



**Expert evaluation network
delivering policy analysis on the
performance of Cohesion policy 2007-2013
Year 3 – 2013**

**Task 2: Country Report on Achievements of
Cohesion policy**

Ireland

Version: Final

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**A report to the European Commission
Directorate-General Regional Policy**

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List of abbreviations

- AIR Annual Implementation Report
- BMW Border, Midlands and West
- CASH Centre of Applied Science for Health
- CEBs City and County Enterprise Boards
- EC European Commission
- ECB European Central Bank
- IMF International Monetary Fund
- NSS National Spatial Strategy
- OP Operational Programme
- PRTLTI Programme for Research in Third Level Institutions
- SILC Survey of Income and Living Conditions
- S&E Southern and Eastern

Executive summary

Successive governments have been committed to tackling the “regional problem” in Ireland. Various initiatives were taken since the 1950s and regional policy was especially active during the 1970s. Since the 1980s however national economic problems as well as challenges in urban areas have altered the policy orientation. While a range of bodies have been established to influence regional development and to manage funding, policy is initiated and heavily centralised in central government departments.

National and regional problems have been exacerbated further by the economic downturn since 2007. GDP and employment declined significantly. Unemployment, out-migration and the numbers at risk of poverty have increased. Since 2008 large expenditure cuts and tax increases have been imposed in a succession of Budgets, including October 2013. These were influenced to a large extent by the conditions associated with loans from the International Monetary Fund (IMF), the European Commission (EC) and the European Central Bank (ECB). The potential for national and regional development has been reduced significantly. There has been some evidence of stabilisation, modest growth of GDP and employment growth in some regions during 2012. Despite this, the level of unemployment remains unacceptably high especially in the agricultural and rural regions.

The policies pursued during 2011 have continued in 2012 with a strong emphasis on Innovation and Enterprise policy. Substantial progress has been made in implementing this policy and virtually all the allocation has been spent in the Border, Midlands and West (BMW) and Southern and Eastern (S&E) NUTS II Irish regions. While expenditure is not as advanced in relation to the Ireland Wales Programme, there has been a considerable improvement in 2012. While ERDF expenditure has been matched by the Irish government, cutbacks have meant that a range of projects have been abandoned or deferred in both NUTS II regions. Naturally this has impacted adversely on the lower-level Regional Authority NUTS III regions.

Despite continuing net job losses in the BMW region, the creation of gross new job positions in micro-enterprises has continued and these now exceed job losses in the S&E region for 2012 as well as for the period 2007 to date. The Programme for Research in Third Level Institutions (PRTLTI) remains a central element of Innovation and Enterprise policy and there was an increase in new research space and the number of researchers. The number of recipients of training and training days also expanded significantly. New urban regeneration and transport initiatives have improved the competitiveness and environment of a range of urban centres, particularly in the BMW region. One new evaluation of Gateways and Hubs was carried out during 2012. This suggests a degree of stabilisation in the main urban centres since 2009.

Without ERDF and Irish government support it is unlikely that the progress summarised above would have occurred. The reality is that government cutbacks, deferment of projects and a moratorium on recruitment are having severe effects. As emphasised in previous Reports a much stronger re-invigorated Cohesion policy with adequate EU and Irish government funding is now a top priority.

1. The socio-economic context

Main points from the previous country report:

- The significant downturn and challenges faced by the Irish economy since 2007, including the bailout of various banks, has necessitated loan assistance from the IMF, the EC and the ECB since 2010. The conditions associated with this loan included a reduction in the government deficit to 3% by 2015 together with significant expenditure cuts and tax increases;
- This has posed further difficulties for Ireland over a relatively short period. The Irish government has adhered strictly to the conditions of the loan, but this has left little room for tackling a range of severe national and regional difficulties;
- Continuing problems in a European and wider international context also continue to affect Ireland's export potential;
- Following continuous decline since 2007, modest growth in overall GDP and GDP per capita in 2011;
- Impressive export growth over several years mainly attributable to multinational companies.

