structures of significant architectural or heritage interest.

Project Selection Procedure: All County and City Councils were required to prepare an Urban & Village Renewal Strategy Plan. These Plans set out the Local Authority's Strategy for Renewal and their Programme of prioritisation for the implementation of Urban and Village Renewal projects within the period 2000 – 2006. Annual allocations are conditional on the submission to the Department of these detailed plans and in particular of the projects to be implemented during that year. The Final Beneficiaries for this measure are the Local Authorities.

2 Socio-economic and policy environment

The National Spatial Strategy set the agenda for regional and urban development in Ireland when published in 2002 and established the framework for development through facilitating the growth of Gateway towns and cities to be supported by strategic hubs. It identified four Gateways and six hubs in the BMW Region which could act as economic drivers.

The National Spatial Strategy also identified the need for public policies to strengthen rural villages and small towns by making them more attractive to residential and employment-related development. The Measure was completed before the economic down-turn which resulted in significant budgetary cutbacks to this area took effect.

3 Financial Implementation

Urban & Rural Development Measure	Total CSF	EU Funds	ERDF	ESF	EAGGF	FIFG	Nat. Public	Private
Total Reported Expenditure €m	€104.888	€52.444	€52.444	€0.000	€0.000	€0.000	€52.444	€0.000
Revised OP Forecast	€88.376	€44.188	€44.188	€0.000	€0.000	€0.000	€44.188	€0.000
Total Declared Expenditure as % of Revised Forecast	99.49%	99.49%	99.49%	0.00%	0.00%	0.00%	99.49%	0.00%
Total Declared Expenditure	€87.929	€43.965	€43.965	€0.000	€0.000	€0.000	€43.965	€0.000

From the above table it is evident that this Measure spent almost exactly to its Measure profile reaching 99.5% of its OP financial target by Programme closure.

Grant payment was 82% of expenditure in relation to cities and 92% for towns and villages. Dublin Docklands received a grant of 50% of eligible expenditure. Balance was made up of local authorities own funding. ERDF funding is 50% of grant payable. The annual allocation for this programme was determined in the estimates/budget process within the Department.

4 Physical Achievements of the Measure

	Indicator	Final Target 2000-06	Final out-turn	Final Out-turn as a % of final target
Output	Nos. of Villages improved through investment	336	304	90%
Result	Nos. of Towns improved through investment	112	118	105%
Impact	Nos. of City (Locations) improved through investment	8	18	225%
	No of Dublin Docklands locations improved through investment	1	1	100%
	No of Public Buildings improved through investment	140	73	52%
	Overall Nos. of projects completed / underway	597	514	86%
	Improvement in Tidy Towns Competition marks	100% of centres supported show higher marks after completion of projects	100%	100%

Targets set at number of projects, figures refer to number of villages, towns, etc.

All the villages and towns supported under the programme show a higher mark in subsequent Tidy Towns Competitions. A total of 389 villages, towns and cities (including Dublin Docklands) in the South Eastern Region benefited through investment.

5 Transitional Support for South-East NUTS III Sub-Region in 2006

This Measure had a CSF commitment of €10.743 million in 2006. Over the lifetime of the Programme in excess of €16 million has been incurred within the South-East NUTS III sub-region, which is well in excess of its 2006 commitment.

6 Administration and Management

Steps taken to ensure the quality and effectiveness of implementation, in particular:

Monitoring and Evaluation

The Managing Authority conducted several initiatives including: updated expenditure tables, guidance and assistance to measure leader, look back exercise at an Intermediate Body & Final Beneficiary level and aided the Intermediate Body in its' look back review (LBR) exercises.

The Managing Authority conducted annual financial management seminars targeted at both Intermediate Bodies and Final Beneficiaries and tailored seminars for specific sectors i.e. Local Authorities and held seminars that focused on the closure exercise.

The Managing Authority also assisted the Intermediate Body in carrying out Art 4 / LBR visits to 8 Final Beneficiaries over the late Spring period 2009, which also involved a number of revisits. The IB also visited a further 5 Final Beneficiaries

Financial Control

The Intermediate Body, with assistance from the Managing Authority towards the latter period of Measure Closure, conducted Article 4 spot-checks on 48% of the expenditure declared with a further 26% being subject to a Look Back Review Process.

The IB, when declaring expenditure to the MA, provided a project level analysis per Final Beneficiary.

All claims were accompanied by an URG form, and local authority management information system printouts, e.g. Agresso printouts. Financial control procedures were subject to Article 4 checks and look back review. Any ineligible expenditure was removed from claim and irregularity reports filed where necessary. Please see Annex 3.

1. A number of Systems Audits were carried out over the period of the Measure at various levels of the cascade.
2. At the Managing Authority level, Price Waterhouse Coopers, as contracted Internal Auditors, carried out a Systems Audit in 2005. A number of recommendations were made which the Managing Authority implemented.
3. A number of Systems Audits were carried out at Final Beneficiary level, namely Dublin and Cork City Councils and Meath County Council, by the Internal Audit Units of those authorities.

Recommendations were made and, in all cases, the Managing Authority has followed up on same and these responses are on file.

4. Under Article 10 the ERDF FCU carried out 5% verification audits on a number of final beneficiaries – Meath County Council, Dublin City Council, Dun Laoghaire County Council and Cork City Council. In all cases a number of corrections were necessitated and, through follow up and Look Back Review work by the Managing Authority, all corrections have been made and included on the final B2.
5. An Audit was carried out in July 2006 by Mazars Consultants on behalf of the EU Commission. A number of projects across various Measures were checked and, under this Measure, the Patrick Street scheme, Cork City Council was sampled. Arising from this a financial correction was necessary to declared expenditure and this has been included on the final B2.

Significant Problems encountered

Ineligible expenditure was deducted from claims before payment made was made by the Intermediate Body to the Final Beneficiaries.

Resulting from the joint exercise carried out by the Intermediate Body and the Managing Authority in late Spring 2009, a number of adjustments were made to declared expenditure. These adjustments have been effected in the final B2.

There were 36 Irregularity reports required for this Measure, and these have been filed by the Managing Authority. (see Annex 7 for details)

Publicity Measures

EU guidelines relating to publicity were circulated to all local authorities. Site visits confirmed that the local authorities were meeting their requirements. In addition when seeking a payment a declaration is completed to the effect that these guidelines are being implemented.

The Final Beneficiaries used a number of methods of publicising the assistance of the ERDF towards various projects, for example :

- Erection of signs at project locations displaying the appropriate logos –
- Use of logos and description of projects on corporate websites
- Use of logos on advertisements e.g. Contract Works Tendering
- Erection of Plaques



Mardyke Pedestrian Bridge, Cork City

The Intermediate Body, in its' role of Measure Manager through its' Article 4 checks, also ensured that final beneficiaries adhered to the Publicity guidelines. The Department, as Intermediate Body, also used the appropriate logos on its' correspondence.

The Managing Authority, through its' Article 4 Checks on the Intermediate Body and Article 4/ Look Back Review visits to a number of final beneficiaries in early 2009, also verified their compliance with the guidelines.

Compliance with EU Policies:

Competition Rules

That is not applicable to this measure as the investment in public amenities is not trade distorting and does not involve the transfer of state resources to commercial undertakings.

The award of public contracts (public procurement)

Public Procurement, as set out in EU Commission requirements is met by final beneficiaries. The Intermediate Body in carrying out their Article 4 / Look Back Review visits checked that the Final Beneficiaries had complied with Public Procurement guidelines. The Managing Authority, when assisting the Intermediate Body in the completion of Article 4/ Look Back Review visits in 2009, also checked compliance with Procurement Guidelines and recommended a number of corrections.

Compatibility with Horizontal Principles

Environment

The Environmental Horizontal Principle for the measure is stated as 'having a significant positive impact on the physical environment of the target locations by enhancing their attractiveness as places in which to live, work and visit. It will also help to reduce urban sprawl and ensure the better use of existing infrastructure.

The projects selected made the towns and villages more attractive places to live, work and do business. Steps like soft landscaping; particularly the use of trees and shrubs and the provision of colour through the planting and careful maintenance of flowerbeds were encouraged. Other landscape projects included the enhancement of riverside walks, linear parks, community gardens and other greening initiatives. In relation to the built environment projects funded included under-grounding of overhead wires; innovative reuse of abandoned buildings; provision of community meeting places; renewal of street paving and furniture.

Rural Development

The physical enhancement and improved layout of villages and small towns made them more attractive places in which to live and work. This will encourage village development, with better use of existing infrastructure and in turn relieve development pressure on the countryside. An enhanced village centre will help stimulate increased use of the village amenities by the local community, the rural hinterland it serves and passing trade.

North South Initiatives

Nothing significant to report

4.6 Priority: Local Infrastructure Priority

Measure: 05.01.05, Ecommerce & Communications Measure. Intervention Code 322.

1 Introduction

Under this Measure, support from public funds was provided to overcome identified gaps in telecommunications infrastructure, the provision of open access infrastructure and to drive demand for new services and activities so as to facilitate the benefits of the emerging new digital economy. The measure ensured that the availability of infrastructure was evenly spread across the regions and that it contributed to economic and social cohesion in the information society.

The measure supported the following priorities of the Community Support Framework, (CSF), and the Operational Programme, (OP):

- Balanced Regional Development;
- Development of Economic Infrastructure;
- Local Enterprise Development;
- Rural Development; and
- Social Inclusion.

The specific objectives of the measure are:

- to stimulate investment in and accelerate the development of cost competitive advanced communications and electronic commerce infrastructure and services, including alternative and shared infrastructure and services solutions, in the Regions.
- to facilitate the provision of public information and services electronically (e.g. education and research infrastructure and services, virtual libraries and access to specialised health services) in the regions in order to enhance access, reduce costs and deliver a wider range of services to all citizens, thus promoting the development of a more socially inclusive Information Society.
- to build corporate infrastructure and electronic commerce capacity in the Regions and address intellectual capital investment needs.
- to construct the fundamental communications infrastructure necessary for the long-term development of the region.

As the Intermediate Body, the Department of Communications, Energy and Natural Resources, (DCENR), was responsible for the detailed implementation of the Measure – the primary responsibilities of the Communications (Development) Division was to manage individual schemes and to select projects to receive funding. Projects funded under the Measure were chosen following public calls for tenders, advertised nationally. There were four public calls for tenders – the first in June 2000 and the second in July 2001, the third in June 2004 and the final in February 2005. The first call was exclusively reserved for private sector companies and the second call was open to both private sector and public bodies and local and regional authorities. The third and fourth calls were reserved for public bodies and local and regional authorities. The amount of grant aid provided to private sector companies varied from between 10% and 40% depending on the county in which the project was located. Public bodies and local and regional authorities received grant aid of 90% for their respective projects. Projects that complied with the objectives of the Measure, as set out in the Programme Complement of the OP, were selected by way of independent evaluation in accordance with best practice. Insofar as possible, the open competitive calls for tender were technology/platform neutral. Although specific selection criteria vary according to the focus of each particular call for tenders, projects were in general selected in accordance with the following headings:

- Development of an inclusive Information Society;
- Value for money;
- Feasibility and Viability;
- Evidence of additionality and avoidance of displacement; and
- Facilitating social inclusion and Regional Balance.

Norcontel telecommunications consultants were hired to carry out the calls for tender and undertook an independent evaluation of the submissions received following EU procurement process for their services.

2 Socio-economic and policy environment

It was originally intended that the entire programme budget would be spent on private sector companies in the form of grant assistance to extend broadband services to the regions – this is reflected in the fact that all of the contracts signed as a result of the first call for tenders in June 2000, were with private sector companies. When preparing the second call for tenders in July 2001, it was decided to make funding available to public bodies and local authorities for the construction of broadband networks at an aid rate of 90%. This decision was taken because it was felt that the downturn in the telecommunications market, which followed the dotcom crash,

would mean that private operators would be unlikely to apply. This proved to be the case, with only one contract being signed with a private operator on foot of the second call and a number of private operators who were successful under the first call were not able to meet their requirements. Following the third and fourth calls for proposals in 2004 and 2005, a further 94 towns throughout the country were approved to receive broadband infrastructure and these formed Phase II of the Programme. The Department of Communications, Energy and Natural Resources published a Value for Money and Policy review of Phase I of the MAN's programme in July 2008. The Department also published a policy paper on Next Generation Broadband Networks in July 2009. This paper reviewed current communications infrastructure policy and provided options on the optimum future role for Government in facilitating the roll out of high speed broadband networks. In these circumstances, the Minister decided that it would be prudent to delay the signing of the contracts for the construction of any new networks, including those in Kildare until he has an opportunity to consider and assess the implications of the value for money report and the outcome of the consultation on the Next Generation Broadband policy paper. As a result the construction of projects in 28 towns was suspended in December 2007.

3 Financial Implementation

E-Commerce & Communications Measure	Total CSF	EU Funds	ERDF	ESF	EAGGF	FIFG	Nat. Public	Private
Total Reported Expenditure €m	€88.286	€44.143	€44.143	€0.000	€0.000	€0.000	€44.143	€0.000
Revised OP Forecast	€87.560	€43.780	€43.780	€0.000	€0.000	€0.000	€43.780	€0.000
Total Declared Expenditure as % of Revised Forecast	101.09%	101.09%	101.09%	0.00%	0.00%	0.00%	101.09%	0.00%
Total Declared Expenditure	€88.518	€44.259	€44.259	€0.000	€0.000	€0.000	€44.259	€0.000

The Measure was funded from Subhead B1 of the Department of Communications, Energy and Natural Resources' Vote. The gross public expenditure in respect of projects funded under the Measure was provided annually as part of the overall estimates process for DCENR.

Grant amounts for each project were awarded following the approval of projects from the evaluations, under a fixed price Grant Agreement. Each cost element of the project was detailed on tendered c-forms which are appended to the Grant Agreement. The final beneficiaries submitted certified returns of progress at agreed milestones and vouched expenditure which was paid in stages by DCENR to the final beneficiaries in accordance with the terms of the Grant Agreement. Under calls 1 and 2, Norcontel checked the eligibility of claims submitted and monitored claims against the agreed final grant rate as approved in the c-forms. Under calls 3 and 4 this role was completed by Magnum Opus in accordance with processes agreed in advance with DCENR.

The grant was provided at a rate in compliance with the Regional Aid Limits Post 2000 set out in the NDP. Grants paid to final beneficiaries included any ERDF contribution as appropriate – the ERDF element was then be reclaimed in line with the cascade arrangement set out in Department of Finance Circular 34/2001 (as amended by Circular No. ERDF/PA/1-2002).

4 Physical Achievements of the Measure

	Indicator	Final Target 2000-06	Final out-turn	Final Out-turn as a % of final target
Output	Additional kilometres of fibre pairs installed	1,300	1,048	80.62%
Result	Additional kilometres of open access telecommunications ducting installed	400	320	80.00%
Impact	Number of additional exchanges provisioned for DSL related services	40	40	100.00%
	Number of community broadband services grant aided	75	76	101.30%
	Additional households with 256 Kbps downstream and 128 Kbps upstream broadband available (access on demand)	237,000	237,000	100.00%
	Of which; Households in rural areas	85,000	85,000	100.00%
	Households in Rapid II areas	46,000	46,000	100.00%
	Additional businesses with 512 Kbps downstream and 128 Kbps upstream	36,000	36,000	100.00%

	broadband available (access on demand)			
	Of which: Businesses in rural areas	13,000	13,000	100.00%
	Businesses in Rapid II areas	7,000	7,000	100.00%
	Additional public administration and educational establishments with 512 Kbps downstream and 128 Kbps upstream broadband available (access on demand)	5,000	5,000	100.00%
	Of which: Public Buildings in rural areas	1,500	1,500	100.00%
	Public Buildings in Rapid II areas	1,000	1,000	100.00%
	Additional businesses with >2Mbps fibre based services available (access on demand)	7,700	7,805	101.36%
	Of which: Businesses in rural areas	3,800	4,189	110.23%
	Businesses in Rapid II areas	1,350	1,350	100.00%
	Additional public administration and educational establishments with >2Mbps fibre based services available (access on demand)	1,100	1,064	96.70%
	Of which: Public Buildings in rural areas	500	509	101.80%
	Public Buildings in Rapid II areas	200	200	100.00%
	Number of subscribers to broadband	292,000	632,952	216.80%

As noted above, the construction of a number of MAN's projects was suspended in December 2007 pending the outcome of a Value for Money and Policy Review of Phase I of the Programme. This resulted in a reduction of the overall number of fibre pairs and open access telecommunications ducting that was installed.

Private Sector Projects – Call 1 and 2

The first round of projects under the measure comprised of investment in private sector infrastructure. The impact of these projects in the Southern and Eastern Region has been that ESB Telecom has installed its new national fibre backbone network, and there has been extensive rollout of DSL (digital subscriber line) Services by Eircom and ESAT/BT Ireland.

Metropolitan Area Networks Phase I – Call 2

Under the second round of projects funded under this measure and in partnership with local and regional authorities, the Government part funded the construction of high-speed, open-access Metropolitan Area Networks (MAN's) in towns and cities nationwide. MAN's are State owned, underground telecommunications networks that are located in regional cities and towns. They consist of carrier-neutral duct and fibre rings linking the main commercial and public buildings to "co-location centres" where service providers locate their telecommunications equipment and access the network. The MAN's make these state-of-the-art facilities available to service providers to enable them to offer high-speed broadband to their retail customers without having to build their own networks.

Eight towns, Cork, Limerick, Carlow, Kilkenny, Wexford, Waterford, Dungarvan and Clonmel, were initially selected for the construction of Metropolitan Area Networks (MAN's) in partnership with the local and regional authorities. All have been completed and are now managed by e-Net, a Limerick-based company which was awarded the fifteen year services concession contract to manage, maintain, market and operate the MAN's on behalf of the State.

Metropolitan Area Networks Phase II – Call 3 and 4

Following a Government Decision of November 2003 a further forty two towns in seven regions, (Cork, Fingal, Kerry, Meath, Shannon, South East and Wicklow), with populations in excess of 1,500 were selected for infrastructure investment under the second phase of the MAN's Programme. It was felt that broadband would not be delivered to these towns without Government impetus and intervention and it was felt the most appropriate way to do this was to ensure that any network constructed and grant aided by the Department should be available to all operators on an open access basis and the MAN's were the best way to achieve this. The design and procurement stages of the programme progressed in all regions during 2006. Construction commenced in forty one towns during 2007 and was completed in thirty three towns (see unfinished projects section below) before the end of the Programme. The outstanding town, Kinsale will be completed during 2010. Construction was delayed due to a main drainage scheme being undertaken in the town. There was no ERDF Grant Aid sought for the Kinsale project.

5 Transitional Support for South-East NUTS III Sub-Region in 2006

This Measure had a CSF commitment of €7.90 million in 2006. Over the lifetime of the Programme in excess of €25.7 million has been incurred within the South-East NUTS III sub-region, which is well in excess of its 2006 commitment.

6 Administration and Management

Steps taken to ensure the quality and effectiveness of implementation, in particular:

Monitoring and Evaluation

DCENR was responsible for the monitoring of individual projects and reported on progress biannually to the Monitoring Committee. The Department compiled a bi-annual report on performance indicators at measure level setting out progress against initial objectives and targets. Progress reports covered financial management details and qualitative information, including the contextual indicators, where appropriate. The Department agreed the composition and format of these reports with the Managing Authority.

A quarterly report on all expenditure incurred under the measure was also provided to the Department of Finance as required under the Department of Finance's "Guidelines for the Appraisal and Management of Capital Expenditure Proposals in the Public Sector" – January 2005.

Project milestones were established for each project and DCENR held fortnightly programme review meetings with our Programme advisors, Magnum Opus to review the progress of all projects. In addition, steering group meetings for each individual project were organised by the Local Authority on a regular basis. These were attended by DCENR, Magnum Opus, the relevant local authority and their technical advisors.

Financial Control

All claims received from both private operators and local authorities were 100% checked by Norcontel and Magnum Opus against all cost elements previously agreed in c-form cost schedule. DCENR carried desk checks on all received B1s and also performed spot checks and Article 4 checks on projects reported under this measure in accordance with the agreed number set out in our procedures manual. During the management check, the following items were checked.

- Claims have been signed off correctly
- Detailed breakdown of the figures provided in the B1 is available
- Information on the underlying invoices correspond to aggregated information contained on the B1 Form
- All relevant documentation is available for inspection
- Documented evidence that eligibility rules have been applied
- Documented evidence that information and publicity requirements have been observed
- Up to date procedures manual available for inspection
- Clear audit trail
- Document retention requirements are being met

Following the spot check, the relevant member of staff prepared a report detailing the findings and recommendations. The results of the spot check were communicated to the relevant body within one week of the inspection and they were requested to implement any resultant recommendations within one month. The associated B2 was not forwarded to the Management Authority until any necessary action was undertaken at the B1 level. During the look back review carried out on all projects all actions from the spot check reports were re-examined to ensure that all actions had been addressed and ineligible expenditure had been removed.

The Managing Authority gained assurance in relation to the reconciliation of records per project from the evidence of the Article 4 checks and reports of the Implementing Body. The Managing Authority conducted on the spot checks on 78% of the expenditure declared on Forms B2. The Implementing Body conducted Article 4 and Look Back Review checks on 100% of the expenditure declared.

In July 2006, a Project Audit was carried out by the EU Commission, undertaken on their behalf by Mazars Consulting. Mazars examined the SE 2001-109 South East (SERPANT), final beneficiary, South East Regional Authority. Resulting from this Mazars recommended adjustments to the value of €10,196.49. However per correspondence from SERA, they had identified additional ineligible expenditure of €811.07 bringing the total to €11,007.49. This has been adjusted out of Declared Expenditure in the final B2.

In August 2010, the ERDF Financial Control Unit carried out an Article 10.1 (b) Verification Audit on the E Commerce Measure. Resulting from this audit a number of financial recommendations were made in respect of the ESBT National Fibre Network, SERPANT & Cork MANS projects and these amounted to €8,789,794.27. This amount has been adjusted out of the declared expenditure in the final B2.

Significant Problems encountered

All ineligible expenditure detected during Commission Audits, Managing Authority and Intermediate Body's spot checks has been adjusted from the Final Beneficiary's subsequent B1 form and this process was checked again through the look back review process and all final adjustments have been made to the final B2.

Irregularities

- 9 No. Irregularity reports have been submitted. (see Annex 7 for details)

Publicity Measures

All beneficiaries under the four calls have been advised to ensure that all literature, websites, launch material, media releases etc comply with NDP and ERDF publicity requirements and these have been checked as part of the look back reviews and Article four checks.

Compliance with EU Policies:

Competition Rules

The European Commission ruled that Phase II of the Irish Regional Broadband Programme is compatible with Article 87(3) (c) of the EC Treaty. This was communicated in State Aid decision N 284/2005 – Ireland.

Public Contracts

All public contracts awarded under this measure followed the procurement directives 2004/18/EC SI 329 of 2006. Contracting authorities were required to:

- Advertise their requirements in the Official Journal of the European Union (OJEU);
- Use procurement procedures that provide open and transparent competition; and
- Apply clear and objective criteria, notified to all interested parties, in selecting tenders and awarding contracts.

This applied to the following contract types:

- Works-building and civil engineering contracts;
- Supplies-purchasing of goods and supplies; and
- Services-consultancy, financial, advertising.

Compatibility with Horizontal Principles

Social Inclusion

The wider range of services and applications made more easily accessible and cost-efficient as a result of this investment will allow for a more inclusive Information Society. Although projects included in this Measure were selected on a geographical basis, it was considered that Social Inclusion will be a component of the work carried out. Support under this measure will facilitate those who are socially disadvantaged to access the emerging communications infrastructure.

Rural Development

The development of the advanced communications infrastructure envisaged under this measure has the potential to significantly reduce the impact of distance and time on socio-economic activity. Studies on specific regional/rural economic development benefits have revealed that greater broadband deployment can lead to job creation and retention, faster industrial growth, improved education systems, more productive research and development, increased start-up and entrepreneurial activities and improved Government efficiencies and service delivery through e-government. Specific performance indicators were been developed to monitor the progress of the measure towards the Rural Development objective.

North South Initiatives

The grant-assisted investment in communications and e-commerce infrastructure and services under the measure should facilitate greater North-South co-operation. In implementation terms, the scope for North-South co-operation will principally rest with information and communications operators co-ordinating their activities North and South, in particular those for which they are seeking assistance in both jurisdictions. The increased availability of the type of services which the measure facilitated will also contribute to the social and economic development and regeneration of border areas generally. Investment in communications infrastructures with North-South elements was allowed for in both Calls for Proposals.

4.7 Measure:05.01.09, Technical Assistance Measure (Local Infrastructure Priority) Intervention Code 411 & 412

1 Introduction

The Technical Assistance Measure is a stand alone measure within the Local Infrastructure Priority. It is a measure which applied across the entire Operational Programme and, consequently, was not part of the suite of measures designed to contribute to the achievement of the specific objectives of the Local Infrastructure Priority. It was included within this priority simply for ease of presentation. Under this measure, funding was provided in accordance with Rule 11 of Commission Regulation (EC) of 18 July 2000, as amended by Commission Regulation 448/2004, to cover costs in relation to areas such as Management, Monitoring Control, OP level Information and Publicity and Mid-Term Evaluation of the Operational Programme. Information and Publicity for individual Measures in the OP was funded from the respective measures budgets of the relevant Intermediate Bodies. The Technical Assistance Measure also covered the cost of recoupment of approved costs of the EU Operational Committees of the Regional Authorities (at NUTS 111 level) in the S&E Region.

The Measure was administered by the Southern & Eastern Regional Assembly under the general control of the Operational Programme Monitoring Committee. Details of the proposed technical assistance budget and the arrangements for managing the Programme were subject to the approval of the Monitoring Committee. Total funding of €3.0m was provided in the Priority (Sub-Programme) for this measure, of which the ERDF contributed 50% or €1.5m. At the Monitoring Committee October 2005, the 2005 allocation of €0.5m was transferred from the Technical Assistance measure to the Non National Roads Measure. During the period 2000-2006 the Managing Authority implemented the necessary arrangements to allow it to fulfil its responsibilities in relation to the Regional OP and the NDP/CSF as a whole. The Regional Authorities and their EU Operational Committees also continued with their responsibilities to examine and monitor EU-funded expenditure in their sub-regions, and to serve on the Monitoring Committees on which they are represented. Implementation guidelines issued to all Regional Authorities in December 2002 by way of circular. These guidelines set out the precise eligibility criteria for claims under the Technical Assistance Measure.

2 Socio-economic and policy environment

This is detailed at Operational Programme level in Chapter 2.

3 Financial Implementation

Technical Assistance Measure	Total CSF	EU Funds	ERDF	ESF	EAGGF	FIFG	Nat. Public	Private
Total Reported Expenditure €m	€1.804	€0.902	€0.902	€0.000	€0.000	€0.000	€0.902	€0.000
Revised OP Forecast	€3.000	€1.500	€1.500	€0.000	€0.000	€0.000	€1.500	€0.000
Total Declared Expenditure as % of Revised Forecast	60.14%	60.14%	60.14%	0.00%	0.00%	0.00%	60.14%	0.00%
Total Declared Expenditure	€1.804	€0.902	€0.902	€0.000	€0.000	€0.000	€0.902	€0.000

In the financial tables of the Technical Assistance Measure €3million was profiled for the measure for the period 2000-2006 (€1.5m). At the close of the Measure just under €1.2m will remain undeclared to the Commission due to the Technical Assistance Limits of the OP being reached. In 2004, during the course of audit work by the Irish ERDF and ESF Audit Units, the auditors expressed the view that the administrative costs of the Micro-Enterprise and Childcare Measure should in fact be accounted for as Technical Assistance and not as Overheads. This view was upheld by the EU Commission and as a result, the TA limits in the Operational Programme were breached. To rectify the situation some adjustments had to be made to the declared expenditure of the Micro-Enterprise and Childcare Measures to bring TA back within the limit. As a consequence no further expenditure could be declared for the TA Measure itself. Further details of the adjustments necessary are available under the Micro-Enterprise and Childcare Measure level reports.

4 Physical Achievements of the Measure

Performance Indicators are not relevant to this measure, and no indicators were included in the Programme Complement

5 Administration and Management

Steps taken to ensure the quality and effectiveness of implementation, in particular:

Monitoring and Evaluation

The Implementing Body reported to the Managing Authority on progress using data provided by the Final Beneficiary (Regional Assembly at Final Beneficiary level and Regional Authorities). All data was collected through the submission of claims by Final Beneficiaries. All Regional Authority and Regional Assembly Technical Assistance claims were 100% checked (desk based and spot checked) at Intermediate Body level.

Financial Control

At the level of the Intermediate Body, the principal financial control was the detailed desk-check carried out each time the Final Beneficiary submitted its B1 form with relevant backup documentation. All claims received were subjected to desk checks and on-site visits where possible, both of which covered all expenditure reported. The proportion of expenditure which was subject to the spot checks was 92%. Management Checks were carried out on all claims under the Technical Assistance Measure in accordance with the prescribed guidelines. Article 4 desk-based and on-site checks were carried out in late 2008 prior to closure of 2000 – 2006 programme. (see Annex for details)

A systems audit under Article 10a was carried out by Price Waterhouse Coopers as Internal Auditors to the SERA in 2006. No significant weaknesses or issues were found. A 5% verification audit was carried out by the Financial Control Unit in June 2010 and no corrective action has been recommended as a result.

The MA's assurance in relation to the reconciliation of records is based on the evidence of the article 4 checks and the article 4 reports of the IB. This was further reinforced by the look back review of all TA claims by the Regional Authorities and the Regional Assembly prior to compilation of the final B2. As a result of this a small number of adjustments were carried out and these have been accounted for in the final B2. In all cases the amounts involved were less than €10,000. It should be noted that the final beneficiaries under this measure submit their invoices and accounting records to the IB prior to payment being made.

Significant Problems encountered

No significant problems were encountered in managing the assistance, other than the technical issue set out above regarding the administrative costs of the Micro-enterprises and Childcare Measures.

TA Measure Level Adjustment

The Dept of Finance decided that all expenditure incurred by the RA's in respect of their EU related activities in 2000 & 2001 is to be charged to 1994 – 1999 TA OP rather than the 2000 – 2006 TA OP. This decision was communicated to the Assembly on 6th November 2002 & the Dept of Finance circulars which were in force up to then were rescinded. This resulted in a negative adjustment of €223,384.37.

New guidelines were issued on 1st December 2002 to the RA's & these were backdated to 1st January 2002. The RA's were asked to review their TA expenditure & submit a claim for the year 2002. In the interim the Assembly refunded to the RA's their Q1 & Q2 2002 drawdown requests but did **not** include them in a B2 to the Managing Authority.

2 No. Irregularity Reports have been submitted, details of which are provided in Annex 7.

Publicity Measures

During the implementation of this Measure, regard has been had to the Regulation on Structural Funds Information and Publicity (EC) 1159/2000 and Dept. of Finance Circulars on NDP Publicity. In particular, the following have been used by the Southern & Eastern Regional Assembly as means of highlighting public awareness and of achieving publicity for the OP and the NDP as a whole:

- Ensuring the use of the Assembly, NDP and EU logos when advertising for staff, tendering etc.,
- Circulation of Annual Report to Regional Authorities, Local Authorities etc.,
- Taking advertisements in various publications as a method of publicising the OP,
- Ongoing development of the Regional Assembly website www.seregassembly.ie

Compliance with EU Policies:

Competition Rules

Regard was had to EU Competition rules at all times.

Public Contracts

Public Procurement guidelines are adhered to (where applicable) to ensure that National Procurement policy has been followed. However, during the period of the Programme, consultants were appointed to conduct a Mid-Term Evaluation of the Operational Programme and notwithstanding that the cost involved was below the relevant threshold, national public procurement guidelines were adhered to.

Regional Aid Rate – ERDF amount is checked to ensure that it does not exceed 50% of the total value of the Claim.

Compatibility with Horizontal Principles

Environment

This Measure does not impact on the environment. However where possible, every effort is made to minimise paper production through the use of emails etc.

Equality

An equality policy is in place for all public beneficiary bodies i.e. Regional Authorities and Regional Assembly.

Wider Equality Grounds

An equality policy is in place for all public beneficiary bodies i.e. Regional Authorities and Regional Assembly.

Social Inclusion

This Measure does not have a Social Inclusion impact.

Rural Development

This Measure does not have an impact on Rural Development.

North South Initiatives

This sub-measure has no significant north-south element.

4.8 Measure:05.02.01.01/02, Tourism Measure (Local Enterprise Priority) Intervention Code 171, 172, 173

1 Introduction

The overall objective of the Tourism Measures was to develop the tourism product in an environmental and sustainable way that widens the spatial spread of tourism within the Region, diverts pressure from highly developed areas and increases the Region's share of national overseas tourism revenue. This was achieved by concentrating support on a limited number of new visitor attractions and on coherent and marketable clusters of existing day visitor attractions which have yet to achieve their full tourism potential for the Region, and on a series of special interest activities to meet identified niche markets.

The Measures supported the following priorities of the CSF:

- Productive Sector Investment
- Balanced Regional Development
- Rural Development

The Tourism Measure consisted of three co-financed sub-measures as follows:

Sub-Measure 1 – Development of Major Attractors

Under this sub-measure, funding was provided for:- (i) investment in strategically-located, major new day visitor attractions, capable of attracting in the order of 100,000 visitors a year, in areas where none existed and which were capable, environmentally and economically, of supporting such attractions; and (ii) for the upgrading and improved packaging of identified, geographically coherent and financially sustainable clusters of existing attractions within the Region including, where necessary, support for investment in some new projects identified as essential for the completion of such clusters. Priority under this sub-measure was given to less developed tourism areas in the Region, as identified in the Fáilte Ireland's Tourism Development Strategy 2000-2006.

Sub-Measure 2 – Special Interest Pursuits

Under Sub-Measure 2, funding was provided for investment in the development of special interest pursuits including cycling, walking, horse-riding, great gardens, outdoor activities, water-based and health tourism. Priority was given to proposals in less developed tourism areas identified by Fáilte Ireland, in its Tourism Development Strategy 2000-2006, as having strong development potential as Special Interest Activity Areas.

Sub-Measure 3 – Tourism Environmental Management

Under this Sub-Measure, funding was provided for investment in the promotion of the better management of the relationship between tourism and the environment, with a particular focus on the implementation of Integrated Tourism Management Plans in established tourism areas, having regard to Fáilte Ireland's Tourism Development Strategy 2000-2006.

There were also two non co-financed sub-measures and these are separately reported on in Annex 1

Implementing Arrangements

Operational Guidelines

The Operational Guidelines for the Tourism Product Development Scheme 2000-2006 set out the scheme's overall objectives, its constituent sub-measures, its eligibility criteria (project-type and costs), the applicable grant levels, the grant application, assessment and approval process, the procedures for handling grant claims, and the monitoring of projects for the 10-year period after the final grant instalment.

Key Appraisal Criteria

Proposals for grant aid were required to demonstrate that the project was consistent with national tourism policy, that it was cost-effective, financially sustainable, had sound management, financial and marketing competencies, had promoters with a proven ability to deliver the project, that it could generate increased revenue and better employment opportunities, that it was disability-friendly, that it would comply with all relevant statutory requirements, that it was environmentally sustainable, that the services in its surrounding area could accommodate the demands it placed on them, and that it would respect the Horizontal Principles.

Call For and Processing of Grant Applications

The Fáilte Ireland website provided guidance on the application process, whilst calls (invitations) for applications were advertised in national newspapers. A prescribed initial application form had to be completed by the project promoter and submitted to the relevant Regional Tourism Authority or Shannon Development in the case of the Mid-West region; these offices then carried out an initial review, based on a standard template.

The next stage in the process was the assessment and scoring of the project proposal by Fáilte Ireland's evaluation team. Following this, an Assessment Committee, consisting of senior management of the Authority, considered and reviewed each project and its proposed scoring, and ranked it in order of merit relative to other projects, as a basis for its recommendations to the Tourism Product Management Board (Board). This Board, the approving body, had a majority of members independent of Fáilte Ireland, including the chairman, and a minority representation from the Authority. The Board considered each project and approved them in principle, or rejected them. If approved in principle, the promoter would then have been required to provide additional information, which would be included in the prescribed, detailed proposal form, enabling the Board to make a final approval decision. If the Board fully approved a grant to a project, Fáilte Ireland sent a detailed letter of offer to the promoters (of some 14 pages long), containing both general and project-specific conditions with which the promoters had to comply. These included the physical delivery of the project and the procedures for the claiming and external certification of the grant. The letter also contained the promoter's obligations in regard to legal, publicity, marketing, operational, administrative and reporting matters, and also the requirement to facilitate Fáilte Ireland's monitoring of the project for 10 years from the date of the last grant instalment. Approved projects were required to enter into a legal agreement, either a covenant (for grant values of up to and including €250,000) or a mortgage for amounts above that figure, protecting the interest of the ERDF investment in the event of non-compliance by the project with the terms of the letter of offer.

Construction Phase

In the case of each grant-approved project, Fáilte Ireland appointed an independent consultant (usually an architect or engineer) to monitor the construction phase of the project and to advise on the appropriateness of claims as against the level and quality of work on which an individual and cumulative claim were based.

Claims

Claims submitted by promoters were required to be supported by all applicable accounting documentation (invoices, bank records, creditors' ledger, fixed asset register, etc.) and to be certified by an independent accountant or auditor. Apart from one project where there was a large volume of transactions, Fáilte Ireland checked 100% of the claim-supporting documentation.

Post-Grant Monitoring

Fáilte Ireland monitors each project for 10 years from the date of the final grant instalment to the project.

2 Socio-economic and policy environment

The period spanned by the Tourism Product Development Scheme (2000-2006), as extended to the end of 2008 and later to June 2009, was, until the recent worldwide economic crisis, a period of sustained economic growth in Ireland, buoyed by strong performances in the developed economies on which Irish tourism has traditionally relied for its overseas earnings

The overall planning of the Scheme and the complexion it took in its rolled-out form anticipated a period of growing prosperity, nationally and globally, whilst its investment priorities and the detailed measures or areas of intervention it prescribed were targeted at sectors and product categories that needed development, for which research identified there was a tourism market demand, especially overseas. The 2000-2006 Scheme, as it emerged, built on the tourism infrastructure created by previous programme periods, but changed the emphasis. Performance of Irish tourism over this reporting period, until the recent economic downturn, validated the assumptions underpinning the Scheme, so policies and implementation arrangements were able to remain effectively unchanged.

However, the changed economic circumstances, now beginning to assert themselves very aggressively, both nationally and globally, pose serious challenges for tourism and its national support structures, generally and with respect to maintaining appropriate returns on capital investment made over the outgoing programming period, whether state and ERDF-funded or otherwise. Meeting these challenges will require well-thought-out marketing strategies by businesses and state agencies, innovation in and adapted models of service delivery, a greatly increased focus on the cost base and a sharper attention to value-for-money, well-targeted fresh capital investment, as well as refurbishment of the existing asset stock.

Whilst the planning stages of the current Tourism programming period (2007-2013) predated the initial rumblings of the current economic downturn, the component capital support measures of the programme target the infrastructure (natural and built), attractions and activities elements of Tourism rather than expansion in the traditional areas of accommodation, etc.

3 Financial Implementation

Tourism Measure	Total CSF	EU Funds	ERDF	ESF	EAGGF	FIFG	Nat. Public	Private
Total Reported	€44.345	€20.044	€20.044	€0.000	€0.000	€0.000	€20.497	€3.804

Expenditure €m								
Revised OP Forecast	€45.931	€20.560	€20.560	€0.000	€0.000	€0.000	€17.779	€7.592
Total Declared Expenditure as % of Revised Forecast	90.46%	90.46%	90.46%	0.00%	0.00%	0.00%	90.46%	90.45%
Total Declared Expenditure	€41.547	€18.598	€18.598	€0.000	€0.000	€0.000	€16.082	€6.867

*Note 1 : The effective aid rate on the Measure is 44.76% which equates to a community contribution of €18.596m. However the individual project aid rates, when aggregated, amount to €19,641m. The balance of funding will be a matter for the Irish Authorities and Community aid will not exceed the effective aid rate.

Note 2: There are no projects suspended due to administrative or judicial proceedings, and all projects were completed during the eligible period.

4 Physical Achievements of the Measure

	Major Attractors & Clusters Indicator	Final Target 2000-06	Final out-turn	Final Out-turn as a % of final target
Output	No. of day visitor attractions developed	2	1	50%
	No. of clusters of existing attractions developed	3	2	67%
Result	No. of visits generated by above development	160,000 per annum	940,310	588%
	% Increase in no. of overseas visitors participating in historical and cultural activities in the Region	19% increase (2,013,000)		
Impact	Increase in S&E's Foreign Tourist Revenue over baseline (%)	56%		
	Mid-East, South East and Mid-West sub-regions' % share of S&E Regions total foreign tourist revenue	30% (€860m)	25%	82%
	Special Interest Indicators			
Output	No. of projects developed	13	17	131%
Result	No. of visits generated by above development	140,000 per annum	207,902	149%
	% Increase in no. of overseas visitors participating in measure	20% (+782,000)		
Impact	Increase in S&E's Foreign Tourist Revenue	+€1,040m		
	Mid-East, South East and Mid-West sub-regions' % share of S&E Regions total foreign tourist revenue	30% (€860m)	25% (€762m)	82%
	Environmental Management Indicators			
Output	No. of projects developed	0	7	Indeterminate
Result	No. of visits generated by above development		3,264	Intermediate
	% Increase in No. of overseas visitors participating in measure			
Impact	Increase in S&E's Foreign Tourist Revenue	€1.040		
	Mid-East, South East and Mid-West sub-regions' % share of S&E Regions total foreign tourist revenue	30%	25%	82%

5 Transitional Support for South-East NUTS III Sub-Region in 2006

This Measure had a CSF commitment of €1.54 million in 2006. Over the lifetime of the Programme in excess of €6.6 million has been incurred within the South-East NUTS III sub-region, which is well in excess of its 2006 commitment.

6 Administration and Management

Steps taken to ensure the quality and effectiveness of implementation, in particular:

Monitoring and Evaluation

Fáilte Ireland's Post Grant Monitoring Unit has drawn up and is implementing a comprehensive post grant monitoring programme to track the progress of all grant aided projects under specific performance headings (i.e. financial, operational, marketing, legal and compliance). In the case of each individual project, the monitoring writ runs for 10 years from the date of the final grant instalment.

The methodology may be described as follows. The promoters of all completed projects receive an introductory letter reminding them of their obligations during the 10-year grant period under the terms and conditions of grant assistance, and advising of the post grant monitoring process. A follow up detailed questionnaire is issued for completion by each promoter, so that the actual performance of the project can be measured against the projections submitted during the project evaluation stage, including financial performance, visitor numbers, marketing activity/spend, etc. This information is used to flag potential difficulties that may arise during the grant period and to prompt intervention at various levels to assist with and rectify issues of concern.

The above desk-based arm of the monitoring function is complemented by a programme of site visits to grant-aided projects. The number of the site visits is, in the first instance, a function of normal sampling techniques, e.g. the scale and complexity of projects, geographic spread, diversity and representativeness, sectoral considerations. Other selection influencers would be specific information or intelligence coming to Fáilte Ireland's attention in regard to the visitor-number performance of a project, of the tourism sector it inhabits, or of the county or sub-region in which the project is located. Such information could be sourced by the Unit itself, by regional or other units within Fáilte Ireland, or come from external sources.

Whilst the rationale of the Unit's brief is emphatically slanted towards monitoring of compliance and tourism performance per se of grant-aided projects, it also seeks to provide further added-value, notably as follows: (a) helping projects in a positive and pro-active way by identifying and suggesting services and interventions, whether through Fáilte Ireland's range of enterprise management, enterprise and other expertise supports, or as available from other such service providers; (b) providing performance information and data to feed into high-level review of a measure's performance, in turn assisting in the review of an existing programme and of planning for new capital-support programme; (c) alerting Fáilte Ireland of any emerging trends in the sectors, regions and sub-regions concerned. The Post Grant Monitoring Unit works closely with other Fáilte Ireland units, regionally and centrally.

The Managing Authority's satisfaction in relation to the reconciliation of records derives primarily from the evidence of the detailed pre-closure checking carried out by the Managing Authority over 3 visits to the Intermediary Body during the period December 2008 – June 2010. During these checks the Intermediary Body's project files were examined and, based on this work, recommendations and corrections were made. These corrections were primarily procurement corrections but there was also a sizeable reduction in the Kilkenny parade project due to calculation/transcription error.

The Managing Authority conducted several initiatives including:

Updating of expenditure tables, guidance and assistance to the measure leader on an ongoing basis and assistance with the look back exercise at an Intermediary Body & Final Beneficiary level. The Managing Authority also conducted annual financial management seminars targeted at both Intermediary and Final Beneficiary bodies and tailored seminars for specific sectors i.e. Local Authorities and held seminars that focused on the closure exercise.

In September 2006 a Systems Audit of the Measure was undertaken by Fáilte Ireland's Internal Audit Unit and a number of recommendations arising from the audit were made. The Post Grant Monitoring Unit of Fáilte Ireland (IB) has followed up on this recommendations and a report on same was submitted to the Managing Authority.

The Operational Guidelines for the Tourism Product Development Scheme (2000-2006) defined the type of capital developments eligible for grant-aid and specified costs that were eligible for support. A detailed Procedures Manual set out the procedures to be followed by Fáilte Ireland in the handling of all aspects of the grant scheme, including the appraisal and approval of projects, the handling of claims, and post-grant monitoring for 10 years from the date of the final grant instalment paid to a project.

In regard to the specificity of individual projects, each approved project received a detailed letter of offer, cross-referenced to the Operational Guidelines, which prescribed the work to be undertaken, distinguishing between the supported elements and any required un-supported elements, and assigned projected costs and grant aid across a summary range of headings.

In summary, the key reference points in Fáilte Ireland's reviewing of grant claims from promoters (i.e. requests for payments) were the Operational Guidelines, the Procedures Manual, the relevant letter of offer, the physical delivery of the project – as reviewed and cleared, or otherwise, by an independent consultant architect or engineer commissioned by Fáilte Ireland, and compliance with the general conditions attaching to all grant

offers – such as being tax-compliant, discharging the required legal agreement, meeting all statutory and planning requirements.

In relation to the detail of claims, promoters were required to submit a comprehensive set of supporting documentation; this included an auditor's or independent accountant's certificate of the claim, a full listing of the invoices – both eligible and ineligible - for the tranche of the works concerned, invoices and bank statements, supporting extracts from the creditors' and nominal ledgers, and a transparent audit trail from the invoices to the relevant payment entry on the promoter's bank statements.

The procedures followed involved the 100% checking of all documentation submitted with claims and this was followed except in the case of one project where the number of transactions made this particularly onerous, time and resource-wise, both for the claimant and Fáilte Ireland. In this case, an 80/20 sampling approach was used, giving percentage value coverage of at least the first figure from a percentage sample size of a maximum of the second figure. Even with this level of claim scrutiny, Fáilte Ireland could still not unilaterally decide to make payments to claimants, as all claims were reviewed by the Department of Arts, Sports and Tourism, which, if it were satisfied with a particular claim, requested the Department of Finance to release the necessary funds to Fáilte Ireland for transmission to the claimant. Given this comprehensive claim-checking regime, look-book review was effectively not required.

Significant Problems encountered

The main issue to emerge was public procurement, and a number of negative adjustments have been made in accordance with the COCOF's Working Paper on financial corrections.

Irregularities

8 No. Irregularity Reports have been filed by the Managing Authority for this Measure. (see Annex 7 for details)

Publicity Measures

Fáilte Ireland made promoters aware of their obligations to meet the publicity requirements of ERDF-supported projects. The standard clause in all letters of offer ran as follows; *Publicity, which acknowledges the funding and role of the NDP/ERDF (as applicable) and Fáilte Ireland and the relevant Regional Tourism Authority, is required during the course of construction, including the erection of a sign or plaque on the development site, indicating such support for the project. On completion of the project, you must erect a sign/plaque of a permanent nature, at or on the grant-aided facility, indicating NDP/ERDF (as applicable) and agency support for the project in a form specified by Fáilte Ireland, prior to the official opening of the project or the final payment of grant, whichever is the earlier. Arrangements for the official opening, including provisions for acknowledging NDP/ERDF support, must be notified in advance to Fáilte Ireland. Recognition must also be placed on all promotional literature.*

In regard to the policing of those requirements, final instalments of grants, even if all other conditions were met, were not released until the promoter had erected the required sign or plaque. Evidence of such compliance would be by way of a site visit either by Fáilte Ireland or a commissioned independent consultant – usually supported by hard or e-photos, or by the promoter itself submitting photographic evidence. Fáilte Ireland has a Post Grant Monitoring Unit, which monitors projects for 10 years from the date of the final grant instalment paid to a project, covering performance-review and compliance with all conditions of the letter of offer, including those of publicity.

Compliance with EU Policies:

Competition Rules

The Operational Guidelines for the Tourism Product Development Scheme 2000–2006 formed the basis for the operation of the Grant Scheme and all applications had to be submitted and processed in accordance with them.

The application form clearly stated that the Guidelines and Programme Complements should be read prior to completing the form. The application form also required applicants to declare that they had read and understood the Operational Programme Complements and TPDS Operational Guidelines applicable to the Tourism Measure of the NDP 2000–2006 and that they were aware of, and accepted, all of the requirements laid down in them. Furthermore, they declared that, should the project be approved for grant assistance, they agreed to comply fully with all of these requirements.

The Major Attractors and Special Interests Pursuits sub-measures were deemed to require State Aids approval and this was notified to the EU Commission in October 2000 (N710/2000) and was approved on 7th November 2001 C(2001)2990.

Public Contracts

The Operational Guidelines set out the maximum aid rates pertaining to the scheme and specified that assistance for private sector and public sector projects had to comply with the European Commission's Guidelines on National Regional Aid. A table showing the various limits by region and by year was included. Furthermore, the Guidelines set out the various conditions attaching to the grant contracts, specifically dealing with Procurement / Contracts / Statutory Requirements, including adherence to all relevant EU Public Procurement procedures. Observance of the procurement requirements was checked by the Managing Authority as part of its look back review of the Measure.

Compatibility with Horizontal Principles

The Operational Guidelines for the TPDS set out the Horizontal Principles, their proposed impact and the implications for the promoters of grant-aided projects. Furthermore, the grant application form contained detailed questions regarding the Principles. Throughout the application, appraisal and approval processes, cognisance was given to the Horizontal Principles and an assessment of these was included within the Project Summary Memorandum for each project presented to the Tourism Product Management Board for decision.

The grant (i.e. compliance) period attaching to each project is 10 years from the date of the final grant instalment paid to the project, during which promoters are required to report regularly to Fáilte Ireland's Post Grant Monitoring Unit. Furthermore, this Unit actively monitors projects for continuing compliance with this and all other conditions of the grant offer.

North South Initiatives

The programme was devised, developed and implemented on a 26-county basis so there was no specific north-south dimension in this measure. However, given the all-island structure (Tourism Ireland) now in place for marketing of tourism on an island-wide basis overseas and the formal and informal links between relevant agencies in both jurisdictions, a north-south influence and impact could be expected, especially in the southern counties straddling the border.

4.9 Measure: 05.02.02, Micro-Enterprise Measure (Local Enterprise Priority) Intervention Code 161, 163, 223, 224

1 Introduction

The Measure provides for financial (including repayable) grant-assistance towards the establishment and development of micro-enterprises participating in appropriate capability development programmes in the Region, by the 22 County Enterprise Boards ('CEBs') based in the Southern and Eastern Region. The Measure consisted of two sub-measures, both of which were co-financed, which were:

- 1) Selective Financial Intervention
- 2) Entrepreneurial & Capability Development

For the purpose of this Final report, a composite Measure-level report has been compiled.

Specific objectives of the Measure included:

- provision of employment opportunities in less developed and remote areas to achieve more added value and enduring balanced regional development
- support greater participation of the unemployed and women in the promotion and development of enterprises
- broadening and strengthening the base of micro-enterprises across the Region
- reduction of dependence on traditional or declining economic sectors
- maximisation of employment and value added potential of micro-enterprises
- contribution to national competitiveness.

Accordingly, under the SFI sub measure priority was given to:

- Projects in manufacturing or internationally traded services which in time can graduate to the Enterprise Ireland portfolio.
- Depending on location, tourism projects aimed primarily at overseas visitors.
- Participation by the Enterprise Boards with others (local authorities, state agencies, chambers of commerce, and private sector interests) in the provision of industrial space for small enterprises or advanced technological facilities for small business.
- Other worthwhile commercial ventures promoted by the long term unemployed, those made redundant or women re-entering the workforce, which will contribute to both national competitiveness and local development but will avoid displacement.
- Promising projects emerging from work in second or third level colleges.

Under the ECD sub measure, priority was given to:

- provision of funding for programmes aimed at increasing entrepreneurial managerial capability of individuals and firms, through training and development
- initiatives targeted at students in second level schools and colleges,
- mentoring programmes for entrepreneurs
- development and delivery of dedicated training modules in core management skills for managers/promoters of micro-enterprises.

Under the ECD sub-Measure, the benefits of Information Technology and E-Commerce as an essential tool for business development and capacity enhancement to be strongly promoted as well as business development and capacity enhancement to be strongly promoted as well as the Women-in-Enterprise initiative. Other programmes which contributed towards delivery of the objectives included Education Initiatives in Schools, promotion of 'entrepreneurship' and development of business support networks.

The Enterprise Boards were funded by Government through the Implementing Body for the Measure, the Department of Enterprise, Trade and Employment and funded in each county and the 4 cities in the Region. CEBs followed a systematic appraisal of all enterprise projects for co-financed support, subject to an overriding requirement to avoid deadweight and displacement.

Key selection criteria were:

- the quality of the project and its local relevance including:
- its horizontal impact where appropriate and identifiable
- the commercial viability of the enterprise and the project proposal
- funding position of the enterprise and proposed funding of the project
- cost effectiveness of the project proposal
- contribution to the development of enterprise in terms of internal capacity

- potential for deadweight or displacement

2 Socio-economic and policy environment

The period was characterised by years of continuous economic growth, in line with the national trend, as illustrated by changes in income level, GVA per person and increased employment levels.

Achievements and progress made in relation to this sub measure were linked to the general level of economic activity, as evidenced by a short-term increase in expenditure by Enterprise Boards in the aftermath of movement restrictions implemented during the Foot and Mouth Disease episode of 2001-2002, as well as a temporary economic slow-down in the aftermath of “9/11”. For the majority of the period 2000-06 growth and expansion by micro-enterprises was linked to growth in the construction and services sectors and general expansion of physical infrastructure in the Region, which were also supported under the Operational Programme for the Region.

The Measure had fully drawn down its commitment prior to the down-turn in the Irish economy and thus implementation was not affected by the global financial crisis.

3 Financial Implementation

Micro-Enterprise	Total CSF	EU Funds	ERDF	ESF	EAGGF	FIFG	Nat. Public	Private
Total Reported Expenditure €m	€138.588	€69.294	€69.294	€0.000	€0.000	€0.000	€69.294	€0.000
Revised OP Forecast	€88.788	€39.703	€39.703	€0.000	€0.000	€0.000	€49.085	€0.000
Total Declared Expenditure as % of Revised Forecast	107.01%	119.66%	119.66%	0.00%	0.00%	0.00%	96.78%	0.00%
Total Declared Expenditure	€95.014	€47.507	€47.507	€0.000	€0.000	€0.000	€47.507	€0.000

Financial allocations to the Enterprise Boards, subject to annual Dáil Vote, were made yearly by the Department of Enterprise, Trade and Employment, based on expenditure forecasts from each Board. Variation in demand was either reconciled or augmented through supplementary allocation, before the end of each year.

Enterprise Boards thereby monitored and controlled the level of co-financed grant aid to recipient projects, while supporting the broadest possible range of eligible projects, within the constraints of annual financial allocation.

4 Physical Achievements of the Measure

	Indicator	Final Target 2000-06	Final out-turn	Final Out-turn as a % of final target
Output	No. of enterprises supported /created			
Result	Total promoters	4,600	4,029	87.50%
Impact	Of which are Male promoters	3,000	2,647	88.20%
	Of which are Female promoters	1,430	1,202	84.00%
	Of which promoter is company/ partnership/ other	170	180	106.00%
	Total of private investment generated	€122m	67.08	55.00%
	No. of feasibility studies supported;			
	Total ¹²	50%	841	93.40%
	Male	55%	0	
	Female	35%	0	
	Other	10%	0	
	No. of businesses supported surviving in region broken down gender of promoter reported annually¹³			
	Total	8,000	6,161	77.00%
	Male	4,400	4,280	107.00%
	Female	2,800	1,633	58.30%

¹² Figure represents total to Dec 2007. Feasibility Study figures in brackets represent Jan 2004 -Dec 2007.

¹³ Incorporates pre 2000 businesses supported

	Other	800	248	31.00%
	No. of jobs (FT/PT) created in supported businesses reported annually. 14			
	Male F/T	15,000	14,012	93.40%
	Female F/T	8,500	7,786	91.60%
	Male P/T	2,500	2,178	87.10%
	Female P/T	4,000	3,942	98.50%
	No. of recipients of training			
	Total	45500	57,159	125.60%
	Male	19000	22,346	117.60%
	Female	26214	34,462	131.50%
	Other	286	351	122.70%
	No. of training days provided	140000	74,294	53.00%
	No. of mentoring days provided	7830	19,497	249.00%
	No. of colleges/schools annually engaged in enterprise education initiatives	750	425	56.60%
	Percentage of training participants who are satisfied with training broken down by gender			
	Total ¹⁵	80%	93	116.00%
	Male	80%	39	50.00%
	Female	80%	60	75.00%
	Other	80%		
	Percentage of mentoring participants who are satisfied with mentoring broken down by gender			
	Total	80%	93	116.00%
	Male	80%	51	64.00%
	Female	80%	48.5	60.00%
	Other	80%		
	No. of businesses supported surviving in region broken down gender of promoter reported annually¹⁶		(As Above)	
	Total	8,000	6,161	
	Male	4,400	4,280	77.00%
	Female	2,800	1,633	107.00%
	Other	800	248	58.30%
	No. of jobs (FT/PT) created in supported businesses reported annually. 17		(As Above)	31.00%
	Male F/T	15,000	14,012	93.40%
	Female F/T	8,500	7,786	91.60%
	Male P/T	2,500	2,178	87.10%
	Female P/T	4,000	3,942	98.50%

No. of training days provided: 53% of forecast – The outcome indicates an average of 1.45 days per training participant, confirming its application in practice. Forecast levels factored average training duration at 3 days, hence the disparity.

No. of mentoring days provided: 249% of forecast – The update and application of this individualised form of management development is dependent on project volume and quality. It is difficult to forecast accurately, before project volume and quality are known or can be assessed. The higher than expected outcome indicates (a) high level of uptake/no. of grant recipients and higher than expected no. of days' input to this programme.

14 Incorporates pre 2000 Jobs created, based on Annual Employment Survey, therefore figures provided are up to November 2007.

¹⁵ 'Total' figure represents overall percentage of those satisfied. Gender figures represent the breakdown of that percentage satisfied, e.g.: if 95% satisfied, 55% male, 45% female, it means that of the 95% who said they were satisfied, 55% were male and 45% were female.

¹⁶ Incorporates pre 2000 businesses supported

¹⁷ Incorporates pre 2000 Jobs created, based on Annual Employment Survey, therefore figures provided are up to November 2007.

Substantial achievement of targets was recorded in the key impact indicators for both SFI and ECD sub measures i.e. job creation and survival of enterprises supported, and feasibility studies. A preponderance of male over female promoted surviving enterprises is recorded, as is female over male part-time employment. The relatively low private investment output reflects the non recording (due to operational reasons) of private inputs to the ECD sub measure, whereas all private expenditure under the SFI sub measure at least matched, but often overtook, the public, co-funded inputs. SFI private expenditure was recorded as matching public inputs. The ECD sub measure recorded over-achievement of targets in no. of training recipients and satisfaction levels expressed, with a higher level of satisfaction recorded among female, as against male recipients.

5 Transitional Support for South-East NUTS III Sub-Region in 2006

This Measure had a CSF commitment of €5.727 million in 2006. Over the lifetime of the Programme in excess of €27 million has been incurred within the South-East NUTS III sub-region, which is well in excess of its 2006 commitment.

6 Administration and Management

Steps taken to ensure the quality and effectiveness of implementation, in particular:

Monitoring and Evaluation

The Enterprise Boards were each responsible for implementation of the measure in their respective county areas. Recipients of support were monitored and assessed for eligibility, commercial viability and compliance with ERDF Structural Fund/EU rules and regulations. The Measure was overseen by the Irish Government Department of Enterprise, Trade and Employment as Intermediate Body reporting to the S&E Regional Assembly as Managing Authority. The Department monitored implementation of the Measure through indicators agreed with the Managing Authority, as well as coordinating expenditure claims sent to the EU Commission. The Mid-Term Evaluation, coordinated by the Managing Authority was carried out in 2003 by FGS Consulting. The Evaluation noted the good progress both physical and financial being recorded by the Micro Enterprise Measure. Subsequent adjustments to the operation of the Measure recommended, included:

- Re-examination of the grant regime – the Department increased maximum levels of grant support for employment and capital expenditure, in November 2004.
- Horizontal Principles – need to be establish more meaningful indicators of progress – this resulted, in consultation with CEB's, in the addition of gender disaggregated Impact Indicators for both SFI and ECD sub measures and two additional Output Indicators viz. No. mentoring – and training-days provided, measured from 2004 onward.

The Department collated data for this purpose by means of an integrated computer-based database, which was commissioned and maintained by the Department and linked by internet database to the Region's 22 Boards, who input and reported the data recorded.

Financial Control

This was implemented by the Enterprise Board officers in the case of each enterprise project supported. Checks were implemented by the Boards in relation to recipient projects, in accordance with well-developed procedures for grant-aid to enterprise projects. All file and financial records of co-financed support were maintained distinctly for each project and enterprise, together with a record of ERDF co-funded 'B1' expenditure claims made. All supports to enterprises were formally approved and assessed by the legally constituted Enterprise Board, and were documented and cited to recipients. The maintenance of these records was in accordance with the requirement to maintain a complete audit trail, which has been confirmed by audit checks at internal, external, national and EU level. The audit trail therefore provided the basis for the "Look-Back" exercise and Article 4 verification checks conducted throughout the period of the OP.

Significant Problems encountered

No significant levels of ineligible expenditure were detected, largely owing to the structuring of all Enterprise Board support programmes in accordance with the text outlined in the OP.

Irregularities were reported over the course of the OP, and were adjusted under subsequent expenditure claims.

26 Irregularities were reported. (see Annex 7 for details)

Publicity Measures

Enterprise Boards were advised of the provisions of EU Publicity and Information Regulations. While there was uncertainty under the Regulation as to the application of signage and display requirements to this Measure,

the level of EU support to individual enterprise projects being well below the financial thresholds, recipient projects were:

- advised in writing of the EU co-funded nature of their support,
- recommended to display EU Structural Fund Publicity material, as appropriate.
- EU co-funded projects and programmes were reported to the NDP Information Office.

As final beneficiaries, CEB's were required to display EU logo and strap line in all visual material and at all promotional and CEB- sponsored events.

Compliance with EU Policies:

Competition Rules

CEB's were advised of the provisions of Commission Regulation 69/2001 in relation to notification and monitoring of levels of State aid. Confirmation of compliance was monitored under the ongoing 'Article 4' verification checks carried out by the Implementing Body throughout the period of the OP.

Public Contracts

As State Agencies CEB's were bound by Irish Government guidelines on Public procurement, were advised of their obligations in this area and required to observe the principles of Value for Money, even where public procurement expenditure thresholds were not applicable. Transparency of grant levels (ranging from €3,175 to €63,500 and later, €75,000) was effected through advance publication , and application of uniform grant criteria and conditions.

Compatibility with Horizontal Principles

Equality

Gender disaggregated data was provided on projects supported and collated for the purposes of identifying a baseline from which performance targets, including job creation, to be quantified and explored. The Measure overall did not, per se, promote Gender Equality, but sought to enhance the level of female participation in enterprise formation and expansion under the 'Women-in-Business' initiative of the ECD sub measure.

The function of the 'Women- in- Enterprise initiatives was to facilitate, support and help sustain enterprise start-up and expansions at local level in the Region and to promote within it an active culture of entrepreneurship among women. The capacity of CEB's in their implementation of this sub measure to significantly advance the Gender Equality Horizontal Principle is limited somewhat and qualified by enterprise needs and the general level of 'entrepreneurship' at local level. On an ongoing basis, the CEB's promoted higher levels of integration of women in business, through Women-in-Business Networks, Start-Your-Own-Business Initiative, Business Advisory Services, Mentoring Service and Training Programmes, which had a particular focus on the special needs of women to overcome particular barriers to enterprise formation and growth. These programmes and activities took account of such special factors as work-life balance, childcare, time management and the need to equip women with both the skills and confidence to overcome the prejudices militating against women in the world of enterprise.

Rural Development

Through support of viable 'on- farm' enterprises, Enterprise Boards sought to add value and create employment at local level, including rural locations. However, CEB's recognised the specific role of the EU-funded LEADER programmes in promoting enterprise alternatives to agriculture. Accordingly, local-level Agreements were reached between the Enterprise Boards and the relevant Leader companies, with a view to eliminating potential duplication or crossover of support to rural-based enterprise projects. The Agreements were based on a sectoral allocation at local level, of enterprise projects to the respective Leader companies or Enterprise Board.

North South Initiatives

On foot of the Good Friday Agreement of 1998, InterTrade Ireland, as an economic development agency, established the 'Microtrade' programme between CEB's and Local Enterprise Agencies (LEAs) in Northern Ireland, which established 'business-to-business' links and networks from both sides of the Border on the Island. Participation was open to CEB's in the S&E Region, and was taken up by a number of Boards in the Region. Dublin City, Fingal, Dun Laoghaire-Rathdown and Carlow CEB's reported participation, under "Micro-Trade", and of online business-to-business links, under the "Dublin-Belfast Economic Corridor".

4.10 Measure: 05.02.03, Regional Innovation Strategies Measure (Local Enterprise Priority) Intervention Code 164 & 182

1 Introduction

This measure provides for the development of the infrastructure of the Institutes of Technology through the provision of business incubation centres. These centres facilitate the creation of companies with growth potential (both spin-ins to the Institute campus and spin-offs from research activity). The supportive environment created in which companies can locate is central to the process of incubation; mentoring, advice; contacts with potential investors, etc. The centres complement other initiatives to drive innovation and entrepreneurship in the regions.

Under the measure, each Institute was invited to make an application to Enterprise Ireland that adhered to agreed guidelines, for example, setting out both the proposed physical and management structures that would be put in place at the Institute to deliver successfully on the measure's objectives. These applications were reviewed by external and internal (Enterprise Ireland) experts and, upon satisfactory completion of this phase, brought forward to Committee for investment approval.

Through these implementation arrangements, nine centres have been established and are operating very successfully as demonstrated in the Performance Indicators. These are: Blanchardstown, Carlow, Cork, Dun Laoghaire, Limerick, National College of Ireland, Tallaght, Tralee and Waterford.

Funding has also been provided to support centre manager costs: management development grants totalling €1.6m have been approved. In addition, a network of centre managers is in place through which they can share experiences, good practice and participate in training. For example, in November 2008 the managers were sponsored to attend an international business incubation conference in Bristol.

2 Socio-economic and policy environment

There have been no significant changes in the operational environment during the programming period which affected the measure's implementation.

3 Financial Implementation

Regional Innovations Strategy Measure	Total CSF	EU Funds	ERDF	ESF	EAGGF	FIFG	Nat. Public	Private
Total Reported Expenditure €m	€20.54	€10.27	€10.27	€0.00	€0.00	€0.00	€10.27	€0.00
Revised OP Forecast	€20.540	€10.270	€10.270	€0.000	€0.000	€0.000	€10.270	€0.000
Total Declared Expenditure as % of Revised Forecast	89.53%	89.53%	89.53%	0.00%	0.00%	0.00%	89.53%	0.00%
Total Declared Expenditure	€18.389	€9.194	€9.194	€0.000	€0.000	€0.000	€9.194	€0.000

As set out in the above table, almost 90% of expenditure profile has been achieved. This has been drawn down in line with agreed procedures and processes.

4 Physical Achievements of the Measure

	Indicator	Final Target 2000-06	Final out-turn	Final Out-turn as a % of final target
Output	No. of incubation centres developed	9	9	100.00%
Result	No. of new enterprises in incubation centres	30	112	373.00%
Impact	Total employment in enterprises in centres broken down by gender	100	423 (f= 91; m=332)	423.00%
	No. of enterprises with defined technology link with a host institute or with other third level institution	25	51	204.00%

As can be seen from the table above, all targets have either been met or exceeded and the contribution of the intervention to regional development is very clearly demonstrated.

Please note that a tenth centre was approved for investment: Dublin Institute of Technology. This Institute is currently in the process of its 65-acre single campus development at Grangegorman. Due to a number of

alterations in the overall plan and timeframe, the construction of the incubation centre has not taken place. No expenditure in respect of this centre was incurred or declared.

5 Transitional Support for South-East NUTS III Sub-Region in 2006

This Measure had no financial commitment in 2006. However of the total expenditure of €18.389 million declared for the Measure, it is worth noting that just under €4 million, or 21.7% of the Measure expenditure was incurred within the South-East NUTS III sub-region.

6 Administration and Management

Steps taken to ensure the quality and effectiveness of implementation, in particular:

Monitoring and Evaluation

During the course of the construction of the centres, close contact was maintained with the Institutes to ensure that the project was proceeding as planned.

Once opened, regular information has been collected from the centres (as summarised in Section 4 above) on activity. This includes the number of companies, their employment levels, their linkages with the host institution, as well as news on any significant events during the reporting period, e.g. new customers secured by client companies, promotional activities, etc.

Financial Control

Enterprise Ireland's Grant Inspectorate Unit is responsible for carrying out inspections on claims to ascertain if the project carried out complies with the approval in relation to fixed assets or other expenditures, is appropriate and value for money. All expenditure claims submitted by final beneficiaries are subject to on-the-spot checks based on a comprehensive examination of the claim itself, progress reports and relevant supporting documentation including the following:

- Tender reports and recommendations for the main contract and principal sub-contracts
- Grant of planning permission
- Fire safety certificate
- Copy of construction contract
- Original invoices/receipts/architects/quantity surveyor certificates and payment details
- Environmental profile form
- Set of general arrangement drawings (site location, site layout, floor plans, sections, elevations)
- Quantity surveyor split between the RI project and the non EI project to be available
- Tax Clearance Certificate for the contractor for the tax year in which the contract was placed
- Confirmation that the contractor has insurance for the project
- Confirmation that the Institute is in compliance with EU information and Publicity Requirements
- Expenditure relates to an approved project
- Grant conditions have been satisfied
- Complies with public procurement rules

The Grant Inspectorate carries out inspections on all claims by the Institutes of Technology and retains documentary evidence that Information and publicity requirements have been satisfied. It has also participated in the recent look-back review.

Significant Problems encountered

Any ineligible expenditure was disallowed following grant inspection. The only significant issue, which emerged as part the Managing Authority look-back review, related to the treatment of VAT. However, this was fully resolved between the Managing Authority and Intermediate Body, and the necessary adjustments made to the a final claim.

There was seven irregularity report filed for this Measure. (see Annex 7 for details)

Publicity Measures

Publicity has been driven in a number of ways:

- Adherence to the regulations concerning the use of NDP and EU logos is a condition of all contracts between Enterprise Ireland and the Institutes of Technology. This involves, by way of example, the use of appropriate logos and text references in brochures, promotional material, signage, etc.
- Through a dedicated presence on the Enterprise Ireland web site www.enterprise-ireland.com/en/Start-a-New-Business/Information-Store-for-Start-ups/Start-Up-Incubation-Space.shortcut.html. and individual web sites for the centres (for example. www.synergycentre.ie).

- In the official centre launches. The centres have been officially opened by Government ministers with all the attendant media coverage that accompanies such an event.
- Global Business Incubation Day: on 8 December 2008, Enterprise Ireland and the incubation centres participated in an international celebration of business incubation. The Tánaiste and Minister for Enterprise, Trade and Employment Mary Coughlan, TD, marked the occasion with the announcement that employment in incubation centres across Ireland had passed the 1,000-mark and the launch of a case studies brochure.
- In relevant presentations and articles.

The assistance of the European Union is acknowledged at all times.

Compliance with EU Policies:

Competition Rules

In line with the regional development of the EU Structural Fund, the Regional Innovation Strategies measure aims to enhance the quality and availability of employment, and build research and technological capability within the regions. It has achieved this by providing dedicated support to the Institutes of Technology to develop their regional innovation infrastructure. This has been made available to – and taken up by – all Institutes in the region. The Incubation Measure is not subject to State Aids.

Public Contracts

The contractual arrangements between Enterprise Ireland and the Institutes of Technology include a requirement that Public Sector Guidelines are strictly adhered to in relation to the construction of the centre and the procurement of goods and services associated with it.

Compatibility with Horizontal Principles

Environment

The contractual arrangements between Enterprise Ireland and the Institutes of Technology include clauses requiring the compliance of the Institute with all necessary planning permissions and environmental requirements.

Equality

The selection criteria for applicant colleges required them to impact on equality of opportunity, including gender equality. On an ongoing basis, the centres are obliged to provide regular updates on the gender balance of employment at the centre.

Rural Development

Because the measure is targeted at Institute of Technology campuses, projects cannot be located in other more rural locations. This notwithstanding, the centres are intended to provide focal points for entrepreneurship across the region. This is fostered through individual centre linkages with county enterprise boards and community enterprise centres. For example, the manager of the Rubicon incubation centre at Cork Institute of Technology is delivering entrepreneurship training courses in locations such as Youghal and Macroom. This is serving to widen the impact of the investment under this measure.

North South Initiatives

As an infrastructural initiative, the measure focuses on investment in Ireland.

4.11 Measure: Fishery Harbours (Local Enterprise Priority)

Sub-Measure : 05.02.05.01, Port Infrastructure Improvement Programme Intervention Code 145

1 Introduction

Under the Fishery Harbour Measure there are two sub-measures. However only the first sub-measure – the Port Infrastructure Improvement Programme is co-financed, and is reported on here. The non co-financed Gaeltacht/Islands Harbour Development sub-measure is reported on in Annex 1.

Funding was provided under the Fishery Harbour and Coastal Infrastructure Development Programme. Expenditure under this subhead relates to capital development works at the six State-owned Fishery Harbour Centres, together with other fishery harbours and landing places under the Port Infrastructure Improvement Programme of the NDP 2000-2006. Other fishery harbours and landing places are, in the main, owned by the local authorities who can apply for funding for works under the above programme. Funding of up to 75% of the total projects cost can be provided to local authorities under the programme. The final beneficiaries of the programme are the six Fishery Harbour Centres and the local authorities. All projects, including applications received from the various local authorities, are considered on the basis of national priorities and annual Exchequer allocation.

Funding was provided under this ERDF co-financed sub-measure to support the development and improvement of port infrastructure and port services facilities (including ice plants, auction halls, landings and storage facilities) at key strategic fishery harbours, and construction and improvement of berthage and related facilities at smaller harbours and landing places.

The sub-measure supported the following priorities of the CSF and OP:

- Regional Development;
- Development of Economic Infrastructure;
- Local Enterprise Development; and
- Rural Development.

Following the mid term review of the relevance of horizontal principles to operational programmes, rural development was selected as a priority principle under this sub-measure. Therefore, full consideration was given to all potential impacts on rural development that resulted from activities under this measure.

The specific objectives of the sub-measure were to:

- improve port infrastructure and port service facilities (including ice plants, auction halls, handling and storage facilities) at key strategic fishery harbours;
- construct and improve berthage and related facilities at smaller harbours and landing places;
- support the economic development, or increase the economic potential, of coastal regions; and
- Protect areas of socio-economic, tourism or recreational importance.

2 Socio-economic and policy environment

The 2002 **Reform of the Common Fisheries Policy** aimed at ensuring the sustainable development of fishing activities from an environmental, economic and social point of view. It also aimed to improve the basis of the decision-making process through sound and transparent scientific advice and increased participation of stakeholders. Coherence with other EU policies such as environmental and development policies was an important element, as were accountability and effectiveness. This established a more long-term approach to fisheries management, involving the establishment of multi-annual recovery plans for stocks outside safe biological limits and of multi-annual management plans for other stocks. It aimed to progressively implement an eco-system-based approach to fisheries management.

There were no significant changes in the operational environment over the programming period which adversely affected the measure's implementation. On an annual basis County Council's identified their priority projects and the Department approved funding accordingly.

It should be noted that the Department of Communications, Marine and Natural Resources decentralised to Clonakilty, West Cork in 2006 and the Fishery Harbour and Coastal Infrastructure Development Division transferred also. In October 2007 responsibility for the Fisheries Harbour Development Programme moved to the Department of Agriculture, Fisheries and Food who continue to administer the programme.

3 Financial Implementation

Port Infrastructure	Total CSF	EU Funds	ERDF	ESF	EAGGF	FIFG	Nat. Public	Private
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Sub-Measure								
Total Reported Expenditure €m	€31.992	€15.996	€15.996	€0.000	€0.000	€0.000	€15.996	€0.000
Revised OP Forecast	€28.720	€14.360	€14.360	€0.000	€0.000	€0.000	€14.360	€0.000
Total Declared Expenditure as % of Revised Forecast	111.39%	111.39%	111.39%	0.00%	0.00%	0.00%	111.39%	0.00%
Total Declared Expenditure	€31.991	€15.996	€15.996	€0.000	€0.000	€0.000	€15.996	€0.000

The funding for projects is sourced from the Vote allocation for the Fishery Harbours and Coastal Infrastructure Development Programme which is allocated on an annual basis. The Programme is announced early in the year. In the case of the six Fishery Harbour Centres, expenditure is made on a day-to-day basis as payments relating to projects are processed by the Departments' Engineering Division. In the case of local authority projects, they incur the expenditure in the first instance and then they submit a claim to the Department at the end of the year which is examined and paid out by the Department. ERDF claims were submitted as and when they were requested by the Managing Authority.

4 Physical Achievements of the Measure

	Indicator	Final Target 2000-06	Final out-turn	Final Out-turn as a % of final target
Output	No. of new/extended landing facilities	18	18	100%
Result	No. of landing facilities upgraded/access improved	36	42	117%
Impact	No of on-shore facilities constructed	5	0	0%
	Length of new or improved berthage	1763 metres	2524m	143%
	Number of harbours with improved draft	4	16	400%

There were a total of 18 projects with new/extended landing facilities. These projects were broken down into five different counties. There were 4 projects in Co. Clare, 8 projects in Cork, 1 project in Kerry, 1 project in Waterford and 4 projects in Wexford.

Number of landing facilities upgraded/access improved .There were a total of 42 projects carried out under this indicator. The project breakdown were 5 in Clare, 12 in Cork, 12 in Kerry, 1 in Limerick, 3 in Waterford and 9 in Wexford.

Length of new or improved berthage - 2524metres: 34 Locations benefited from this project, there were 4 in Clare, 11 in Cork, 12 in Kerry, 3 in Waterford and 4 in Wexford.

Number of harbours with improved draft : There were a total of 6 projects, 2 in Cork, 2 in Kerry and 2 in Wexford.

No of on-shore facilities constructed : County Councils were asked to identify projects for inclusion under the Fishery Harbour and Coastal Infrastructure Development Programme and on-shore facilities were not prioritised.

5 Transitional Support for South-East NUTS III Sub-Region in 2006

This Measure had a CSF commitment of €1.74 million in 2006. Over the lifetime of the Programme in excess of €2.4 million has been incurred within the South-East NUTS III sub-region, which is well in excess of its 2006 commitment.

6 Administration and Management

Steps taken to ensure the quality and effectiveness of implementation, in particular:

Monitoring and Evaluation

The Department collected quarterly progress reports in respect of local authority projects. Data on physical indicators was collected and was collated into the table provided above. This data was not disseminated, apart from returns to the Managing Authority. The Department also attended and gave progress reports on Measure Implementation to the Programme Monitoring Committee.

Financial Control

Article 4 checks were carried out on eleven of the projects which received funding under the NDP. As reported previously, a full desk-check look-back on claims made under the 2000-2006 programme was carried out in 2008, including a review of the Article 4 checks. During the look-back, all B1's and B2's were checked to be

arithmetically accurate and complete. Accuracy of the B2 was checked by tracing the expenditure amounts back to the original B1 for all S&E projects under the 2000-2006 Programme. FMS printouts for all claims from the local authorities were collected. In addition, on the recommendation of the Managing Authority, site visits were carried out in the two local authorities that had not yet been visited, i.e. Wexford and Waterford County Councils. The reports of these checks were made available to the Managing Authority in advance of closure.

The Managing Authority conducted several initiatives including: updated expenditure tables, guidance and assistance to measure leader and aided the Intermediate Body in its' look back exercises. The Managing Authority also conducted annual financial management seminars targeted at both Intermediate Bodies and Final Beneficiaries and tailored seminars for specific sectors i.e. Local Authorities and held seminars that focused on the closure exercise.

A Systems Audit was carried out on the Ballyvaughan Harbour Development project by the Internal Audit Unit of the Department of Communications, Marine and Natural Resources in 2007 and a number of findings were made. However, as a result of the look Back exercise carried out by the Managing Authority at the IB level in early 2010, all expenditure relating to this project was adjusted out of declared expenditure due to weaknesses in the audit trail.

The Managing Authority gained assurance in relation to the reconciliation of records per project from the evidence of the Article 4 checks and reports of the Intermediate Body. Prior to Closure the Managing Authority carried out a comprehensive Look Back Review on the project files at the Intermediate Body level. Arising from this the MA recommended a number of financial adjustments be made and these have been carried through in the final declaration.