Despite this:

- Significant budget deficits and public debt;
- Further cuts in public expenditure and tax increases with adverse national and regional effects;
- Continued contraction in employment in all sectors and further increases in unemployment during 2011;
- Continuing challenge of long-term and youth unemployment;
- An increase in net out-migration between April 2011 and April 2012;
- An increase in the proportions experiencing "deprivation" and being "at risk of poverty";
- Significant numbers in negative equity and in mortgage arrears;
- Serious regional problems, particularly obvious since 2007, persisted in 2011;
- A number of indicators of the "regional problem" most obvious in the BMW region and in particular in the rural and least urbanised areas;
- Despite its more favourable position, parts of the S&E region suffering from consistently high unemployment and other difficulties;
- A diverse set of NUTS III regions, some with heavy dependence on traditional sources of employment;
- Regional disparities exacerbated by cutbacks in infrastructure, deferred stimulus projects and restrictions on public sector recruitment;
- No obvious sign of recovery in BMW or S&E regions.

Developments since the 2012 report

Recent Changes in the National Economy and Regions

Most indicators at national and regional levels show that Ireland continues to face significant challenges. Having grown by a modest 2.2% in 2011 total GDP grew by only by 0.2% in 2012

(Central Bank of Ireland, 2013 and Eurostat, 2013). The general government (public sector) debt which stood at 25% of GDP in 2007 was 118% of GDP in 2012. (See Excel Table 2) Domestic demand has been either static or in decline since 2008 due largely to the continuing cuts in public expenditure and tax increases. Therefore, in the absence of exports growth, particularly of services, during this period the situation would have been much worse. However, even exports fell back during the second half of 2012 and the early months of 2013. The available regional GDP data and productivity growth rates show that the BMW region has consistently lagged behind the more prosperous S&E region for many years (See Excel Table 1).

The employment data in last year's Report is updated in Table 1. The contraction in employment, which had been obvious up to 2011, has eased somewhat (with a modest national growth of 1,200 or 0.1%) during 2012 due to a surprising resurgence in agriculture (including forestry and fishing) and, to a lesser extent, services. In contrast, industrial employment, including construction, continued to decline. Overall unemployment rates have also dropped from 14.5% in December 2011 to 13.7% in 2012 as has long-term unemployment (unemployed for more than one year) but some of this improvement is due to increased emigration.

Table 1 - Employment and Unemployment in Ireland, 2007-2012

	2007	2011	2012	% Change 2007/11	% Change 2011/12
Employment by main sector (thousand)					
Agriculture	113.8	80.3	90.0	-29.4	12.1
Industry	548.0	352.4	340.4	-35.7	-3.4
Services	1,477.0	1,412.3	1,415.3	-4.4	0.2
Not stated		2.7	3.2		
Total	2,138.8	1,847.7	1,848.9	-13.6	0.1
Construction Employment (thousand)					
Male	250.2	100.5	96.6	-59.8	-3.9
Female	13.5	7.3	6.6	-45.9	-9.6
Total	263.7	107.8	103.2	-59.1	-4.3
Unemployment (%)					
Male	5.1	17.6	16.6		
Female	3.8	10.6	10.3		
Total	4.5	14.5	13.7		
Long-Term Unemployment (thousand)					
Male	21.9	146.5	131.7	568.9	-10.1
Female	7.5	49.5	44.7	560.0	-9.7
Total	29.4	196.0	176.4	566.7	-10.0
Rate	1.3	9.1	8.2		

Source: CSO QNHS. Note: Table compares Q4 2007 to Q4 2012.

Table 2 - Youth Unemployment Rates in Ireland 2007-2012

	2007	2011	2012	% point difference 2007/11	% point difference 2011/12
Male 15-19 years	13.3	44.7	37.3	31.4	-7.4
Male 20-24 years	8.3	32.4	32.4	24.1	-
Female 15-19 years	9.9	35.2	29.0	25.3	-6.2
Female 20-24 years	6.3	19.7	19.5	13.4	-0.2
Total 15-19 years	11.7	40.3	33.2	28.6	-7.1
Total 20-24 years	7.4	26.3	26.2	18.9	-0.1

Source: CSO QNHS. Note: Table compares Q4 2007 to Q4 2012.

After more than a decade of net in-migration net out-migration re-commenced in 2009, reflecting the deterioration in employment. In the year ending April 2012 net outward migration (outward minus inward) was 34,400 and 33,100 in the year ending April 2013. Irish nationals comprised the largest component of net out-migration, increasing from 25,900 to 35,200 during the last two years (Central Statistics Office, 2013). If this out-migration had not taken place, unemployment would have been even more serious.

Both male and female youth unemployment rates in the 15-19 age categories have reduced significantly, due to some extent to an increased demand during the recession for further education. However, both the male and female rates in the 20-24 age groups were virtually unchanged in 2012. Youth unemployment remains a major challenge. Overall, therefore, the national employment and unemployment situation mirrors the other difficulties outlined earlier. See Table 2.

Poverty and social exclusion are the inevitable result of high levels of unemployment. The most recent *EU Survey of Income and Living Conditions (SILC)* estimated that 16% of the total population were at “risk of poverty” (having less than 60% of median equalised disposable income) in 2011. This had increased from 14.1% in 2009. However, the rate for those who were unemployed was 30.6% - up from 24.8% in 2009. Furthermore, the “deprivation rate” has deteriorated and almost a quarter (24.5%) of the population experienced two or more types of enforced deprivation in 2011 - up from 17.1% in 2009. In the case of the unemployed the deprivation rate in 2011 was 42.4% (Central Statistics Office, 2013a).

The up-to-date position on regional employment at NUTS II and NUTS III levels is shown in Table 3. The level of overall employment in the BMW NUTS II region fell further during 2012 due entirely to the significant losses in the largely agricultural and rural Border NUTS III region. Improvements in the other NUTS III regions were insufficient to counteract these losses. The S&E NUTS II region registered a modest employment gain due to improvement in 2012 in Dublin and the South West (both NUTS III regions). However, all other regions (Mid East, Mid West and South East) suffered employment losses.

Employment data for the six month period up to June 2013 suggests a considerable improvement on 2012 with an overall national gain of 21,000 jobs. The BMW region gained most (an increase of 18,400 jobs or 4.0%), with the Border regaining the jobs lost in the previous period and the Midlands and West continuing to gain. The S&E region fared less well with a growth of only 2,600 jobs or 0.2%. Whether this recent pattern continues remains to be seen. See Annex Table B.

Table 3 - Regional Employment Change in Ireland, 2011 - 2013 (thousands)

	Dec. 2011	Dec. 2012	% change 2011-12
BMW Region	462.4	458.1	-0.9
Border	180.8	171,5	-5.2
Midlands	102.8	105.7	+2.8
West	178.8	180.9	+1.2
S&E Region	1,385.3	1,390.8	+0.4
Dublin	548.8	556.4	+1.4
Mid East	229.9	225.5	-1.9
Mid West	154.6	150.1	-2.9
South East	182.9	181.8	-0.6
South West	269.1	277.0	+2.9
National Total	1,847.7	1,848.9	+0.1

Source: Central Statistics Office QNHS, Q4 2012.

The employment changes up to 2012 are reflected in the regional unemployment data in Table 4. The unemployment level deteriorated in the BMW region largely due to the difficulties in the Border NUTS III region and insufficient improvements elsewhere. In the S&E region all NUTS III regions improved their positions apart from the Mid East which remained static at 12.4%. However, the South East NUTS III region continued to have the highest rate of unemployment in the country at 18.8%.

During the six month period up to June 2013 all regions in BMW improved their positions in relation to unemployment. However, the S&E region worsened slightly with only two NUTS III regions (the Mid West and South East) recording modest reductions. Dublin and the Mid East fared worst. See Annex Table C. The unemployment situation remains problematic.

Table 4 - Regional Unemployment Rates in Ireland, 2011-2012 (%)

Area	Dec. 2011	Dec. 2012
BMW Region	15.6	15.8
Border	13.9	16.5
Midlands	18.7	16.9
West	15.4	14.4
S&E Region	14.2	13.1
Dublin	13.0	11.1
Mid East	12.4	12.4
Mid West	15.9	15.4
South East	19.2	18.8
South West	13.5	11.9
National Total	14.5	13.7

Source: Central Statistics Office QNHS, Q4 2012.