The ERDF Financial Control Unit carried out a Verification Audit under Art. 10 (1)(b) on the Measure in August 2010. Arising from this an error rate of 0.75% was determined and 1 Irregularity Report was required and submitted by the IB to the MA, and has now been reported to OLAF

Resulting from the Managing Authority's final Article 4 / Look-back Review Visit in early 2010 it was established that a further 11 Irregularity reports are required and these have been reported by the Managing Authority to the Paying Authority. The transactions that relate to these have been adjusted out of the final declaration and included in the final B2 Adjustment Schedule.

Significant Problems encountered

No significant problems were encountered in managing the assistance, other than what is reported above.

Irregularities

7 No. Irregularities were reported for this Measure. (see Annex 7 for details)

Publicity Measures

Final beneficiaries were informed of publicity requirements by mail. Evidence of compliance with publicity requirements was sought at the time of Article 4 and look-back checks.

Compliance with EU Policies:

Public Contracts

Compatibility with Community policies on the award of public contracts (public procurement) was checked during Article 4 checks and during look-back checks. Tender documentation etc. was examined to ensure compliance.

Compatibility with Horizontal Principles

Environment

This Sub-Measure had little or no impact on the environment, given the nature of the projects undertaken. Project design and planning took full account of environmental, ecological and heritage issues. In instances where significant new developments took place and were likely to have significant effects on the environment, they were subjected to a comprehensive Environmental Impact Assessment (EIA) process.

Equality

The fishing and aquaculture production industries are generally male-dominated. Infrastructure improvements at harbours and landing places in the Region, which in many cases result in safer, modern landing places, may encourage more women to become involved directly in the production of fish.

Many of the fishery harbours in the Southern and Eastern Region are located in areas of scenic beauty which attract tourists. Usually these areas have little alternative employment opportunities for men and women.

Infrastructure improvement works at fishery harbours ensure that both men and women can continue to live in these rural areas. Spin-off industries such as fish processing and tourism provide an opportunity for alternative employment for women living in coastal communities

Social Inclusion

The Sub-Measure helped to increase both fishing and aquaculture activity. It also had a beneficial effect on marine tourism. Overall the development under this Sub-Measure raised the standard of living and had a positive impact on poverty in rural areas.

Rural Development

This Sub-Measure had a positive effect on Rural Development by improving landing facilities for the seafood sector. The developments were, in many instances, at remote rural locations where there is limited, if any, employment apart from farming and fishing.

4.12 Measure:05.04.01, Childcare Facilities Measure (Social Inclusion and Childcare Priority) Intervention Code 22

1 Introduction

The Office of the Minister for Children (established Spring 2006) under the Department of Health and Children has assumed overall responsibility for the formulation of national policy and the development of childcare services. For the purpose of the National Development Plan the Government's Childcare Strategy for the years 2000 – 2006 was delivered through the Equal Opportunities Childcare Programme 2000 – 2006 (EOCP). The objectives of the EOCP were to facilitate and support the establishment and upgrading of both private and community-based childcare facilities and to increase the number of approved quality childcare facilities and places available. The Programme was divided into two Measures consisting of Childcare Facilities and the Childcare Measure which was delivered under the Support for Staffing Costs and Quality Improvement sub measures.

The Office of the Minister for Children and Youth Affairs (OMCYA) under the Department of Health and Children (DOHC) is the Intermediate Body for the Childcare Measures of the Regional Operational Programmes and Pobal is responsible for the day to day management of the programme on an agency basis. Pobal's mission is to promote social inclusion, reconciliation and equal opportunities through integrated social and economic development within communities. (Prior to the establishment of the OMCYA, the unit carrying out the Intermediate Body tasks operated under the auspices of the Department of Justice, Equality and Law Reform.

A capital grant scheme was provided for childcare facilities. The grants were available to childcare providers by application to the OMCYA and subsequently their application went through a formal appraisal process undertaken by Pobal. Grants for the childcare providers were then formally approved at a Public Appraisal Committee (PAC) meeting held every month. PAC is represented by members of the DOHC, Department of Education and Science (D&ES), Pobal and representatives of both Regional Assemblies. Selection of projects for approval was based on the following criteria:

- The socio-economic and demographic profile of the area – location of the facility.
- The quality of the proposal – childcare focus of the project, level of staff training, ability to cater for children with special requirements and children of ethnic diversity.
- The capacity of the applicant to implement the proposal – previous experience in childcare and financial controls.
- The level of integration and co-ordination in the local area – links with other services, potential overlap with other services.

Pre Autumn 2005 approval was granted by the Minister of Justice, Equality and Law Reform (DJELR). Since then the Secretary General of the relevant Department, (now the DOHC since April, 2006) gives approval on behalf of the Minister of the Department.

2 Socio-economic and policy environment

A number of reviews and evaluations took place during the lifetime of the Programme, most notably the Evaluation of the Equal Opportunities Childcare Programme 2000-2006 and the Midterm Evaluation. Significant changes which occurred as a result include:

- The relationship between the Intermediate Body and the Final Beneficiary was put on a stronger footing through written agreement on their responsibilities towards each other;
- Article 4 inspections were introduced;
- Small grants for childminders were introduced and the application process was made considerably less burdensome for these grants;
- The role of the County Childcare Committees (CCC's) was developed to take a more active role in the application process.

3 Financial Implementation

Childcare Facilities Measure	Total CSF	EU Funds	ERDF	ESF	EAGGF	FIFG	Nat. Public	Private
Total Reported Expenditure €m	€135.094	€62.966	€62.966	€0.000	€0.000	€0.000	€72.128	€0.000
Revised OP Forecast	€92.152	€46.076	€46.076	€0.000	€0.000	€0.000	€46.076	€0.000

Total Declared Expenditure as % of Revised Forecast	€1.336	€1.336	€1.336	€0.000	€0.000	€0.000	€1.336	€0.000
Total Declared Expenditure	€123.080	€61.540	€61.540	€0.000	€0.000	€0.000	€61.540	€0.000

4 Physical Achievements of the Measure

	Indicator	Final Target 2000-06	Final out-turn	Final Out-turn as a % of final target
Output	Number of New Facilities established.	580	441	76.03%
Result	Number of facilities upgraded	880	796	90.45%
Impact	Increase in number of childcare places broken down between part-time and full-time places.	+21,372	+25,141	117.64%
	Number of Childcare places in quality enhanced facilities.	3,500	3,019	86.26%
	% of parents engaging in education, training or employment opportunities on foot of the availability of childcare facilities broken down by gender	60%.	80%	133.33%
	% retention of facilities after 2 years following full expenditure of grant aid.	90%	98%	108.89%

The definition of a “full time” childcare place, as a place open for more than 3.5 hours per day, is in line with Child Care (Pre-School services) Regulations 1996, as amended 1997. To end December 2007, the targets set for Childcare measures have been reached or exceeded. The rate of expenditure has continued to improve as the larger capital projects completed their construction phase. The Programme has led to the creation of an additional 25,141 childcare places in the S&E Region against a target of 21,372 places.

In addition, 17,622 existing childcare places benefited from support, be it for enhancement or for staffing, under the Programme. In relation to the Childcare Facilities Measures, 441 new facilities were established in the region and 796 facilities were upgraded. Staffing grants directly funded 1,852 staff positions, (865 fulltime).

It should be noted that the reported distribution between part time and full time places changes from time to time taking account of the reclassification of places reported in earlier periods. Such reclassifications have been made for operational reasons as a result of changes in the categorisation of services by the Health Services Executive (HSE) or because of the setting of limits on the childcare places by HSE. Please note that the information in this report is based on returns from the grant beneficiaries to Pobal.

5 Transitional Support for South-East NUTS III Sub-Region in 2006

This Measure had a CSF commitment of €23.152 million in 2006. Over the lifetime of the Programme in excess of €22.7 million has been incurred within the South-East NUTS III sub-region, which is fractionally less than its 2006 commitment. However it is worth noting that this is the only ERDF co-financed Measure in the entire Programme which had South-East sub-region expenditure less than the CSF commitment, with most other Measures very significantly exceeding the 2006 commitment levels.

6 Administration and Management

Steps taken to ensure the quality and effectiveness of implementation, in particular:

Monitoring and Evaluation

The Intermediate Body reported to the Managing Authority on progress on a bi-annual basis, using data provided by the Final Beneficiary. The Final Beneficiary collected data through the quarterly returns of expenditure it required from final recipients; the quarterly returns also included statistical information. The bi-annual progress report also compared output to targets to measure the degree of programme success. This was supplemented by an annual questionnaire for recipients which was sent out by the Final Beneficiary.

Financial Control

At the level of the Intermediate Body, the principal financial control was the detailed desk-check carried out each time the Final Beneficiary submitted its B1. At least 7% of capital expenditure was sampled and subjected to desk checks for each claim.

Financial controls and Verification at Final Beneficiary level

Verification by Pobal on behalf of the Secretary General, OMCYA comprised two separate levels: desk top verification prior to the payment of a further or final grant contribution; and on the spot verification on a sampled basis to verify the probity of expenditure.

For the purpose of recording eligible expenditure over the course of the Programme, final recipients were obliged to report on the actual expenditure for their projects quarterly in arrears. In these quarterly returns, final recipients were required to report their expenditure for the quarter over a number of budget headings, as appropriate to the project. These expenditure returns were supported by a bank reconciliation for the quarter, copy bank statements with a closing balance for the quarter under report and a schedule of payments, including invoice details where appropriate, which corresponded to the amount of expenditure declared in the quarter. The quarterly expenditure returns were subject to a series of verification checks including, on a sample basis, inspection of the records on-the-spot. These on-the-spot inspections were completed each year by financial control staff or other appropriate personnel from Pobal (with the discretionary attendance of OMCYA staff) for the purpose of verifying the actuality, reality and eligibility of expenditure and compliance of projects with the conditions of the grant and applicable community and national rules. Because of the complexity of the EOCP and the large number of grant recipients of what were frequently relatively small grant amounts, it was considered appropriate to put in place a sampling approach to the on-the-spot verification process. All large scale capital projects were visited at least once before the final payment to the project. All other capital projects were subject to a random selection process whereby at least 7 per cent (in number) of all active community capital projects and 5 per cent (in number) of all active self-employed capital projects which declared expenditure were visited in a year. Projects flagged for audit on the basis of assessed high level of risk, by the EOCP Programme personnel, by OMCYA or by any other party to the Programme were given a high or preferential priority in the verification plan.

Significant Problems encountered

All eligible expenditure is paid out, in the first instance, by the State, and the portion recoupable from the European Union is subsequently reclaimed. Where expenditure is found to be ineligible it is either:

- a) removed from the Claim before it is sent to the Managing Authority, where the ineligible spend is found in advance of the Claim; or
- b) Adjusted out of a subsequent Claim if it is identified after the original Claim has been processed.

Final recipients are advised of eligibility rules and where ineligible expenditure is identified, the Final Beneficiary advises the Final Recipient of same, and of the underlying eligibility rule, in order to prevent an inadvertent recurrence.

Irregularities

45 ERDF Irregularity Reports have been submitted for this measure. (see Annex 7 for details)

Publicity Measures

The Intermediate Body acknowledged the ERDF co-funding through:

- logos and text as necessary in advertisements and other public notices relating to the Programme;
- speeches, parliamentary communications and other official statements emanating from the Intermediate Body;
- headed notepaper used in formal correspondence with interested parties.
- text and logos on display in the Intermediate Body's website.

The Intermediate Body ensured compliance by the Final Recipients through periodical desk checks carried out as part of verification process prior to Claims being submitted.

Compliance with EU Policies:

Competition Rules

EU State Aid rules are underpinned by Articles 87, 88 and 89 of the EC Treaty and are designed to ensure that, "any aid granted by a Member State or through State resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods shall, in so far as it affects trade between Member States, be incompatible with the common market." (Art 87).

Childcare is not normally a tradable international service and there has been very little intervention in the Irish sector from non-Irish providers. In the event that an overseas private provider wanted to establish a childcare facility in Ireland, it was open to such a provider to apply for grant assistance on the same basis as Irish-based private sector applicants.

Commission notified scheme operating under de minimus.

Public Contracts

The Measure is bound by the Public Procurement guidelines which are published (and revised from time to time) by the Department of Finance, and which include EU and Irish government procurement rules. The Final Beneficiary requires Recipients to advertise for tenders as appropriate and to supply copies of tenders with the reason for the choice of tender furnished. The Intermediate Body may inspect the recipient files for evidence of correct tendering in the course of spot checks.

Compatibility with Horizontal Principles

Environment

Under Irish law, capital works such as the construction of a childcare facility required planning permission from a local authority, which takes account of environmental impact, protection and improvement. Final recipients are obliged to demonstrate to the Final Beneficiary that they are in receipt of the appropriate planning permission before construction commences. Sample desk checks carried out by the Intermediate Body check for compliance on this matter.

Equality

The Programme Complement specifies that the measure will facilitate parents to avail of employment, training and educational opportunities thus impacting favourably on equality issues within, particularly, disadvantaged communities and contributing positively towards reconciling work and family life.

As Ireland has had an historically low rate of female participation in the workforce in comparison with other EU countries, the Programme was especially beneficial to women seeking geographically accessible childcare in order to work outside the home.

Social Inclusion

The measure was intended to facilitate parents to avail of employment, training and educational opportunities thus impacting favourably on poverty issues within disadvantaged communities.

North South Initiatives

The nature of the Childcare measure was such that no initiatives were required or undertaken on a North-South basis.

5 ESF Co-financed Measure

5.1 Introduction

There was just one European Social Fund co-financed Measure contained within the S&E Regional OP, which in turn was broken down into two Sub-Measures. This chapter provides details on the implementation of these two sub-measures, together with relevant material relating to the financial management and control of the ESF co-financed expenditure.

The following table summarises the financial position regarding the absorption of European Social Fund within the Programme.

ESF Childcare Total	Total CSF	EU Funds	ERDF	ESF	EAGGF	FIFG	Nat. Public	Private
Total Reported Expenditure to end of programme €m	€177.405	€88.702	€0.000	€88.702	€0.000	€0.000	€88.702	€0.000
Revised O.P. Forecast	€174.674	€87.337	€0.000	€87.337	€0.000	€0.000	€87.337	€0.000
Total Declared Expenditure as % of Revised Forecast	101.07%	101.07%	0.00%	101.07%	0.00%	0.00%	101.07%	0.00%
Total Declared Expenditure	€176.535	€88.268	€0.000	€88.268	€0.000	€0.000	€88.268	€0.000

From the above Table it is clear that the Programme fully utilised all of the ESF funding provided, and there was no ESF decommitments over the lifetime of the Programme

5.2 Measure: Childcare Measure (Social Inclusion and Childcare Priority)

Sub-Measure: 05.04.07.01, Support for Staffing Costs. Intervention Code 22

1 Introduction

The Office of the Minister for Children (established Spring 2006) under the Department of Health and Children has assumed overall responsibility for the formulation of national policy and the development of childcare services. For the purpose of the National Development Plan the Government's Childcare Strategy for the years 2000 - 2006 was delivered through the Equal Opportunities Childcare Programme 2000 - 2006 (EOCP). The objectives of the EOCP were to facilitate and support the establishment and upgrading of both private and community-based childcare facilities and to increase the number of approved quality childcare facilities and places available. The Programme was divided into three Measures consisting of Childcare facilities, Support for Staffing Costs and the Quality Improvement sub-measures.

The Office of the Minister for Children and Youth Affairs (OMCYA) under the Department of Health and Children (DOHC) is the Intermediate Body for the Childcare Measures of the Regional Operational Programmes and Pobal is responsible for the day to day management of the programme on an agency basis. Pobal's mission is to promote social inclusion, reconciliation and equal opportunities through integrated social and economic development within communities.

A staffing grant scheme was introduced under the programme which was confined to community/not for profit groups in disadvantaged areas. Successful applicants were given annual contribution towards the cost of staffing childcare services, in order to both enable such not-for-profit services to operate and also to enable such services to lower their cost-care fees to parents to make their services more affordable. Care was taken in awarding the grants to ensure a suitable geographical spread and to avoid displacement of existing services.

Staffing grants were designed to:

(i) contribute towards the staffing costs of community based/not for profit childcare groups which provide early years and which provide early years and school age childcare to facilitate parents from disadvantaged families accessing employment, educational and training opportunities and;

(ii) improve the quality of childcare provision in disadvantaged areas by assisting the community-based projects to fund the salary costs of qualified childcare workers.

The objectives of the sub-measure were to:

- Enable community-based childcare services to recruit and retain trained childcare workers to provide a quality childcare service and;
- Support greater social inclusion by allowing people in disadvantaged areas to avail of educational, training or employment opportunities.

Support to approved providers was given for a period of three years, which was renewable at the end of the initial period. All staff funded must have been vetted.

The criteria for selection of projects were as follows:

- The socio-economic and demographic profile of the area - location of the facility, with particular reference to disadvantage.
- The quality of the proposal - childcare focus of the project, level of staff training, ability to cater for children with special requirements and children of ethnic diversity and provision for parents from disadvantage families to enable access to education, training and employment..
- The capacity of the applicant to implement the proposal - previous experience in childcare and financial controls.
- The level of integration and co-ordination in the local area - links with other services, potential overlap with other services.
- The cost and value for money - sustainability of the project on completion, cost of project with regard to the number of childcare places.
- Compliance with statutory requirements in relation to planning and childcare facilities.

2 Socio-economic and policy environment

A number of reviews and evaluations took place during the lifetime of the Programme. Significant changes which occurred as a result include:

- The relationship between the Intermediate Body and the Final Beneficiary was put on a stronger footing through written agreement on their responsibilities towards each other;
- Article 4 inspections were introduced;
- Small grants for childminders were introduced and the application process was made considerably less burdensome for these grants;
- The role of the CCC's was developed to take a more active role in the application process.
-

3 Financial Implementation

Support for Staffing Costs Sub-Measure	Total CSF	EU Funds	ERDF	ESF	EAGGF	FIFG	Nat. Public	Private
Total Reported Expenditure €m	€123.759	€61.880	€0.000	€61.880	€0.000	€0.000	€61.880	€0.000
Revised OP Forecast	€119.672	€59.836	€0.000	€59.836	€0.000	€0.000	€59.836	€0.000
Total Declared Expenditure as % of Revised Forecast	103.03%	103.03%	0.00%	103.03%	0.00%	0.00%	103.03%	0.00%
Total Declared Expenditure	€123.302	€61.651	€0.000	€61.651	€0.000	€0.000	€61.651	€0.000

4 Physical Achievements of the Sub-Measure

	Indicator	Final Target 2000-06	Final out-turn	Final Out-turn as a % of final target
Output	Number of childcare workers supported (disaggregated by gender part-time and full-time)	2,000 120 will be of school age childcare staff	1,852 of which 865 f/t	93%
Result	% of childcare workers supported under	50%	44%	88%

	the Programme with a childcare qualification accredited by FETAC at Level II or higher			
Impact	% of parents engaging in education, training or employment opportunities on foot of the availability of childcare facilities broken down by gender	60%	80% 51% female	133.33%

The final outturn for the number of childcare workers directly supported was put at 1,852 which was 93% of the final target. However, the measure supported up to 1969 staff members at various points throughout the Programme. The data aimed to capture the number of posts, rather than the number of people, directly funded by EOCP funding, a task complicated by the fact that numbers rose and fell annually as projects opted to apportion their EOCP staffing funding to fewer or more staff in various successive years.

5 Administration and Management

Steps taken to ensure the quality and effectiveness of implementation, in particular:

Monitoring and Evaluation

The Intermediate Body reported to the managing Authority on progress on a bi-annual basis, using data provided by the Final Beneficiary. The Final Beneficiary collected data through the quarterly returns of expenditure it required from final recipients; the quarterly returns also included statistical information. The bi-annual progress report also compared output to targets to measure the degree of programme success. This was supplemented by an annual questionnaire for recipients which was sent out by the Final Beneficiary.

Financial Control

At the level of the Intermediate Body, the principal financial control was detailed desk-check carried out each time the Final Beneficiary submitted its B1. At least 8% of the staffing expenditure was sampled and subjected to desk checks for each claim.

Financial controls and Verification at Final Beneficiary level

Verification by Pobal on behalf of the Secretary General, OMCYA comprised two separate levels: desktop verification prior to the payment of a further or final grant contribution; and on the spot verification on a sampled basis to verify the probity of expenditure.

For the purpose of recording eligible expenditure over the course of the Programme, final recipients were obliged to report on the actual expenditure for their projects quarterly in arrears. In these quarterly returns, final recipients were required to report their expenditure for the quarter over a number of budget headings, as appropriate to the project. These expenditure returns were supported by a bank reconciliation for the quarter, copy bank statements with a closing balance for the quarter under report and a schedule of payments, including invoice details where appropriate, which corresponded to the amount of expenditure declared in the quarter. The quarterly expenditure returns were subject to a series of verification checks including, on a sample basis, inspection of the records on-the-spot. These on-the-spot inspections were completed each year by financial control staff or other appropriate personnel from Pobal (with the discretionary attendance of OMCYA staff) for the purpose of verifying the actuality, reality and eligibility of expenditure and compliance of projects with the conditions of the grant and applicable community and national rules. Because of the complexity of the EOCP and the large number of grant recipients of what were frequently relatively small grant amounts, it was considered appropriate to put in place a sampling approach to the on-the-spot verification process. All large scale capital projects were visited at least once before the final payment to the project. All other capital projects were subject to a random selection process whereby at least 7 per cent (in number) of all active community capital projects and 5 per cent (in number) of all active self-employed capital projects which declared expenditure were visited in a year. Projects flagged for on the spot verification visits on the basis of assessed high level of risk, by the EOCP Programme personnel, by OMCYA or by any other party to the Programme were given a high or preferential priority in the verification plan.

Significant Problems encountered

18 Irregularity Reports have been submitted by the Managing Authority for sub-measure. (see Annex 7 for details)

All eligible expenditure is paid out, in the first instance, by the State, and the portion recoupable from the European Union is subsequently reclaimed/ where expenditure is found to be ineligible it is either (a) removed from the Claim before it is sent to the Managing Authority, where the ineligible spend is found in advance of the Claim; or (b) Adjusted out of a subsequent Claim if it is identified after the original Claim has been processed. Final recipients are advised of eligible rules and where ineligible expenditure is identified, the Final Beneficiary advises the Final Recipient of same, and of the underlying eligibility rule, in order to prevent an inadvertent recurrence.

Publicity Measures

The Intermediate Body acknowledged the ESF co-funding through:

- logos and text as necessary in advertisements and other public notices relating to the Programme;
- speeches, parliamentary communications and other official statements emanating from the Intermediate Body;
- headed notepaper used in formal correspondence with interested parties.
- text and logos on display in the Intermediate Body's website.

The Intermediate Body ensured compliance by the Final Recipients through periodical desk checks carried out as part of verification process prior to Claims being submitted.

Compliance with EU Policies:

Competition Rules

The Measure is bound by the Public Procurement guidelines which are published (and revised from time to time) by the Department of Finance, and which include EU and Irish government procurement rules.

Childcare is not normally a tradable international service and there has been very little intervention in the Irish sector from non-Irish providers. In the event that an overseas private provider wanted to establish a childcare facility in Ireland, it was open to such a provider to apply for grant assistance on the same basis as Irish-based private sector applicants.

Commission notified scheme operating under de minimus.

Public Contracts

The Final Beneficiary obliged Recipients to hold open recruitment procedures for recruitment of staff supported under the measure and to provide evidence of the reason for their choice of employee. The Intermediate Body may inspect recipient files during spot-checks for evidence of same.

Compatibility with Horizontal Principles

Environment

Childcare facilities add to the amenity of the area and contribute positively to the quality of the environment in the locality.

Equality

The Programme Complement specifies that the measure will facilitate parents to avail of employment, training and educational opportunities thus impacting favourably on equality issues within, particularly, disadvantaged communities and contributing positively towards reconciling work and family life.

As Ireland has had a historically low rate of female participation in the workforce in comparison with other EU countries, the Programme was especially beneficial to women seeking affordable childcare in order to work outside the home.

Social Inclusion

The sub-measure was specifically targeted towards disadvantaged areas, facilitating parents to avail of employment, training and educational opportunities and thus impacting favourably on poverty issues / social inclusion within disadvantaged communities.

Rural Development

The funding of childcare facilities in rural areas adds to the amenities available in those areas, supports rural development and encourages retention of families in rural areas.

Include progress against any agreed targets and actions taken to promote the principle(s) as prioritised for the measure.

5.3 Measure: Childcare Measure (Social Inclusion and Childcare Priority)

Sub-Measure: 05.04.07.02, Quality Improvement. Intervention Code 22

1 Introduction

The Office of the Minister for Children (established Spring 2006) under the Department of Health and Children has assumed overall responsibility for the formulation of national policy and the development of childcare services. For the purpose of the National Development Plan the Government's Childcare Strategy for the years 2000 - 2006 was delivered through the Equal Opportunities Childcare Programme 2000 - 2006 (EOCP). The objectives of the EOCP were to facilitate and support the establishment and upgrading of both private and community-based childcare facilities and to increase the number of approved quality childcare facilities and places available. The Programme was divided into three Measures consisting of Childcare facilities, Support for staffing costs and Quality.

The Office of the Minister for Children and Youth Affairs (OMCYA) under the Department of Health and Children (DOHC) is the Intermediate Body for the Childcare Measures of the Regional Operational Programmes and Pobal is responsible for the day to day management of the programme on an agency basis. Pobal's mission is to promote social inclusion, reconciliation and equal opportunities through integrated social and economic development within communities.

The Quality Improvement sub-measure was designed to support improvements in the quality of childcare service provision generally through the training and education of childcare workers and the establishment of support networks for childcare providers. The aim of the Quality Improvement sub-measure was to:

- provide funding to National Non-Statutory Childcare Organisations so as to enhance their capacity to service their members and to provide training to childcare practitioners to an approved level;
- support and facilitate the formation of City and County Childcare Committees and, where appropriate, related local or regional networks which will improve the dissemination of , education and training materials and of information among childcare service providers and to provide a support network to support the development of the childcare sector.
- support collaborative actions between the National Voluntary Childcare Organisations, the City and County Childcare Committees and groups thereof including the preparation of high quality publications and seminars and other training events delivery.
- Offer support to childminders (family day centre) for the development of quality awareness among childminders who are caring for children in the childminder's home
- Fund the development of relevant research, consultative reports and resource materials for the enhancement of quality and the development of childcare training in Ireland at National and local level.
- Enhance the provision of high quality childcare education through a high level 'Training of Trainers' programme.
- Other innovative actions which aim to pilot new approaches to the promotion of quality childcare.

The objectives of the sub-measure were to;

- Facilitate and support the development of National Non-Statutory Childcare Organisations.
- Promote the development of all aspects of family day care provision.
- Support the development of childcare training
- Increase the number of trained childcare workers.
- Facilitate the development of local childcare networks to support individual childcare service providers who would otherwise operate in isolation.

The criteria for selection of projects were as follows:

- The quality of the proposal - focus on the development of the wider sector and the efficiencies which can be obtained through co-ordination and the enhancement of childcare.
- The capacity of the applicant to implement the proposal – previous experience in childcare, management and financial controls, communication skills.
- The level of integration and co-ordination in the local area – links with other services or organisations, avoid potential overlap with other services or organisations, bring synergy to actions.
- The cost and value for money – cost and prudent management of the project in relation to agreed objectives of the project.
- The level of integration of the proposal with the objectives of the National Childcare Strategy.
- Compliance with relevant statutory requirements.

2 Socio-economic and policy environment

A number of reviews and evaluations took place during the lifetime of the Programme. Significant changes which occurred as a result include:

- the relationship between the Intermediate Body and the Final Beneficiary was put on a stronger footing through written agreement on their responsibilities towards each other;
- article 4 inspections were introduced;
- Small grants for childminders were introduced and the application process was made considerably less burdensome for these grants;
- The role of the CCC's was developed to take a more active role in the application process

3 Financial Implementation

Quality Improvement Sub-Measure	Total CSF	EU Funds	ERDF	ESF	EAGGF	FIFG	Nat. Public	Private
Total Reported Expenditure €m	€53.646	€26.823	€0.000	€26.823	€0.000	€0.000	€26.823	€0.000
Revised OP Forecast	€55.002	€27.501	€0.000	€27.501	€0.000	€0.000	€27.501	€0.000
Total Declared Expenditure as % of Revised Forecast	96.78%	96.78%	0.00%	96.78%	0.00%	0.00%	96.78%	0.00%
Total Declared Expenditure	€53.233	€26.617	€0.000	€26.617	€0.000	€0.000	€26.617	€0.000

4 Physical Achievements of the Sub-Measure

	Indicator	Final Target 2000-06	Final out-turn	Final Out-turn as a % of final target
Output	Number of local childcare networks established	20	20	100%
	Number of National Non-Statutory Childcare Organisations supported.	7	7	100%
	Number of accredited training courses delivered by National Voluntary Childcare Organisations (NVCOs) personnel by level and location and no. of participants disaggregated by gender.	1,700 participants on courses delivered by NVCO's	3,341	196.53%
	Number of accredited training courses organised by City/County Childcare Committees (CCC's) by level and location and the no. of participants disaggregated by gender	1,200 participants on courses organised by CCC's	326 accredited courses with 5,311 participants (99% women)	442.58%
	The number of collaborative actions funded	12	6	50%
	Number of childminders supported under the Childminding Development Grants scheme	650	633	97.38%
	Number of participants in the Childminding Quality Awareness Programme	650	3,244	499.08%
Result	% of participants who completed accredited training provided by the NVCOs and/or organised by CCCs	70%	44%	62.86%
	The number of participants who have completed training of trainers courses	30	Not available	0%

5 Administration and Management

Steps taken to ensure the quality and effectiveness of implementation, in particular:

Monitoring and Evaluation

The Intermediate Body reported to the Managing Authority on progress on a bi-annual basis, using data provided by the Final Beneficiary. The Final Beneficiary collected data through the quarterly returns of expenditure it required from final recipients; the quarterly returns also included statistical information. The bi-annual progress report also compared output to targets to measure the degree of programme success.

This was supplemented by an annual questionnaire for recipients which was sent out by the Final Beneficiary.

Financial Control

At the level of the Intermediate Body, the principal financial control was the detailed desk-check carried out each time the Final Beneficiary submitted its B1. At least 10% of the expenditure was sampled and subjected to desk checks for each claim.

Financial controls and Verification at Final Beneficiary level

Verification by Pobal on behalf of the Secretary General, OMCYA comprised two separate levels: desk top verification prior to the payment of a further or final grant contribution; and on the spot verification on a sampled basis to verify the probity of expenditure.

For the purpose of recording eligible expenditure over the course of the Programme, final recipients were obliged to report on the actual expenditure for their projects quarterly in arrears. In these quarterly returns, final recipients were required to report their expenditure for the quarter over a number of budget headings, as appropriate to the project. These expenditure returns were supported by a bank reconciliation for the quarter, copy bank statements with a closing balance for the quarter under report and a schedule of payments, including invoice details where appropriate, which corresponded to the amount of expenditure declared in the quarter. The quarterly expenditure returns were subject to a series of verification checks including, on a sample basis, inspection of the records on-the-spot. These on-the-spot inspections were completed each year by financial control staff or other appropriate personnel from Pobal (with the discretionary attendance of OMCYA staff) for the purpose of verifying the actuality, reality and eligibility of expenditure and compliance of projects with the conditions of the grant and applicable community and national rules. Because of the complexity of the EOCF and the large number of grant recipients of what were frequently relatively small grant amounts, it was considered appropriate to put in place a sampling approach to the on-the-spot verification process. All large scale capital projects were visited at least once before the final payment to the project. All other capital projects were subject to a random selection process whereby at least 7 per cent (in number) of all active community capital projects and 5 per cent (in number) of all active self-employed capital projects which declared expenditure were visited in a year. Projects flagged for audit on the basis of assessed high level of risk, by the EOCF Programme personnel, by OMCYA or by any other party to the Programme were given a high or preferential priority in the verification plan.

Significant Problems encountered

All eligible expenditure is paid out, in the first instance, by the State, and the portion recoupable from the European Union is subsequently reclaimed. Where expenditure is found to be ineligible it is either:

- a) removed from the Claim before it is sent to the Managing Authority, where the ineligible spend is found in advance of the Claim; or
- b) Adjusted out of a subsequent Claim if it is identified after the original Claim has been processed.

Final recipients are advised of eligibility rules and where ineligible expenditure is identified, the Final Beneficiary advises the Final Recipient of same, and of the underlying eligibility rule, in order to prevent an inadvertent recurrence.

24 No. Irregularity reports have been submitted by the Managing Authority for the sub- measure. (see Annex 7 for details).

Publicity Measures

The Intermediate Body acknowledged the ESF co-funding through:

- logos and text as necessary in advertisements and other public notices relating to the Programme;
- speeches, parliamentary communications and other official statements emanating from the Intermediate Body;
- headed notepaper used in formal correspondence with interested parties.
- text and logos on display in the Intermediate Body's website.

The Intermediate Body ensured compliance by the Final Recipients through periodical desk checks carried out as part of verification process prior to Claims being submitted.

Compliance with EU Policies:

Competition Rules

Childcare is not normally a tradable international service and there has been very little intervention in the Irish sector from non-Irish providers. In the event that an overseas private provider wanted to establish a childcare facility in Ireland, it was open to such a provider to apply for grant assistance on the same basis as Irish-based private sector applicants.

Commission notified scheme operating under de minimus.

The Measure is bound by the Public Procurement guidelines which are published (and revised from time to time) by the Department of Finance, and which include EU and Irish government procurement rules. The Final Beneficiary requires Recipients to advertise for tenders as appropriate and to supply copies of tenders with the reason for the choice of tender furnished. The Intermediate Body may inspect the recipient files for evidence of correct tendering in the course of spot checks.

Public Contracts

Compatibility with Horizontal Principles

Environment

Childcare facilities add to the amenity of the area and contribute positively to the quality of the environment in the locality.

6. EAGGF Co-financed Measures

6.1 Introduction

This chapter sets out the progress under the three EAGGF Co Funded Measures included in the S&E Regional Programme. These 3 Measures are; Agriculture & Rural Development Priority – General Structural Improvement (Installation Aid for Young Farmers, Farm Waste Management & Improvement of Dairy Hygiene Standards), and General Rural Development (the Area Based Rural Development Initiative), and the Forestry Measure (Woodland Improvement & Harvesting) within the Local Enterprise Priority.

At Fund level, the Programme got off to a slow start, which was exacerbated by the outbreak of Foot & Mouth in Ireland in 2001, and in the early years a total of €4.759 million was decommitted¹⁸ from the Programme. However this situation was turned around in the second half of the programme by increasing the on-farm grant thresholds, extending co-financing to the Installation Aid Scheme, and by transposing the Nitrates Directive. Through these initiatives there was a very pronounced take-up of the available grant aid, and this resulted in a full draw-down of remaining EAGGF assistance to the Programme. The table below summarises the use made of EAGGF under the Programme:

Programme Total – All EAGGF Measures	Total CSF	EU Funds	ERDF	ESF	EAGGF	FIFG	Nat. Public	Private¹⁹
Total Reported Expenditure €m	€551.536	€103.738	€0.000	€0.000	€103.738	€0.000	€103.720	€344.060
Revised OP Forecast	€301.967	€69.429	€0.000	€0.000	€69.429	€0.000	€69.431	€163.105
Total Declared Expenditure as % of Revised Forecast	112.01%	107.60%	0.00%	0.00%	107.60%	0.00%	107.60%	115.77%
Total Declared Expenditure	€338.235	€74.706	€0.000	€0.000	€74.706	€0.000	€74.706	€188.824

6.2 Measure: General Structural Improvement (Agriculture and Rural Development Priority)

Sub-Measure: 05.03.01.01, Installation Aid to Young Farmers. Intervention Code 112, 111, 1312, 1309

Sub-Measure: 05.03.01.02, Farm Waste Management. Intervention Code 112, 111, 1312, 1309

Sub-Measure: 05.03.01.03, Dairy Hygiene. Intervention Code 112, 111, 1312, 1309

1 Introduction

The Measure sought to make improvements in farm structures, the environment, animal welfare and hygiene standards leading to better quality products and consisted of eight sub-measures relating to: (i) Farm Waste Management, (ii) Improvement of Dairy Hygiene Standards, (iii) Installation Aid for Young Farmers (iv) Improvement of Animal Welfare Standards, (v) Animal Carcase Disposal, (vi) Development of Grain Storage Facilities, (vii) Equine Breeding and (viii) Cattle Breeding.

It had eventually three co-financed sub-measures:

- the objective of the Farm Waste Management scheme was to provide assistance with the capital costs of providing animal housing and storage facilities for silage and agricultural waste.
- the Improvement of Dairy Hygiene Standards scheme assisted dairy farmers in upgrading their milk production facilities to ensure continued adherence to EU standards and to further improve on farm dairy hygiene standards and
- the Installation Aid for Young Farmers scheme encouraged young trained people to take up farming and thus ensure the continued rejuvenation of the farming workforce.

¹⁸ €2.457million was subsequently recommitted following acceptance by Commission of *Force Majeure* application.

¹⁹ This is an indicative amount, which is not part of the financial declarations to Commission. This applies to all financial tables which follow at Measure and Su-Measure levels.

2 Socio-economic and policy environment

Initially only two sub-measures Farm Waste Management and Dairy Hygiene were co-financed but their progress was inhibited by the onset of foot and mouth disease, processing of applications under the schemes was severely hampered and as a result, expenditure under the sub-measures was considerably less than forecast leading to decommitments of the first three years' allocations. To address these N+2 issues, agreement of the EU Commission was obtained to have the Installation Aid Scheme co-funded from 6 May 2003.

In January 2004, in an effort to increase take-up and following Social Partner and Monitoring Committee agreement, revisions to the on-farm investment schemes included

- raising the income unit ceiling applicable to applicants from 200 to 450 income units;
- raising the standard rate of grant from 20% to 40%
- increasing the maximum eligible investment ceiling from €50,790 to €75,000 for the Farm Waste Management Scheme and from €31,743 to €50,000 for Dairy Hygiene.

Then in March 2006, a further revision was introduced to the Farm Waste Management Scheme in order to assist farmers meet the additional requirements of the Nitrates Directive. The principal changes to the Scheme included increased grant rates of up to 70%, an increase in the maximum eligible investment ceiling from €75,000 to €120,000 and the removal of any minimum requirement from farming from the Scheme so that all small farmers could participate. Afterwards there was a very significant increase in applications and completions and the Scheme closed for applications at the end of 2006.

3 Financial Implementation – General Structural Improvement

Total 3 co-financed on-farm investment sub-measures	Total CSF	EU Funds	ERDF	ESF	EAGGF	FIFG	Nat. Public	Private²⁰
Total Reported Expenditure to end of programme €m	€275.768	€51.869	€0.000	€0.000	€51.869	€0.000	€51.860	€172.030
Revised O.P. Forecast	€240.149	€50.606	€0.000	€0.000	€50.606	€0.000	€50.609	€138.933
Total Declared Expenditure as % of Revised Forecast	114.96%	109.11%	0.00%	0.00%	109.11%	0.00%	109.11%	119.23%
Total Declared Expenditure	€276.081	€55.216	€0.000	€0.000	€55.216	€0.000	€55.216	€165.649

Sub-Measure: 05.03.01.01, Installation Aid to Young Farmers. Intervention Code 112, 111, 1312, 1309

1. Introduction

The Installation Aid Scheme, which provides support for the entry of young persons into the agricultural sector, has been operating under various formats in Ireland since it was first introduced in 1986. Its principal objective is to encourage young people to establish themselves in farming on a viable holding and thereby ensure the continued rejuvenation of the farming work force. The National Development Plan 2000-2006, which proposed the continuation of an Installation Aid Scheme during the period of operation of the Plan, also identified the necessity of having farmers who were better able to cope with the increasing challenges faced by the agricultural sector as a further important aim of the Scheme. The depth and scope of these “external” challenges, notably the outcome of the CAP Reform Agreement of 2003, the continuing WTO discussions, higher environmental and animal welfare standards, and the accession of many new EU Member States, are considered to have increased significantly since the publication of the National Development Plan.

As indicated above, the Installation Aid Scheme which is the subject of this report was proposed in the National Development Plan 2000-2006 and, following EU approval, came into effect in February 2001. The Scheme included a significant increase (i.e. 34%) in the grant available to young farmers compared to the previous Scheme by fixing the amount of grant-aid concerned at €9,523.04 (IR£7,500). In order to be eligible for a grant under the Scheme, an applicant had to comply with the following provisions:-

- Be between his/her 18th and 35th birthday on the day of set-up;
- Fulfil certain requirements regarding occupational skill and competence at the date of set-up or, at the latest, within two years of that date;

²⁰ This is an indicative amount

- Have at least 50 income units (IU's) and not more than 150 IU's including off-farm income at the date of set-up or, at the latest, within two years of that date. At least 20 of the IU's had to come from farming.
- In order not to prejudice applicants who had been set-up in farming between 1 January 2000 and February 2001, the Scheme was drafted so that it enabled applicants set-up in farming for the first time in that period, i.e. prior to the date of introduction of the Scheme, to also apply for grant-aid under the Scheme. The Scheme was 100% nationally funded from the commencement of the Scheme. However, EU co-funding at a rate of 50 % for the South and East Region was introduced for the Scheme with effect from 6th May 2003 until 30th September 2007 after which the Scheme became 100% nationally funded again.

2. Socio-economic and policy environment

A sum of €38.7 million was provided on a national basis by the National Development Plan for the Scheme for the 2000-2006 period, thus making available sufficient financial means for the payment of approx. 580 applications per year (on a national basis) over the relevant seven year period envisaged by the Plan. However, by the end of 2001 only 59 applicants had been paid under the Scheme on a national basis. It was considered that the main reason for the slow up-take was the effect of the upper income ceiling of 150 IUs, which demanded high volumes of paperwork from the applicant in order to show that he/she had not exceeded the 150 IU ceiling. There was also evidence that, in some cases, partial transfers of land were being carried out in the case of larger farms in order to ensure qualification – the direct opposite of the policy objective of stimulating the creation of larger, more viable units.

Following the receipt of the required EU approval, a revised Scheme was put in place on 7 May 2002 which, inter alia, removed the 150 IU ceiling referred to above. Young farmers who failed to qualify under the Scheme between 1 January 2000 and 7 May 2002 because they exceeded the upper income ceiling of 150 IU's were also granted the opportunity to participate in the Scheme.

When the Young Farmers' Installation Scheme was introduced in June 2007 under the aegis of the 2007-2013 Rural Development Programme with a grant rate of €15,000, a 'top-up' grant of €5,476.96 was made available to young farmers under the Installation Aid Scheme who were set-up between 1st May 2006 and 31st December 2006 so that the total grant available was €15,000. The conditions for the payment of this top-up grant were that applicants must have:

- complied with the requirements of the Installation Aid Scheme 2000-2006;
- confirmed in writing that he/she was applying for the higher grant rate;
- submitted a fully completed Business Plan in the format provided for under the Young Farmers' Installation Scheme, and provide evidence of compliance with two of the development options in the Business Plan chosen by the applicant.

The background to the 'top-up' grant of €5,476.96 was that under the 2007-2013 Rural Development Programme for Ireland (published in late-2006), it was proposed to increase the grant under the 2007-2013 Installation Aid Scheme to €15,000.

The publication of that 2007-2013 Programme had two effects on young farmers. In the case of young farmers who had applied under the Scheme in 2006 but who were not due to commence their education until 2007, they would have been pursuing their education together with other young farmers who would be getting a higher grant and who would be facing the same level of set-up costs. This was regarded as inequitable.

In the case of young farmers set-up in late-2006 and who had not yet applied for a grant under the 2000-2006 Scheme, they would be cancelling the leases/transfers signed in 2006 and taking out new leases/transfers in 2007 in order to attain the higher grant. This was possible as many agricultural leases/transfers are completed within family situations in Ireland.

State-aid approval for this 'top-up' grant was granted by the Commission under State Aid approval no. XA 107/2007.

In order to avoid the difficulties caused by this transition from one Scheme to another, it was proposed to apply the higher grant rate to farmers set-up since 1 May 2006. This would avoid the difficulties set out above.

EU co-funding at a rate of 50% was introduced for the Scheme with effect from 6th May 2003.

Mid-Term Review, 2003

An evaluation of the Scheme was carried out during the course of 2003 by AFCON Management Consultants in association with University College, Cork. In addition, separate reviews were also carried out of the Scheme in each of the two separate structural regions into which Ireland was divided. In the case of the BMW region, the review was completed by Fitzpatrick Associates, Dublin and in the case of the SE Region by Farrell Grant Sparks Consulting, Dublin. The AFCON Report is of particular importance as it examined the Scheme on a national basis and also analysed the Scheme on the basis of the performance indicators set out for the Scheme in the National Development Plan.

In regard to the Installation Aid Scheme, the AFCON Report commented as follows:-

(a) Relevance of Scheme

The Installation Aid Scheme remained relevant as an incentive to attract young persons to a career in farming. The elimination of the income ceiling and the relaxation of the income eligibility rules were also considered to have widened the pool of potential beneficiaries to take account of the changing circumstances of Irish farming, especially the move towards part-time farming.

(b) Effectiveness of the Scheme

AFCON concluded that the design of the measure was appropriate. However, it noted that the number of actual beneficiaries was relatively small and it was considered inappropriate to draw too many conclusions from the data provided.

(c) Impact of Scheme

In its report, AFCON considered that, whilst there was no clear evidence of impact at that early stage, it was likely that the expected positive impacts of the Scheme would only become apparent in the future. In this context, the high educational status achieved by the young farmers concerned was considered to be critical, with almost 85% of beneficiaries having a Teagasc Certificate in Farming at that stage. AFCON accordingly concluded that these farmers were far more likely to be in a position to improve or maintain the viability of their farms.

3 Financial Implementation.

Installation Aid to Young Farmers	Total CSF	EU Funds	ERDF	ESF	EAGGF	FIFG	Nat. Public	Private
Total Reported Expenditure €m	€17.152	€8.576	€0.000	€0.000	€8.576	€0.000	€8.567	€0.000
Revised OP Forecast	€12.617	€6.308	€0.000	€0.000	€6.308	€0.000	€6.309	€0.000
Total Declared Expenditure as % of Revised Forecast	355.69%	142.30%	0.00%	0.00%	142.30%	0.00%	142.30%	N/A
Total Declared Expenditure	€44.878	€8.976	€0.000	€0.000	€8.976	€0.000	€8.976	€26.927

The level of private expenditure based on the above table is €26,927,110. Please note that in the case of all EAGGF measures the Paying Authority certifies the total community and national expenditure only. Private Expenditure listed is an estimate and is provided on the basis of the grant aid level paid to final beneficiaries.

4. Physical Achievements of the Sub- Measure

	Indicator	Final Target 2000-06	Out-turn at 31/12/08	Out-turn as a % of final target
Output	No. of assisted Young Farmers installed			
Result	Total	+2,200	2,724	124%
Impact	Male		2,493	
	Female		140	
	Joint/co.		91	

	Total area transferred (ha)	+114,000	118,596	104%
	Age profile of all farm holders	60% below 54 years of age	49% below 54 years of age (national average from Compendium of Irish Agriculture Statistics 2008)	81%

As indicated in the table above, the physical targets set for the Scheme were achieved within the period from February 2001 to 31 December 2008. It should be noted, however, that payments continued to be made under the Scheme to applicants after 31 December 2008, although these were paid entirely from national funds. The total area transferred was higher than estimated.

S/E		
Year	No of Payees	Amount Paid
2008	185	€2,174,314.46
2009	119	€1,553,062.40
2010 (end Q2)	25	€ 300,805.82
Total		€4,028,182.68

5. Administration and Management

Financial Management

100% of files subject to a full document check upon receipt of application in On Farm Investment (OFI) Division.

100% of files are subject to a full document check by Agricultural Environmental and Structures (AES) Inspector upon receipt of file in local AES office.

10% of cases are subject to prepayment on-farm compliance inspections by AES Inspectors – half of these are selected at random, half are selected on a risk analysis basis.

10% of files are subject to a prepayment supervisory file check by the Regional Inspector (RI) - these cases are randomly selected.

Payment is recommended to OFI Division by the AES Inspector. 100% of files are then subject to a full documentary desk check in OFI Division by Clerical Officer, Executive Officer and Higher Executive Officer prior to payment.

Grant recipients who are also transferees under the Early Retirement Scheme (ERS) are subject to a randomly selected post-payment compliance file check and on-farm inspection by an AES Inspector other than the officer who recommended payment.

5% of files are randomly selected for a post-payment documentary check by the delegated Managing Authority.

Corrective measures/Irregularities

Claims were adjusted on an on-going basis where ineligible expenditure was discovered by way of audits or checks. As the primary requirements of the Scheme, i.e. the education, income and property requirements had to be completed prior to payment and were subject to verification on a 100% basis by Department staff, there were virtually no cases in which recoupment of the grant-aid from the applicant was required to take place under the Scheme.

However, penalties were applicable in the case of late submission of the relevant application forms to the Department under the Scheme. Where such penalties were applied, they were deducted from the eventual grant payment made to the applicant concerned.

Over the course of the Scheme a number of audits were carried out on the Scheme. The Department of Agriculture, Fisheries and Food's Internal Audit Unit carried out regular audits over the lifetime of the Scheme. The Department's Structural Funds Unit carried out a number checks on at least 5% of EAGGF co-funded expenditure in accordance with Article 10 of Commission Regulation(EC) No. 438/01.

Summary of Irregularities reported over the life of the Programme

No Irregularities reported

Special Reports under Article 5.2 of Commission Regulation (EC) No. 1681/94

No Special Reports were submitted under Article 5.2 of Commission Regulation (EC) No. 1681/94.

Publicity

The Installation Aid Scheme was promoted at Agricultural Shows and at the National Ploughing Championships each year. Press releases were issued to publicise any changes to the Scheme. The contribution of the National Development Plan and the European Union (*the Scheme was co-funded from 6th May 2003*) was acknowledged in all advertisements and documents and the relevant logos were used on posters and stands at the Agricultural Shows.

Compliance with EU Policies:

The revised version of the Scheme introduced in 2002 received EU State Aid approval prior to its introduction.

Technical Assistance

No expenditure was incurred under technical assistance.

Projects

There are no unfinished and non operational projects, suspended projects subject to judicial /administrative proceedings to report.

Compatibility with Horizontal Principles

Equality

The Scheme was open to all farmers, both male and female, as well as those operating jointly owned and managed holdings.

Social Inclusion

The removal of the upper Income Unit Ceiling in 2002 extended the Scheme to a wider group of farmers.

Sub-Measure: 05.03.01.02, Farm Waste Management. Intervention Code 112, 111, 1312, 1309

1. Introduction

The Farm Waste Management Scheme was implemented pursuant to an approved programme under Council Regulation (EC) No 1257/1999 of 17 May 1999 on support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF).

The Scheme objectives were to assist farmers with the capital cost of providing animal housing and storage facilities for silage and agricultural waste in order to;

- a) *reduce the nutrient enrichment of water bodies by minimising nutrient losses from these holdings and, therefore, improve the water quality and natural aquatic environment ;*
- b) *help provide a healthy environment for food production, fish, wildlife and other amenity purposes;*
- c) *make better use of nutrients in farm wastes and reduce the use of chemical fertilisers and hence reduce production costs.*

The Scheme provided grant-aid for facilities for the collection and storage of animal excreta, soiled water and other farmyard manures and related facilities, together with new equipment for the application of same to farmland.

2. Socio-economic and policy environment

The Scheme was first introduced in February 2001 and was then revised in January 2004 to implement the commitments contained in the 2003 *Sustaining Progress* Agreement. The 2004 changes included –

- a) raising the income unit ceiling applicable to applicants from 200 to 450 income units;
- b) raising the standard rate of grant to 40% (except in the case of the purchase of mobile equipment which remained at 20%);
- c) increasing the maximum eligible investment ceiling from €50,790 to €75,000.

The *Sustaining Progress* Agreement also included a commitment that the Department revise the Standard Costs applicable under the Scheme. This was implemented in respect of all approvals issued under the Scheme on and after 13th September 2004.

In March 2006, a further revision of the Scheme was introduced in order to assist farmers meet the additional requirements of the Nitrates Directive. The principal changes to the Scheme included –

- a) the introduction of a standard grant-rate of 60%, with 70% being available in the four Zone C counties;
- b) an increase in the maximum eligible investment ceiling from €75,000 to €120,000 per holding;
- c) the removal of any minimum requirement from farming from the Scheme so that all small farmers could participate in the Scheme;
- d) the extension of the Scheme to include horses, deer, goats, pigs and poultry, and mushroom compost.

Due to the introduction of the revised scheme in March 2006, grant applications under the Scheme increased from 3,075 in 2005 to 48,580 on a National basis in 2006. The revised scheme extended grant-aid to the pig and poultry sectors and the construction of calf housing for the first time. This resulted in more diverse types of farmers being brought into the Scheme.

It also extended grant-aid to (i) earth-lined slurry/effluent stores with protective fencing and/or covers,

(ii) specialised slurry tankers equipped with full-size macerators and trailing shoe attachments with the option of fitted positive displacement pumps/metering systems. The rate of grant for such tankers, which have significant environmental advantages but which are much more expensive than the standard slurry tanker, was also increased to 40% up to a maximum eligible investment ceiling of €40,000 compared to 20% up to a maximum investment ceiling of € 15,000 for a standard tanker.

3. Financial implementation

Farm Waste Management	Total CSF	EU Funds	ERDF	ESF	EAGGF	FIFG	Nat. Public	Private
Total Reported Expenditure €m	€200.138	€35.089	€0.000	€0.000	€35.089	€0.000	€35.089	€129.960
Revised OP Forecast	€186.706	€36.454	€0.000	€0.000	€36.454	€0.000	€36.455	€113.795
Total Declared Expenditure as % of Revised Forecast	95.00%	97.34%	0.00%	0.00%	97.34%	0.00%	97.34%	93.55%
Total Declared Expenditure	€177.438	€35.484	€0.000	€0.000	€35.484	€0.000	€35.484	€106.453

The level of private expenditure based on the above table is €106,452,721. Please note that in the case of all EAGGF measures the Paying Authority certifies the total community and national expenditure only. Private Expenditure listed is an estimate and is provided on the basis of the grant aid level paid to final beneficiaries.

The Scheme did not meet its initial projections due to the fact that it did not commence until 2001 and immediately had to face the effects of the outbreak of Foot and Mouth Disease in the early part of that year.

Interest in the Scheme increased significantly following the revision in 2004 and there were 1,752 applications that year compared with 673 in 2003. The 2006 revision was immensely successful and by the time the Scheme closed for applications on 31st December 2006 a total of 29,662 applications had been received in the region.

4. Physical Achievements of the Sub- Measure

	Indicator	Final Target 2000-06	Out-turn up to 31/12/08	Out-turn as a % of final target
Output	Storage capacity for animal waste grant aided (m3)	1.265	2.025	160%
Result	Livestock housing grant aided (m2)	0.514	1.031	201%
Result	No. of animals housed in grant aided facilities.	240,000	434,307 not including poultry	181%
Impact	**Reduction in nutrient enrichment of water bodies by location			

**This information is not currently being collected. It is planned to capture this information by using the mini-catchment pilots that are being developed by the Department of Agriculture, Fisheries and Food.

The lower than expected uptake of the Scheme from 2001 to 2003 was attributed to the general uncertainty in the farming community in that period due to severe weather conditions, BSE and FMD, coupled with more restrictive income and investment ceilings.

The revised Scheme introduced in March 2006 proved popular with farmers and resulted in a very significant increase in applications; the targets for livestock housing and the number of animals housed were far exceeded as a consequence. The objectives set for the scheme changed dramatically during the course of its operation, most notably in regard to its role in ensuring compliance with the additional requirements of the Nitrates Directive. This is reflected in the massive increase in expenditure which took place under the scheme between 2005-2008.

5. Administration and Management

Financial Management

- Documentation check on 100% of applications by clerical staff followed by an eligibility check by the Supervisory Agricultural Officer (SAO).
- 10% of applications subject to a more detailed check by SAO.
- 5% check (based on risk analysis) carried out by the Regional Inspector.
- 100% of applications subject to a pre-approval farm inspection by the Technical Agricultural Officer (TAO) (except in the case of applications involving mobile equipment only).
- Spot-check of structures surveyed during construction to ensure works in accordance with specifications.
- 100% of completed works subject to prepayment inspection by the TAO.
- The file is then checked by the SAO and recommended for payment by the District Superintendent.
- Payment claims are certified for payment by the On Farm Investment Schemes Division.
- A post payment complete file check carried out by Area Superintendent on a minimum of 10% of files checked by DS/SAO.
- 1% of these files are subject to a farm check.
- 5% of files are randomly selected for a post payment documentary check by the delegated Managing Authority.
- 100% administrative control check carried out by Payment Section, On-Farm Investments Division (OFI) before certifying and forwarding approval to Accounts Division for payment.
- Reconciliation of Divisional Records with Accounts System (SAP) by Central Section, OFI
- Sample checks on documentation on Local Office files by Central Section, OFI

Review

An Expenditure Review of the Farm Waste Management Scheme was published in February 2007, although it was substantially completed prior to that date. Its recommendations included;

Recommendation 1

To increase awareness of the Scheme, explain its terms and conditions and promote participation, the Department should organize as soon as possible a series of regional information events. The farm bodies should be consulted in advance on the format, size and number of events. The farm bodies and agricultural consultants should be involved in the presentation of the events. The events should, if possible, be combined with other similar events organized from time to time by the Department and would have particular merits if held around the time of the introduction of the changes being proposed to the Scheme in the light of the implementation of the Nitrates Action Programme.

Recommendation 2

As a matter of priority, the shortcomings of the design and data population of the Scheme database should be addressed. Ideally, the system should have the capacity to present a range of different views of the data. It should be possible to easily report on Scheme data according to different criteria; for example, by type of facility grant-aided, by age profile of beneficiaries, by disadvantaged area and non-disadvantaged area, by county or region, and so on.

Recommendation 3

The possibility of (i) removing the lower eligibility limit for Income Units should again be raised with the European Commission, and (ii) consideration should be given to inclusion of the pig and poultry sectors, as in the case in many other Member States.

Recommendation 4

Subject to the approval of the European Commission, the amount of expenditure eligible for grant-aid should be assessed on the basis of Standard Costs for all application, without the need to submit proof of payment.

Recommendation 5

Consideration should be given to including calf housing in the list of items eligible for grant-aid.

Recommendation 6

Alternative approaches to managing farm wastes, such as earth-lined stores, should be made eligible for grant-aid when detailed specifications for such facilities have been approved by the relevant authorities for such storage/disposal systems (paragraph 7.20).

Recommendation 7

Consideration should be given to introducing the Pilot Waste Processing Facilities Scheme, provided for in the National Development Plan, following a review of the financial and other conditions placed on such a Scheme by the Plan.

Recommendation 8

Consideration could be given to extending the Scheme to a further list of eligible items which would enable improved slurry spreading techniques to be used on Irish farms.

Recommendation 9

In addition to the performance indicators already used, the following additional outcome/context indicators should also be included in regard to the Scheme:-

- (a) number of fish kills attributed to agriculture reported to the Central Fisheries board;
- (b) level of consumption of chemical fertilizers per annum;
- (c) reduction in the national slurry storage deficit as between existing facilities and the requirements of the Nitrates Action Programme

All of these recommendations were taken into account in the revised version of the Scheme introduced in March 2006.

Recommendation 4 was not implemented. Payments under the Scheme continued to be made on the basis of standard costs or receipts whichever was the lesser.

Corrective measures/Irregularities

Claims adjusted on an on-going basis where ineligible expenditure was discovered by way of Audits or checks. Two irregularities were reported over the course of the Scheme, one of these related to a Planning Permission issue and the second was as a result of an inaccurate statement by the applicant on the application Form.

Summary of Irregularities reported over the life of the Programme

OLAF Reference No.	Total Amount of Irregularity	Amount Recovered or Withdrawn from Claim	Pending Recoveries
IR/02/005/FO/01	€14,951.54	€14,951.54	€0.00
IR/06/001/FO/01	€17,458.65	€17,458.65	€0.00

Special Reports under Article 5.2 of Commission Regulation (EC) No. 1681/94

No Special Reports were submitted under Article 5.2 of Commission Regulation (EC) No. 1681/94.

Audits

Over the course of the Scheme a number of audits were carried out on the Scheme. Independent accreditation and payment audits were carried out by accountancy firm Deloitte and Touche. As well as those, the Department of Agriculture, Fisheries and Food's Internal Audit Unit carried out regular audits over the lifetime of the Scheme. The Department's Structural Funds Unit carried out checks on at least 5% of EAGGF co-funded expenditure in accordance with Article 10 of Commission Regulation (EC) No. 438/01.

Publicity

The Farm Waste Management Scheme was promoted at Agricultural Shows and at the National Ploughing Championships each year. Press releases were issued to publicise any changes to the Scheme. The contribution of the National Development Plan and the European Union was acknowledged in all

advertisements and documents and the relevant logos were used on posters and stands at the Agricultural Shows.

Compliance with EU Policies:

The revised version of the Scheme introduced in March 2006 received EU State Aid approval prior to its introduction.

Technical Assistance

No expenditure was incurred under technical assistance.

Projects

There are no unfinished and non operational projects, suspended projects subject to judicial /administrative proceedings to report.

Compatibility with Horizontal Principles

Environment

Investment in improved facilities was designed to help farmers to better control and prevent the pollution that can result from the storage and disposal of farm waste. Although it cannot be directly linked to the Farm Waste Management Scheme, the number of fish kills attributed to agriculture decreased over the life of the Scheme as can be seen in the table below.

Number of fish kills attributed to agriculture: (figures from Central Fisheries Board)

Year	2001	2002	2003	2004	2005	2006	2007
Total	11	10	10	8	9	7	3

Chemical Fertiliser Usage 2007 and 2008			
	2008	2008	2007
	Fertiliser (tonnes)	Nutrient (tonnes)	<i>Same period previous year Nutrient(tonnes)</i>
Nitrogen (N)			
Straight Fertiliser	584,638	174,891	
Compound Fertiliser (containing N)	618,569	134,069	
TOTAL(N)	1,203,207	308,960	321,588
Phosphorus (P)			
Straight Fertilisers	3,278	464	
Compound Fertilisers (containing P)	501,519	25,886	
TOTAL (P)	504,797	26,350	32,415
Potassium (K)			
Straight Fertilisers	6,659	3,245	
Compound Fertilisers (containing K)	629,771	66,338	
TOTAL (K)	636,430	69,584	84,737
<i>Straight Fertilisers</i>	594,575		529,565
<i>Compound Fertilisers</i>	647,498		800,618
TOTAL FERTILISERS	1,242,073		

Equality

The Scheme was open to all farmers, both male and female, as well as those operating jointly owned and managed holdings. As an additional incentive to young farmers to upgrade the facilities on their farms, the grant rate was increased, where possible, in respect of all investments, except for mobile equipment, for trained farmers under 35 years of age who met the requirements of the Scheme.

Social Inclusion

The raising of the Income Unit ceiling from 200 to 450 income units in 2004 and the removal of the lower income threshold in 2006 extended the Scheme to a wider group of farmers. The latter amendment, in

particular, ensured that all small farmers could participate in the “Nitrates” version of the Scheme introduced in March 2006.

Rural Development

The inclusion of new safety elements on the Scheme has meant that farmers and farm workers can now work in a safer environment. Some of the safety elements included:-

- safety fencing around external slurry and effluent stores
- safety covers on external agitation points or manholes
- safety rails on silo walls
- replacement of single slats by gang slats
- removal of existing internal agitation point and its replacement by a gang slat
- replacement of a hinged door/sheeted gate with a sliding door on animal housing

Sub-Measure: 05.03.01.03, Dairy Hygiene. Intervention Code 112, 111, 1312, 1309

Sub-Measure: Improvement of Dairy Hygiene Standards 2000-2006

1. Introduction

The objectives of the Scheme which was introduced in February 2001, were to assist dairy farmers in upgrading the dairying facilities on their farms, to ensure continued adherence to EU standards and to further improve on-farm dairy hygiene standards to meet consumer hygiene demands. Increasing the level of production of a farm holding was not allowed under the Scheme.

In order to be eligible for the Scheme, as introduced in February 2001, applicants were required to:

- (a) have a minimum of 30 income units but not more than 200 income units. At least 20 of these units had to be generated from farming. A farmer with less than 20 income units from farming could be considered for eligibility provided he/she had at least 20 income units from farming and had access to sufficient other income to support the proposed investment;
- (b) be a land owner or have a leasehold title to lands where the proposed development was to be carried out;
- (c) fulfil the requirements regarding agricultural experience and training as set out in the terms and conditions;
- (d) use the buildings/facilities/equipment for the purpose for which they were grant aided for a minimum of 5 years after date of application. Failure to do this would result in all aid being recouped;
- (e) second-hand materials or equipment were ineligible for grant aid.

The ceiling on the amount of investment eligible for grant aid was €31,743 per holding. Investment costs were calculated in line with Department of Agriculture and Food's standard costings. Receipts were also to be provided in the case of milking machines, refrigerated bulk tanks and milk cooling equipment.

The rates of grant aid payable, as a percentage of approved costs, under the February 2001 version of the Dairy Hygiene Scheme as a percentage of approved costs were as follows:-

Type of Investment	Applicants with not more than 150 income units	Applicants with over 150 income units and not more than 200
Dairy/Milking premises (new or upgraded)/Milk cooling equipment	40%	20%
Milking Machines (new or upgraded)	40% Subject to maximum investment of €10,158	20% Subject to maximum investment of €10,158
Bulk Milk Tank	40% Subject to maximum investment of €10,158	20% Subject to maximum investment of €10,158

In the case of investments made by young farmers under 35 years of age, the grant level could be increased by 15% for those in less favoured areas and by 5% for those in other areas, provided they had commenced farming in the previous five years and had obtained at a minimum the Teagasc Certificate in farming or an equivalent qualification. When the Scheme closed at the end of 2006 a total of 4,567 applications had been received in the S/E Region whereas 1,560 applications had been received in the BMW Region

The Dairy Hygiene Scheme was evaluated as part of the following mid-term evaluations of various EU and national Programmes:

- The Mid-Term Evaluation of the Border, Midland and Western Regional Operational Programme (Fitzpatrick Associates, 2003);
- The Mid-Term Evaluation of the Southern and Eastern Regional Operational Programme (Farrell, Grant, Sparks, 2003);
- The Mid-Term Evaluation of the National Development Plan (NDP) and Community Support Framework (CSF) for Ireland 2000 to 2006 (Economic and Social Research Institute (ESRI) 2003) and
- The Mid-Term Evaluation of the CAP Rural Development Plan 2000-2006 (AFCon consultants, 2003).

The Mid-Term Evaluation of the Southern and Eastern Regional Operational Programme (Farrell, Grant, Sparks, 2003) concluded that one of the flaws of the programme was that there was too much of a time lapse from initial application to payment date, due to the nature of the work, which could lead to failure to meet targets. The ESRI report (2003) gave the view that improvements in dairy hygiene could be achieved by regulation as is the case in other industries. It also stated that there was a significant amount of deadweight in the Scheme and that many eligible recipients of aid were likely to be in a position to undertake the required investment without the targeted intervention. The report recommended the downgrading of on-farm structural measures.

The Mid-Term Evaluation of the CAP Rural Development Plan 2000-2006 (AFCon consultants, 2003) on the other hand concluded that deadweight was not a factor but a “key decision variable” to processors, not only relating to investment but in whether to stay in the industry or not. However the report pointed out that since the Scheme had started, “a medium size dairy farmer has now become a small one”, due to the consolidation in the industry and a greater than expected exit from the industry in the previous five years. As a result, some of the smaller milk producers who were operating on increasingly tighter profit margins might be forced to exit the industry. It recommended that because of this both the income and investment ceilings for the Scheme should be raised. It also pointed out that not grant-aiding the purchase of second hand equipment was a significant flaw, because good quality second hand equipment was available at a price less than the cost of new equipment net of grants and was one of the reasons for slow uptake of the Scheme.

As a result of the above reports and in line with the commitments contained in the Sustaining Progress Agreement 2003, the Dairy Hygiene Scheme was revised and the revised Scheme became effective from 1 January 2004.

It was intended that these amendments would make the grant more accessible to a greater number of dairy farmers and improve the Scheme’s uptake, which had not reached the levels forecast by the end of 2003. A substantial reason for this was due to the uncertainty prevalent in the farming sector in the first three years of the Scheme due to severe weather, coupled with Bovine Spongiform Encephalopathy (BSE) and Foot and Mouth Disease (FMD) and the effects these had on the markets (Fitzpatrick Associates, 2003). AFCon (2003) predicted that there would be no substantial increase in demand for the Scheme until the conclusion of the CAP reform talks, which were ongoing at the time, at which point farmers could then “*assess their individual situations and prospects*”. At least one report pointed to the fact that income and investment ceilings for the Scheme had been initially too low. A summary of the grants available under the 2004 version of the Scheme is set out below:-

Type of Investment	Applicants with not more than 450 income units	Eligible for additional investment for qualified young farmers
Dairy/Milking premises Based on approved standard costs or receipts whichever is the lesser	40%	Yes 15% in less favoured areas and 5% in other areas
Milking Machines Equipment Based solely on receipts	40% Subject to maximum investment of €16,000 for the duration of the Scheme (i.e. from 1 Feb 2001)	Yes 15% in less favoured areas and 5% in other areas
Milk Cooling, refrigeration, storage and other equipment Based solely on receipts	40% Subject to maximum investment of €16,000 for the duration of the Scheme (i.e. from 1 Feb 2001)	No

2. Socio-economic and policy environment

A revised Scheme, which implemented the commitments contained in the 2003 “Sustaining Progress” agreement, came into force on 1st January 2004 following receipt of EU approval. The main changes included –

- raising the income unit ceiling applicable to farmer applicants from 200 to 450 income units;

- (b) raising the standard rate of grant to 40% in all cases;
- (c) increasing the maximum eligible investment ceiling from €31,743 to €50,000.

The Irish Dairy Processing Sector

The Irish Dairy processing sector is a significant contributor to the Irish economy. It employed over 25,000 farmers at the start of the Dairy Hygiene Scheme in 2001 and nearly 22,000 farmers at the end of the Scheme in 2006. While latest trends at farm level point to a decline in dairy farm numbers of 3% per annum from 1997 to 2007, the industry still accounted for 27% of agricultural output, producing 5.35 million tones of milk per annum and exporting goods in excess of €2 billion per annum. In addition to farmers, the sector employs up to 9,000 people in the processing industry and 4,500 people in support and ancillary services. Almost 85% of Irish dairy products are exported annually, accounting for a quarter of all food exports from Ireland.

Overall there is a pronounced North/West versus South/East distinction in terms of the economic size units of Irish farms.

Average family farm incomes were substantially lower than the nation average in the Border and West Regions in particular, while the Midlands region is slightly above average. There is quite an amount of variability in Family Farm Income between the Border Region and the South -East. It is also notable that the level of direct payments exceeds family farm income in both the Border and West regions. In many cases the areas with the lowest family farm incomes are also those in which alternative or supplementary income opportunities are most limited raising the need for a greater emphasis on regional and social cohesion in agri-rural policy.

3. Financial Implementation

Improvement in Dairy Hygiene Standards	Total CSF	EU Funds	ERDF	ESF	EAGGF	FIFG	Nat. Public	Private
Total Reported Expenditure €m	€58.478	€8.204	€0.000	€0.000	€8.204	€0.000	€8.204	€42.070
Revised OP Forecast	€40.826	€7.844	€0.000	€0.000	€7.844	€0.000	€7.845	€25.138
Total Declared Expenditure as % of Revised Forecast	131.73%	137.12%	0.00%	0.00%	137.12%	0.00%	137.12%	128.37%
Total Declared Expenditure	€53.782	€10.756	€0.000	€0.000	€10.756	€0.000	€10.756	€32.269

The level of private expenditure based on the above table is €32,268,779. Please note that in the case of all EAGGF measures the Paying Authority certifies the total community and national expenditure only. Private Expenditure listed is an estimate and is provided on the basis of the grant aid level paid to final beneficiaries.

The 2004 revised Scheme proved popular with farmers and the number of applications received in 2004 (1,093) was 245% higher than that received in 2003 (see table below for yearly breakdown). When the Scheme closed at the end of 2006 a total of 4,567 applications had been received in the Region.

4. Physical Achievements of the Measure

It is clear from the above figures that the revision of the Scheme in January 2004 resulted in a significant increase in applications from 2004 onwards. The notable drop in applications for 2003 was probably due to some dairy farmers, who were aware of a commitment to improve the Scheme in *Sustaining Progress*, delaying their applications until the revised Scheme came in to effect. The lower than expected uptake of the Scheme from 2001 to 2003 was attributed to the general uncertainty in the farming community in that period due to severe weather conditions, BSE and FMD, coupled with more restrictive income and investment ceilings. The reason there were more approvals than applications in 2003 is due to the fact that there was a carryover of applications for approval from the previous year.

According to Department of Agriculture and Food figures, there were 21,871 milk producers in Ireland in 2006, so that the 4,998 applications which were approved during the life of the Dairy Hygiene Scheme account for almost 23% of producers in Ireland. This represents a considerable uptake of the Scheme, especially as not all of the milk producers in Ireland would have been eligible due to the income limit. It was not possible to determine the number of dairy farmers who would have been eligible to apply for the revised Scheme. This is

because the Income Unit (IU) limits under the Dairy Hygiene Scheme included both on and off-farm income and the data for the latter is not obtainable by this Department. The only possibility would be the use of quota figures for the time but that would be quite inaccurate due to the failure to capture the effect of other farm enterprises or of off-farm income.

	<i>Indicator</i>	<i>Final Target 2000-06</i>	<i>Out-turn to 31/12/08</i>	<i>Out-turn as a % of final target</i>
Output	No. of assisted farmers constructing new dairies	750	1,071	143%
Output	No. of assisted farmers upgrading existing dairies	375	1,116	298%
Output	No. of assisted farmers constructing new milking premises	1,125	606	54%
Output	No. of assisted farmers upgrading existing milking premises	250	576	230%
Impact	Average family farm income from dairying (€/year).	36,500	€36,975 (Teagasc National Farm Survey, 2006)	

It should be noted that the target indicators as set out in the table above were based on phase one of the Scheme, which was primarily aimed at smaller dairy farmers with 150 income units or less. The indicators for the S&E region show that targets have been exceeded in all areas except one, the number of assisted farmers constructing new milking premises. In the latter case only 54% of the targeted number of farmers availed of the Scheme to construct new milking premises. However, this figure is balanced by the fact that the targeted number of assisted farmers upgrading existing milking premises was exceeded by 130%.

5. Administration and Management

Financial Management

Documentation check on 100% of applications by clerical staff followed by an eligibility check by the Supervisory Agricultural Officer (SAO).

10% of applications subject to a more detailed check by SAO.

5% check (based on risk analysis) carried out by the Regional Inspector.

100% of applications subject to a pre-approval farm inspection by the Technical Agricultural Officer (TAO) (except in the case of applications involving mobile equipment only).

Spot-check of structures surveyed during construction to ensure works in accordance with specifications.

100% of completed works subject to prepayment inspection by the TAO.

The file is then checked by the SAO and recommended for payment by the District Superintendent.

Payment claims are certified for payment by the On Farm Investment Schemes Division.

A post payment complete file check carried out by Area Superintendent on a minimum of 10% of files checked by DS/SAO.

1% of these files are subject to a farm check.

5% of files are randomly selected for a post payment documentary check by the delegated Managing Authority.

100% administrative control check carried out by Payment Section, On-Farm Investments Division (OFI) before certifying and forwarding approval to Accounts Division for payment.

Reconciliation of Divisional Records with Accounts System (SAP) by Central Section, OFI

Sample checks on documentation on Local Office files by Central Section, OFI

Review

An Expenditure Review of the Improvement of Dairy Hygiene Standards Scheme was published in 2008.

Findings and Recommendations of Expenditure Review

The Scheme objectives were examined by this review and found to be compatible with contemporaneous policy. They were also considered to be valid given the ever-increasing quality and efficiency standards imposed on producers by the dairy industry and consumers. The exclusion of grant aid to dairy farmers who wished to increase production was queried by the review and a recommendation was made to examine this;

Recommendation No. 1:

Given the most likely scenario that milk quotas will be abolished within the next decade and that Irish dairy farmers will in all likelihood have to expand in order to survive, it is recommended that the rule preventing dairy producers from receiving grant aid for increasing production be re-examined. It is acknowledged that this restriction is currently an EU requirement.

The Farm Improvement Scheme, which was introduced in July 2007 did not have any clause restricting an increase in production due to the receipt of grant aid. In order to avoid overlap between the Dairy Hygiene Scheme objectives and other Schemes it was also recommended that.

Recommendation No. 2:

All On Farm Improvement Programmes be covered under an umbrella On Farm Improvement Programme.

Grant-aid for dairy structures and equipment was included in the Farm Improvement Scheme which was introduced in July 2007.

Scheme efficiency and effectiveness

The Scheme was shown to be effective. Almost 23% of all dairy producers in Ireland took part in the Dairy Hygiene Scheme between 2001 to 2006. This is quite a significant proportion especially given that not all dairy farmers were eligible for the Scheme due to an upper income threshold. Only 18% of forecast expenditure as predicted by the NDP 2000-2006 was spent on the Scheme by the end of 2006. However payments are due to continue for a number of years and it is anticipated that up to 35% of forecast expenditure as predicted by the OP will have been spent on the Scheme. The farming organizations were in general complimentary of the Scheme and were anxious that it be continued for another budgetary period, but with increased income and grant aid thresholds.

High inspection costs gave rise to the following recommendation:

Recommendation No.3:

In order to reduce staff costs, it is recommended that reductions in the numbers of inspections be explored, in line with the Scheme regulations and based on appropriate risk criteria. It is further recommended that the possibility of obtaining economies of scale by combining this Scheme with other farm improvement Schemes should be investigated.

It is to be noted that with effect from July 2007, grants for investments in relation to dairy hygiene are included in a general Farm Improvement Scheme. Also the number of pre-approval inspections for this new Scheme have been significantly reduced

The Scheme was also found to have been delivered in an effective way in terms of quality of service. However it was recommended that:

Recommendation No. 4:

The possibility of publishing a helpsheet to accompany the Scheme application form and terms and condition be examined in relation to any future Dairy Hygiene Scheme.

When the Farm Improvement Scheme commenced in July 2007 it was decided that a helpsheet was not necessary as the applicant was obliged to have a qualified Agricultural Advisor countersign the application form.

A shortage of effectiveness indicators was highlighted and it was recommended that:

Recommendation No. 5:

In any future iterations of the Dairy Hygiene Scheme, an appropriate Management Information System (MIS) be established to better measure its effectiveness. This can be done in the form of perhaps an annual survey to gather data in relation to milk quality, labour efficiency etc. However the exact nature of the data collection system can be decided by the managers responsible for the MIS.

Milk quality results from 56 randomly selected participants of the Scheme suggested that the Scheme was of more value to dairy farmers in ensuring the maintenance of milk quality of a high standard, rather than improving milk quality and in improving labour efficiency and increasing milk storage capacity. However it was recognized that there were other factors underpinning why farmers would join the Dairy Hygiene Scheme.

Recommendation No. 6:

This review recommends that the issue of deadweight in the Dairy Hygiene Scheme should be kept under review

The Department examined the issue of deadweight in the Scheme i.e. the portion of the increased output that would have happened irrespective of the Scheme. The outcome of this examination found that 36% of dairy farmers who responded to the questionnaire could not have funded the investment in their dairy farms to remain producing milk without the Dairy Hygiene Scheme. A further 45% would have carried out the same work as they did under the Scheme but not to the same standard and 19% said they would have carried out the same work but to the same standard. This examination highlighted that 81% of farmers would not have carried out the work on their farms to the same standard as they were able to under the Dairy Hygiene Scheme.

Corrective measures/Irregularities

Claims adjusted on an on-going basis where ineligible expenditure was discovered by way of audits or checks. Article 10 findings were in respect of issues such as incorrect invoices and incorrect calculation of income units. The carrying out of 100% on the spot inspections greatly reduced the occurrence of irregularities under the Scheme. However two irregularities, (one relating to a Planning Permission issue and the second covering the use of second-hand equipment) were reported over the course of the Scheme.

Summary of Irregularities reported over the life of the Programme

OLAF Reference No.	Total Amount of Irregularity	Amount Recovered or Withdrawn from Claim	Pending Recoveries
IR/06/001/FO/01	€6,779.71	€6,779.71	€0.00
IR/03/011/FO/02	€57,440.00**	€57,440.00**	€0.00

**€55,408.00 of this figure refers to S/E Region

Special Reports under Article 5.2 of Commission Regulation (EC) No. 1681/94

No Special Reports were submitted under Article 5.2 of Commission Regulation (EC) No. 1681/94.

Publicity

The Dairy Hygiene Scheme was promoted at Agricultural Shows and at the National Ploughing Championships each year. Press releases were issued to publicise any changes to the Scheme. The contribution of the National Development Plan and the European Union was acknowledged in all advertisements and documents and the relevant logos were used on posters and stands at the Agricultural Shows.

Compliance with EU Policies:

The revised version of the Scheme introduced in 2004 received EU state approval prior to its introduction.

Technical Assistance

No expenditure was incurred under technical assistance.

Projects

There are no unfinished and non operational projects, suspended projects subject to judicial/administrative proceedings to report.

Compatibility with Horizontal Principles

Environment

The 2004 revised Scheme also included new investment items such as:-

Dairy

- provision of a concrete apron outside main door not exceeding 20 square metres.
- provision of a plumbed-in supply of cold water
- Water heater
- Provision of hand washing facilities

Milk Premises

- Installation of water treatment and heating equipment where necessary
- Submersible pump

- Auto-washers

In addition facilities for disposal of dairy washings and effluents from parlour and assembly yards were included in the Scheme and the construction of a storage facility to a maximum capacity of 50 cubic metres was included as a grant aided item. This ensured that adequate environmental measures could be included in all cases where upgrading or construction of new milking parlours was involved.