Both NUTS II regions (and the NUTS III regions within them) have been seriously affected by the economic crisis and by macro-economic policies and “austerity” measures pursued over recent years. The S&E region, containing the “core” of Ireland has fared marginally better than the BMW “periphery” with its heavily agricultural and rural areas. The re-negotiation of Irish government funding to the BMW region had an obvious adverse impact (see below). However,

both NUTS II regions have undoubtedly suffered from the reduction, deferral or cancellation of important investment programmes as well as restrictions on public sector recruitment.

The policy focus over recent years has been on reducing the budget deficit and repaying the loan procured from the ECB, EU and the IMF. In the process, dealing with regional disparities has been given a low priority. In effect, the pre-occupation with national economic growth and unemployment has received precedence over other fundamental requirements, including regional development. Further planned budget cuts can only exacerbate an already difficult situation. This conclusion was confirmed in both 2012 *Annual Implementation Reports (AIRs)* and in interviews carried out with key personnel in the NUTS II Regional Assemblies and in several representative NUTS III Regional Authorities. See Annex 2.

2. The regional development policy pursued, the EU contribution to this and policy achievements over the period

The regional development policy pursued

Main points from the previous country report:

- Balanced regional development has been a long-standing goal of successive Irish governments. However, regional and urban policy has been and remains heavily centralised in Central Government Departments;
- Two Regional Assemblies, eight Regional Authorities and a Western Development Commission have been established. While reflecting concerns at the regional level, these bodies currently lack executive and financial power;
- Regional Planning Guidelines have the potential to ensure better integration between national and regional development;
- The National Spatial Strategy remains in place (Government of Ireland, 2002 and 2010) but planned investments in a range of regional projects have been deferred due to the economic downturn since 2008;
- Ireland is associated with a number of territorial development programmes and manages the Ireland Wales Programme which emphasises cross-border sustainable development and climate change.

Developments since the 2012 report

By December 2012 the Enterprise policy area, with its emphasis on RTDI and linked activities, had been allocated EUR 210.7 million or 56% of ERDF funding (up from EUR 196 million or 52% in 2011). This represented a shift during 2012 of EUR 14.7 million away from Environment and Energy policy areas (less EUR 9.9 million), Territorial Development (less EUR 1.6 million) and Technical Assistance (less EUR 3.2 million). No new funding was provided to transport (roads and rail) and urban development in 2012 but EUR 80.3 million had been allocated by the end of 2011 (See Excel Table 3). These shifts are the result of an increasing focus on the Enterprise policy area but the reductions in other policy areas derive from the economic downturn and cutbacks in public expenditure. For example, in 2007 a total of EUR 300 million had been allocated to the Gateways in the *National Development Plan, 2007-2013* but this was

postponed and replaced by a more modest Gateway Challenge Fund co-financed by the ERDF in the BMW and S&E regions.

In addition, the Irish government in December 2011 successfully negotiated a reduction in its allocation from 60% to 50% in the BMW region. This meant that the EU co-financing rate increased to 50% although the level of ERDF funding remained the same at EUR 228.8 million. However, this re-allocation reduced the Irish government commitment from EUR 343.1 million to EUR 228.8 million a reduction of EUR 114.3 million. This was made up as follows:

- Enterprise Policy: EUR 18.4 million (15.2%)
- Environment and Energy: EUR 24.0 million (44.4%)
- Transport and Urban Development: EUR 67.4 million (41.7%)
- Technical Assistance: EUR 4.5 million (69.2%)

These reductions inevitably resulted in the deferral of many planned projects in 2012. See Annex 2 for BMW Assembly comments and BMW, AIR, 2012.

Arising from the recommendations of a *Mid-Term Evaluation of the Operational Programme (OP)* (Central Expenditure Evaluation Unit, 2011) the S&E Regional Assembly, with the agreement of the EC, also shifted EUR 15.2 million to the Enterprise policy area, resulting in a reduction during 2012 to Transport/Urban (less EUR 8 million), Environment/Accessibility (less EUR 4 million) and Technical Assistance (less EUR 3.2 million). These reductions together with the deferral of the EUR 300 million for the urban Gateways and other cuts have impacted severely on the potential for regional development in the affected policy areas throughout the S&E region. See Annex 2 for S&E, Assembly comments and AIR, 2012.