Milk Machine equipment

Vacuum motor

Pipe line alternations, where necessary

Cluster removers including claw pieces and shells

Recording jars

Milk Meters

Teat washing equipment

Milk Cooling, Refrigeration, Storage and other equipment

Milk Silo

Refrigerated bulk milk tank

Cooling equipment for existing tank

Plate cooler

Equality

The Scheme was open to farmers, both male and female, as well as those operating jointly owned and managed holdings, subject to compliance with the eligibility requirements of the Scheme. As an additional incentive to young farmers to upgrade the facilities on their farms, the grant rate was increased, where possible, in respect of all investments, except for Milk Cooling, Refrigeration, Storage and Other Equipment, for trained farmers under 35 years of age who met the requirements of the Scheme.

Social Inclusion

The raising of the Income Unit ceiling from 200 to 450 income units in 2004 extended the Scheme to a wider group of farmers.

Rural Development

The Scheme enabled the generation of employment through the construction or upgrading of facilities. Better and safer working conditions could also be provided by farmers availing of the Scheme.

6.3 Measure: General Rural Development (Agriculture and Rural Development Priority)

Sub-Measure: 05.03.03.01, Area Rural Development Initiatives Sub-Measure. Intervention Code 1307 & 1309

1. Introduction

The Area Based Rural Development Initiative²¹ (ABRDI), operatively known as the National Rural Development Programme (NRDP), formed part of the Regional Operational Programmes under the National Development Plan 2000-2006. The Programme, with a public contribution of some €75.7 million, complemented the LEADER+ Programme and ensured the availability of funding in the 13 areas that were not appointed to deliver the LEADER+ Programme.

Both Irish and EU policy seeks to build vibrant rural economies where enterprise is encouraged and the simultaneous protection of the environment. Furthermore, its aim is to improve the standard of living of rural dwellers, thus creating sustainable rural communities that are attractive places to live and work.

The primary challenge for National rural development policy was to improve the balance of economic and social conditions between urban and rural communities using a range of mechanisms, while safeguarding the rural heritage and protecting the environment. The integration of people in rural communities, and especially people leaving the agricultural sector, into the wider economy without geographical displacement, was a central goal of National rural development.

The ABRDI programme was designed to involve the bottom-up policy of development, in keeping with the inherent characteristics of LEADER, and the delivery of locally-based, integrated, high-quality, innovative and sustainable rural development strategies which would serve to bring about improvements in the socio-economic status of rural areas, which would bring about future development of the locally-based developmental capacity of rural operators and communities.

It was anticipated that the ABRDI Programme would enhance the positive actions and experiences of both LEADER I and LEADER II, along with complementing the rural development measures included in the NDP 2000-2006 under the Operational Programmes for Economic and Social Infrastructure, Employment and Human Resources, Productive Investments, the Regions, the PEACE Programme and Common Agricultural Policy Accompanying Measures.

Funding for Agri/Rural Tourism was provided from this Programme on a nation-wide basis. In addition, collective bodies (such as Muintir na Tire) that are not eligible under LEADER+ receive assistance under this programme.

Funding was available for a variety of development projects, primarily relating to rural/agri-tourism, under the terms of Council Regulation 1257/1999 on Support for Rural Development. The Intermediate body for the sub-measure was the Department of Community, Rural and Gaeltacht Affairs.

Local Action Groups (LAG's)

The ABRDI sub-measure was launched in November 2001 following the appointment of 35 Local Action Groups (LAG's) and 3 collective bodies throughout the country to deliver it. Such Groups were required to be legally constituted structures, based on a tripartite partnership involving:

- representatives of local community organizations and/or development associations;
- state agencies and local authority representatives (a requirement of the Report of the Task Force on the Integration of Local Government and Local Development Systems); and
- private sector business interests

²¹ Please note that the Irish Government transferred responsibility for ABRDI from the Department of Agriculture, Food and Rural Development (DAFRD) to the Department of Community, Rural and Gaeltacht Affairs (DCRGA) in June 2002.

The Department of Agriculture, Food and Rural Development then became the Department of Agriculture and Food, retaining its function as the Paying Authority for ABRDI and is now known as the Department of Agriculture, Fisheries and Food (DAFF). References to Department of Agriculture, Food and Rural Development (DAFRD) encountered within this report should be understood to refer to Department of Agriculture, Fisheries and Food (DAFF).

The Department of Community, Rural and Gaeltacht Affairs became the Department of Community, Equality and Gaeltacht Affairs on 2nd June 2010, and this will be the name used in reference to the Implementing Body in this report.

In order to facilitate co-ordination between ABRDI and other development initiatives, the LAG boards included representatives of the County Enterprise Boards and where applicable, representatives of the bodies delivering the Local Development Measures under the Social Inclusion Sub-programme under the National Development Plan. As with LEADER II, local action groups were required to target a minimum of 40% female board representation over the programme period.

Subject to the terms of LEADER + and of this Programme, LAG's were given overall decision-making authority in relation to the management and administration of their local business plans in defined geographic areas of population of generally between 10,000 and 100,000 people. They consequently operated at a localised scale where it was possible to identify and exploit a broad range of local development opportunities.

The following list shows the Groups involved in delivery of the sub-measure in the region and the geographical areas they cover:

- ☐ Ballyhoura Development – Parts of Cos. Limerick and Cork
- ☐ Barrow Nore Suir Rural Development – Co. Kilkenny and part of Co. Tipperary
- ☐ Blackwater Region LEADER Co. – Blackwater Region and Mallow, Co. Cork
- ☐ Carlow LEADER – Co. Carlow
- ☐ Comhdhail Oileáin na hÉireann – Offshore islands
- ☐ East Cork Area Development – East from Glanmire
- ☐ IRD Duhallow – Kanturk and Millstreet, Co. Cork and part of Kerry
- ☐ Kildare LEADER – Co. Kildare
- ☐ Meath Community Partnership – Co. Meath
- ☐ Meitheal Forbartha na Gaeltacht – Gaeltacht
- ☐ Rural Dublin LEADER – Co. Dublin
- ☐ Rural Resource Development – Co. Clare
- ☐ South Kerry Development Partnership – South Kerry
- ☐ Tipperary LEADER – Most of Co. Tipperary and part of North East Limerick
- ☐ Tuatha Chiarraí – Parts of Co. Kerry outside Gaeltacht and South Kerry
- ☐ Waterford LEADER – Co. Waterford
- ☐ West Cork LEADER – West Cork to Kinsale, Lee Valley and Owenabue Valley
- ☐ West Limerick Resources – West Limerick
- ☐ Wexford Organisation for Rural Development – Co. Wexford
- ☐ Wicklow Rural Partnership – Co. Wicklow

National Bodies

- ☐ Irish Country Holidays
- ☐ Irish Farmhouse Holidays
- ☐ Muintir na Tíre

Programme Budget

The Final Composite Financial Plan for the S&E Region was €46,300,463.38

The Final Programme Complement approved a fund of €22,357,232

The Final Community Commitment for the S&E element of the ABRDI was €11,178,616

Total Claims submitted to the EC amounted to €26,699,287.

The following table shows the S&E Final Funding Allocation provided for the overall ABRDI sub measure. This table represent funding allocated to each Local Action Group within the region, in respect of all Measures, including those not co-funded by the EC.

Final Allocation S&E

LAG	€
Ballyhoura Development	€1,411,720.00
Blackwater Resource Development	€1,173,040.00
Barrow Nore Suir Rural Development	€1,726,480.00
Carlow	€2,569,250.00
Comhdhail Oileáin na hÉireann	€2,595,000.00
IRD Duhallow	€1,184,360.00
East Cork Area Development	€3,141,000.00
Kildare European LEADER Teo	€1,407,600.00
Meath Community Partnership Co.	€4,607,000.00
MFG	€3,985,000.00
Rural Dublin LEADER Company	€693,360.00

Rural Resource Development	€4,710,000.00
South Kerry Dev. Partnership	€1,166,360.00
Tipperary LEADER Group Ltd.	€1,448,240.00
Tuatha Chiarraí	€4,110,533.38
Waterford Development Partnership	€1,225,200.00
West Cork Co-op Society	€1,605,600.00
West Limerick Resources	€3,181,000.00
Wexford Org. for Rural Dev.	€1,553,000.00
Wexford Org. for Rural Dev.	€1,553,000.00
Wicklow Rural Partnership	€1,403,720.00
Irish Country Holidays	€444,000.00
Irish Farmhouse Holidays	€642,000.00
Muintir na Tíre	€317,000.00
Total - S&E Region	€46,300,463.38

Rates of Aid

Nature of Grant Aid	Up to 50% for general projects Up to 70% for community projects Up to 30% for accommodation Up to 100% for training projects Up to 80% for technical support projects Add up to a further 10% for island based projects, (excluding training projects)
EU Funding Element	50%

2. Socio-economic and policy environment

Demography

The key demographic Profile of the S&E Region is set out in the following table.

	State	S&E Region
Population (000s) % Total	3,626	73%
Area (Sq KM) % Total	68,895	53%
Urban : Rural	58% : 42%	68% : 32%
Pop Density (per Sq Km)	53	73
Major Urban Centres	5	4
Towns over 10,000	23	16
Towns (5,000 - 10,000)	26	18
<i>Source: CSO 1996</i>		

The S&E Region, comprising 73% of the population, is characterised by a predominantly urban population concentrated in a relatively small number of centres. The settlement density of the region has an average of 73 persons per square kilometre, well above the national average of 53 p/Km². These figures mask the considerable variations in population spread within the S&E Region. 71% of the Region's inhabitants live in towns with a population of over 1,500.

The 1996 Census data showed that some 58% of Ireland's population lived in combined towns and suburbs of more than 1,500 inhabitants; with the remaining 42% living in small villages and in the open countryside. When County Dublin is excluded, 58% of the national population lived in rural areas (based on the census definition of 'rural'). Population density in Ireland was amongst the lowest in Europe, with 52 persons per square kilometer in 1996, compared to an EU average of 115.

The overall rural population, as defined by the Central Statistics Office (CSO), had been relatively stable at around 1.5 million for some time and had shown an increase in the inter-censal period, 1991-96. Despite some measure of population growth at regional level, the increase in the rural population had not been uniform across all rural districts. Significant population growth had been confined to the greater Dublin region and to the larger urban centres. In the years between 1991 and 1996, the rural population increased by a total of 7%, while the urban population increased by 36%.

Population density analyses identified the key influence of urbanisation on settlement patterns reported by the

National Economic and Social Council in “Population Distribution and Economic Development; Trends and Policy Implications” (1997). The Report found that counties with strong urban centres retained population whereas those with the lowest urbanisation rates experienced large and persistent population decline. In addition to identifying an evolving settlement pattern from rural to urban and from West to East, the Report found that an increasing number of areas were becoming closely associated with Dublin or one of the other major urban centres. Unfortunately, certain counties and parts of counties had clearly fallen outside of the influence of such centres and continued to lose population. These areas had unfavourable age structures, failed to gain access to an adequate share of new investment and frequently experienced extreme forms of marginalisation. Rural areas also had a higher than average dependency levels particularly in the western and border counties (BMW Region) where those in the over 65 years category comprised an extremely high proportion of the population.

A combination of a high dependence on agriculture, the lack of a diversified employment base to sustain or generate off farm income and employment opportunities, and the outward migration of those with higher levels of education had served to undermine the economic structure of many rural areas. The depletion of educated, dynamic and ambitious young people indicated a deficit in the fundamental entrepreneurial resource, causing a notable impact on the morale of the community as well as the social and cultural quality of life. An imbalance in the population structure in the form of a high dependency ratio also eroded the capacity of the community to act collectively on its own behalf and contributed to increased marginalisation with the rural communities.

The reduced rural population, along with the additional cost of service delivery in such an environment, also significantly contributed to the high cost of service delivery to such areas and had served to weaken the investment potential for private sector economic development.

Economic Context

Over the last decade, Ireland experienced a period of outstanding economic growth. Between 1995 and 2000, the average growth rate was 9.5%. Since 2000 the growth rates eased and were maintained between 4-6% up to 2007, still significantly higher than the average EU 15. The growth in the Irish economy is reflected in the year on year increases in national GDP (see table 1 overleaf). On a per capita basis this growth was second only to Luxembourg and on the basis of purchasing power reflects a level of economic activity, which at 2007 was almost 40% above the EU average.²² During this time, Ireland also experienced significant population growth with the population increasing by 17.2% to almost 4.34 million people in the period 1998-2007, the highest rate of increase in EU was 27%. The 2002-2006 period witnessed record population growth with the annual increase amounting to 79,000. While a significant proportion can be attributed to natural increase of on average of 30,000 per annum, this period also saw a huge level of inward migration, which averaged about 46,000 per annum.

The total number of persons employed in 2007 was in excess of 2.2 million and accounted for 63.7% of all persons aged 15 years and over. This represents an increase of over 360,000 in the five years since 2002. The increased population of working age, primarily attributable to strong net inward migration, coupled with higher female participation rates has contributed to the high labour force over this period. Ireland’s female labour force participation rate reached 54.1% in 2007 compared with around 45.9% in 1999²³

Unemployment rates over the 10-year period to 2007 reduced from 14% to 4%²⁴ and the total numbers in employment rose steadily reaching 1,721.9 million in 2001, 2,101.6 million in 2007 and 2,108.5 million by mid 2008.

The context in which Local Action Groups were working was influenced by both national and international policy developments during the programming period. This included the establishment of the Department of Community, Rural and Gaeltacht Affairs coupled with the movement of LEADER+ and ABRDI responsibility to it from the Department of Agriculture.

The publication of the National Spatial Strategy, a national planning framework that aims to achieve better balance of social, economic and physical development across Ireland. Significant work was also carried out on the continued move towards the closer integration of local development and local Government Structures and processes.

²² Ireland: Economic Profile; Enterprise Ireland, June 2007: <http://www.enterprise-ireland.com/SourceIreland/Ireland/Economy.htm>

²³ Statistical Yearbook of Ireland 2008, Central Statistics Office,
http://www.cso.ie/releasespublications/statistical_yearbook_ireland_2008.htm

²⁴ CSO Employment and Unemployment Figures

Table 1: GDP/GNP Growth over Programme Period

ANNUAL CHANGE IN GDP AND GNP AT CONSTANT PRICES 2000-2006		
	Percentage change in GDP	Percentage change in GNP
2000	9.2	9.5
2001	6.2	3.9
2002	6.1	2.7
2003	4.4	5.1
2004	4.5	4.0
2005	5.5	5.3
2006	5.7	6.5
2007	6.0	4.1
2008	-3.0	-2.8

Employment

Over the period (2000-2005) regional employment growth was highest in the midlands, border and west regions, and lowest in Dublin city and the mid-west. The regions showing the most significant falls in unemployment were the border, midlands and west, while in Dublin city, the mid west, the south east and the south west, 2005 unemployment rates were marginally higher than 2000 rates.

The total number of persons employed in 2007 was in excess of 2.2 million and accounted for 63.7% of all persons aged 15 years and over. This represents an increase of over 360,000 in the five years since 2002. The increased population of working age, primarily attributable to strong net inward migration, coupled with higher female participation rates has contributed to the high labour force over this period. Ireland's female labour force participation rate reached 54.1% in 2007 compared with around 45.9% in 1999²⁵

Unemployment rates over the 10-year period to 2007 reduced from 14% to 4%²⁶ and the total numbers in employment rose steadily reaching 1,721.9 million in 2001, 2,101.6 million in 2007 and 2,108.5 million by mid 2008.

Operational Context

The context in which Local Action Groups were working was influenced by both national and international policy developments during the programming period. This included the establishment of the Department of Community, Rural and Gaeltacht Affairs coupled with the movement of LEADER+ and ABRDI responsibility to it from the Department of Agriculture.

The publication of the National Spatial Strategy, a national planning framework that aims to achieve better balance of social, economic and physical development across Ireland. Significant work was also carried out on the continued move towards the closer integration of local development and local Government Structures and processes.

3. Financial Implementation

Programme Complement

The Final Revised Commitment for the S&E element of the ABRDI was €22,357,232.

EAGGF Commitment table

	Total CSF	EU Funds	National Public
Commitment	€22,357,232	€11,178,616	€11,178,616

Expenditure

The slowdown in the amount of spend is indicative of the slowdown in expenditure as the Programme moved towards closure. The Local Action Groups committed all funds available under the sub-measure by the end of 2006. The final date for expenditure by the Local Action Groups under the measure was 31st March 2008.

Expenditure Report for the Sub-Measure

²⁵ Statistical Yearbook of Ireland 2008, Central Statistics Office,
http://www.cso.ie/releasespublications/statistical_yearbook_ireland_2008.htm

²⁶ CSO Employment and Unemployment Figures

The level of private expenditure based on the above table is €22,560,897. Please note that in the case of all EAGGF measures the Paying Authority certifies the total community and national expenditure only. Private Expenditure listed is an estimate and is provided on the basis of the grant aid level paid to final beneficiaries.

Total eligible expenditure on the measure to the end of the Programme was €26.7m, which represents 119.4 per cent of the original CSF forecast.

Area Rural Development Initiatives	Total CSF	EU Funds	ERDF	ESF	EAGGF	FIFG	Nat. Public	Private
Total Reported Expenditure €m	€27.421	€13.384	€0.000	€0.000	€13.384	€0.000	€14.037	€0.000
Revised OP Forecast	€37.262	€11.179	€0.000	€0.000	€11.179	€0.000	€11.178	€14.906
Total Declared Expenditure as % of Revised Forecast	71.65%	119.42%	0.00%	0.00%	119.42%	0.00%	119.42%	151.36%
Total Declared Expenditure	€49.261	€13.350	€0.000	€0.000	€13.350	€0.000	€13.350	€22.561

Eligible Expenditure by LAG

LAG	<i>Certified Expenditure</i>
Ballyhoura Development	€ 877,202.48
Blackwater Resource Development	€ 1,109,853.38
Barrow Nore Suir Rural Development	€ 783,113.92
Carlow	€ 830,135.32
Comhdhail Oileáin na hEireann	€ 362,905.99
IRD Duhallow	€ 782,565.67
East Cork Area Development	€ 1,807,286.42
Kildare European LEADER Teo	€ 778,517.85
Meath Community Partnership Co.	€ 2,973,156.24
MFG	€ 954,342.77
Rural Dublin LEADER Company	€ 439,120.46
Rural Resource Development	€ 3,750,221.84
South Kerry Dev. Partnership	€ 730,349.66
Tipperary LEADER Group Ltd.	€ 985,518.38
Tuatha Chiarraí	€ 2,872,908.99
Waterford Development Partnership	€ 706,804.08
West Cork Co-op Society	€ 1,171,768.75
West Limerick Resources	€ 2,290,653.27
Wexford Org. for Rural Dev.	€ 1,018,246.99
Wicklow Rural Partnership	€ 1,000,768.50
Irish Country Holidays	€ 90,979.71
Irish Farmhouse Holidays	€ 326,427.00
Muintir na Tíre	€ 56,439.78
Overall Total - S&E Region	€ 26,699,287.49

Table of Community and National Contributions

	Total	Community Contribution	National Contribution
LAG	€	€	€
Total Ballyhoura	€877,202.48	€438,601.24	€438,601.24
Total Barrow Nore Suir	€1,109,853.38	€554,926.69	€554,926.69

Total Blackwater Resource Development	€783,113.92	€391,556.96	€391,556.96
Total Carlow	€830,135.32	€415,067.66	€415,067.66
Total Comhdhail Oileáin na hEireann	€362,905.99	€181,453.00	€181,453.00
Total Duhallow	€782,565.67	€391,282.84	€391,282.84
Total East Cork Area Development	€1,807,286.42	€903,643.21	€903,643.21
Total Kildare European Leader Teo	€778,517.85	€389,258.93	€389,258.93
Total Meath Leader	€2,973,156.24	€1,486,578.12	€1,486,578.12
Total MFG	€954,342.77	€477,171.39	€477,171.39
Total Rural Dublin	€439,120.46	€219,560.23	€219,560.23
Total Rural Resource Development Ltd.	€3,750,221.84	€1,875,110.92	€1,875,110.92
Total South Kerry Development Partnership	€730,349.66	€365,174.83	€365,174.83
Total Tipperary	€985,518.38	€492,759.19	€492,759.19
Total Tuatha Chiarraí Teo	€2,872,908.99	€1,436,454.50	€1,436,454.50
Total Waterford Leader Partnership Ltd.	€706,804.08	€353,402.04	€353,402.04
Total West Cork	€1,171,768.75	€585,884.38	€585,884.38
Total West Limerick	€2,290,653.27	€1,145,326.64	€1,145,326.64
Total Wexford Org. for Rural Development	€1,018,246.99	€509,123.50	€509,123.50
Total Wicklow Rural Partnership Ltd.	€1,000,768.50	€500,384.25	€500,384.25
Irish Country Holidays	€90,979.71	€45,489.86	€45,489.86
Irish Farmhouse Holidays	€326,427.00	€163,213.50	€163,213.50
Total Carlow	€830,135.32	€415,067.66	€415,067.66
Total Comhdhail Oileáin na hEireann	€362,905.99	€181,453.00	€181,453.00
Total Duhallow	€782,565.67	€391,282.84	€391,282.84
Total East Cork Area Development	€1,807,286.42	€903,643.21	€903,643.21
Total Kildare European Leader Teo	€778,517.85	€389,258.93	€389,258.93
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Total Wicklow Rural Partnership Ltd.	€1,000,768.50	€500,384.25	€500,384.25
Irish Country Holidays	€90,979.71	€45,489.86	€45,489.86
Irish Farmhouse Holidays	€326,427.00	€163,213.50	€163,213.50
Muintir na Tíre	€56,439.78	€28,219.89	€28,219.89
Total	€26,699,287.49	€13,349,643.75	€13,349,643.75

4. Physical Achievements of the Sub-Measure

Outcomes versus measure's objectives and targets

The primary aim of the initial Performance Indicators was to collate and evaluate the outputs of the efficacy of the ABRDI measure. The initial Indicator Table required a quite limited number of indicators, as shown in the following table.

Table of Initial Performance Indicators

Indicator	Class	Base-line (Total 1994-1999)	Mid-Term	Target (Total 2000-2006)
Number of new enterprises established	Output	0	169	338
Number of full-time equivalent jobs created	Result	0	225	450

The Mid-Term Evaluation (MTE) of the S&E OP included a review of the Performance Indicators. The Report also recommended that consideration be given to the development of an impact indicator. A revised

Performance Indicator template was created with provision for the number of jobs sustained by reference to the number of new jobs sustained after 12 months by gender and under 25.

DCEGA Review of Performance Indicators

A review of Performance Indicators was carried out by DCEGA in 2008 whereby LAGs were required to review the previously submitted Indicator data over the life of the entire Programme. Certain errors had been identified in the way that LAGs were reporting opening and closing balances at the beginning and end of the Indicator reporting periods, thereby distorting cumulative figures. A circular was issued to the LAGs requesting a complete review of all Indicator data from the inception of the Programme. The updated data for Performance Indicators is reflected in the following tables.

The overall position in regard to Performance Indicators at Programme end showed that, despite initial difficulties, LAGs were successful in not only achieving, but significantly exceeding original Indicator targets under all main headings. The Indicators where the target was not met was under "Number of New Businesses Established".

Outcomes versus measure's objectives and targets

There have been a number of key benefits to rural dwellers from the Programme up to the end of June 2008. The following are the primary indicators:

- 2,608 applications were received for projects, with 2,284 subsequently being approved
- 1,422 new jobs, full-time, part-time and seasonal, were created
- 1,461 existing jobs sustained, full-time, part-time and seasonal
- 585 training courses held with 16,790 participants
- 23,704 individuals and over 4,411 enterprises assisted

It should be noted that the initial Performance Indicators were based on very low target figures. However, as noted by the Final Mid-Term Evaluation stage (September 2005), the LAGs were likely to either meet or exceed the previously revised targets as recommended at MTE Phase I (2003). Several of the Indicator categories greatly exceeded their initial targets, particularly the following:

Indicator type: Number of Projects Supported

Target: 650

Outturn: 2,284

A number of Local Action Groups were queried by DCEGA in relation to this Performance indicator, due to the apparently high results when compared to the initial target figure. It was found that support was provided via both direct financial assistance and non-financial assistance. A significant number of new projects received greater non-financial assistance than was originally anticipated at the Programme outset. For example, new enterprises sought non-financial advice from their LAG on a wide variety of issues, such as tax, tax registration, preparation of business plans, accounting, legal etc. This indicates that the availability and use of this aspect of nurturing newly established enterprises did in fact lead to this Indicator target being greatly exceeded.

Indicator type: No. of participants in training courses broken down by gender and people under the age of 25.

Target: 8,000

Outturn: 16,790

The Programme identified the importance of training, with the training measure receiving the highest projected target of 8,000, which was actually significantly exceeded. The large proportion of the excess training numbers attained can be attributed to LAGs identifying the need to provide short training sessions to children in urban areas, in relation to the flora and fauna of the countryside. This need was identified and highlighted by the fact 71% of the population in the S&E Region live in towns with populations over 1,500. The training was conducted in schools covered by the LAG's operational/geographical area, which resulted in the high numbers in the 'Youth' category being trained in an extremely cost effective manner.

Number of New Jobs Created (full/time;part/time; seasonal) broken down by gender and people under the age of 25

2006 target, 400

Outturn: 1,442

The overall target and results for jobs created includes fulltime, part-time and seasonal figures. The original Performance Indicator table used a global job creation heading of Number of full-time equivalent jobs created, with no distinction between the various sub-categories. The subsequent expansion of this overall Indicator into component headings of fulltime, part-time and seasonal, explains the way in which the indicator for this overall job creation category is presented.

The breakdown of the overall outturn figure of 1,442 is as follows: Fulltime, 524; Part-time, 427, and Seasonal, 471.

Table of overall Performance Indicators as at 30.6.08

ABRDI (S&E) Indicators	As at 30/06/08
No. of Applications	2608
No. of Approvals	2284
No. of Payments Male	472
No. of Payments Female	178
No. of Payments Joint	376
No. of Payments Company	478
No. of Payments to Community Groups	1130
Grants paid	22,520,540.52
No. of new enterprises assisted	432
No. of existing enterprises assisted	659
No. of new jobs created full time	524
Of which Women	210
Of which Youth	103
No. of new jobs created part time	427
Of which Women	172
Of which Youth	94
No. of new jobs created seasonal	471
Of which Women	142
Of which Youth	106
No. of existing jobs sustained full time	696
Of which Women	295
Of which Youth	55
No. of existing jobs sustained part-time	402
Of which Women	157
Of which Youth	44
No. of existing jobs sustained seasonal	363
Of which Women	125
Of which Youth	87
No. of training courses commissioned/undertaken/grant aided	585
Total trained	16790
Total trained women	7590
Total trained youth	6373
<i>Animation & Capacity Building</i>	-
No. of seminars/public meetings/workshops held	3181
No. of individuals directly assisted/advised	23704
No. of enterprises directly assisted/advised	4411
<i>Infrastructural projects</i>	-
Completed	322
Completed on time	261
Completed within budget	305
<i>Town and Village Renewal</i>	-
Completed	141
Completed on time	137

Completed within budget	138
No. of Environmental Projects	120

Table of Performance Indicators: Targets vs. Outturns

Class	Indicator	Final Target 2000 - 2006	Final out-turn	Final Out-turn as a % of final target
Output	No. of projects supported broken down by type (animation; networking; training; rural tourism/agri-tourism; local crafts and services; small scale food processing; environmental activities).	650	2,284	351%
	No. of participants in training courses broken down by gender and people under the age of 25.	8,000	16,790	209%
		5000(f)	7,590	152%
		2,000 (youth)	6,373	318%
Result	Proportion of trainees who received certification broken down by gender and people under the age of 25.	30%	N/a	N/a
	No. of new jobs created (f/t; p/t; seasonal) broken down by gender and people under the age of 25.	Full 400	524	131%
		150 (f)	210	140%
		100 (Y)	103	103%
		250 (p/t)	427	170%
		100 (f)	172	172%
		80 (y)	94	117%
	No. of new businesses established.	150 (seas.)	471	314%
		60 (f)	142	236%
		80 (y)	106	132%
		650	432	66%
Impact	No. of new jobs sustained after 12 months (f/t; p/t; seasonal) broken down by gender	Total 400	1,461	365%
		150 (female)	577	384%
	and people under the age of 25	100 (Youths)	186	186%

Overall Impacts and Achievements of the NRDP (ABRDI) 2000-2006

Notwithstanding the absence of an Ex-post Evaluation of ABRDI at the time of writing this report, it is possible to set out the main impacts and achievements of the overall Programme.

The primary objective of the Irish Operational Programme was that: The IABRDI was to be implemented in a way that complemented the overall objectives of Government policy on rural development, with particular focus on

- enhancing the natural and cultural heritage
- improving the organisational abilities of rural communities
- reinforcing the economic environment, in order to contribute to job creation

The extent to which these aims were achieved is difficult to gauge given the complex nature of local development. Nevertheless, there is little doubt that the role of the ABRDI and the implementing LAGs was critical in facilitating and enhancing rural development both within the framework of the Operational Programme itself, and also by adding further significant value to other parallel development initiatives such as LEADER+.

The efficiency in delivery of the initiative was somewhat reduced in the early stages of the programme due to a number of factors including;

- the Foot and Mouth crisis in 2001, which indirectly led to the reliance on outdated population data at the planning stage (Census of population postponed from 2001 to 2002)
- implementation proper not beginning until early 2002 and

- the transfer of responsibility for ABRDI from the Department of Agriculture, Food and Rural Development (DAFRD) to the Department of Community, Rural and Gaeltacht Affairs (DCRGA, subsequently DCEGA) in June 2002.

Despite these initial impediments in the early stages of the Programme, the vast majority of such problems had been dealt with by the time of MTE Phase II, and no longer pertained at Programme end.

Apart from the fact that the achievement of the financial targets such as project spend and outputs achieved per Measure are readily available and relevant, it is also important to consider and take account of the more qualitative aspects of the Programme, such as public awareness of, the nature of project types, non-financial achievements and employment impacts in the wider rural development perspective.

No major alteration occurred to the Programme in the course of its implementation, and as such it complied closely with what was envisaged in both National and EU Guidelines as envisaged at the outset of the programming period. Issues arising in the early implementation stages, along with relatively minor alterations and revisions that responded to the changing needs and priorities of local areas, significantly enhanced the ongoing improvement in both management and monitoring systems in programme implementation, particularly after the mid term period.

Programme integration with other National Initiatives

No qualitative assessment of ABRDI would be complete without placing due emphasis on the complementarity of the Programme with the LEADER+ Programme. The fact that both Initiatives operated in parallel from an operational perspective demonstrates the utility of implementing compatible enhancement programmes that provide for regional and local needs in certain key measures where local needs cannot be easily remedied.

Summation

The relative size of the Programme, when compared to the overall resources available in the wider context of EU and National Initiatives, makes an evaluation of the impacts and effectiveness of the Programme difficult to gauge. It is clear however, that the Programme, in proportion to its size, both on a financial and wider social context proved to be adaptable to practically every rural socio-economic and governance context. It clearly brought local participants, administrations and support structures closer together and helped enhance and mobilise local rural-based communities. It lent itself well to small scale area-based activities and projects in the more disadvantaged regions and less accessible rural areas and made a significant positive contribution in the delivery of sustainable integrated development in rural areas across the territory of Ireland. The delivery process of the Programme enhanced the and delivered the overall Government objectives and EU policy on rural development and made significant impacts in relation to reinforcing the economic environment through job creation, through support of the natural and cultural heritage and the improvement of the organisational abilities and capacity of rural communities.

The overall view of the Managing Authority on the value and effectiveness of the ABRDI Programme 2000-2006 is that it fully attained and exceeded all its financial and qualitative objectives as set out in the Operational Programme.

5. Administration and Management

Quality and effectiveness of implementation:

(a) Monitoring and Evaluation

Performance Indicators

Performance Indicator targets were outlined in the original OP, but were of a very basis nature. This template was originally used to collect the cumulative outputs and achievements for the programme on an annual basis. The relevance of Performance Indicators was the primary issue in the Mid Term Evaluation of the Programme. The performance outputs were improved upon as a result, and are provided in tabular form within this report.

Mid-Term Evaluation

A Mid-Term Evaluation of the NDP was carried out in 2003. This involved an evaluation by the Economic and Social Research Institute on the NDP as a whole, coupled with separate Mid-Term Evaluations on the individual Operational Programmes. The Mid-Term Evaluation Update is an EU regulatory requirement.

FGS Consulting, NIRSA and Curtin Dorgan Associates completed a Mid Term Evaluation of the S&E ABRDI in 2003.

The key objective of the Mid-Term Evaluation (MTE)²⁷ was to provide an independent analysis of progress under the OP and developments in the Programme environment to date and to make appropriate recommendations for Programme adjustments on the basis of such analysis. The detailed Terms of Reference for the Evaluation stipulate a number of specific headings and associated tasks for the conduct of the evaluation. These are contained in the MTE Report.

Main Findings, Recommendations and Follow Up

- The MTE commented that physical progress on delivery of the General Rural Development measure was very poor.

The Implementing Body responded on this issue by stating that it was confident that the available funding would be spent in the lifetime of the Programme. This was in fact the final outcome.

- It was the view of the MTE is that more could be done to improve the Performance Indicator position. While it was conceded that blanket coverage of all Measures was not feasible, nevertheless steps should be taken to provide meaningful indicators, especially in relation to impact. It was recommended that a selection of key impact indicators which were important either in economic terms or are of particular social concern should be in place.

A revised Performance Indicator template was created with provision for a wider range of Indicators, including the number of jobs sustained by reference to the number of new jobs sustained after 12 months by gender and under 25.

Update (Final) Evaluation of S&E Regional Operational Programme 2000-2006

This Update was a requirement under Article 42(4) of the general EU Structural Fund Regulation (EC No. 1260/99) applying to the Community Support Frameworks (CSF) and to co-financed elements of all individual OPs, mainstream and Community Initiatives. The Regulation states that:

“As a continuation of the Mid-Term Evaluation, it shall be updated for each Community Support Framework and assistance and completed not later than 31 December 2005 in order to prepare for subsequent assistance operations”.

The Commission’s guidelines on the undertaking of the Updates²⁸ emphasised their role as an input to planning for the post-2006 structural fund period, while building on the work of the Mid-Term Evaluations and allowing flexibility depending on Member State priorities.

The Evaluation was prepared by a team led by Fitzpatrick Associates, Economic Consultants, and including Brendan Kearney and Associates and Kieran McKeown Ltd.

Financial control

During the lifespan of the ABRDI, the Inspection Services Division (ISD) of the Department of Community, Equality & Gaeltacht Affairs conducted a programme of inspections and controls involving Local Action Groups and project promoters. This programme of inspections was conducted in accordance with the requirements of Article 4 of Commission Regulation (EC) No. 438/2001

Inspection Methodology

The inspection process involved regular visits to Local Action Groups and selected project promoters. Risk analysis methodology was used to determine the frequency of control visits to individual Local Action Groups and projects selected for examination. During the course of the inspections an examination of the

²⁷ S&E Mid Term Evaluation is available at <http://www.ndp.ie/documents/publications/evaluation/SandEEvaluationReport.doc>

²⁸ EU Commission Directorate – General Regional Policy, Methodology Working Papers, No. 9, *the Update of the Mid-Term Evaluation of Structural Funds*.

A PDF version of this Update Report is available at (check links on web)

administrative, financial and management systems in place at the Local Action Group was undertaken. This included a verification of the general administration expenditure incurred by the Local Action group and grant aided project expenditure. Grant-aided projects for each Local Action Group were checked for compliance with EU Regulations, the Local Action Group Business Plan and the Programme Operating Rules. These controls involved checking of various documents held at Local Action Groups including the minutes of Evaluation Committee and Board meetings and the structure of both committees. Control visits to project promoters were undertaken to verify delivery of the grant aided project and the realisation of the expenditure incurred by the promoter. On completion of the inspection process, a detailed report was completed outlining the findings and necessary actions to be undertaken.

Compliance with E.U. regulations and national requirements such as public procurement and information and publicity were also examined in detail.

- In all in excess of €5m, or more than 20% in expenditure, was checked throughout the programming period, which was significantly in excess of the 5% required by Regulation.
- LAG's provided monthly expenditure reports to the Division. Project expenditure returns checked thoroughly by the Division to ensure expenditure was accurate. Any adjustment queries were dealt with by way of adjustment of subsequent monthly returns.
- Spot checks are carried out in the Division to ensure expenditure was eligible as per the relevant Operating Rules and EU Regulations.

No significant problems were encountered in the managing and implementation of the assistance. Where irregularity cases did arise, they were dealt with as per established procedure within the Operating Rules.

Irregularity Controls and Reporting

In accordance with Commission Regulation (EC) No. 1681/94, Groups were required to submit quarterly irregularity returns to Rural Development Division. These returns were submitted regardless of whether or not an irregularity had occurred. The Department then entered the irregularities valued over €10,000 with effect from 1st January 2006 (effective rate at commencement of Programme had been €4,000) on an Access database, which was forwarded to the Finance Unit, in the Department of Agriculture, Fisheries and Food.

Over the duration of the Programme, 3 irregularities were reported with a total value of €205,000. The full amount €205,000 has been recovered. The Irish authorities will ensure that, in relation to any future recoveries, any relevant amounts are reimbursed to the Commission. See table below for details of the reported irregularities over the life of the Programme.

S&E Irregularities

Local Action Group	OLAF Reference No.	Total Amount of Irregularity	Amount Recovered or Withdrawn from Claim	Pending Recovery
Local Action Group	OLAF Reference No.	Total Amount of Irregularity	Amount Recovered or Withdrawn from Claim	Pending Recovery
Barrow Nore Suir Rural Development	IR/10/002/FO/0	€100,000	€100,000	
Tipperary LEADER Group Ltd.	IR/10/003/FO/0	€40,000	€40,000	
Carlow LEADER Rural Development	IR/10/004/FO/0	€65,000	€65,000	
West Limerick Resource Limited	IR/08/104/FO/O	€8,776	€8,776	
Total		€213,776	€213,776	

Special Reports under Article 5.2 of Commission Regulation (EC) No. 1681/94

Such reports are made where EU and National funding requirements were not met and where amounts remain outstanding to the Managing Authority by the promoter.

No Special Reports (IE/09/012/FO and IE/09/011/FO) were submitted to DAFF under Article 5.2 of Commission Regulation (EC) No. 1681/94, in respect of projects where Irregularity amounts could either not be recovered or are not expected to be recovered.

Internal Audit Unit (IAU)

IAU of the Department of Community, Equality and the Gaeltacht carried out a systems audit of the ABRDI (S&E) Programme in 2003. A follow up audit took place in 2005.

Findings / Recommencements following the 2003 system audit.		
Recommendation	Management Response	Implementation Date
Recommended that a formal procedure is introduced, which would require each Inspector to confirm on their standard monthly reports to EURDD whether there are any outstanding issues that should prevent payment issuing to any particular Group.	Agreed	Jan-04
Recommended that management ensures that all necessary checks are <i>signed-off</i> by the appropriate officer, that relevant documentary evidence is retained on file and that the relevant payment forms are fully completed and signed by the appropriate officers	Agreed	Dec-03
Recommended that spot checks be carried out on a regular basis to ensure the existence of an adequate information trail in the Division and that management <i>sign-off</i> that these checks have been completed.	Agreed	Apr-04
Recommended that Groups introduce procedures to ensure the amount of funding on hand is monitored closely, to ensure that a draw-down claim may be submitted to EURDD in a timely manner.	Agreed	Mar-04
Recommended that Groups consider introducing a payment claim form to be completed by project promoters, and accompanied with certain minimum required information and documentation, when they wish to draw-down grant aid.	Agreed	Jan-04
Recommended that Accounts Branch supply a hard copy printout of the payment details for relevant subheads of charge to EURDDI on a monthly basis. This will enable EURDD to reconcile the Division's payment records with the accounts system and will reduce	Agreed. Accounts Unit have been advised.	Dec-03
Recommended that all Groups take steps to ensure all relevant staff are familiar with the tender and public procurement requirements and that each Group should establish systems and procedures to ensure the requirements are consistently met.	Agreed	Mar-04
Recommended, where appropriate, that each project file should contain a <i>schedule of tenders</i> . The <i>schedule of tenders</i> would list each tender received and clearly indicate the element/phase of expenditure to which it refers.	Agreed	Feb-04
Where the Group or the promoter is unable to obtain the required number of tenders, Recommended that the promoter and/or the Group should indicate, in writing, why this was not possible. The Group should retain these details on the relevant project file	Agreed	Dec-03
Recommended that for the purposes of maintaining a sufficient audit trail therefore, that project officers be required to prepare a site visit and progress report after <i>every</i> inspection/site visit and that a copy of this report be retained on the relevant pro	Agreed	Jan-04
Recommended that no payments should issue to project promoters unless the appropriate site visit/progress reports have been retained on file.	Agreed	Jan-04
Recommended that Groups be selected for inspection on the basis of risk analysis.	Agreed	Jan-04

Recommended that the Inspectorate consider developing a more detailed inspection checklist that will allow inspectors conduct a more comprehensive level of inspection.	Agreed	Mar-04
Recommended that the existing checklist/reporting format should be retained by the Inspectorate as a mechanism for reporting inspection findings and recommendations to EURDD. If the current format is to be effective as a reporting mechanism.	Agreed	Jan-04
Recommended that inspection reports be fully completed after each inspection visit by Inspectors. All issues identified during inspection visits and recommendations for subsequent action should be clearly outlined in the reports to EURDD.	Agreed	Jan-04
Recommended that the existing report should be revised to include a separate section detailing any follow-up by Inspectors on issues identified during previous inspection visits.	Agreed	Jan-04
Recommended that the existing report should be revised to include a separate section detailing any follow-up by Inspectors on issues identified during previous inspection visits.	Agreed	Apr-04
For the purpose of adequately monitoring progress regarding action taken to address any issues, recommended that the Inspectors receive a monthly update, from EURDD, of any outstanding issues that require follow-up inspections by the Inspectorate.	Agreed	Mar-04
Recommended that senior management consider introducing procedures whereby the Head of Division (EURDD) is required to <i>sign-off</i> , on a six monthly basis, that all levels in the cascade have fully discharged their obligations under the appropriate EU legislation.	Agreed	Jun-04
Recommended, with specific regard to the instances of non-compliance with EU Regulations to date	Agreed	Mar-04
Requests the 5 remaining Groups to forward adequate procedures manuals to EURDD with immediate effect.	Agreed	Mar-04
Ensures all procedures manuals, including EURDD and Inspectorate procedures manuals, give details of responsibilities, task and procedures for all personnel involved in the implementation of co-financed measures.	Agreed	Mar-04
ensures procedures manuals are reviewed regularly by implementing bodies,	Agreed	Mar-04
Requests all Groups to return performance indicators for each six month period to date and for both LEADER+ and NRDP.	Agreed	Mar-04
Requests all Groups to forward irregularity reports, as appropriate, for each quarter to date,	Agreed	Mar-04
forwards all irregularity reports for the Groups and the Department to the appropriate authority,	Agreed	Mar-04
Ensures that all Groups are familiar with the relevant tendering and public procurement requirements and that the Groups fully comply with same.	Agreed	Mar-04
Ensures that all Groups obtain appropriate signage acknowledging the contribution from the EU and the Department, that they supply it to the project promoters and that they make sure it has been erected as required.	Agreed	Mar-04
The Groups argue that the CEBs (Community Enterprise Boards) and other local agencies are appraised informally, through their representatives on the Evaluation Committees and Boards, of the projects being evaluated by the Groups. IAU considers that this practice is sufficient to meet	Agreed	Mar-04

<i>Where this requirement (see above recommendation) cannot be adequately addressed through the membership of the Evaluation Committee and the Board, we recommend that compliance with this requirement be reflected on the official file through an exchange of</i>	Agreed	Mar-04
Recommended that in all instances where members are participating in both Evaluation Committee and Board meetings that they formally absent themselves from the decision making process.	Agreed	Mar-04

Findings / Recommendations of the 2005 system audit		
Recommendation	Accepted/ Not Accepted	Management Response
We recommend that a procedure be put in place to ensure that reconciliation and monitoring of payments on JDE are undertaken regularly.	Accepted	Agreed
We recommend that the existing report should be revised to include a separate section detailing any follow-up by Inspectors on issues identified during previous inspection visits.	Accepted	Agreed
To ensure the Department discharges its obligations under Article 4, we recommend that RDDII establish a database for recording and tracking progress made regarding issues identified during inspection visits. This database should detail the following:	Accepted	Agreed
<ul style="list-style-type: none"> • inspections carried out (indicating Groups and projects inspected), 	Accepted	Agreed
<ul style="list-style-type: none"> • sampling method used to select the Groups and projects, 	Accepted	Agreed
<ul style="list-style-type: none"> • the issues identified, 	Accepted	Agreed
<ul style="list-style-type: none"> • required follow-up by RDDII and/or the Inspectorate, 	Accepted	Agreed
<ul style="list-style-type: none"> • action taken by the Group to address the issues identified, and 	Accepted	Agreed
<ul style="list-style-type: none"> • outcome of the process [the aspirational “default value” for this column should be “issue dealt with”. Any other outcome i.e. “remaining issue(s) xxxx” should remain specified on the database until such time as they are finally dealt with. 	Accepted	Agreed
For the purpose of adequately monitoring progress regarding action taken to address any issues, we recommend that the Inspectors receive a monthly update, from EURDD, of any outstanding issues that require follow-up inspections by the Inspectorate.	Accepted	Agreed

Article 10 Checks

IAU carried out 102 Article 10 Checks of ABRDI (S&E) projects/admin over the programme period amounting to €2,514,368.47 of expenditure checked. The amount of ineligible expenditure identified by Article 10 Checks amounted to €66,095.92. This included a once-off case, which when excluded results in an error of €12,416.92 and an error rate of 0.49%.

EURDD (European Union Rural Development Division of the Paying Authority)

- LAGs provided monthly expenditure reports to the Paying Division. Project expenditure returns were checked thoroughly by EURDD to ensure expenditure was accurate. Most adjustment queries were dealt with by way of adjustment of subsequent monthly returns.
- Spot checks were also carried out in the EURDD to ensure expenditure was eligible as per the relevant Operating Rules and EU Regulations.

(c) No significant problems were encountered in the managing and implementation of the assistance. Where Irregularity cases did arise, they were dealt with as per established procedure within the Operating Rules.

Closure of Structural Funds 2000-2006 Assistance

There were no unfinished and non-operational projects, and projects suspended due to judicial or administrative proceedings at Closure. This confirmation, therefore, negates the requirement for completion of the template provided for the summary table.

Publicity

Groups were required to conform to the information and publicity measures set down in Commission Regulation (EC) No. 1159/200. In addition, Groups were also be required to incorporate the use of the NRDP logo in all information/publicity documentation they used. Copies of both the EU Regulation and Department of Finance Guidelines were circulated to Groups.

LAG's were obliged to publicise its grant decisions/approvals and payments. All those involved in the Group, including members of the Board, of advisory committees and of other sub-Board structures, were obliged to be kept informed of all grant decisions/approvals/payments.

In accordance with the terms of the Contract Agreement and EU and National requirements, the LAG's were obliged to acknowledge the support of the Department and the EU in all public announcements and advertising. Groups also required project promoters to acknowledge and give prominence to the EU aid for their project.

All groups were obliged to have NRDP commemorative plaques for distribution to grant recipients. These were to be displayed prominently at the premises of the recipient. Groups were obliged to spot-check a number of recipients per year, to ensure compliance.

Compliance with EU Policies:

All local action groups were made aware of their obligations in relation to E.U. policies on procurement, competition and State Aid etc. Compliance with these obligations was verified by the Department and its inspectors.

Compatibility with Horizontal Principles

Environmental

The ABRDI promoted conservation and respect for natural resources. Sustainable development of natural resources was regarded as a central theme in its development priorities. The Community enterprise cultural and environmental strategies and development actions promoted in this strategic plan emphasised the importance of safeguarding natural resources. All projects funded were required to conform to the highest environmental standards, with specific strategies aimed at promoting and safeguarding environmental resources.

Equality

Under this sub-measure all project applications were considered on their merits, with special consideration being given to proposals from women and young people under 25 (youth).

The total number of women who received training under the Programme was 7,590 as against an initial target of 5,000. (See Performance Indicator table)

Wider Equality Grounds

The Department of Community, Equality and Gaeltacht Affairs worked closely with the LEADER Groups to ensure that there was equal access to all measures for men and women, so as to ensure wider equality provisions.

Social Inclusion

As a relatively high proportion of the rural population in the Region were living on incomes which were less than the median level, one of principal aims of the programme was that such individuals contributed in an

integrated way to meeting economic, environmental and social objectives. Sustainability was underpinned by a wider range of job creation initiatives, therefore ensuring the rural economy and employment patterns.

Rural Development

The sub-measure plays a key role in improving the rural economy of the areas covered. It promotes rural development generally by harnessing voluntary and community effort and aids in the process of diversification through providing other sources of income for farmers.

There have been a number of key benefits to rural dwellers from the Programme up to 2008:

- 2,608 applications were received for projects with 2,284 approved.
- 1,422 new jobs were created, fulltime, part time and seasonal.
- Over 1,461 existing jobs were sustained, fulltime, part time and seasonal.
- 585 training courses were held with 16,790 participants
- 4,411 enterprises were assisted, both new and established.

North/South Co-operation

Under the Good Friday Agreement, a high value was placed on co-operation, as collaborating beyond established borders enabled access to information and new ideas, which promotes mutual learning and improves local strategies. Such co-operation was also aimed to stimulate and support innovation and enable the acquisition of both the skills and means to improve delivery.

The cross fertilisation and positive effects that can be achieved through co-operation were very important to progression. Therefore, such projects were a very effective way of achieving results on innovation and capacity building. Additionally, integrating an inter-territorial or transnational dimension to local initiatives also supported the creation of an EU identity.

Total expenditure on North-South Co-operation for the life of the Programme amounted to € 71,175.92, or 100% of the allocation under this measure.

6.4 Measure: Forestry (Local Enterprise Priority)

Sub-Measures: 05.02.04.01, Woodland Improvement Sub-Measure. Intervention Code 121

05.02.04.02 Harvesting Sub-Measure. Intervention Code 122

1. Introduction

The Afforestation Measure under the CAP Rural Development Plan was part of the overall strategy of the National Development Plan, 2000-06. Ireland has one of the lowest percentage forestry cover in Europe and the incentives provided under the Measure were intended, inter alia, to help address this imbalance. The policy context is set out in the next chapter and the principal aim was to increase afforestation levels to 25,000 hectares per annum to year 2000 and 20,000 hectares per annum thereafter from 2001 to 2030.

The Department of the Marine and Natural Resources (DMNR) was initially responsible for the measure with responsibility transferring to the Department of Agriculture, Fisheries and Food in 2004. It had as its objectives:

- sustainable forest management and development of forestry which is compatible with the protection of the environment;
- maintenance and improvement of forest resources;
- extension of woodland areas;
- maintenance of a viable rural community.

In addition to the CAP forestry measure, support from the Structural Funds was also used for the following sub-measures in the Regional Operational Programmes:

- Woodland Improvement; and
- Harvesting;

A further two non co-funded sub-measures - forestry development and forest roads – formed part of the Rural Development Plan. These measures were fully funded by the Irish Exchequer. Forestry Development included research, training and promotion. The forest roads measure provided funding for the development of a road infrastructure servicing forests, an important feature of the forestry programme that primarily facilitated the harvesting of timber but also had recreational benefits.

The main changes from the previous Afforestation measure (1994 to 1999 Rural Development Plan) were:

- the reinforcement of existing environmental guidelines on water, archaeology and landscape;

- the introduction of guidelines on biodiversity, harvesting and the environment, forestry and aerial fertilization, and forest protection;
- the introduction of a Code of Best Forest Practice;
- the introduction of the Native Woodland Scheme;
- the introduction of the NeighbourWood Scheme for recreation forests;
- increase in the target for broadleaf planting;
- the updating of Environmental Impact Assessment requirements for forestry developments in certain sensitive areas;
- the introduction of the statutory consent system for Afforestation.

The Forestry Measure consisted of an initial grant (75% - First Instalment Grant) for the establishment of forest plantations followed four years later by a second payment (25% - Second Instalment Grant), and annual premiums for twenty years after plantation (fifteen years in the case of non farmers). The level of establishment grant varied by species of plantation and by whether the land planted was unenclosed or enclosed. The highest grants were paid for up beech forests (€6,730 per ha) and the least for non-diverse conifer forests (€2,032). The forest premium for farmers varied from €337 per ha for non-diverse conifers to €474 per ha for oak/beech stands. The premium for non-farmers was €172 per ha for conifers and €185 for broadleaves.

For the Programme period 2000-06 the target for broadleaf planting in 2006 was set at 30% of overall planting. This target was achieved in 2006 and the proportion has increased in recent years.

Policy Context

In 1996, the Irish Government published ‘*Growing for the Future*’, an ambitious strategy for the development of the forestry sector in Ireland to 2035. The overall aim of the strategy is “*to develop forestry to a scale and in a manner which maximises its contribution to national economic and social well-being on a sustainable basis and which is compatible with the protection of the environment*”. The areas covered in the plan are wide ranging and include national planting policy, forest protection and health, harvesting and transport, research and development, education and training and many other related areas. The strategic plan concluded that, in order to reach a scale of timber production large enough to support a range of processing industries, the national forest estate would need to increase to 1.2 million hectares (17% of total land area) by 2030. It aimed to achieve this by increasing afforestation levels to 25,000 hectares per annum to year 2000 and 20,000 hectares per annum thereafter from 2001 to 2030.

Despite the ambitious targets laid down in the strategy, the rate of afforestation has declined in recent years, falling to 6,249 hectares in 2008. The strategy envisaged the planting of 285,000 hectares of new forests between 1996 and 2008 by both the public and private sectors, yet only 54% of this target (155,000 hectares) was planted. The reasons for the decline are complex and wide ranging but, with the benefit of hindsight, the targets were probably over-ambitious and, perhaps, did not fully consider other competitive land use options available to farmers and the impact of these on the availability of suitable land for forestry. It is also of relevance that the targets were set at a time when planting levels were at an all time high (nearly 24,000 hectares in 1995 and 21,000 in 1996). During the period 2000 to 2006, yearly planting averaged 12,000 hectares, falling from a high of 15,695 hectares in 2000 to just over 8,000 hectares in 2006.

Another critical factor was the decision by the European Commission in August 1999 that the State forestry company, Coillte Teoranta, was not entitled to receive annual [non-farmer] forest premiums. The European Court of Justice subsequently upheld this decision. In the 10 years from 1990 to 1999, 30% of all afforestation was on Coillte land though this was in decline with levels of 7%, 23% and 7% of total afforestation in 1997, 1998 and 1999 respectively.

The strategy document recognized that the potential of a forest is largely determined by the manner and degree to which it was managed. Forest management encompasses establishment, maintenance, tending – including pruning and thinning – harvesting and reforestation, with the objective of achieving optimum potential in terms of timber output, quality and non-timber benefits. The forestry measures adopted under the Regional Operation Programmes dealing with woodland improvement and management have their origins in the objectives set down in *Growing for the Future*. Their purpose is to maximize the return from the investment.

Similarly, with regard to the Harvesting measure, the Plan identified the importance of having machinery suitable to the site type, the nature of the forestry operation, the need to protect the forest soil and trees and crop stability. It recognised that it was in the national interest to develop as quickly as possible a modern mechanized harvesting capacity consistent with demand and recommended the provision of grant assistance to develop such capacity.

As regards species selection the Plan identified the need for greater broadleaf content in plantations and the need to protect Ireland’s native woodlands.

2. Socio-Economic Context

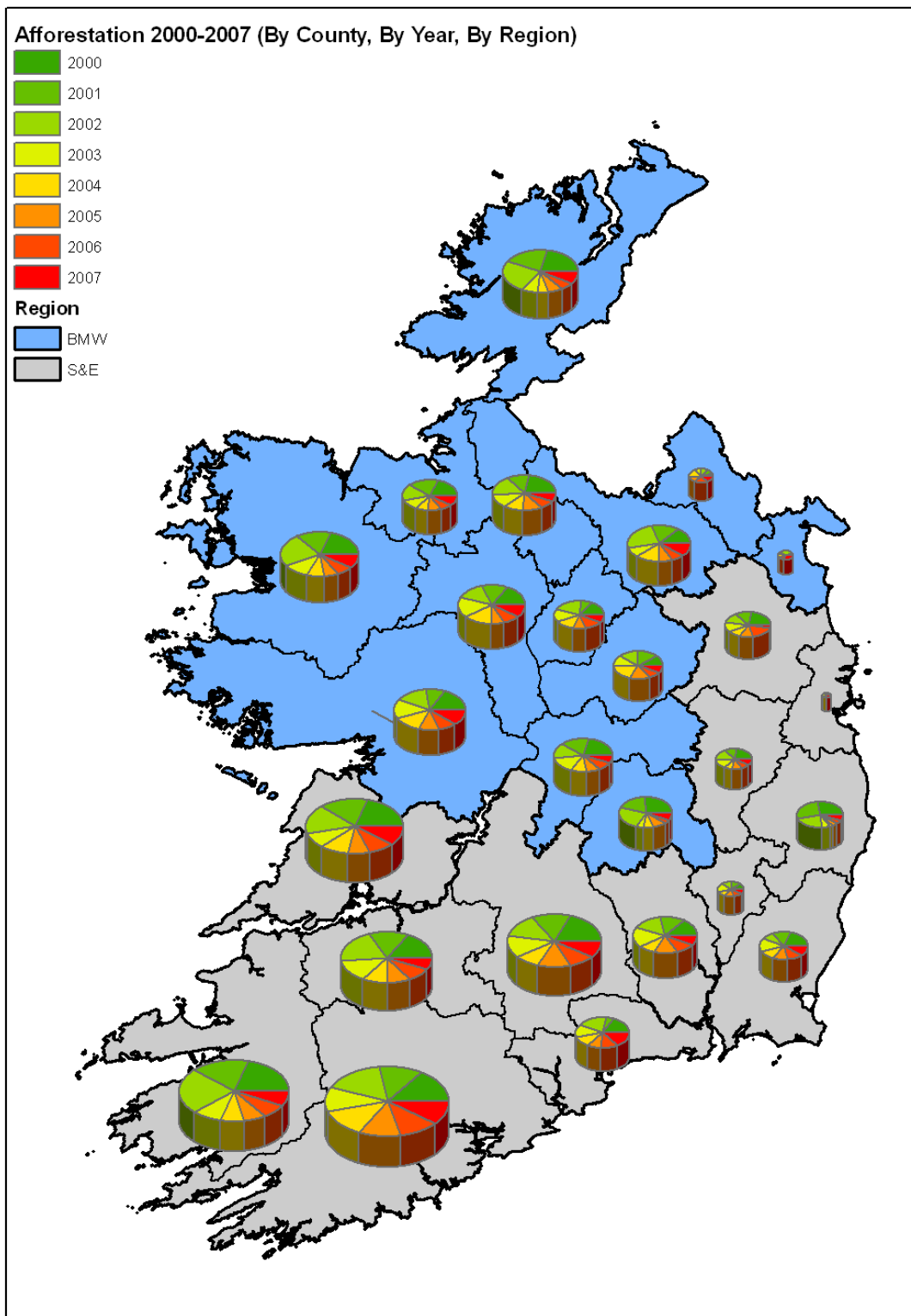
The Table below describes the impact of afforestation on the S&E Region during the currency of the 2000 to 2006 Programme. From a starting point of just over 9% of the total land area of the S&E Region under forest at the end of 1999, this had increased by just over 1.5% by the end of the Plan to 10.86% of total land area. This contrasts favourably with the Border, Midlands and Western Region where the area under forest increased from 9.04% to 10.12% in the same period.

Planting Level	Total Area of S&E Counties (Has.)	Area already Planted (Has.)	Percentage of Total Area (Has.)
At 31 December 1999	3,641,334	340,535	9.35%
Between 2000 and 2007	3,641,334	54,929	1.51%
Position at end 2007	3,641,334	395,464	10.86%

The distribution on a County Basis is as follows:

COUNTY	2000	2001	2002	2003	2004	2005	2006	2007	Total
Carlow	56.97	71.17	80.67	79.33	53.56	87.88	60.44	42.54	532.56
Cavan	401.69	554.60	715.84	220.47	435.60	302.53	217.13	299.86	3,147.72
Clare	1,467.23	1,503.59	1,012.00	590.14	833.49	748.75	697.82	668.56	7,521.58
Cork	1,636.21	1,708.59	2,093.69	977.89	1,433.84	1,734.04	1,440.96	1,024.44	12,049.66
Donegal	954.84	1,016.39	900.43	388.16	308.88	344.52	239.36	320.78	4,473.36
Dublin	16.87	4.11	4.80	19.05	11.36	0.00	0.00	17.72	73.91
Galway	640.03	454.02	659.90	451.82	526.98	498.51	372.15	403.31	4,006.72
Kerry	1,828.47	2,017.71	1,824.92	930.07	893.01	770.19	664.25	548.71	9,477.33
Kildare	233.91	136.38	153.77	133.52	84.46	129.02	84.19	78.51	1,033.76
Kilkenny	422.14	530.28	528.74	456.27	296.71	544.72	321.72	229.11	3,329.69
Laois	584.22	441.36	475.51	148.28	183.38	203.14	71.07	144.12	2,251.08
Leitrim	688.40	463.88	466.75	324.64	393.91	410.98	226.97	190.64	3,166.17
Limerick	964.30	1,182.90	1,175.08	807.48	767.25	683.57	521.29	372.58	6,474.45
Longford	279.63	175.21	416.32	212.01	255.18	208.47	254.50	123.55	1,924.87
Louth	9.96	1.78	63.35	7.51	17.77	2.10	20.35	55.23	178.05
Mayo	913.74	924.35	928.66	556.28	483.17	359.48	324.88	401.55	4,892.11
Meath	348.83	249.50	168.52	149.34	150.20	217.38	286.65	42.07	1,612.49
Monaghan	23.17	47.52	47.34	58.70	73.87	59.17	107.12	69.75	486.64
Offaly	584.76	509.36	308.67	385.69	315.57	262.32	217.98	135.15	2,719.50
Roscommon	556.99	576.81	503.02	461.79	574.91	287.34	322.39	309.03	3,592.28
Sligo	446.49	524.30	315.43	241.76	236.64	253.54	171.83	204.85	2,394.84
Tipperary	1,251.84	1,195.05	892.88	710.34	633.32	1,086.74	662.94	546.46	6,979.57
Waterford	381.26	128.56	481.82	230.93	220.37	238.99	307.76	310.01	2,299.70
Westmeath	182.45	331.93	275.80	209.15	319.85	351.00	155.36	140.92	1,966.46
Wexford	343.70	288.79	158.22	225.32	187.02	246.96	216.09	177.70	1,843.80
Wicklow	477.83	425.53	401.51	121.78	48.31	64.67	71.44	89.44	1,700.51
TOTAL	15,695.93	15,463.67	15,053.64	9,097.72	9,738.61	10,096.01	8,036.64	6,946.59	90,128.81
	BMW	35,199.80	South and East	54,929.01					

The map below divides the country between the S&E and BMW Regions and indicates the level of planting in each county in each year.



A study completed in 2003 estimated direct employment levels within the forestry industry at 3,780 with total employment supported by the forestry sector estimated at 7,182. Employment within the wood products sector was estimated at 6,870. When indirect employment impacts were taken into account, this increased to 12,246. Overall, therefore, employment from forestry and related industries during the currency of the Plan were just under 20,000. Unfortunately, however, this was not broken down on a regional basis so separate figures are not available for the BMW and S&E Regions. Five of the ten largest Irish sawmills are located in the S&E Region.

3. Financial Implementation – Measure Level

Forestry Measure	Total CSF	EU Funds	ERDF	ESF	EAGGF	FIFG	Nat. Public	Private
Total Reported Expenditure €m	€13.036	€5.817	€0.000	€0.000	€5.817	€0.000	€7.219	€0.000
Revised OP Forecast	€27.337	€8.013	€0.000	€0.000	€8.013	€0.000	€8.013	€11.311
Total Declared Expenditure as % of Revised Forecast	44.92%	76.63%	0.00%	0.00%	76.63%	0.00%	76.63%	5.43%
Total Declared Expenditure	€12.894	€6.140	€0.000	€0.000	€6.140	€0.000	€6.140	€0.614

05.02.04.01, Woodland Improvement Sub-Measure. Intervention Code 121

1. Introduction

This EAGGF co-financed sub-measure was aimed at the improvement of the overall quality of the forest estate, through the enrichment and enlargement of the native and semi-native woodland estate, establishment of amenity and urban woodland and the reconstitution of damaged woodland.

The sub-measure supported the following priorities of the CSF:

- Balanced Regional Development;
- Rural Development.

and the NDP objectives of

- continuing sustainable national economic and employment growth;
- fostering balanced regional development.

The NDP specifically states the objective in relation to Forestry as “developing forestry to a scale and in a manner which maximises its contribution to national, economic and social well-being on a sustainable basis and which is compatible with the environment”.

Particular objectives of the sub-measure included:

- increasing urban and amenity woodland, with particular emphasis on broadleaf content;
- increasing urban and amenity woodland facilities;
- reconstituting forest plantations damaged by fire, wind blow, frost or other natural causes;
- improving the quality of existing woodland, including the shaping of broadleaves and high pruning of conifers;
- stimulating and accelerating investment in urban/amenity afforestation;
- enriching, preserving and increasing the native forest estate; and
- contribution to the protection and enhancement of the environment.

The purpose of this sub-measure was to improve the overall quality of the forest estate through the enrichment and enlargement of the native and semi-native woodland; the establishment of amenity and urban woodland; and the reconstitution of damaged woodland. The sub-measure provided grant-aid under the following categories; Urban Afforestation, Amenity Afforestation, Urban Facilities, Amenity Facilities, Reconstitution of Woodland, Woodland Improvement, Shaping of Broadleaves, High Pruning of Conifers, and Semi Native Woodland. Total expenditure amounting to €11,638,568 was provided with a view to meeting the targets set out in the table at Paragraph 3 below. Commentary on the achievement of these targets is included in the same paragraph.

The Schemes implemented in Ireland under this sub- measure are as follows:

Native Woodland Scheme

The purpose of this scheme, which had two elements, was to protect and expand the native woodland resource and the biodiversity contained within it. There were two elements

1. Establishment: aimed at developing new native woodland on open sites, particularly where they are located beside existing native woodlands or in areas along streams and rivers.
2. Conservation: aimed at restoring existing woodlands to native woodland status. This included work such as deer fencing, rhododendron clearance and removal of non-native species such as beech and sycamore.

Native Woodland (Establishment) – the uptake on this sub-measure was in line with expectations with 992 hectares planted compared to an anticipated 1,000 hectares. The explanation for this is largely due to the level of interest that had been building for a number of years prior to the launch of the Scheme. This was the first scheme of its type and there was a pent up demand to participate in it.

An increase in the level of broadleaf and native species being planted, though not exclusively as part of the Native Woodland Scheme, indicated that many landowners were willing to plant small forests for aesthetic, environmental and amenity as well as economic reasons. In 2007, over 31% of all new forests planted were comprised of mainly broadleaf species.

Native Woodland (Conservation) - this sub-measure applied to areas of existing woodland, which had the potential to be improved from a lower to a higher state of productivity and biodiversity. The scheme was mainly but not exclusively directed towards broadleaf woodlands. The same silvicultural and environment standards applied to this scheme as did to afforestation. The elements that were unique to the Woodland Improvement Scheme include:

Woodland Improvement Scheme - this sub-measure applied to areas of existing woodland, which had the potential to be improved from a lower to a higher state of productivity

- Felling of malformed and over mature trees
- Felling of additional trees if necessary to create planting gaps
- Enrichment planting to improve species composition and crop quality
- Thinning or re-spacing to promote growth
- Removal of invasive species that threaten regeneration (e.g. rhododendron and laurel)
- Management and re-spacing of natural regeneration.

The Woodland Improvement sub-measures are essential elements of the afforestation programme. The planting of trees is just the start of a process and ongoing interventions are necessary after planting to ensure both the viability and quality of the final product. This is particularly true where broadleaves are planted in mixtures with conifers. In these mixed stands conifers must be removed to ensure that the broadleaves develop to their full potential. Plantations need constant attention to ensure the maximum output from the investment. The schemes, with the exception of reconstitution, are geared towards enhancing the value of the final harvest and represent a good and sensible investment.

The main strands are as follows:

High Pruning of Conifers

This element of the Woodland Improvement Scheme applied to young (13 to 22 years) conifer woodland. The objective of high pruning of commercial coniferous forests was to produce stands of conifers with 6 meters of branch and knot free stems. This pruning results in both increased value and quality of the crop. The uptake of this sub-measure, unlike the planting, was down on expectations with just 50%, or 1,007 of the expected 2,000 hectares covered by it. There is no clear reason for the less than expected uptake but it may be indicative of the levels of afforestation in the 1990's, and the age of forests not suitable for pruning during the period 2000-2006.

Reconstitution

This scheme provided grants to replace/repair plantations damaged as a result of natural causes, provided the plantations had been well managed and maintained up to the time it was damaged. Examples of such causes included wind-blow and fire. The scheme did not compensate for increment or timber loss as a result of such events and owners were advised to insure their forestry investment against such losses. The demand for the Reconstitution Grant Scheme is determined by the incidence of damage and a willingness on the part of the landowner to invest further in their plantations.

Shaping of Broadleaves

The objective of this scheme was to produce broadleaf plantations with single straight stems that will in turn produce high quality butt lengths of valuable hardwood timber. Formative shaping is required when young trees have multiple stems or disproportionately large shoots. This occurs mainly as a result of frost, wind or bird damage.

Neighbour Wood Scheme

The Neighbour Wood Scheme was operated under the Woodland Improvement sub-measure of the Forestry Measure, Regional Operational Programme 2000-2006, and was launched in 2001.

The Scheme has its origins in three former grant packages: the Planned Recreational Forestry Scheme, the Amenity Woodland Scheme and the Urban Woodland Scheme that were introduced in the previous twenty years. Neighbour woods are located in and around towns and cities, or in more rural locations such as village or even in the countryside. The woodlands were developed and managed in partnership with the local community and were designed to cater for a wide range of activities – walking, family visits and picnics, wildlife watching, jogging and fitness training.

The Neighbour Wood Scheme, one of the smaller measures operated by the Forest Service, played a key role in promoting forestry to a wider than normal segment of the population. It brought the range of forestry benefits including recreation, biodiversity, landscape and contact with the natural world closer to centres of population. It promoted the wider forestry sector in a positive light, offering urban dwellers a first-hand experience of how forests are developed and managed on a sustainable basis. Moreover, it provided communities with the funding to exploit a local resource that makes a meaningful contribution to the health, well-being and quality of their lives.

Thirty projects received funding in the S&E region during the currency of the 2000-2006 Programme at a total cost of €1.2 million. Despite the Scheme being limited to partnerships with local authorities it well exceeded the target of 400 hectares.

Carbon Sequestration

Following initial afforestation, the carbon balance of a forest is usually negative for the first 5-7 years due to carbon emissions arising from initial planting (ploughing, removal of vegetation etc). Thereafter, the carbon balance becomes positive as the trees grow but the carbon sequestering capacity of any forest is dependent on a range of factors including species, soil type, growth rate, management regime (e.g. thin or no thin), crop rotation etc.

On the basis of analysis completed by Irish forestry research body (COFORD) it is estimated that a hectare of Oak woodland would sequester an average of 1.8 t CO₂ per annum over a rotation. Applying that figure to the 1,000 hectares of Oak planted under the Native Woodland Scheme, and given an 80 year rotation, the sequestration capacity of such forests is in the region of c.144,000 tonnes CO₂ over the full rotation.

2. Socio-economic & Policy Environment

This is set out above at a Measure context

3. Financial implementation

Woodland Improvement Sub- Measure	Total CSF	EU Funds	ERDF	ESF	EAGGF	FIFG	Nat. Public	Private
Total Reported Expenditure to end of programme €m	€12.863	€5.772	€0.000	€0.000	€5.772	€0.000	€7.091	€0.000
Revised O.P. Forecast	€24.556	€7.645	€0.000	€0.000	€7.645	€0.000	€7.645	€9.266
Total Declared Expenditure as % of Revised Forecast	47.00%	75.50%	0.00%	0.00%	75.50%	0.00%	75.50%	0.00%
Total Declared Expenditure	€11.544	€5.772	€0.000	€0.000	€5.772	€0.000	€5.772	€0.000 ²⁹

4. Physical Achievements of Sub-Measure

Performance Indicators - Woodland Improvement

Class	Indicator	Base-line	Outturn 2000 - 2008 Hectares	Final Target Hectares	Outturn as % Of Target
Output	Total no. of hectares grant-aided	0	8,191	10,900	75%
Output	Hectares planted (Native Woodland Schemes)	0	992	1,000	99%
Output	Hectares improved (Woodland Improvement/ Pruning)	0	1,007	2,000	50%
Output	Hectares reconstituted (Reconstitution/Shaping)	0	5,564	7,500	74%
Output	Hectares with facilities grant aided (NeighbourWood)	0	628	400	157%
Result	CO ₂ sequestration	0	N/A	21,500	See section on carbon sequestration

*Based on data provided by the Intermediate Body

²⁹ An indicative amount of €0.614million has been estimated for the two sub-measures.

5. Administration and Management

Monitoring and Evaluation

The approved Intermediate Body (initially the Department of Marine and Natural Resources and from 2004 the Department of Agriculture, Fisheries and Food) compiled annual and interim six-monthly reports at sub-measure level - using the agreed performance indicators - setting out progress against initial objectives and targets for the Managing Authority and Monitoring Committee. The Implementing Departments/Agencies are responsible for ensuring that all payment claims for Structural Fund expenditure, submitted by the final beneficiary, are supported by receipted invoices and audit documents, and that a clear audit trail exists. They are also responsible for ensuring, in respect of co-financed Measures/projects, that only eligible expenditure actually incurred is submitted to the Managing Authority. The Implementing Body is responsible for certification of all expenditure incurred by final beneficiaries. It is the responsibility of the Managing Authority or Implementing body, which may be delegated this function on its behalf, to ensure that control checks are carried out on at least 5% of expenditure transactions. These controls will be carried out by units that are independent of the management function.

The mid-term evaluation was the main independent evaluation carried out in the period. This was combined with an evaluation of the measures under the EAGGF Guarantee funded Rural Development Programme for the period.

The **Mid Term Evaluation** completed in 2003 concluded that “the elements in the sub-measure are highly relevant to the economic and non-economic overall objectives of the Forestry measure”. The schemes were considered to be well designed and efficiently implemented despite some difficulties of implementation with the Native Woodland and Neighbour Wood Schemes. The main difficulty for the support schemes was considered to be the future availability of funding, particularly in view of expected increase in demand for shaping and pruning given the age-profile of the forest estate.

In the case of the Harvesting Measure, the report concluded that while the objective of modernising the harvesting sector remained valid, the industry had reached a point where grant assistance was no longer necessary and supported the decision to suspend the scheme. Its recommendation that the allocation for the measure be re-allocated elsewhere in the Forestry measure was implemented.

The **Ex-Post Evaluation of the CAP Rural Development Plan** focussed mainly on the factors that impeded the achievement of the target afforestation of 128,000 hectares during the currency of the Programme; 76,514 hectares or 60% of the target was actually planted. The Evaluation did note, however, the increase in the ratio of broadleaf planting from 12.9% in 2000 to 31.5% in 2006. It also noted the non-wood benefits of forestry particularly in the area of carbon sequestration. Annual removal of CO₂ from the atmosphere by forests totals 6 million tonnes with “Kyoto” forests i.e. those established since 1990 sequestering 11 million tonnes over the 5-year period to the end of 2010. The Ex-Post Evaluation concluded that “*the afforestation programme undertaken during the period 2000-2006 has made a significant net contribution to the economic and social well being of rural areas, and forests also provide a range of non-market outputs, one of the more significant of which is carbon sequestration*”. It stressed, however, the need for the achievement of more realistic targets for planting, having regard to the environmental restrictions imposed by both national and EU requirements.

Steps taken to ensure the quality and effectiveness of implementation

Financial Control

As part of the required arrangements for financial control by Member States of operations co-financed by the Structural Funds under Commission Regulation 438/2001 and following a DG AGRI audit mission to Ireland which recommended that the existing roles and responsibilities for EAGGF Guidance programmes and schemes be formally assigned within Departments, the exact functions and responsibilities of the Paying Agency, Managing Authorities and Implementing Agencies were updated and formalized in 2003.

The following tables provide details of the day-to-day management checks carried out over the period of the programme for the Woodland Improvement sub-measures.

Year	Expenditure returned for year €	Expenditure examined for year €	Expenditure Covered %	Details of Checks	
				Type (on the spot, desk, etc)	Carried out by (detail whether administrative or technical staff, certified audit, etc. and give % covered by each in brackets)

2000	1,219,818.30	1,219,818.30	100	Technical and administrative	<ul style="list-style-type: none"> • Documentation check on 100% of applications by clerical staff. • 100% of applications subject to a pre-approval site inspection by a Forestry Inspector. • 100% of completed plantations subject to prepayment inspection by a Forestry Inspector and if satisfactory recommends the claim for payment. • 100% administrative control check carried out by the Payments section in the Forest Service before certifying and forwarding approved claims to Accounts Division for payment • Reconciliation by Financial Reporting and Management section of Divisional Records with the Departmental Accounts system (SAP) • Financial Reporting and Management section recalculated eligible expenditure amounts on files as directed by the Structural Funds Control Unit • 5% of files are randomly selected for a post payment documentary check by the delegated Managing Authority
2001	1,531,163.30	1,531,163.30	100		
2002	1,559,834.96	1,559,834.96	100		
2003	515,281.06	515,281.06	100		
2004	1,664,661.27	1,664,661.27	100		
2005	1,299,510.48	1,299,510.48	100		
2006	1,787,586.42	1,787,586.42	100		
2007	2,852,274.84	2,852,274.84	100		
2008	943,182.16	943,182.16	100		

Systems Audit of Forestry Measures Co-funded by EAGGF Guidance

This audit was undertaken to fulfil the requirements of Regulation EC No 438 of 2001 and was completed in November 2005. The report evaluated the systems and controls that were in operation for the Forestry sub-measures co-funded by EAGGF Guidance - the Woodland Improvement Sub-Measure and the Harvesting Sub-Measure of the Regional Operational Programmes (2000-2006). The objective of the audit was to establish if proper procedures were in place for the operation of these schemes and to ensure National and EU funds were adequately protected. The audit also examined the procedures in place for calculating and recouping moneys from the Guidance section of the European Agricultural Guarantee and Guidance Fund (EAGGF).

The main findings related to the following:

Work approved prior to the 2000/2006 round of Structural Funds

A number of issues relating to the eligibility of work approved prior to the 2000/2006 round of Structural Funds arose during the audit including:

- Second Instalment Grants from previous Structural Fund rounds;
- Projects that were approved prior to the 2000/2006 round of Structural Funds where the work/equipment was paid for or completed by the applicant prior to the commencement of the 2000/2006 round of Structural Funds;
- Projects carried out and paid for after 1st January 2000 but which had been approved prior to the 2000/2006 round of Structural Funds.

Work completed prior to approval

A number of cases were found where the work had been completed prior to the written approval of a project.

Value Added Tax

The auditors found that the VAT element of expenditure incurred by non-registered "flat-rate" farmers was being included as eligible expenditure. The eligibility rules with regard to VAT indicate that this expenditure may not be eligible for co-funding.

Public Land Ownership Under Regulation (EC) No. 1257/1999, land and forests owned by public authorities other than municipalities was not eligible for grant aid except in the case of Reconstitution. An amendment of the basic Regulation by Council Regulation (EC) No. 1783/2003 allows for investments in public forests with

the aim of improving their ecological or social value. A number of payments, in schemes other than Reconstitution (primarily Native Woodland) were made prior to the introduction of the amendment to the basic Regulation by Council Regulation (EC) No. 1783/2003 in respect of land and forests owned by public authorities other than municipalities.

Overheads

Overheads are eligible expenditure provided that they are based on real costs which relate to the implementation of the operation co-funded by the Structural Funds and are allocated pro rata to the operation, according to a duly justified fair and equitable method. The Forest Service was calculating overheads on the basis of total instead of real costs.

Inspection procedures

A number of issues concerning inspection procedures were addressed.

Follow-Up

Each of the issues raised by the audit was addressed by the Implementing Body, some in the context of the Article 10 checks, details of which follow.

Article 10 Checks

Article 10 to 12 of Commission Regulation No. 438 of 2001 required Member States to carry out checks on the operation of the various measures to:

- (a) verify the effectiveness of the management and control systems in place; and
- (b) verify selectively, on the basis of risk analysis, expenditure declarations made at the various levels concerned”.

These checks were carried out over a number of years and identified operational issues that either required remedial action on the part of, or recovery from, the applicant, and/or adjustment to claims for EC funding made by the Managing Authority. Details of these adjustments are in the paragraph that follows. The main findings included the following:

Value Added Tax (VAT)

It was found that the VAT element of expenditure incurred by non-registered “flat-rate” farmers was wrongly included by the Managing Authority in determining the amount of grant payable. Rule No. 7 of EC Regulation 448 of 2004 stipulates that “VAT does not constitute eligible expenditure except where it is genuinely and definitively borne by the final beneficiary etc”. In the case of this particular category of farmer they are able to recover elements of VAT costs from the sale of their product and were, therefore, not eligible to receive payment based on expenditure inclusive of VAT. The Managing Authority reviewed all such cases and made the necessary adjustments to the claim for EC funding.

Eligibility of claims approved pre-2000

This related to Second Instalment payments for claims approved in the earlier Programme. The Second Instalment is normally paid four years after the first instalment and was not specifically provided for in the 2000-2006 Rural Development Programme. The Managing Authority reviewed all such cases and made the necessary adjustments to the claim for EC funding.

Overheads

Eligibility Rule No. 1 of EC Regulation 448 of 2004 lays down the eligibility rules with regard to expenditure. Point 1.8 thereof states that overheads are eligible expenditure provided they are based on real costs related to the co-funded activity. In the early stages of the schemes overheads were determined by reference to the total costs rather than the direct costs, which led to a number of overpayments. The Managing Authority reviewed all such cases and made the necessary adjustments to the claim for EC funding.

Other Cases

This category includes a range of administrative errors such as the miscalculation of areas and payment amounts. It also included a range of silvicultural issues; for example, the failure of reconstituted forests to thrive sufficiently to merit payment of grants was a recurring issue. In many cases remedial actions were recommended and, where satisfactorily completed, the applications were approved and no adjustments to the claim from the EU were necessary. In all other cases where it was considered that the conditions of the schemes had not been adequately met, the Managing Authority made the necessary adjustments to the claim for EC funding.

Corrective Measures/Irregularities

All outstanding amounts of EAGGF monies due to be paid back as a result of ineligible expenditure or irregularities discovered by way of Audits, administrative checks and Article 10 (5% control) of Regulation 438/2001 checks have been adjusted in claims on an on-going basis and are summarized in table beneath - comprehensive details of the deductions are supplied in the final claim. The "withdrawals" figures for the most part include financial corrections resulting from national control and audit work and for which in general there

were no corresponding "recovery" amounts. They include amounts, which were individually exempted from irregularity communication because they were below the threshold but which are also individually detailed in the final claim. There were no unfinished or non-operational projects at the time of closure, which have to be co-financed from Community funds under the next programming period. All cases where an irregularity report has been submitted have been withdrawn from claims for EU co-funding and are therefore now fully nationally funded. The implementing body will review each case and decide whether the amounts involved are recoverable.

Operational Programme 2000-2006	Withdrawals		Recoveries	
	Total Public Contribution	EU contribution	Total Public Contribution	EU contribution
	€	€	€	€
Total	2,004,109.47	1,002,054.74	54,989.37	27,494.69
Including reported Irregularities	179,885.00	89,942.50	NIL	NIL

Note: This table is for both Forestry Sub-Measures

Inspections

The Inspectorate of the Forest Service have been fully involved at all stages in the establishment, implementation and monitoring of all the schemes in the Forestry measures. All applications are subject to a pre-approval site inspection by a Forestry Inspector before being submitted for administrative approval prior to commencement of the work. All completed plantations are also subject to a prepayment inspection by a Forestry Inspector and, if satisfactory, s/he recommends the claim for payment.

Post payment the inspectors may also visit the grant aided plantations to monitor progress and advise on any remedial action necessary.

Information and publicity measures

Quite extensive steps, as detailed below, were taken to ensure that potential beneficiaries were aware of the measures:

- The official launch of the Forestry Measures under the NDP Operational Programmes on 1 August 2001 at an event attended by over 100 guests representing the forest industry, public representatives, academics, farming and other forestry representative organisations, environmental NGOs and the national media.
- Publication of the Programme and issue of an explanatory booklet containing detail of the measures eligibility criteria etc.
- Copies of the Programme and copies of a summary booklet were published and widely distributed.
- The issue of press releases at the commencement of the Programme and subsequently to publicise the sub-measures.
- The individual sub-measures were advertised in the national and farming press.
- The sub-measures were promoted at Agricultural Shows and at the National Ploughing Championships each year.
- The contribution of the National Development Plan and the European Union was acknowledged in all advertisements and documents and the relevant logos were used on posters and stands at the Agricultural Shows.
- Information about the measure was included in various Department publications – Annual Reports, Schemes and Services, Scheme Documents, Forestry Schemes Manual, etc.
- The need to comply with the publicity requirements was emphasised to those involved in implementing and publicising the measure and the EU contributions have been acknowledged in the various publicity measures and in all notifications of assistance issued to beneficiaries. There are no known instances where the publicity requirements were not met.
- Promotion and publicising of Forestry Schemes by Teagasc and Registered foresters.

Compliance with EU Policies

EU policy recognises forestry as an integral part of rural development with financial support provided for the various measures. The forestry schemes were implemented in accordance with Articles 29 and 30 of Council Regulation 1257 of 1999, which governed support for Rural Development during the period 2000 to 2006. The EU Commission approved the terms and conditions of the Irish schemes. The schemes were operated in full compliance with the regulatory requirements.

Compatibility with Horizontal Principles

The National Development Plan states the objective in relation to Forestry as “developing forestry to a scale and in a manner which maximises its contribution to national, economic and social well-being on a sustainable basis and which is compatible with the environment”.

The particular objectives of the sub-measures, the subject of this Report, are:

- Increase the urban and amenity woodland, with particular emphasis on broadleaf content
- Increase the urban and amenity woodland facilities
- Reconstitute forest plantations damaged by fire, wind blow, frost or other natural causes
- Improve the quality of existing woodland, including the shaping of broadleaves and high pruning of conifers
- Stimulate and accelerating investment in urban/amenity afforestation
- Enrich, preserve and increase the native forest estate.
- Contribute to the protection and enhancement of the environment.

Steps taken to ensure compatibility with applicable Horizontal Principles

Environment: Overall, the sub-measure has a positive impact on the environment. The national afforestation programme has significant potential to reduce net CO₂ emissions during the Kyoto Protocol timeframe. The preservation and enrichment of the native forest estate increases habitat diversity for native wildlife and biodiversity. The establishment of urban and amenity woodland stimulates greater public use and enjoyment of Ireland’s woodland.

All grant-aided projects must comply with strict environmental guidelines published by the Department of Agriculture and Food in relation to archaeology, water quality, landscape, harvesting and biodiversity. The long-term strategy for forestry in Ireland commits the sector to expanding the forest estate within the principles of Sustainable Forest Management (SFM). This implies maintaining the environmental, social and economic value of forestry without damage to the environment.

Equality: There were no equality issues with the measures. The sub-measures were available to all eligible applicants regardless of gender.

Rural Development: Given its rural location, forestry has a positive impact on rural development. Direct benefits, including employment, derive from the establishment of plantations with spin-off benefits in support services, industries ranging from woodcrafts to industrial processing, rural tourism and the environment. The establishment of amenity and native woodland for public use in rural areas also impacts positively on the economic activity of rural areas.

Poverty: Forestry provides valuable employment opportunities in areas where there may be few alternatives. It also provides a guaranteed income to farmers in areas where farm incomes are low. The provision of grant aid towards woodland improvement, shaping of broadleaves and pruning of conifers enables farmers to improve the quality of the plantations and their net asset value.

North-South Initiatives: There were no such initiatives relating to the sub-measures.

05.02.04.02 Harvesting Sub-Measure. Intervention Code 122

1. Introduction

This EAGGF co-financed sub-measure was designed to support investment in harvesting machinery to maintain growth in the harvesting fleet in line with increasing output from woodland. In addition, it was designed to provide incentives for increased investment in environmentally compatible machinery.

The sub-measure supported the following priorities of the CSF:

- Balanced Regional Development;
- Rural Development.

and the NDP objectives of:

- continuing sustainable national economic and employment growth;
- fostering balanced regional development.

The NDP specifically stated the objective in relation to Forestry as “developing forestry to a scale and in a manner which maximises its contribution to national, economic and social well-being on a sustainable basis and which is compatible with the environment”.

Particular objectives of the sub-measure included:

- making special provision for the extraction of timber from small private woodlots;
- providing for growth in the harvesting fleet in line with increases in future timber yields;
- supporting investment in lightweight equipment for efficient harvesting of difficult and sensitive sites.

This sub-measure was first introduced in 1989 and was continued under the Harvesting Sub-Measure of the Regional Operational Programmes, 2000 to 2006. The measure was designed to support investment in modern harvesting machinery in order to maintain a harvesting fleet with the capacity to meet the increasing output from woodlands.

The Scheme was suspended in May 2000, as it was believed it had largely achieved its strategic objectives. This belief was confirmed by a Report commissioned by the Forest Service and completed in October 2001. In 2004, a formal decision to close the Harvesting Measure was taken by the Forest Service and communicated to Operational Programme Monitoring Committees. The remaining funding was transferred to the other EAGGF co-financed sub-measure, Woodland Improvement.

2. Socio-economic and policy environment

This is set out above in a Measure context

3. Financial implementation

Harvesting Sub- Measure	Total CSF	EU Funds	ERDF	ESF	EAGGF	FIFG	Nat. Public	Private
Total Reported Expenditure to end of programme €m	€0.173	€0.045	€0.000	€0.000	€0.045	€0.000	€0.128	€0.000
Revised O.P. Forecast	€2.718	€0.368	€0.000	€0.000	€0.368	€0.000	€0.368	€2.045
Total Declared Expenditure as % of Revised Forecast	26.47%	100.00%	0.00%	0.00%	100.00%	0.00%	100.00%	0.00%
Total Declared Expenditure	€0.736	€0.368	€0.000	€0.000	€0.368	€0.000	€0.368	€0.000 ³⁰

Year	Number of Claims Approved	Expenditure €
2000	6	716,640.17
2001	1	19,503.18
Total	7	736,143.35

This was the only scheme operated by the Department of Agriculture and Food under the Harvesting sub-measure of the Forestry Measure, Regional Operational Programme 2000-2006. The sub-measure was co-funded by the European Union.

The Scheme was originally introduced in 1989 to facilitate the mechanisation of forest harvesting in Ireland. In May 2000 the Scheme was suspended, following a review commissioned by the Forest Service to assess the progress of the Scheme in achieving its primary objective. By that stage just 7 applications under the Scheme had been processed at a cumulative cost of €0.736 million.

The Consultants concluded that the sector had developed sufficiently to the stage where there was no longer a need for continued support and that, while there may have been a need for a limited scheme supporting new technologies in the sector, there was little or no demand for such scheme.

In view of the above, the Department made the following recommendations to the Operational Programme Monitoring Committees:

1. The Harvesting sub-measure be formally closed, and
2. The Monitoring Committee consider reallocating the balance of the funds remaining in the Harvesting sub-measure to the other EAGGF co-financed sub-measures, Woodland Improvement.

These recommendations were subsequently implemented.

4. Physical Achievements of the Sub-Measure

Class	Indicator	Base-line	Out Turn 2000 - 2006	Final Target	Outturn as % of Target

³⁰ An indicative amount of €0.614million has been estimated for the two sub-measures.

Output	Increase in harvesting capacity Proportion of grant-aid to environmentally sustainable harvesting systems	1,600,00m 0	49,500m3	1,750,000m3 50%	33% 0%
Result	Environmentally sustainable harvesting systems as a % of grant-aided harvesting fleet	0	0%	20%	0%

5. Administration and Management

Monitoring and Evaluation

The approved Intermediate Body (initially the Department of Marine and Natural Resources and from 2004 the Department of Agriculture, Fisheries and Food) compiled annual and interim six-monthly reports at sub-measure level - using the agreed performance indicators - setting out progress against initial objectives and targets for the Managing Authority and Monitoring Committee. The Implementing Departments/Agencies are responsible for ensuring that all payment claims for Structural Fund expenditure, submitted by the final beneficiary, are supported by receipted invoices and audit documents, and that a clear audit trail exists. They are also responsible for ensuring, in respect of co-financed Measures/projects, that only eligible expenditure actually incurred is submitted to the Managing Authority. The Implementing Body is responsible for certification of all expenditure incurred by final beneficiaries. It is the responsibility of the Managing Authority or Implementing body, which may be delegated this function on its behalf, to ensure that control checks are carried out on at least 5% of expenditure transactions. These controls will be carried out by units that are independent of the management function.

The mid-term evaluation was the main independent evaluation carried out in the period. This was combined with an evaluation of the measures under the EAGGF Guarantee funded Rural Development Programme for the period.

The **Mid Term Evaluation** completed in 2003 concluded that “the elements in the sub-measure are highly relevant to the economic and non-economic overall objectives of the Forestry measure”. The schemes were considered to be well designed and efficiently implemented despite some difficulties of implementation with the Native Woodland and Neighbour Wood Schemes. The main difficulty for the support schemes was considered to be the future availability of funding, particularly in view of expected increase in demand for shaping and pruning given the age-profile of the forest estate.

In the case of the Harvesting Measure, the report concluded that while the objective of modernising the harvesting sector remained valid, the industry had reached a point where grant assistance was no longer necessary and supported the decision to suspend the scheme. Its recommendation that the allocation for the measure be re-allocated elsewhere in the Forestry measure was implemented.

The **Ex-Post Evaluation of the CAP Rural Development Plan** focussed mainly on the factors that impeded the achievement of the target afforestation of 128,000 hectares during the currency of the Programme; 76,514 hectares or 60% of the target was actually planted. The Evaluation did note, however, the increase in the ratio of broadleaf planting from 12.9% in 2000 to 31.5% in 2006. It also noted the non-wood benefits of forestry particularly in the area of carbon sequestration. Annual removal of CO₂ from the atmosphere by forests totals 6 million tonnes with “Kyoto” forests i.e. those established since 1990 sequestering 11 million tonnes over the 5-year period to the end of 2010. The Ex-Post Evaluation concluded that “*the afforestation programme undertaken during the period 2000-2006 has made a significant net contribution to the economic and social well being of rural areas, and forests also provide a range of non-market outputs, one of the more significant of which is carbon sequestration*”. It stressed, however, the need for the achievement of more realistic targets for planting, having regard to the environmental restrictions imposed by both national and EU requirements.

Steps taken to ensure the quality and effectiveness of implementation

Financial Control

As part of the required arrangements for financial control by Member States of operations co-financed by the Structural Funds under Commission Regulation 438/2001 and following a DG AGRI audit mission to Ireland which recommended that the existing roles and responsibilities for EAGGF Guidance programmes and schemes be formally assigned within Departments, the exact functions and responsibilities of the Paying Agency, Managing Authorities and Implementing Agencies were updated and formalized in 2003.

The following tables provide details of the day-to-day management checks carried out over the period of the programme for the Harvesting sub-measures.

Year	Expenditure returned for year €	Expenditure examined for year €	Expenditure Covered %	Details of Checks	
				Type (on the spot, desk, etc)	Carried out by (detail whether administrative or technical staff, certified audit, etc. and give % covered by each in brackets)
2000	716,640.17	716,640.17	100	Technical and administrative	<ul style="list-style-type: none"> • Documentation check on 100% of applications by clerical staff. • 100% of machines purchased subject to prepayment inspection by a Forestry Inspector and if satisfactory recommends the claim for payment. • 100% administrative control check carried out by the Payments section in the Forest Service before certifying and forwarding approved claims to Accounts Division for payment • Reconciliation by Financial Reporting and Management section of Divisional Records with the Departmental Accounts system • Financial Reporting and Management section recalculated eligible expenditure amounts on files as directed by the Structural Funds Control Unit • 5% of files are randomly selected for a post payment documentary check by the delegated Managing Authority
2001	19,503.18	19,503.18	100		
2002	-	-	-		
2003	-	-	-		
2004	-	-	-		
2005	-	-	-		
2006	-	-	-		
2007	-	-	-		
2008	-	-	-		

Article 10 Checks

Article 10 to 12 of Commission Regulation No. 438 of 2001 required Member States to carry out checks on the operation of the various measures to:

(a) verify the effectiveness of the management and control systems in place; and

(b) verify selectively, on the basis of risk analysis, expenditure declarations made at the various levels concerned”.

These checks were carried out over a number of years and identified operational issues that either required remedial action on the part of, or recovery from, the applicant, and/or adjustment to claims for EC funding made by the Managing Authority. Details of these adjustments are in the paragraph that follows. The main findings included the following:

Value Added Tax (VAT)

It was found that the VAT element of expenditure incurred by non-registered “flat-rate” farmers was wrongly included by the Managing Authority in determining the amount of grant payable. Rule No. 7 of EC Regulation 448 of 2004 stipulates that “VAT does not constitute eligible expenditure except where it is genuinely and definitively borne by the final beneficiary etc”. In the case of this particular category of farmer they are able to recover elements of VAT costs from the sale of their product and were, therefore, not eligible to receive payment based on expenditure inclusive of VAT. The Managing Authority reviewed all such cases and made the necessary adjustments to the claim for EC funding.

Eligibility of claims approved pre-2000

This related to Second Instalment payments for claims approved in the earlier Programme. The Second Instalment is normally paid four years after the first instalment and was not specifically provided for in the 2000-2006 Rural Development Programme. The Managing Authority reviewed all such cases and made the necessary adjustments to the claim for EC funding.

Overheads

Eligibility Rule No. 1 of EC Regulation 448 of 2004 lays down the eligibility rules with regard to expenditure. Point 1.8 thereof states that overheads are eligible expenditure provided they are based on real costs related to

the co-funded activity. In the early stages of the schemes overheads were determined by reference to the total costs rather than the direct costs, which led to a number of overpayments. The Managing Authority reviewed all such cases and made the necessary adjustments to the claim for EC funding.

Other Cases

This category includes a range of administrative errors such as the miscalculation of areas and payment amounts. It also included a range of silvicultural issues; for example, the failure of reconstituted forests to thrive sufficiently to merit payment of grants was a recurring issue. In many cases remedial actions were recommended and, where satisfactorily completed, the applications were approved and no adjustments to the claim from the EU were necessary. In all other cases where it was considered that the conditions of the schemes had not been adequately met, the Managing Authority made the necessary adjustments to the claim for EC funding.

Corrective Measures/Irregularities

All outstanding amounts of EAGGF monies due to be paid back as a result of ineligible expenditure or irregularities discovered by way of Audits, administrative checks and Article 10 (5% control) of Regulation 438/2001 checks have been adjusted in claims on an on-going basis and are summarized in table beneath - comprehensive details of the deductions are supplied in the final claim. The "withdrawals" figures for the most part include financial corrections resulting from national control and audit work and for which in general there were no corresponding "recovery" amounts. They include amounts, which were individually exempted from irregularity communication because they were below the threshold but which are also individually detailed in the final claim. There were no unfinished or non-operational projects at the time of closure, which have to be co-financed from Community funds under the next programming period. All cases where an irregularity report has been submitted have been withdrawn from claims for EU co-funding and are therefore now fully nationally funded.

Operational Programme 2000-2006	Withdrawals		Recoveries	
	Total Public Contribution	EU contribution	Total Public Contribution	EU contribution
	€	€	€	€
Total	2,004,109.47	1,002,054.74	54,989.37	27,494.69
Including reported Irregularities	179,885.00	89,942.50	NIL	NIL

Reported Irregularities			
Reference	Total	EAGGF	Action
IR/09/003/FO/00	179,885.00	89,942.50	Withdrawn from EU funding

Note: This table is for both Forestry Sub-Measures

Inspections

The Inspectorate of the Forest Service have been fully involved at all stages in the establishment, implementation and monitoring of all the schemes in the Forestry measures. All applications are subject to a pre-approval site inspection by a Forestry Inspector before being submitted for administrative approval prior to commencement of the work. All completed plantations are also subject to a prepayment inspection by a Forestry Inspector and, if satisfactory, s/he recommends the claim for payment.

Post payment the inspectors may also visit the grant aided plantations to monitor progress and advise on any remedial action necessary.

Information and publicity measures

Quite extensive steps, as detailed below, were taken to ensure that potential beneficiaries were aware of the measures:

- The official launch of the Forestry Measures under the NDP Operational Programmes on 1 August 2001 at an event attended by over 100 guests representing the forest industry, public representatives, academics, farming and other forestry representative organisations, environmental NGOs and the national media.
- Publication of the Programme and issue of an explanatory booklet containing detail of the measures eligibility criteria etc.
- Copies of the Programme and copies of a summary booklet were published and widely distributed.
- The issue of press releases at the commencement of the Programme and subsequently to publicise the sub-measures.
- The individual sub-measures were advertised in the national and farming press.
- The sub-measures were promoted at Agricultural Shows and at the National Ploughing Championships each year.

- The contribution of the National Development Plan and the European Union was acknowledged in all advertisements and documents and the relevant logos were used on posters and stands at the Agricultural Shows.
- Information about the measure was included in various Department publications – Annual Reports, Schemes and Services, Scheme Documents, Forestry Schemes Manual, etc.
- The need to comply with the publicity requirements was emphasised to those involved in implementing and publicising the measure and the EU contributions have been acknowledged in the various publicity measures and in all notifications of assistance issued to beneficiaries. There are no known instances where the publicity requirements were not met.
- Promotion and publicising of Forestry Schemes by Teagasc and Registered foresters.

Compliance with EU Policies

EU policy recognises forestry as an integral part of rural development with financial support provided for the various measures. The forestry schemes were implemented in accordance with Articles 29 and 30 of Council Regulation 1257 of 1999, which governed support for Rural Development during the period 2000 to 2006. The EU Commission approved the terms and conditions of the Irish schemes. The schemes were operated in full compliance with the regulatory requirements.

Compatibility with Horizontal Principles

The National Development Plan states the objective in relation to Forestry as “developing forestry to a scale and in a manner which maximises its contribution to national, economic and social well-being on a sustainable basis and which is compatible with the environment”.

The particular objectives of the sub-measures, the subject of this Report, are:

- Increase the urban and amenity woodland, with particular emphasis on broadleaf content
- Increase the urban and amenity woodland facilities
- Reconstitute forest plantations damaged by fire, wind blow, frost or other natural causes
- Improve the quality of existing woodland, including the shaping of broadleaves and high pruning of conifers
- Stimulate and accelerating investment in urban/amenity afforestation
- Enrich, preserve and increase the native forest estate.
- Contribute to the protection and enhancement of the environment.

Compatibility with Horizontal Principles

Environment – The use of appropriate machinery on environmentally sensitive sites is an important consideration in the application process and acts as a safeguard for the environment. All grant-aided projects had to comply with the suite of five Forest Service guidelines on forestry and the environment as they relate to landscape, archaeology, aerial fertilization, biodiversity, water quality and harvesting. In particular, harvesting operations must comply strictly with the “Forest Harvesting and the Environment Guidelines”.

Gender Equality – The sub-measure is gender neutral.

Poverty – The provision of grant-aid to beneficiary companies for investment in modern machinery helped to improve their efficiency and market competitiveness thus maintaining and increasing employment opportunities in their rural bases.

Rural Development – This sub-measure has a positive impact on rural development, supporting the development of a competitive and environmentally sustainable harvesting industry in rural areas. It is estimated that the forestry sector provides some 17,000 direct and indirect jobs in rural areas.

North-South Initiatives: There were no such initiatives relating to the sub-measure.

7. FIFG Co-financed Measure

7.1 Introduction

Within the S&E Regional Fund there is just a single Measure which was co-financed under the FIFG Fund. This is the Aquaculture Measure which is contained within the Local Enterprise Priority (Priority 2). This Chapter provides details of the implementation of this Measure, together with such other matters which are unique to this Measure or are required by Regulation relating to the FIFG Fund. In this way this Chapter can be read as a Fund Final Report for FIFG.

7.2 Aquaculture Measure (Local Enterprise Priority)

Measure: 05.02.06 Aquaculture Development Measure. Intervention Code 144

1. Introduction

The overall objectives of the National Development Plan (NDP) 2000- 2006 were to:

- Continue sustainable national economic and employment growth;
- Consolidate and improve Ireland's international competitiveness;
- Foster balanced regional development;
- Promote social inclusion.

The National Development Plan (NDP) provided for Structural Funds co-financed Operational Programmes, including substantial non co-financed expenditure and a separate Common Agricultural Policy (CAP) Rural Development Programme. Among the Operational Programmes (OP's) under the NDP was the **S&E Regional OP**.

The Aquaculture Development Measure provided grants for private sector initiatives aimed at the development of the aquaculture industry and of grants towards public investment designed to improve economic and environmental sustainability, efficiency, safety, rural development and competitiveness in the aquaculture industry.

The objectives of the measure included the following:

- To build a critical mass in the production of those species with higher added value potential within the aquaculture sector;
- To create additional peripheral coastal income and jobs in species with relatively lower capital costs and potential for added volume within the aquaculture sector;
- To promote the diversification of the aquaculture industry through the setting up of projects for the production of new species;
- To promote the introduction of new technology to improve infrastructural support for the aquaculture sector;
- To contribute to funding measures to minimise the impact of existing and new aquaculture operations on the environment; and
- To facilitate the development of less developed areas thus improving the quality of life in rural areas.

The S&E Regional Operational Programme was submitted to the EU before the end of April 2000 and was approved by the European Commission on the 27 November 2000. This enabled expenditure from 01 January 2000 to be deemed eligible in accordance with the General Structural Fund Regulations.

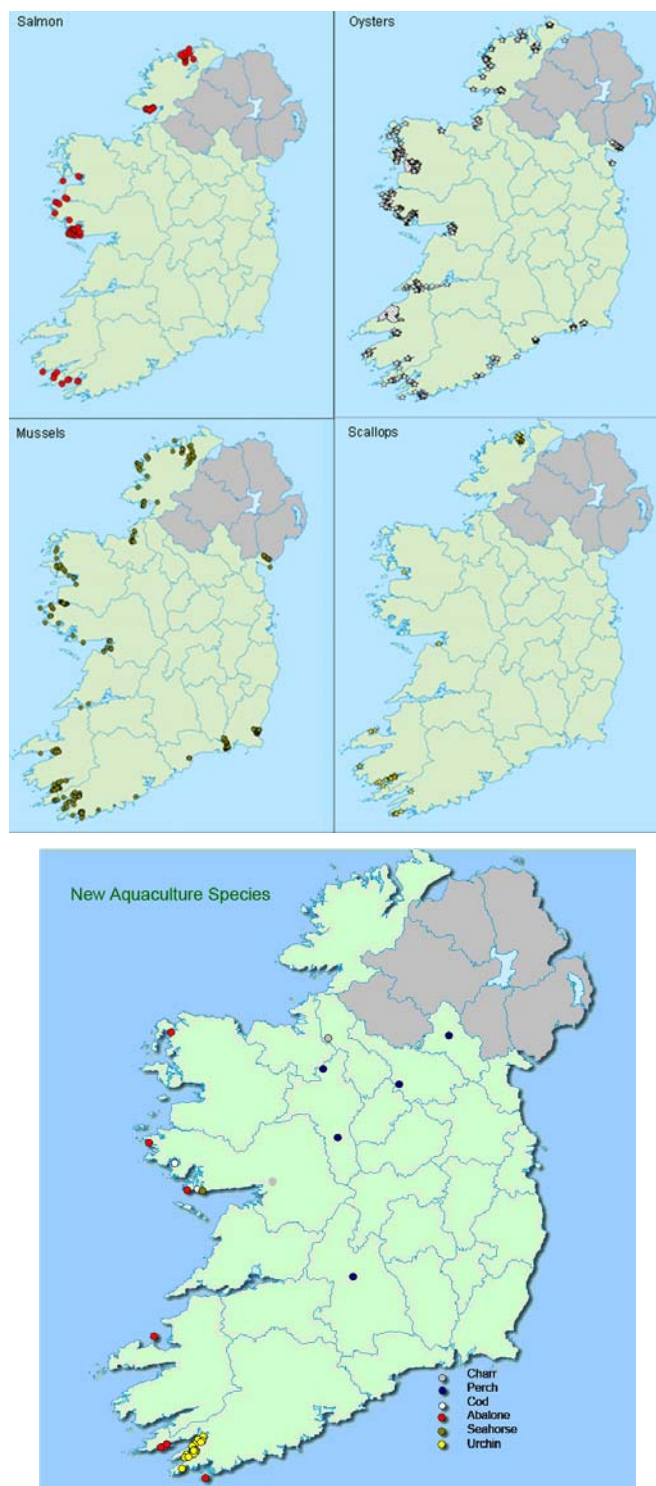
Ireland, having been an Objective 1 region under the 1994 - 99 programming period, negotiated the splitting of the country into two regions for the period 2000 – 2006. The Border, Midland and Western Region (BMW Region) was designated as an Objective 1 region, while the Southern and Eastern Region (S&E Region) was designated as being Objective 1 in Transition.

Regulation 1260/99 provides for transitional arrangements for regions which no longer qualify for full Objective 1 Status due to improvements in their economic and social circumstances.

Aquaculture Sector In Ireland

Aquaculture activities in Ireland are located right around the coast with particular concentration in Donegal, Connemara, West Cork, Waterford, Wexford and Carlingford Lough. The sector includes the farming of finfish species such as salmon and trout, arctic char and perch and shellfish species such as mussels and oysters and to a lesser extent clams, scallops, abalone and sea urchins.

There are 13 operations producing salmon and six producing freshwater and sea-reared trout as well as three perch farming operations. There are about 80 mussel farms with sites in the southwest and western coastal areas as well as a substantial bottom-mussel fishery. This provides raw material for 5 mussel-processing plants, which produce a range of value-added products. There are 150 operations producing Pacific oysters concentrated mainly in Wexford, Waterford, Cork, Mayo and Donegal but also at other locations around the coast.



The Irish aquaculture industry is market led with most of the produce being exported to meet the growing worldwide demand for marine and freshwater food. The modern Irish aquaculture industry began in the 1970's and it has experienced significant challenges in the last few years. It is an industry that provides employment and generates income in rural Ireland.

In 2007, the total production volume of the shellfish and finfish aquaculture sectors was 48,350 tonnes, which was a 15.8% volume decrease from the year 2006. As a result the total harvest value decreased by 15% to give a total aquaculture production value of €105.7 million in 2007. Although the overall production volume was

down on 2006 figures, there were a number of species that showed growth. These species were: gigas oyster (+8%), scallop (+56%), native oysters (+6%) and other finfish (+33%).

In 2007, there were a total of 1,981 people employed in the aquaculture industry, of which 686 were in full time employment, 478 were in part time employment and 817 were employed on a casual basis. There was a slight fall of 3.5% in overall aquaculture employment in 2007.

BIM's database shows that in the year 2007 there were 573 active aquaculture licences around Ireland. Of these, there were 494 active shellfish licences (86% of total), 75 finfish licences and 4 licences for the cultivation of algae. The greatest number of licences was for oyster farming (268 licences) and there were 167 mussel licences. Data from the Department of Agriculture Fisheries and Food (DAFF) demonstrate that the number of applications (new and renewals) was 57 in the year 2007.

Ireland has an established and a comprehensive system of environmental and food safety monitoring for the aquaculture industry which meets EU and market demands. For example, Shellfish production areas are classified by the Sea Fisheries Protection Authority (SFPA) based on the monitoring results of shellfish for bacterial contamination and in accordance with the terms of EU regulations.

The Marine Institute as the National Reference Laboratory operates a virus testing facility and can undertake virus testing either for surveillance purposes, or in response to outbreak investigations at the request of the SFPA or the Food Safety Authority of Ireland. The SFPA with support from the Marine Institute (MI) is responsible for residue controls on farmed finfish for the national residue-monitoring plan and there were no non-compliant (i.e. positive) results detected for farmed finfish in 2007 (as per the year 2006). In 2007 the Quality and Environment Section of BIM's Aquaculture Development Division continued to provide the industry with a variety of quality assurance schemes for farmed products that are independently verified.

From a marketing perspective, there was a decline in the volume and total value of salmon exports from Ireland in 2007. This can be explained by increased demand from the domestic Irish market and a decline in the overall level of production. For Irish exporters France remained the key market. During 2007 the overall price of Irish fresh salmon exports declined by 5%. The Irish retail market for trout in 2007 was valued at €4 million; this was a slight increase on the 2006 value of €3.7million. In terms of total volume this equated to a live weight equivalent of 500 tonnes. Bulk gigas oyster prices during 2007 were similar to those of 2006 with average prices for Irish oysters delivered into France typically obtaining €2.20 to €2.30 per kg. Bulk Irish rope mussels delivered into France achieved €1.30 to €1.40 per kg and bottom mussels (80-100 pc/kg) obtained approximately €1.00 per kg to France and €1.30 to €1.50 per kg delivered into the Netherlands.

The Co-ordinated Local Aquaculture Management Systems (CLAMS) is a nationwide initiative and is also in operation in Northern Ireland to manage the development of aquaculture in bays and inshore waters at a local level. By the year 2007

there were a total of 18 CLAMS groups established around the coast of Ireland. The CLAMS process allows for the integration of aquaculture into the coastal zone, whilst recognising the need to improve environmental compliance, product quality and consumer confidence.

2. Socio-economic and policy environment

The Aquaculture Development Measure was implemented within the same macro-economic conditions that applied to the OP as a whole.

The aquaculture industry grew strongly in both volume and value from a relatively low base in the 1990s into the current decade. The sector is of particular value to the BMW region and also makes a valuable contribution to economic development in peripheral coastal and less developed rural areas within the S&E Region. The aquaculture sector makes a positive employment contribution in rural areas, particularly in the context of the decline in employment in mainstream agriculture and fisheries and latterly in the construction sectors. In 2007, a report into the Irish aquaculture industry by MERC consultants found that employment had peaked at 2,058 reflecting annual increases of 12%. Over the programming period, the value of aquaculture output rose from €61.87m to €79.7m

Significant advances were made over the programming period to improve cultivation strategies, overcome market challenges and improve quality and environmental standards.

The aquaculture industry still has some way to go to achieve its development potential, despite state support, the absence of quotas and the scope at national level that exists to influence this sector's development. One of the factors constraining the further expansion of the aquaculture sector in Ireland, as identified in the *Steering a New Course* strategy document, is that there is significant public concern regarding perceived environmental impacts arising from the activity. Demonstrating the environmental sustainability of the aquaculture sector (e.g. compliance with the objectives of the EU water and nature legislation) will help dispel any undue concerns.

With assistance from the FIG and the National Development Plan over the last decade the aquaculture sector has achieved reasonable success. The sector comprising 25 finfish farming operations and some 300 shellfish farming units has become an increasingly important source of fish and shellfish with an annual output in excess of €100 million. However, in spite of such progress the aquaculture has not yet delivered on its full potential and there are a number of reasons for this, including:

- The emergence of significant competition from countries with low cost/large-scale aquaculture industries competing, sometimes unfairly, on traditional EU markets;
- Increased production costs due to disease outbreaks/stocks health issues
- Difficulty in attracting investment and loan finance for fixed and working capital requirement.

The three areas which must be addressed to enable the aquaculture sector realise its full economic potential are improving efficiency and cost effectiveness, improving environmental impact including visual impact and building up critical mass in production.

The tables below summarise the employment and production figures for the Aquaculture Sector during the lifetime of the S&E OP

Aquaculture Sector employment broken down by species

Aquaculture Employment 2004-2009 National						
Finfish Species	2004	2005	2006	2007	2008	2009
Freshwater Trout	21	14	19	19	16	16
Salmon	273	225	159	133	122	122
Sea Reared trout	4	23	27	9	15	15
Smolt	46	46	41	40	36	35
Others	6	6	9	3	29	29
Total FinFish	350	314	255	204	218	217
Shellfish	2004	2005	2006	2007	2008	2009
Abalone	14	13	17	23	17	17
Bottom Mussel	155	204	229	281	178	177
Clam	17	17	19	30	20	20
Gigas Oyster	282	311	270	353	347	347
Native Oyster (fishery)	107	45	84	79	266	266
Rope Mussel	218	180	269	187	213	213
Scallop	13	12	17	13	25	25
Total Shellfish	806	782	905	966	1066	1065
Total	2004	2005	2006	2007	2008	2009
Aquaculture	1156	1096	1160	1170	1284	1282

Aquaculture Employment in the S&E Region

No. Of Employees	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
	280	373	401	405	431	272	248	419	909	493

Irish Aquaculture Production 1998 - 2009 VOLUME (tonnes) National

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	Total
Rope Mussel	6,467	4,045	7,580	7,699	9,313	8,755	8,755	9,660	14065	10067	86,406
Relaid Rope Mussel Seed	0	0	0	0	0	0	2,788	4,300	0	0	7,088
Bottom Mussel	9,644	21,615	22,793	24,000	29,976	28,560	29,510	23,583	18770	16,993	225,444
Pacific Oyster	6,555	5,031	4,909	5,444	4,830	5,103	5,811	6,511	7661	6188	58,043
Native/Edulis Oyster	696	266	431	280	325	390	342	360	382	389	3,861
Clam	121	92	91	214	154	181	211	245	330	187	1,826
Scallop	33	61	49	67	80	103	87	60	58	59	657
Shellfish Other*	0	0	0	0	4	0	0	0	1	4	6
Shellfish	23,516	31,110	35,853	37,704	44,678	43,091	47,454	44,696	41,266	33,887	383,255
Salmon ova/smolt*	0	0	0	0	0	0	0	0	10	548	558
Salmon Volume	18,076	17,681	23,312	22,767	18,253	14,067	13,764	11,599	10632	9217	159,368
Sea reared Trout	1,077	1,360	977	888	370	282	717	546	507	930	7,654
Freshwater Trout	1,098	1,053	730	915	1,081	889	897	970	760	799	9,192
Others**	89	76	63	54	40	25	6	36	48	36.4	473
Finfish	20,340	20,170	25,082	23,280	17,838	15,263	15,384	12,726	11,238	11,113	172,434
											0
Aquaculture Volume (t)	43,856	51,280	60,935	60,984	62,516	58,354	62,838	57,422	52,504	45,000	555,689

Irish Aquaculture Production 1998 - 2009 VOLUME (tonnes) S&E

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	Total
Rope Mussel	4,838	1,727	5,562	5,720	6,618	6,263	5,370	6,420	10970	5901	59,389
Relaid Rope Mussel Seed	0	0	0	0	0	0	2,788	4,300	0	0	7,088

Bottom Mussel	6,324	8,891	10,921	12,108	10,358	11,147	10,120	6,581	4156	6,710	87,316
Pacific Oyster	3,654	3,289	2,944	2,798	2,707	2,707	3,219	3,982	5195	3467.4	33,962
Native/Edulis Oyster	195	154.7	205	220	260	330.25	279.7	228	180	350	2,403
Clam	5	0.2	0	30	5.3	4.5	50	57	166	12.2	330
Scallop	13	24	11.3	17	15	14	12	23	14	13	156
Shellfish Other*	0	0	0	0	0	0	0	0	0	3	1
Shellfish	15,029	14,085	19,643	20,893	19,959	20,464	21,789	21,546	20,680	16,457	190,545
	0	0	0	0	0	0	0	0	0	0	0
Salmon ova/smolt*	0	0	0	0	0	0	0	0	0	0	0
Salmon Volume	4,290	2,448	2,826	1,344	1,906	3,935	1,197	425	709	499.8	19,579
Sea reared Trout	0	0	0.03	163.5	370	210	350	109	0	280	1,483
Freshwater Trout	1,005	889	593	775	991	790	765	904	760	779	8,251
Others**	75	64	35	4	0	0	0	33	48	30	288
Finfish	5,370	3,401	3,454	943	1,361	4,934	2,312	615	798	1,171	24,359
Aquaculture Volume (t)	20,399	17,486	23,097	21,836	21,320	25,398	24,101	22,161	21,478	17,628	214,904

For most of the programming period there were minimal changes in the operational environment that impacted on the measure's implementation. The only significant changes occurred towards the end of the programme, when there was a dramatic down-turn in the country's economic fortunes.

In October 2007 the Paying Authority was part of the transfer of functions order which transferred some divisions from the Department Communications, Marine & Natural Resources to the Department Agriculture, Fisheries & Food. Even though the transfer took place there was minimal interruption on the smooth implementation of the Measure as all staff that were involved in the role of Paying Authority were still involved following the transfer.

In November 2007 there was an ECJ judgement against Ireland which inter alia found against Ireland that our licensing systems for fisheries and aquaculture were not compliant with the Birds Directive. In an effort to avoid a letter of formal notice being issued by DG Environment and the subsequent daily fines which Ireland would face Ireland had to adhere to the requirements of the directives. These directives do not allow a fishery to open in a Natura 2000 site without first having an appropriate assessment carried out. For this reason it was not possible to open fisheries in or adjacent to Natura 2000 sites.

Following on from this judgement all projects that were applying for grants under the final call in 2009 had to prove that the projects being proposed were not located in Natura 2000 sites and that all licenses for valid for the sites being proposed. Some applications were refused on this basis.

Steering a New Course

In June 2006 the Government appointed Dr Noel Cawley, Mr Ruan O'Bric and Mr Joey Murrin to draw up a report, which would form the basis of the Government's New National Seafood Strategy for inclusion in the new National development Plan 2007-2013. This Report was published in January 2007. This Strategy contained objectives that have been identified for the Aquaculture Sector.

National Spatial Strategy (NSS)

NDP approved schemes and programmes for the seafood industry have generated increased income and employment in remote coastal areas in Ireland. In this context, these programmes are in line with the NSS by helping to retain and maintain population, employment and resources in peripheral areas of the country, thereby promoting the NSS's prime concept of a more balanced regional development.

3. Financial implementation

Aquaculture Measure	Total CSF	EU Funds	ERDF	ESF	EAGGF	FIFG	Nat. Public	Private
Total Reported Expenditure €m	€33.233	€11.658	€0.000	€0.000	€0.000	€11.658	€2.951	€18.624
Revised OP Forecast	€28.223	€10.145	€0.000	€0.000	€0.000	€10.145	€2.210	€15.867
Total Declared Expenditure as % of Revised Forecast	117.75%	114.91%	0.00%	0.00%	0.00%	114.91%	133.52%	117.38%
Total Declared Expenditure	€33.232	€11.657	€0.000	€0.000	€0.000	€11.657	€2.951	€18.624

S&E Recoupment Table from EU Commission 2000-2009

Up to the 30th June 2009, there have been 7 rounds of project approvals under this Measure following formal calls for projects. In order to ensure that FIFG monies are fully drawn down, BIM operated a

Region	Reporting period	Amount claimed	Amount Recd	Date Recd
7% Advance			672,700.00	
S&E	1/1/2000 - 30/4/2002	737,124.86	733,511.00	17-Jul-02
S&E	1/5/2002 - 18/10/2002	219,227.63	219,227.00	30-Dec-02
S&E	19/10/2002 - 31/3/2003	464,474.17	446,912.00	31-Jul-03
S&E	1/4/2003 - 30/6/2004	1,452,371.90	1,452,371.90	27-Dec-04
S&E	1/7/2004 - 30/9/2004	183,980.04	183,980.04	27-Dec-04
S&E	1/10/2004 - 9/9/2005	1,450,254.61	1,436,383.82	29-Dec-05
S&E	10/9/2005 - 10/9/2006	2,820,630.65	2,855,678.10	01-Dec-06
S&E	11/09/2006 - 31/12/2006	491,751.64	491,751.64	07-Jun-07
S&E	01/01/2007 - 30/09/2007	879,637.09	879,637.09	10-Jun-08
S&E	01/10/2007 - 30/04/2008	1,840,207.22	265,597.49	08-Oct-08
S&E	01/07/2008-30/6/2009	450,606.00	0.00	
Total S&E		10,990,265.81	9,637,750.08	

rolling call for projects in 2007 and early 2008. In 2009 there was a final call for projects that was allowed due to the extension given by the EU Commission up to the 30th June 2009. In the period up to the 30th June 2009, there were three additional aquaculture project approvals sponsored by BIM involving an additional aggregate investment of €3,163,275. Total investment in BIM sponsored projects to end of June 2009 amounts to €33.232 million involving some €14.6 million in grant-aid assistance.

Payments to final recipients

The grant recipients of FIFG aid were fish farmers in regard to private sector initiatives and the Quality and Environmental Section of BIM in regard to public investment projects. The final recipients implemented projects and submitted claims to the Aquaculture Development Division of An Bord Iascaigh Mhara (BIM) and the Marine Division of Udaras na Gaeltachta (UNaG) as appropriate.

The agencies (BIM and UNaG) had responsibility for certification of payment claims from final recipients. Having certified expenditure they paid out grants to final recipients on the basis of certified returns of progress and expenditure and in accordance with the following procedures:

On written acceptance by the Applicant of the conditions attaching to the offer of a grant, a letter issued enclosing a payment application form. The letter specified the timescale for drawdown of the grant and the maximum number of instalments which may be claimed. FIFG awards were made and grant aid paid in accordance with relevant EU regulations and agreed operating procedures applicable at the time.

1. EU payment claims were prepared by the final recipients or their agents and the claims were submitted to the Agencies on agreed forms.
2. Payment claims included Model Forms C to H, as set out in the Aquaculture Measure Procedures Manual, and an Auditor's Certificate.
3. Details of each claim received (including date of receipt, applicant's name, identifying reference number and comments as to whether the claim must be queried) - were entered into the Agency's payment claims register/database.
4. The payment claim was processed by the Agency, by reference to:
 - (a) The eligibility of expenditure contained in the letter of offer, as may have been modified with approval from the Agency, and as accepted by the Beneficiary.
 - (b) The rate of assistance approved in the letter of offer; and
 - (c) The maximum monetary value of the FIFG and Exchequer award.

5. Invoices (listed) were examined for ineligible items, and these items were excluded from payment.
6. The Agency deferred certifying and aiding certain items when an interim payment claim was incomplete, for example where purchased equipment had not been installed, contractors had not provided a Tax Clearance Certificate, invoices had been misplaced and were not available, or title for purchased equipment had not been established.
7. Invoiced amounts for which payments had not been made were deferred in the case of interim claims or were excluded in the case of final claims.
8. A comparison of work planned in the aid application and work execution was examined. Overruns in expenditure were deferred in interim payment claims but may have been assisted at final claim stage *providing* that corresponding savings had been made and that the overruns did not involve an unauthorised modification.
9. A checklist was completed by the Agency and attached to the payment claim papers.
10. The FIG amount payable was calculated using the interim or final claim calculation sheet as appropriate. The minimum national grant requirement of 5% was adhered to before FIG payments were made.
11. Items of expenditure excluded from national grant assistance were to be excluded from FIG grant assistance. Items eligible for National grant but ineligible under FIG rules were to be excluded from FIG assistance.
12. The first payment was not be made until certified expenditure had been provided showing that at least 25% of planned eligible costs had been incurred by the beneficiary, unless otherwise agreed by the Agency.
13. The final payment instalment was at least 20 % of the aid awarded, unless otherwise agreed by the Agency.
14. To verify the validity of a claim an inspection of works undertaken by the beneficiary and of documentation supporting the payment application was undertaken by the Agency.
15. When the Agency had completed the validity check, the Agency completed a payment claim certificate for an interim payment or a final payment as appropriate.
16. In cases where official certification or proof of adherence to any special condition was required but had not been furnished, the award was withheld as appropriate and was subsequently paid only after production of the required proof of the award.
17. Payments of the aid award to Final Recipients was made to the Beneficiary's designated bank account for the project.
18. The beneficiary was notified by the Agency in writing of the amount paid. The notification made clear that the payment was being made under the NDP and a distinction was made in the notification between the National and FIG grants, with the amount of each grant being specified.
19. The payment claims register and the NDP/Structural Funds computer system was updated with the date of payment and the amount of the payment and all other details specified in the computer system.
20. For a period of six years following the year in which the final payment was made, final aid recipients must keep available for the Agency and the European Commission all supporting documents regarding the expenditure on the operation.
21. The Agency shall forward grant payments to the final beneficiary as quickly as possible and in full. No deduction/retention of specific charges which would reduce the amount of the award shall be made by the Agency.
22. The Agency was also required to keep all records relating to a beneficiary under the scheme for a minimum period of six years following the year in which the final payment is made to the beneficiary.

Responsibilities of Agencies and Final Recipients in regard to Financial Control, Periodic Reports and Disposal of Aided Assets

1. The Agencies and the Final Recipients were required to maintain either a separate bank account, accounting system or an adequate accounting codification for receipt of payments and all other transactions under the aquaculture sub-measure which will facilitate the verification of expenditure under the scheme by the Agencies, the DAFF and the EU Commission.
2. The Agencies had to ensure that the FIGG finance was used for the intended purposes.
3. The Agencies had to take the necessary measures in implementing the operations to prevent and to take action against irregularities and to recover any amounts lost as a result of an irregularity or negligence, including revocation of aid paid, where necessary. Agencies had to have appropriate follow up systems in place.
4. Except where the Agencies and /or the promoters provide proof that they were not responsible for the irregularity or the negligence, the Agencies was liable in the alternative for reimbursement to the DAFF of any sums unduly paid.
5. Any sum received unduly and to be recovered, including any appropriate interest due, had to be repaid to the DAFF by the Agencies. The Agencies were responsible for recovery of such sums including interest from Final Recipients.
6. Interest on account of late payment was charged on sums not repaid.
7. Routine inspection was carried out by DAFF of the Agencies' records relating to FIGG financed investments and control of FIGG funding. Control checks on the Agencies' records could also be carried out by the EU Commission.
8. The Agencies had to keep and make available to the DAFF and the EU Commission any appropriate control reports drawn up by them on the implementation of the scheme.
9. The Agencies had provide financial and other reports as required to the Managing Authorities, Department of Agriculture, Fisheries & Food and Department of Finance.
10. The Agencies had to provide progress reports using physical, financial and impact indicators. In addition, they provided annual and other monitoring reports which were required from time to time by the DAFF or the EU Commission.

Authorisation for any proposal to dispose of equipment or buildings, in respect of which grant-aid has been paid, within a period of ten years from the date of payment of the final aid instalment, may only be provided by the Agencies where the liability for the repayment of the grant is accepted by the Vendee on terms and conditions as originally accepted by the Beneficiary and providing that the assets are to be retained in productive use in the industry.

4. Physical Achievements

The S&E OP 2000-2006 realised the majority of the targets that were set down in the original programme complement. The amount of mussels and oysters exceeded the target outputs by approximately 10%. The failure to reach the targets of salmon production as set out in the programme complement is explained in the text following the table. The figures in salmon production also lead to the shortfall in the value of aquaculture output.

Class	Indicator	Base Line 1999 (A)	Incremental BIM Capacity (B)	Final out-turn (C) = (A+B)	Target Output (D)	Final Out-turn as a % of final target = (C/D)
Impact	% of operators participating in Quality Assurance Schemes	See Report	See Report	See Report	See Report	See Report
	Value of aquaculture output (Euro)	€25.73m	N/A	€25.87*	€57.04m	45.35%
	No of projects assisted	N/A	N/A	48	68	70.58%
Output	Tonnes/year of mussels	14,908	13,818	28,726	25,908	110.88%
	Tonnes/year of clams	0	35	35	190	18.42%
	Tonnes/year of oysters	3,091	2,730	5,821	5,341	108.99%
	Tonnes/year of	N/A	N/A	N/A	N/A	N/A

	bass					
	Tonnes/year of sea bream	N/A	N/A	N/A	N/A	N/A
	Tonnes/year of turbot	0	0	0	194	0%
	Tonnes/year of salmon	3,173	2,241	5,414	5,903	91.72%
	Tonnes/year of seawater farmed trout	0	200	200	0	2000%
	Tonnes/year of eel	N/A	N/A	N/A	188	N/A
	Tonnes/year of carp	N/A	N/A	N/A	N/A	N/A
	Tonnes/year of freshwater farmed trout	1,005	133	1,138	2,005	56.76%
	Tonnes/year of other species**	33	140	173	1,695	10.21%
	Number of hatchery produced fry	N/A	746,000	746,000	N/A	N/A

* Latest Data available for S&E Region is in respect of the Year 2007

** Comprises additional capacity of 90T/Perch and 50T/Abalone

Irish Salmon Production Trends between 2000 & 2007

In 2001, Irish salmon farmers produced 23,312 tonnes of salmon which was the highest annual harvest tonnage since production began in Ireland. However, since 2001 the total annual salmon harvest volumes have suffered a series of setbacks which have resulted in a reduction in production to a low of 9,923 tonnes recorded in 2007. Arising from this decline in output it was decided to undertake an examination of the sector in 2007.

Historically it would appear that the biggest factor influencing the decline in Irish production was poor EU market prices in the period 2000 to 2004 which were due to below cost sales of large volumes of salmon produced in Norway. This resulted in the EU establishing a market intervention measure known as the Minimum Import Price or MIP. The low prices achieved in the 2002 to 2004 market impacted on Irish producers making it difficult for them to generate cash flow and as a consequence caused contraction of their businesses. The same contraction, albeit at a lower level was also seen in the independently owned salmon farms in Scotland over the same period. In contrast, Norwegian producers continued to expand output despite suffering heavy financial losses'

In addition, over this period the Irish sector was also grappling with production issues, such as the impact of diseases and lack of critical mass within the industry to achieve efficiencies of scale. The poor market prices further exacerbated these underlying issues and the Irish growers were forced to progressively reduce their inputs in line with financial constraints. Although suffering from similar problems the Norwegian growers were able to access capital and maintained and even increased their output. When prices rose within the EU, after the introduction of the MIP, producers with high stock levels did well, whereas the Irish growers have had to trade their way back to increasing levels of output from a low base, which is a slow process.

Notwithstanding the declines in output, the Irish salmon farming industry delivers a product which is seen as distinct and desirable in the marketplace by virtue of its origin. Ireland's high energy, exposed sites and low stocking densities result in good quality salmon that have achieved a price premium in the market place. Over the last five years a significant proportion of the Irish industry has focused on organic-status production which has proven to be a good strategy for Ireland's low-volume niche output, in terms of achieving a favourable price differential. Aside from marketing considerations, production success is also dependent on a whole variety of interrelated factors including natural ones, such as biology and environment, as well as man made factors like the commercially sensitive administration of licences, the production techniques applied and the financial factors governing the companies involved.

It should be noted that the decrease in salmon production in Ireland since 2001 cannot be explained by disease-related mortalities alone. However, in this short analysis only the biological factors influencing the salmon industry will be concentrated on as the market and finance issues have been the subject of much comment and analysis elsewhere. Fish health and disease have negatively impacted on the salmon sector over the last seven years, contributing to the reduction in the tonnage of salmon produced. Pancreas disease (PD), infectious pancreatic necrosis (IPN) and gill disorders are reported.

During the period 2000 to 2007 there was a significant downward shift in all aspects of the salmon production sector in Ireland. This trend included a fall in the number of eggs laid down from 23.1 million in 2000 to 7.8 million in 2007 and a reduction in the number of freshwater sites from 15 to 8 in the same period. The decline was year on year (with a small upward shift in 2007) representing a steady contraction of the sector. The drop in production was most significant in 2005 and 2006 when IPN was isolated at a number of hatcheries. In 2007 there was a slight production recovery. The number of smolts put to sea during this period (2000 to 2007) fell from 11 million in 2000 to 5.9 million in 2006. There was also a contraction of the marine grow out sector during this period. The number of specialised marine sites harvesting fish fell by nearly half, from 23 to 12. Salmon harvest volumes declined from a record production high in 2001 of 23,312 tonnes to a low of 9,923 tonnes in 2007. The contraction of the sector can be traced from start to finish i.e. through the farmed salmon life cycle. Numbers of eggs laid down can be correlated with the numbers of smolts sent to sea and finally numbers of harvested fish.

The factors influencing this contraction are complex and poor production efficiencies and disease incidences are just two of the causes. In the time period 2000 to 2007 the sector has experienced challenging market forces arising from over-production and below-cost selling on the part of third countries, rationalisation of the sector itself and a change in physical operating conditions. In addition, the non-availability of extra licence capacity, required to enable the adoption of accepted best-practice production techniques to optimise disease control and pests has also proved a significant impediment to progression in the sector. On a more positive note, an increasing proportion of Irish salmon is now achieving either organic or eco-friendly status and with these assurance standards an associated price premium. The better capitalised companies have been taking over the uncompetitive farms which could not sustain production during the period 2000 to 2007 and the sector, broadly speaking, is profitable.

FIFG Activity in 2009

Southern & Eastern Region

There were 3 projects supported by BIM in the period from the 1st January 2009 to the 30th June 2009.

Total investment in the projects amounted to €3,163,275.53. A FIFG grant paid on this investment was €1,107,146.63, national exchequer grants paid on the investment was €158,164.38 and private investment was €1,897,964.52.

Three projects in the private sector were supported to modernise and extend production facilities for the production of farmed rope mussels (2) and salmon (1).

Project name	Area	Total Eligible Expenditure	Amnt (FIFG +excheq) paid	FIFG I	Exchequer I	Private I
Silver King Seafoods Ltd	Cork/Kerry	1,906,727.53	762,691.01	667,354.63	95,336.38	1,144,036.52
Saltspray Mussel Technology Ltd	Cork	333,128.00	133,252.00	116,595.00	16,657.00	199,876.00
Bantry Bay Mussels Ltd	Cork	923,420.00	369,368.00	323,197.00	46,171.00	554,052.00
		3,163,275.53	1,265,311.01	1,107,146.63	158,164.38	1,897,964.52

Transitional Support for South-East NUTS III Sub-Region in 2006

This Measure had a CSF commitment of €4.002 million in 2006. Over the lifetime of the Programme in excess of €14 million has been incurred within the South-East NUTS III sub-region, which is well in excess of its 2006 commitment.

5. Administration and Management

Monitoring & Evaluation Arrangements

The Department compiled a twice yearly report on performance indicators in respect of projects, the measure generally and setting out progress against initial objectives and targets. Progress reports covered financial management details and qualitative information, where appropriate. A quarterly report on expenditure under the measure was also provided. The Department agreed the composition and format of these reports with the Managing Authority to which they were submitted. The NDP/CSF IT system was used to transfer information on the measure to the Commission.

The Reporting arrangements for the Priority Horizontal Principles were set out as follows:

(A) Environment

As stated above, summary information for the Environment Principle was provided in so far as it related to aquaculture development under the NDP, setting out the beneficiary's name, project reference, location of projects within SAC's SPA's and NHA's, project/species, and the environmental impact of the project.

In addition a qualitative report was provided on the performance of the Public Project in so far as it relates to achieving its objectives.

Results of environmental monitoring in accordance with the statutory (Monitoring Protocols for finfish farming are published by the Marine Institute (www.marine.ie))

(B) Rural Development

A list of aquaculture projects which were approved under the NDP 2000 – 2006 was provided, showing project by location and itemising those projects by CLAR region. (www.pobail.ie).

Mid-Term Evaluation

The Mid-Term Evaluation for the S&E Regional OP was carried out in 2003. The Aquaculture development measure was contained within the Local Enterprise Priority and the following was the final recommendation in relation to the measure:

"The "Aquaculture Measure" was reclassified as a stand-alone Measure and is the only FIFG funded Measure in the OP. The funding for this Measure needs to be revisited in that it would appear to need more exchequer funding to make it balance. The current projections as to private funds may be unrealistic. The financial tables in the Programming documents need to reflect this reclassification."

Following on from this recommendation the Minister approved in July 2006 an extra €2.5million for the S&E region in exchequer funds (non refundable from EU), and the Financial Plan for this Measure was appropriately modified.

Verification checks

Certification was undertaken by the project manager, by the Agency (Article 4 verification checks) and ultimately by the Paying Authority (Article 9 verification checks).

Article 4 checks

Article 4 checks were carried out on all projects funded under FIFG. This was carried out at the initial stage on receipt of invoices and at the final stage where the project was declared complete. The Agencies checked invoices, receipts and bank statements to ensure that expenditure being claimed met all EU requirements as appropriate. The level of verification was recorded in the IT system by the various levels.

Article 9 checks

The Paying Authority carried Article 9 checks on approximately 15 % of the overall expenditure declared of all claims to be submitted to the EU Commission. These checks entailed visits the agencies offices and examination of the Management & control procedures in place for the selected projects.

In regard to aquaculture projects, it was certified and verified that:

- Responsibilities in the context of the measure were formally documented at the various levels(e.g. at Departmental level, measure level, final beneficiary level);
- Agreed terms and conditions governing FIFG co-financing for the measure were being observed;
- Procedures covering on-going monitoring, formalised spot-checking and physical implementation were being applied;
- The measure or project was being implemented in accordance with the principles of sound financial management;
- Expenditure reported was, in fact, eligible for FIFG co-financing;
- The intended use of the project was consistent with the objectives of the relevant programme;
- Public procurement requirements were being observed;
- EU publicity requirements were being observed;

- Expenditure was not being co-financed using funds from another EU structural funds-supported programme;
- Separate document and bank accounting systems or accounting codes were being maintained for projects under the aquaculture sub-measure;
- All supporting documentation was retained;
- A clear audit trail existed from individual payment to Final Recipients back to the summary details given in the expenditure declarations made by the Department to the Commission;
- The 5% transactions verification was done by, or on behalf of, the Paying Authority of the Department, of the records of BIM and UNaG.

Article 10 Audits

DCMNR IAU and DAFF IAU have completed 14 Art. 10 checks based on total eligible expenditure of €33,232,138.81. The checks represent 20.13% of eligible expenditure. Of the 14 files examined, corrections were required in one case amounting to €320.75 and this has been excluded from the final claim.

In addition the Internal Unit in the Department of Communications, Marine & Natural Resources carried out a series of Systems Audits over the period 2007-08. All reports from both the transaction and system audits were finalised and all recommendations implemented, including making the necessary financial corrections, where required.

Irregularities

No Irregularities were reported in the S&E Region

European Commission Audits

An audit of the FIG co-funded measures in all related Operational Programmes was carried out by DG Fisheries and Maritime Affairs, from 17-20 October 2005. A report was sent to Dept of Communications, Marine and Natural Resources on 23 December 2005, to which they responded in March 2006.

In total there were 21 findings included in the Audit Report which were all dealt with by the Paying Authority.

The table below show the recommendations and follow ups.

SUMMARY OF FINDINGS AND FOLLOW UP ACTIONS (MISSION: 2005/IRL/FISH E-1)

N°	Auditee	Summary of finding	Actions description	Resp. Body	Delay	Progress Update
1	DoCMNR BIM, UnaG	Lack of documentation for the delegation of the tasks.	It is recommended that, the Managing authorities of the three operational programmes in collaboration with the Sea Food and Development Policy division of the DCMNR and the Intermediate agencies of BIM and Unduras na Gaeltaghta, which according the system put in place by the Irish authorities are carrying out all the management tasks for the FIG measures, set up a formal administrative agreement	DoCMNR, BIM, UnaG, MA.	60	Administrative agreement now in place with BIM, DCMNR will now proceed to put an agreement in place with Udaras na Gaeltachta Managing Authorities of the view that sufficient documentation already in place.
2	DoCMNR Inter.Body	Description under Art.5 does not applied in practise.	The description should be adapted according to the practise.	DoCMNR, Inter.Body	60	Functions delegated to Market & Trade section are now carried out by the Paying Authority.
3	“	Lack of the manual of procedures	Preparation of a written description of the manual of procedures.	“	60	A procedures manual has now been drafted – see attached no
4	“	Lack of sampling method.	Elaboration of a sampling method based on risk analysis for the projects to be checked.	“	60	Sampling method based on risk analysis is now in place - see Procedures Manual.
5	“	Lack of specific FIG check-lists.	Creation of a specific FIG eligibility check list according the type of measures to be checked.	“	60	Paying Authority has now put in place FIG specific checklists. See Procedures Manual.

N°	Auditee	Summary of finding	Actions description	Resp. Body	Delay	Progress Update
6	“	Inadequate staffing and training of the staff to perform the delegated tasks.	Measures should be taken for adequate staffing and training for the personnel performing these tasks.	“	60	The Paying Authority has highlighted this issue to the relevant internal services. It is not in the power of the Paying Authority to take direct action on this matter.
7	DoCMNR Paying auth.	Insufficient documentation for the manual of procedures.	The PA should prepare a written description of its manual of procedures including the reporting of irregularities.	DoCMNR Paying auth.	60	A procedures manual has now been drafted – see attached no.
8	“	Lack of documentation for the tasks delegated.	established an administrative agreement for the delegated tasks and how these tasks should be performed in order to satisfy itself on the work carried out,	“	60	See comment under 2.

9	“	Insufficient assurance for the checks of Article 9 carried out by the “Market and Trade section”.	See action n°8	“	60	Function now carried out by Paying Authority and set out in Procedures Manual.
10	“	Debtors ledger.	modify the points 8 and 9 of the Circular 1/2001 according the practise in place.	“	60	Circular 1/2001 amended as requested and procedures in place re debtors ledger.
11	“	Reporting of irregularities.	See action n° 10	“	60	Procedure for irregularities now included in the Procedures manual
12	BIM UnaG	Delegation of tasks	an administrative agreement should be established in cooperation with the Managing authorities and the Implementing Body (DoCMNR) for the delegated tasks (see also finding n°1).	BIM	60	Admin agreement now in place with BIM, DCMNR will now proceed to put an agreement in place with Udaras na Gaeltachta
13	“	Retention period for project documentation.	modify the text of the “Standard letter of offer” in line with the requirements of Article 38 paragraph 6 and to ensure that all supporting documents will be available three years after the payment of the final balance by the Commission.	BIM	60	Action taken as required by audit recommendation.
N°	Auditee	Summary of finding	Actions description	Resp. Body	Delay	Progress Update
14	“	Possible conflict of interest.	define and clarify in its “manual of procedures” the procedure applied in cases where BIM is the final recipient of the aid to avoid any conflict of interest situation.	BIM	60	BIM procedures manual has been amended accordingly
15	IAU	Check lists.	a specific FIG check-lists per project type for use by its auditors when conducting their verification checks at project level, should be elaborated.	IAU	60	IAU have taken required action further consultation to take place between IAU and .DG Fish.
16	IAU	System audits.	IAU should reconsider its practise to carry out audit systems foreseen under Art. 10.1. through the performance of sample checks under 10.1.b.	IAU	60	
17	IAU	Lack of system audits.	IAU should carry out a specific audit of systems at the level of the Implementing department and the Paying authority in particular after the implementation of the recommendations made in this report.	IAU		A more focussed examination of systems will be undertaken
18	BIM	Project 1730. The figures do not correspond with the figures in the “Infosys report” and in the “Letter of	BIM has to justify the differences and to explain how it is possible to pay a higher amount than the one approved? If it occurs that payment made is not in line with the	BIM	60	Required financial corrections have been made

		offer”.	“Letter of offer” it should recover the amount unduly paid and inform the Paying authority. Additionally the “Infosys report” should be corrected.			
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N°	Auditee	Summary of finding	Actions description	Resp. Body	Delay	Progress Update
19	BIM, DoCMNR	The check of this project and of the “Infosys” report revealed that all the projects financed within this provision are incorrectly managed by BIM. Some have received only FIGF co-financing without any national co-financing and some others only national co-financing without any FIGF co-financing. In both cases these projects can be considered as non eligible for an EU funding.	Discussion should be undertaken between DG-Fisheries C-3 and DoCMNR. Report on the solution agreed.	BIM, DoCMNR		Action taken as required by audit recommendation.
20	DoCMNR, BIM	Fees 1994-1999	BIM should confirm refunding of the administration fees to all projects concerned and not only to those where the fees had the effect to reduce Member state’s co-financing below the regulatory minimum of 5%.	DoCMNR, BIM	60	BIM have confirmed by letter (see attached) that all administration fees to all projects in question have now been refunded.
21	DoMNR C BIM	VMS	The “letter of offer” to the final recipients should be modified in accordance with the financing source under which VMS equipment is financed.		60	BIM have confirmed that letters of offer have been modified

Significant Problems Encountered

There were no significant problems encountered in managing the assistance and no irregularities were reported in the South & Eastern Operational Programme 2000-2006. All invoices were checked by the Agencies prior to a claim being made and any ineligible expenditure that was identified was removed from the claim at that point. There have been corrective measures in relation to ineligible expenditure identified by the Audit Authority in carrying out Article 10 checks towards the end of the programme. These amounts were very small (well below the irregularity threshold) and have been deducted from the Final Claim.

In order to ensure publicity of the assistance towards potential beneficiaries all calls for projects were advertised in national papers and an invitation was made to all if assistance was required by potential beneficiaries. Exchequer and FIG grants were subject to a number of conditions which were contained in a formal written offer of grant assistance. One of these conditions attaching to these grants was as follows:

In the case of infrastructure investments whose total cost exceeds €500,000 a billboard shall be erected on site or in a suitable adjacent location and in the case of infrastructures accessible to the general public, a permanent commemorative plaque shall be installed on the site of the works (See Information and Publicity Section for details). The billboard or plaque shall be of a size appropriate to the scale of the operation. It shall bear the standard European and National Development Plan Logos, which shall take up at least 25% of the total area. The letters used to mention European Union assistance should be at least the size of those used to promote National assistance and should contain the following text: “This project is being part-financed by the European Union (Financial Instrument for Fisheries Guidance) and by [Agency] under the NDP 2000 - 2006”

Compliance with EU Policies:

State Aid

The Aquaculture Development measures main aim was designed to improve economic and environmental sustainability, efficiency, safety, rural development and competitiveness in the aquaculture industry. In particular, the aid facilitated the development of certain economic activities or of certain economic areas, which is compatible as it does not affect trading conditions to an extent contrary to the interest.

Among the steps taken in ensuring the aid was compatible with State Aid rules all projects that applied for grant aid had to ensure that certain criteria were met before being accepted and these included the following:

FIG assistance was granted only to projects which:

- contribute to lasting economic benefits from the structural improvement in question;
- offer an adequate guarantee of technical and economic viability;
- avoid counter productive effects, particularly the risk of creating surplus production capacity;

and even when these projects were approved they were then prioritised under the following criteria:

- the ratio of output to investment costs;
- the ratio of eligible investment cost to whole time equivalent job creation;
- the innovative nature of projects e.g. species, technology;
- the extent to which projects promote Health and Hygiene and Worker Safety;
- the financial strengths and competitiveness of the proposals;
- the environmental impact of the project;
- the contribution of the project to promoting gender equality;
- the relative impact of the project on the rural economy; and
- the contribution of the project to alleviating poverty.

Projects were weighted/scored on these criteria.

These steps ensured that EU co-financed expenditure was at all times compatible with EU policies on the environment, equal opportunities between men and women, competition and public procurement rules. In addition to these, The Irish Government also required that proposals for grant aid be “proofed” to check their compliance with Irish policies on tackling poverty, and promoting rural development. As the aid rates that are applied to the approved projects are below the threshold of 50% of public aid then the public procurement rules are not an issue in relation to the Aquaculture Development measure. Also the amounts approved are well below the threshold described in the EU Public procurement rules.

Public Procurement

All public procurement carried out in the OP was to be in line with the requirements set out in Financial Procedures Manual. The following is an extract from the Manual.

Purchasing of Goods and Services

All goods and services must be purchased in accordance with these procedures.

Please note that where authorisation is required it must be by way of dated original signature of the relevant individual.

For non-regular supplies the following thresholds apply in line with the public sector procurement Directive 2004/18/EC from 22 June 2006.

- Level 1: Two separate quotations must be sought for orders between €1,000 and €5,000.
- Level 2: Three separate quotations must be sought for orders between €5,000 and €49,999.
- Level 3: For quotes between €50,000 and €211,000 a tender notice publications must be raised in line with the National Tender Procedure on the Government website www.etenders.gov.ie.
- Level 4: For quotes above €211,000 a tender notice publications must be raised in line with the EU Tender Procedure on the Government website www.etenders.gov.ie. Tender notice must also be published on the Official Journal of the EU (OJEU) Website

The individual or section requiring the goods or service must seek all quotations. Where the required number of quotations cannot be secured, an explanation must be furnished.

For ongoing supplies of certain recurring supplies, e.g. stationery and canteen requirements, a list of authorised suppliers should be drawn up at the beginning of each financial year. The supplies list should be compiled by sending a list of the most regularly requisitioned goods to a range of suppliers and getting prices for these goods. The Board Secretary should then review and approve these prices. The most competitive suppliers should then be listed as authorised suppliers. These authorised suppliers should be the only suppliers from whom regular supplies of goods are bought. A “Global Order” can then be issued to such suppliers, subject to a yearly maximum amount and there would be no necessity to seek separate quotations in respect of each order for such regular purchases.

Only the Purchasing Section can place an order.

No orders can be placed with a supplier unless there is a current valid Tax Clearance Certificate (on file in the Purchasing Section). The individual requiring the goods or service must acquire the Tax Certificate. The Purchasing Section will enter details on the Supplier File. Whereby the details are entered on the Supplier File it will print on the Purchase Quote;

Negotiating of Service Contracts

1. No service contract should be negotiated for a time period longer than one year;
2. A file should be opened for each contract negotiated;
3. The division seeking the contract must raise a request for tender. This request must be sent to the services division for delivering to suppliers;
4. The services division must distribute the request to at least three suppliers. Where it is not possible to get quotes from three suppliers an explanation must be placed on the file;
5. Upon receipt of tenders by the services division, they should be distributed to the division seeking the contract for authorisation;
6. All contracts must be authorised by the head of the division;
7. All contracts over € 10,000 must additionally be authorised by the Secretary or Accountant;
8. The authorised tender document must be returned to the services division where an official purchase order can be raised. The procedures for purchasing services as set out in the preceding section must then be followed.

Auditing by an external auditor was done at the end of every claim period within the duration of the projects, prior to payment. At the close of the project, an audit was carried out by the Department of Agriculture Fisheries and Food internal audit division as part of the Structural Funds 5% sample checks requirement of EU regulation 438/01 to ensure compliance with EU policies and regulations and to ensure that all expenditure was eligible

Compatibility with Horizontal Principles

Environment:

Eligibility criteria for marine based aquaculture projects required, inter alia, that they be licensed under the Fisheries and Foreshore Acts. The Licensing Authority was the Department Agriculture, Fisheries & Food or, on appeal, the Aquaculture Licensing Appeals Board, an independent statutory body. Licensing of intensive

finfish farms was subject to Environmental Impact Assessments. Public consultation was mandatory as an integral part of the licensing and Environmental Impact Statement (EIS) process.

Aquaculture Licensees engaged in marine finfish culture were required to comply with five environmental monitoring protocols covering benthic monitoring, water column monitoring, sea lice monitoring and control, audit of operations, and fallowing. Guidelines have been developed for landscape and visual impact assessment and aquaculture licences incorporate these.

The Department of Agriculture, Fisheries & Food monitor compliance with aquaculture license conditions. The Marine Institute was contracted by the Department of Agriculture, Fisheries & Food to report on compliance with the five Monitoring Protocols for marine based finfish farms.

Aquaculture projects were selected by the development agencies on the basis of compliance with aquaculture licences and are prioritised on their environmental impact. NDP funding was provided for measures to improve structural compliance e.g., investment in improved structures to minimise fish escapes (cages, nets, moorings), to minimise food waste (feed monitoring through installation of video cameras), to facilitate fallowing and single generation per site management strategies (cages, nets, moorings), measures to reduce waste disposal in shellfish farming (reusable materials), measures to reduce adverse visual impact in rope mussel farming (less visually intrusive floats).

The Aquaculture Development Measure was mainstreamed to devise and implement measures, on a national basis, to improve environmental impact and raise environmental awareness. This work was undertaken on a developmental basis and delivered via a Public Project. A specialist Environmental Officer delivered the Programme at national level supported by regionally based officers.

Rural Development:

The Measure had a positive effect on rural development by facilitating the development of less developed areas and thus contributing positively to the quality of life in rural areas. It also provided for additional employment opportunities in downstream industries.

It is worth noting that all aquaculture projects are undertaken in the rural economy and all employment is located in peripheral coastal and rural regions of Ireland.

Projects were selected on the basis of their compliance with statutory licensing and planning regulations and EU regulations and in accordance with selection criteria and prioritised, inter alia, on the basis of their environmental and rural development impact.

Update on Participation of the Industry in Quality Assurance and Environment Schemes as 26th March 2009

Salmon

Work on an organic standard by BIM for Irish farmed salmon is complete and has been approved by the National Accreditation Board. There are currently 2 saltwater farms, 2 freshwater farms, one smoked salmon producer and one processing facility that are members of the Organic Scheme.

At present, the number of farms participating in the Irish Quality Salmon Scheme is as follows:

Region	Total No of Farms	No of Farms Participating	% of Farms Participating (estimated)	% of Total Production (estimated)
South & East	2	1	50%	50%
Border, Midlands & West	9	7	77%	80%

Trout

At present there are 2 members of the Irish Quality Trout Scheme in the South and East Region. There are also 2 members in Northern Ireland and these farms are also members of the Eco-label scheme

Mussels

The breakdown of members in the Irish Quality Mussel scheme between the BMW and S&E is as follows:

Region	No of Farms/Vessels Participating	Production of farms (estimated)	% of Total Production (estimate)
South & East	11	3,000T	30%
Border, Midlands & West	4	2,000T	15%

Oysters

There are currently 3 members of the Irish Quality Oyster scheme. 1 based in the South and East and 2 in the BMW region. Active recruitment to the scheme is ongoing. A website devoted to the IQO scheme has been developed, www.iqo.ie to promote Irish Quality Oysters both on the home market and also in France where the main sales take place. The site is available in both English and French and links in packers and restaurants in France into the scheme.

Environment

The ECOPACT initiative continues to be promoted through the medium of the CLAMS groups within each area. Individual environmental management plans are devised by operators with assistance from BIM. To date 70 companies have signed up to the initiative and are using the ECOPACT environmental management systems within their operations.

Currently 3 mussel farms and one mussel processor are members of the Eco-Mussel Scheme. One salmon farm, consisting of 2 freshwater sites and 7 saltwater sites, and one processing facility are members of the Eco-Salmon Scheme.

APPENDIX 2

Update on Priority Horizontal Principle: Environment

Environmental Impact:

All aquaculture projects are assessed and prioritised for their environmental impact. There were 51 projects approved under the NDP Aquaculture Measure for the S&E Region. Of the 51 projects approved, 48 were implemented. Of these 48 projects, 2 are public projects and 46 are privately promoted projects. The impact of the private and public projects is set out below.

Private Projects

Of the 46 private projects, 15 were prioritised as having a positive environmental impact (33%) and 31 were prioritised as having a neutral impact (67%).

Of the 46 private projects, 31 are located in sensitive areas. Of the 31 projects located in sensitive areas, 7 were assessed as having a positive environmental impact and the remaining 24 projects were assessed as having a neutral environmental impact.

Public Projects

There were two public sector projects in the Aquaculture Development Measure of the Southern and Eastern Regional Operational Programme, both of which are operated by BIM: the Environmental and Quality Programme and the Regional Officers Programme. The Environmental Programme aims to develop environmental awareness and best practice within the industry to promote sustainable development of the industry, to set in place a waste management programme within each sector of the industry, to promote best environmental practice through the drafting and publishing of Codes of Practice and their dissemination through workshops and seminars and to provide an information base and liaison facility for the industry, the DAFF and other relevant agencies on all environmental issues affecting aquaculture. Significant progress was made in achieving these aims.

Funding has been provided for three locally based Regional Aquaculture Officers in the Southern and Eastern Region. These officers provide an integral link between BIM and the local aquaculture community. Part of their work programme involves the assistance with the implementation of quality and environmental initiatives in the aquaculture sector, monitoring the impact of aquaculture on the environment and identifying suitable sites for aquaculture development and the publication of Co-ordinated Local Aquaculture Management Systems (CLAMS) documents. CLAMS plans have been published for Bannow Bay, Dungarvan Harbour, Roaringwater Bay, North Shannon Estuary and Castlemaine Harbour and the CLAMS process has been set up and is being serviced by the Regional Officers in each of these bays. As part of the CLAMS process, the Regional Officers have organised waste recycling on a number of beaches and piers associated with aquaculture. ECOPACT, the Environmental Code of Practice for aquaculture companies and traders, is being promoted in the Southern and Eastern Region through the CLAMS process and is being implemented with individual companies.

A list of the projects approved under the Measure is attached showing the company name, the project number, the county, the location of the project, the species being produced, whether it is in an environmentally sensitive area or not and the project's environmental impact.