From the foregoing it is clear that, despite Irish government cutbacks arising largely from the conditions of the ECB, IMF and EC loans, the level of ERDF support has been maintained. In the absence of this, public investment would have been even lower. Furthermore, ERDF support to SMEs, co-funded with County Enterprise Boards through refundable aid grants and shares, has helped to counteract the inability or unwillingness of some lending institutions to provide much-needed credit finance (Drudy, 2012).

Territorial Co-operation

Ireland has participated in six programmes since 2007, including the ERDF-assisted Ireland Wales Programme which is managed by the S&E Assembly. A number of evaluations have been carried out and these were assessed in the 2011 Report. The Mid-Term Evaluation of the Ireland Wales Programme (SQW, 2011), covering the period up to 2010 was judged to be an example of “best practice”. The 2012 Report examined the allocation, commitments and expenditure on this Programme up to December 2011. This showed a marked improvement in expenditure since the Mid-Term Evaluation. Despite difficulties with “matching funding” due to the economic downturn, it also illustrated considerable progress in establishing and assisting SMEs, producing new products and processes and creating gross new jobs.

The two key Policy priorities of the Ireland Wales Programme throughout 2012 remained as follows:

- Knowledge , Innovation and Skills for Growth
- Climate Change and Sustainable Development

Any changes of emphasis and the achievements of the Programme up to December 2012 will be examined later in this Report.

Policy implementation

Main points from the previous country report:

- In the S&E region expenditure of ERDF as a proportion of that planned for the Programme period had increased to 88.9% by the December 2011 (up from 84.4% in 2010).
- In the BMW region expenditure had reached 89.3% (up from 76.9% in 2010).
- In the S&E region the main expenditure took place in the Enterprise and Innovation policy area while the BMW focussed on Transport and Urban Development.

Developments since the 2012 report

Table 5 updates the above data to December 2012.

Table 5 - The ERDF: Planned Expenditure 2007-13 and Actual Expenditure 2007-12 in the S&E and BMW Regions (EUR million)

	S&E Region		BMW Region	
	Planned 2007-13	Actual 2007-12	Planned 2007-13	Actual 2007-12
Ent./Innov.	111.2	111.2	102.5	90.3
Environment/Acess.	22.0	22.0	30.0	27.8
Transport/Urban	12.0	9.6	94.3	108.5
Technical assistance	1.4	0.6	2.0	1.9
Total	146.6	143.4	228.8	228.5

Source: S&E and BMW Regional Assembly OPs, 2007-13, AIRs, 2012 and Regional Assembly communications.

Note 1: In the S&E region ERDF "eligible expenditure" in the Enterprise/ Innovation policy area of the OP has reached EUR 290.6 million and the Environment/Accessibility policy area has reached EUR 50.5 million. Combined with the other Priorities it is clear this is well ahead of the allocation. Since there is surplus expenditure within the PRTL scheme, the MA has made a strategic decision to only include capital expenditure in its initial declarations for ERDF co-financing. This does not in any way affect the eligibility of the remaining schemes or indicate that they may not be included in further declarations. Likewise within the energy schemes the MA will only include some of the operations in declarations for ERDF co-financing. Again this does not in any way affect the eligibility of the remaining schemes or indicate that they may not be included in further declarations.

Note 2: All potentially eligible expenditure as spent may not necessarily be certified for ERDF co-funding purposes.

The actual expenditure of ERDF (EUR 143.4 million) as a proportion of that originally planned in the S&E region was 97.8%. Therefore, the progress reported in last year's Report has continued and the entire allocation will most likely be spent within the time period. The Enterprise policy area accounted for 78.2% of total expenditure in the S&E region, and this was largely made up of funding for the PRTL. This Programme is a critical element in both regions and is examined further below.

Actual expenditure in the BMW region has progressed even more rapidly and by December 2012 amounted to 99.8% of planned expenditure. The Transport and Urban Development policy area is the main source of expenditure accounting for 47.5% of the total allocation. This is closely followed by the Enterprise category with 39.5%.