Summary Information for Environmental Principle in so far as it relates to Aquaculture Measure in S&E Region

<u>Company</u>	<u>Project Approval Number</u>	<u>County</u>	<u>Location</u>	<u>Land/Sea</u>	<u>Environmentally Sensitive Area e.g. SPA, SAC, NHA</u>	<u>Species</u>	<u>Project Environmental Impact</u>
Jasconious Ltd.	01.S&E.AQ.BIM.04	Clare	Aughinnish Bay	Sea	SPA, Csac	Oysters	Neutral
Bantry Bay Mussels Limited	01.S&E.AQ.BIM.01	Cork	Bantry Bay	Land/Sea	Outside protected area	Rope Mussels	Neutral
Beara Atlantic Salmon Ltd.	01.S&E.AQ.BIM.03	Cork	Bantry Bay	Sea	Outside protected area	Salmon	Positive
Beara Atlantic Salmon Ltd.	01.S&E.AQ.BIM.03	Cork	Kenmare Bay/Inishfarnard	Sea	Csac	Salmon	Positive
Beara Atlantic Salmon Ltd.	01.S&E.AQ.BIM.03	Cork	Kenmare Bay/Deenish	Sea	NHA	Salmon	Positive
Seal Harbour Enterprises Ltd.	01.S&E.AQ.BIM.05	Cork	Glengariff, Bantry Bay	Sea	Csac, NHA	Rope Mussels	Positive
Mr. John Power	01.S&E.AQ.BIM.08	Cork	Castletownbere, Bantry Bay	Sea	Outside protected area	Seawater Trout	Neutral
Mr. Michael Crowley	03.S&E.AQ.BIM.04	Cork	Roaringwater Bay	Sea	Csac, NHA	Rope Mussels	Neutral
Carrigadrohid Smolts Ltd.	03.S&E.AQ.BIM.02	Cork	Carrigadrohid	Land	Outside protected area	Salmon Smolts	Neutral
Cuan Baoi Seafarm Ltd.	03.S&E.AQ.BIM.05	Cork	Bantry Bay	Sea	Outside protected area	Salmon	Positive
St. Killians Salmon Ltd.	03.S&E.AQ.BIM.06	Cork	Doon Point, Kenmare Bay	Sea	Csac, NHA	Salmon	Neutral
Seal Harbour Enterprises Ltd.	03.S&E.AQ.BIM.07	Cork	Glengariff, Bantry Bay	Sea	Csac, NHA	Rope Mussels	Positive
Pallas Fish Farm Ltd.	03.S&E.AQ.BIM.08	Cork	Ardgroom Harbour	Sea	Csac	Rope Mussels	Neutral
Kush Seafarms Ltd.	04.S&E.AQ.BIM.02	Cork	Ardgroom Harbour	Land/Sea	Csac	Rope Mussels	Positive
Cormorant Mussel Ltd.	04.S&E.AQ.BIM.07	Cork	Castletownbere, Bantry Bay	Sea	Outside protected area	Rope Mussels	Neutral
Goatsbridge Trout Farm Ltd.	01.S&E.AQ.BIM.02	Kilkenny	Goatsbridge	Land	Project Withdrawn		
An Bord Iascaigh Mhara	01.S&E.AQ.BIM.09	N/A	Southern & Eastern Region	N/A	Not Applicable	Quality and Environment	Positive
An Bord Iascaigh Mhara	01.S&E.AQ.BIM.10	N/A	Southern & Eastern Region	N/A	Not Applicable	Regional Development Programme	Positive
PKA Ltd.	01.S&E.AQ.BIM.07	Waterford	Dungarvan Bay	Land/Sea	NHA, SPA, Csac	Oysters	Neutral
P.K.A. Ltd.	02.S&E.AQ.BIM.04	Waterford	Dungarvan Bay	Land/Sea	NHA, SPA, Csac	Oysters	Neutral
Green Oysters Ltd.	03.S&E.AQ.BIM.03	Waterford	Dungarvan Bay	Sea	NHA, SPA, Csac	Oysters	Neutral
Woodstown Bay Shellfish	03.S&E.AQ.BIM.01	Waterford	Youghal Harbour	Sea	SPA, Csac	Bottom Mussels	Neutral

Ltd.							
Woodstown Bay Shellfish Ltd.	04.S&E.AQ.BIM.01	Waterford	Woodstown Bay	Sea	Csac, NHA	Oysters	Neutral
P.K.A. Ltd.	04.S&E.AQ.BIM.09	Waterford	Dungarvan Bay	Land/Sea	NHA, SPA, Csac	Oysters	Neutral
Mr. Florence Sweeney	02.S&E.AQ.BIM.01	Wexford	Wexford Harbour	Sea	NHA, SPA, Csac	Mussels	Neutral
Hibernor Atlantic Salmon Ltd.	02.S&E.AQ.BIM.02	Wexford	Bunclody	Land	Csac, NHA	Salmon smolts	Positive
Mr. Patrick Cullen	02.S&E.AQ.BIM.03	Wexford	Wexford Harbour	Sea	Project Withdrawn		
Halcome Merchants (Ire) Ltd.	04.S&E.AQ.BIM.03	Wexford	Wexford Harbour	Sea	NHA, SPA, Csac	Bottom Mussels	Neutral
Tardrum Fisheries Ltd.	04.S&E.AQ.BIM.04	Wexford	Wexford Harbour	Sea	NHA, SPA, Csac	Bottom Mussels	Neutral
Eugene Fitzpatrick	04.S&E.AQ.BIM.05	Wexford	Bannow Bay	Sea	SPA, Csac, NHA	Gigas Oysters	Neutral
Wexford Mussels Ltd.	04.S&E.AQ.BIM.06	Wexford	Wexford Harbour	Sea	NHA, SPA, Csac	Bottom Mussels	Neutral
Riverbank Mussels Ltd.	04.S&E.AQ.BIM.08	Wexford	Wexford Harbour	Sea	NHA, SPA, Csac	Bottom Mussels	Neutral
IDAS Ltd.	01.S&E.AQ.BIM.06	Wicklow	Woodenbridge	Land	NHA	Freshwater Trout	Neutral
Bantry Harbour Mussels Limited	06.S&E.AQ.BIM.01	Cork	Bantry Bay	Sea	Outside Protected area	Mussels – Rope	Positive
Dunmanus Bay Mussels Limited	06.S&E.AQ.BIM.05	Cork	Dunmanus Bay	Sea	Outside Protected area	Mussels – Rope	Positive
Kush Seafarms Limited	06.S&E.AQ.BIM.15	Cork	Ardgroom Harbour	Sea	Csac	Mussels – Rope	Positive
Power, Mr. John	06.S&E.AQ.BIM.17-TESP	Cork	Bantry Bay	Sea	Outside Protected area	Seawater Trout	Positive
Salt spray Mussel Technology Limited	06.S&E.AQ.BIM.04	Cork	Bantry Bay	Sea	Outside Protected area	Mussela – Rope	Positive
Seal Harbour Enterprises Limited	06.S&E.AQ.BIM.02	Cork	Bantry Bay	Sea	Csac, NHA	Mussels – Rope	Positive
Southward Limited	06.S&E.AQ.BIM.13	Cork	Bantry Bay	Sea	Project Withdrawn		
Tower Aqua Products Limited	06.S&E.AQ.BIM.14	Cork	Lickbarrahan, Beara	Land	Outside Protected area	Abalone	Neutral
Utterly Oysters Limited	06.S&E.AQ.BIM.12	Cork	Ballymacoda Bay	Sea	Csac, SPA, NHA	Oysters	Neutral
BioAltantis Limited	06.S&E.AQ.BIM.11	Kerry	Kenmare Bay	Sea	Csac	Mussels – Rope	Neutral
Brandon Bay Seafoods Ireland Limited	06.S&E.AQ.BIM.16	Kerry	Kilshannig, Castlegregory	Land	Outside Protected area	Abalone	Neutral
Templenoe Oysters Limited	06.S&E.AQ.BIM.09	Kerry	Kenmare Bay	Sea	Csac	Oysters	Neutral
Clune Fisheries Limited	06.S&E.AQ.BIM.08	Tipperary SR	Clune, Clonoulty, Cashel	Land	Outside Protected area	Other Finfish	Positive
Bia Mara (Deise) Teoranta	06.S&E.AQ.BIM.07	Waterford	Dungarvan Bay	Sea	NHA, SPA	Oysters	Neutral

Iasc Sliogach Dun Garbhain Teoranta	06.S&E.AQ.BIM.06	Waterford	Dungarvan Bay	Sea	NHA, SPA	Oysters	Neutral
P.K.A. Limited	06.S&E.AQ.BIM.03	Waterford	Dungarvan Bay	Sea	NHA, SPA	Oysters	Neutral
Idas Limited	06.S&E.AQ.BIM.10	Wicklow	Aughrim	Land	NHA	Fresh water trout	Neutral
Bantry Bay Mussels Limited	09.S&E.AQ.BIM.03	Cork	Gortlassa	Land	Outside Protected area	Mussels – Rope	Neutral
Saltspray Mussel Technology Limited	09.S&E.AQ.BIM.02	Cork	Bantry Bay	Sea	Outside Protected area	Mussels – Rope	Positive
Silver King Seafoods Limited	09.S&E.AQ.BIM.01	Cork	Bantry Bay	Sea	Outside Protected area	Salmon	Positive

8 Management and Financial Control

8.1 Introduction

This chapter provides information on the steps taken by the S&E Regional Assembly, as Managing Authority for the S&E Regional Operational Programme, to ensure sound management and financial control over the implementation of the Programme and its constituent Measures.

The Regional Operational Programme, was, by its nature, an administratively complex programme. This complexity is due to a number of factors, including:

- The scale of the Programme, in financial terms
- The sourcing of Community funding from all four Structural Funds – ERDF, ESF, EAGGF and FIFG; each with their own specificities;
- The multi-level cascade of the reporting and implementation arrangements;
- The diverse nature of the many co-funded measures in the Programme; and
- The devolution of some Managing Authority tasks in respect of EAGGF and FIFG co-funded measures.

8.2 Managing Authority Initiatives

In dealing with these complexities the Managing Authority engaged in significant number of initiatives to ensure that the quality and effectiveness of the programme management was optimised, and that a robust financial control system was put in place. These initiatives included the following:

- Establishment of a Monitoring & Financial Control Unit, suitably resourced within the MA staff structure;
- Recruitment of a qualified auditor within the MA staff structure;
- Addressing recommendations arising from OP-level, measure-level and thematic evaluations;
- Numerous revisions of financial tables to reflect or deal with implementation issues;
- Holding annual information seminars for practitioners at all levels in the cascade structure;
- Initiating a comprehensive look back review in 2005 of certified expenditure in specific measures;
- Addressing all audit findings arising from Article 10 Audits and EU Commissioned Audits; and
- Participation in Closure Monitoring Committee.

These initiatives will be explained in greater detail in the succeeding paragraphs.

Monitoring & Financial Control Unit

The financial management and control of the Programme was a very significant element in the activities statutorily assigned to the Managing Authority in the 2000-2006 funding round. These activities are set out in Regulation (EC) 1260/1999 and were further elaborated in Department of Finance Circular 34/2001 of 27th July 2001, and include, inter alia, the following:

- ensuring that the most up-to-date requirements under EU financial management and control regulations are communicated to the Intermediate Bodies and onward to the Final Beneficiaries;
- ensuring that appropriate arrangements for the verification and declaration of eligible expenditure are in place at Intermediate Body and Final Beneficiary levels, in compliance with instructions and guidance from the ERDF and ESF Paying Authorities;
- ensuring the timely submission of returns from the Intermediate Bodies for claims for drawdown of the ERDF and ESF assistance;
- carrying out on-the-spot checks at the level of each intermediate body, to satisfy itself that the necessary steps have been taken by the intermediate bodies in conjunction with the final beneficiaries, on the rules governing eligibility and other Community compliance issues.
- the aggregation of expenditure data from Intermediate Body level, the desk checking of information to ensure consistency, where appropriate, with previous claim returns, and ensuring that ineligible amounts found in ex post reviews of previous claim declarations are excluded;
- the certification of aggregated expenditures taking account of the results of ex-ante on-the-spot checks and desk checks by the Managing Authority;

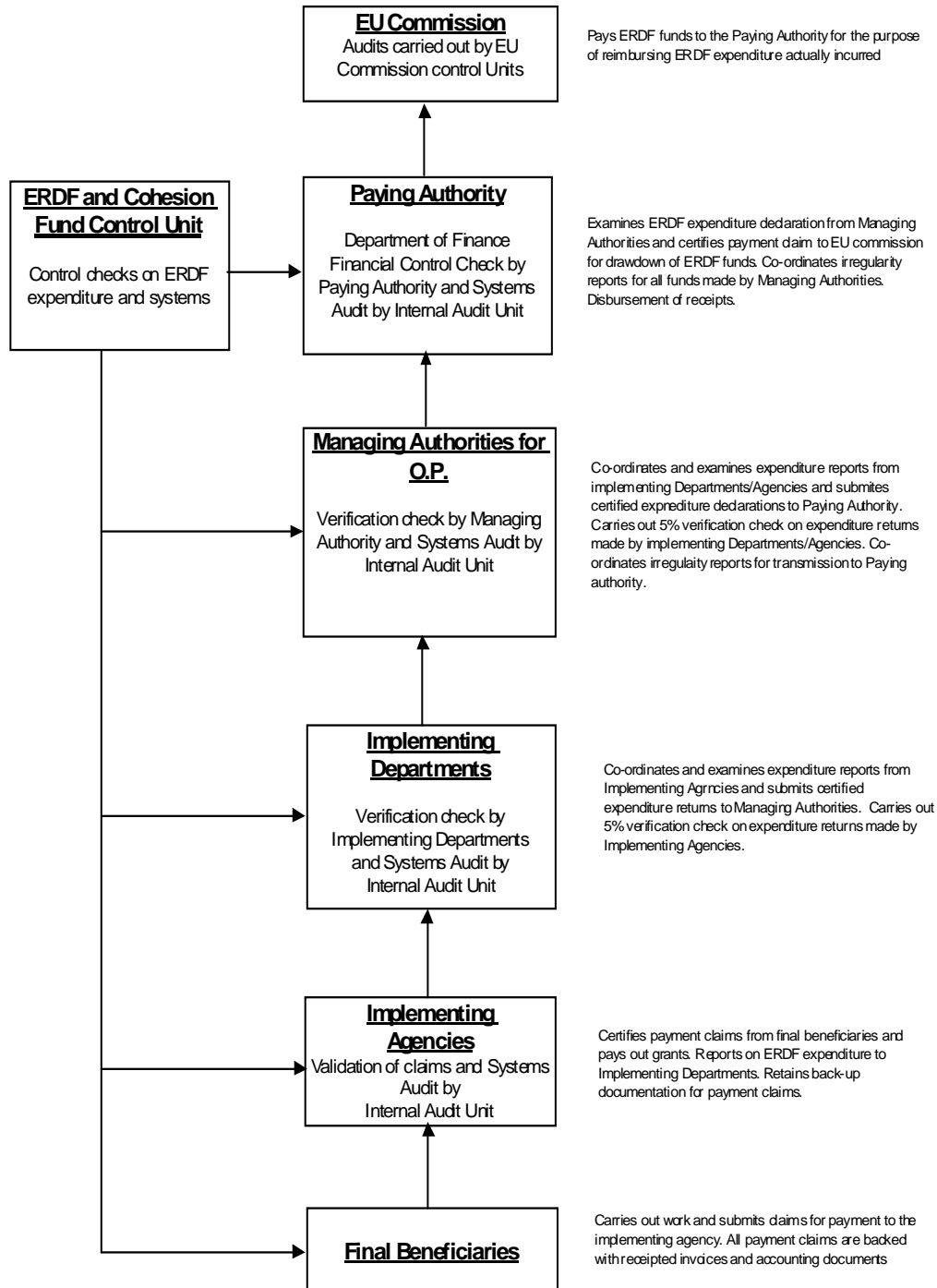
- the issuing to the Paying Authorities of certificates of eligible expenditure for the OP as a whole and supporting documentation and
- follow-up where necessary to requests from the Paying Authorities for clarification/additional information arising from the Paying Authority's ex-ante on-the-spot check at the level of the Managing Authority.

In recognition of the significance of the financial management and control requirements it was decided in 2001, within the MA staff structure, to establish a dedicated Monitoring & Financial Control unit, headed by the Assistant Director, to enable the MA to optimise its financial management and control function. The staffing of this unit was further enhanced in 2005 with the recruitment of a qualified auditor with a primary focus on the look-back review and on closure.

Programme monitoring is a second critical task which the Managing Authority has to perform. In particular it was felt that the provision of relevant and precise information on various aspects of implementation to the Monitoring Committee required dedicated resources to enable the Committee to fulfil its statutory role in an optimum fashion. This Monitoring & Financial Control unit was given responsibility for the production of all Monitoring Committee reports, all Annual Implementation reports, summary reports to the NDP/CSF Monitoring Committees and to the Horizontal Coordinating Committees, the Final Implementation Report and the provision of all support services to the Monitoring Committee to enable it to function effectively. In addition, amendments to the Programme Complement text, arising from changes to measures, or specifically to performance indicators, were also the responsibility of this unit. The result of this approach was the provision of coherent and comprehensive monitoring and control systems with a direct contact point for all participants in the cascade.

In respect of Financial Management, the Regional Assembly delegated its Managing Authority functions to the Department of Agriculture, Fisheries & Food in respect of EAGGF & FIFG co-financed Measures under the Programme. The following flowchart illustrates the financial management and control arrangements in respect of ERDF co-financed Measures.

Flowchart on Financial Management and Control Arrangement for Drawdown of ERDF Funds



8.2.1 Addressing Audit Findings

In the duration of the programme implementation a number of verification audits were conducted under Art. 10.1(b) of Regulation 438/2001 over all Funds by the respective Financial Control Units.

Arising from these audits the following table summarises the position in relation to all financial findings from ERDF & ESF Article 10 Audits³¹. From this table it is evident that all Article 10 Audit financial recommendations have been complied with and the necessary corrections made.

Fund	Audit Body	Measure	Report No.	Status of Report	No. of Financial Recommendations	No. of Financial Recommendations Implemented	No. of Financial Recommendations Outstanding
ERDF	ERDF FCU	Non National Roads	1	Final	3	3	0
		Non National Roads	2	Final	7	7	0
	ERDF FCU	Rural Water	1	Final	9	9	0
	ERDF FCU	Waste Management	1	Final	4	4	0
	ERDF FCU	Urban and Village Renewal	1	Final	11	11	0
	ERDF FCU	E Commerce	1	Final	5	5	0
	ERDF FCU	Regional Innovative Strategies	1	Final	1	1	0
	ERDF FCU	Minco Enterprises	1	Final	2	2	0
	ERDF FCU	Micro Enterprises	2	Final	4	4	0
	ERDF FCU	Technical Assistance	1	Final	0	0	0
	ERDF FCU	Ports Infrastructure	1	Final	0	0	0
	ERDF FCU	Childcare Facilities	1	Final	6	6	0
							0

³¹ Details on EAGGF & FIFG Article 10 Audit Findings are provided in the relevant Fund Chapters

	EU Commission - Project Audit conducted by Mazars		1	Final	39	39	0
ESF	ESF FCU	Staffing & Quality Improvement Measures	1	Final	1	1	0
	ESF FCU	Staffing & Quality Improvement Measures	2	Final	4	4	0
	ESF FCU	Staffing & Quality Improvement Measures	3	Final	5	3	2* (note)

Note *Two financial corrections recommended by the ESF FCU relating to the Forbairt Naionrai Teoranta Project were not actioned as expenditure relating to the project was not included in the final Claim.*

As part of the closure process it was incumbent on all bodies to provide an audit trail in respect of all audit findings with financial implications and a check was carried out to ensure that each of these findings had been implemented. Consequently the appropriate adjustments have been made in respect of each finalised recommendation with a financial implication. As is evident from the above table all financial recommendations have been followed through with the necessary adjustments made in interim and the final claim, and there are no recommendations outstanding.

In addition checks were also carried out as part of the closure process to ensure compliance with finalised recommendations which did not have financial implications and the Managing Authority is satisfied that these have also been complied with.

8.2.2 Revisions of Financial Tables

In the course of the implementation of the programme a number of revisions to the financial tables were necessary for a number of reasons including:

- Measure level absorption issues; and
- N+2 decommitments.
- Absorption of additional funds from other programmes following the Mid-Term evaluation.
- Removal of inappropriate private funding;

Details of these revisions are contained in the section dealing with Programme Complement & Operational Programme amendments.

8.2.3 Preparation & Review of System Description & Procedure Manuals

The Managing Authority and Paying Authority, following advice received in the course of an EU Commission preventive audit prepared a comprehensive procedure manual for all co-funded measures and for all levels in the cascade. This was to facilitate compliance with Art 5 of 438/2001 in addition to assisting the orderly functioning of the programme management. This document was the basis of the submission under Art 5 to the Commission which was deemed satisfactory. In subsequent years a number of management changes occurred in the programme which necessitated further variations of the manual. Some of the significant management changes which occurred included:

- 1) The classification of local authorities as Final Beneficiary bodies under the E-Commerce Measure;
- 2) The change in Intermediate Body for the Childcare measure from the Department of Justice, Equality & Law Reform to the department of Health & Children; and
- 3) The change in Intermediate Body for the Fishery Harbours and Aquaculture measures from the Department of Communications, Marine & Natural Resources to the Department of Agriculture, Fisheries & Food.

8.2.4 Annual Information Seminars

In the course of the implementation of the Operational Programme, the Managing Authority held a large number of information seminars for all practitioners in the implementation process. These seminars commenced in 2001 and continued annually up to 2008. Their focus evolved from concentration on the various rules and the certification process in the initial seminars, through ongoing familiarisation in the middle years to closure in the final years. The focus of the 2006 seminars was mainly on closure issues and was targeted at all Final Beneficiary Bodies. Presentations were made on the requirements for closure and the contributions were informed by the experience gathered in the look back review exercise which was being carried out in tandem with the seminars. In addition the Managing Authority participated in a closure simulation exercise delivered by the EU Commission in Dublin and facilitated by the Department of Finance.

8.2.5 Management Verifications (Article 4 Checks and 'Look-Back Review' Processes)

The core objective of the financial controls applied to all co-financed expenditure was to protect the National and European Community budgets. This section largely describes the management verification processes

applied to ERDF and ESF co-financed expenditure. The verification processes and checks undertaken in respect of EAGGF and FIFG co-financed expenditure are detailed in chapters 6 and 7 respectively, of this Final Report.

For an understanding of the rationale of each of the controls applied, it is important to distinguish between *ex ante* and *ex post* controls. These were the two inter-related and mutually reinforcing sets of management controls operated during the implementation of the S&E Regional OP:

(a) *ex ante* controls:

Ex ante controls operated at the level where the co-financed expenditures was being incurred i.e. at the level of the final beneficiaries. These controls were designed to identify and “weed out” items of ineligible expenditure in new expenditure declarations, i.e. expenditure being reported for the first time, before declarations are certified for aid purposes. These controls operated as a “front-line” defence. The primary *ex ante* control was therefore the Article 4 verification check relating to the examination of new expenditures. Errors found and corrected in advance of declarations are described by the Irish authorities as “disconformities”.

(b) *ex post* controls:

Ex post controls comprised a rear guard action designed to identify and eliminate items of ineligible expenditure which escaped through the *ex ante* net. Because ERDF aid has already been paid out on such ineligible items, the Community Budget remains directly affected until an appropriate financial correction is made. These types of ineligible expenditures constitute “irregularities” under the EU rules. The rear guard action comprised a retrospective verification check of previously certified expenditure where, due to weaknesses in Art 4 checks, there was a possibility that ineligible expenditure may have been certified. *Ex post* controls operated as “look-back” checks. The *ex ante* controls referred to above operated from the start of the S&E OP in 2001.

Taken together, the Managing Authority is satisfied that a comprehensive management verification system, in accordance with the EU regulations, was in place and that, arising from both processes, all ineligible expenditure identified has been removed from certified expenditure claims. The processes are described separately in the following sub-sections.

Article 4 Process

The *ex ante* verification checks that were undertaken in accordance with Article 4 of Commission Regulation (EC) 438/2001, in respect of the checking and certification of expenditure on projects in receipt of EU financial assistance were operated on a cascade basis are detailed hereunder:

- (i) Final beneficiary bodies are the most important body in the cascade structure because it was at this level that all eligible expenditure was incurred. As a consequence, these bodies were required to carry out a check of transactions relating to each project prior to submitting a claim (Form B1) for the drawdown of EU aid. They were also expected to ensure compliance with, inter alia, EU procurement and publicity requirements. The Managing Authority regards financial checks and controls undertaken by the financial beneficiaries / final aid recipients as making an important contribution to the financial management and control arrangements in place. However, the Managing Authority did not treat such checks at this initial level of the cascade as constituting formal Article 4 checks within the terms of Commission Regulation (EC) No. 438/2001. The rationale for this view is that the check by the final beneficiary or final recipient, of its own expenditure, should be reinforced by separate checks at the next level of the cascade in order to ensure the required degree of independence which the Managing Authority would regard as a pre-requisite for a robust Article 4 check. It is for this reason that the check by the intermediate body, as described at (ii) below, at the level of the final beneficiary / final recipient, constituted for the Managing Authority, the key independent verification check for the purposes of Article 4, subsequently verified and confirmed by the Managing Authority as part of its own checks as described in (iii) below.
- (ii) Intermediate bodies, following receipt of completed B1 reporting forms carried out a financial control and procedures compliance check at the level of the implementing body. This normally included a check of a representative sample of underlying transactions for the projects selected. This

check by the Intermediate Body was the pivotal control check for the explicit purpose of Article 4 mentioned above. The compliance check involved was normally conducted in three phases i.e.

- (1) A desktop review of all B1 reporting forms received and supporting documentation (transactions list etc.);
 - (2) The selection of a representative sample of underlying transactions from projects selected across the period of the expenditure declared, across the range of project activities, and across an appropriate range of values, for in-depth checking, including an on-the-spot documentation check;
 - (3) A third phase involved the preparation of a report with recommendations, the making of any financial adjustments required on foot of the desk-top review and sampling exercise, and the aggregation and certification of all the Form B1 figures to B2 level, and follow-up with the final beneficiary concerned; and
 - (4) A physical on-site check in selected projects to verify the reality of the project.
- (iii) The next check is at the level of the Managing Authority, following receipt of the Form B2 reporting form from the intermediate body. The purpose of this check was to verify and confirm the quality and robustness of the Article 4 check carried out by the Intermediate Body before the claim for drawdown of EU assistance is certified and passed on to the Department of Finance for transmission to the European Commission. The check by the Managing Authority involves:
- (a) A full desk-top review of the expenditure reported by the Intermediate Bodies and the reconciliation of that expenditure with the expenditure previously reported;
 - (b) A desk-top review of the written reports of the Article 4 checks carried out by the intermediate bodies concerned and the co-ordination of information on prior period irregularities identified by the intermediate bodies;
 - (c) On-site visits to the offices of, or meetings with officials from the implementing bodies to confirm the existence of documentation (i.e., an adequate audit trail), supporting the expenditure reported;
 - (d) Corrective action and / or precautionary adjustments by the Managing Authority, on its own initiative, on foot of its review and on-site control checks; and,
 - (e) Taking full account of the foregoing, the aggregation of expenditure to Priority levels, the presentation of supporting data down to measure and project level, the calculation of the aid claim based on the appropriate rates of assistance and, finally, the formal certification and declaration of expenditure supporting the amount of aid claimed, to the Paying Authority (Form B3 and Form C).
- (iv) The verification checks and controls exercised by the Managing Authority set out at (iii) above were then subjected to a control check by the Paying Authority, which included an on-site examination of the Managing Authority's files.

The following table summarises the position in relation to the conduct of Article 4 checks at each level in cascade:

Measure	No. of Projects	No. of Art 4 checks by MA*	Amount Checked by Managing Authority at Article 4	Amount Checked by IB/FB article 4 on the spot-checks	Final Declared Amount
Non-national					

Roads	389	10	€293,751,410.90	€197,978,945.15	€293,751,410.90
Rural Water	143	7	€49,247,678.84	€5,401,374.67	€49,247,678.84
Waste Management	41	5	€57,066,483.82	€7,307,214	€57,066,483.82
Urban & Village Renewal	563	6	€87,929,457.32	€42,458,595.88	€87,929,457.32
E-Commerce	14	10	€88,517,713.76	€36,418,491.43	€88,517,713.76
Technical Assistance	6	8	€1,804,189.20	€1,656,389.39	€1,804,189.20
Tourism	26	4	€41,546,953.41	€41,546,955.41	€41,546,953.41
Micro-enterprise	8561	9	€95,013,749.27	€2,724,097.00	€95,013,749.27
Regional Innovation Strategies	9	5	€18,388,909.35	€13,602,279.35	€18,388,909.35
Fishery Harbours	40	6	€31,991,265.04	€16,884,972.26	€31,991,265.04
Childcare Infrastructure	671	9	€123,079,830.39	€115,058,782	€123,079,830.39
Childcare Staffing &		11-Staffing			

Quality Improvement	494 Staffing 80- Quality Improvement	12 – Quality improvement	€176,535,411.64	€110,294,716.09	€176,535,411.64
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Look Back Reviews

As the programme progressed and as more experience in the financial management and control of the programme was gained, it became evident to the Managing Authority that the robustness of the ex-ante checks for some measures was less than satisfactory and as a result, a series of ex post checks was initiated by the Managing Authority in 2005, focusing in particular on the measures where the inadequacies had been identified. This retrospective verification checking process which became known as the “Look-Back Review” was designed to complement existing checks and only applied to measures where the Managing Authority deemed the prevailing system of checks to be lacking in frequency, thoroughness or coverage. Prevailing Article 4 checks in the Waste Management, Ecommerce, Microenterprise, Regional Innovation Strategies measures were deemed adequate and these measures were not subjected to a “look back review”.

The “look back review” was carried out on the following selected ERDF measures only:

Non National Roads – conducted by the IB

Rural Water – conducted jointly by the MA & the IB

Urban and Village Renewal – conducted jointly by the MA & the IB

Tourism- Conducted by the MA

Micro-Enterprises – Conducted by MA

Fishery Harbours – Conducted jointly by the MA & the IB

Childcare (ERDF – review of public procurement compliance) Conducted jointly by the MA & the IB

The nature of the look-back was a review of documentation on file supporting claims submitted at Final Beneficiary level. In a number of cases, the Managing Authority’s initial visits acted as advisory meetings with Final Beneficiaries to ensure B1 declaration files, transaction listings, publicity files, procedures manuals etc., were in the correct format, while informing them of their obligations with regard to EU regulations of eligibility and procurement.

- Subsequent follow-up visits focused on the recommendations of initial visits

To complement the verification check, a sample of transactions were tested to ensure adequate support documentation had been held by the Final Beneficiary to support the audit trail while ensuring the eligibility of the expenditure incurred.

The reviews were carried within specific measure level parameters as follows:

- **Non National Roads measure:** In December 2005, the Managing Authority's (Southern & Eastern Regional Assembly) auditor accompanied the Intermediate Body (Department of Transport) on an on-the-spot check as part of an ex-ante Article 4 check (Article 4 of Regulation (EC) 438/2001). During the course of this check the auditor discovered that a large expenditure item relating to land costs, exceeding the 10% limit, had been claimed for ERDF purposes. The Managing Authority immediately informed the ERDF Paying Authority, Department of Finance, of this finding and following discussions on the issue it was decided to undertake a comprehensive review of all Non National Roads expenditure to ascertain if this was an isolated case and to quantify the amounts concerned. The report subsequently submitted to the Commission details on the application of Rule 5 under the Non National Roads Measure, what measures were taken by both the Managing Authority and the Intermediate Body, and provides the conclusions drawn from the process. It should be noted that this review process (known as the land review) was undertaken in accordance with the Irish financial management and control cascade structure for programmes funded by the Structural Funds. The EU Structural Funds Financial Management and Control system in Ireland is a decentralized, partnership system based on the principle of shared responsibilities. This structure was applied to the 'look-back' review carried out as a complementary process to the ex-ante Article 4 checks. The 'look-back' review exercise which was also initiated by the Irish Authorities involved a review of every claim and period for all measures co-funded by the Structural Funds. The land review formed part of the overall 'look-back' review of the Non National Roads Measure.

The Approach Taken

The review commenced in early 2006 and as outlined above, all relevant bodies in the cascade structure were involved in the process, including the Department of Transport as Intermediate Body. Following an initial letter from the Managing Authority to all Local Authorities, who are Final Beneficiaries under this Measure, 12 Local Authorities declared a breach of Rule 5.

The Intermediate Body conducted a comprehensive review both article 4 & look back review at 8 local authorities on expenditure declared in Forms B1 from 2005, which included visits to Cork County & City, Kerry, Limerick, South Dublin, Tipperary South & Waterford.

- In the **Rural Water measure**, a strategic decision was made by the Managing Authority to remove the schemes with a value of less than €100,000. Although the schemes meet the ERDF eligibility criteria, as set out in the regulations, the scheme is now being adjusted out, on the basis that expenditure on the scheme is below €100k. This course of action is in line with a decision made by the Managing Authority of the program to exclude all small schemes where expenditure is below €100,000. The rationale for taking out smaller schemes is as follows:
 - 1. Total expenditure greatly exceeds the original measure profile;
 - 2. As part of the closure process there is a requirement to conduct a rigorous schedule of closure checks;
 - 3. It is more efficient to conduct checks on a smaller number of larger projects therefore the smaller schemes were omitted and removed from the declaration.

Consequently all expenditure certified up to that time in the small projects was withdrawn.

- In the **Urban and Village Renewal measure**, the Managing Authority and the Intermediate Body conducted article 4 & Look Back Reviews on 8 Local Authorities, namely, Counties Wicklow, Carlow, Kerry, South Dublin, Kilkenny & cities, Dublin, Waterford & Cork. As a precautionary measure, the MA decided to withdraw all expenditure certified for the conservation element of the measure as the final beneficiary body for this strand a section within the Department of the Environment, Heritage and Local Government was transferred to an agency during the programme duration. As a consequence there was the potential for a weak audit trail and the MA decided to withdraw certified conservation project-related expenditure.

- The Managing Authority conducted a thorough review of the **Tourism Measure** which comprised of 3 on the spot visits to Fáilte Ireland the Intermediate/Final Beneficiary for the Measure. This exercise included a look back review of the €14.7 million included in the claim to December 2007 and article 4 checks on the claim on hand. The €41.5m included in the claim is subject to 100% checks and an amount of €0.7 m was adjusted from the claim on the basis of these checks.

Micro Enterprises

The Managing Authority's Auditor conducted a review of expenditure declared by the 3 County Enterprise Boards (CEB) under the above measure, during 2005, namely;

1. South Dublin CEB
2. Wexford CEB
3. Clare CEB

In general there was satisfactory system of financial management and control in place at all the County Enterprise Boards. There was a clear and satisfactory audit trail in place and the appropriate accounting records were available to support all financial transactions conducted by the boards

All original documentation i.e. payment vouchers, invoices and bank statements were available to support the expenditure certified by the boards, at that time.

Following those visits in 2005 and given the level of Article 4 coverage by the Department of Enterprise, Trade and Employment, the Managing Authority was of the view that expenditure declared under the Micro-Enterprises Measure was accurate and that any findings that may arise from future spot checks would not be material in nature. Therefore a more detailed look back review was not warranted.

- In the **Fishery Harbours measure** the Managing Authority conducted a review of the Castletownbere project at final beneficiary level. A total of 4% of the expenditure was withdrawn namely €1,239,162.89 of which €1,080,393 was on a precautionary basis. The Managing Authority and the Intermediate Body conducted a comprehensive desk review of the projects in the claim and withdrew projects where the audit trail was not intact. The Intermediate Body conducted a look back review in Wexford and Waterford counties.

In addition the **Childcare Infrastructure measure** was subjected to a partial review arising from an Article 10 verification audit carried out by the ERDF FCU in the S&E Region. Under this review, expenditure certified to the 31/12/2003 was included in the review process. The review was conducted within the following parameters:

- (a) All expenditure which had already been included in an Art 4 check (Pobal), a project audit (Pobal) or an FCU audit was excluded;
- (b) Expenditure relating to projects which had closed was excluded and all related expenditure withdrawn from the programme; and
- (c) Expenditure on projects that were no longer in contract would also be excluded and all related expenditure withdrawn from the programme as a precautionary adjustment.

There were significant adjustments effected arising from this exercise and these are highlighted in Annex 6 of this report.

In addition the Intermediate Body and the Managing Authority conducted a review of the public procurement processes for the Childcare Facilities Measure. A sample of €10,692,803 was subject to review of which there was a combined finding of €599,443.16 in relation to non compliance with public procurement. The Managing

Authority in consultation with the ERDF FCU extrapolated this finding of 5.6% across the expenditure in the final claim and effected a manual adjustment at Managing Authority level of €7,327,492.

As already indicated, all expenditure was certified through the cascade system with Article 4 checks being carried out at the level immediately below the body conducting the check. As a consequence, the Managing Authority checks were generally at the Intermediate /Implementing Body level. However, as indicated above, where there were concerns in particular measures regarding the functioning of the system, the Managing Authority frequently extended its checking remit to incorporate all bodies in the cascade and this is evidenced in the “look back review” process.

In general it should be noted that while the review process generated substantial negative adjustments as set out in Annex 7, a considerable amount of the adjustments were precautionary to eliminate any possible doubt as to the eligibility of the expenditure. The nature of some precautionary adjustments is illustrated as follows:

- All land-related expenditure was withdrawn from the Non-National Roads measure despite the fact that only some of it breached the 10% ceiling;
- All stores issues included in local authority expenditure were withdrawn. A number of cases were noted where an overhead charge to cover the cost of the stores operations was included in the cost of materials issued from stores. This overhead was generally a flat rate and varied across the local authorities from zero upwards and was not applied to all stores issues. From an administrative perspective it was deemed more efficient to withdraw all stores issues, including those with no overhead, rather than try to identify and adjust the potentially ineligible amount contained in each transaction of which there were several thousands; and
- A similar process was adopted in respect of the local authorities’ own plant and machinery charges for largely similar reasons to the stores issues.

All adjustments, both precautionary and irregular expenditure, have been removed from the final expenditure declared. All irregular expenditure has been examined and all reportable irregularities have been identified and the relevant reports submitted. A complete account of all irregularities found and reported is contained in the Debtor’s Ledger in Annex 7.

In 2005 the Managing Authority initiated a series of retrospective expenditure checks, primarily at final beneficiary level, which subsequently became known as “look back reviews”. These reviews were designed to complement existing checks and only applied to measures where the Managing Authority deemed the prevailing system of checks to be lacking in frequency, thoroughness or coverage. Prevailing Article 4 checks in some measures were deemed adequate and these measures were not subjected to a “look back review”.

The nature of the look-back was a review of documentation on file supporting all claims submitted at Final Beneficiary level. In a number of cases, the Managing Authority’s initial visits acted as advisory meetings with Final Beneficiaries to ensure B1 files, transaction listings, publicity files, procedures manuals etc., were in the correct format, while informing them of their obligations with regard to EU regulations of eligibility and procurement.

Subsequent follow-up visits focused on the recommendations of initial visits and a verification of expenditure was carried out on Final Beneficiary transaction listings, as recommended in the Commission’s “Working document concerning good practice in relation to management verifications”. This listing, which had been generated from the Final Beneficiaries Financial Management Systems, included the following information:

- Job code
- Job title
- Transaction number
- Transaction date
- Account element
- Payee I.D
- Order Number
- Invoice number
- Period
- Amounts subtotalled

To complement the verification check, a sample of transactions were tested to ensure adequate support documentation had been held by the Final Beneficiary to support the audit trail while ensuring the eligibility of the expenditure incurred.

8.3 Significant Problems Encountered

In the course of the implementation of the Programme a number of problems were encountered which impacted, to varying degrees, on the Managing Authority's management functions. A brief synopsis of some of the more significant problems is as follows:

IT System

It was agreed at the outset of the programme that an IT system would be provided to supplement the certification process which was itself paper-based. The intention was that the IT system would provide accurate statistical information at a NUTS IV level capable of being cross-referenced to the certification process. Originally it was intended that the IT system would replace the paper based system for certification purposes. However for a number of reasons, including personnel resources at all levels in the cascade, non compatibility with existing user IT systems and an over ambitious scope, the system was never used for certification of expenditure purposes. As a result the certification process was reliant on a paper- based system for the duration of the programming period.

Beneficiary Capacity & Underspends

In the course of the implementation of the Programme it became evident that a small number of Intermediate Bodies were unlikely to ensure the spend of the amounts profiled for their measures. This in turn was likely to have a knock-on impact on the Programme’s capacity to meet its N+2 targets particularly in the latter stages of implementation as the higher spending measures exhausted their profiles. In anticipation of these problems the Managing Authority brought a number of proposals to the Monitoring Committee to reduce the profiles for the under spending measures and reallocate these resources to other measures. The measures affected by the reductions were as follows:

- 1) Urban & Village Renewal
- 2) Tourism Development

These proposals were accepted by the Monitoring Committee and the resultant financial table changes formed part of the various Programme Complement changes approved.

Land Related Expenditure

The certification of the appropriate amount in respect of land purchase expenditure was an ongoing problem in the management of the programme. The issue emanates from the fact that the relevant eligibility rule, Rule 5 of 1685/2000 as amended, restricts the amount that can be certified as eligible in respect of land purchase to 10% of total eligible expenditure of the project. The problem that arises is that land purchase costs are incurred at the commencement of a project while total eligible expenditure can only be determined at the completion of a project.

A number of audit reports found that the 10% Rule had been breached (BMW & S&E OPs) even though the project was still in progress at time of audit and the findings were therefore premature. In an effort to eliminate any possible ineligible land-related expenditure from the final declaration, it was decided that on a national basis that no land-related expenditure would form part of the final statement of eligible expenditure under the Non National Roads Measure, even in circumstances where the land-related expenditure is quite undoubtedly eligible. Consequently, no land-related expenditure forms any part of the final declaration of expenditure in respect of this Measure and the appropriate adjustments have all been made.

Imposition of Commission Reserve

In October 2007 the Commission invoked the provisions of article 39.2 of 1260/1999 and imposed a “Reserve” on Ireland thereby temporarily suspending any further payments from the ERDF. The basis for this imposition were concerns about the functioning of the Irish management and control system arising from the findings of two draft audit reports carried out on behalf of the Commission on the S&E OP and the ESIOP.

As a result of the imposition of the “Reserve” considerable effort was invested at all levels in the certification process in accelerating the “look back review” checks and quantifying the volume of and the outcomes of all checks that had been carried out. In February 2009 all Managing Authorities, including that of the S&E OP, participated in an audit of the outcomes of these checks to demonstrate to the Commission Services the robustness of the procedures in place in Ireland. Arising from this engagement, the “Reserve” was lifted in April 2009 subject to the submission of additional information at national level in relation to land expenditure and “Works” projects in excess of the EU procurement threshold.

It is worth noting that following submissions from the Department of Finance in conjunction with the S&E Managing Authority to the Commission the initial error rate in respect of the Commission audit of the S&E OP was reduced to 0%.

N+2 Decommittments

Problems unique to the General Structural Improvement measure in the Agriculture and Rural Development Priority became evident in the early years of the programme. Measures which required on-farm visits were temporarily suspended due to outbreak of foot and mouth disease in 2001. In addition uncertainty due to the CAP mid-term review and low farm incomes dampened demand for on-farm investment schemes. As a result there were three decommitments under the N+2 rule in respect of the 2000, 2001 and 2002 profiles. The total net amount decommitted was €4.759m. Following a “force majeure” application by the Managing Authority, €2.457m was subsequently recommitted. Potential further decommitments were avoided by improved incentives available under the Rural Environment Protection Scheme, the introduction of the Nitrates Directive and by an increase in the on-farm investment grant thresholds available. EU eligibility was extended post mid-term to the Installation Aid Scheme. There were no decommitments under any of the other Funds.

Impact of Economic Crisis on Aquaculture Development measure

The position in respect of the FIFG co-financed Aquaculture Measure at the end of 2008, the original final date for eligibility was that there was an estimated FIFG shortfall. The reason for the shortfall was that a small number of projects approved by the Aquaculture Assessment Board experienced cash flow difficulties in 2008 and this had been compounded by the financial crisis. As the Aquaculture measure was the only FIFG co-financed measure within the OP, there was no scope to re-allocate this shortfall to another measure within the OP.

Following consultation with the Department of Agriculture, Fisheries and Food, that should an extension be granted, a number of capital investment projects that BIM and Údarás na Gaeltachta had on hand would be enabled to proceed, which heretofore was not feasible within the original deadlines imposed. A request for an extension of the final date of eligibility of the S&E Regional OP 2000-06, to 30th June 2009 was made by the Managing Authority. This was approved and was granted by the Commission Services. The drawdown of

additional FIFG funds stimulated further investment in aquaculture addressing improved competitiveness, environmental impact and the need for increased capacity within the sector.

8.4 Annual Review Meetings

In the course of the programme implementation the Managing Authority participated in all annual review meetings held with the Commission. The following table sets out the significant issues arising from these meetings and indicates that all matters requiring attention have been actioned:

Summary of Annual Review Meetings

Year under Review	Date of Meeting	Venue	Issues Addressed	Follow Up by MAs	Task Completed
2000	12/12/01	Brussels	Economic background Interpretation of the N+2 Rule Rectifications of co-financing rates Role of horizontal Co-ordinating Committees EU Systems Audit Visit Department of Finance Circular on Financial Control Communications Action Plan Evaluation Arrangements Establishment of regional structures Late starting measures E-commerce financial tables On-farm investment schemes slow uptake Gender representation on monitoring committees	Rectifications of programme complements to be prepared Procedure Manuals to be prepared Revised programme complement table to be prepared Pro-active approach to be taken	√ √ √ √
2001	28/11/02	Dublin	Socio-economic situation in Ireland Potential decommitment of EAGGF funds Reporting on cross-cutting themes Role and activities of Horizontal Co-ordinating Committees Financial Management and Control Information and Publicity Mid-Term Evaluation timetable Simplification proposals Relationship of MAs with Implementing Bodies Dealing with late starting measures Coherence of OP delivery with the European Employment Strategy Target for drinking water compliance to be raised Rectification of financial plans Aquaculture Reports Forestry measure – attainment of planting targets National childcare census and baseline data	Force majeure application to be considered All measure reports to include data on cross-cutting themes Final target to be raised from 75% More detailed reports in compliance with fisheries regulation is required More detailed reports to be provided from 2003 onwards	√ √ √ √ √
2002	4/11/03	Brussels	Economic situation in Ireland EAGGF decommitment on 2000 allocation Reporting on and compliance with Cross-cutting themes Quality and timeliness of Monitoring Committee papers Financial Control Issues Information and Publicity Mid-Term Evaluation Quality of performance indicator data Coherence of ESF co-financed actions with European Employment Strategy Low spend under Urban and Village measure	EAGGF decommitment to be effected on financial tables Improved reporting and prioritisation of horizontal principles to be implemented Delays in conduct of Art 10 Audits to be avoided Additional text to be included in AIR reports MA to review in context of Mid-Term Review	√ √ √ √ √
2003	29/11/04	Bunratty,	Developments in the operational environment Implementation of the OPs	More timely submission of payment claims by Departments	√

Year under Review	Date of Meeting	Venue	Issues Addressed	Follow Up by MAs	Task Completed
		Co. Clare	Frequency of payment claims to EU Commission N+2 decommitments Reporting of horizontal themes and representation of horizontal bodies at meetings Quality and timeliness of monitoring papers Mid-Term Evaluation outcomes & plans for update evaluations Addressing outstanding issues arising from monitoring meetings Eligibility of administrative costs under Technical Assistance Status of EAGGF co-financed forestry measure	Tourism measure to be closely monitored in 2005 Greater use to be made of web-sites MAs to maintain a checklist of outstanding issues MAs to await a definitive Commission view on this issue This sub-measure to be officially closed	√ √ √ √ √
2004	15/12/05	Brussels	Developments in the operational environment Review of progress in 2004 General management issues Programme modifications foreseen Format of Annual Reports Implementation of Communications Action Plan Update evaluations of the OPs Audit and Control Issues	Improved presentation and lay-out of future reports	√
2005	25/09/07	Brussels	Developments in the operational environment Results achieved 05/06 Results of Art 4 Findings Article 10 audits Financial Implementation & N+2 Underperforming measures Horizontal principles ERDF FCU audit coverage rate Land purchase eligibility Look back reviews Information and publicity	Greater detail on Art 4 checks and results needed in future reports More detail needed on corrections of errors detected in future reports To be reviewed by Irish MAs Information to be provided by MAs	√ √ √ √
2006	25/09/07				
2007	9/12/08	Dublin	Review of progress 2007 Extension of eligibility period to 30/06/09 Impact of economic slowdown Information and Publicity Compliance Closure Arrangements Need for 2008 annual Implementation Reports Financial management and Control Issues	Application to be submitted by MA on foot of FIG shortfall Compliance to be included in look back verification checks MA agreed to submit 2008 AIR	√ √ √
2008	26/11/09	Brussels	This meeting primarily dealt with the 2007-13 Regional OPs A brief discussion took place on 2000-06 OP under AOB on Commission response to MA feedback on Mazars Audit 2008 Closure timetable	MA to consider EU response	√

9 Steps Taken to Ensure Quality and Effectiveness of Implementation

9.1 Monitoring and Evaluation

9.1.1 Arrangements for Monitoring and Data Collection

The monitoring of the S&E Regional Operational Programme was carried out under the supervision of the Programme Monitoring Committee. The partnership principle was applied in the determination of the composition of the Committee, and the balanced participation of men and women was promoted. The membership of the S&E Regional OP Monitoring Committee (including Advisory members) comprised the following:

Implementing Departments	10
Department of Finance	2
Regional Assembly	5
Regional Authority Chairpersons	5
Social Partners	8
Horizontal Priorities	3
North/South Body (SEUPB)	1
Western Development Commission	1
European Commission	4
Regional Authority Directors	5
NDP/CSF Info Office	1
Paying Authorities	3
CSF Evaluation Unit	1
Equality Authority	1

The Monitoring Committee normally met twice yearly throughout the programming period, with additional (special) meetings held as and when required, to deal with specific matters, such as the Mid-Term Evaluation. All decisions of the Monitoring Committee were taken on the basis of consensus. The Committee adopted its own rules of procedure, based on a common template prepared by the Department of Finance.

The Programme Complement set out baseline data, mid-term and final performance indicators for each measure at output/result and impact level. For each measure, a key effectiveness indicator from among these was identified to facilitate ongoing monitoring and evaluation and as an input into the determination of the national performance reserve. At each regular meeting, six monthly progress reports were presented, using a standard template.

The Central Evaluation Unit provided technical support and an ongoing input into the work of the Managing Authority in relation to the development of performance indicators that were used to monitor and evaluate the performance of the OP generally.

The report of the Mid-Term Evaluation of the Border, Southern & Eastern Regional Operational Programme highlighted some weaknesses in the OP Monitoring systems and recommended improvements in relation to the definition and coverage of performance indicators. Following the publication of the Mid-Term Evaluation Reports, the Central Evaluation Unit undertook to carry out a review of existing performance indicators under each OP with a view to suggesting adjustments. Following consultations with the Managing Authorities, these suggested adjustments were presented to each Department and Implementing Agency and formed the basis for joint meetings with Departments involving the Central Evaluation Unit and both Regional Assemblies between January and March 2004. Revised performance indicators were approved by the Monitoring Committee in April and October 2004.

9.1.2 Arrangements for Data Collection

An IT system was put in place to collect and codify information at project level for ERDF co-financed projects and at measure level for other funds, facilitating the input of data by implementing bodies and the compilation of financial and physical information on a quarterly basis. The roll out of the NDP/CSF IT System was co-ordinated by the Department of Finance in conjunction with the Managing Authorities. An IT Unit was established within the Structural Funds Office in the Department of Finance to maintain the system and to support users. A copy of the reporting requirements and technical arrangements to support data collection was circulated to all of the Implementing Bodies in 2001 and a briefing seminar for all of the Implementing Bodies and Agencies was organised by the Regional Assemblies. In addition, the Regional Assemblies reminded the implementing bodies and agencies of their responsibilities in relation to data collection and regularly raised the need for timely data input with individual Departments at bi-lateral meetings held throughout the programming period.

Regular reports were produced by the IT Unit, which gave summary information relating to the quantity of data received from Implementing Bodies. These reports were helpful in identifying gaps and inconsistencies with data received from the implementing bodies. Information at project level broken down to NUTS IV (county) level across all OP's was made available via the NDP website www.ndp.ie. Slow progress was made initially in ensuring that data was inputted in a timely manner by all Departments and Agencies and there was not enough quality data within the system to produce the required level of information, but this situation improved over time.

9.1.3 Arrangements for Evaluation

The arrangements for evaluation were in compliance with Articles 40-42 of Regulation (EC) 1260/1999 and as set out in section 8.6 of the Operational Programme.

Ongoing evaluations were either conducted or commissioned by the independent Central Evaluation Unit operating under the aegis of the Department of Finance as set out in the Community Support Framework (5.3.2.1). The annual work programme for the Central Evaluation Unit was determined by the Monitoring Committee of the Technical Assistance Operational Programme, on which the Regional Assembly was represented. This ensured close co-ordination of the work undertaken in the framework of ongoing evaluations across the C.S.F.

The Regional Assembly participated on all thematic evaluations involving Measures in the Regional OP, as well as the overall evaluations of the NDP/CSF, and was a member of the relevant Steering Committees. In terms of the evaluation of the Regional OP itself, the mid-term evaluation of the S&E Regional OP was organised by the S&E Regional Assembly, and convened the Steering Committee for the mid-term and update evaluations of the S&E Regional Operational Programme. The role of these Evaluation Steering Committees was to set the terms of reference for the individual evaluations and to assure the quality of the completed evaluation reports. The Steering Committees comprised the Department of Finance, the relevant Managing Authority(s), the NDP/CSF Evaluation Unit, Intermediate Bodies and other relevant experts, as appropriate.

For each evaluation the Managing Authority consulted with the relevant Intermediate Bodies covered by the evaluation recommendations as to how they proposed to address the recommendations. Following this, a response paper was drafted on recommendations of relevance to the S&E Regional Operational Programme and laid before the Monitoring Committee for consideration and approval.

A summary report on all relevant evaluations and the actions taken to follow up on the findings and recommendations is presented as follows:

Date	Evaluation Title & Author(s)	Relevant S&E OP Measures and Fund Evaluated	Main Findings and Recommendations	Follow up Action Taken
2002	<p>Evaluation of Investment in the Road Network</p> <p>Prepared by Fitzpatrick Associates with Afcon Consulting and A&L Goodbody</p>	Non-national Roads Measure, including ERDF co-financed specific improvement scheme	<p>The evaluation report made 14 recommendations relevant to the S&E Regional OP, as follows:</p> <p>Specific targets to be revised upwards Road restoration programme to be extended Pavement condition survey to be updated Higher per capita allocation to urbanised areas A simplified cost-benefit analysis to be applied to some projects EU co-financed scheme to be managed on a multi-annual basis L.A. training programme to be continued Address difficulties in a gross financial accounting system A pavement management software system should be introduced All expenditure including local contributions should be reported Application of best practice guidelines should be monitored Consider incorporating regional roads on the new integrated information system which is proposed to be developed by the NRA. Adopt a more strategic approach to some priority regional roads should be examined after publication of NSS There should be a mechanism for formal dialogue between border counties and the northern authorities.</p>	<p>Relevant evaluation findings were considered at the September 2002 OP (special) Monitoring Committee meeting. A Managing Authority response was prepared in which 9 of the 14 findings were accepted and follow-up actions were agreed with the Department of the Environment and Local Government at the October 2002 OP Monitoring Committee meeting. The Managing Authority and Monitoring Committee did not accept the Evaluators' recommendation that specific targets be revised upwards and that higher per capita allocation should go to urban areas, as this was considered to be contrary to the national objective of balanced regional development. The recommendation on the use of an integrated information system for regional roads was considered over elaborate by the I.B. however, the development of a bridge register for regional roads is a useful aspect of the system which the DOELG considered. The recommendation on adopting more strategic approach regional roads was considered when the NSS was published. The recommendation on formal dialogue between border counties was not relevant to the S&E Region.</p>
2002	Evaluation of Provision and Targeting of	Local Development Measure (non EU co-financed)	This evaluation examined 10 measures under the Employment and Human Resources Development OP and the Local Development	Relevant findings were considered at the September 2002 OP (special) Monitoring Committee meeting. A Managing Authority's response was prepared in which all of the relevant

	Measures Prepared by Fitzpatrick Associates with ECOTEC		Measure under the two Regional OPs. Relevant recommendations related to: Improved forecasting of levels of provision to socially excluded groups Improved data collection systems Shift from active labour market programmes Avoidance of overlap and duplication Clearer outline of methods to reach target groups Reporting by specific sub-group	recommendations were accepted and follow-up actions agreed with the Department of Community, Rural and Gaeltacht Affairs and ADM/Pobal. This was adopted at the October 2002 OP Monitoring Committee meeting.
Date	Evaluation Title & Author(s)	Relevant S&E OP Measures and Fund Evaluated	Main Findings and Recommendations	Follow up Action Taken
2003	Evaluation of the Social Inclusion Co-ordinating Mechanisms Prepared by the NDP/CSF Evaluation Unit	Co-ordination of Social Inclusion Measures under priority 4 of the Regional OPs	The evaluation report made specific recommendations in relation to: Streamlining social inclusion measures across the NDP Greater coherence in specific areas of provision Subjecting new initiatives to ex ante review Provision of NDP data on a county/city basis to County Development Boards Preparation of integrated target group plans Co-ordination to be embedded in departmental strategy statements Effective communication systems with social inclusion units within Departments Formal reporting of progress on target group plans New co-ordination measures to support innovative projects by CDBs Focus CDB reviews on co-ordination	The Evaluation findings were presented to the October 2003 OP Monitoring Committee and were subsequently considered by the NDP/CSF Monitoring Committee meeting in November/December 2003. The implementation of the proposed co-ordination measures was taken up largely by the Inter-Departmental Task Force on the Integration of Local Government and Local Development at national level and by the Social Inclusion Measures Committees at local authority level.
2003	Evaluation of the Equal Opportunities	Childcare measures in the Regional Operational Programmes(ERDF	The evaluation report made 23	The evaluation report was presented and discussed at the April 2003 OP Monitoring Committee meeting. A detailed

	Childcare Programme NDP/CSF Evaluation Unit	and ESF)	recommendations under the headings of: Relationship between Department and Final Beneficiary Body Project application, appraisal, reporting and supports Programme Performance Horizontal Principles Measure-specific recommendations Co-ordination and Policy issues	Managing Authority response was prepared, following consultation with the Implementing Department (Justice, Equality & law Reform) and this was presented at the October 2003 Monitoring Committee Meeting. In the response, it was indicated that a majority of the recommendations were accepted and that some additional performance indicators needed to be developed. It was agreed that a small number of recommendations which had broader policy implications would remain under consideration by the Department of Justice, Equality and Law Reform.
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Date	Evaluation Title & Author(s)	Relevant S&E OP Measures and Fund Evaluated	Main Findings and Recommendations	Follow up Action Taken
2003	Mid-Term Evaluation of the S&E Regional Operational Programme Farrell, Grant, Sparks	All measures (co-financed and non co-financed) under the S&E Regional OP 2000-06 (ERDF, ESF, EAGGF, FIFG)	<p>The Mid-term Evaluation of the S&E OP was a comprehensive 8 process The main conclusion of the Mid-Term Evaluation was that the overall strategy and objectives for the Operational Programme remained valid and that no major changes to the Programme were required at this time.</p> <p>Recommendations contained in the Mid-Term Evaluation were grouped under six broad headings, as follows:</p> <p>Financial Reprioritisation Integration of the National Spatial Strategy Improving Programme Management Improving Effectiveness Measure Reassessment</p>	<p>The report of the Mid-Term Evaluation was presented at a special meeting of the OP Monitoring Committee held in September 2003. The views of the Monitoring Committee on each of the recommendations were tabled at this meeting. A Managing Authority response to each of the recommendations was presented to the April 2004 Monitoring Committee meeting following consultation with each of the Departments and Agencies involved. The response set out the acceptance of the recommendations. However, it was noted that for some non co-financed measures it was not possible to affect all the changes required and for such measures/sub-measures the necessary amendments were noted for further consideration at the Autumn Monitoring Committee. The financial recommendations were noted and referred to the Evaluators of the overall NDP/CSF, which followed the Mid-Term Evaluation of the individual OPs.</p> <p>Arising from the Mid-Term Evaluation, the NDP/CSF Evaluation unit undertook to review the output, result and impact indicators for each measure in consultation with the Managing Authority and Implementing Departments and</p>

			<p>Measure specific recommendations</p> <p>A rationale and proposals for financial re-allocations was presented indicating the allocations that should increase, remain unchanged or decrease for each measure over the 2004-06 period based on the extent of change in relevance, anticipated progress and absorption capacity.</p>	<p>revised performance indicators and the Programme Complement was amended accordingly.</p> <p>In addition, as recommended in the Mid-Term Evaluation, a prioritisation of measures with regard to the application of the horizontal principles was undertaken by the NDP/CSF Evaluation Unit. This involved tri-lateral meeting with all Implementing Bodies involving the Regional Managing Authorities and the NDP/CSF Evaluation Unit. A revised reporting template was also agreed with the horizontal co-ordinating committees and was applied for the remainder of the programming period.</p>
Date	Evaluation Title & Author(s)	Relevant S&E OP Measures and Fund Evaluated	Main Findings and Recommendations	Follow up Action Taken
2003	<p>Mid-Term Evaluation of the NDP/CSF</p> <p>Economic and Social Research Institute</p>	Evaluation of all aspects of the NDP/CSF including the BMW Regional OP	<p>This evaluation concluded that progress should have been better for demand-led schemes. It highlighted some weaknesses in the performance indicators being used. It recommended closer alignment with the NSS and the establishment of an NSS challenge fund. It also recommended a greater level of resources for local infrastructure with reductions in local enterprise and agriculture and rural development priorities</p>	<p>The findings of the overall NDP/CSF mid-term evaluation were presented at the December 2004 NDP/CSF Monitoring Committee meeting and were used to inform the discussions with the EU Commission on the mid-term review of the NDP/CSF and on the allocation of the performance reserve.</p>
2003	<p>Evaluation of CAP-related measures in the Regional OPs</p> <p>Afcon in association with University College Cork</p>	<p>All EAGGF co-financed and related measures in the BMW Regional OP:</p> <p>Woodland Improvement(EAGGF)</p> <p>Forest Harvesting (EAGGF)</p> <p>Forestry Development</p> <p>Forest Roads</p> <p>Farm Waste Management (EAGGF)</p>	<p>This evaluation was carried out in accordance with regulation (EC) 1750/99 which requires the Mid-Term Evaluation to address common evaluation questions for CAP Rural Development and related Measures. The evaluation report made a total of 26 recommendations across each of the 8 measures reviewed. These related to the eligibility criteria, measure management, increasing uptake, performance indicators and complementarities across schemes.</p>	<p>The report of the Mid-Term Evaluation of CAP-related Measures was presented at a special meeting of the OP Monitoring Committee held in September 2003. The views of the Monitoring Committee on each of the recommendations were tabled at this meeting.</p>

		Installation Aid Scheme (EAGGF) Dairy Hygiene Scheme (EAGGF) Area-based Rural Development (EAGGF).		
2005	Evaluation of the In-Company Training Measures under the NDP/CSF 2000-06 Prepared by the NDP/CSF Evaluation Unit	Entrepreneurial and Capability Development sub-measure (ERDF co-financed) under the Regional OPs	This evaluation reviewed the In-Company Training Measure of the EHRDOP and the Entrepreneurial and Capability Development sub-measure (ERDF co-financed) under the Regional OPs. Relevant recommendations made were: Improved co-ordination in the provision of in-company training supports by CEBs and other training providers Future interventions to be targeted at areas of clear market failure Some micro-enterprise training needs could be met by FÁS in future	The relevant conclusions and recommendations of the evaluation were considered by the OP Monitoring Committee in October 2005. A response prepared jointly with the Department of Enterprise, Trade and Employment was presented and agreed at the April 2006 Monitoring Committee meeting. The response accepted the need for enhanced co-ordination and information sharing and noted that the forthcoming report of the Small Business Forum would also address this issue.
Date	Evaluation Title & Author(s)	Relevant S&E OP Measures and Fund Evaluated	Main Findings and Recommendations	Follow up Action Taken
2005	Update Evaluation of the BMW Regional Operational Programme Fitzpatrick Associates	All measures (co-financed and non co-financed) under the S&E Regional OP 2000-06 (ERDF, ESF, EAGGF, FIFG)	The key components of the Update Evaluation were as follows: Review developments since the Mid-term Evaluation in 2003 Review effectiveness and progress to date Examine programme impact Present conclusions and recommendations as appropriate with a view towards developing a strategy for the 2007-2013 programming period.	The outcomes of the evaluation were presented and considered at the October 2005 Monitoring Committee meeting. The specific recommendations made all related to the strategy and approach to the selection of suitable measures for co-financing under the S&E Regional OP 2007-13.

2005	<p>Evaluation of Water Services Investment in the NDP/CSF 2000-06</p> <p>Prepared by Halcrow and Fitzpatrick Associates</p>	Rural Water Measure (ERDF)	<p>This evaluation reviewed all water and waste water investment under the Economic and Social Infrastructure OP and the Rural Water Measure under the Regional OPs. The Evaluation report recommended:</p> <p>Improved information systems and introduction of universal metering Development of a national water strategy Creation of a national water office within the Department of Environment Shift to procurement via Design Build Operate (DBO) Improved project appraisal mechanisms Greater co-ordination between water services planning and land use planning Improved co-ordination re: regulatory and testing services Continued implementation of the water pricing framework</p>	<p>The relevant conclusions and recommendations of the evaluation were considered by the OP Monitoring Committee in October 2005. A response prepared jointly with the Department of Environment, Heritage and Local Government was presented and agreed at the May 2006 Monitoring Committee meeting. The response accepted the aggregation of group water schemes and the shift to DBO contracts and the need for continued investment in the sector to meet drinking water and water quality compliance criteria. It was agreed that other policy-related recommendations are to be considered by the Department in the context of overall water services policy.</p>

9.2 Information and Publicity 2000 - 2006

9.2.1 Introduction

Commission Regulation (EC) 1159/2000 set down the requirements in relation to Information and Publicity measures to be carried out by Member States concerning assistance from Structural Funds over the 2000-2006 programming period. The Regulation specified the detailed rules relating to the publicity and information requirements contained in Council Regulation (EC) 1260/1999 of 21 June 1999 which laid down the general provisions on Structural Funds.

9.2.2 Communications Action Plan

The Communications Action Plan developed by the NDP/CSF Information Office set out the information and publicity strategy for Ireland's NDP/CSF which included the two Regional Operational Programmes (OP's). It outlined how the Managing Authorities and other bodies responsible for administering and delivering the programmes were to provide information on the Operational Programmes and publicise their outcomes and achievements. The Communication Plan was drawn up in accordance with the Commission Implementation Regulation (EC) No 1159/2000.

Section 1 of the Annex to Regulation (EC) 1159/2000 laid down the general principles and scope of information and publicity about assistance from Structural Funds as being intended to increase public awareness and transparency regarding the activities of the European Union and the operations assisted by the various Funds.

9.2.3 Aims and target groups of Communications Action Plan

The overall aim of the Communication Plan was to increase public awareness, transparency and visibility of the Operational Programmes and of EU Cohesion and Regional Policy at National, Regional and Operation level.

The specific aims of the Communications Action Plan were as follows:

- To raise awareness among the public at large about the National Development Plan, the Community Support Framework and the contribution of EU Structural Funds and the Member State to them;
- To promote greater understanding of the scope and objectives of the NDP/CSF;
- To ensure that potential beneficiaries were made aware of the various initiatives from which they may benefit and how to apply for funding and the criteria and management process which applied to particular measures;
- To ensure that the public at large, key interest groups and specific beneficiaries were aware of the contribution which the European Union and the Member State were making to the initiative or project;
- To provide specifically that key interest groups including the social partners were aware of the NDP/CSF, the various measures thereunder and the progress being achieved in their implementation;
- To support the implementation of the NDP/CSF by increasing the understanding among the general public, the social partners and other interests regarding the integrated nature of the Plan; and
- To ensure that potential providers of goods and services were aware of the NDP/CSF and its potential impact on demand.

The key target groups for the Communications Action Plan comprised the following:

- The General Public;
- Central Government Departments;
- Regional Assemblies and Regional and Local Authorities;
- The Social partners incorporating Trade Unions, Employers and Business Groups, Farming Organisations and the Community and Voluntary sector (NGOs);
- Local, Regional and National opinion formers and influencers including Journalists and the Media (Domestic and International), Academics, Researchers and Educators; and
- MEP's, TD's, Senators and Councillors.

9.2.4 Evaluation of Information & Publicity Measures

The criteria to be used to evaluate the information and publicity measures were set out in Section 3.1.1 point 5 of the Annex to Regulation (EC) 1159/2000. These indicators were agreed for monitoring the implementation of the Information and Publicity measures by the Operational Programme's and NDP/CSF Monitoring Committees.

The following indicators were agreed for monitoring the implementation of the Information and Publicity measure of NDP/CSF Technical Assistance OP

Indicator Type	Indicator	Baseline 2000	Mid-term	Final Target
Output (Key management indicator)	Number of people dealt with/accessing information (website and public information office) breakdown by Operational Programme	0	5,000	10,000
Output	Number of seminars NDP/CSF	0	8	16
Output	Number of public launches of measures by Operational Programme	This is a monitoring indicator designed to monitor transparency of the individual measures. Targets have not been set.		
Impact	Level of satisfaction with seminars and related documentation	This is a monitoring indicator.		
Impact	Level of overall public awareness of the NDP/CSF			
Impact	Level of awareness of the role of the EU in the NDP/CSF			
Impact	Level of awareness of individual Funds (ESF, ERDF, etc.)			
Impact	Local press coverage by operational programme/measure.	This is a monitoring indicator designed to monitor transparency of the individual measures. Targets have not been set.		

Out-turn of Performance Indicators for Information and Publicity Measures of the NDP/CSF

Indicator Type	Indicator	Sub-Indicator	Base-line	Out-turn to end June 2007	Jan –June 2007	Final Target	Out-turn as % of 2006 target
Output (Key management indicator)	Number of people dealt with / accessing information	Public Office	0	4,046	349	10,000* NDP: 350,000** Structural Funds: 100,000**	Exceeded (Web usage higher than anticipated)
		Website visitors		1,226,513 (NDP & EUSF sites combined)	100,704		
Output	Number of Seminars NDP/CSF	No. of Seminars /Workshops	0	12	0	16* 60**	75%
		No. of presentations		81	1		135%**
Output	No of Newsletters**		0	10	0	14	71%**
Output	Number of press releases issued to local media**		0	1,702	0	No target set~	No target set**
Impact	Level of coverage in local media		0	2,364	N/A	No target set~	No target set

Impact	Level of Public Awareness	Research 2001	Research 2002	Research 2004	No targets set
	Overall NDP/CSF	49%	59%	61%	
	Role of the EU	EU Funds Awareness: Structural Funds: n/a	EU Funds Awareness: Structural Funds: 43%	EU Funds Awareness: Structural Funds: 49%	
	Individual Funds	ERDF – 46% ESF – 35% EAGGF 21% FIFG 14% Cohesion Fund 25%	ERDF – 49% ESF – 36% EAGGF 22% FIFG 16% Cohesion Fund 29%	ERDF – 54% ESF – 43% EAGGF – 34% FIFG – 22% Cohesion Fund – 33%	

* *Original targets for overall indicator (additional sub-indicators were added as measure progressed)*

** *Additional indicator added as measure progressed*

~ *Monitoring indicators - designed to monitor transparency of the individual measure*

As can be seen from the above table, the original indicators have largely been met or exceeded. The numbers accessing information through websites has far exceeded the targets set. The amount of presentations given (82) has also exceeded the target set (60) and this has offset the requirement for seminars – the out-turn is 12, which is less than the final target of 16. The growing provision of information by online means lessened the requirement for printed media, while additional initiatives were developed for youth and schools.

9.2.5 Implementation of the Communications Action Plan at Regional OP Level

The Southern & Eastern Regional Assembly as Managing Authority of the S&E Regional Operational Programme carried out a wide range of information and publicity actions as set out in the agreed Communications Action Plan. This role was fulfilled in close cooperation with the NDP/CSF Information Office. The primary role of OP level publicity was to highlight the role of the OP, the activities of the Monitoring Committee and the contribution of the Structural Funds. As stated in the Communications Action Plan, each Managing Authority was responsible for ensuring that the NDP and EU Structural fund requirements were met for the OP, and in particular was responsible for ensuring that the Intermediate Bodies for the various measures under the OP were in full compliance with the information and publicity requirements for the NDP and EU regulations. The following section details how the Managing Authority fulfilled this role.

9.2.6 Activities Undertaken

Conferences

Each year the S&E Regional Assembly held an Annual Conference with high profile speakers addressing issues of importance to the S&E Region and the Operational Programme on topics such as Infrastructure, the Environment, Balanced Regional Development and Social Inclusion & Equality. Advance notices were issued very widely to all relevant stakeholders and partner organisations. Well over 100 delegates attended each Conference which were addressed by experts from the Public and Private sectors and from the EU, National and Local Government.

For each Conference press coverage was arranged for the day and a press release with relevant photographs and an invitation issued by the S&E Regional Assembly to all national/local press and broadcast media. The NDP stand from the NDP/CSF Information Office, together with the Assembly's own publicity material, were prominently displayed in the Conference room and used as a backdrop for photographs throughout the day. Conference bags and relevant handouts contained both NDP and EU logos. Programme Complements and Regional Operational Programmes were displayed and distributed at each conference.

Presentations

During the 2000-2006 Programming Period numerous presentations were given to Government Departments & Agencies, Regional & Local Authorities and visiting delegations (in particular the then pre-accession states) on the NDP and the S&E Regional Operational Programme. Presentations were also given to parliamentarians and officials from other Member States and Objective 1 regions on the role of the S&E Assembly and the regulations governing the administration, management and monitoring of EU of Structural Funds.

Press Releases and Media Interviews

The S&E Regional Assembly was involved in a number of measures to increase public awareness, transparency and visibility of the work of the Regional Assembly in order to increase the public profile of the Managing

Authority. Numerous press releases were issued to the regional and national papers and interviews given to the local and national radio/TV stations highlighting the support under the NDP/CSF for the S&E Region. The NDP and EU logos, as appropriate, were used on all press releases, copies of speeches etc.

Public Notices/Advertisements

Where public notices relating to measures supported under the NDP/CSF (co-financed and non co-financed), which did not display the appropriate logos, or display them incorrectly, it was the policy of the S&E Regional Assembly to bring this to the attention of the relevant Intermediate Body/Final Beneficiary, so that the error was not repeated. As a result of our activities there was increased awareness in the region by the various agencies on the correct use of logos etc.

Annual Report

An Annual Report was prepared and published each year setting out the broad range of activities that the S&E Regional Assembly was engaged in, including its Managing Authority functions. These Reports also contained a summary report on progress on implementation of the Regional OP for the year covered. Several hundred copies of the Annual Report were printed and circulated widely to all Local Authorities, Government Departments and State Agencies and posted on the S&E Regional Assembly's website. (see details below on website).

Meetings

Monitoring Committee meetings were held twice a year to review progress under the S&E Regional Operational Programme and identify any issues that needed to be addressed. This included reports on Information & Publicity initiatives undertaken by the Managing Authority and Intermediate Bodies during the six month reporting period.

Joint meetings of the BMW Regional Assembly and the Southern & Eastern Regional Assembly took place annually and were addressed by Government Ministers and by an EU Commissioner on key areas of concern to the Region and the Assembly, and relevant to the Regional OP.

The Annual review meeting on the Operational Programme with the Commission Services also included a section detailing the information and publicity actions undertaken.

Assembly House Bookings

Outside agencies reserved the Assembly Chamber for various meetings/events. The Assembly used these opportunities to promote the activities of the Regional Assembly and the role of the NDP and EU by displaying Annual Reports, Operational Programmes, Programme Complements, Pop-up Stands and copies of the NDP/CSF In Progress Newsletter. Such agencies in this period included Regional and Local Authorities, Government Departments and Agencies and Local/Community Groups.

Tenders and Submissions

Tenders invited for goods and services were advertised in the national press and on the e-tender portal. NDP and EU logos were used on all paper work and supporting documentation. This included the tender requests for the Mid-Term and Up-date Evaluations.

Financial Management Seminars

The S&E Regional Assembly, as Managing Authority, had a responsibility to provide guidance to Intermediate Bodies/Final Beneficiaries to ensure the sound financial management of the Structural Funds. The Assembly held a series of financial management and control information seminars throughout the region during the programming period. Staff from Intermediate and Final Beneficiary bodies involved in the management and control of Structural Funds attended these information seminars. Information and Publicity compliance was included in the seminar presentations.

Graduate Treasure Trail

The Graduate Treasure Trail is a free on-line educational quiz for primary and post primary students throughout Ireland. It has been designed to effectively communicate an organisation's message and information. To participate, students must first register online at www.gradu8.net and answer a series of questions. The quiz operates on an annual basis during the academic year, starting in September and concluding in May each year.

The S&E Regional Assembly participated in the Graduate Treasure Trail and each week a number of questions were placed on the site with a link to the relevant website of the Assembly to research the questions. Various prizes were given to the successful students who answered the questions correctly. Many of the questions related to the Assembly and the role of Structural Funds.

Regional Assembly Website www.seregassembly.ie

The Assembly developed and maintains a high quality website on the S&E Assembly, Region and Operational Programme. The aim of the website is to complement the services of the S&E Regional Assembly by delivering up-to-date information and news about the work of the Assembly and the Regional Operational Programme, and is an important information and publicity tool.

Study Visits

Delegations and groups representing the S&E Regional Assembly visited other EU Regions during 2000-2006 to exchange views on the challenges and opportunities which face each region and identified some areas of common interest between the BMW Regional Assembly. The study trips included visits to regions in Germany and Spain

The Regional Assembly also regularly participated in Brussels Open Days, and attended other relevant conferences and seminars organised by the European Commission targeted at Managing Authorities.

Visiting Delegations

Since the establishment of the Assembly in 1999, a wealth of knowledge in dealing with EU affairs has been accumulated. Requests were regularly received from parliamentarians and officials from Accession Countries and other Objective 1 regions to visit the Assembly in order to learn about the management of OP's on a practical basis. Presentations were given on the role of the Assembly and the regulations governing the administration of Structural Funds. All presentation materials displayed the NDP and EU logos.

9.3 Use made of Technical Assistance

Technical Assistance was provided as a stand-alone measure with the Local Infrastructure Priority of the BMW Regional OP. The measure supported the management, evaluation and monitoring of the OP, as well as OP-level information and publicity actions and expenditure related to the preparation, selection and appraisal of operations and the financial control and verification of co-financed expenditure. The Technical Assistance Measure also covered the cost of recoupment of approved costs of the EU Operational Committees of the Regional Authorities (at NUTS 111 level) in the S&E Region.

In addition Technical Assistance funding was used to cover the costs of participation on NDP/CSF sub-committees, co-ordination committee and on the monitoring committees of other Operational Programmes under the NDP/CSF 2000-06.

The Measure was administered by the Southern & Eastern Regional Assembly under the general control of the Operational Programme Monitoring Committee. Details of the proposed technical assistance and the arrangements for managing the Programme were subject to the approval of the Monitoring Committee. Total funding of €3.0m was provided in the Priority (Sub-Programme) for this measure, of which the ERDF contributes 50% or €1.5m. During the period 2000-2006 the Managing Authority implemented the necessary arrangements to allow it to fulfil its responsibilities in relation to the Regional OP and the NDP/CSF as a whole. The Regional Authorities and their EU Operational Committees also continued with their responsibilities to examine and monitor EU-funded expenditure in their regions, and to serve on the Monitoring Committees on which they were represented. Implementation guidelines issued to all Regional Authorities in December 2002 by way of circular. These guidelines set out the precise eligibility criteria for claims under the Technical Assistance Measure.

No significant problems were encountered in managing the assistance, other than the technical issue set out below. No irregularities were reported, therefore, no corrective measures for ineligible expenditure required.

Breach of Limit in the Operational Programme.

In the financial tables of the Technical Assistance Measure €3.0 million was profiled for the measure for the period 2000-2006 (€1.5m ERDF). At the close of the Measure just under €1.2m will remain undeclared to the Commission due to the Technical Assistance Limits of the OP being reached. In 2004, during the course of audit work by the Irish ERDF and ESF Audit Units, the auditors expressed the view that the administrative costs of the Micro-Enterprise and Childcare Measure should in fact be accounted for as Technical Assistance and not as overheads. This view was upheld by the EU Commission and as a result, the TA limits in the Operational Programme were breached. To rectify the situation adjustments had to be made to the declared expenditure of the Micro-Enterprise and Childcare Measures to bring TA back within the limit. As a consequence no further

expenditure could be declared for the TA Measure itself. However this did not impede the implementation of these activities as they continued to be funded in full from Irish exchequer sources and subsequently from the 2007-2013 technical assistance provisions in accordance with closure guidelines.

The Table below summaries the amounts involved and how the adjustments were made.

ADMINISTRATION CLAIMED (Incl TA)

OVERCLAIM APPORTIONED BETWEEN MICRO-ENT, CHILDCARE (ERDF) & CHILDCARE (ESF)

Measure	Total Admin €m	Associated EU Fund Amount €m
Micro-enterprises	22,769,326.56	11,384,663.28
Childcare ERDF	1,862,869.00	931,434.50
Childcare ESF	3,219,725.00	1,609,862.50
Technical Assistance	1,803,951.70	901,960.85
Total	29,655,872.26	14,827,921.13
Less Business Advisor Cost (eligible under Sub Measure 2 ME)	2,676,054.30	1,338,027.15
Revised Total	26,979,817.96	13,489,893.98
Max TA Permissible in OP		11,249,481.19
Total EU TA Overclaim		2,240,412.79

Measure	Total Admin €m	Associated EU Fund Amount €m	As % of Measure totals	Portion of Total EU Overclaim to be adjusted	Total Exp to be adjusted at current aid rate
Micro-enterprises	22,769,326.56	11,384,663.28	81.75%	1,831,568.14	4,095,635.38
Childcare ERDF	1,862,869.00	931,434.50	6.69%	149,849.47	299,698.94
Childcare ESF	3,219,725.00	1,609,862.50	11.56%	258,995.18	517,990.35
		13,925,960.28		2,240,412.79	4,913,324.68

**OVERCLAIM APPORTIONED BETWEEN MICRO-ENT M1 & M2:
SPLIT 50/50**

Selective Financial Intervention	2,047,817.69
Entrepreneurial & Capability Development	2,047,817.69
	4,095,635.38

3 Financial Implementation

Technical Assistance Measure	Total CSF	EU Funds	ERDF	ESF	EAGGF	FIFG	Nat. Public	Private
Total Expenditure to 31/12/08 €m	€2.342	€1.171	€1.171	€0.000	€0.000	€0.000	€1.171	€0.000
Revised Forecast	€3.000	€1.500	€1.500	€0.000	€0.000	€0.000	€1.500	€0.000
Total Expenditure as % of RF	78.07%	78.07%	78.07%	0.00%	0.00%	0.00%	78.07%	0.00%
Total Expenditure certified (as per latest B2)								

9.4 Compatibility with Horizontal Principles

Environment, Gender Equality, Social Inclusion, Rural Development and Broad Equality (Non Discrimination)

Compliance with the EU principles of environmental protection and improvement, and the promotion of equality between men and women, and the National principles of social inclusion, rural development and broader equality³² (non-discrimination) was effected through various means during the implementation of the S&E Regional OP:

- The OP and Programme Complement sets out what impact (if any) the measure or sub-measure was expected to have across all principles;
- The NDP/CSF provided that the horizontal principles must be incorporated, where appropriate, into the project selection procedures of Intermediate Bodies;
- The principles featured as requirements in all evaluations undertaken under the Operational Programme;
- Where appropriate and feasible, specific indicators to assess impact on these horizontal issues were developed at measure and sub-measure level;
- The OP Monitoring Committee included representatives from the appropriate bodies responsible for the horizontal principles;
- The S&E Regional Assembly as Managing Authority participated fully on the three horizontal Co-ordinating Committees that were established to promote and co-ordinate the principles;
- Each Intermediate Body was required to report to the Monitoring Committee on the progress of the horizontal principles in their Measures; and
- An eco audit was carried out on each OP which examined the likely impact of the programme against the following dimensions of environmental quality: - Water Quality and Quantity, Air Quality, Biodiversity, Land Use, Resource Conservation, Waste, Architectural and Archaeological Heritage, Health and Welfare of Population and Dangerous Substances.

The appropriateness of measures as regards their impact on the horizontal principles was reviewed in some detail by Farrell, Grant, Sparks, the mid-term evaluators, as required under the terms of reference for the Mid-Term Evaluation of the S&E Regional OP, and several recommendations were made arising from this review.

As a way of addressing the issues identified, the evaluator (FGS) recommended that “there should be a prioritising of measures as regards which should address and report on the horizontal principles with a number chosen for each principle”. Similar views were expressed in the NDP/CSF mid-term evaluation, carried out by the ESRI. On foot of these conclusions and recommendations, the NDP/CSF Evaluation Unit was asked to undertake a review (entailing an assessment of the relevance of measures under the five main NDP/CSF operational programmes) by the NDP/CSF Technical Assistance OP Monitoring Committee.

Arising from this review, the NDP/CSF Evaluation Unit recommended that the designated measures should be the subject of a more in-depth, focused monitoring effort for the period to end-2006. It was proposed that that measures not prioritized under particular principles should be exempted from the in-depth process from reporting on the horizontal principles in general. However, this “exemption” for non-selected measures would only apply in respect of NDP/CSF monitoring purposes for the period to end-2006. It did not obviate domestic or EU obligations around ex-ante proofing, provision of data and the meeting of any other policy or regulatory requirements. Furthermore, the non-selection of a measure in this prioritisation exercise was not to imply that it was *irrelevant* to a particular horizontal principle.

Arising from this assessment a report was prepared which set out a number of proposals on how the horizontal principles could be integrated within the selected measures and monitored on an ongoing basis going forward and also sets out a proposed timeframe for the implementation of these proposals. This was considered and approved at the Spring 04 Monitoring Committee meeting.

Subsequently the NDP/CSF Monitoring Committee agreed that the formal or statutory bodies with responsibility for the relevant horizontal principles should convene meetings with the Intermediate Bodies in order to follow through on the recommendations.

The statutory bodies are as follows:

Rural Development	Department of Community, Rural and Gaeltacht Affairs
Social Inclusion	Office for Social Inclusion of the Department of Social and Family Affairs and the Combat Poverty Agency
Environment	Department of the Environment, Heritage and Local Government

³² This fifth principle was added following the Mid-Term Evaluation

Under the revised arrangements, Intermediate Bodies were required to report in greater detail on at least one but not more than two of the horizontal principles. These reports were supplied annually for the Spring Monitoring Committee meetings, up to and including 2007.

Draft revised Programme Complement texts for each measure (co-financed and non co-financed) were considered for approval at the November 04 Monitoring Committee meeting and subsequently for approval by written procedure in December 2004.

Reports from each of the Specialist Horizontal Units on their activities and on the application of the horizontal principles is included in Annex 2 of this final implementation report.

9.5 North-South Co-operation

In addition to reporting on the application of the horizontal principles, each Intermediate Body was also required to report to the Monitoring Committee on North/South co-operation as a cross-cutting theme. Details of such co-operation is given in the individual measure level reports. However as the S&E Region does not share a contiguous border with Northern Ireland, the scope for North-South co-operation was very limited.

9.6 Ensuring Compatibility with Community Policies

Article 12 of the General Structural Funds Regulations (EC) 1260/1999 required that operations financed by the structural funds shall be in compliance with the provisions of the Treaty, with instruments adopted under it and with Community policies and actions, including the rules on competition.

In the preparation of the S&E Regional Operational Programme the provisions of Articles 87-88 of the Treaty in relation to competition rules were fully respected, having regard in particular to the Commission's Guide to the Community Rules on State Aid. In accordance with Articles 9(m) and 18.2(b) of the Regulation, the Operational Programme contained a summary description of the Measures planned to implement the Priorities, including the information needed to check compliance with the applicable State Aids rules.

In conformity with its responsibilities as Managing Authority under Article 34 (1)(g) of Council Regulation No. 1260/99, the State Aids table for the S&E Regional Operational Programme has been maintained and updated and included in each Annual Implementation Report.

For the duration of the programming period the State Aid granted to a beneficiary under any particular measures was either:

1. compatible with the *de minimis* rule; or
2. was applied under an exemption in accordance with Council Regulation (EC) 994/98; or
3. was operated in compliance with a notified and approved State Aid scheme.

Additional ad hoc state aids notifications were submitted following the approval of the OP and prior to commencement of financing of some schemes.

A listing of the State Aids status of all measures funded under the OP for the 2000-06 programming period is attached at Annex 4 of this report.

9.7 Compatibility with Community Rules on Procurement

Article 12 of the General Structural Funds Regulations (EC) 1260/1999 required that operations financed by the structural funds shall be in compliance with the provisions of the Treaty, with instruments adopted under it and with Community policies and actions, including the rules on the awarding of public contracts.

Contracts for goods, services and works were awarded in compliance with national and EU rules on public procurement and above the applicable thresholds, were awarded based on competitive tendering. In the case of open competitive tendering, to ensure the widest possible competition for contracts, they were advertised in the national media and/or on the public e-tenders web-site and, where applicable in the Official Journal of the European Communities.

All Intermediate Bodies were informed throughout the programming period of the requirement for co-funded assistance to observe community policy in relation to public procurement. This was included in the guidance seminars hosted by the Managing Authority. Final Beneficiaries and Intermediate Bodies were required to certify compliance with this requirement in declaring eligible expenditure. Compliance with this requirement also formed part of the Article 4 management verification checks, the look back reviews and the independent Article 10 audits.

9.8 Co-ordination of assistance under the CSF 2000-06

The co-ordination of assistance between the S&E Regional OP and other programmes funded under the CSF for Ireland 2000-06 was achieved through a number of mechanisms:

- The S&E Regional Assembly was represented at political and official level on the NDP/CSF Monitoring Committee which met twice yearly over the lifetime of the OP. A summary report on the physical and financial progress of each OP under the NDP/CSF was presented and discussed at each meeting of the NDP/CSF;
- The Regional Assembly was also represented on the Technical Assistance OP Monitoring Committee which oversaw the work of the Central Evaluation Unit, the NDP/CSF Information and IT Units, and the administration costs of the NDP/CSF Monitoring Committee, the ERDF FCU and the PPP unit;
- The Regional Assembly was also represented on the Monitoring Committees for the three inter-regional Operational Programmes, the CAP Rural Development Programme and the Interreg III programmes at which detailed physical and financial reports on each of the measures (co-financed and non co-financed) were presented and discussed;
- The Regional Assembly as Managing Authority also participated on the three horizontal co-ordinating committees dealing with: equal opportunities and social inclusion; environment; and rural development and provided summary reports based on the reported activity of the Intermediate Bodies in the Regional OP; and
- In addition, regular meetings were convened by the Department of Finance as Managing Authority for the NDP/CSF to plan and co-ordinate programme implementation, management, financial control, information and publicity, and evaluation issues.

At measure level, specific arrangements were put in place to ensure effective co-ordination and avoidance of duplication at local level. These arrangements included the putting in place of sector-level agreements between Local Action Groups (LAG's) implementing the EAGGF co-financed Area-based Rural Development Initiative and the County Enterprise Boards who administered the ERDF co-financed Micro-enterprise Measure under the Regional OP 2000-06. LAG's were also required to demonstrate a close working relationship and to avoid duplication with local authorities in relation to support for urban & village renewal initiatives. In addition, arrangements for cross-representation on project appraisal committees ensured avoidance of double-financing of operations from more than one source of Community assistance. This was also checked as part of the Article 4 verifications. The establishment of County Development Boards in 1999 served, *inter alia* to increase the strategic coherence of actions co-financed within each County over the programming period.

9.9 Major Projects

There were no major projects, as defined in Article 25 of Commission Regulation (EC) 1260/1999, funded under the S&E Regional OP2000-06.

9.10 Global Grants

There were no Global Grants, as defined in Article 9 and detailed in Article 27 of Commission Regulation (EC) 1260/1999, funded under the S&E Regional OP2000-06.

9.11 Recoupment of EU Funds

RECEIPTS BY FUND ERDF

Date of Receipt	DETAILS	Amount EURO
28/12/2000	7% advance	€27,971,342.00
27/12/2001	Claim of 25/10/01	€20,789,825.00
28/12/2001	Claim of 26/10/01	€2,404,329.04

20/12/2002	Claim of 24/10/02	€66,718,117.03
10/02/2004	Claim of 30/10/03	€26,307,576.62
09/09/2004	Claim of 18/12/03	€32,230,166.50
23/12/2004	Claim 28/10/04	€29,396,023.48
18/02/2005	Claim 16/12/04	€49,994,194.88
24/10/2005	Claim 16/09/05	€7,979,258.54
01/12/2005	Claim 28/10/05	€10,499,658.88
02/02/2006	Claim 22/12/05	€37,698,084.07
29/01/2007	Claim 24/10/06	€8,767,665.41
13/02/2007	Claim 15/12/06	€34,081,344.73
20/02/2008	Claim 21/12/07	€32,445,684.77
Total Received from CION including advance		€387,283,270.95
advance		€27,971,342.00
Total Received from CION Excluding advance		€359,311,928.95

**SOUTHERN & EASTERN REGIONAL OP
RECEIPTS BY FUND
ESF**

Date of Receipt	DETAILS	Amount EURO
18/04/2001	7% Advance	883,590.00
09/01/2001	7% Advance	2,881,795.00
15/03/2001	7% Advance	1,998,205.00
13/12/2002	Oct 02 Claim	404,367.00
17/12/2002	Noc 02 Claim	4,413,178.00
28/11/2003	Oct 03 Claim	5,010,342.00
07/07/2004	Dec 03 claim	9,260,628.00
19/05/2005	Interim Payment	11,292,791.00
23/12/2005	Oct-05	6,801,986.00
28/03/2006	Dec 05 Claim	7,268,467.00
24/01/2007	Dec 06 Claim	13,329,061.50
06/02/2008	Oct 07 Claim	15,700,707.50
Total Received from CION including advance		€79,245,118.00
advances		€5,763,590.00
Total Received from CION Net of advance	Total Received from CION Net of advance	€73,481,528.00

SOUTHERN & EASTERN REGIONAL OP
RECEIPTS BY FUND
FIFG

Region	Reporting period	Amount claimed	Amount Recd	Date Recd
7% Advance			672,700.00	
S&E	1/1/2000 - 30/4/2002	737,124.86	733,511.00	17-Jul-02
S&E	1/5/2002 - 18/10/2002	219,227.63	219,227.00	30-Dec-02
S&E	19/10/2002 - 31/3/2003	464,474.17	446,912.00	31-Jul-03
S&E	1/4/2003 - 30/6/2004	1,452,371.90	1,452,371.90	27-Dec-04
S&E	1/7/2004 - 30/9/2004	183,980.04	183,980.04	27-Dec-04
S&E	1/10/2004 - 9/9/2005	1,450,254.61	1,436,383.82	29-Dec-05
S&E	10/9/2005 - 10/9/2006	2,820,630.65	2,855,678.10	01-Dec-06
S&E	11/09/2006 - 31/12/2006	491,751.64	491,751.64	07-Jun-07
S&E	01/01/2007 - 30/09/2007	879,637.09	879,637.09	10-Jun-08
S&E	01/10/2007 - 30/04/2008	1,840,207.22	265,597.49	08-Oct-08
S&E	01/07/2008-30/6/2009	450,606.00	0.00	
Total S&E		10,990,265.81	9,637,750.08	

SOUTHERN & EASTERN REGIONAL ASSEMBLY
RECEIPTS BY FUND
EAGGF

Claim No.	Date of Claim	Date Received	Amount Received
No.1	21/05/2002	22/10/2002	€2,176,624.00
No.2	*0/10/2002	04/12/2002	€1,813,772.00
No.3	23/12/2002	19/03/2003	€1,748,280.00
No.4	30/10/2003	01/10/2004	€8,134,007.00
No.5	23/12/2004	25/08/2005	€6,668,713.00
No.6	22/12/2003	15/11/2005	€4,046,244.00
No.7	22/12/2005	06/02/2006	€12,193,579.00
No.8	20/11/2006	21/12/2006	€3,182,958.00
No.9	22/12/2006	04/05/2007	€7,225,267.46
No.10	01/03/2007	17/07/2007	€2,426,299.00
No.11	16/10/2007	13/11/2007	€9,286,218.00
No.12	09/05/2008	05/06/2008	€1,054,928.00
TOTAL			€59,956,889.46
Advances Paid	08/01/2001		€882,000.00
	08/01/2001		€4,732,000.00
Advances SE			€5,614,000.00
Total Received			
Incl Advances			€65,570,889.46
Add offset of €738,652.36			€738,652.36
Total SE			€66,309,541.82

Note re: Offset:

These deductions were in relation to previous programmes for period 1994-1999. The first deduction is for the Food Industry subprogramme (EAGGF) total of €625,479.99 The second deduction was for €113,172.55 for INTERREG II 1994/1999 Total was €738,652.86.

These offsets were not related to the current programme and the deduction for receipts on this Programme was the means through which the Commission made recoveries on the two programmes mentioned above.

Both deductions/offsets occurred on 04/05/2007 where a payment was made of €7,225,267.46 against claims of €7,963,920.32 (net difference €738,652.54).

9.12 Interest on Account

There was no interest earned on payment of account for any Fund under this Operational Programme.

Annex 1 Non co-financed Measures

Priority 1 Local Infrastructure

05.01.06. Seaports Measure (Non co-financed)

05.01.06.01 Seaport Infrastructure and Capacity Development

Introduction

A preliminary call for proposals from project sponsors was issued on 30 April, 2001 and advertisements placed in the National media on 22 May, 2001. The closing date for receipt of proposals was 18th June, 2001. An independent evaluator was appointed on foot of a tender competition to assist in the assessment of project applications. The assessment of project applications was completed in October, 2001.

To date and following consideration of the recommendations of the evaluator the following projects have received formal approval for grant aid assistance under this Sub-Measure.

Project Sponsor	Project	Total Cost	Aid approved	Aid Rate	Grant paid to date
Dublin Port Company	Berth 26 – new two tier Ro-Ro ramp	€13.08 m	€3.92 m	30%	€3.920 m
Dublin Port Company	Berth 51 refurbishment	€10.41 m	€3.12 m	30%	€3.015 m
Port of Cork Company	Tivoli A & B Projects	€9.21 m	€2.77 m	30%	€2.216 m
Port of Waterford Company	Provision of Lo Lo and Gantry Crane	€12.70 m	€3.81 m	30%	€3.047 m
Port of Waterford Company	New Bulk Facilities	€16.00 m	€4.4 m	28%	NIL
New Ross Port Company	New Wharf Development	€3.365 m	€1.742 m	35%	€0.021 m
Stafford's Shipping	New Ross Crane and Warehousing	€1.33 m	€0.100 m	18%	NIL
Barrow Storage Clarkfern Holdings/Campus Oil	Oil Vapour Recovery System Upgrade	€2.86 m	€0.858 m	30%	NIL

Constraints in relation to the availability of funding in the early years of the NDP and other budgetary priorities curtailed the allocations to this Sub-Measure. The Department has written to all applicants advising them of the up to date position.

Dublin Port Company

The Refurbishment of Berth 51 project has been certified as completed and the final payment was made at the end of 2005. The New Two Tier Ro-Ro Ramp at Berth 26 project has been certified as completed and the final payment was made at the end of 2005.

Port of Waterford Company

The company has advised the Department that the New Bulk Facilities project was delayed pending the outcome of a court case by local fisherman in relation to the use of facilities at the quays. The company has advised the Department that the project is now proceeding and that planning permission has been secured. The project will be completed in 2007. The Lo-Lo facilities and crane project is progressing and is expected to being extended and will be completed by late 2007.

Port of Cork Company

The Tivoli A and B project has been completed. The company has already claimed the maximum 20% grant aid pending the certified completion of the project. The Department received final certification in February 2007. A draw down request for the final grant aid payment is currently being processed in the Department of Finance.

Port of New Ross Company

The company advised the Department on 31 October 2006 that it is extremely unlikely that New Ross Port Company will enter into any contracts in relation to the proposed 75 meter long wharf at Marshmeadows. One grant aid payment had been made in 2005.

Campus Oil/Barrow Storage

The Department advised in previous progress reports that this project would not be continuing. No funding had been paid.

Stafford's Shipping

The New Ross Crane and Warehousing project received ministerial approval to remove the warehousing element of the project. The project was then to receive 18% grant aid on the crane element of the project only (estimated at €100,000 depending on the tender amounts received). Stafford Shipping Limited advised the Department on 2 October 2006 that the Board of Directors had decided not to pursue the purchase of a crane at that time. No grant aid had been paid.

Expenditure

Table A. Cumulative Expenditure, 1st January 2000 to 31st December 2006.

	Total NDP	Total CSF	EU Funds	National Public	Private
Expenditure	47.02	0	0	47.02	0
% of Revised Forecast	39.49%	0%	0%	49.72%	0%

Table A1. Expenditure for January to December 2006.

	Total NDP	Total CSF	EU Funds	National Public	Private
Expenditure	0	0	0	0	0
% of Revised Forecast	0%	0%	0%	0%	0%

The Seaports Measure of the National Development Plan has experienced significant delays in the roll out of grant aid approvals.

The 31 column tables previously submitted were based on Departmental estimates of projected expenditure having regard to the applications received. Formal letters of offer have now issued in respect of the above projects and the 31 column tables have been amended for the current report to reflect the current up to date position in respect of actual expenditure on those projects as provided by the project sponsors. The 31 column tables have also been amended to reflect the fact that there will be no further grant aid approvals under this Sub-measure.

Performance Indicators

Class	Indicator	Baseline figures	Outturn 31/12/03	Final Target	Outturn to Dec 06
Output	1. No of Projects completed under the Measure	0	2	8	3
	2. No of Ports improved	0	3	4	4
	3. Volume increase in Port capacity*	0	2.22m tonnes	3.88m tonnes	2.78m tonnes

* Key Effectiveness Indicator

North/South Cooperation

Nil to report

Information and Publicity Requirements

National press advertisements were placed on 22 May, 2001 inviting project sponsors to submit projects for financing under the measure. A formal launch of all NDP measures under the Department of the Marine and Natural Resources' portfolio, by the Minister, took place in July, 2001. All documentation and advertisements are appropriately branded in accordance with Department of Finance guidelines.

Future Prospects

A number of projects approved under this Sub-measure have been carried over into 2007. The Department has issued a letter to each company to remind them of contractual requirements under the projects letters of offer. Currently €5.796 million will be paid in grant aid by the end of 2007. The Department received the consent of the Department of Finance to carry over its central fund allocation in this way in order to ensure that Exchequer payments may be made in 2007.

05.01.06. Seaports Measure (Non co-financed)

05.01.06.02 Seaport Disengagement

Introduction

A preliminary call for proposals from project sponsors was issued on 30 April, 2001 and advertisements placed in the National media on 22 May, 2001. The closing date for receipt of proposals was 18th June, 2001. An independent

evaluator was appointed on foot of a tender competition to assist in the assessment of project applications. The assessment of project applications

was completed in October, 2001.

While announcements of grant aid have been made in respect of the following projects, no formal letters of offer have issued in respect of same.

Project Sponsor	Project	Aid Approved	Aid Rate
Tralee and Fenit Harbour Commissioners	Purchase of crane, viaduct repairs and improvement to harbour infrastructure and facilities.	€750,000	25%
Baltimore & Skibbereen Harbour Commissioners	New Breakwater and Harbour Enhancement	€2.5 m	50%

Expenditure

Table A. Cumulative Expenditure from 1st January 2000 to the 31st December 2006

<u>Seaports - Disengagement</u>	Total NDP	Total CSF	EU Funds	National Public	Private
Expenditure	0.19	0	0	0.19	0
% of Revised Forecast	3.32%	0%	0%	3.32%	0%

Table A1. Expenditure for January to December 2006.

<u>Seaports - Disengagement</u>	Total NDP	Total CSF	EU Funds	National Public	Private
Expenditure	0	0	0	0	0
% of Revised Forecast	0%	0%	0%	0%	0%

Performance Indicators

Class	Indicator	Baseline figures	Outturn 31/12/03	Final Target	Outturn to Dec 06
Output	No of Projects completed under the Measure *	0	0	6	0
	No of Ports converted to alternative use	0	0	5	0

* Key Effectiveness Indicator

North-South Co-operation

Nil to report.

Information and Publicity Requirements

National press advertisements were placed on 22 May, 2001 inviting project sponsors to submit projects for financing under the measure. A formal launch of all NDP measures under the Department of the Marine and Natural Resources' portfolio, by the Minister took place in July, 2001. All documentation and advertisements are appropriately branded in accordance with Department of Finance guidelines.

Future Prospects

No further funding will be provided by this Department under the Disengagement Sub-measure.

Any adjustments required

Nil to report.

05.01.07. Regional Airports Measure (Non co-financed)

Introduction

The objective of this Measure is to provide financial assistance to the regional airports to facilitate improvements in airport safety and security. The two regional airports in the S&E Region are at Farranfore in Kerry and Waterford City.

In November, 2005 the Government announced the Transport 21 investment programme. Under this programme, a total of €100 million will be available for capital grants to the six regional airports over the next 10 years. While projects relating to safety and security upgrades will continue to have priority, the Transport 21 framework includes provision for development projects at the regional airports, where the demand for additional air services to the regions can be demonstrated and where an economic case can be made to justify increased investment.

A new Capital Expenditure Grant Scheme involving €65 million of the Transport 21 funding up to the end of 2010 was launched on 30 June, 2006 and the regional airports were asked to submit project proposals for consideration by 15 September, 2006.

Both Waterford and Kerry Airports submitted proposals for funding under the Capital Expenditure Grant Scheme. These were assessed by the Department of Transport with the assistance of expert advisors Indecon. On 21 February 2007 the Minister for Transport announced allocations for all the regional airports including Waterford and Kerry. Waterford Airport is to receive €22.3 million including €13 million for a runway extension, widening, and associated improvements. This investment will address one of the key infrastructure deficits in the southeast region. Included in the sum for Kerry Airport is a maximum amount of €13.1 million for terminal and related facilities to cater for a substantial projected increase in tourist business, especially short break traffic, in this key tourism region.

Expenditure

Table A. Cumulative Expenditure, 1st January 2000 to 31st December 2006.

	Total NDP	Total CSF	EU Funds	National Public	Private
Expenditure	3.96	0	0	3.96	0
% of Revised Forecast	88.34%	0%	0%	88.34%	0%

Table A1. Expenditure for January to December 2006.

	Total NDP	Total CSF	EU Funds	National Public	Private
Expenditure	0.10	0	0	0.10	0
% of Revised Forecast	0%	0%	0%	0%	0%

Performance Indicators

Class	Indicator	Baseline figures	Outturn 31/12/03	Final Target	Outturn to Dec 06
Output	No of projects supported				
	• safety	0	2	13	11**
	• security,	0	1	4	3
	• infrastructure	0	1	3	3
	Passengers*	185,514	337,191	525,000	473,371 ¹
Result	Aircraft Movements (only scheduled and charter flights)	5,346	29,967	6,000	Departing 236,761 Arriving 236,610 7,153
Impact	No employed at Regional Airports (M/F)	47	0	67	96 (66M / 30F)

*Key Effectiveness Indicator

** This figure represents the projects which have been completed, exclusive of those which are resubmitted under the new Capital Expenditure Grant Scheme (2006-2010).

¹ This figure is the sum of passengers arriving and departing.

North/South Cooperation

There are no north/south issues under the Airports Measure of the NDP.

Information and Publicity Requirements

The regional airports are fully aware of the NDP publicity and information requirements and are requested to sign off on their compliance on their "Application for Funding". It is a condition of grant aid and payment that the Department must be satisfied that appropriate arrangements have been made by the airport companies to meet these requirements. The two regional airports concerned have put up signs to publicise their NDP-funded projects and in relevant cases, official openings and accompanying publicity have adverted to NDP support.

Future Prospects

Kerry airport has fully drawn-down its allocation under Round 2, while Waterford airport re-submitted some of its projects under the new Capital Expenditure Grant Scheme 2006.

On 21 of February 2007 the Minister for Transport announced allocations of funding for capital projects for the regional airports, including €17.7 million for Kerry Airport. Included in this sum is a maximum amount of €13.1 million for terminal and related facilities to cater for a substantial projected increase in tourist business, especially short break traffic, in this important tourism region.

Waterford South East Regional Airport is to receive €22.3 million, including €13 million for a runway extension, widening, and associated improvements.

This investment will address one of the key infrastructure deficits in the southeast region.

Any adjustments required

The Performance Indicators Table has been edited to show the impact of the re-submission under the new Capital Expenditure Grant Scheme, of projects which were originally submitted and provisionally approved under Round 2.

05.01.08 Culture, Recreation and Sports Measure (Non co-financed)

05.01.08.01 Sport and Recreational Facilities Sub-Measure

The Department of Arts, Sports and Tourism did not proceed with the submeasure.

05.01.08.03 Arts and Culture Facilities

Introduction

This sub-measure supports the provision and enhancement of facilities for the promotion of the Arts that would not otherwise be made available on a broad basis. Under this sub-measure, funding will be provided for commissioning new infrastructure or enhancements of existing infrastructure for the arts and in particular integrated arts centres, theatres, museums and galleries as well as arts studios and other arts production, creative and performance spaces.

Following consideration of all applications for the Arts and Culture Capital Enhancement Support Scheme (ACCESS), the following projects were selected in the S&E region in August 2001:

Carlow	Visual Arts Centre	€3,174,345	Project has been delayed, will not commence until early 2007
Clare	Glór Music Centre Ennis	€2,539,476	Project is completed. fully draw down
	Ennistymon Artist Studios	€761,843	Project is nearing completion
Cork	The Mall Arts Centre	€825,330	Project is completed. fully draw down
	Martin Valley Sculpture Park	€444,408	Not going ahead
Dublin	Liberty Corner – Arts and Dance Centre	€2,831,516	Building is complete, expect final draw down early 2007
	Gate Theatre	€2,158,555	Experiencing major delays, expect to commence draw down early 2007
	Ballyfermot Arts Centre	€507,895	Work has commenced, project promoters expect to commence draw down early 2007
Limerick	Daghda Dance Company	€850,725	Project is completed. fully draw down
Meath	Navan Arts Centre	€2,920,398	Building is nearing completion
Tipperary	Thurles Arts Centre	€2,920,398	Building is nearing completion
Waterford	Lismore Heritage	€139,671	Project is completed. Expect to complete final draw down in early 2007
Wexford	Wexford County Museum	€1,650,660	Project promoters have advised that the project will not go ahead
	Gorey Little Theatre	€368,224	Project is completed. fully draw down
Wicklow	Mermaid Arts Centre, Bray	€1,777,224	Project is completed. fully draw down
	Total	€23,870,668	

Expenditure

Table A. Cumulative Expenditure, 1st January 2000 to 31st December 2006.

	Total NDP	Total CSF	EU Funds	National Public	Private
Expenditure	15.58	0	0	15.58	0
% of Revised Forecast	73.20%	0	0	73.20%	0

Table A1. Expenditure for January to December 2006.

	Total NDP	Total CSF	EU Funds	National Public	Private
Expenditure	1.87	0	0	1.87	0
% of Revised Forecast	57.25%	0	0	57.25%	0

<u>Project</u>	<u>€</u>	<u>Notes</u>
Glór International Folk Music Centre	€2,499,476	Project complete
Mermaid Arts Centre	€1,777,633	Project complete
Mall Arts Centre, Youghal	€825,330	Project complete
Gorey Little Theatre	€368,224	Project complete
Lismore Heritage Centre	€93,160	Project complete
Daghda Dance	€850,725	Project complete
Thurles Civic Centre	€2,820,398	Project complete but grant not fully drawn down
Liberty Corner Project	€2,714,479	Project complete but grant not fully drawn down
Navan Arts Centre	€2,910,398	
Ennistymon Artist Studios	€724,049	

Some of the Projects are running behind schedule (Visual Arts Centre, the Gate Theatre and Ballyfermot Arts Centre) and the Arts Division have requested revised time scales and draw down schedules from the relevant projects promoters. The project promoters for Wexford County Museum and Martin Valley Sculpture Park have stated that the project will not go ahead. Expenditure is not co-financed.

Performance Indicators^(a)

Class	Indicator	Baseline figures	Outturn 31/12/03	Final Target	Outturn to Dec 06
Output	Number of projects supported/completed	0	8	14	10
Result	No. of participants/audience/visitors (broken down by gender)*	0	60k	800k	121k
Result	No. employed at facilities (broken down by gender)	0	40	100	98

*Key Effectiveness Indicator

Staff	Full Time		Part Time	
	Female	Male	Female	Male
Mermaid Art Centre, Bray	6	1	12	2
Gorey Little Theatre Group			3	
Glór Irish Music Centre	6	1	15	13
Lismore Heritage Centre	5		2	
Mall Arts Centre			1	
Daghda Dance	6	5	10	6
Daghda Dance FÁS CE Staff		4		

North/South Cooperation

The Department of Arts, Sport and Tourism co-operates with the Cultural Division of the Department of the Culture, Arts and Leisure in Northern Ireland in relation to matters of common interest. The Gorey Little Theatre Group has quite a number of holiday makers from the North during their summer productions. Mall Arts Centre fully supports North South Co-operation through their advertising. Glór work with many promoters and artists from Northern Ireland. In November 2006, they ran a major conference for traditional music and arts practitioners in cooperation with the Arts Office of Northern Ireland. The event was attended by musicians from both north and south.

Information and Publicity Requirements

All project promoters have been advised that compliance with the information and publicity requirements is a condition of the grant aid.

Mermaid Arts Centre has the NDP logo included on all season brochures and there is a bronze plaque acknowledging the support of the NDP in the foyer.

Glór, Ennis has erected a plaque acknowledging NDP support as well as having a seasonal brochure with the NDP logo displayed on it.

The Mall Arts Centre, Youghal: during the construction phase had a sign on display in acknowledgement of NDP support. They have now erected a permanent plaque within the centre.

Gorey Little Theatre has the NDP logo displayed on all programmes and other display material for their productions.

Lismore Heritage Centre, have a temporary sign acknowledging NDP support and are arranging for a permanent sign when all work is fully completed.

Daghda Dance: during the construction phase had a sign on display in acknowledgement of NDP support. They have now erected a permanent

plaque within the centre.

Future Prospects

Projects will be developed on a phased basis according with the time frame agreed with the project promoters. All projects should be completed by end 2007.

05.01.08.04 Habitat Protection and Conservation

Introduction

This sub measure is concerned with supporting a greater appreciation of the importance of preserving and conserving the natural environment and habitats of Ireland.

Funding is provided for development of visitor facilities at significant sites, based on assessment of visitor needs, including National Parks and Nature Reserves.

As a means of implementing the EU Habitats Directive, the EU Birds Directive and the Wildlife (Amendment) Act 2000, funding is also provided for conservation purposes, by way of, where necessary, the acquisition of designated lands and also by means of compensation payments to landowners who forego income as a result of designations.

Expenditure

Table A. Cumulative Expenditure from 1st January 2000 to 31st December 2006

	Total NDP	Total CSF	EU Funds	National Public	Private
Expenditure	4.11	0	0	4.11	0
% of Revised Forecast	8.82%	0%	0%	8.82%	0%

Table A1. Expenditure for January to December 2006.

	Total NDP	Total CSF	EU Funds	National Public	Private
Expenditure	0.83	0	0	0.83	0
% of Revised Forecast	13.43%	0%	0%	13.43%	0%

All expenditure under The Habitat Protection & Conservation Sub measure of the Southern and Eastern Regional OP is Non-Co financed.

Expenditure as a percentage of forecast refers to Initial Expenditure Forecasts to year-end. However, the actual Exchequer Estimates in each subsequent year have shown Initial Expenditure Forecasts to be inaccurate in view of actual Capital allocations. It was initially envisaged that all NPWS capital spending would come under the heading of NDP 2000-2006 expenditure. However, due to the complexity of the reporting procedures for numerous small and geographically dispersed activities, it was subsequently decided that the merit of their inclusion in reports would not be a gainful and practical use of scarce resources and that the three main National Parks and Wildlife Section projects (selected during the Programme based on assessment of visitor needs -1 in the S&E Region and 2 in the BMW Region), together with relevant preservation and compensation expenditure, would form the basis of NDP input.

The issues mentioned in the introduction have contributed to the fact that spend has been low for proposed works at Doneraile.

As designation of lands may not necessarily lead to acquisition or compensation payments, expenditure relating to this element is difficult to forecast. However, the ongoing progress regarding designations, coupled with agreements, including that reached under Sustaining Progress, has resulted in a notable increase in related expenditure during recent years.

Performance Indicators^(a)

Class	Indicator	Base-line	Outturn 31/12/03	Final Target	Outturn to Dec 06
Output	Number of Visitor centres Improved	0	0	1	0
	Number of landowners receiving compensatory payments ¹	37	37	Na	102 ¹
Result	No. of Visitors to New/Improved Visitor Centres	0	0	100,000	Na ²
	Percentage of Visitors satisfied or very satisfied with centres ³	0 0	Na Na	90% 80%	88% ³

Impact	Percentage of people aware of the importance of the conservation and protection of the natural heritage as a major element in improving/maintaining the quality of the environment ³	0	Na	85%	Na ⁴
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¹ The number of landowners compensated in each reporting period will be reported.

Outturn figure of 102 is national figure for 2nd half of 2006.

Baseline Figure (37) is for full year 2003.

Total figure for 2004 was 22, 2005 was 281, 2006 is 205.

Final Target figure is unfeasible as progress is subject to demand.

² Figures will be available when sites are open.

³ Figures to be collected from survey. Latest Survey was carried out during September 2004 by Franklin Quality Marketing Research and measured satisfaction rating based on marks out of 10 on a representative sample of sites. With an average mark of 8.88 it concluded that satisfaction with the sites was very high.

⁴ Figures to be collected by means of a survey, elements of which will be based on the aim of comprehensive measurement of public attitudes and behaviour in regard to environmental and heritage issues. This will build on the Department's previous Attitudes and Actions surveys and similar work carried out in various sections and by the EPA and Heritage Council.

The 2004 Franklin survey also asked respondents to rate the importance of conservation of heritage sites for themselves and future generations on a scale of 1 to 10 resulted in figures of 9.5 and 9.6 respectively.

North/South Cooperation

Although no specific allocation has been provided in this sub-measure under the NDP for Common Chapter activity, contact between the Department and the North's Environment and Heritage Service is ongoing.

Information and Publicity Requirements

The visitor facilities, once completed, will be promoted to visitors both nationally and locally. They will also be promoted through direct contact with target groups and with other agencies etc.

The contribution of the National Development Plan 2000-2006, in accordance with the information and publicity requirements, will be acknowledged in publicity such as press releases, advertisements and forms and by means of notices at sites during construction works and at facilities once they are completed.

Future Prospects

As stated in the Introduction, the Doneraile project has achieved little progress. An assessment of this project is still currently being undertaken by the OPW.

As designation of lands may not necessarily lead to acquisition or compensation payments this element is difficult to forecast. However, the ongoing progress regarding designation of relevant sites in addition to the agreement reached under Sustaining Progress in July 2004 regarding increased rates of payment and approval for the new rates to be applied retrospectively to those who had previously sold bog to the Department has resulted in a notable increase in related expenditure during recent years.

Any adjustments required

Following the review of the horizontal principles across all the Operational Programmes, and the subsequent decision that the most relevant issue to this Sub-measure was the Environment, the revisions adopted at the November 2004 Monitoring Committee meetings are included in the Horizontal Environment progress report.

05.01.08.05 Heritage Conservation

Introduction

This sub measure provides funding for a countrywide programme of conservation and/or presentation of the National Monuments and Historic Properties in the care of the State together with a programme to support the protection of the built heritage outside State ownership.

Following a full consideration of all the heritage properties, the then Minister concluded that the emphasis for the period 2000-2006 should be on the conservation of the existing portfolio of sites through an extensive capital programme, supported by a programme of presentation and promotion and projects under this sub measure were selected on this basis.

Works are implemented by the National Monuments and Historic Properties Sections of the Office of Public Works and the Department of the Environment, Heritage and Local Government. The Department also funds a 'buildings at risk' programme in close liaison with the Heritage Council, and provides some heritage conservation funds to local authorities.

At the end of 2006, of a total of 76 National Monument and Historic Property NDP projects in the Southern and Eastern Region, the number of projects improved or conserved is 60, with works to the other projects at various stages.

Expenditure

Table A. Cumulative Expenditure from 1st January 2000 to 31st December 2006.

	Total NDP	Total CSF	EU Funds	National Public	Private
Expenditure	79.03	0	0	79.03	0
% of Revised Forecast	59.73%	0%	0%	59.73%	0%

Table A1. Expenditure for January to December 2006.

	Total NDP	Total CSF	EU Funds	National Public	Private
Expenditure	9.75	0	0	9.75	0
% of Revised Forecast	48.80%	0%	0%	48.80%	0%

All expenditure under The Heritage Conservation Sub measure of the Southern and Eastern Regional Operating Programme is Non-co-financed.

Initial progress on this sub-measure was somewhat slow due to the need to complete work on the Operational Programme for Tourism 1994-1999. After some delays caused by the Foot and Mouth Crisis in 2001, progress has steadily advanced in the ensuing years. Despite this slow start, good progress has been made.

Performance Indicators ^(a)

Class	Indicator	Base-line Figures	Outturn 31/12/03	Final Target	Outturn to Dec 06
Output	Number of heritage Sites improved or conserved	0	28	81	60
	Number of people availing of apprenticeships.	0	Na	35	36 ¹
Result	Percentage of visitors satisfied or very satisfied with heritage sites.	0	Na Na	90% 80%	88% ³
Impact	No. of visitors to fee-paying heritage sites (m/f)	2.04m	2.40m	2.60m	2.575 ² m
	Percentage of people aware of the importance of the conservation and protection of the built and natural heritage as a major element in improving/maintaining the quality of the environment. ²	0	na	85%	Na ⁴

1 This figure of 36 comprises 29 apprentices currently undergoing apprenticeships and 7 that have qualified.

2. Figures as at end 2006.

3. Figures to be collected by means of a survey. Latest Survey was carried out during September 2004 by Franklin Quality Marketing Research and measured satisfaction rating based on marks out of 10. With an average mark of 8.88 it concluded that satisfaction with the sites was very high.

4. Figures to be collected by means of a survey, elements of which will be based on the aim of comprehensive measurement of public attitudes and behaviour in regard to environmental and heritage issues. This will build on the Department's previous Attitudes and Actions surveys and similar work carried out in various sections and by the EPA and Heritage Council.

The 2004 Franklin survey also asked respondents to rate the importance of conservation of heritage sites for themselves and future generations on a scale of 1 to 10 resulted in figures of 9.5 and 9.6 respectively.

North/South Cooperation

It is hoped that the improvements to heritage properties will raise awareness of the heritage of the island of Ireland as a whole. It is also hoped that improvements will encourage cross-border tourism.

Although no specific allocation has been provided in this sub-measure under the NDP for Common Chapter activity, contact between the Department and the North's Environment and Heritage Service is ongoing.

Information and Publicity Requirements

All press releases and other publicity material acknowledge the fact that a project is being funded under the National Development Plan and signs are being erected at sites where the construction phase of projects has commenced.

Future Prospects

Initial progress on this sub-measure was somewhat slow due to the need to complete work on the Operational Programme for Tourism 1994-1999. Despite this slow start, and after some delays caused by the foot and mouth crisis in 2001, good progress has been made. Works at 60 NDP projects have been completed. Progress at other heritage sites entails, by the nature of conservation work, a rolling programme of works that will continue into the next Plan.

Any adjustments required

Following the review of the horizontal principles across all the Operational Programmes, and the subsequent decision that the most relevant issue to the Heritage Conservation Sub-measure was the *Environment*, the revisions adopted at the November 2004 Monitoring Committee meetings are included in the Horizontal *Environment* progress report.

05.01.08.06 Inland Waterways

Introduction

The programme of works delivered in 2006 reinforced Waterways Ireland's commitment to conserving and restoring canals, upgrading facilities at existing popular destinations and providing new facilities at additional destinations, with the objective of supporting balanced regional development.

In the Eastern Region, the main projects completed included the installation of additional public moorings on the Royal and Grand Canals. Deep Gate Landing Jetty extensions, each 12m in length, were installed on the Royal Canal at the 13th and 15th Locks in Co Kildare, and on the Grand Canal at the 17th Lock, Co Meath. Some 3,050m of improved navigable waterway was made possible as a result of Dredging and Bank Protection/Improvement works both on the Grand Canal, Barrow Line and Barrow Navigation. Dredging works were carried out along a 2000m stretch of the Grand Canal Barrow Line between Milltown Bridge and Ballymanus Bridge, Co Kildare. On the Barrow Navigation, 500m of Dredging and Bank Protection works were carried out between Slyguff Weir and Upper Ballyellen, Co Carlow and 50m of Bank Protection works carried out between Clogrennan Lock and Cloydagh, Co Laois.

In the Western Region, the capital development programme on the Shannon Navigation included the construction of a Service Block at Garrykenny, Co Tipperary to complement the creation of the new harbour in 2005. Waterways Ireland is awaiting Tipperary North County Council to provide an outlet to the sewage system before the Service Block can become operational. A Borehole Investigation at Killaloe, Co Clare has also been completed in advance of the installation of planned floating moorings.

Expenditure

Table A Cumulative Expenditure from 1st January 2000 to 30th June 2006.

Measure	Total NPD	Total CSF	EU Funds	National Public	Private
Expenditure	14.63	0	0	14.63	0
% of Revised Forecast	61.57%	0%	0%	61.57%	0%

Table A1. Expenditure for January to June 2006.

Measure	Total NDP	Total CSF	EU Funds	National Public	Private
Expenditure	0.63	0	0	0.63	0
% of Revised Forecast	20.26%	0%	0%	20.26%	0%

The main items of expenditure from January to June 2006 were:

Improvement works on Shannon Navigation	€0.10m
Restoration of the Royal Canal	€0.07m
Improvement works on the Grand Canal	€0.18m
Improvement works on the Barrow Navigation	€0.05m
Purchase of Plant and Machinery	€0.23m

Total	€0.63m
Budget to 06/2006	€1.55m
Expenditure	€0.63m
Out-turn as % of budget	41%

Performance Indicators

Indicator	Baseline	Out-turn to 31 December 2003	Out-turn to June 2006	Final Target
Length of additional public moorings	0	1277m	2904m	2500m
Length of new and improved navigable waterways*	0	11.02km	22.95km	34km
Change in boat registration on the Shannon navigation	3503 (end June '99)	4,857 (revised June '02)	6091	5750 (revised Nov '04)

***Key Effectiveness Indicator**

The installation of an additional 36m of public mooring in the S&E region during the first half of 2006 has resulted in Waterways Ireland delivering significantly more 'Metres of Additional Public Moorings' than was first estimated in 1999. The original target of 1300m was revised to 2500m in November 2004, and this target too has been exceeded.

Using km of Dredging as a barometer for measuring the indicator 'Kilometres of New and Improved Navigable Waterways', Waterways Ireland has delivered 74% of the original target. These advances have been made despite delays as a result of onerous environmental requirements which limit works being carried out at certain times of the year and the removal of juvenile Lamprey from the dredging and return of them to the water. The presence of Lamprey at Slyguff and at the confluence of the Greese and Barrow rivers significantly delayed progress in the first half of the NDP programme. It should be noted that the S&E region is currently totally navigable and further works planned are designed to improve the quality of the existing navigation.

Following the mid-term review, the 2006 Performance Indicator for the 'No. of Boats registered on the Shannon Navigation' (i.e. 4500 boats) was adjusted to 5750 to reflect significant advances made during the first half of the NDP programme. This revised target has also been surpassed, with an additional 350 boats registered on the Shannon Navigation from Jan – June 2006. These advances can be attributed to improved access to the inland waterways as a result of the NDP investment in additional public mooring facilities, the growing interest in boating activity as a leisure option, and also increased consumer spending as a result of a buoyant economy since 2000.

North/South Cooperation

The waterways programme is managed by Waterways Ireland a North/South Implementation Body set up under the Good Friday Agreement. The Body is charged with managing, maintaining, restoring and developing the inland navigable waterway system on an all island basis, primarily for recreation purposes. It reports to the Minister for Community, Rural and Gaeltacht Affairs and the Minister for Culture, Arts and Leisure at meetings of the North South Ministerial Council, on all aspects of its programme. As a result of the suspension of the devolved administration in Northern Ireland, the North South Ministerial Council has not met formally since June 2002. Waterways Ireland has continued to operate on a 'care and maintenance' basis during this period of suspension.

The headquarters of Waterways Ireland is located in Enniskillen, Co. Fermanagh, with Regional Offices in Scarriff, Carrick-on-Shannon and Dublin. As at the end of June 2006, only 20 out of the 28 advertised Operational and Technical engineering posts had been filled, which is indicative of our curtailed capacity to deliver the operational programme.

The waterways are a cross border system and the Shannon-Erne Waterway links the major navigations in the North and South. Waterways Ireland has completed a socio- economic study and a revised feasibility study into the reopening of the Ulster Canal, which links Lough Neagh to Lough Erne and passes through Co. Monaghan. Approximately 50% of this canal is in each jurisdiction. The reports will now be considered by the Ministers and their Departments following which a statement will be made.

Information and Publicity Requirements

Full publicity is given to the NDP contributions to Waterways Ireland capital projects. For example, when new facilities are being planned, construction is beginning or underway and/or the facilities opened, Waterways Ireland undertakes publicity campaigns, press visits and/or official openings, the purpose of which is not only to highlight the projects themselves but to also underline the contribution of NDP funding to the development of the projects.

The NDP logo has been displayed where appropriate on all projects, while the contribution under the NDP is highlighted in public consultations, press briefings, press releases, advertising and openings. There were no official openings for new facilities in the South & East Assembly region during this reporting period. Waterways Ireland

contributed to NDP/CSF Information Supplements in the local press, provided project updates, articles, photographs etc. where appropriate.

Future Prospects

Recognising that the budget's estimates process no longer reflects the S&E operational forecasts, combined with delays in project start dates, as a result of constraints within the planning process, and Waterways Ireland's difficulty in recruiting Operational and Technical engineering staff, it is unlikely that Waterways Ireland will expend the full projected NDP allocation. Waterways Ireland will continue to greatly surpass the performance target for 'Additional Public Moorings' and is likely to achieve a high percentage of the target for 'New and Improved Navigable waterways'.

Any adjustments required

Waterways Ireland is working towards the full completion of the NDP programme. No adjustments are required at this time.

Priority 2 Local Enterprise

05.02.01.04 Tourism and Recreational Angling (Non co-financed)

Introduction

There has been no expenditure since 2003 to date on this sub-measure. The sub-measure has been under review in the context of sectoral priorities generally and a decision on its future is awaited. The launch of the Tourism and Recreational Angling Sub-Measure was delayed pending clearance from the EU Commission on the issue of state aids. Final clearance from EU Commission was received on 6th March 2002 (decision no. N436/2001) and the sub-measures were launched in Carrick-on-Shannon on 16 April 2002. Indicative funding of €30.476 million was allocated to the sub-measures over the period of the NDP. Constraints in relation to the availability of funding in the early years of the NDP and other budgetary priorities curtailed the allocations to these sub-measures with the result that there has been limited progress to date. In 2002 a total of 67 projects were evaluated of which thirty-three (33) projects at a cost of €1,219 million were funded in accordance with the guidelines governing TRAM. There has been no further activity on this sub measure.

Expenditure

Table A. Cumulative Expenditure, 1st January 2000 to 31st December 2006.

	Total NDP	Total CSF	EU Funds	National Public	Private
Expenditure	0.75	0	0	0.75	0
% of Revised Forecast	6.55%	0%	0%	6.97%	0%

Table A1. Expenditure for January to December 2006.

	Total NDP	Total CSF	EU Funds	National Public	Private
Expenditure	0	0	0	0	0
% of Revised Forecast	0%	0%	0%	0%	0%

Actual expenditure to date is €1,219,179. A total of 33 projects valued at €1,108,953 were completed (€504,025 in BMW and €715,154 in S&E region).

Performance Indicators

Indicator	Baseline figures	Outturn 31/12/03	Final Target	Outturn to Dec 06
1.No of fisheries improved*	0	10	30	10
2. No. of pilot projects to develop angling tourism infrastructure	0	6	12	6
3. No. of pilot projects to promote integrated community development and partnership.	0	2	4	2

* Key Effectiveness Indicator

The Programme Complement has set performance indicators, which will be used to assess the impact of the measure. The number of fisheries improved, the number of pilot projects to develop angling tourism infrastructure and the number of pilot projects to promote integrated community development and partnership will be monitored over the period of the National Development Plan (NDP).

North/South Cooperation

The potential for North-South co-operation was recognised. The Loughs Agency, which is responsible for angling in the Foyle and Carlingford catchments, which straddle the border is eligible to apply for funding under the measure. There is scope for the Northern Regional Fisheries Board to co-operate with its counterpart, the Fisheries Conservancy Board in Northern Ireland, in developments to their mutual benefit.

Information and Publicity Requirements

Minister Frank Fahy formally launched the measure in Carrick-on-Shannon on 16 April 2002. The contributions of the National Development Plan and of the EU are acknowledged in all promotional material, advertisements and application forms, by use of appropriate logos and text references.

Future Prospects

There will be no further expenditure on the Tourism and Recreational Angling Sub-measures of the NDP

05.02.01 Tourism Measure

05.02.01.04 Marine Tourism (Non co-financed)

Note for inclusion in Progress Report to BMW and SE Monitoring Committee Meetings – September 2006

The Marine Tourism Grant Scheme is a sub-measure of the main NDP 2000-2006 Tourism Measure (Tourism Sub Measure 5). An indicative budget of €25.4 million was allocated to the sub-measure over the period of the NDP. The Marine Tourism Grant Scheme was officially launched in February 2002 and a public call made for applications. Constraints in relation to the availability of funding in the early years of the NDP along with additional budgetary priorities of this Department's overall sectoral responsibilities prohibited the allocation of funding to the Marine Tourism Grant Scheme. The scheme was suspended in December 2002 and all applicants notified.

Department of Communications, Marine & Natural Resources

6 September 2006

05.02.04.03 Forestry Development (non co-financed)

Introduction

This sub-measure supports forestry development by encouraging participation in the forestry sector, supporting projects and associations of forest holders aimed at the development of forestry as a sustainable and efficient enterprise, promoting new uses for forestry products and providing back-up support for the efficient implementation of the programme through the creation of a modern computer system.

Call for Proposals

A major development in the Forest Service "call for proposals" first issued in 2005. This process continued in 2006. The 2006 Call focused on the better management of existing forests, the conservation and enhancement of the native forest gene pool and of biodiversity in Irish forests, alternative timber use (in particular the potential for reducing dependence on fossil fuels), alternative silvicultural systems (including agro-forestry), product development and marketing, and the development of synergy between forestry and other areas of economic and social activity. The Call attracted 67 applications and funding was approved for 37 projects. These projects include: Biofuel Manufacturing Limited for the Development of a Densified Wood Energy Production Facility, None-So-Hardy (Forestry) Ltd for Acorn collection for Native Woodlands, Natural Power Supply for the Development of an Irish Willow Nursery Business, Irish Timber Growers Association for the development of a Private Roundwood Price Database, Agriculture Consultants Association for the development of a Forestry Training Programme for private agriculture consultants providing services to REP clients, CRANN for "Woodland discovery days", the Abbeylax Group for the Woodlands Sustainable Management Project.

Specific examples of other types of activity supported are set out below:

Western Forestry Co-Operative Society Ltd.

Developing a Suitable Harvesting Model for Small Scale Forestry in the West of Ireland.

The project is focused directly on developing the best model for farmers with small and isolated woodlots to bring timber, which is ready for thinning, to the market place. The challenge in this project is finding ways of dealing with all the problems associated with harvesting timber on small isolated sites and achieving a price, sufficient to cover the cost of selectively thinned timber.

Comuli Farm Discussion Group.

The Environmental, Economic and Social Benefits of Short Rotation Coppice Willow on Modern Dairy Farms.

Objective: Increased biodiversity to be achieved by using short rotation coppiced willow and a buffer zone of existing constructed wetlands to prevent, reduce, re-use, recycle and up-cycle waste water on dairy farms. The project aims to replace existing integrated constructed wetlands with short rotation coppiced willow plantations.

The relatively low capital inputs compared to conventional pollution treatment systems represent a cost effective way of managing wastewater, which will result in the farms having the potential to provide improved water quality. The coppice crops will provide a potential energy source, raw material for traditional crafts and sustainable economic development in a cost effective way. Introduction This sub-measure supports forestry development by encouraging participation in the forestry sector, supporting projects and associations of forest holders aimed at the development of forestry as a sustainable and efficient enterprise, promoting new uses for forestry products and providing back-up support for the efficient implementation of the programme through the creation of a modern computer system.

Irish Forestry Awards

These awards are designed to encourage and highlight best practice in various aspects of forestry. The scheme is a joint promotion between the Forest Service and the RDS. These awards were launched in Donegal by Minister Coughlan in June, the presentation ceremony was held in Farmleigh House in October.

Wood Energy Demonstrations

COFORD, Teagasc and Waterford Institute of Technology carried out, at various sites around the country, a series of wood energy demonstrations. In the spring different harvesting methods were shown for thinning and clear-fell at the chosen sites. The harvested timber was stored in the wood that it was harvested in, to dry. This wood was chipped in the autumn and was assessed for quality, particularly moisture content. This is just one step in assessing the best methods of producing alternatives to fossil fuels in Irish conditions.

Promotional Events:

Forests for a Bright Future

The Forest Service and the Irish Forest Industry Chain launched a joint national forestry promotion campaign in June. The campaign will run for 18 months or so and will highlight the many benefits of forestry. Regional launches were in the autumn, with further launches planned for spring 2007. The campaign slogan is Forests for a Bright Future.

Integrated Forestry Information System

The IFORIS computer system went live in February 2006.

National Forest inventory

The ground survey for the National Forest Inventory commenced in October 2004. The survey teams are collecting a range of forest data from approximately 2,200 sample forest plots around the country. The survey will enable Ireland to provide accurate forecasts on the maturing forest estate and will assist planning for the future direction of the timber industry. The survey will also provide information on the biodiversity within our forests and facilitate the management of our natural heritage. It is anticipated that the survey will be completed in 2007.

Expenditure

Table A. Cumulative Expenditure, 1st January 2000 to 31st December 2006.

	Total NDP	Total CSF	EU Funds	National Public	Private
Expenditure	10.79	0	0	9.11	1.68
% of Revised Forecast	69.53%	0%	0%	74.63%	50.75%

Table A1. Expenditure for January to December 2006.

	Total NDP	Total CSF	EU Funds	National Public	Private
Expenditure	1.30	0	0	1.18	0.12
% of Revised Forecast	51.57%	0%	0%	60.39%	20.92%

Performance Indicators

Class	Indicator	Baseline Figures	Outturn 31/12/03	Final Target	Outturn to Dec 06
Output	Number of projects/associations funded	0	239	400	24 (national)
	Extent of completion of inventory and planning system	60%	70%	100%	75%
Impact	Level of afforestation	340,535 ha	373,815	389,758	5,333ha

North/South Cooperation

No progress to report.

Information and Publicity Requirements

The requirements set out in the "Identity Guidelines for the National Development Plan logo", published by NDP/CSF Information Unit, have been notified to all personnel and agencies involved in the delivering NDP programmes and sub-measures. These Guidelines are being adhered to at all times.

05.02.04.04 Forestry Roads (non co-financed)

Introduction

This sub-measure is designed to support the development of forest roads so as to allow access for forest plantation development, maintenance, fire protection and to facilitate timber extraction.

In 2006 183.86 km of forest road was constructed to facilitate the successful extraction of timber crops.

Expenditure

Table A. Cumulative Expenditure, 1st January 2000 to 31st December 2006.

	Total NDP	Total CSF	EU Funds	National Public	Private
Expenditure	28.63	0	0	9.78	18.85
% of Revised Forecast	143.55%	0%	0%	178.81%	130.23%

Table A1. Expenditure for January to December 2006.

	Total NDP	Total CSF	EU Funds	National Public	Private
Expenditure	9.68	0	0	3.18	6.50
% of Revised Forecast	328.03%	0%	0%	365.17%	312.50%

Performance Indicators

Class	Indicator	Baseline figures	Outturn 31/12/03	Final Target	Outturn to Dec 06
Output	Kilometers constructed or upgraded	0	284.32km	450km	183.87km
	Additional hectares opened up by road access *	0	Na	7,000	10,640ha
Result	No of plantations with grant-aided access	0	300	600	68

* Key Effectiveness Indicator

North/South Cooperation

Scope for North/South co-operation has not been identified.

Information and Publicity Requirements

The requirements set out in the “Identity Guidelines for the National Development Plan logo”, published by NDP/CSF Information Unit, have been notified to all personnel and agencies involved in delivering NDP programmes and sub-measures. These Guidelines are being adhered to at all times.

Future Prospects

The demand for this measure among forest owners has increased in recent years and will continue to increase as the national forest estate matures. In January 2007 a major increase in grants for the construction of forest roads was announced. A new maximum grant of €45 a linear metre is being established. This new grant ceiling takes account of the fact that construction costs have increased significantly over the years since the scheme was established and will ensure that the grant available maintains its relative value.

05.02.05.02 Gaeltacht/Island Harbours (Non co-financed)

Introduction

This measure is targeted primarily at the improvement of access for Island and Gaeltacht Communities. Under this measure funding will be provided for improvements to harbour infrastructure so as to improve access for Island and Gaeltacht communities – with a resultant improvement in the safety and working condition for the fishing and other maritime sectors of those communities - who because of their geographical isolation and inadequate harbour infrastructure are hindered in their development. Work at Cuas a'Dubhlais, Cape Clear Island, Co. Cork, commenced in 2000 was completed in 2001 at a total cost of €291,512. Work on Baile na nGall Pier, Co Kerry commenced in 2002 and was completed in 2003. No further work had been carried out under this programme from 2003 until late 2005 when work began on a further two piers in the region, Bun an Bhaile and Baile an Sceilg, Co Kerry, this work has been completed and the piers were officially opened in November 2006.

Expenditure

Table A. Cumulative Expenditure, 1st January 2000 to 31st December 2006

	Total NDP	Total CSF	EU Funds	National Public	Private
Expenditure	1.53	0	0	1.53	0
% of Revised Forecast	6.22%	0%	0%	6.22%	0%

Table A1. Expenditure for January to December 2006.

	Total NDP	Total CSF	EU Funds	National Public	Private
Expenditure	0	0	0	0	0
% of Revised Forecast	0%	0%	0%	0%	0%

Performance Indicators

Indicator	Baseline Figure	Outturn 31/12/03	Final Target	Outturn to Dec 06
No of piers improved	0	2	4	4

The mid-term target of one pier has already been exceeded with the provision of roll on / roll off landing facilities at Cuas a' Dubhghlais on Cape Clear Island and a further pier - Baile na nGall Pier, Co. Kerry has been completed in 2003. The final target of four piers has also been met.

North/South Cooperation

Facilities at harbours improved under this sub-measure are available to individuals both North and South of the border.

Information and Publicity Requirements

The local authorities concerned have been and will continue to be requested to use the NDP logo etc. as recommended when advertising tenders and in signage on site. The Department also gives due recognition to the NDP in any press releases issued.

Future Prospects

There are no further developments planned at this stage

Priority 3 Agriculture & Rural Development

Improvement of Animal Welfare Standards:

The aim of the scheme is to assist compliance with new EU animal welfare standards for pigs. It provides assistance for costs incurred in converting or replacing buildings to meet with 2013 Animal Welfare standards. All new standards will be compulsory by that year e.g. loose housing for sows, new specification on floors, etc. The total number of applications during the year was 20 and the number of approvals was 6. No expenditure was incurred under the scheme.

Animal Carcase Disposal Scheme:

The Animal Carcase Disposal Scheme is a grant scheme for the general structural improvement of knackeries. This has helped knackeries to improve and expand their premises and also to comply with EC Regulation 1774/2002 with regards to the treatment of wastewater, storage and processing of carcases and testing for BSE.

A Committee made up from administrative, veterinary and engineering personnel selected eligible projects for grant aid. To date 9 projects have been approved for aid in this region, however 5 claims are still outstanding due to considerable delays in the planning process, problems procuring contractors and delays furnishing documentation. The Fallen Animal Scheme was introduced which allows for the subsidised collection and destruction of fallen animals. A large number of fallen animals have been collected by knackeries e.g. 244,000 bovines were collected in 2006. Expenditure in 2006 amounted to €54,951.00

Development of Grain Storage Facilities:

This scheme provides grant assistance for the development of on-farm grain storage and handling facilities. There was no expenditure under the scheme in 2006.

Development of Equine Breeding Infrastructure:

The specific objective of this scheme is to maximise the potential of horse breeding and production as a viable main farm or supplementary farm enterprise. Aid is provided towards quality thoroughbreds and non-thoroughbreds horse production, equine research and surveys/data collection under this scheme. Expenditure for 2006 amounted to €1.169m.

Improvement of Cattle Breeding Infrastructure:

The focus for 2006, after a very successful 2005, was to continue the move to streamlining the data collection system commenced in 2005, finalising the new beef genetic evaluations and increasing the number of herds participating fully in cattle breeding activities. Genetic evaluation systems for dairy cattle now make full use of the extended range and improved quality of the data held in the database. During 2006 a decision was taken to update the breeding objective for dairy cattle to reflect the move away from quota towards land as the main factor limiting herd production. Also, the genetic evaluation system was extended to provide across breed evaluations for all dairy breeds present in Ireland.

A major initiative to improve the data collection infrastructure was launched in 2005 for implementation in 2006. This comprised firstly, a commitment to provide some 250 handheld computers, and associated software to enable links with the ICBF database, for use by AI technicians. By the end of 2006 some 200 handhelds were operating having recorded some 170,000 inseminations.

Expenditure amounted to €1.3m in 2006.

Performance Indicators

Grain Storage

	Baseline Figures	Outturn 31/12/03	Final Target	Outturn to Dec 06
% Increase capacity of on-farm storage facilities supported*		40%		
No. of farmers receiving assistance broken down by gender:				
• Total		45%		
• Male		43%	75%	
• Female		0%		
• Joint		2%		

*Key Effectiveness Indicator

Cattle Breeding

	Baseline figures	Outturn 31/12/03	Final Target	Outturn to Dec 06
*% of animals involved in milk recording/testing of the National dairy herd	30	33	50	34
% of animals involved in milk recording records which are eligible for use for genetic evaluation purposes	55	73	80	84
% of animals involved in on-farm weight recording in beef pedigree breeding herds	10	28	30	51
% of commercial beef carcass information from co-operating beef processing plants used for the genetic evaluation of beef bulls	0	0	10	
Average annual increase in genetic gain in the national milk recorded cow population	€2.5/cow/year (2003)	€2.5/cow/year	€6/cow/year	

*Key Effectiveness Indicator

▲ These targets were revised upwards in June 2004.

** Figures for the above performance indicators are produced on an annual basis (May/June each year) and are based on the previous calendar year.

Equine Breeding Infrastructures

	Baseline figures	Outturn 31/12/03	Final Target	Outturn to Dec 06
*Equine performance and pedigree records collected and used for calculation of genetic indices	330,000	464,872	570,000	734,732
No. of blood typing/DNA tests commissioned	9,500	9,862	18,000	28,519
Number of studbook upgrades undertaken		1	12	
Education promotion activities undertaken		1	8	
Capital development projects undertaken at IEC		1	1	
Equine disease research projects completed at IEC		3	9	
Development of equine database		0	1	

*Key Effectiveness Indicator

North/South Cooperation

There is nothing to report. This measure was not identified in the Programme Complement as one with any scope for North/South co-operation.

05.03.02 Alternative Enterprises

Introduction

The position regarding each of the five sub-measures (i) Development of the Horticulture Sector, (ii) Development of the Potato Sector, (iii) Development of the Organic Sector, (iv) Improvement in Equine Quality and (v) Housing/Handling Facilities for Alternative Enterprises is as follows.

Horticulture Sector: This scheme is intended to assist in the development of the horticulture sector by grant aiding capital investments in specialised plant and equipment in commercial horticulture. A total of €3.48m in grant aid was paid out to 110 projects in 2006.

Potato Sector:

The objectives of the scheme are (i) to improve efficiency, (ii) reduce losses, (iii) to ensure the marketing of quality product and (iv) to extend the marketing season for the potato crop, thereby reducing seasonal dependency on imports and improving the competitiveness of Irish producers. These aims are to be achieved by developing modern handling and packing equipment, and by investment in refrigerated storage facilities. In addition the Scheme of Investment Aid for the Potato Sector (Seed Potatoes) was announced in August 2005. The objective of the scheme is to improve the marketing infrastructure of the seed potato sector by providing grant assistance to producers towards the capital costs of equipment and facilities for the production storage and marketing of seed potatoes. Ten projects were paid a total of €0.533m under the seed potatoes.

Organic Sector:

This Scheme - first launched in May 2001- provides grant assistance to licensed organic operators in respect of investments in equipment and facilities for the production, preparation, grading, packing and storage of organic products. Applications under the Scheme ended on 31st December 2006. Grant assistance was payable at 40% of the eligible cost. For off-farm investment projects the maximum grant assistance ceiling was €508,000 with €50,790 available for on-farm investments projects. Projects costing less than €2,540 were not eligible for grant assistance.

Equine Quality on Farm:

This scheme aims to maximise the potential of horse breeding and production as a viable farm enterprise by encouraging farmers to produce horses selectively, using strict quality criteria. Under the scheme aid is provided towards purchasing quality stallions, stallion performance testing, quality brood mare competitions and stallion and foal studbooks. Expenditure under the scheme amounted to €0.240m in 2006.

Housing/Handling for Alternative Enterprise:

This scheme provides support for the provision of housing and handling facilities for horses, deer and other acceptable non-quota species. 124 applications were received during 2006 and there were 41 approvals. Payments under the scheme amounted to €0.327m in 2006.

Expenditure

Table A. Cumulative Expenditure, 1st January 2000 to 31st December 2006.

	Total NDP	Total CSF	EU Funds	National Public	Private
Expenditure	51.72	0	0	19.04	32.68
% of Revised Forecast	67.02%	0%	0%	65.93%	67.68%

Table A1. Expenditure for January to December 2006.

	Total NDP	Total CSF	EU Funds	National Public	Private
Expenditure	15.10	0	0	5.40	9.70
% of Revised Forecast	82.37%	0%	0%	79.22%	84.24%

Performance Indicators

Horticulture Sector

Indicator	Baseline figures	Outturn 31/12/03	Final Target	Outturn to Dec 06
No. of holdings installing field heat and dedicated storage facilities.	0	3	20	22
No. of nurseries with water recovery systems	0	11	19	32
No. of enterprises installing physical harvesting, handling and picking equipment	0	108	280	261
*Percentage of all growers in an approved quality scheme	20	26.25%	33	41.6%
Productivity of nursery stock enterprise based on gross output per full time labour equivalent €	29204	29,420	35,553	30,235

*Key Effectiveness Indicator

Potato Sector

	Baseline figures	Outturn 31/12/03	Final Target	Outturn to Dec 06
Assisted investments in refrigerated storage capacity (tonnes)	48750	52,500	62,000	59,090
No. of storage facilities assisted		21	40	
*No. of potato producers participating in an approved quality scheme.	28	22	66	79
No. of fulltime equivalent jobs created via assisted projects	0	60	50	29

*Key Effectiveness Indicator

Organic Sector

	Baseline figures	Outturn 31/12/03	Final Target	Outturn to Dec 06
*No. of on-farm projects assisted. <ul style="list-style-type: none"> ▪ Male ▪ Female ▪ Joint ▪ No. farming full-time No. farming part-time	13	27	55	78
No. of processing units assisted <ul style="list-style-type: none"> ▪ Total no. employed in processing units - No. employed full-time - No. employed part-time - If part-time - no. farming 	12	8	70	14
Area converted to organic production (ha)	20628	20,000	30,000	24,009
% of land area engaged in organic production		0.6%	3%	

*Key Effectiveness Indicator

Equine Quality

	Baseline figures	Outturn 31/12/03	Final Target	Outturn to Dec 06
No. of stallions (for use in the non-thoroughbred industry) performance tested.	63	7	20	74
No. of brood mare competitions sponsored/supported.		30	50	42
Farriery school established.		1	1	1
Farriery register established		0	1	1
No. of Quality Brood Mares grant aided		491	950	
No. of Stallions Purchased grant aided		10	15	
No. of Mares covered		10,680	21,000	
No. of Foals registered		8,039	16,000	
No. of grant aid precipitants from a Clár area		na	300	

*Key Effectiveness Indicator

** As all stallion performance testing is carried out in counties in the BMW region all payments were made from the BMW fund and statistics returned for BMW. In 2003 we changed the way payments were made to breeders at Open Competition to reflect the county of the stallion owner. This change occurred in the second half of 2003.

Housing/Handling Facilities for Alternative Enterprises

	Baseline figures	Outturn 31/12/03	Final Target	Outturn to Dec 06
Number beneficiaries	1,625		1,386	192
*Increased diversity of farm enterprises – beneficiaries paid by type				
Horses	1268	85	1,040	191
Deer	276	0	235	0
Goats	16	1	28	1
Rabbits	0	0	0	0
Other	65	0	83	0

*Key Effectiveness Indicator

North/South Cooperation

There is nothing to report under this heading.

Information and Publicity Requirements

Potatoes -A new tranche of the scheme was advertised and application forms and conditions of the scheme were made available with a closing date for receipt of 31 May 2006

Future Prospects

Potatoes -- A number of projects could not be completed in 2006 and were given an extension into 2007. It is anticipated that these projects, upon completion, will be paid in the first half of this year. It is also hoped to announce a new tranche of the Scheme shortly.

Housing /Handling for Alternative Enterprises - Alternative Enterprises Schemes all closed for applications at the end of 2006.

05.03.03.02 Western Investment Fund

Introduction

The Western Investment Fund (WIF) was established under the Western Development Commission Act, 1998. The Western Development Commission (WDC) is the statutory body charged with promoting, fostering and encouraging economic and social development in the Western Region comprising counties Donegal, Sligo, Leitrim, Mayo, Roscommon, Galway and Clare. As part of this remit, the WDC operates the €34.4 million WDC Investment Fund. The WDC Investment Fund was established by the Irish Government to fill the equity gap that existed in the Western Region whereby businesses, communities and other projects had little/no access to private sector risk capital funding mechanisms. A key objective of the WDC Investment Fund is, therefore, to address this market failure. Another goal is to create a venture capital culture in the region and to demonstrate the potential investment opportunity that exists. The WDC Investment Fund provides funding by way of ordinary share capital, preference share wealth and loan stock or combinations thereof. The WDC Investment Fund does not provide grant aid. The WDC Investment Fund will contribute to the strategic development of the area through investments in growth oriented small and medium enterprises (SMEs) at the start-up/development stage, community owned enterprises and flagship projects. In the S&E Region, County Clare is within the WDC's remit.

In the period January – December 2006 in the S&E region, €150,000 was disbursed to one project. This project was located in Galway City at the time of the first WDC investment; the project is now located in Clare. The WDC has been approved, from the European Commission, to invest the original exchequer allocation of €34.4 million until the end of 2008.

Expenditure

Table A. Cumulative Expenditure, 1st January 2000 to 31st December 2006.

	Total NDP	Total CSF	EU Funds	National Public	Private
Expenditure	0.63	0	0	0.63	0
% of Revised Forecast	11.42%	0%	0%	11.42%	0%

Table A1. Expenditure for January to December 2006.

	Total NDP	Total CSF	EU Funds	National Public	Private
Expenditure	0.15	0	0	0.15	0
% of Revised Forecast	18.01%	0%	0%	18.01%	0%

Performance Indicators

Indicator	Baseline figures	Outturn 31/12/03	Final Target	Outturn to Dec 06
Provision or extension of local services	0	2	6	3
Supported projects contributing to the development of the region	0	1	2	2
*Number of new full-time equivalent jobs created or existing jobs maintained	0	27	64	21

*Key Effectiveness Indicator

North/South Cooperation

The Programme Complement states that “It is unlikely that the sub-measure could present such scope as it is geared to the enterprise environment in the Western Region.”

Information and Publicity Requirements

The WDC has adhered to the regulations concerning the use of the NDP logo in the WIF promotional activities and materials. In the period July – December 2006 the WDC has:

- Had on-going contact with state development agencies and private sector funders.
- Made various presentations on the fund to trade associations and conferences
- Participated in the Irish Venture Capital Association events.

Upcoming events include

- Launch of the 2006 Annual Report, profiling the WDC investments for that year.
- Various national press releases

Future Prospects

The WDC will continue to promote and build awareness of the WDC Investment Fund in Clare and it is hoped that the modifications to its State Aid approval will mean it will be able to invest more in Clare.

05.03.03.03 Rural Development Fund

Introduction

The purpose of the Rural Development Fund is to finance research, evaluation and pilot actions to provide information and advice for policy makers on important rural development issues. The provision available in 2006 was €950,000 for the BMW and S&E Region. Applications may be submitted for consideration at any time throughout the year. The Rural Development Fund provided financial support during 2006 to projects based in Kerry (Sneem Castlecove Caherdaniel IRD), Cork (the Small Food Business Programme), to Comhairle na Tuaithe (the Countryside Council) and to UCD on behalf of the NUI Universities, and to Tipperary Institute for a feasibility study on a proposed rural planning education course.

Sneem Castlecove Caherdaniel (SCCCD) IRD Ltd

This organisation received funding in 2002, 2003, 2004, 2005 and again in 2006, towards the cost of employing a community coordinator. The scope of the strategic work area covered the provision of direct support for social and community activity, enterprise support for tourism and information technology. A final element related to a 'shop local' initiative. The concept of a Kerry Geopark was initiated with the objective of developing a new form of tourism, Geotourism. While some elements in this project have been put on hold and progress has been slow on others, other significant activities have been added to the programme. This company continued its work on one of its biggest projects, the Kerry Geopark, during 2006 including work around the development of a number of walks or trails in their area. The aim is to apply for membership of "The European Networks of Geoparks" and then by default become a member of the world body of Geoparks under the auspices of UNESCO. Last October, SCCC IRD had their first walking festival or South Kerry Geofest as it was called. The company envisage holding two such festivals during 2007 as they feel these festivals are necessary for the area as there are few other activities organised for visitors to the area. Work continued in the promotion and development of the Geopark exhibition centre. SCCD IRD also continued progressing the provision of social housing in its area. Site clearance has commenced for four social housing units in Sneem and they are continuously working to increase this type of housing for the whole area. Over the past 18 months the building developers have continued to work with the organisation to bring the much needed sewage treatment plant and water services upgrade to Sneem village.

Small Food Business Programme

The Small Food Programme was introduced in 2004 to establish a more cohesive structure to the supports for small food producers using the LEADER rural development programme as the main delivery mechanism. Since then, supports to small food businesses have increased significantly - grant aid for capital, training, supports for farmers markets, the establishment of food groups and networks and the production of regional food guides have all raised the profile of this thriving rural industry. In 2006, the Small Food Programme secured grant aid of €380,000 to deliver a dedicated training programme for rurally based small food businesses through the Accel programme (DETE initiative). This had added significantly to the supports for small food producers and has provided a structured training environment for their development through to 2008. The Small Food Programme has continued to develop linkages with other state agencies involved in supporting small food businesses and co-operation between the agencies has been enhanced and duplication of resources avoided. Specific issues of concern to small food producers such as food safety and risk management are monitored through involvement in the Artisan Forum of the Food Safety Authority of Ireland and regular feedback is provided to DCRGA on issues affecting small food producers particularly those based in a rural environment. The LEADER Food Village was the flagship project of 2006 for a second year, with increased participation by rurally based food producers supported through the LEADER programme and significant coverage in national and local media. The Small Food Programme coordinator continued to participate in national conferences and awareness raising events to highlight the developments and issues of concern to small food producers in rural Ireland.

Year 3 (2006) Achievements

- Accel Project contract signed, project manager recruited
- Accel Course Delivery commenced
- Best practice visits by food producers to SIAL (trade fair) & Terra Madre (Slow Food, Italy)

- Artisan Food Production – A New Pillar of the Rural Economy - DCRGA conference September 06 – panel member and member of

coordinating team

- CLE Information Stand – Food & Agriculture 06, Kildalton
- Coordination and management of LEADER Food Village at National & World Ploughing Championships 2006
- Participant at Department of Agriculture and Bord Bia Regional Food Fora in North East, Midlands, West and South regions
- FSAI Artisan Forum member – input into need for technical advisers for the small food sector
- Co-operation link developed with Teagasc – strategy negotiated regarding training delivery and supports to small food businesses
- Participant at Eurotoques seminar on Food Tourism
- Input into Fáilte Ireland research on effect of GM crops on rural tourism
- Media coverage for LEADER, Small Food programme and LEADER Food Village: Today FM Sunday Business Show, Nationwide, Tipp FM, Farmers Journal, Irish Examiner and Irish Independent
- Project Advisory Group member of UCC Rural Enterprise Accel Project
- Workshop Facilitator - National Organic Conference during National Organic Week Nov 2006
- Information stand at National Organic Conference Nov 2006
- Seminar coordinator – LEADER's Role in Developing the Local Food Sector – ILSU Annual Conference Nov 2006
- Successful launch of Wicklow Food Guide & establishment of food network
- Ongoing support to LEADER groups; ensure Small Food Support in new Plans
- Provide ongoing support and advice to small food producers and businesses and refer to appropriate LEADER group or other support agency
- Provide progress reports to CLE and ongoing communication with DCRGA on progress and new developments.

Comhairle na Tuaithe

Significant progress was made during 2006, including the publication of the Comhairle na Tuaithe National Countryside Recreation Strategy. Following consideration of the National Countryside Recreation Strategy a number of initiatives were taken: Funding of €1.5 million has been made available for capital work under the Rural Social Scheme. The implementing bodies, which are in most cases LEADER companies, have been asked to give particular priority to walkways and ancillary services. Fáilte Ireland identified a selection of looped walks for development and it was offered a grant of €600,000 for the development of 10 Looped Walks in 2006. A further €1.5 million has been allocated for this purpose in 2007. It is expected that a further 30 Looped Walks will be developed in 2007. €90,000 (€30,000 per annum over the next three years) was allocated to Wicklow Uplands Council and Wicklow Rural Partnership to provide a network of access routes over private lands in areas of high scenic and amenity value in County Wicklow.

€30,000 was allocated to Leave No Trace Ireland towards the employment of a Strategic Co-ordinator. The Co-ordinator will be involved in actively promoting the Leave No Trace message among the many countryside recreation groups around the country. Agreement was reached with Fáilte Ireland for the employment of up to 10 Trail Managers under the Community Services Programme to promote walking tourism in areas where there are clusters of suitable, accessible walks.

Minister O Cuív has established an Expert Group to investigate the legal issues surrounding land access for recreational use. The Group consists of a Senior Counsel and representation from the Office of the Attorney General, the Dept. of Justice, Equality and Law Reform and the Dept. of Community, Rural & Gaeltacht Affairs.

NUI Grant – Education Course(s) in Rural Development

Funding was awarded to UCD at the end of 2006 towards the running costs of distance education courses in Rural Development run jointly through the NUI Universities.

Tipperary Institute

Funding was awarded to Tipperary Institute for a feasibility study on a proposed rural planning education course

Expenditure

Table A. Cumulative Expenditure, 1st January 2000 to 31st December 2006.

	Total NDP	Total CSF	EU Funds	National Public	Private
Expenditure	0.88	0	0	0.88	0
% of Revised Forecast	21.40%	0%	0%	21.40%	0%

Table A1. Expenditure for January to December 2006.

	Total NDP	Total CSF	EU Funds	National Public	Private
Expenditure	0.27	0	0	0.27	0
% of Revised Forecast	42.56%	0%	0%	42.56%	0%

Performance Indicators

Indicator	Baseline figures	Outturn 31/12/03	Final Target	Outturn to Dec 06
1. Number of Consultancy reports dealing with impact effectiveness and complementarity of sectoral policies institutional arrangements	0	1	6	1
2. No of pilot actions supported	0	1	6	4
3. No of pilot actions mainstreamed	0	0	3	0
4. *Number of adopted recommendations re refinements to gender and rural inclusion issues to existing policies	0	5	6	0

*Key Effectiveness Indicator

North/South Cooperation

Not applicable.

Information and Publicity Requirements

Small Food Business Programme: Media coverage for LEADER, Small Food programme and LEADER Food Village: Today FM Sunday Business Show, Nationwide, Tipp FM, Farmers Journal, Irish Examiner and Irish Independent, National Ploughing Championship Catalogue 2006

Comhairle na Tuaithe: The National Countryside Recreation Strategy was launched at the National Ploughing Championships in September 2006.

Future Prospects

Small Food Business Programme: The growth in the small food sector continues and is expected to rise during the next programming period 2007 – 2013. Sales of artisan and small food products continue to grow at a rate of 10% per annum. There is a growing interest among farm families and rural dwellers in entering this market.

The new rural development programme 2007 – 2013 provides many opportunities for small food businesses to grow and develop, as well as fostering linkages between food and rural tourism. The role of the small food programme in developing guidelines and best practice examples for LEADER groups to use as templates will be crucial in this new programme. The need for a coordinated approach to deliver national projects like the LEADER Food Village and other national programmes can best be achieved through a dedicated small food programme coordinator. The application to extend the funding through the Accel / Skillnets programme will have to be led by the coordinator who is best placed to gather the information, needs and requirements of the small food sector. The need for a structured approach to the coordination and delivery of supports to the small food sector will have a significant role in the new programming period.

Comhairle na Tuaithe:

- Commencement of recruitment of Trail Managers.
- Development of a further 30 looped walks in 2007 (15 underway by June) in conjunction with Fáilte Ireland.
- Completion of a report regarding legal issues affecting walkways. This will be a report of the Expert Group that Minister O Cuív has established to investigate the legal issues surrounding land access for recreational use.

05.03.04 Services for Agricultural and Rural Development**05.03.04.01 Advisory Services (Teagasc)****Introduction**

There are 52,340 farm families* in the South and East (S&E) Region with farms incapable of generating an adequate household income from traditional farming alone. The challenge facing these families is to generate and maintain a viable income from a combination of sources while at the same time sustaining a reasonable quality of life. How successfully these farm families adapt to this challenge will significantly influence the social and economic vibrancy of the rural communities in which they live.