Despite the economic downturn, government co-financing has been provided for ERDF, the rate of implementation in the S&E and BMW regions has been maintained and virtually all the allocation has been spent.

Territorial Co-operation

While Ireland is involved in a range of territorial co-operation programmes, the S&E Assembly has primary responsibility for the management of the Ireland Wales Programme. This is briefly examined here. As reported in last year's Report the key policy areas for support and budgets in this Programme are as follows:

- Knowledge, Innovation and Skills for Growth (budget EUR 39.6 million)
- Climate Change and Sustainable Development (budget EUR 26.4 million)
- Technical Assistance (budget EUR 4.2 million)

Included in the above budgets is a total of EUR 52.7 million from the ERDF. See Table 6. This illustrates a marked improvement in expenditure since 2011.

Table 6 - Allocation, Commitments and Expenditure on Ireland Wales OP to December 2012 (EUR million)

	Programme Allocation		Total Commitment			Total Expenditure		
	Total cost	ERDF	Total Cost	ERDF	% overall allocation	Total Cost	ERDF	% overall allocation
Priority 1	39.6	29.7	41.8	29.6	99.7	15.2	10.7	36.1
Priority 2	26.4	19.8	26.0	19.3	97.3	11.6	8.5	43.0
Priority 3	4.2	3.2	3.4	2.5	81.3	3.4	2.6	81.3
Programme Total	70.3	52.7	71.2	51.4	97.7	30.2	21.8	41.4

Source: Ireland Wales OP AIR, 2012.

Achievements of the programmes so far

Main points from the previous country report:

- "Job outcomes" in micro-enterprises by 2011 in the BMW region had fallen slightly since 2010 but had increased in the S&E region. The outcomes in both cases were below the baseline in 2007 - reflecting the economic downturn. However, the record for micro-enterprises has been much better than for Irish industry as a whole. Furthermore, the 'jobs outcome' indicator fails to illustrate the extent of gross new job creation in both regions (See Drudy, 2013).
- The number of micro-enterprises supported and the recipients of training increased significantly in both regions.
- The ERDF co-funded PRTLTI added a further 21,000 sq. m. of research space (particularly in the Biomedical Sciences) during 2011.
- The number employed in incubation centres increased from its 2010 position in both regions.
- Refundable aid to County Enterprise Boards co-funded by ERDF for the benefit of SMEs increased slightly in both regions in 2011.
- In the Territorial Co-operation category the Ireland Wales Programme had contributed to the establishment of 17 new SMEs by 2011. It had assisted 386 SMEs, facilitated the

creation of 61 new products or processes and initiated 4 cross-border projects on climate change.

Developments since the 2012 report

Achievements in the BMW region up to December 2012 are given in Table 7. In the case of micro-enterprises the 2012 AIR again provides details of “job outcomes”. The numbers have fallen slightly since 2011 and, reflecting the economic downturn, still remained below the baseline and well short of the target by the end of 2012. However, this poor outcome for micro-enterprises (a loss of 13.7% since the baseline) is still far more favourable than that for Irish industry as a whole (a loss of 37.9%) over the same period. It should also be noted that “job outcomes” is not a good indicator of job creation and ideally should be complemented by an indicator such as “gross new positions” as recommended by the Commission (See Directorate General for Regional and Urban Policy, 2013; and Drudy, 2013). This indicator is examined below. The number of supported enterprises continued to increase almost 5% since 2011. While the number of ERDF-supported researchers fell back from its 2011 position, it still exceeds its 2013 target and several major capital projects commenced in 2011 with PRTL I funding.

The PRTL I, co-funded by the Irish Government and the ERDF, is a critical element in the Irish innovation and enterprise policy area and hence has been an important element in Cohesion policy during the 2007-2013 Regional OPs. As stressed in previous Reports this Programme cannot be neatly divided between the two NUTS II regions since there is a strong emphasis on fostering inter-institutional co-operation between Universities and Institutes of Technology and other research bodies throughout Ireland, as well as with institutions in the EU and further afield.