As part of a refocusing of its advisory activities, Teagasc established a Rural Viability Service in 2000. The service is targeted at small- to- medium scale farmers with under 150 comparable Income Units. An Income Unit (IU) is based on a level of farm enterprise that is expected to give a gross income of €254, e.g. 400 gals of milk quota, or 1 Livestock Unit of drystock, or 1 ha. cereals, etc. Off-farm income is included in determining eligibility at the rate of 1 IU per €254 of gross income.

The Rural Viability Service is dedicated to helping farm families achieve and sustain a viable household income. The Service has responsibility for:

- Providing advice on the optimisation of direct income supports
- Servicing the advisory needs of part-time farming
- Implementing the “Planning Post Fischler” Programme.
- Providing REPS planning and support services
- Integrating into REPS plans the technology and best practices that will ensure farm output is produced at lowest cost, while meeting food safety and animal welfare standards, and
- Providing advice and training on diversification.

Teagasc also delivers a Technical and Business Service in the South and East Region targeted at the larger scale, more commercial farmers with over 150 IUs.

* Based on an analysis of the viability status of farms as extrapolated from Teagasc National Farm Survey, M. Cushion July 2001

The name of the programme was changed in early 2004 to reflect the changes that would be brought about by the single payment system emanating from the Fischler proposals. The name of the Programme was changed again in 2005 to the “Options for Farm Families Programme”. The Programme was relaunched and given a new impetus.

Options for Farm Families Programme

The Options for Farm Families Programme is a core programme within the Rural Viability Service. The Programme proactively encourages, stimulates and supports farm families in building the capacity of the farm household to achieve and sustain viability. The fundamental objective is to enable 12,800 farm families in the South and East (S&E) Region identify and implement specific measures to generate additional income and / or improve their quality of life. Specifically, the Programme aims to assist farm families:

- Assess their present situation in a clear and realistic manner,
- Examine the on- farm and off- farm options open to them,
- Identify the best opportunities to boost income and improve the quality of life for the family, and
- Implement the necessary steps to develop these opportunities and improve viability.

The Programme is targeted, at and is provided free of charge, to small- to- medium scale farmers with under 150 IUs, it is open to non-clients as well as Teagasc clients.

The Planning Post Fischler Programme was developed through a consultative process during 2000-2001. The Programme is designed for delivery in three stages so as to facilitate farm families consider change and gain the confidence necessary to embrace the changes that they need to make.

The Rural Viability Service

The Rural Viability Service provides a package of advice and support to participants that encompasses a comprehensive range of advisory programmes including dairy, cattle, sheep, pigs, horticulture, tillage, environment (including REPS planning and support), diversification of farm enterprises, forestry, health and safety, and food assurance. All these services are delivered in the context of providing quality customer service within the overall context of achieving the Rural Viability Service’s Business Plan objectives.

The Teagasc Rural Viability Service provided services to just over 37,000 clients at 1st December 2006, of which 70 percent (25,900) had less than 75 income units. A major Rural Viability Service activity in 2006 was the Teagasc Options Programme. Almost 15,000 farm families are now taking part in the Programme.

Programme Evaluation

The impact of the “Options for Farm Families” Programme is being measured through:

- 1) Sample surveys
- 2) Two case studies

The financial benefits of the Programme

- The number of farm families who took up full-time or part-time jobs
- The effect on quality of life on the farm families, i.e. reduction in work load and use of leisure time

- The succession planning achieved by participating farm families.

Thirty case studies will be completed, which will portray the overall change in the circumstances of farm families as a result of participation in the Opportunities Programme. The case studies will feature farm families with varying levels of farm income, families with full-time and part-time work and families who are at semi-subsistence level. Baseline data for the case studies will be collected from the CIU (Calculation of Income Units) form used in determining eligibility for the Programme. Similar case studies will be conducted on a random selection of people who have not participated in the Programme.

Expenditure

Table A. Cumulative Expenditure, 1st January 2000 to 31st December 2006.

	Total NDP	Total CSF	EU Funds	National Public	Private
Expenditure	30.41	0	0	30.41	0
% of Revised Forecast	98.25%	0%	0%	98.25%	0%

Table A1. Expenditure for January to December 2006.

	Total NDP	Total CSF	EU Funds	National Public	Private
Expenditure	4.60	0	0	4.60	0
% of Revised Forecast	98.04%	0%	0%	98.04%	0%

Performance Indicators

Indicator	Baseline figures	Outturn 31/12/03	Final Target	Outturn to Dec 06
No. of ongoing users of Rural Viability Service:				
Total	12,555	11,196	12,150	18,468
- male	10,845	9,740	11,000	14,847
- female	1,710	1,455	1,150	3,621
- <75			6,500	
- 75 – 100			2,250	
- 100 - 150			3,600	
Number of families completing analysis				
- Under 150 I.U.	Not available			
- Over 150 I.U.				
*Number of families who prepared a plan	Not available	845		6,750
Number of families with improved viability ⁽¹⁾	Not available			5,400

*Key Effectiveness Indicator

⁽¹⁾ To be determined by surveys which will target families that have been in the programme for one year.

The Dec 2006 figure for ongoing users of the Rural Viability Service, i.e. 18,468, relates to the actual number of contracted clients of the Service at the end of December. The Service is assisting these users to improve the efficiency and performance of their farm enterprises, optimise income from direct payments, participate in the Rural Environment Protection Scheme (REPS), avail of the other NDP development schemes and develop alternative income- generating opportunities.

Teagasc has identified a series of indicators relevant to the measure that can be reported on to the Monitoring Committee. The following table reports on the relevant indicators:

Number of farmers availing of the Rural Viability Service	18,468
Number of males availing of the Rural Viability Service	14,847
Number of females availing of the Rural Viability Service	3,621
Number of farmers who have prepared an Options Plan (Jan – Dec '06)	4,830
Number who have REPS Plans done – transform and new (Jan-Dec '06)	3,036
REPS Courses	15

The REPS Programme is designed to protect / enhance the environment. The indicators that can be measured are:

	End 2006
Number of REPS plans completed Jan – Dec '06	3,036
Number of clients receiving advisory support on REPS	8,731

Number of REPS courses delivered and number of participants	15
Number of Farm Waste Management Plans processed	10,787
Number of Dairy Hygiene Scheme applications processed	919
Number of Nutrient Management Plans prepared.	90

North/South Cooperation

Under the Good Friday Agreement, agriculture has been identified as one of the six areas for co-operation. Among the subjects specifically targeted is the maximising of co-operation in implementation of EU rural development programmes – viz. examining the scope for a common approach to the feasibility of developing cross-border area - based strategies and rural development research. Under the Sub-Programme on Agriculture and Rural Development, two sub-measures have been identified so far for co-operation in this area i.e. the Area-Based Rural Development Initiative and the Rural Development Fund under Measure 3 – General Rural Development. There is also scope for North/South co-operation under some of the other sub-measures. Teagasc is co-operating on a partnership basis with DARD, Northern Ireland, and Family Farm Development Ltd in a Funding for Farm Diversification Programme in Border Counties. The Programme is funded from the EU Programme for Peace and Reconciliation and will be completed by December 2006. The following are the relevant performance indicators for the Southern border counties. Major networking events in '06 involved 300 families from Northern Ireland and the Republic of Ireland attended the Royal and Welsh Shows in the U.K. and the Agriculture & Food event in Ireland.

	Number
Networking show attendance '06	300
Small Businesses Grant Aided '06	200

Information and Publicity Requirements

The Rural Viability Service is largely self-promoting through the activities of advisory staff at local level. More formal promotion is undertaken on occasion, particularly on elements of the Service, such as REPS planning, soil sampling etc. The Options for Farm Families Programme has been specifically and proactively promoted since its formal launch. Promotional activities undertaken to date include:-

Publicity / Information Activities Undertaken During the Previous 6 Months

Date	Activity
	5 promotional interviews / features on the local radio on the “Planning Post Fischer” Options Analysis Programme
Nov / Dec	A major feature in Today’s Farm looked in detail at Options and Farm Waste Management
June / Dec	Three horse courses were held with a total attendance of 100.
	New artisan food specialist appointed Entrepreneurship conference with 300+ attendance in October Rural development website has been revamped 50 Fact sheets revised and launched in Oct. '06 Innovation awards launched in Oct '06 & promoted through all Teagasc offices Booklet on artisan foods launched 10 bio diversity events held throughout the S & E 6 Artisan food events held with an attendance of 150

Future Prospects

CAP Reform

The recent introduction of the Single Payment has resulted in:-

Cutting the link between production and direct payments i.e. decoupling.

- Making those payments conditional on environmental, food safety, animal welfare and occupational safety standards, i.e. cross-compliance.
- Substantially increasing EU support for rural development via modulation or direct payments

In light of such changes, farm families require guidance on how best to reposition the farm business and household for a more sustainable and viable future. Advice and training will also be required in the future to assist farmers producing to the required standards in relation to the environmental, food quality, animal welfare and occupational safety.

Increased Market Orientation

EU enlargement and the outcome of negotiations under the World Trade Organisation (WTO) will result in more liberal world trade and much greater globalization of markets.

Demographic Trends

Table 1 shows the changing demographic trends in Irish farming as outlined in the CSO Census of Agriculture (1991/2000).

	1991	2000	% Change
Total Farmers	170,578	141,527	-17%
Full Time Farmers	124,746	78,723	=37%
Part Time Farmers	45,208	62,619	+ 38%
Over 55 years old	76,681	55,848	-27%
Under 35 years old	225,447	18,382	-18%
Trained Farmers	24,848	35,000	+40%

The decline in the total number of farmers is ongoing and has accelerated since 2000. However, there is a substantial number of farmers who are increasing the size and scale of their business. Part-time farmers represent an increasing proportion of the farming population. There is also now a base line of trained farmers who will be more receptive to change, new ideas and new technology. Future Teagasc activities will concentrate on assisting farm families to use their land asset base to its fullest potential.

05.03.04.02 Farm Relief Services Sub Measure

Introduction

Farm Plastic Recycling - Farm Relief Services Network (FRSN) are continuing to promote and sell the new Bin & Liner system and considerable progress has been made to date. The FRSN has undertaken research on how best to structure their training services for the future. There is currently great demand for Health & Safety Training, particularly from the construction sector. FRSN has made an application to the Department of Agriculture for funding to introduce a Farmer Accident & Sickness Scheme available to all farmers. In addition to the obvious advantages for farmers in terms of financial support in the event of accident or illness, this scheme would help to create several new jobs in the rural economy as operators would be required to service the farmers while out of work. Another attempt is being made to provide a Secretarial Service to farmers to assist with the large volume of paperwork now involved in various schemes. FRSN initiated the service about six years ago but there was insufficient demand. Circumstances have since changed and hence it is worth another attempt.

Expenditure

Table A. Cumulative Expenditure, 1st January 2000 to 31st December 2006.

	Total NDP	Total CSF	EU Funds	National Public	Private
Expenditure	2.93	0	0	1.99	0.94
% of Revised Forecast	71.02%	0%	0%	96.37%	45.67%

Table A1. Expenditure for January to December 2006.

	Total NDP	Total CSF	EU Funds	National Public	Private
Expenditure	0.49	0	0	0.38	0.11
% of Revised Forecast	78.75%	0%	0%	121.41%	36.10%

The total actual expenditure incurred in the S&E region for the last six months of 2006 was €151,607 (€120,985 national and €30,622 private).

Performance Indicators

Indicator	Baseline figures	Outturn 31/12/03	Final Target	Outturn to Dec 06
1. Number of FRS operators obtaining a Training Certificate	24	1335	1,750	4,193
2. Number of FRS operators employed	1,680	1,680	1,800	1,520
3. *Number of Clients availing of FRS	12,300	12,300	12,000	11,200
4. Number of training courses held	18	439	625	1,428
5. Attendance at courses	192	2,376		6179
-male	186	2,296	3,000	6025
-female	6	80		154
6. Customer survey response (% satisfied)	0		85	-
7. Turnover in operation of Farm Relief Services (€ m)	6.7	25	60	17
8. Number of services provided	15	15	15	15

9. Number of premises grant-aided	3	2	3	3
10. Number of market research projects grant-aided	0	3	4	7
11. Capital Expenditure (€m)	-	0.247	0.127	0.247

*Key Effectiveness Indicator

North/South Cooperation

This sub-measure is aimed directly at assisting the existing Farm Relief Services in the Southern & Eastern region therefore there is no real co-operation between North and South.

Information and Publicity Requirements

Whenever possible, photographs are taken of participants on training courses and sent to local press for publication.

Priority 4 Childcare & Social Inclusion

05.04.02 Equality for Women Measure

Introduction

The Department of Justice, Equality and Law Reform is responsible for the Equality for Women Measure (EWM) which aims to achieve greater gender equality through a range of positive actions under a series of strands. The first Phase of the Measure covered the period 2000-2004 and is now complete. The second Phase of the Measure focuses on disadvantaged women who experience poverty and social exclusion in RAPID33 areas. In a parallel element of this phase launched in September 2006 and confined to CLÁR areas (areas of rural disadvantage) funding of €2.2m was provided for sixteen projects aimed at improving the economic, social and political lives of women and a further two projects to assist women to effectively access further or higher education. This parallel strand is to be co-funded by the ESF and progress is reported to the EHRD Monitoring Committee. Pobal has been engaged to manage the three elements of Phase II of the Measure on behalf of the Department. Fifty projects are located in the S&E region and are receiving €5.83m under Phase II.

Expenditure

Table A. Cumulative Expenditure, 1st January 2000 to 31st December 2006.

	Total NDP	Total CSF	EU Funds	National Public	Private
Expenditure	14.92	0	0	14.92	0
% of Revised Forecast	63.27%	0%	0%	63.27%	0%

Table A1. Expenditure for January to December 2006.

	Total NDP	Total CSF	EU Funds	National Public	Private
Expenditure	2.10	0	0	2.10	0
% of Revised Forecast	54.83%	0%	0%	54.83%	0%

The Measure is Exchequer funded.

Performance Indicators

Class	Indicator	Baseline	Outturn 31/12/03	Final Target	Outturn to Dec 06
Output	(1) No. of projects assisted	0	37	60	88
	Labour market incl. disadvantaged**	0	19	30	54
	Decision making incl. disadvantaged **	0	12	20	27
	Gender proofing of personnel policies	0	6	10	7
	(2) Projects assisted in RAPID areas Under Phase I#			5	5
	Under Phase II			50	50
	(3) No. of project participants: Labour market: trainees ^+service users~	0+0	2,039+2,300	700+1,000	3214+2361
	of which are disadvantaged women: tr/su	0+0	685+na	150+450	(1242+na)
	RAPID project participants: tr/su	0+0	0	1,900+3,000	2954+717
	Decision making: trainees ^+service users~	0+0	666+1,782	1,000+1,000	959+2166
	of which are disadvantaged women:tr/su	0+0	0	125+150	(84+na)
	RAPID project participants: tr/su		(105+na)	1,000+2,000	1287+372
	<u>No. of women participants aged over 50</u>		1,105		1105 of 4173 phase1 992 of 4241 phase11
	No. of employees in organisations	0f/0m	7,167	20,000	10,119

³³ Revitalising Areas By Planning, Investment and Development

	receiving grants or other supports for Gender Proofing				
	Disaggregated by gender x		2,904f/4,263m	7,000f/13,000m	5110f/5645m
	(4) No. of Publications		9	25	11
	Labour market + decision making	0	8	25	10
	Gender proofing	0	1	13	1
Result	(1) No. of organisations with new gender equality policies or initiatives:*	0	19	85	37
	Labour market (incl. disadvantaged)	0	10	15	18
	Decision making (incl. disadvantaged)	0	6	10	12
	Gender proofing of personnel policies	0	3	10	7
	in RAPID areas	0	350f	50	-
	(2) No. of participants receiving certification of which (x) are from RAPID areas	0	350f	700f	753f
Impact	No. of orgs which implement best practice developed under the measure	0	19	85	37*

Performance Indicators - Key to table

** while all relevant projects encourage the participation of socially excluded women, some projects are targeted at disadvantaged groups, especially those in poverty.

The figure for Phase I RAPID projects is also included in the figures for projects assisted.

Details on Phase I RAPID participants are included in overall Phase I participant figures

^ training is delivered in a manner that reflects the circumstances of women e.g. short courses.

~ Service users are people who interact in a small way with the projects such as attending open meetings, requesting information or avail of the services being provided by the project.

x A project on gender equality reviews which is being undertaken in an organisation with the majority of its staff in the S&E Region covers some staff who are based in the BMW Region. BMW numbers are separately identified in this report from those in the S&E report.

* Key management indicator

All RAPID project participants are members of the NAPS target group

North/South Cooperation

It is not envisaged that the projects funded under Phase II of the Measure will result in any significant North/South co-operation.

Information and Publicity Requirements

All projects have been made aware of the protocol regarding the use of the NDP logo and the logo has been used by projects in recruiting staff, launches, leaflets etc.

A Directory of projects under Phase II of the Measure is also available to view on www.pobal.ie

The projects funded under this Measure are promoted by a wide range of organisations, including local community groups, educational institutions and partnership companies. All projects have been made aware of the protocol regarding the use of the NDP logo. The NDP logo has been used by projects in recruiting staff, advertising the project and in launches etc.

The key areas of project publicity in which the majority of projects have engaged during this period include:

- Open Days;
- Interviews on local radio;
- Photographic Exhibitions;
- Articles in local press to raise awareness of the projects;
- Brochures/Leaflets produced and circulated by projects;
- Local Workshops;
- Local Newsletters; and

- Graduation Ceremonies.

Future Prospects

All projects are at the closing stages of their activities. Over the next period the focus is on:

- Engagement with local media.
- Organising further awareness raising workshops on issues relevant to their projects.

A number of projects will hold events to present certificates to participants/trainees.

A national seminar on mainstreaming of project outputs will be held in Tullamore in January, 2007.

The website for the measure www.ewm.ie is the repository of the learning from projects funded under the first phase of the Equality for Women measure. Any materials/reports/learning developed under Phase II will also be placed on the website. The website will therefore continue to serve as a resource to those seeking to achieve better gender equality outcomes in their area of work.

05.04.03 Community Development and Family Support Measure

05.04.03.01 Community Development

Introduction

The Community Development Programme (CDP) aims at mobilising the capacity of disadvantaged communities to participate in mainstream local development, training and education, enterprise and employment opportunities, as well as having a focus on influencing policy and working for change at regional and national level. The CDP also provides support for smaller scale self-help work in specific target groups that experience disadvantage – i.e. disadvantaged women and men, lone parents, Travellers etc. - to articulate their point of view and participate in a process of personal and community development.

At the beginning of 2000, a total of 140 community-based projects in the S&E region were in receipt of funding. By the end of December 2006, a total of 138 projects were in receipt of funding. Four Regional support agencies, based in the S&E Region, are also funded under the Community Development Programme.

New Initiatives or Issues:

As stated in previous reports, the Government has decided to close the Programme to new entrants in line with the initiative to achieve greater coherence in local and community development structures.

Following the successful introduction of a Traveller Placement Scheme in 2005, a subsequent scheme was again announced in July 2006. As a result, 26 workers from the Traveller community are currently in work placement in 15 projects. Furthermore, in 2006, the period of work placement has been extended by 4 weeks (to twelve weeks) on that offered in 2005.

It is intended that, from 2007, the scheme will be available on an open-ended basis.

Obstacles encountered in measure/sub-measure implementation:

It was anticipated that the decision to reduce the number of Regional Support Agencies (see January – June 2005 and July – September 2005 Reports) would impact on the capacity of the Department of Community Rural & Gaeltacht Affairs to achieve the final targets set down for the measure; however this has largely proved not to be the case.

The Community Development Unit successfully decentralised its operations to temporary Department offices in Tubbercurry, Co Sligo in August 2006, in line with the Government's decentralisation plan. However, the large turnover in staff resulted in some delays with regard to the progression of reviews previously envisaged in early 2006.

Reports/studies relevant to the measure:

An evaluation of the Programme carried out by Nexus Research, in association with Farrell Grant Sparks Ltd, was published in 2002.

Expenditure

Table A. Cumulative Expenditure, 1st January 2000 to 31st December 2006.

	Total NDP	Total CSF	EU Funds	National Public	Private
Expenditure	106.00	0	0	106.00	0
% of Revised Forecast	93.24%	0%	0%	93.24%	0%

Table A1. Expenditure for January to December 2006.

	Total NDP	Total CSF	EU Funds	National Public	Private
Expenditure	16.86	0	0	16.86	0
% of Revised Forecast	105.46%	0%	0%	105.46%	0%

These programmes are financed under the NDP from funds made available by the National Lottery. The programmes are not co-financed by the EU.

Performance Indicators

	Agreed Indicators	Final Target	Outturn to Dec 06
Output	No. of projects funded broken down by county\$	160	138
	Agreed Indicators	Final Target	Outturn to Dec 06
Output	Activities engaged in by the projects broken down across five areas		
	% providing resources and services		95%
	% giving information and advice to individuals		94%
	% giving information and advice to local groups		94%
	% involved in networking with other local groups, projects and committees		94%
	% providing and delivering training or educational programmes		97%
	Total number of people or groups benefiting from each activity		
	Individuals receiving resources and services		214,087
	Individuals receiving information and advice		172,827
	Other Local groups (not established by the CDP) receiving information and advice		2,790
	Number of new groups established		236
	Individuals receiving training or educational programmes		23,665
	Ratio of CDP programme funding to funding levered by CDP projects from other Programmes	40:60	37:63
Result	Number of hours contributed by volunteers as a result of CDP involvement	107,255	107,255
Impact	Target Group representation as % of management committee's membership	66%	79% Female 57% Male 22%

▲ Based on latest data available from the Implementing Body

* 2004 information is based on data returned from 90 projects in the South and East Region.

\$ Key effectiveness indicator

◆ No target required, it is a monitoring indicator and the service is demand related

Each project is funded on the basis of an annual work plan. The work plan describes the projects objectives, the actions it will undertake, the expected outcome and the evaluation and review mechanism. However the objective of these programmes is to increase quality of life, empowerment of disadvantaged communities and their capacity to participate alongside other social partners in economic development initiatives. Therefore, due to the nature of the work, it is essential that any evaluation and setting of performance indicators be true to community development principles, i.e. that it be done with the participation of the intended beneficiaries.

North/South Cooperation

Cross-Border Centre

This centre is currently funded within the Community Development Programme of the Department of Community, Rural and Gaeltacht Affairs. The aims of the centre are:

- To provide an island-wide forum for exchange of experience and expertise in community development between practitioners in Northern Ireland and those in the Republic of Ireland.

- Develop and deliver a range of distance learning materials and programmes for community development practitioners
- Address the needs of migrant communities in Ireland
- Provide a range of support to the voluntary and community sector in the border regions.

As previously advised, funding to the Cross Border Centre ceased post 2006.

Networking with Northern Ireland Colleagues

Twice yearly meetings take place between representatives from this Department and our colleagues in Northern Ireland to share best practice and experience

It has been agreed to jointly vet applications for certain projects eligible for funding both north and south

Information and Publicity Requirements

Information on the CDP is circulated to all applicants to the Department for grants, to local Partnerships, by the Combat Poverty Agency and through community sector networks, etc. Information regarding the CDP is also available on the Departments website, www.pobail.ie. The Department keeps these information mechanisms under review to ensure that information on the Community Development Programme is widely available to target communities and groups.

All groups funded under the Community Development Programme have been asked to acknowledge the contribution of the National Development Plan and the National Lottery as part of the programme and to use the NDP logo as appropriate.

Future Prospects

The Community Development Programme provides funding on a three-year renewable contract basis to locally based community groups. Plans for expansion are incorporated in each programme and take account of the need to identify and provide support to additional communities affected by poverty and social exclusion. As indicated, significant progress has been made in achieving the stated targets with some 138 projects in receipt of funding within the S&E region.

05.04.03.02 Family Services Project

Introduction

Projects to enhance information and support services for families are now underway in all ten Department of Social & Family Affairs regions. Six of these projects are located in the Southern and Eastern Region. The overall objective of the FSP is to provide a high quality information service on the range of supports available to families from state agencies and from the community and voluntary sector with a particular emphasis on the services available locally. Within the project, an enhanced programme of support is available to a small group of customers with complex needs, for example, very young lone parents, other parents rearing children without the support of a partner and dependent spouses in households with children depending on social welfare payments. It is hoped that the additional support involving individual attention, customised information and enhanced access to services and supports, which would assist the family, will increase the capacity of those in the most difficult family circumstances to improve their self-esteem and personal situations through training, developmental and educational opportunities. Work is taking place on an ongoing basis on the continued expansion of FSP activities within the region ensuring a broader geographic spread of programmes, thus enhancing service delivery and anticipated take up of the service. From January 1 2007, the Family Services Project has been merged with the Department's Special Projects Fund. The Special Projects Fund offers supports to programmes run by third parties that assist welfare customers improve their employability through training and education. The objective of the merged programmes is to provide funding for projects to assist individuals and families to enhance their employability through education, training and personal development opportunities and to improve their quality of life. In the National Development Plan 2007-2013 funding has been provided under the Social Inclusion Priority of the Plan for programmes to encourage the social and economic participation of people of working age and the funding under the FSP and Special Projects Fund will form part of this priority.

Expenditure

Table A. Cumulative Expenditure, 1st January 2000 to 31st December 2006.

	Total NDP	Total CSF	EU Funds	National Public	Private
Expenditure	5.70	0	0	5.70	0
% of Revised Forecast	57.01%	0%	0%	57.01%	0%

Table A1. Expenditure for January to December 2006.

	Total NDP	Total CSF	EU Funds	National Public	Private
Expenditure	1.44	0	0	1.44	0

% of Revised Forecast	113.62%	0%	0%	113.62%	0%
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The Government provided €15,236,858 over the period 2000-2006 in the National Development Plan for the progressive expansion of the successful elements of the Family Services programme, €1,269,738 in each of the years 2000 & 2001 and €2,539,476 per year thereafter. The funding provided under the NDP is non co-financed with the Exchequer providing all funding. There are no elements of Public/Private Partnership, local authority or loans in this figure. The total expenditure incurred by the Family Services Project from July to December 2006 under the headings of Administrative and Programme is as follows.

Project	Expenditure
Dublin North	€58,815
Dublin South	€17,110
Dublin West	€196,609
Mid West	€164,348
South East	€384,587
Southern	€86,558

Explanation for level of Expenditure

The expenditure from July to December 2006 in the S&E region represents 65% of the total national spend for the period. The bulk of the expenditure under FSP took place in the second half of the year and the overall FSP expenditure nationally accounted for 91% of the total allocation of €2.5 million for 2006. Over the lifetime of the NDP the total expenditure in the S&E region was over €5 million and accounted for 60% of the total spend nationally for the period 2000-2006. The total expenditure nationally under the FSP for the period 2000-2006 was €8,584,354. This represents 56% of the total provision of €15,236,858 in the Plan. The under spend over the lifetime of the plan can be attributed to the earlier years of the programme. The Project was first established as a pilot in Cork, Finglas and Waterford and had to be rolled out to all of the Departments regions over the course of the 7 years. The initial focus of the Department was the establishment and embedding of the Family Services Projects foundations and structures as well as awareness creation locally. This took some time and there was a considerable learning curve associated with not only developing a more enhanced and proactive customer service but also the establishment of the vital interagency links with both statutory and non-statutory bodies. By July 2003 projects were well established in all of the Department's regions and the ongoing work of regional staff in the promotion of FSP activities in the regions led to a significant increase in expenditure for the years 2004, 2005 and 2006.

Performance Indicators

Indicator	Baseline figures	Outturn 31/12/03	Final Target	Outturn to Dec 06
No of enhanced information service users	Na	5,882	7,000	6,589
No of families engaged with the project broken down by target group	150	3,423	3,740	10,950
No of initiatives supported broken down by location - DED	Na	299	55	430
% of families satisfied or very satisfied with information provided		83%	90%	
% of families satisfied or very satisfied with programme services provided via local initiatives		78%	70%	
% of clients who feel their family's circumstances have improved through their engagement with the project		63%	70%	

* Due to the clear time lags, which result between commencement of programmes and the final collation of post-programme feedback from participants, the Department has encountered difficulties in the compilation of relevant data. Procedures to capture this information are currently being devised at local level and steps are being taken centrally to ensure that relevant information is being recorded in a consistent manner.

Information Provision

Over a six-month period from July to December 2006 the following numbers availed of the Information Provision Service offered by the Family Services Project.

Total	Male	Female
300	144	156

Support

A total of 184 customers with more complex needs were assisted through the enhanced support programme which involves individualised attention customised information and enhanced access to services and supports which would assist the family.

Total	Male	Female
184	112	72

Other Outcomes

Training and development programmes designed specifically for customers have been facilitated by the project leaders and links have been developed with organisations in both the statutory and community sector.

North/South Cooperation

At present this measure does not include a North-South co-operation element, nor is it envisaged that it will do so in the future.

Information and Publicity Requirements

The project fulfils its publicity requirements. The FSP Order for Payment and Letter of Award of Grant display the NDP logo. All regional staff have been advised of the requirement to display NDP logo on all reports, advertisements etc.

05.04.03.03 Family and Community Services Resource Centre Programme

Introduction

The Family and Community Services Resource Centre Programme focuses on combating disadvantage by improving the functioning of the family unit. Centres can provide special services for lone parent families, young mothers and others considered in need of extra support and can act as a first step to community participation and social inclusion for the most vulnerable and marginalized families. These Centres are also concerned with initiatives to enhance the role of young fathers in the lives of their children and to enhance their parenting skills and initiatives to promote the greater involvement of young men in the life of the community.

At present there are a total of 64 centres in receipt of core funding in the South and East Region. There are also 8 Regional Support Agencies based in the S& E region and 6 Specialist Support Agencies (providing support to Projects in the S&E) in receipt of funding under the Programme.

Expenditure

Table A. Cumulative Expenditure, 1st January 2000 to 31st December 2006.

	Total NDP	Total CSF	EU Funds	National Public	Private
Expenditure	20.34	0	0	20.34	0
% of Revised Forecast	60.76%	0%	0%	60.76%	0%

Table A1. Expenditure for January to December 2006.

	Total NDP	Total CSF	EU Funds	National Public	Private
Expenditure	8.40	0	0	8.40	0
% of Revised Forecast	117.82%	0%	0%	117.82%	0%

This programme is financed under the NDP by the Exchequer. Expenditure for the Family & Community Services Resource Centre Programme and support costs for July to December 2006 for the S&E Region was €5,258,833. Expenditure for 2006 was €8,404,033. Forecast of expenditure for 2007 is €8,908,275.

Performance Indicators

Class	Indicator	Baseline	Outturn to 31/12/03	Final Target	Outturn to 31/12/06
Output	Number of FRC's funded in the S/E Region broken down by county	36	49	71	64
	% share of activities engaged in by the project broken down by type ¹				
	No of people involved in each activity broken down by gender ♦				1,766
	No of out reach services available in the projects ♦				All projects have outreach as part of their activities

Result	% of participants who are referred to other services or agencies ♦				110,099 28,164 or 24%
	% of addressees or recipients satisfied / very satisfied with the service provided ♦				Client survey being undertaken
	No of people becoming involved in other community based voluntary activity as a result of FRC involvement *♦				35
Impact	Target group representation as % of management committees' membership ♦				534
	% of participants that achieve progression broken down across education, training and employment♦				43%

The final target is to have 100 FRCs Nationally by the end of 2006. The number of projects funded under the programme will be an important indicator for the Sub-Measure.

North/South Cooperation

Two of the Support Agencies within the programme have a cross-border remit. The Agency would recognise the cultivation of a cross-border focus as a legitimate objective of individual projects.

Information and Publicity Requirements

Information on the FRC Programme is circulated to all applicants to the agency for grants, to local Partnerships, through the DSFA's Regional Offices, Information Officers, Jobs Facilitators, by the Combat Poverty Agency and through community sector networks, etc. The FSA keeps these information mechanisms under review to ensure that information on the Programme is widely available to target communities and groups.

However, it is important to note that new projects are not selected solely on the basis of applications from groups - as set out above, most new projects come in as a result of a pro-active targeting exercise and are set up and given appropriate initial training by the Regional Support Agency.

The contribution of the National Development Plan will be acknowledged as part of the programme and the NDP logo will be used as appropriate.

Future Prospects

The programme covered under this measure provides funding on a three-year renewable contract basis to locally-based community groups. The Family Support Agency secured the consolidation of the Programme over the lifetime to the National Development Plan (NDP) 2007 – 2013. Funding has been allocated for 6 New Centres in 2007 and for an additional worker in 40 centres.

Any adjustments required

At this stage no changes are required or suggested for the programme complement.

05.04.04 Crime Prevention Measure

05.04.04.01 Prison Service Training and Development Programme

Introduction

Implementation of the revised Programme, following the midterm evaluation, has continued in the reporting period. Of note is that:

(a) Despite the resolution of the Industrial Relations situation in the prisons, which was finally resolved in August 2005, the bedding down of the new annual hours system, which was achieved incrementally during the first half of the year, has impacted to some degree the operation of the Work Training area.

(b) The new working arrangements have, however, where they are fully bedded down, facilitated an enhanced focus on work training activities. This has also been supported by the deployment of additional staffing and other resources, most notably at St Patrick's Institution.

Expenditure

Table A. Cumulative Expenditure, 1st January 2000 to 30th June 2006.

	Total NDP	Total CSF	EU Funds	National Public	Private
Expenditure	39.78	0	0	39.78	0
% of Revised Forecast	88.27%	0%	0%	88.27%	0%

Table A1. Expenditure for January to June 2006

	Total NDP	Total CSF	EU Funds	National Public	Private
Expenditure	3.76	0	0	3.76	0
% of Revised Forecast	61.34%	0%	0%	61.34%	0%

Performance Indicators

Class	Indicator	Baseline figures	Out-turn to June 2004	Out-turn to June 2006*	Final Target 2006
Output	No of prisons involved in Programme	10	10	10	10
	No of prisoners involved in programme as proportion of all prisoners – broken down by gender	35%	35% (759)	52%	40% (5140)
Result	% of prisoners engaged in accredited pre-vocational and vocational courses.	14%	14% (305)	34%	25% (2570)
	% of prisoners receiving accredited qualifications	7%	7% (153)	24%	15% (1930)

*Out-turn figures based on throughput of 4280 during reporting period. Final Target figures are based on throughput for entire 2004 – 2006 period of 12850.

North/South Cooperation

Nil.

Information and Publicity Requirements

No information or publicity requirements currently arise.

Future Prospects

As the new annual hours system beds down over the second half of the year, it is expected that both the level and importantly the quality of work training engagement by prisoners will increase.

05.04.04.02 Probation Centres**Introduction**

While the major spending programmes continued, further delays were experienced on the capital side.

ExpenditureTable A. Cumulative Expenditure, 1st January 2000 to 31st December 2006.

	Total NDP	Total CSF	EU Funds	National Public	Private
Expenditure	5.51	0.00	0.00	5.51	0.00
% of Revised Forecast	20.14%	0%	0%	20.14%	0%

Table A1. Expenditure for January to December 2006.

	Total NDP	Total CSF	EU Funds	National Public	Private
Expenditure	1.50	0.00	0.00	1.50	0.00
% of Revised Forecast	37.09%	0%	0%	37.09%	0%

All funding is from the Exchequer and is non co-financed.

Expenditure for the second half of the year and cumulative to date (€million).

Current spending is in line with previous patterns.

None of the planned Probation Centres came on stream. €9.17m capital was to have been spent on these Centres, and a further € 6.34m current funding was allotted for funding of their day to day operations once they came on stream. Subtracting both of these from the total yields a measure of actual spending as against the target for those spending streams.

Performance Indicators

Indicator	Baseline figures	Outturn 31/12/03	Final Target	Outturn to Dec 06
No. of centres brought into operation.	0	0	4	0
No. Training & Employment Officers working in Linkage Programme.	0	8	10	8
No. offenders referred to Linkage Programme	0	811	1000pa	833
No. residential programme places	0	18	20	18
No. persons commencing on residential programmes	0	Na	200pa	N/k
Average no. offenders using centres.	0	Nil	15	Nil
No. offenders participating in Linkage programme as % of those referred	0	78.1%	75%	78.9%
No. placements obtained	0	423	1100pa	351
No. participants completed residential programme.	0	Na	150pa	n/k

North/South Cooperation

There is no Probation Service funding in this area under NDP.

Information and Publicity Requirements

As noted before, there tends not to be much public exposure of offender involvement in community based programmes. However all recipients are made aware of requirements concerning use of N.D.P. logo etc.

Future Prospects

Computerisation of Service operations continues, presently consolidating the Service case tracking system, before extending it to encompass data on referrals to programmes such as those that are NDP supported

Any adjustments required

Apart from the disappointment of not bringing about the Probation Centres as planned, key programmes have developed a strong formulation and will continue to deliver focussed and effective intervention with offenders who stand to benefit significantly from these, thereby minimising the prospect of future crime.

05.04.05 Youth Services Measure

05.04.05.01 Youth Services Grants Scheme

Introduction

Support for voluntary youth work organisations is available under the Youth Service Grant Scheme (YSGS). National and major regional youth work organisations are eligible to apply for funding. The funding of youth work organisations enables the employment of paid core staff who administer and ensure the promotion and development of youth organisations with distinctive programmes, projects and ethos aimed at the personal and social development of young people. The headquarters of many of these major organisations are often historically sited in Dublin and are reported as S&E based, however the final recipients of the services provided by these organisations are often spread throughout the BMW and S&E regions. The YSGS, which is a long established scheme, continued to operate normally in 2005. Grant-in-aid is paid on a quarterly basis and funding was provided as normal in 2005. An increase of 5% to baseline figures plus an additional once-off component of 3% was secured for 2005 by the Minister of State for Youth Affairs, Ms. Sile de Valera T.D. While at local level new initiatives may have been implemented, no new initiatives are reported for 2005. A full list of organisations included under the scheme is provided as Annex 1 for reference purposes. Léargas-The Exchange Bureau and The President's Award - Gaisce are two additional organisations under the aegis of the Department which are included for reporting purposes under this sub-measure. As previously reported to the Assembly, a review of funding for the Youth Sector is nearing completion by McIver Consultants. Discussions are ongoing with a view to finalising the draft document which will be presented to the National Youth Work Advisory Committee (NYWAC) and the Minister of State for Youth Affairs. The Committee will be updated on the progress of this review following its acceptance by the Minister and consideration of the out-comes.

Expenditure

Table A. Cumulative Expenditure, 1st January 2000 to 31st December 2005.

	Total NDP	Total CSF	EU Funds	National Public	Private
Expenditure	67.38	0	0	67.38	0
% of Revised Forecast	107.30%	0%	0%	107.30%	0%

Table A1. Expenditure for January to December 2005.

	Total NDP	Total CSF	EU Funds	National Public	Private
Expenditure	12.30	0	0	12.30	0
% of Revised Forecast	111.90%	0%	0%	111.90%	0%

In financial terms, the cumulative spend for the YSGS Scheme under the Operational Programme from 2000 to 2005 was over €67 million. Expenditure in 2005 ran at 112% of the original OP forecast and expenditure to December 2005 is currently running at 107% of the cumulative OP forecast. The following table refers:

Performance Indicators

The indicators reported on are in accordance with those proposed at the Autumn 2004 Monitoring Committee meeting, which expanded the categories, sought and also requested certain indicators on a gender disaggregated basis. These figures are provisional and will be updated to account for additional statistics supplied by “latecomers” for the Autumn meeting of the Assembly. The Department of Education and Science continues to work with a number of organisations and agencies to improve the quality of the data being reported for this scheme. The results indicators are being looked at to see if the numbers of “new” members can be captured more accurately than heretofore and will be reported upon in the Autumn.

2005 Figures are provisional – Final figures to be reported to Autumn assembly meeting.

Indicator	Baseline Figures	Mid Term Target	Out turn 2003	Out turn 2004	Out Turn 2005	Final Target 2006
No. of Organisations ³⁴	29	29	29	31	31	29
No. of Youth Beneficiaries	167,309	167,309	137,335	142,037	82,454	167,309
Male	81,981	81,981	63,366	60,615	37,149	81,981
Female	85,328	85,235	73,969	81,422	45,305	85,328

Years of Age (Participants)									
0 to 9		10 to 14		15 to 19		20 to 24		Over 25	
M	F	M	F	M	F	M	F	M	F
10,862	11,214	9,221	10,119	11,694	16,308	2,156	3,023	3,216	4,641
Combined Total Participants									
All Ages									
M		F		Total					
37,149		45,305		82,454					

No. of Clubs or Groups	No. of Volunteer Leaders		No. of Participants from Disadvantaged Areas		No. of Participants from the Travelling Community		No. of Participants from Ethnic Minorities	
1,755	Male	Female	Male	Female	Male	Female	Male	Female
	3,151	5,187	4,270	5,047	375	248	272	424
No. of Participants who availed of the Outreach facilities provided		No. of Homeless Members		No. of Early School Leavers				
Male	Female	Male	Female	Male	Female			
4,944	4,905	95	72	691	579			

North/South Cooperation

³⁴ Thirty one organisations are headquartered in the S&E Region (one in the BMW region) but most of the organisations have a network of affiliated clubs and groups in both the BMW and S&E Regions (See Annex 1 for full list). The President’s Award and Léargas are two additional bodies recorded under the YSGS sub-measure.

Some of the organisations funded under the YSGS are All-Ireland bodies or operate in both jurisdictions. Examples include the YMCA, Methodist Youth Organisation, Catholic Youth Care, Scouting Organisations etc. Annual meetings, jamborees, etc. therefore continued to have some cross-border dimensions in 2005.

Léargas -The Exchange Bureau and The President's Award - Gaisce are two substantive bodies under the aegis of the Department of Education and Science and included under the YSGS sub-measure for NDP reporting purposes. Both have strong North-South Co-operation links. Léargas is Ireland's National Agency for the management of National, European and International co-operation through European, bilateral and international programmes. Regular North/South contact took place through youth exchange programmes in 2005. The President's Award continued to have a positive North-South dimension with links to the Duke of Edinburgh's Award in Northern Ireland and in the UK.

A consultative exercise undertaken by Rodney Green Consultants in relation to cross- border (North-South) youth exchanges was published and launched in November, 2005.

Information and Publicity Requirements

The NDP publicity guidelines have been forwarded to the organisations supported under the YSGS Sub-Measure. The Department of Education & Science issued a reminder of the NDP publicity requirements to all organisations in 2004. Use of the NDP Logo and acknowledgement of the National Development Plan continues to be encouraged by the Department of Education and Science in respect of the National and Regional Organisations which receive funding. A flyer for the ECO-UNESCO Young Environmentalist Awards 2006 (Annex 2) is attached to demonstrate the use of the NDP logo. Quarterly communication reports are made to the NDP/CSF Information Unit by the Youth Affairs section of the Department of Education and Science upon request.

Future Prospects

A number of developments are in the pipeline over the short and medium term which may have an impact upon the future direction of the YSGS. A number of provisions of the Youth Work Act, 2001 and the National Youth Work Development Plan, 2003-2007 including the *National Youth Work Assessor* and a *Development Fund* for Youth Organisations were sanctioned in 2005 in the context of an 18% increase in overall funding secured for the sector in 2005. Sanction for a number of Youth Officer posts has also been sanctioned recently. A review of funding in the Sector is also due to be completed shortly. The Committee will be updated on the progress of these and on other future developments as they affect the Sub-Measure, at future meetings.

Any adjustments required

None required at this time

Annexes

Annex 1	Organisations funded under the Youth Services Grant Scheme
Annex 2	NDP Publicity Sample – ECO UNESCO

05.04.05.02 Special Projects for Disadvantaged Youth

Introduction

The Grant Scheme for Special Projects for Youth (SPY) provides funding for special out-of-school projects for young people deemed to be at risk due to a number of factors, including social isolation, substance abuse, homelessness, juvenile crime and youth unemployment. Projects facilitate the personal and social development of participants, thus enabling them to realise their full potential. This aim underpins all programmes and activities of the Special Projects for Youth Scheme. Projects continue to foster and encourage involvement and participation through the provision of programmes and services specific to the needs of young people. A list of projects in the S&E region is provided at Annex 1.

This long established scheme continued to operate normally in 2005. Grant-in-aid is paid on a quarterly basis and the first instalments have been paid by the Department of Education and Science in 2006. The Department of Education and Science has worked with a number of organisations and agencies to improve the quality of the data being reported for this scheme. As previously reported, a review of funding for the Youth Sector is currently being undertaken by McIver Consultants. Discussions are ongoing with the Consultants with a view to finalising the draft document which will be presented to the National Youth Work Advisory Committee and the Minister of State for Youth Affairs. The S&E Assembly will be updated on the progress of this important review at future meetings.

The Department of Education and Science is pleased to report that very substantial progress was made in 2005 with 8 new projects funded and 14 upgraded to two worker status in the S&E region.

Expenditure

Table A. Cumulative Expenditure, 1st January 2000 to 31st December 2005.

	Total NDP	Total CSF	EU Funds	National Public	Private
Expenditure	60.33	0	0	60.33	0
% of Revised Forecast	119.85%	0%	0%	119.85%	0%

Table A1. Expenditure for January to December 2005.

	Total NDP	Total CSF	EU Funds	National Public	Private
Expenditure	13.14	0	0	13.14	0
% of Revised Forecast	149.08%	0%	0%	149.08%	0%

In financial terms the cumulative spend to date has exceeded forecast. This cumulative spend currently stands at 120% of the 2000-2005 OP forecast and the 2005 expenditure was 149% of the original OP forecast for that year, reflecting the enhancement to the scheme given in the last paragraph.

Performance Indicators

Output Indicators 2005 (SPY) – Provisional figures to be finalised for Autumn 2006 S&E Monitoring Committee Meeting.

Indicator	Baseline Figures	Mid Term Target	Out turn 2003	Out turn 2004	Out turn 2005	Final Target 2006
No. of Projects	104	104	123	124	132	104
No. of Participants**	51,281	51,281	55,048	49,565	55,048	54,000
Male**	25,640	25,640	26,393	24,172	26,393	27,000
Female**	25,641	25,641	28,655	25,393	28,655	27,000

** Disaggregated baseline figures were not originally available (50:50 Gender Balance sought)

Years of Age (Participants)									
0-9		10-14		15-19		20-24		Over 25	
Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
4,036	4,228	11,943	12,969	7,944	8,139	1,581	2,088	889	1,231
Combined Total									
All Ages									
Male	Female								
26,393	28,655	55,048							

No. of Participants from Disadvantaged Areas		No. of Homeless Participants		No. of Early School Leavers	
Male	Female	Male	Female	Male	Female
20,679	22,396	338	205	1,874	1,449

No. of Traveller participants		No. of Participants from ethnic minorities	
Male	Female	Male	Female
2,985	3,370	503	592

Result Indicators 2005 (SPY) - Provisional

(To be finalised for the Autumn 2006 S&E Monitoring Committee Meeting)

No. of Participants from Disadvantaged Areas who successfully completed a Programme		No. of Homeless Participants who successfully completed Programmes		No. of Early School Leavers who successfully completed Programmes	
Male	Female	Male	Female	Male	Female
16,341	18,528	265	133	1,474	1,147

No. of Traveller participants who successfully complete a programme		No. of Participants from ethnic minorities who successfully completed Programmes	
Male	Female	Male	Female
2,541	3,128	387	433

North/South Cooperation

This Sub measure has no significant North-South element. Some projects, however, afford young people the opportunity to travel to Northern Ireland e.g. residential weekends, where young people experience meeting other young people in a cross-border situation. Projects in Border areas include cross border initiatives and exchanges in their activities.

Information and Publicity Requirements

The NDP publicity guidelines have been forwarded to these organisations. The Department of Education & Science issued a reminder of the NDP publicity requirements to all centres in 2004. Use of the logos and acknowledgement of the National Development Plan will continue to be encouraged by the centres which receive funding under the scheme. Quarterly communications reports are made to the NDP/CSF Information Unit upon request, with examples of appropriate Publicity materials.

Future Prospects

A number of developments are in the pipeline over the short and medium term which may impact upon the future direction of the SPY scheme. A number of provisions of the Youth Work Act, 2001 and the National Youth Work Development Plan 2003-2007 including the *National Youth Work Assessor*, and a *Development Fund* for Youth Organisations are due to be implemented in the context of an 18% increase in overall funding secured for the sector in 2005. Interviews for the Assessor Post will be underway shortly. A priority of the National Youth Work Development Plan is to upgrade all single youth worker projects to two-worker status over time in which huge progress was made in 2005 as 20 upgrades and 10 new two-worker projects were funded nationally. In relation to the increase in funding the Minister for Youth Affairs, Síle de Valera T.D. has stated that such funding is designed to enhance services for our young people and to ensure that the youth work sector will grow and develop in a strategic and coherent manner. A review of funding in the sector is also due to be completed shortly (a draft report is being finalised) and the Committee will be updated on the progress of this important review at future meetings. The Committee will be kept up to date on other future developments as they affect the Sub-Measure.

05.04.05.03 Youth Information Centres Programme

Introduction

The Youth Affairs Section of the Department of Education and Science continued to provide resources for the development of the network of Youth Information Centres, the purpose of which is to provide young people with easy access to information on rights, opportunities, benefits, health, welfare and many other matters. This is a long-standing scheme and was operated as normal in 2005. Grant-in-aid is paid on a quarterly basis to the centres and all centres have received their first quarter instalment grants in 2006. Of the 30 individual centres operating 21 operated in the S&E area. A list of centres in the S&E Region is reproduced at Annex 1.

As previously reported, a sub-committee of the National Youth Work Advisory Committee (NYWAC) has been established to look at the area of Youth Information. The sub committee has met on a number of occasions and is concerned with the development of a framework for a review of existing youth information provision. As signalled at the last meeting a full review of Information Provision is now underway by A & L Goodbody Consultants following a competitive tender process. This report is now nearing completion.

A full review of funding for the Youth Sector is currently also being undertaken by McIver Consultants. The consultants are currently finalising a draft report for the Department of Education and Science and the Committee will be updated on the progress of this important review at future meetings. Funding support is also provided for the establishment of an interim Youth Information Support Partnership (YISP) which is facilitated by the National Youth Council of Ireland (NYCI). The partnership has a particular interim role in training and other areas of collective interest for the Youth Information Network. An update on Youth Information will be provided to the Committee in Autumn on foot of the finalisation of the two reports mentioned.

Expenditure

Table A. Cumulative Expenditure, 1st January 2000 to 31st December 2005.

	Total NDP	Total CSF	EU Funds	National Public	Private
Expenditure	6.28	0	0	6.28	0
% of Revised Forecast	101.62%	0%	0%	101.62%	0%

Table A1. Expenditure for January to December 2005.

	Total NDP	Total CSF	EU Funds	National Public	Private
Expenditure	1.07	0	0	1.07	0
% of Revised Forecast	99.17%	0%	0%	99.17%	0%

In financial terms the cumulative spend to date has exceeded the original OP forecast. This cumulative spend currently stands at 102% of the original 2000-2005 target. The 2005 figure was 99% of the original OP forecast for that year.

Performance Indicators

Output Indicators 2005 (YICs) - Provisional

(To be revised for Autumn 2006 S&E Monitoring Committee)

Indicator	Baseline Figures	Mid Term Target	Out turn 2003	Out turn 2004	Out turn 2005	Final Target 2006
No. of Centres	21	21	19	21	21	21
No. of Clients*	115,978	115,978	59,651	101,272	78,185	115,978
Male**	57,989	57,989	34,802	42,823	33,648	57,989
Female**	57,989	57,989	24,849	58,449	44,537	57,989

** Disaggregated baseline figures were not originally available (50:50 Gender Balance sought)

Years of Age									
0 to 9		10 to 14		15 to 19		20 to 24		Over 25	
m	f	m	f	m	f	m	f	m	f
36	38	1,785	1,876	12,912	15,840	12,341	16,934	6,574	9,849

Combined Total Clients		
All Ages		
Male	Female	Total
33,648	44,537	78,185

No. Clients who availed of OUTREACH Facilities		No. Centres located in disadvantaged areas ³⁵	No. Centres serving in disadvantaged areas
Male	Female		
3,417	5,010		

Results indicator 2005 (YICs)

To be revised for October 2005 S&E Monitoring Committee

Services Provided (percentage basis)		
General Information	Eurodesk/Europortal	Other Services (E.g. Photo, Coffee Shop, CV Assistance etc.)
42.6%	0.1%	57.3%

Please note that the services provided in youth information centres was reviewed by consultants in 2005. A more detailed breakdown of services will be requested for future monitoring committee meetings having regard to the final report of A&L Goodbody consultants and appropriate categories of information being identified.

North/South Cooperation

North-South co-operation at a cross border level may have occurred within some of the youth information centres in 2005. However, these initiatives would have operated at a local level.

Information and Publicity Requirements

The NDP publicity guidelines have been forwarded to these centres. The Department of Education & Science issued a reminder of the NDP publicity requirements to all centres in 2004. Use of the logos and acknowledgement of the National Development Plan by the YICs which receive funding under the scheme will continue to be encouraged by the

³⁵ Work will be undertaken on the definition of disadvantaged areas/Centres and the best way to record outreach activity and this indicator will be clarified for the Autumn 2006 meetings

Department of Education and Science. A new information leaflet issued by Youth Information Support Partnership (YISP) for all Youth Information Centres, incorporates the NDP logo in the design. A copy of the cover of this leaflet illustrating compliance with NDP publicity requirement is reproduced at Annex 1. The recently updated youth information website www.youthinformation.ie also has the EU Logos. Quarterly communication reports continue to be made to the NDP/CSF Information Unit upon request, with examples of appropriate Publicity materials.

Future Prospects

A number of new developments are in the pipeline over the short and medium term which may impact upon the future direction of the YICs. A number of provisions of the Youth Work Act, 2001 and the National Youth Work Development Plan 2003-2007 including the Development Fund for Youth Organisations are being implemented in the context of an 18% increase in overall funding secured for the sector in 2005. The Minister for Youth Affairs, Sile de Valera T.D. has stated that such funding is designed to enhance services for our young people and to ensure that the youth work sector will grow and develop in a strategic and coherent manner. A report on funding in the Youth Work Sector is currently being drafted and a review of Youth Information Provision is also under way. The Committee will be kept up to date on developments as they affect the sub-measure.

05.04.05 Youth Services Measure

05.04.05.04 Young Peoples Facilities and Services Fund

Introduction

The YPFSF was established by the Government in 1998 with an Exchequer contribution of almost €44.5m. for the purpose of assisting in the development of preventative strategies in a targeted manner through the development of youth facilities, including sport and recreational facilities and services in disadvantaged areas where a significant drug problem exists or has the potential to develop. The aim of the fund is to attract "at risk" young people in disadvantaged areas into these facilities and activities and divert them away from the dangers of substance abuse. A further €23.5 million was allocated by the Cabinet Committee on Social Inclusion in the 2000 to 2002 period primarily focussed on providing funding to enable the completion of facilities in Task Force areas. There have been 3 rounds of funding allocated to date and broadly speaking 450 facility and service projects are being supported in the S&E region under the fund. The Minister of State announced additional funding of over €3.5m between July and December 2006. This included an allocation of €1.35m for the development of youth facilities in Tallaght and for the employment of 6 additional youth workers targeting the at risk youth in Limerick City. An external evaluator was appointed to provide a comprehensive and independent assessment of the impact of the Fund on the target group in the areas concerned. The assessment took account of the overall aims and objectives of the Fund, the wide variety of projects approved for funding, the particular needs they are intended to address and the community-based nature of the projects involved. The assessment also identified models of good practice in the various areas of education and prevention. The assessment also examined the structures and processes involved in the establishment and operation of the Fund, particularly in the context of the overall National Drugs Strategy and other funding programmes which target young people at risk.

Expenditure

Table A. Cumulative Expenditure, 1st January 2000 to 31st December 2006.

	Total NDP	Total CSF	EU Funds	National Public	Private
Expenditure	103.70	0	0	103.70	0
% of Revised Forecast	90.53%	0%	0%	90.53%	0%

Table A1. Expenditure for January to December 2006.

	Total NDP	Total CSF	EU Funds	National Public	Private
Expenditure	14.03	0	0	14.03	0
% of Revised Forecast	75.02%	0%	0%	75.02%	0%

Expenditure from the YPFSF on non-mainstreamed projects by county within the S & E Region for the period June to December 2006 is as follows:

COUNTY	Expenditure June to December 2006
DUBLIN	€3,447,294
CORK	1,353,753
WATERFORD	922,490
WICKLOW	592,907

TOTALS	6,316,444
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Total Expenditure for the period January 2006 to December 2006 was €14,027,657

Performance Indicators **

Class	Indicator	Base-line	Outturn 31/12/03	Final Target	Outturn Dec 06
Output	Number of Facilities	0	94	100	104
Output	Number of Youth Workers	0	127 (109ft; 18pt)	115	185
Output	Number of Service Projects	0	107	200	155
Output	Number of Sport Workers	0	7	6	21
Impact	Gender disaggregated data	0	0	18,000: 7,000m/ 8,000f	12,000 7,000m 5,000f

5 Capital Projects were announced between July and December 2006. Funding for 11 additional staff was also announced in the same period.

North/South Cooperation

The purpose of the YPFSF is to assist in the development of preventative strategies in a targeted manner in disadvantaged areas where a significant drug problem exists or has the potential to develop. The areas identified in the region are in Dublin, Cork, Limerick, Bray, Carlow and Waterford.

Information and Publicity Requirements

During the period in question a number of facilities under the fund were officially opened by the Minister for State. The relevant Vocational Education Committees and Local Authorities have been notified of the requirements for publicity in respect of measures funded under the NDP 2000 – 2006. The YPFSF is not being co-financed by the EU. Accordingly, Structural Fund requirements are not applicable. Press Releases and further statements in relation to the allocation of YPFSF funding and the opening of facilities funded from the YPFSF are available from the Department of Community, Rural and Gaeltacht Affairs and are posted on the Department's website at www.pobail.ie

05.04.05.05 Garda Youth Diversion Programme

Introduction

Progress continued to be very satisfactory in the first half of 2006 in relation to all of the 23 Garda Youth Diversion Projects established in 11 counties since the year 2000.

In the reporting period in question (first half of 2006), approximately €1,391,670 was provided to the final beneficiaries (management committees of the projects). Data in respect of the number of the participants substantively engaged over this time period are provided to the Monitoring Committee.

Expenditure

Table A. Cumulative Expenditure, 1st January 2000 to 30th June 2006

	Total NDP	Total CSF	EU Funds	National Public	Private
Expenditure	10.64	0	0	10.64	0
% of Revised Forecast	66.97%	0%	0%	66.97%	0%

Table A1. Expenditure for January to June 2006

	Total NDP	Total CSF	EU Funds	National Public	Private
Expenditure	1.39	0	0	1.39	0
% of Revised Forecast	52.93%	0%	0%	52.93%	0%

The sub-measure is non co-financed. For the half year, January to June, 2006 expenditure amounted to approximately €1,391,670 on NDP funded projects.

The budgetary allocation nationally for 2006 is just over €6.6 million, an increase of €1.2 on 2005. This is used to fund the 64 Garda Youth Diversion Projects and 7 Local Drugs Task Force Projects and it includes the NDP allocation for the year.

It is the Minister's intention to expand the Garda Youth Diversion Projects nationwide to 100 projects by the end of 2007. In light of the additional funding, the Garda Commissioner has been asked to submit proposals for further

initiatives. Recently the Minister announced the establishment of 10 new Garda Youth Diversion Projects in the first phase of the expansion of the scheme, bringing the total number of projects to 74. Seven of the new projects, which will be established in the Southern and Eastern Region, are located in Blanchardstown, Carlow, Clondalkin, Limerick, Tallaght and two in Tralee.

Performance Indicators

Class	Indicator	Baseline Figures	Outturn Dec 03	Out-Turn to June 06	Final Target 2006
Output	No. of Projects	0	23	23	20

When preparing the Programme Complement, it was anticipated that approximately 20 Garda Youth Diversion Projects would be established. To date, 30 have been announced in 12 counties

North/South Cooperation

North-South co-operation is encouraged and is very active in the Garda Youth Diversion Projects in the BMW Region, close to the Border.

Information and Publicity Requirements

Garda Youth Diversion Projects are community based, multi-agency crime prevention initiatives which seek to divert young people from becoming involved or further involved in anti-social behaviour by providing suitable activities to facilitate personal development and promote civic responsibility. The seventy-four Garda Youth Diversion Projects are administered by Garda Community Relations Section of An Garda Síochána and funded by the Department of Justice, Equality and Law Reform and the National Development Plan.

An evaluation report on the Garda Youth Diversion Projects (Bowden and Higgins, 2000) suggested that a set of guidelines was required in order to develop a planned and strategic approach in relation to the operation and management outcomes of the projects. The Guidelines were formally launched at the Garda Youth Diversion Projects Conference in May, 2003 and continue to be applied with success.

A Life Orienteering programme was launched in 2004. The programme is used to talk on the subject of drugs, alcohol and juvenile crime. The medium which is used for the delivery of a positive message is orienteering for a day. This is a powerful medium as it draws an analogy between the skills required for map reading and those needed to plot a safe course through life. Over 1,500 young people have participated in the programme and expansion of the programme to other Garda Youth Diversion Projects continues through 2006.

The Department of Justice, Equality and Law Reform entered into a co-funding arrangement with the Department of Community, Rural and Gaeltacht Affairs under the RAPID Initiative to develop IT rooms and to provide minibuses to Garda Youth Diversion Projects in RAPID areas. NDP funded projects in the Southern and Eastern Region which continue to benefit from this arrangement in 2006 are in Cork (Farranree and Togher), Waterford (Dungarvan and Waterford Inner City), Tipperary (Clonmel), Wexford (Clonard/Coolcotts) and Kilkenny.

Future Prospects

Future prospects are good. The Minister secured an increase in overall funding of €1.2m for Garda Youth Diversion Projects for 2006 and it is intended to expand the scheme to a total of 100 projects nationwide before the end of 2007.

All of the projects in the Southern and Eastern Region have been fully operational at the local level through the first half of 2006, so full financial expenditures and performance levels were achieved. All Garda Youth Diversion Projects are expected to be operating at maximum capacity throughout 2006 and into 2007.

It is intended to commission a longitudinal and/or an attitudinal survey of the projects before the end of 2006.

05.04.06 Local Development Measure

05.04.06.01 Local Development Social Inclusion Programme

Introduction

The Local Development Social Inclusion sub-measure of the Regional Operational Programme under the NDP is managed on behalf of the Department of Community, Rural and Gaeltacht Affairs by Pobal (formerly ADM). Under the programme, Area-based Partnerships, Community Partnerships and Employment Pacts have developed and implemented initiatives that target the most marginalized areas, communities and individuals, in particular those experiencing cumulative disadvantage. During 2006 it was implemented at local level in the Southern and Eastern region by 49 funded groups, comprising 22 Area-based Partnerships, 26 Community Partnerships and one Employment Pact.

The following individuals/communities are specifically named amongst the target groups of the LDSIP:

The long-term unemployed	Low Income Farm Households
Disadvantaged women	Refugees and asylum seekers
Disadvantaged young people	Substance misusers
Travellers	Lone parents
Older people	The underemployed
Disabled people	Young people at risk
Homeless people	Disadvantaged communities living in isolated rural areas or deprived urban areas.
Ex-prisoners and offenders	
Migrant workers	

The 49 funded bodies prioritise the local client groups that would most benefit under the objectives of the programme. The groups are targeted under the three sub-measures of the LDSIP: 'Services for the Unemployed', 'Community Development' and 'Community-Based Youth Initiatives'.

Annex 1 Impact research

Cohesion and transition

In order to facilitate the cohesion of local development structures, in September 2005 the Department of Community, Rural and Gaeltacht Affairs and the Department of the Environment, Heritage and Local Government announced a new round of cohesion funds. The aims of the current cohesion process – which is led by the Department of Community, Rural and Gaeltacht Affairs –include the extension of the LDSIP to full country-wide coverage, and the cohesion of Partnerships and LEADER groups in rural areas. Partnerships and LEADER groups, in cooperation with CDBs, were asked to submit cohesion proposals on a county or city basis. Cohesion funds continued to support the cohesion process throughout 2006.

With the completion of the sub-measure, a new NDP, and the cohesion process, the year 2007 will involve three types of transition:

- Transition to a new programme, with new operational guidelines, and new strategic plans at local level.
- The roll-out of the extension of programme coverage to all areas of the country.
- Agreement of new implementation structures at local level in rural areas, and the transition of Partnerships into these new structures.

Pending decisions by the Government, transition processes will allow the work to continue under the terms of the current programme in those areas that were previously covered by the LDSIP, through the existing local implementation structures.

Expenditure

Table A. Cumulative Expenditure, 1st January 2000 to 31st December 2006.

	Total NDP	Total CSF	EU Funds	National Public	Private
Expenditure	194.15	0	0	191.16	2.99
% of Revised Forecast	88.52%	0%	0%	87.16	0%

Table A1. Expenditure for January to December 2006.

	Total NDP	Total CSF	EU Funds	National Public	Private
Expenditure	32.63	0	0	32.43	0.20
% of Revised Forecast	97.49%	0%	0%	96.90%	0%

Total reported regional NDP (public exchequer) expenditure under the programme (excluding technical assistance) in 2006:

Dublin	€12,868,131	South West	€5,920,800
South East	€4,920,836	Mid West	€4,310,424
Mid East	€2,898,299	Total	€30,918,490

Total reported regional (NDP and private) expenditure under the programme (excluding technical assistance) in 2006:

Dublin	€12,886,226	South West	€6,056,560
South East	€4,955,683	Mid West	€4,317,774
Mid East	€2,898,824	Total	€31,115,067

All financial transfers have been made on the basis of contracts between Pobal and the funded bodies. Financial returns and monitoring are made as required in those contracts. Pobal conducts a programme of audits of beneficiaries, which continued throughout the year.

Each group allocates funding to the respective sub-measures broadly in accordance with the following percentage ranges:

Services for the Unemployed 40-65%

Community Development 25-40%

Community-Based Youth Initiatives 15-25%

Performance Indicators **

Class		Indicator	Baseline Position		Final Target	Outturn to Dec 06
Output	1	Total number of adults in target groups (f/m 55:45) supported under the Services for the Unemployed Measure in the LDSIP	28,125	61,611	113,785	109,926* 45% m/55 %f
	2	Total number in target groups supported under the Community-Based Youth Initiatives Measure in the LDSIP ³ Youths (f/m 55:45) Adults supported under CBYI (f/m 70:30)	21,600 3,240 24,840	134,617 112,012 22,605	244,616 202,011 42,605	233,605 194,121 39,484
Output	3	Number of community-based projects focussing on target groups	1,275	3,060	5,360	3,964
Output	4	Number of infrastructure/ environment projects by type	225	597	897	854
Output	5	Number of RAPID Projects supported	0	0	330	
Output	6	Number of adults in target groups participating in education and training (f/m 65:35)	8,625	22,448	40,863 58%	37,752 54%
Result	6a	Proportion of 6 (above) participating in certified education and training (f/m 65:35)	50%	45%	49%	46%
Result	6b	Proportion of 6a (above) achieving certification (f/m 70:30)	50%	56%	60%	50%
Result	7	Percentage of adults in target groups supported into taking up employment (f/m 60:40)	21%	21%	22%	20%
Result	8	Percentage of adults in target groups supported into business start ups (f/m 20:80)	16%	15%	14%	12%
Impact	9	% of sample cohort achieving progression after 2 years against the objectives of the Programme***				

North/South Cooperation

A number of Partnerships in the Southern and Eastern region have developed linkages with organisations in Northern Ireland in order to promote employment and training opportunities aimed at early school leavers and the long-term unemployed.

Information and Publicity Requirements

Information is provided to LDSIP-funded bodies on publicity requirements under the NDP. Pobal monitors the implementation of publicity requirements as part of its ongoing auditing function. The LDSIP has also continued its involvement in the NDP local publicity campaign. During 2006 Pobal has co-ordinated the submission of press material from Partnerships to the NDP/CSF Information Office. Submissions have been made for inclusion in NDP information supplements issued during 2006 for insertion in local newspapers.

Pobal held a seminar on 29th June 2006 at which Minister O'Cuiv launched 2 major publications that both draw lessons from the experience of the LDSIP over the 6 years of the NDP 2000-2006. The 2 publications are: (a) Working Together, Working for Change: the Achievements of the Local Development Social Inclusion Programme 2000-2006, and (b) Assessing the Impact of the Services for the Unemployed Measure. The seminar included speakers from the Office for Social Inclusion (Gerry Mangan, Director) and Professor Mark Considine (Director of the Centre for Public Policy, University of Melbourne, Australia).

The National Ploughing Championships took place in September in Carlow. On behalf of the LDSIP, Pobal and Partnership staff participated, in coordination with the Department of Community, Rural and Gaeltacht Affairs.

A Pobal conference entitled: “Making a Difference – social inclusion in a changing rural Ireland” was held in November in Athlone. This Pobal conference reflected the work of all Pobal programmes, including the LDSIP. The aim of this conference was to explore effective strategies and approaches to address social exclusion in a changing rural Ireland.

Five LDSIP publications were formally launched in September and October 2006:

- More Than a Phase: A resource guide for the inclusion of young lesbian, gay, bisexual and transgender (LGBT) learners
- Community-based access to further and higher education
- Barriers to Access to Further and Higher Education for Non-EU Nationals Resident in Ireland
- Enabling Participation – a resource guide for Partnerships
- Smallholder Initiative – Good Practice Guidelines

In February 2006 a publication entitled ‘Partnership Dynamics, key lessons from local partnership in practice’, was distributed to Partnerships and Community Partnerships.

The second issue (Spring edition) of Inclusion through Local Development, the newsletter of the LDSIP, was published at the end of April. It focused on the theme of ‘Promoting Interculturalism’. The third issue (Autumn edition) was published in December and focussed on the theme of ‘Social Inclusion in Rural Areas’. The newsletters were distributed to all Partnerships that implement the programme as well as relevant staff in Government departments and Statutory agencies, local development agencies, community and voluntary organisations, etc.

Future Prospects

With the completion of the submeasure, a new NDP, and the cohesion process, the year 2007 will involve three types of transition:

- Transition to a new programme, with new operational guidelines, and new strategic plans at local level.
- The roll-out of the extension of programme coverage to all areas of the country.
- Agreement of new implementation structures at local level in rural areas, and the transition of Partnerships into these new structures.

Pending decisions by the Government, transition processes will allow the work to continue under the terms of the old programme in those areas that were previously covered by the LDSIP, through the existing local implementation structures.

05.04.06.01 National Drugs Strategy

Introduction

The Drugs Strategy Measure of the Local Development Measure mostly funds the work of the 14 Local Drugs Task Forces (LDTFs) and the 10 Regional Drugs Task Forces (RDTFs). The LDTF’s operate in areas with the highest level of problem drug use in urban areas and the 10 RDTF’s were set up in each of the then Health Board areas with a remit to explore the areas most affected by problem drug use in their regions. The 14 LDTF’s are located in the S&E Region, twelve in the Dublin area and one each in Cork and Bray. 6 RDTF’s are located in the S&E Region.

To date, funding of €17.5 million on an annual cost basis has been allocated to finance projects in the LDTF areas primarily in the area of prevention and treatment.

During 2004 and the earlier part of 2005 the 6 RDTFs in the South & East region mapped out the patterns of drug misuse in their areas - as well as the range and level of existing services - with a view to better co-ordination and addressing gaps in the overall provision of services. Following completion of this exercise the RDTF’s drafted regional action plans which were submitted to the National Drugs Strategy Team for assessment and funding.

An amount in the region of €5m was allocated to the RDTFs in 2006 to enable all 10 RDTF’s to begin the implementation of their regional plans.

The Inter-departmental Group on Drugs meets regularly with the National Drugs Strategy Team to assess progress and identify any obstacles to the implementation of the National Drugs Strategy 2001-2008. Regular progress reports on the implementation of the National Drugs Strategy are brought to the Cabinet Committee on Social Inclusion.

In addition, all appropriate Government Departments and Agencies fed into the publication of a Critical Implementation Path, which sets out the steps that they will take to ensure that the actions set out for them in the Strategy are

implemented. A copy of the CIP is available on the website of the Department of Community, Rural and Gaeltacht Affairs at www.pobail.ie.

Mid-Term Review

A mid-term review of the National Drugs Strategy, which commenced in 2004, was completed in 2005. The review found that the current aims and objectives of the Drugs Strategy are fundamentally sound. It also highlighted the need to re-focus priorities and to accelerate the rollout of some of the Strategy's actions and, in this context, eight new actions, and a number of amendments, were identified.

Working Group on Drugs Rehabilitation

Arising from a recommendation of the Mid-term Review, a Rehabilitation Working Group was established by the Department towards the end of 2005. This group includes representatives from a range of Government Departments and Agencies involved in delivering rehabilitation services as well as the National Drugs Strategy Team (NDST), the National Advisory Committee on Drugs (NACD) and representatives from the Community and Voluntary sectors. The Working Group is examining the current provision of rehabilitation services in Ireland and it will seek to make recommendations for improvement.

Expenditure

Cumulative Expenditure, 1st January 2000 to 30th June 2006

	Total NDP	Total CSF	EU Funds	National Public	Private
Expenditure	139.14	0	0	139.14	0
% of Revised Forecast	89.81%	0%	0%	89.81%	0%

Table A1. Expenditure for January to June 2006

	Total NDP	Total CSF	EU Funds	National Public	Private
Expenditure	18.87	0	0	18.87	0
% of Revised Forecast	80.34%	0%	0%	80.34%	0%

The 14 Local Drugs Task Forces have all had their action plans approved and have been allocated funds on an annual cost basis including budgets for (administration, development and training), to implement over 441 projects contained in those plans.

The National Advisory Committee on Drugs (NACD) has an annual budget of €1.27 million to deliver its research work programme.

Performance Indicators **

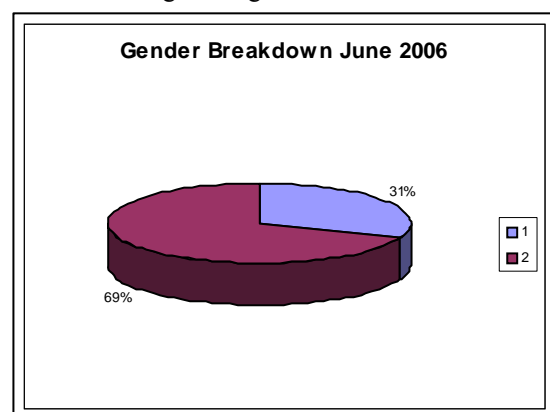
Class	Indicator	Baseline	Out Turn to Dec 03	Out Turn to June 06	Final Target
Output	Number of drug misusers receiving methadone treatment	4332	6,888	7,936	7,500
Result	Number of drug misusers availing of training and employment places	550	1,120	1,300	1,300

Age/Sex Breakdown of drug misusers receiving methadone treatment as at June 2006

Age Range	Female	Male	Total	%
16-19	35	38	73	0.9
20 - 24	315	451	766	9.5
25 - 29	907	1607	2514	31.1
30 - 34	724	1567	2291	28.3
35 - 39	281	962	1243	15.4
40 - 44	165	525	690	8.5

45+	97	409	506	6.3
Total	2524	5559	8083	100.0

Below are tables and charts outlining the Age/sex breakdown



of the above output indicator

1 = MALE 2= FEMALE

North/South Cooperation

Under the Broad Framework of the Good Friday Agreement, a British-Irish Council (BIC) summit was held in 2001 and discussed areas for future co-operation on drugs. Ireland is the lead administration in this area. Participant Members include Ireland, Northern Ireland, United Kingdom, Wales, Scotland, Jersey, Guernsey and the Isle of Man. The BIC sectoral group on drugs has met a number of times and a Ministerial meeting was held in February 2003 and also in November 2004. The aim of these meetings is to promote greater co-operation and a sharing of knowledge between participating countries. A number of events have been held under the work programme of the BIC. A number of seminars and conferences have also been held. Ireland hosted a seminar on the effectiveness of awareness campaigns in June 2003.

Information and Publicity Requirements

The Minister of State attended a number of launches and conferences related to the work of the National Drugs Strategy in the period in question. All speeches and press releases by the Minister of State acknowledge the role of the National Development Plan in funding National Drug Strategy initiatives.

The NACD displays the NDP logo in their publications and on their web-site and in all research work carried out to date.

The Minister of State will continue to promote the work being done under the National Development Plan and the National Drugs Strategy through his attendance and speeches at various policy related launches and seminars.

Future Prospects

A National Awareness Campaign highlighting the dangers of drug misuse was launched in May 2003 and the campaign is ongoing. It will continue over the next few years and will target a number of groups including young people.

Annex 2 Project List (On separate Excel Sheet)

Final Report under the NDP / CSF

Environment Co-ordinating Committee

Background to Committee

The National Development Plan 2000 – 2006 provided for the establishment of Horizontal Co-ordinating Committees to promote and co-ordinate the integration of the various Horizontal Principles into the measures and sub-measures of the Operational Programmes under the NDP/CSF. To promote the implementation and integration of the Environmental Horizontal Principle, the Environment Co-ordinating Committee (ECC) was established and first met on 4 May 2001.

Membership

Membership of the Committee was comprised of representatives from all the Managing Authorities of the Operational Programmes, the Social Partners, NGOs, Comhar, the Environmental Protection Agency, the CSF Evaluation Unit and the EU Commission. Resulting from an invitation from the Committee, representation was extended to and taken up by officials with the remit for environmental sustainability in the Department of the Environment in Northern Ireland.

In addition, regular invitations were issued to non-committee members to make presentations on topics of interest and relevance to the Committee's work such as the Water Framework Directive, the Strategic Environmental Assessment Directive, the Environmental Research & Development Programme and the National Biodiversity Plan. These presentations proved to be of great interest and benefit to the Committee in the fulfilment of its brief.

Work Plan of the Committee

The Committee met twice yearly, with the Environment Policy Section of the Department of the Environment, Heritage and Local Government providing the Secretariat and subsequent representation of the Committee at the regular Operational Programme Meetings organised by the Managing Authorities. The ECC adopted the following terms of reference:

- Review the environmental and environmentally related policies underpinning non co-financed and co-financed investment under the NDP/CSF, and the environmental impact of that investment, within the overall perspective of the Government's policy document, "Sustainable Development: A Strategy for Ireland";
- Assess and report on the degree of environmental integration achieved in the implementation of Operational Programmes and initiatives;
- Act as a forum for the promotion of environmentally sustainable policies and practices among Departments, implementing agencies, social partners and others involved in the NDP/CSF, with particular emphasis on the development of monitoring methodologies and mechanisms to facilitate the achievement of environmental objectives;
- Report and make recommendations to, the NDP/CSF Monitoring Committee with regard to environmental performance and impacts; and
- Consistent with the arrangements set out in the CSF for the Mid-Term Review; contribute to the Mid-Term Review of the NDP/CSF by providing advice in relation to environmental and environmental related issues.

Each Managing Authority made regular written and verbal submissions to the Committee addressing its contribution to the integration of the Environmental Horizontal Principle into its activities. These submissions provided valuable material that enabled the Committee to question and evaluate the potential negative and positive impacts of the relevant activities, in addition to the opportunity to offer observations and advice on how environmental performance could be improved under the Operational Programmes.

Mid-Term Evaluation & Review of Relevance

A Mid-Term Evaluation of the NDP/CSF was carried out in 2003 – 2004 to examine the individual Operational Programmes (OPs) with the aim of providing recommendations on how the Programmes could be better targeted and performance improved over the remainder of the Plan.

Of particular interest to the Environmental Co-ordinating Committee was the fact that a number of problems were acknowledged surrounding the integration of the Horizontal Principles into the Operational Programmes, including; lack of understanding of the overall goals of the Principles and how they could be integrated into programme implementation; absence of indicators or other data to capture progress in terms of the principles; poor quality reporting, and lack of guidance or support to implementing bodies.

As part of the review, the various measures were assessed to determine their relevance to the different horizontal principles, and it was agreed that horizontal principle monitoring and reporting should be specifically focussed on those measures with the greatest potential impact on each horizontal principle. This exercise resulted in over 40 measures and

sub-measures under 4 different Operational Programmes being selected for priority monitoring and reporting under the Environmental Horizontal

Principle.

With a view to extracting the maximum benefit from the above process, the ECC Secretariat consulted and met with all the Measure Managers responsible for the measures selected for priority with a view to improving the integration of environmental sustainability considerations. As part of this process an Issues Paper was prepared outlining the various challenges and difficulties that were being experienced and making a number of recommendations as to how the objectives pertaining to the Environmental Horizontal Principle could be better achieved. The Paper sought to provide solutions to the issues that had been highlighted by placing renewed emphasis and greater focus on: more targeted measure objectives, the use of effective project selection criteria and environmental indicators and increased attention to the quality of the ongoing monitoring and reporting of environmental performance. Importantly, it was recognised that for success to be achieved, the active awareness and involvement of the relevant officials on the ground was paramount. A revised Environmental Horizontal Principle Reporting Template was prepared by the Committee and incorporated by the Operational Programme Managing Authorities into their annual reporting process. In turn this template was used by the Measure Managers to file their annual reports on the various measures selected for priority and to outline their impact on the environment. In this regard the Committee was keen to ensure that recognition was given to those Measure Managers who were taking active steps to mitigate potential negative environmental impact and to highlight those measures that had direct positive impact.

In subsequent Reports, the Committee was pleased to be able to note that resulting from the review process, the positive reaction to the Issues Paper and the introduction of the new reporting template, there was a marked improvement in the incorporation of and reporting on environmental considerations under the measures selected for priority. However, it was also noted that there still remained room for further improvement and, in particular, the Committee flagged that continued attention should be given to the following issues: –

- The effective use of appropriate project selection criteria could be better utilised to promote environmental integration, thereby facilitating more rigorous ongoing environmental evaluation of relevant projects;
- The need to identify and integrate suitable environmental indicators;
- The benefits of ensuring that all relevant officials dealing with the relevant measures on the ground are aware of the requirements to integrate the horizontal principles into the various activities; and
- The necessity to monitor and evaluate the above points and to provide meaningful information and analysis on the impact of the relevant activities on the environment.

Environmental Impact of NDP/CSF

Under the NDP/CSF 2000 – 2006, while Ireland experienced strong economic growth, it also became increasingly clear that such growth must go hand in hand with environmental sustainability and, indeed, that economic progress and environmental protection can be mutually reinforcing. In that context it is worth noting that the EPA State of the Environment and Indicator Reports continue to flag environmental improvements across a range of areas. Much of this recorded improvement can be attributed to large-scale investment under the NDP in infrastructural development designed to aid the environment. In addition, many measures while not directly targeted at environmental protection or enhancement were managed in a manner that facilitated environmental considerations being taken on board.

However, again as flagged in EPA reports, significant challenges still remain to be addressed in areas such as climate change, water and air quality and waste management and while Government policies can provide a framework to meet such challenges, it is incumbent on us all – public authorities, businesses, farmers, non-governmental organisations and individuals – to play a part in solving these challenges. It is the view of the ECC that the outgoing NDP / CSF provided a framework and platform to build upon and that the lessons learned and experience gained can now be used to ensure environmental sustainability considerations are mainstreamed under the new NDP and related initiatives. In that context, as the overall goal of the new Plan focuses on continued economic sustainability combined with a strong commitment to environmental sustainability, it is clear that environmental considerations will continue to have significant influence to bear on the functioning of a wide range of funded activities.

Closure NDP 2000 – 2006

It is proposed that this report will constitute the last such ECC report under the NDP/CSF 2000 – 2006. It is deemed that it would not be necessary to re-visit this matter again under the outgoing structure and process and it is the hope of the ECC that its work was of some assistance to all relevant parties in fulfilling their individual remit. It is also the wish of the ECC that the experience gained over the period 2000 – 2006 will help to shape our success over the new NDP period of 2007 – 2013.

The Committee Members and the ECC Secretariat wishes to sincerely thank the many people and organisations involved for their interest and commitment to the work of the Committee over the life of the NDP/CSF 2000 – 2006. We look forward to the possibility of working with you again at some point in the future.

Measures Selected for Priority Reporting Under the Environment Horizontal Principle

Selected Measures (sub-measures)	OP
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Final Report under the NDP/CSF
Rural Development Co-ordinating Committee

Background

The National Development Plan 2000-2006 provided for the establishment of Horizontal Co-ordinating Committees to promote and co-ordinate the integration of the various Horizontal Principles into the measures and sub-measures of the Operational Programmes under the NDP/CSF. The Rural Development Co-ordinating Committee was established to promote the implementation and integration of the Rural Development Horizontal Principle.

Membership

Membership of the Committee was comprised of representatives from all the Managing Authorities of the Operational Programmes, Implementing Departments and the Social Partners.

Work Plan of the Committee

The Rural Development Co-ordinating Committee adopted the following Terms of Reference:

- (1) promote the rural development horizontal principle in the implementation of the selected measures approved by the Operational Programme Monitoring Committees at their Spring 2004 meetings;
- (2) in respect of each measure, consider
 - the reports on the rural development horizontal principle presented to the Spring Operational Programme Monitoring Committee meetings;
 - the comments thereon, if any, of those Committees and;
 - any significant rural development-related issues arising therefrom; and
- (3) report and make recommendations, as appropriate, to the NDP/CSF Monitoring Committee on the performance and impact of the measures on rural communities.

Each Managing Authority made submissions to the Committee addressing its contribution to the Rural Development Horizontal Principle into its activities.

Mid Term Evaluation and Review of Relevance

A mid-term evaluation of the NDP/CSF was carried out in 2003-2004 to examine the individual Operational Programmes (Ops) with the aim of providing recommendations on how the Programmes could be better targeted and performance improved over the remainder of the Plan.

As part of the review, the various measures were assessed to determine their relevance to the different horizontal principles, and it was agreed that horizontal principle monitoring and reporting should be specifically focussed on those measures with the greatest potential impact on each horizontal principle. This exercise resulted in 24 measures and 52 sub-measures being selected for priority monitoring and reporting under the Rural Development Horizontal Principle. It was hoped that this would lead to more in-depth, focused monitoring for the period to end 2006.

The Rural Development Division of the Department of Community, Rural and Gaeltacht Affairs met with all the Measure Managers responsible for the measures selected for priority with a view to improving the effectiveness of the application of the rural development horizontal principle and the reporting of it. At the time of those meetings, the Department was not overwhelmingly positive that the reports would improve significantly as it became clear that while a measure may have an impact in relation to rural development, data to quantify this was not kept and the measure managers saw no manageable way of beginning to keep data which would be useful. In others cases, once the Department had clearly outlined the type of information it was looking for, common ground was found in relation to what data may be useful from a reporting perspective. As part of this process, an Issues Paper was prepared to assist Measure Managers. A revised Reporting Template was prepared and this template was used by Measure Managers from Spring 2005.

Closure NDP 2000-2006

It is proposed that this report will constitute the last Rural Development Co-ordinating Committee report under the NDP/CSF 2000-2006.

Rural Development Principle

Selected Priorities/Measures	OP
National Public Transport measure	ESIOP

Selected Priorities/Measures	OP
Non-National Roads measure (3 sub-measures) Rural Water measure Urban and Village Renewal measure E-commerce and Communications measure Regional Airports measure Arts and Culture Facilities sub-measure Inland Waterways sub-measure Tourism measure (4 sub-measures) Micro-enterprises measure (2 sub-measures) Regional Innovation Strategies measure Forestry Development sub-measure Fishery Harbours, Gaeltacht/Island Harbours measure (2 sub-measures) Aquaculture measure Local Development Social Inclusion measure General Structural Improvement measure (8 sub-measures) Alternative Enterprises measure (5 sub-measures) General Rural Development measure (3 sub-measures) Services for Agriculture and Rural Development measure (2 sub-measures)	Regional OPs
Agriculture Research & Development measure (2 sub-measures) Food Agricultural Products sub-measure Seafood Processing measure Tourism Marketing measure Gaeltacht Areas measure (2 sub-measures) Sea Fisheries Development Priority (3 measures) Indigenous Industry measure Foreign Direct Investment measure (6 sub-measures)	PSOP
Sectoral Entry Training – Agriculture sub-measure Ongoing Sectoral Training – Culture, Gaeltacht and Film sub-measure Ongoing Sectoral Training – Seafood sub-measure Ongoing Sectoral Training – Forestry sub-measure Ongoing Sectoral Training – Agriculture sub-measure Education Infrastructure sub-measure	EHRDOP

Definition of Horizontal Principles

Rural Development: Improving the physical, economic and social conditions of people living in the open countryside, in coastal areas, towns and villages and in smaller urban centres outside of the five major urban centres (White Paper on Rural Development, 1999).

Implementing Gender Equality Commitments in the NDP 2000-2006

Assessment by the NDP Gender Equality Unit

This Issues Paper was initially submitted to the Autumn 2007 Operational Programme Monitoring Committees.

1. Summary

This assessment is the work of the NDP Gender Equality Unit of the Department of Justice, Equality and Law Reform. It examines the implementation of gender equality commitments in the NDP 2000-2006 and draws out learning for policy.

The gender equality commitments contained in the NDP 2000-2006 helped to sustain earlier advances and to promote further achievements in the area. Two distinct trends are evident. While women are achieving increased access to many labour market measures, significant gender gaps remain in other areas. These include some areas of employment, decision making structures and resource allocation. The cost and availability of childcare remains a barrier to labour market participation, particularly for low income households. The Unit is concerned that gender equality was not adequately tracked within the reports on the other horizontal principles (rural and the wider equality grounds). It was tracked to some extent within the social inclusion reports.

A gender mainstreaming approach also seems to point to the need to address the weaker performance of boys and men in some areas of education and training, Gender balance in decision making falls short of the 40/60 ratio in most areas.

The Unit found several examples of good practice in applying a gender mainstreaming approach, including in the Micro-Enterprise Measure. Gender mainstreaming was also evident in measures with a strong client-centred approach, including many social measures. The equal opportunities approach was the preferred approach for many higher level courses. The NDP 2000-2006 supported higher levels of gender equality in the labour market, but at the same time replicated current patterns of sex segregation in some areas.

The NDP 2000-2006 made an important impact on the provision of gender disaggregated data and the inclusion of gender issues within evaluations. It proved too difficult, however, to include gender criteria as part of 'project selection criteria', as proposed in the Plan. The Unit proposes that gender equality is included as a Measure and Programme goal to effectively deliver on this aim in the next planning period.

Advances were also made in the measures prioritised for gender equality within the Regional Operational Programmes and the Housing Priority of the Economic and Social Inclusion Operational Programme. The Unit found that the performance of most measures which were not prioritised for gender equality at the MTR was reduced to the provision of data. A few measures failed to comply with this requirement.

The Unit's recommendations are addressed to implementing bodies and the Social Partners. Gender mainstreaming and complementary positive action³⁶ are proposed.

2. Background

The National Development Plan (NDP) 2000-2006 contained an overarching commitment to advancing equal opportunities between women and men³⁷, by applying a dual strategy of gender mainstreaming³⁸ and positive action. The NDP Gender Equality Unit, in the Department of Justice, Equality and Law Reform, was set up to promote and monitor the implementation of the gender equality commitments in the Plan. The Unit was part funded from EU Structural Funds.

The Unit supported gender mainstreaming through:

- Advice and supports at design, implementation and evaluation stages;
- Issuing guidelines, models, research and a data bank of statistics; and

³⁶ Sometimes known as 'special measures'.

³⁷ This strategy did not apply to water, waste water/ management, energy, coastal protection and roads.

³⁸ The gender mainstreaming approach, as defined by the Council of Europe, involves 'the (re)organisation, improvement, development and evaluation of policy processes, so that a gender equality perspective is incorporated in all policies at all levels and at all stages, by the actors normally involved in policy-making' (COE, 1998). The European Commission sees gender mainstreaming as an integral part of its 'dual strategy' approach to promoting gender equality, the other key element being positive action to redress any gender-related imbalance or disadvantage.

- Participation in the Monitoring Committee and analysis of reports.

This paper is designed to present a number of policy issues arising from the experience of implementing gender equality commitments in the NDP 2000-2006. It draws on an assessment by the Unit of the individual measure reports for the period ending December 2006, particularly those prioritised for gender equality following the Mid-Term Review. This paper fulfils the Unit's requirement under the NDP to produce an annual 'Issues Paper', highlighting key themes and learning from the gender mainstreaming process.

The gender mainstreaming approach builds on Ireland's legislative framework on equal opportunities. In the context of the NDP, it facilitated consideration of gender equality issues at policy design, implementation and review stages. Bodies receiving funding under the NDP 2000-2006 were required to support the following gender equality commitments:

- (i) To take account of equal opportunities as part of project select criteria;
- (ii) To disaggregate measure indicators by gender, where possible;
- (iii) To include gender equality as a criteria in all NDP evaluations, and
- (iv) To promote gender balance on Monitoring Committees.

Progress on the implementation of these commitments was assessed as part of the Mid-Term Evaluations (MTR) of the NDP in 2004. The implementation of gender equality commitments was evaluated within each Operational Programme, together with other horizontal principles of the environment, poverty, rural and wider equality grounds³⁹. A separate report was completed by the NDP/CSF Evaluation Unit of the Department of Finance covering the experience of implementing all the horizontal principles tracked under the NDP⁴⁰.

The report by the Evaluation Unit identified the following weaknesses:

- "A lack of understanding of the overall goals of the principles and how they could be integrated into programme implementation;
- Poor quality analysis of the relevance of the principles to the Measures;
- Absence of indicators and other data to capture progress;
- Poor quality, formulaic reporting; and
- A lack of guidance or support to implementing bodies".

In order to overcome these weaknesses, the NDP/CSF Monitoring Committees adopted a recommendation prioritising certain measures for the application of the different horizontal principles. As a result, since the MTR, most measures are required to report in-depth on no more than two horizontal principles. Previously, measures were required to report on all of them. A total of 48 measures (66 including sub-measures) were prioritised for reporting on gender equality. Measures not prioritised were required to 'continue to provide any information or data already committed to'.

The suggestions in this paper are intended to enhance efforts on the promotion of gender equality as is required in both national and international policy. Ireland's international commitments are a significant driver in this regard, particularly those entered into at EU, UN and Council of Europe level. Gender equality is still a key focus in the 2007-2013 NDP which will be carried out in parallel with the implementation of the National Strategy for Women, 2007-2016. The Department of Justice, Equality and Law Reform is required to report regularly on Government efforts to comply with commitments in this area. In this context, gender mainstreaming is considered to be an effective way of achieving further advances on equality between men and women, with complementary positive action playing a useful role, where necessary.

3. Achievements and learning

3.1 Main findings

The Unit's 2005 'Issues Paper' found the following achievements from the implementation of the gender equality commitments in the National Development Plan (NDP) 2000-2006:

(i) It helped to sustained earlier efforts to promote gender equality

Implementing bodies became conscious of the importance of the promotion of gender equality as a goal of EU and Government policy, thus consolidating earlier progress on gender equality.

³⁹ These Wider Equality grounds included: people with disabilities, age, members of the Traveller community and those with refugee status.

⁴⁰ Review of Relevance of NDP/CSF Horizontal Principles to OP Measures', NDP/CSF Evaluation Unit, April 2004

(ii) It supported new action and progress on gender equality

Some barriers to women's participation were removed. A wider range of training and education opportunities are now open to both males and females. There is a strong focus on issues for boys/men in education. Some new areas of policy, such as enterprise and rural development, increased their commitments to promoting gender equality.

- (iii) It contributed to the creation of new social policy initiatives.** This includes the Equal Opportunities Childcare Programme⁴¹, the Equality for Women Measure and Gender Equality Units within the Departments of Justice, Equality and Law Reform and Education and Science.
- (iv) It improved the range of gender disaggregated data to support informed debate on gender equality.** Half the NDP Measures, including most education, training and local /community/rural development areas, are recording the male/female breakdown of participants. The County Enterprise Boards now collect detailed statistics on their clients. Some of the business supports and youth measure also produced good data.
- (v) The NDP also made a contribution to addressing gender balance in decision making.** This was done by tracking the membership of Monitoring Committees and, after the MTR, of management structures within some measures.
- (vi) A significant number of officials engaged, many for the first time, in actively promoting gender equality.** The Unit provided training to over 1,000 officials and social partner representatives, over the life time of the Plan. The Managing Authorities and the NDP/CSF Evaluation Unit also played important roles in supporting gender mainstreaming in the Plan. The Mid Term Review made a significant impact on the implementation of gender equality through the prioritisation process.
- (vii) In addition to mainstream approaches, a number of Implementing Bodies engaged in positive action to promote gender equality.** Some of the better performing measures were involved in implementing both mainstreaming and positive action approaches.

Most of the measures prioritised for gender equality following the Mid-Term Review were education and training measures of the Employment and Human Resources Operational Programme. Their measure reports demonstrate increased awareness and application of equal opportunities policies. Participation data and employment outcomes presented indicate increased representation of women. This has also been confirmed by recent CSO figures which found that Ireland reached its Lisbon target of 60% labour market participation for women in the third quarter of 2006.

The measures prioritised for gender equality within the Regional Operational Programmes (Childcare, Micro-enterprise, Rural Development and Youth) also supported significant advances. The Micro-Enterprise Measures applied a change management approach and thus ensured that the County Enterprise Boards are now actively engaged in promoting gender equality. The Housing Priority of the Economic and Social Inclusion Operational Programme demonstrated a strong social policy perspective. The single measure prioritised within the Productive Sector Operational Programme, a scientific research sub-measure, demonstrated strong equal opportunities principles in selection and reported equal gender participation.

The Unit also found that the performance of most measures which were not prioritised for gender equality at the MTR was reduced mainly to the provision of data. The Productive Sector Measures continued to maintain a very high level of information in this regard. For example, employment outcomes from Direct Foreign Investment were gender equal in 2006. The Food Marketing Measure (Bord Bia) of this OP also reported slightly over 50% female beneficiaries. However, not all measures across the NDP maintained this level of information.

Focusing only on the areas prioritised for gender equality at the MTR gives a false impression. A wider examination of the Plan indicates two distinct trends. While women are increasing represented in labour market measures, significant gender gaps remain in other areas. These include some areas of employment and in most areas of decision making and in resource allocation. The Unit found convergence between gender equality and social inclusion interests in some areas.

A small number of measures failed to actively implement NDP Government commitments on gender equality.

3.2 Human Resources Measures

Client centred approaches

The Unit found a high level of personal supports provided to individuals who access social inclusion measures under the NDP 2000-2006, including many of the Department of Education and Science, FAS and local development measures. However, with the exception of the adult education programmes, the majority of the measures which fall into this category were originally designed in large part to respond to men's labour market needs. Supports to assist women in these areas now include a contribution to childcare costs and an element of flexible provision, such as part-time

⁴¹ Succeeded by the National Childcare Investment Programme 2007-2013

training. Client-centred approaches were also evident in training for micro-enterprise, childcare measures and in social housing. Sectoral approaches also exhibited strong personalised approaches, as is evident from Fáilte Ireland and Teagasc measures. Accordingly, all these areas provided good attention to meeting individual needs. The Unit accordingly found a strong correlation between social inclusion measures and gender sensitive approaches.

Equal opportunities

Most higher level courses/measures do not attempt to meet individual needs, but aim to follow equal opportunity principles where everyone is treated equally⁴². A number of the education measures are accordingly delivered 'regardless of gender' or 'open to both male and female applicants'. This runs the risk of missing the need for special provision or adaptation to take account of the needs of women or men. However, it must be pointed out that many of these areas are reporting close to equal gender participation, such as the RTDI Education Sub-Measure. Within these education or training measures which still exhibit gender gaps, women are generally the under-represented group. Examples of this would include Apprenticeships and some post-graduate courses.

Equal opportunities policies can deliver good gender balance within the education system, especially for young people who do not have children. There are indications that the strong performance of girls/women within the education system may not be sustained in the labour market without good family-friendly policies.

Convergence with social inclusion

The Department of Education and Science and Fás are reporting a majority of female participants. On the other hand, boys and men are under-represented in a significant number of the education measures. Applying a gender equality perspective has thus highlighted the need to increase male participation in education. Fás data also points to men achieving weaker outcomes, indicating that they require further inputs before they are labour market ready. It is likely, however, that there is a convergence of problems of gender and disadvantage for this client group.

The stronger performance of women within education and training needs to be correlated with education standards in order to reach firm conclusions. Given women's lower labour market participation rates, it is likely that greater numbers are available to seek education and training than men, and those presenting for labour market measures may have higher educational attainment than many male course participants. The data set available to the Unit did not enable this analysis to be carried out.

Progression

Most measures reported without baseline data making assessment difficult. Fáilte Ireland presented baseline data which shows greater numbers of men are availing of training in the hospitality sector. The Unit can conclude that there is a higher level of gender equality in this sector in 2006 than at the outset of the NDP 2000-2006. Men in this sector also had better progression outcomes than women.

The Unit's assessment identified the need for a stronger focus on progression outcomes for women and men in the planning period 2007-2013. Those starting from disadvantaged positions are likely to have a longer path to employment and may need further inputs. In particular, rural development and local/community development courses require stronger links to the mainstream. Rural interests have pointed to under-provision of return to work programmes for women and to the need for more rural transport.

Addressing sex segregation

There is also some evidence of addressing horizontal or sectoral sex segregation within the NDP. Men are entering the tourism sector in greater numbers, including at mid-management levels. Women/girls are entering the equine industry but at the level of groom. While these developments are welcomed, attention also needs to be paid to addressing vertical sex segregation in sectors. Thus, the Unit concludes that the NDP 2000-2006 supported higher levels of gender equality in the labour market generally, but at the same time is replicating current patterns of sex segregation in some areas.

The positive results for women in the NDP 2000-2006 labour market measures are in large part due to earlier efforts to promote gender equality and to the favourable economic climate which applied in the period. As women's labour market participation rate has improved, attention should now focus on addressing issues of vertical and horizontal segregation. Given women's weaker labour market position, particularly in terms of pay and decision making, it is necessary to devote further attention to achieving greater gender equality there.

Identifying barriers

Most measures commented on or focused on addressing gender under-representation of either men or women. The general approach is to provide personal supports to individuals. Fáilte Ireland also removed a barrier to entry for those

⁴² RTDI Strategic Research sub-measure, Graduate Skills Conversion Programme, Third Level Quality Assurance,

not on the Live Register. It is disappointing, however, that across the NDP human resource measures, few new gender barriers were identified. For example, in the context of a move to flexi-security, it might be expected that new issues would arise. Implementing bodies need better consultation systems to identify what these issues might be.

3.3 Gender mainstreaming and positive action

A number of Measures which are performing well in relation to gender equality were engaging in both gender mainstreaming and positive or targeted actions⁴³. In an Irish context, positive action has an important role to play in promoting gender equality. Positive action can be effective, especially if it is linked to mainstream programmes. It is a useful vehicle for knowledge development and innovation, as well as for reaching vulnerable groups.

Science Foundation Ireland is funding an innovative positive action initiative to attract, retain and return women to science and technological areas. Although the Initiative is positive action, as distinct from gender mainstreaming, it is delivered by mainstream organisations. This Initiative constitutes an example of good practice and is a model which should be examined by other service providers/implementing bodies.

The Equality for Women Measure of the Department of Justice, Equality and Law Reform supported personal and career development for a significant number of women, including disadvantaged women. The measure has supported 88 projects in the Southern and Eastern Region and 28 projects in the Border, Midlands and Western Region. Mainstreaming the learning from these projects is a measure objective. The Measure is also funding a labour market initiative for Lone Parents which is managed by the Unit and co-ordinated by the County Development Boards (CDBs). Approximately 600 lone parents participated in education or training in the Initiative. The Unit also funded ten County Development Boards to undertake a needs analysis/profiling of lone parents in their counties and/or a mapping of service provision. A number of these projects have established lone parent groups or structures to assist lone parents articulate their needs.

3.4 Gender Equality Goals

The broad gender equality commitments in the NDP were seen to apply at programme and measure level. They provided the impetus for including the promotion of equal opportunities between women and men as an objective of the Employment and Human Resources Development Operational Programme. The Local Development Social Inclusion Programme also had equal opportunities as an objective from the outset of the Plan. The Micro Enterprise Measure adopted gender mainstreaming as a guiding value following the mid-term review. However, the high level NDP gender equality commitments generally did not translate into Programme or Measure level objectives, even in the human resources measures. With the exception of the Micro Enterprise Measure, efforts to strengthen gender equality commitments following the Mid-Term Review fell short of adopting gender equality as a goal. Reporting and data collection, however, improved in all areas prioritised for gender equality at the Mid-Term Review. The identification of clear goals may be a better way to promote gender equality, than the general commitment to include 'equal opportunities as part of project selection criteria' as contained in the NDP 2000-2006.

The national social partnership agreement, *Towards 2016* contains an objective of integrating social and economic objectives. Those implementing the Agreement might draw on examples of the implementation of gender equality commitments in the NDP 2000-2006 in this regard, particularly the housing, childcare and micro-enterprise measures.

The Housing Priority has clear social objectives to respond to particular needs. This objective has facilitated meeting the needs of low income couples; lone parents- the majority of whom are women, and homeless people, the majority of whom are single men. Gender equality is addressed as a mainstream concern in this area. The Unit accordingly concludes that, where policy objectives include clear social objectives, it should be possible to integrate gender concerns in a mainstream way. The provision of gender disaggregated data and a strong client focus will further bring out any particular issues or needs for both men and women. Economic Measures may need to adopt a social objective to guide relevant actions to support gender equality. This step will assist with the implementation of the first objective of *Towards 2016*.

Some Measures were unclear as to what contribution they could make to promoting gender equality. This applies particularly to areas where the measure does not control intake. Where the population is outside the control of the Measure, they have little or no scope to ensure greater gender balance in participation. However, the Measure can still make a contribution to addressing gender equality via course content, understanding stereotyping, decision making etc. More guidance is required to assist Measures in this regard.

Few areas offered general comments on future approaches. However, those which did provided very useful suggestions:

⁴³ (e.g. School Completion Programme, Micro-enterprise, Refugee Language Support Unit, Active Measures for the LTU and Socially-Excluded, Micro-Enterprise and Leader+)

- The Back to Education Initiative raised the need to engage with low paid workers as a way of increasing male participation. The Unit

endorses this suggestion;

- The Quality Assurance - Certificate and National Qualification Framework measure suggests that ‘...*there is a need to provide for training opportunities at higher levels (levels 5,9,10)*’ The scope to advance this proposal should be examined.

3.5 Family Friendly Policies

The NDP 2000-2006 made an important contribution to advancing gender equality under the Equal Opportunities Childcare Programme, and by providing a contribution to childcare costs to course participants. However, the cost and availability of childcare remains a barrier to labour market participation, particularly for low income households. The recent decision to directly link grant aid for community childcare services to the income status of parents is a positive step to removing these barriers. Parents accessing training or education will, in addition to qualifying for the weekly contribution of €63.50 per child as a vouched expense, also be able to avail of subvented childcare costs, provided they have access to community based childcare. Despite progress, there continues to be a shortage of community based childcare places. The weekly contribution of €63.50 per child is not available to parents aged under 23, who are accessing third level education programmes, or to those under aged 21 in continuing education.

The Unit’s Lone Parent Initiative found some evidence that employers may under-value qualifications achieved on a part-time basis and do not sufficiently understand the FETAC qualifications system. This finding might be considered by the National Qualifications Authority and the social and training wings of the employer organisations.

3.6 Gender within economic and social policy

As well as promoting gender equality, the NDP 2000-2006 also contained objectives in relation to other areas of social policy, including poverty, rural and the wider equality grounds⁴⁴. Progress in all of these areas was reported annually. The Unit examined the extent to which the material provided in the poverty, rural and wider equality templates referred to gender equality. The poverty templates often made reference to gender equality issues and provided gender disaggregated data. However, the templates on the rural or wider equality grounds did not seem to incorporate gender equality considerations. Even the people data-presented was not broken down by sex.

The work on gender mainstreaming in the NDP 2000-2006 coincided with an expansion of national equality policy to nine distinct grounds⁴⁵. Some organisations are reviewing their procedures and practices to ensure that they support this broad equality agenda. However, as well as focusing on the new categories, organisations need to have continued regard for gender equality issues in this context. Gender equality should be addressed as part of such equality reviews/audits as an issue in its own right, (to identify residual forms of gender inequality and sexism, for example), and also as an element when addressing the other grounds of race, age etc., to focus on multiple disadvantage). There is also a case for undertaking gender specific reviews/audits. Local level champions are needed to sustain earlier progress on gender equality issues within organisations.

3.7 Gender equality ‘a whole organisation value

Individual measures responded within an organisation culture. The extent to which the wider organisation supports gender equality, both as an employer and as service provider

will influence individual measures.

Within some Government Departments and State Bodies there is a move away from stand-alone gender equality units, to general equality or social inclusion units. The tendency is to locate gender equality expertise within sections or units with wider responsibilities for social policy. However, in order for this change to sustain gender equality, the overall organisation needs to clearly articulate its gender equality goals, as well as retaining champions and expertise on gender equality.

3.8 Gender equality a whole societal task

The positive contribution to equal gender balance in some areas is a consequence of equal opportunities with the education system. This points to the need for applying gender equality policies across all areas of Government, as the impact generally extends beyond the area in which they are achieved in the first instance. Equal opportunity policies have benefits for individuals, economy and society generally. On the other hand, some areas are finding it difficult to make quick progress, despite efforts. For example, achievements in areas such as entrepreneurship, require sustained

⁴⁴ Gender mainstreaming is an effective social policy but is rarely understood as such.

¹³ These are Gender, Marital Status, Family Status, Age, Race, Disability, Religion, Sexual Orientation, and Membership of the Travelling Community.

equal opportunities policies in the labour market as a precondition for progress. Support is also needed from all the social partners to ensure the effective promotion of gender equality.

It is important to support debate on gender equality by highlighting gender equality issues and reporting gender disaggregated data, including areas of weak performance. By providing data, awareness is raised of gender gaps and new work on promoting gender can be positioned, sometimes initially by positive action.

3.9 Reporting Weaknesses

The following have been found by the Unit to be of relevance in terms of process issues within the reporting framework:

- Most of the measures reporting at the end 2006 did not report against baseline data. Assessment over time by the Unit was therefore difficult.
- The separation of the gender equality template from the progress report could be seen as distancing gender from measure implementation. In the period 2007-2013 the Unit recommends that reporting on gender is now integrated into regular measure reporting. It is difficult to assess progress on gender without being aware of the overall measure context and performance. Monitoring on gender equality should be more integrated with central evaluation functions.
- Annual reporting sometimes loses key developments, such as the publication of research, which might have happened in the previous year. A once-off impact assessment may be a better way of addressing gender issues than an annual reporting mechanism or should complement annual reporting systems.
- While measure level actions are important, it is often impossible for national questions, such as the facilitation of part-time options, to be solved at this level. Accordingly, work on gender mainstreaming needs to be linked closer to mainstream policy.

4. Gender Balance

The NDP 2000-2006 contained a commitment to promote gender balance in NDP Monitoring Committees to redress women's under-representation. The Committees includes officials, social partners and other experts. The two Regional and the Economic and Social Infrastructure monitoring Committees draw membership from local authorities. At the conclusion of the NDP 2000-2006, the Productive Sector Monitoring Committee had the highest level of gender balance, close to the Government target of 40/60. Other Monitoring Committees had less than this. The NDP Equal Opportunities and Social Inclusion Co-ordinating Committee also had good gender balance.

Gender Balance on NDP Monitoring Committees at end 2006⁴⁶

Operational Programme Monitoring Committee	2000 male %	2000 female %	2006 Male %	2006 Female %	Change in female %, 2000-2006
Productive Sector	79	21	62	38	17
Economic and Social Infrastructure	72	28	81	19	-9
Border, Midland and Western Region	75	25	70	30	5
Southern & Eastern Region	70	30	75	25	-5
Employment and Human Resources Development	64	36	68	32	-4
National Development Plan/ Community Support Framework	78	22	80	20	-2
Equal Opportunities and Social Inclusion Co-ordinating Committee	35	65	56	43	-22

A number of measures reported on gender balance in their area of activity following the mid-term review including some enterprise and rural development measures. Further scope exists within NDP areas to report on this issue.

5. Recommendations

The following recommendations are suggested to guide work on promoting gender equality in the period 2007-2013:

- Promoting work on gender equality should also be anchored in each organisation's strategic plan, to ensure that all aspects are addressed and to give appropriate guidance to Measure Managers.

⁴⁶ The table is based on material provided by the Managing Authorities in mid-2007

- Broad objectives set at the macro planning level such, as in the NDP, need to be distilled down to appropriate goals at individual or policy levels. Areas where it is not possible to develop specific gender equality goals should aim to track gender equality or social impacts.
- As gender equality is a whole population issue, reports on poverty, rural or wider equality effects should also include gender equality analysis. All social inclusion measures, in particular, should be required to promote gender equality. The National Drugs Strategy is a priority in this regard.
- Complementary positive action is recommended to assist with the promotion of gender equality and knowledge development. The work of the County Enterprise Boards and Science Foundation Ireland are good examples in this regard.
- All areas should be clear on their contribution to promoting gender equality. More guidance is required to assist all Measures in this regard. All areas of education and training should be clear on how they can address gender stereotyping in publicity and course content. Lifelong learning measures should be prioritised for the promotion of gender equality. The In-company Training Measure is very important in this regard. Further work on gender equality in education and training measures should be informed by commitments to addressing horizontal and vertical sex segregation. The Schools Guidance Services Measure of the Department of Education and Science has a key role to play in supporting gender equality objectives.
- The cost and availability of childcare should continue to be monitored to ascertain the extent to which it constitutes a barrier to equal opportunities. The childcare subvention to course participants should be increased from the current level of € 63.50 per child per week where parents do not have access to community based services. Childcare supports should be extended to those at third level who are under aged 23. Childcare supports are also needed to assist those between the age of 18 and 23 years.
- Increased rural transport is required to facilitate labour market participation. Further opportunities should be provided to assist women in rural Ireland to return to work.
- The social partners should identify their contribution to promoting gender equality.

Reporting issues

- Policy areas need to develop and report against gender disaggregated baseline data in all areas
- Reporting on gender equality in the next planning period should be more integrated with regular progress reports on each area. At a minimum, the gender equality report should be an annex to the main report
- The annual reporting requirement could be reduced if gender impact assessments were carried out.
- The Department of Justice, Equality and Law Reform should advise on how areas receiving EU and NDP funds can support gender balance in decision making. The contribution to supporting gender balance at management level should also be reported in period 2007-2013 as a support to equal opportunities in the labour market.
- Organisations should be encouraged to conduct equality reviews and/or audits which may focus on all nine grounds of the equality legislation, but which, in particular, should focus on the importance of fostering gender equality specifically to meet the obligations of EU (and other multi-lateral) treaties, recommendations and directives. Gender specific reviews/audits should also be considered, where appropriate, as they can effectively promote action on gender balance within decision making, work-life balance, the gender pay gap, as well as querying the perpetuation of traditional sex roles and norms.
- While the Department of Justice, Equality and Law Reform remains the lead body on policy development and monitoring with regards to gender equality and the labour market, the Equality Authority should further identify what additional supports implementing bodies may require for the ongoing effective promotion of gender equality within the labour market. Particular attention should be focused on ensuring that the life cycle approach assists with the achievement of gender equality.
- The NDP 2007-2013 and the Co-financed programmes should ensure linkage between their programmes and the National Women's Strategy 2007-2016, as appropriate.
- It might be useful for the Department of Justice, Equality and Law Reform to commission research on remaining challenges to achieving further progress on gender equality.

Measures Prioritised for Gender Equality following the Mid-Term Review

Selected Priorities/Measures	Template Received	Consultation Engagement
Economic and Social Infrastructure Operational Programme	Yes	Yes
Housing Priority	Yes	Yes
South and Eastern Regional Operational Programme	Yes	Yes
Micro-Enterprise measure (2 sub-measures)	Yes	Yes
Regional Innovation Strategies measure	Yes	No
Childcare Measure	Yes	No
Youth Services Measure (5 sub-measures)	Yes	Yes

Selected Priorities/Measures	Template Received	Consultation Engagement
General Rural Development measure (3 sub-measures)	Yes	Yes
Border, Midland and Western Regional Operational Programme	Yes	Yes
Micro-Enterprise measure (2 sub-measures)	Yes	No
Regional Innovation Strategies measure	Yes	No
Childcare Measure	Yes	Yes
Youth Services Measure (5 sub-measures)	Yes	Yes
General Rural Development measure (3 sub-measures)	Yes	Yes
Productive Sector Operational Programme	Yes	Yes
RTDI – Education Measure	Yes	Yes
Employment and Human Resources Development Operational Programme	Yes	Yes
Action Programme for the Unemployed measure (FAS)	Yes	Yes
National Employment Service measure (FAS)	Yes	Yes
Active Measures for the Long-Term Unemployed and Socially Excluded measure (FAS)	Yes	Yes
Early Education measure (DES)	Yes	Yes
School Completion Initiative measure (DES)	Yes	Yes
Early Literacy measure (DES)	Yes	Yes
Traveller Education measure (DES)	Yes	Yes
Third Level Access measure (DES)	Yes	Yes
Schools Modern Languages measure (DES)	Yes	Yes
Early School Leavers – Progression sub-measure (DES)	Yes	Yes
Early School Leavers – Youthreach and Travellers sub-measure (FAS)	Yes	Yes
Sectoral Entry Training – Tourism (School Leavers) sub-measure (Fáilte Ireland)	Yes	Yes
Sectoral Entry Training – Tourism sub-measure(Fáilte Ireland)	Yes	Yes
Tourism (Education) sub-measure (DES)	Yes	Yes
Sectoral Entry Training – Agriculture sub-measure (D/AF)	Yes	Yes
Skills Training for the Unemployed and Redundant Workers sub-measure (FAS)	Yes	Yes
Apprenticeships/Traineeships – FAS sub-measure	Yes	Yes
Apprenticeship (Education) sub-measure (DES)	Yes	Yes
Employment Support Services measure (DSFA)	Yes	Yes
Vocational Training and Pathways to Employment for People with Disabilities measure (FAS)	Yes	No
Integrate Ireland Language and Training Ltd. Measure (DES)	Yes	No
In-Company Training – FAS sub-measure	Yes	No
In-Company Training – Enterprise Ireland sub-measure (EI)	Yes	No
Social Economy Programme sub-measure (Pobail)	Yes	Yes
Lifelong Learning – General Training measure (FAS)	Yes	Yes
Lifelong Learning – Back to Education Initiative measure (DES)	Yes	Yes
Lifelong Learning – National Adult Literacy Strategy measure (DES)	Yes	Yes
Lifelong Learning – Further Education Support Services measure (DES)	Yes	Yes
Ongoing Sectoral Training – Culture, Gaeltacht (UDARAS)	Yes	Yes
Film sub-measure (The Film Board)	Yes	Yes
Ongoing Sectoral Training – Seafood sub-measure (DCMNR)	Yes	Yes
Ongoing Sectoral Training – Forestry sub-measure (DAF)	Yes	Yes
Ongoing Sectoral Training – Equine Institute sub-measure (DAF)	Yes	Yes
Ongoing Sectoral Training – Agriculture sub-measure (DAF)	Yes	Yes
Ongoing Sectoral Training – Tourism sub-measure (Fáilte Ireland)	Yes	Yes
Ongoing Sectoral Training – Tourism Education sub-measure (DES)		
Middle Level Technician/Higher Level Technical and Business Skills (MLT/HTBS) measure (DES)		
Undergraduate Skills measure (DES)		
Postgraduate Conversion Course measure (DES)		
Training of Trainers – Primary, Post-Primary and Further Education sub-measure (DES)		
Training of Trainers – FAS sub-measure		
Quality Assurance sub-measure (DES)		

Selected Priorities/Measures	Template Received	Consultation Engagement
Quality Assurance/Certification and National Qualifications sub-measure (DES) Educational Equality measure (DES)		

Implementing Social Inclusion Commitments in the Regional Development Programmes 2000-2006

An Assessment by the Combat Poverty Agency

This Paper was submitted as part of the Regional Operational Programmes Implementation Reports 2007 to the European Commission.

1. Introduction

Combat Poverty's work to support enhanced reporting on social inclusion within the Regional Operational Programme can be divided into a number of distinct phases as follows:

Phase 1 - An Initial Analysis of Social Inclusion in the NDP and the development of the Pilot Indicators Project

Combat Poverty undertook an initial analysis of the extent and nature of social inclusion work facilitated by the National Development Plan. The findings of this analysis were presented and discussed at a series of roundtable meetings with Measure Managers. Building on this work Combat Poverty with the support of the two Regional Assemblies established the Pilot Indicators Project which ran over the period 2001- 2003. This purpose of this project was to support measure managers within the two Regional Operational Programmes to identify and report on measure level social inclusion indicators. The idea was that the aggregation of these measure level indicators would allow for a detailed analysis of the impact of the two Regional Programmes on social inclusion.

Phase 2 - Prioritisation of Measures under the Social Inclusion Principle

Combat Poverty joined with the Office for Social Inclusion (OSI) for the period 2004- 2007 to support those Measures prioritised under the social inclusion principle (by the NDP/CSF Unit following the findings of the Mid Term Reviewers) to meet their annual social inclusion reporting requirements. Combat Poverty provided the Regional Assemblies with an analysis of the reports submitted.

Phase 3: Documenting and using the Learning

Combat Poverty reported on the findings of their work in a paper entitled Poverty Impact Assessment in the National Development Plan. They also using the learning and issues arising from their experiences in the 2000-2006 round of funding to made a series of submissions from a social inclusion perspective on the draft 2007 exchequer and European funding programme documents including the National Development Plan (2007-13), the new Rural Development Strategy and the National Strategic Reference Framework and related Operational Programmes

The purpose of this paper is to examine some of the outcomes and impacts arising from this work. This paper examines the outcomes of each of the different phases of the work. It concludes with a summary of the key outcomes of the work.

2. Phase 1 - The Pilot Indicators Project

Combat Poverty met with the various Regional Measure Managers to identity both potential indicators and the various issues and challenges posed by the collection of the relevant data. Eventually indicators were agreed in relation to 8 measures within the two Regional Operational Programmes. At the conclusion of the Pilot in 2003/4 these indicators were forwarded to the Regional OP Monitoring Committees for acceptance.

Social Inclusion Indicators agreed by implementing bodies, for agreement by the Regional OP Monitoring Committees

No.	Measure	Implementing Body	Adoption of the Following Indicators/ Changes	
1	Agriculture and Rural Development Priority 3.1 General Structural Improvement Sub-Measure (ii): Farm Waste Management	Dept of Agriculture and Food	Output	1. No of Successful Applications by Farm Size 2. No of Successful Applications by Income Units:< 30 Units, 31- 100 Units, 101-150 Units and >150 Units
2	Agriculture and Rural Development Priority 3.1 General Structural Improvement Sub-Measure (iii)	Dept of Agriculture and Food	Output	1. No of Successful Applications by Farm Size 2. No of Successful Applications by Income Units:< 30 Units, 31- 100 Units, 101-150 Units and >150 Units

No.	Measure	Implementing Body	Adoption of the Following Indicators/ Changes	
	Improvement of Dairy Hygiene			(Once the scheme has been computerised)
3	Agriculture and Rural Development Priority 3.1 General Structural Improvement Structural Improvement Sub-Measure (i) Installation Aid for Young Farmers	Dept of Agriculture and Food	Output	1. No of Successful Applications by Farm Size 2. No of Successful Applications by Income Units:< 30 Units, 31- 100 Units, 101-150 Units and >150 Units (Once the scheme has been computerised)
4	Services for Agricultural and Rural Development Measure 4 (i) Advisory Services	Teagasc	Output	% of Service Users with 0-50 Income Units % of Service Users with 51-100 Income Units % of Service Users with 101-150 Income Units
				Insertion of the text: This Measure supports the 'Promoting Social Inclusion' priority of the NDP and currently targets farmers/farm families who have 100 or less income units
				Inclusion of Additional Commentary Inclusion of more detail and supporting evidence to highlight the fact that full time farmers with less than 100 income units are at very high risk of falling into poverty.
5	Social Inclusion and Childcare Priority 4.1 Childcare, Sub measure 4.1.1 Capital Grants	Dept of Justice Equality and Law Reform	Output	1) No of New Facilities established by a) Community Based/Not for Profit Groups and b)Self-employed/Private Provider 2) No of New Facilities established in RAPID/CLAR areas by a) Community Based/Not for Profit Groups and b) the Private Sector 3) No of Facilities Upgraded by a) Community Based/Not for Profit Groups and b) the Private Sector 4) No of Facilities Upgraded in RAPID/CLAR areas by a) Community Based/Not for Profit Groups and b) the Private Sector
			Result	1) % increase in the No of Childcare Places provided by: a) Community Based/Not for Profit Groups and b) the Private Sector 2) % increase in the No of Childcare Places in RAPID/CLAR areas
6	Social Inclusion and Childcare Priority 4.1 Childcare	Dept of Justice Equality and Law Reform	Output	No of Childcare workers supported in disadvantaged areas (disaggregated by gender)

No.	Measure	Implementing Body	Adoption of the Following Indicators/ Changes	
	Sub measure 4.1.2 Support for Staffing Costs		Result	% Increase in the No of Childcare Workers in disadvantaged areas

As part of the Pilot Indicators project work was also undertaken with numerous other measure managers and implementing bodies which, whilst not resulting in the development of specific social inclusion indicators, did generate a heightened awareness of social inclusion amongst both the implementing body and the beneficiaries of the scheme. This was the case for example in relation to Measure 2.1.2 Special Interest Pursuits where the implementing body, in this case Bord Fáilte, agreed to circulate an information note (developed by the Combat Poverty Agency) on how to support social inclusion, to all eligible applicants under this scheme and indeed to applicants under other schemes administered by Bord Fáilte.

The key outcomes of the Indicators project were the identification of the 8 social inclusion indicators, the introduction of a number of other actions positive to social inclusion. The Indicators Project also raised awareness of social inclusion as a horizontal principle within the Regional Operational programmes in particular and of the role of the Agency in the promotion of social inclusion.

(Subsequent to this Project, the NDP/CSF Evaluation Unit prioritised 61 different measures across four of the operational programmes under the social inclusion principle. Only two of the Measures prioritised by the NDP/CSF Unit under the social inclusion principle had participated in the Social Inclusion Indicators project, as such none of the six measures where social inclusion indicators were agreed went on to report on them which was very disappointing.)

3. Work Undertaken in Relation to the Prioritisation of Measures under the Social Inclusion Principle

Combat Poverty inputted the findings and learning arising from the indicators project into the mid-term reviews of the two regional operational programmes and the review undertaken by the ESRI. These reviews (and the reviews of the other three Operational Programmes) were ultimately very critical of the lack of application of the horizontal principles across the Programmes. The ESRI (2003) concluded that the social inclusion indicators were so few and the reporting on the social inclusion horizontal principle of such poor quality that it was impossible to tell if the structural funds were making an impact on poverty or social exclusion. The reviewers made a series of recommendations to rectify these deficits, including the designation of CPA and the Office for Social Inclusion (OSI) as a designated technical support unit for social inclusion in the NDP. Some funding was to support this work by the Dept of Finance through OSI.

The National Development Plan/Community Support Framework (NDP/CSF) evaluation unit responded to these criticisms by issuing a report (NDP/CSF Unit, 2003) addressing one important aspect of the critical comments, namely the quality of horizontal reporting. The Unit proposed that each measure would be prioritised under a least one but no more than two of the horizontal principles. Where a measure was prioritised under a particular principle, the measure manager was required to undertake more in-depth reporting according to a common agreed template. A total of 16 measures in the BMW and 17 measures in the S&E Operational Programmes were prioritized under the social inclusion principle. Where measures were prioritised under the social inclusion principle Measure Managers were required to submit an annual report on the actions that had been taken to incorporate the principle of social inclusion into the measure.

Combat Poverty in partnership with OSI as the designated specialist support unit for social inclusion in the NDP offered their support to the prioritised measure managers to assist them to develop indicators and prepare their annual reports. The Agency/OSI met with almost all of the relevant Measure Managers, in some times more than once, to assist them identify relevant social inclusion indicators.

The outcomes of this support included:

1. Positive changes to Programme Complement texts (to better demonstrate how and where a particular measure contributed to social inclusion)
2. The development of Social Inclusion Indicators
3. The Preparation and Submission of satisfactory Annual Social Inclusion Reports
4. The Identification and Inclusion of additional actions positive to Social Inclusion

Each of these outcomes are examined in more depth below

3.1 Changes to Programme Complement texts

Combat Poverty and OSI sought to support Measure Managers to make changes for the Programme Complement texts for the purposes of better illustrating how and where the measure contributed to social inclusion. Where possible, a direct connection was made with the achievement of the NAPs targets. The table below highlights the Measures whose Programme Complement texts were satisfactorily amended with the support of Combat Poverty to enhance

understanding of the linkages between the measure and social inclusion and in some cases the measure and the NAP/inclusion.

Regional Operational Programme Measures whose Programme Complements were satisfactorily amended with the support of CPA/OSI

E-Commerce and Communications
Gaeltacht/Island Harbours
Childcare Facilities Measure
Sub-Measure 1: Support for Staffing Costs
Sub-Measure 2: Quality Improvement
Equality for Women
Sub-Measure 1: Community Development
Sub-Measure 2: Family Services Project
Sub-Measure 3: Family Support Measure
Youth Service Grants
Special Projects for Disadvantaged Youth
Youth Information Centres
Young People's Facilities and Services Fund
Garda Youth Diversion Programme
Local Development
National Drugs Strategy Measure

The exact impact of the meetings between the Agency/OSI and the Measure Managers is not clear but 15 measure managers did go on to work with the Agency to make positive changes from a social inclusion perspective to the texts of their programme complements. A number of these textual changes represented

3.2. The Development of Social Inclusion Indicators

CPA and the Office for Social Inclusion worked with and supported some of the measure managers (those who requested their support and input) to

- develop social inclusion indicators and/or
- amend their existing indicators to provide more information on the affect of their
measure on social inclusion.

A total of 15 measures benefited from the development/enhancement of their indicators from a social inclusion perspective. Although only 14 of these went on to report on the social inclusion indicators developed.

Regional Operational Programmes Measures who with the support of CPA/OSI identified and developed Social Inclusion Indicators

Measure	Type of Indicator Change
E-Commerce and Communications	Changes to Result Indicators to reflect uptake in RAPID areas
Gaeltacht/Island Harbours	Changes to output indicators to provide data on the no of piers developed in disadvantaged areas (RAPID/Clar areas)
Childcare Facilities Measure Sub-Measure 1: Support for Staffing Costs	Changes to Output Indicators to reflect uptake in RAPID and CLAR areas
Equality for Women	Positive Changes to Output and Result Indicators
Sub-Measure 1: Community Development	Indicators enhanced generally
Sub-Measure 3: Family Support Measure	New result and impact indicators developed. Also now collect data on the location of Project in RAPID or CLAR areas
Youth Service Grants	Output Indicators broken down by some NAPS Target groups
Special Projects for Disadvantaged Youth	Output Indicators broken down by some NAPS Target groups
Youth Information Centres	Output Indicators broken down by location in and /servicing of disadvantaged areas
Garda Youth Diversion Programme	Agreement reached to breakdown indicators to show location in and /servicing of disadvantaged areas
Local Development	Additional Impact indicator developed

3.3. The Preparation and Submission of satisfactory Annual Social Inclusion Reports

The Agency/OSI were requested supported and commented on draft annual social inclusion reports. They also provided an analysis of the reports submitted and submitted their comments to the relevant Managing Authorities, with regular requests for the outstanding reports. Some Measure Mangers and some Managing Authorities treated the submissions seriously, while others simply ignored them. For example no Annual Social Inclusion Reports were submitted by the South and East Regional Authority despite various requests by the Agency/OSI. See the table below for details of the quantity and quality of the reports submitted over the period 2005 and 2006 across the two Regional Operational Programmes.

An Analysis of the Quantity and Quality of Annual Social Inclusion Reports submitted across the two Regional Operational Programmes over the period 2005 and 2006.

Programme	No of Measures Prioritised	No of 2006 Reports Submitted	No of 2006 Reports that were satisfactory	No of 2005 Reports Submitted	No of 2005 Reports that were satisfactory	Trend
BMW	16	9 (56%)	7	11 (68%)	8 (73%)	Negative
S&E	17	0 (0%)	0	12 (71%)	8 (67%)	Negative
Totals	33	9	7	23	16	

Reporting performance in relation to the submission of Annual Social Inclusion Reports clearly varied between the Programmes. The two Programmes began well but their performance disimproved with time. The figures suggest that the Regional Operational Programmes managing authorities were not particularly committed to reporting in social inclusion as a horizontal principle.

3.4. The Identification and Inclusion of Additional Actions Positive to Social Inclusion

As part of the process of supporting Measure Mangers to meet their social inclusion reporting requirements, Combat Poverty/OSI identified additional actions or indeed adapted existing actions to make a positive/enhanced positive contribution to the process of social inclusion. Two of these actions were clearly identified in either the Programme Complements/ or in the Annual Social Inclusion Reports from 2005 with input from Combat Poverty/OSI.

New/Amended Actions that support inclusion, introduced at a measure level with the support of Combat Poverty/OSI

Programme	Measure	Action Introduced
Regional Programmes	Garda Youth Diversion Programme:	A longitudinal study of progression of clients with a focus on social inclusion
	Community Development	A Survey of Participants in CDP led education & training courses to look at progression and provide social inclusion baseline data

4. Phase 3 - Documenting and using the Learning

Combat Poverty were keen to share their experiences and learning resulting from their work on social inclusion in the 2000-2006 NDP funding period with others. Combat Poverty produced the findings of their work in a paper entitled Poverty Impact Assessment in the National Development Plan.

The Agency also used the learning arising from their experiences in the 2000-2006 round of funding to made a series of submissions from a social inclusion perspective on the draft 2007 exchequer and European funding programme documents including the National Development Plan (2007-13), the new Rural Development Strategy and the National Strategic Reference Framework and related Operational Programmes. Positive developments which it is believed that Combat Poverty's work has had an influence on include the following:

- Social Inclusion remains a priority in the new NDP (2007-2013)
- Combat Poverty has a role in the context of the Structural Funds (2007-2013)
- Combat Poverty is a member of the Monitoring Committees for:
 - Human Capital Investment Operational Programmes
 - The BMW Operational Programme
 - The S&E Operational Programme
 - Rural Development Strategy

5. In Summary

Working on the NDP for Combat Poverty has been a slow and at time tortuous process. The horizontal principles were clearly for most Measure Managers and indeed Managing Authorities a fairly peripheral concern. Notwithstanding the Agency can state with some certainty that its work has achieved/contributed to the following:

- Raised the profile of social inclusion as a horizontal principle in the 2000-2006 period
- Identified at least 11 measure level social inclusion indicators
- Lead to a more explicit connection between the work undertaken within a measure and the promotion of social inclusion (through changes to the programme complement text)
- Analysis of the social inclusion reporting undertaken
- Social Inclusion remaining a priority in the new NDP (2007-2013)
- Combat Poverty becoming a member of 4 NSRF Operational Programmes Monitoring Committees

Annex 4 State Aid Implementation

The State aid granted under all measures under the 2000-06 S&E Regional Operational Programme was either:

- (1) compatible with the de minimis rule, or
- (2) applied under an exemption Regulation in accordance with Council Regulation 994/98 of 07.05.1998 (OJEC L142 of 14.05.1998) or
- (3) operated in conjunction with the notified and approved State Aid schemes as set out below.

Local Infrastructure Priority No 1 (EU Co-financed in red)

Measure Number	Title of the State Aid Scheme or ad hoc State aid	State Aid Number	Approval Letter Ref.	Duration of the Scheme
1. Non-national Roads		No State Aid	n/a	2000-2006 OP
2. Rural Water		No State Aid	n/a	2000-2006 OP
3. Waste Management	Grant Aid Scheme to support the development of waste management infrastructure	N350/2002	12-06-03 SG(2003) D/230135	2000-2006 OP
4. Urban and Village Renewal		No State Aid	n/a	2000-2006 OP
5. E-Commerce	E-Commerce and Communications Measure	N284/2005	C(2006) 436 of 8 th March 2006	2000-2006 OP
6. Regional Airports		No State Aid.	(94/C 350/07) of 10 Dec, 1994	2000-2006 OP
7. Seaports Measure		No State Aid.	n/a	2000-2006 OP
8. Recreation and Sports Facilities		No State Aid	n/a	2000-2006 OP
9. Art and Culture		No State Aid	n/a	2000-2006 OP
10. Habitat Protection	Compensation payments for losses arising from designation of the Natura 2000 network	N624/99 N123/A/2003	C(2003)3208 01/09/2003	2000-2006 OP
11. Heritage Conservation		No State Aid	n/a	2000-2006 OP
12. Inland Waterways		No State Aid	n/a	2000-2006 OP

Local Enterprise Development Priority No.2 (EU Co-financed in red)

Measure No.	Title of the State Aid Scheme or ad hoc State Aid	State Aid No.	Approval letter reference	Duration of the Scheme
1. Tourism 1	Major Attractors	Notified October, 2000. N710/2000	7/11/2001 C(2001)2990	2000-2006 OP
2. Tourism 2	Special Interest Pursuits	Notified October 2000 N710/2000	7/11/2001 C(2001)2990	2000-2006 OP
3. Tourism 3	Tourism and Environmental Management	No state aid	n/a	2000-2006 OP
4. Tourism 4 ⁴⁷	Tourism and Recreational Angling	N436/2001 SG (2002)	Approved 21/01/2002 C(2002/139)	2000-2006 OP
5. Tourism 5 ¹	Marine Tourism	N 770/2000 N551/2001	Approved 17/4/2001 SG (2001) D 287753 Approved 12/01/2001 C (2001)3129	2000-2006 OP
6. Micro-enterprises 1 and 2 ⁴⁸	1) Selective Financial Intervention 2) Entrepreneurial and Capability Development	Levels of support provided under this Measure are classified as de minimis	n/a	2000-2006 OP
7. Regional Innovation Strategies ⁴⁹	Aid provided to Institutes of Technology to construct incubation facilities.	No state aid	n/a	2000-2006 OP
8. Regional Innovation Strategies 2	Funding to support applied research in the Institutes which is linked to firms	This strand is not operational in this O.P.	This strand is not operational in this O.P.	n/a
9. Regional Innovation Strategies 3 ³	Funding to be provided to Institutes of Technology to carry out studies on regional innovation strategies. All information available from these studies will be widely available	No state aid	N/a	2000-2006 OP
10. Regional Innovation Strategies 4 ³	Investment to provide dedicated mentoring and support services to incubator facilities. All support services will be available to all firms	No state aid	N/a	2000-2006 OP

⁴⁷ Private sector projects within the de minimis category under sub-measure 4 and 5:

- The application form for grant requested details of state aid obtained or sought from another source for the project;
- Records have been kept in a format which allows individual applicants and total(s) of grant aid received to be identified.

⁴⁸ In order to comply fully with the de minimis requirements, a directive was issued to each of the 35 City and County Enterprise Boards. This directive stipulated that micro-enterprises in receipt of assistance from Enterprise Boards, shall not be eligible for additional aid from other agencies/organisations

Measure No.	Title of the State Aid Scheme or ad hoc State Aid	State Aid No.	Approval letter reference	Duration of the Scheme
11. Forestry 1 ⁵⁰	Woodland improvement	EAGGF Co-financed Article 30: 2,6 Article 32: 1 Article 33: 11	N/a	2000-2006 OP
12. Forestry 2 ⁴	Harvesting	EAGGF Co-financed Article 30:3	N/a	2000-2006 OP
13. Forestry 3 ⁴	Forestry Development	151/2001 Aid to Forestry Article 30:2,3,4,5 Article 33:7	Approved 6th December 2002 NN 88/A2002	2000-2006 OP
14. Forestry 4 ⁴	Forest Roads	151/2001 Aid to Forestry Article 30: 3	Approved 6th December 2002 NN 88/B/2002	2000-2006 OP
15. Fishery Harbour/ Gaeltacht Island Harbours	Fishery Harbour Infrastructure	No state aid	N/a	2000-2006 OP
16. Fishery Harbour/ Gaeltacht Island Harbours	Gaeltacht/Islands Harbours	No state aid	N/a	2000-2006 OP
17. Aquaculture ⁵¹	Aquaculture development programme	Notified 19 th July 2000. N 547/2000.	Approved 28/08/2001 D/291133	2000-2006 OP

Agriculture and Rural Development Priority No 3 (EU Co-financed in red)

Measure	Sub-Measure	Community Guidelines for Agriculture 2000/C 28/02 Relevant Paragraph	Date of State Aid Notification	State Aid No.	Approval Letter reference	Duration of Scheme
1.Measure 1 General Structural Improvement	Installation Aid for Young Farmers ⁵² Farm Waste Management ⁵³ Improvement of Dairy Hygiene Standards ⁵⁴	Para. 7 Para. 4 Para. 4	15/01/2001 22/03/2006 17/05/2000	N295/2000 N486/2005 N294/2000	D/285061 C(2006) 811 D/109383	2000-2006 OP 2000-2006 OP 2000-2006 OP

⁵⁰ The maximum aid intensities were respected in particular in Article 32 (2). The Community Guidelines on Agriculture were used pending the issuing of forestry guidelines

⁵¹ Public aid granted under the aquaculture sub-measure complied with the provisions of Council Regulation 2792/99 laying down detailed rules and arrangements regarding structural assistance in the fisheries sector and in compliance with the "Guidelines for the Examination of State Aid to Fisheries and Aquaculture" (97/C_100/05).

⁵² Co-financed following Mid-Term Review of the OP

⁵³ Under a revised scheme introduced in 2007, one of the aid rates exceeded that eligible under Regulation (EC) 1257/1999 and was therefore no longer exempt from state aids notification

⁵⁴ Co-financed following Mid-Term Review of the OP

	Improvement of Animal Welfare Standards (Pigs)	Para 4	16/06/2003	N416/2003	26/01/2001 D/285513	2000-2006 OP
	Animal Carcase Disposal	Para. 5.6.2	5/7/2000	N461/2000	26/01/2001 D/285513	2000-2006 OP
	Development of Grain Storage Facilities On Farm	Para. 4	5/7/2000	N461/2000	26/01/2001 D/285513	2000-2006 OP
2.Measure 2	Alternative Enterprises					
	Development of the Horticulture Sector	Para. 4	5/7/2000	N461/2000	26/01/2001 D/285513	2000-2006 OP
	Development of the Potato Sector	Para. 4	17/5/2000 10/10/2005	N297/2000 N525/2005	26/01/2001 D/285513 22/12/2005 C(2005)5926	2000-2006 OP
	Development of the Organic Sector	Para. 4	5/7/2000 16/06/2003	N461/2000 N163/2003	26/01/2001 D/285513 C(2003)1938	2000-2006 OP
	Improvement in Equine Quality On Farm	Para. 15, 4.3 & 14.1	5/7/2000	N461/2000	26/01/2001 D/285513	2000-2006 OP
	Housing/Handling Facilities for Alternative Enterprises	Para. 4	17/5/2000	N296/2000	26/01/2001 D/285513	2000-2006 OP

Measure	Sub-Measure	Community Guidelines for Agriculture 2000/C 28/02 Relevant Paragraph	Date of State Aid Notification	State Aid No.	Approval Letter reference	Duration of Scheme
3. Measure 3 General Rural Development	Area-based Rural Development Initiative	(1)	Cofinanced (a) 7/6/1999	Not applicable N 324/99	Not applicable SG(2000) D/104752 of 5/7/2000	2000-2006 OP
	Western Investment Fund	(1)	(b) 21/12/99	N6/2000	19/7/00	2000-2006 OP
	Rural Development Fund	(2)	(c) 21/12/99 Not applicable	N72/2000 Not applicable	1/02/2001 Not applicable	2000-2006 OP
4. Measure 4 Services for Agriculture and Rural Development	Teagasc Advisory Services	Para. 14	5/7/2000	N461/2000	26/01/2001 D/285513	2000-2006 OP
	Farm Relief Services	Para. 14.1	5/7/2000	N461/2000	26/01/2001 D/285513	2000-2006 OP

1. The projects submitted had to be in conformity with Para. 4.3 for Annex 1 products and with the Guidelines on National Regional Aid (OJ C 74, 10.3.1998 p.2) for non-Annex 1 products. Where aid is classified as “de minimus”, adequate controls were put in place to ensure that the total amount of aid to the beneficiary did not exceed 100,000 Euro over a period of three years.

2. As stated in the Agricultural Guidelines, p19, aid for Research and Development is subject to the Community Framework for State Aid for Research and Development (OJ C 45, 17.2.1996 p.5 as subsequently amended in relation to agriculture, OJ C 48, 13.2.1998, p.2). The Framework states that “public financing of R&D activities by public non-profit-making higher education or research establishments is normally not covered by Article 92 (1) of the EC Treaty”. Consequently, aid for research activities covered by public research institutes would not come within the terms of a notifiable State Aid.

Social Inclusion and Childcare Priority No. 4 (EU Co-financed in red)

Measure No.	Title of State Aid Scheme/ad hoc State aid	State Aids No	Letter Ref.	Duration of Scheme
1. Childcare 1	Capital Grant Scheme for Childcare Facilities	n/a	Capital Grants to private providers respected de minimus rule	2000-2006 OP
Childcare 2	Support for Staffing Costs			
Childcare 3	Quality Improvement Programme			
2. Equality	Equality Measure	XT/10/2001 Training Aid Communication	24/01/02 OJEU 2002/C 21/06	2000-2006 OP
3. Community Development and Family Support 1	Community Development Programme	No State Aids	n/a	2000-2006 OP
4. Community Development and Family Support 2	Family Services Projects	No State Aids	n/a	2000-2006 OP
5. Crime Prevention 1	Prison Services Measure	No State Aid	n/a	2000-2006 OP
6. Crime Prevention 2	Probation Centres	No State Aid	n/a	2000-2006 OP
7. Youth Services 1	Youth Service Grant Scheme	No State Aid	n/a	2000-2006 OP
8. Youth Services 2	Special Projects for disadvantaged Youth	No State Aid	n/a	2000-2006 OP
9. Youth Services 3	Youth Information Centres Programme	No State Aid	n/a	2000-2006 OP
10. Youth Services 4	Young People's Services and Facilities Fund	No State Aid	n/a	2000-2006 OP
11. Youth Services 5	Garda Youth Diversion Programme	No State Aid	n/a	2000-2006 OP
12. Local Development Measure	No State Aids	No State Aid	n/a	2000-2006 OP

Annex 5

Fields of Intervention Table (update table for S&E)

Table 10: Financial table final implementation report by priority and measure and fund

Commission Reference No of the OP: **2000 IE 16 1 PO 005**

Title: **Southern & Eastern Regional OP**

Year: **2000-2006 Programming Period**

(in euro)

Priority/Measure	Total ***	Total Eligible Actually Paid and Certified Expenditure	% of Eligible Cost	Other *****	Fund	Field of Intervention**
	1	2	3=2/1			
Priority: Local Infrastructure						
Measure 1.1 Non-National Roads	91,344,600.06	68,482,997.79	74.97	22,861,602.27	ERDF	312 (100%)
Measure 1.2 Rural Water	47,724,356.11	35,793,267.31	75	11,931,088.80	ERDF	344 (100%)
Measure 1.3 Waste Management	16,262,611.76	12,196,958.82	75	4,065,652.94	ERDF	343 (100%)
Measure 1.4 Urban and Village Renewal	33,246,035.05	24,722,606.75	74.36	8,523,428.3	ERDF	1306 (100%)
Measure 1.5 E-Commerce and Communications	85,967,332.28	42,983,666.14	50	42,983,666.14	ERDF	322(100%)
Measure 1.9 Technical Assistance	712,809.27	533,839.14	74.892284	178,970.13	ERDF	411 (80.87%) 412 (19.13%)
Priority: Local Enterprise Development						
Measure 2.1: Tourism	40,592,485	14,328,464.00	63.10	8,377,911	ERDF	171 (100%)
Measure 2.2 Micro-enterprise	49,681,564.33	37,249,696.47	74.964854	12,431,867.86	ERDF	161 (55.96%) 163 (44.04%)
Measure 2.3 Regional Innovation Strategies	11,532,963.15	7,590,880.79	65.818998	3,942,082.36	ERDF	164 (100%)
Measure 2.4 Forestry	17,862,267.00	13,396,700.00	75	4,465,567.00	EAGGF	121 (84.74%) 122 (15.26%) harvesting
Measure 2.5 Fishery Harbour Infrastructure	64,470,889.21	14,138,369.30	21.9298537.49	50,332,519.91	ERDF	145 (100%)
Measure 2.6 Aquaculture	53,357,768.21	20,003,804.07		33,353,964.14	FIFG	144 (100%)
Priority: Agriculture & Rural Development						
	63,585,750.00	47,689,312.00	75	19,255,688.00	EAGGF	111 (94.36%)

Priority/Measure	Total ***	Total Eligible Actually Paid and Certified Expenditure	% of Eligible Cost	Other *****	Fund	Field of Intervention**
Measure 3.1: General Structural Improvement	17,682,067.00	13,261,550.00	75	4,420,517.00	EAGGF	112 (5.64%) 1307 (100%)
Measure 3.3: General Rural Development						
Priority: Social Inclusion and Childcare						
Measure 4.1 Childcare Capital	46,736,165	35,035,237	74.9638679	11,700,928	ERDF	22 (100%)
Measure 4.2 Childcare Staffing and Quality Improvement	48,590,926.00	36,443,195.00	75	12,147,731.00	ESF	22 (100%)
Total						
Total ERDF related	396,662,461.10	239,453,773.20		157,208,687.90		
Total ESF related	48,950,926.00	36,443,195.00		12,147,731.00		
Total EAGGF related	99,130,084.00	74,347,562.00		141,772.00		
Total FIG related	53,357,768.21	20,003,804.07		33,353,964.14		
Priority/Transitional support*****						
Priority 1						
Regions not receiving transitional support	582,239,253.10	364,004,540.20		218,234,712.90		
Regions receiving transitional support						
Priority 2						
Regions not receiving transitional support						
Regions receiving transitional support						
Priority 2						
Etc.						
Technical assistance						
Regions not receiving transitional support						
Regions receiving transitional support						
Total	582,239,253.10	364,004,540.20		218,234,712.90		

Annex 5 Fields of Intervention Table

Annex 3 Financial table for Annual Implementation report by Priority and Measure 2000-2007

Table 10: Financial table for Annual Implementation report by Priority and Measure

Commission Reference No. of the relate OP:

2000IE161PO005

Title:

Southern & Eastern Region

Year:

2000 - 2006 Programming Period

Priority/Measure	Total	Total Eligible Actually paid and Certified Expenditure	% of Eligible Cost	Other	Fund	Field of Intervention
	1	2	3=2/1			
Priority 1 Local Infrastructure	553,401,000.00	578,316,933.84	105%			
Measure 1.1 Non-National Roads	276,040,000.00	293,751,410.90	106%		ERDF	312 (100%)
Measure 1.2 Rural Water	46,340,000.00	49,247,678.84	106%		ERDF	344 (100%)
Measure 1.3 Waste Management	52,080,000.00	57,066,483.82	110%		ERDF	343 (100%)
Measure 1.4 Urban & Village Renewal	88,381,000.00	87,929,457.32	99%		ERDF	1306 (100%)
Measure 1.5 E-Commerce & Communications	87,560,000.00	88,517,713.76	101%		ERDF	322 (100%)
Measure 1.9 Technical Assistance	3,000,000.00	1,804,189.20	60%		ERDF	41 (100%)
Priority 2 Local Enterprise	228,228,924.00	232,453,036.86	102%			
Measure 2.1 Tourism	45,930,601.00	41,546,953.41	90%		ERDF	171 (35%)
						172 (35%)
						173 (30%)
Measure 2.2 Micro-Enterprises	88,788,195.00	95,013,749.27	107%		ERDF	161 (50%)
						163 (50%)
Measure 2.3 Regional Innovation Strategies	20,540,000.00	18,388,909.35	90%		ERDF	164 (100%)
Measure 2.4 Forestry	16,027,128.00	12,280,000.96	77%		EAGGF	121 (99.9%)
						122 (0.01%)
Measure 2.5 Fishery Harbours Infrastructure	28,720,000.00	31,991,265.04	111%		ERDF	145 (100%)
Measure 2.6 Aquaculture Development	28,223,000.00	33,232,158.83	118%		FIFG	144 (100%)
Priority 3 Agriculture and Rural Development	123,572,451.00	137,131,694.66	111%			
Measure 3.1 General Structural Improvement	101,216,208.00	110,432,407.21	109%		EAGGF	111 (87%)
						112 (13%)

Measure 3.3 General Rural Development	22,356,243.00	26,699,287.45	119%		EAGGF	1307 (%) 1309 (%)
Priority 4 Social Inclusion & Childcare	266,826,000.00	299,615,242.03	112%			
Measure 4.1 Childcare Facilities	92,152,000.00	123,079,830.39	134%		ERDF	22 (100%)
Measure 4.7 Childcare	174,674,000.00	176,535,411.64	101%		ESF	22 (100%)
Total	1,172,028,375.00	1,247,516,907.39	106%			
Total ERDF Related	829,531,796.00	888,337,641.30	107%			
Total ESF Related	174,674,000.00	176,535,411.64	101%			
Total EAGGF Related	139,599,579.00	149,411,695.62	107%			
Total FIFG Related	28,223,000.00	33,232,158.83	118%			
Priority/Transitional Support						
Priority 1						
Regions not receiving Transitional Support						
Regions receiving Transitional Support	553,401,000.00	578,316,933.84	105%			
Priority 2						
Regions not receiving Transitional Support						
Regions receiving Transitional Support	228,228,924.00	232,453,036.86	102%			
Priority 3						
Regions not receiving Transitional Support						
Regions receiving Transitional Support	123,572,451.00	137,131,694.66	111%			
Priority 4						
Regions not receiving Transitional Support						
Regions receiving Transitional Support	266,826,000.00	299,615,242.03	112%			
Total	1,172,028,375.00	1,247,516,907.39	106%			

Annex 6 Financial Control Detailed Tables

Article 4

Measures	Total Declared		Total amount subject to on the spot verification	Total amount transaction tested on the spot	Total Adjusted detected corrected
Non National Roads	Total Amount (€s) % of Total Declared	293,751,410.90 100.00	197,978,945.15 67.40	68,533,516.81 23.33	-14,910.00
Rural Water	Total Amount (€s) % of Total Declared	49,634,410.83 100.00	5,401,374.67 10.88	461,507.63 0.93	-3,140.00
Waste Management	Total Amount (€s) % of Total Declared	57,066,483.82 100.00	7,307,214 12.80	5,595,317 9.80	
Urban & Village	Total Amount (€s) % of Total Declared	87,929,457.32 100.00	42,458,595.88 48.29	19,234,001.54 21.87	-98.00
E-Commerce	Total Amount (€s) % of Total Declared	88,517,713.76 100.00	36,418,491.43 41.14	19,353,059.21 21.86	-17.00
RIS	Total Amount (€s) % of Total Declared	16,650,943.29 100.00	13,602,279.35 81.69	10,881,823.48 65.35	
Ports	Total Amount (€s) % of Total Declared	31,991,265.04 100.00	16,884,972.26 52.78	- 0.00	
Technical Assistance	Total Amount (€s) % of Total Declared	1,804,189.20 100.00	1,656,389.39 91.81	1,656,389.39 91.81	
Tourism	Total Amount (€s) % of Total Declared	41,546,955.41 100.00	41,546,955.41 100.00	33,237,564.33 80.00	
Micro- Enterprise	Total Amount (€s) % of Total Declared	95,013,749.27 100.00	2,724,097.00 2.87	2,724,097.00 2.87	-2,110.00
Childcare Facilities(1)	Total Amount (€s) % of Total Declared	123,079,830.39 100.00	115,058,782 93.48	114,336,164 92.90	-4,600.00
Childcare Quality Improvement (ESF)	Total Amount (€s) % of Total Declared	53,233,374.32 100.00	39,078,620.09 73.41	39,078,620.09 73.41	-2,300.00
Childcare Support for staffing costs (ESF)	Total Amount (€s) % of Total Declared	123,302,037.32 100.00	71,216,096.00 57.76	71,216,096.00 57.76	-1,420.00
Measure Totals	Total Amount (€s)	1,063,521,820.87	591,332,812.80	386,308,156.11	-29,670.00

	% of Total Declared	100.00	55.60	36.32
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Look Back Review

Measures	Total Declared	Amount of EE subject to Look Back Review by IB on the spot	Amount of EE subject to Transaction Testing by IB on the spot	Amount &
Non National Roads	<i>Total Amount (€s)</i> 293,751,410.90 <i>% of Total Declared</i> 100.00	304,082,932.74 103.52	0.00 0.00	-
Rural Water	<i>Total Amount (€s)</i> 49,634,410.83 <i>% of Total Declared</i> 100.00	11,334,211.04 22.84	214,393.14 0.43	
Waste Management	<i>Total Amount (€s)</i> 57,066,483.82 <i>% of Total Declared</i> 100.00	36,463,809 63.90	22,423,368.81 39.29	
Urban & Village	<i>Total Amount (€s)</i> 87,929,457.32 <i>% of Total Declared</i> 100.00	19,303,917.55 21.95	3,858,318.74 4.39	
E-Commerce	<i>Total Amount (€s)</i> 88,517,713.76 <i>% of Total Declared</i> 100.00	97,484,987.88 110.13	52,676,844.70 59.51	
RIS	<i>Total Amount (€s)</i> 16,650,943.29 <i>% of Total Declared</i> 100.00	0.00 0.00	0.00 0.00	
Ports	<i>Total Amount (€s)</i> 31,991,265.04 <i>% of Total Declared</i> 100.00	246,349.39 0.77	246,349.39 0.77	
Technical Assistance	<i>Total Amount (€s)</i> 1,804,189.20 <i>% of Total Declared</i> 100.00	1,248,257.80 69.19	1,248,257.80 69.19	
Tourism	<i>Total Amount (€s)</i> 41,546,955.41 <i>% of Total Declared</i> 100.00	1,999,966.00 4.81	0.00 0.00	
Micro- Enterprise	<i>Total Amount (€s)</i> 95,013,749.27 <i>% of Total Declared</i> 100.00	25,169,266.01 26.49	782,000.00 0.82	
Childcare Facilities(1)	<i>Total Amount (€s)</i> 123,079,830.39 <i>% of Total Declared</i> 100.00	0.00 0.00	0.00 0.00	
Childcare Quality Improvement (ESF)	<i>Total Amount (€s)</i> 53,233,374.32 <i>% of Total Declared</i> 100.00	0.00	0.00	

Childcare Support for staffing costs (ESF)	<i>Total Amount (€s)</i>	123,302,037.32			
	<i>% of Total Declared</i>	100.00	0.00	0.00	
Measure Totals	<i>Total Amount (€s)</i>	1,063,521,820.87	497,333,696.93	81,449,532.57	-
	<i>% of Total Declared</i>	100.00	46.76	7.66	

Note :

RIS MA Correction of €1,732,308 in respect of breach of Rule 7 VAT

Childcare : MA procurement correction of €7,327,492

Tourism : MA Correction of €702,334 from MA LBR/ Article 4

FCU Audit

Measures	Total Declared	Exp verified	Amount detected & corrected
Non National Roads	<i>Total Amount (€s)</i>	293,751,410.90	19,753,954.83
	<i>% of Total Declared</i>	100.00	-990,485.00
Rural Water	<i>Total Amount (€s)</i>	49,634,410.83	3,322,204.00
	<i>% of Total Declared</i>	100.00	-602,154.78
Waste Management	<i>Total Amount (€s)</i>	57,066,483.82	14,245,616.00
	<i>% of Total Declared</i>	100.00	-123,924.00
Urban & Village	<i>Total Amount (€s)</i>	87,929,457.32	7,338,725.00
	<i>% of Total Declared</i>	100.00	438,488.67
E-Commerce	<i>Total Amount (€s)</i>	88,517,713.76	10,673,080.00
	<i>% of Total Declared</i>	100.00	8,801,872.42
RIS	<i>Total Amount (€s)</i>	16,650,943.29	3,826,450.00
	<i>% of Total Declared</i>	100.00	-5,658.00
Ports	<i>Total Amount (€s)</i>	31,991,265.04	2,517,576.00
	<i>% of Total Declared</i>	100.00	-18,957.43
Technical Assistance	<i>Total Amount (€s)</i>	1,804,189.20	254,793.00
	<i>% of Total Declared</i>	100.00	0.00
Tourism	<i>Total Amount (€s)</i>	41,546,955.41	5,596,502.00
	<i>% of Total Declared</i>	100.00	315,078.00
Micro- Enterprise	<i>Total Amount (€s)</i>	95,013,749.27	3,256,662.00
	<i>% of Total Declared</i>	100.00	-188,604.10

Childcare Facilities(1)	<i>Total Amount (€s)</i>	123,079,830	5,615,303	401,539.00
	<i>% of Total Declared</i>	100.00		-0.33
Childcare Quality Improvement (ESF)	<i>Total Amount (€s)</i>	53,233,374.32	10,280,261.00	-323,830.50
	<i>% of Total Declared</i>	100.00	19.31	0.61
Childcare Support for staffing costs (ESF)	<i>Total Amount (€s)</i>	123,302,037.32	€5,158,266.00	-203,409.50
	<i>% of Total Declared</i>	100.00	4.18	0.16
Measure Totals	<i>Total Amount (€s)</i>	1,063,521,820.87	81,235,301.33	7,499,954.78
	<i>% of Total Declared</i>	100.00	7.64	-0.71

EC Audits (Mazars, ESF)

Measures	Total Declared	Amount adjusted & corrected
Non National Roads	<i>Total Amount (€s)</i>	293,751,410.90 -10,858,762.36
	<i>% of Total Declared</i>	100.00 3.70
Rural Water	<i>Total Amount (€s)</i>	49,634,410.83 -57,725.11
	<i>% of Total Declared</i>	100.00 0.12
Waste Management	<i>Total Amount (€s)</i>	57,066,483.82 -200
	<i>% of Total Declared</i>	100.00 0.00
Urban & Village	<i>Total Amount (€s)</i>	87,929,457.32 -8,885.95
	<i>% of Total Declared</i>	100.00 0.01
E-Commerce	<i>Total Amount (€s)</i>	88,517,713.76 -10,196.00
	<i>% of Total Declared</i>	100.00 0.01
RIS	<i>Total Amount (€s)</i>	16,650,943.29 0
	<i>% of Total Declared</i>	100.00 0.00
Ports	<i>Total Amount (€s)</i>	31,991,265.04 0
	<i>% of Total Declared</i>	100.00 0.00
Technical Assistance	<i>Total Amount (€s)</i>	1,804,189.20 0
	<i>% of Total Declared</i>	100.00 0.00

Tourism	<i>Total Amount (€s)</i>	41,546,955.41	0.00
	<i>% of Total Declared</i>	100.00	0.00
Micro- Enterprise	<i>Total Amount (€s)</i>	95,013,749.27	0
	<i>% of Total Declared</i>	100.00	0.00
Childcare Facilities(1)	<i>Total Amount (€s)</i>	123,079,830	0
	<i>% of Total Declared</i>	100.00	0.00
Childcare Quality Improvement (ESF)	<i>Total Amount (€s)</i>	53,233,374.32	0
	<i>% of Total Declared</i>	100.00	0.00
Childcare Support for staffing costs (ESF)	<i>Total Amount (€s)</i>	123,302,037.32	0
	<i>% of Total Declared</i>	100.00	0.00
Measure Totals	<i>Total Amount (€s)</i>	1,063,521,820.87	-10,935,769.42
	<i>% of Total Declared</i>	100.00	1.03