During 2012 the PRTL I has continued to support a strategic and planned approach by third-level institutions to the long-term development of Ireland’s research capabilities. It also seeks to enhance the quality and relevance of graduate output and skills, and to encourage co-operation between researchers within and between institutions to support enterprise outside these institutions as well as broader societal development in Ireland. The PRTL I is currently focused on 5 key strategic areas:

- Bioscience/Biomedical;
- Environment & Marine;
- Social Sciences & Humanities;
- ICT & Advanced Communications; and
- Platform Technologies & Materials.

To date awards have been made in 5 cycles. As stressed in the 2010 Cohesion Policy Report (Drudy, 2010) these various funding cycles cannot be viewed in isolation from each other. Rather they represent a “continuum” with each cycle building on previous ones. Thus, the first cycle put in place a critical foundation for further progress in subsequent cycles and enabled and facilitated institutions to secure additional public and private funding. A number of case studies in the 2010 Report illustrated the way PRTL I has progressed through the cycles and contributed to the development of research capacity.

Annex 3 of the 2011 Report gives details of the specific projects funded under Cycle 4, 2007-2013 while Annex 3 of the 2012 Report provides details of Cycle 5 awards covering the period 2011-2016 (Drudy, 2011 and 2012). In the BMW region Cycle 5 funded 2 large-scale projects in National University of Ireland (NUI) Galway during 2011. These projects comprise new buildings, equipment and the recurrent costs associated with their operations and management. Project 1 and 2, the Advancing Medicine Through Discovery (Advancing Med) and the Arts Humanities & Social Sciences Research Building were at an advanced stage by the end of 2012 (BMW Assembly, 2012, p.77)

As shown in Tables 7 and 9 the ERDF co-financed PRTL I has supported the provision of 112,500 sq.m of research and library space throughout Ireland since its inception in 1998. During the current Programme since 2007 a total of 50, 600 sq.m of new space was achieved as well as over 900 new research posts. This infrastructure and the increased number of researchers has undoubtedly laid down a firm foundation and framework for new research. The first evaluation of the PRTL I completed in 2004 by an international team of experts concluded that that PRTL I was “the beginning of a major and most beneficial transformation of the research landscape in Ireland that will help to install an innovation driven economy”. (Higher Education Authority, 2004). As regards research performance arising from this, the most recent evaluation covering the period from 2000 to 2010 stated that “the PRTL I was pivotal in stimulating the development of research performance in Ireland” (PA Consulting, 2011). Based on results from 45 PRTL I-supported Research Centres the research performance between 2000 and 2009 was illustrated in terms of:

- A trebling of the number of publications per annum
- A ten fold increase in citations
- Registered patents 5 times higher
- Seven times more conferences hosted
- Eight times more conference presentations
- The Ph.D graduate base ten times higher
- Invention disclosures eight times higher

The significant change in “research impact” as measured by the number of citations per publications is also illustrated in Figures 1 and 2.

Figure 1 - Research Impact : Ireland and EU 27

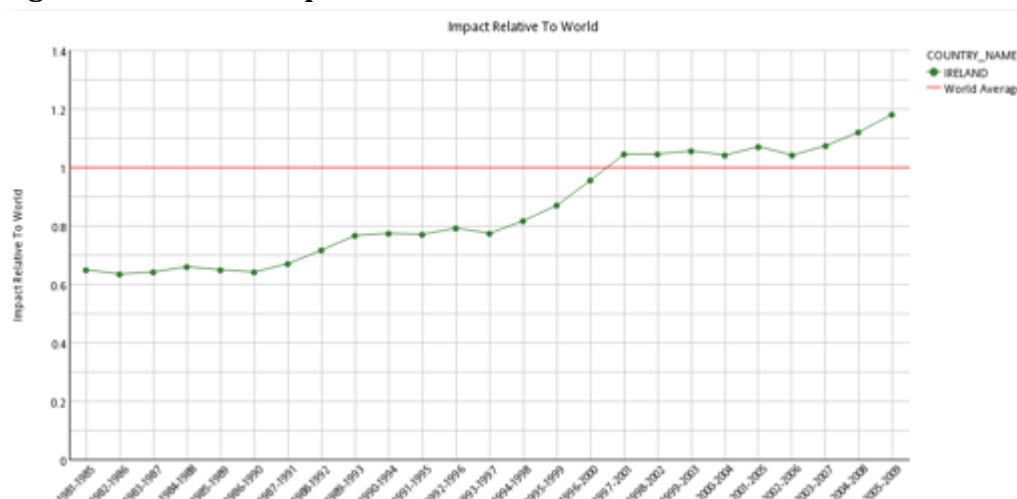
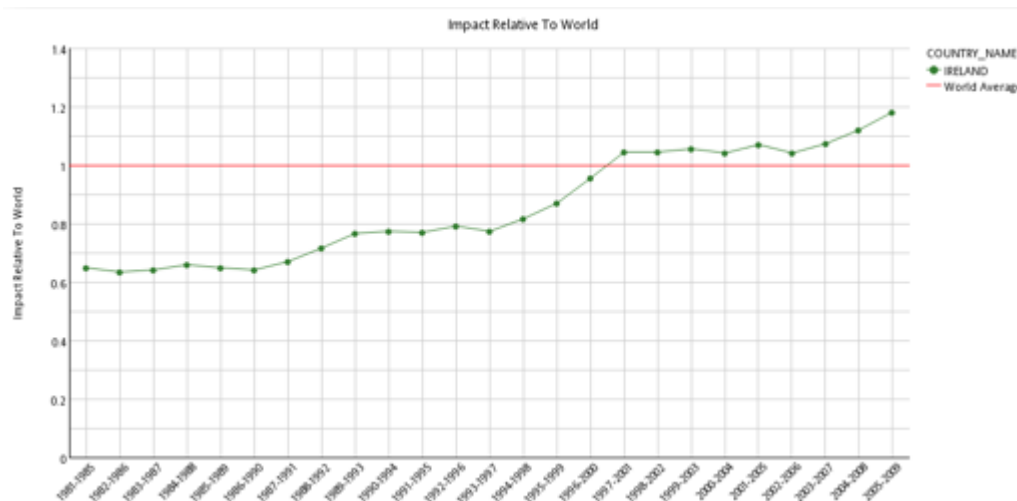


Figure 2 -Research Impact : Ireland and World Average

Source: www.iua.ie

In addition to this, however, the infrastructure funded by the PRTLTI has :

- facilitated and underpinned further collaborative research in other research organisations such as Science Foundation Ireland, the Irish Council for Humanities and Social Sciences Research and the Health Research Board.
- Resulted in increased collaboration between third level institutions and Northern Ireland and between such institutions and industry

Furthermore, a number of broader indicators show that Research and Development in Ireland is now a critical component in relation to business, sales, exports and employment. For example,

- Business Expenditure on R&D (BERD) increased from EUR 1,330 million in 2005 to EUR 1,870 million in 2009
- SME expenditure on R&D increased from EUR 278 million in 2007 to EUR 326 million in 2010
- Higher Education Expenditure on R&D (HERD) increased from EUR 550 million in 2005 to EUR 829 million in 2009
- The shares of active R&D firms far exceeded non-R&D firms in relation to share of sales, exports and employment over the period 2000 to 2009.

Source: Forfas et al. 2011

As regards the direct impact of PRTLTI on the Irish economy, PA Consulting (2011) estimated that 45 key funded Research Centres had generated:

- an additional direct commercial turnover, investment and savings of EUR 753.7 million
- an additional 1,255 jobs
- short-term employment generated in construction of infrastructural projects

Further “secondary” or “induced” impacts on the economy included the following:

- the influence of a strong research on the attraction of foreign direct investment
- skills improvement via new undergraduate and post-graduate programmes

- income generated by an increased inflow of post-graduate students due to enhanced research capability
- income from additional conference events due to new facilities and international research reputation

It can be therefore be concluded that a range of important outcomes or results have been generated by the ERDF-supported PRTLTI in association with Government funding. However, it should be noted that the commercial impacts outlined above, while welcome, emerged almost exclusively from Centres receiving the majority of PRTLTI funding in areas such as bioscience, biomedical, platform technologies, ICT and advanced materials. The main impacts and benefits have also been identified in multinational companies rather than in SMEs which will arguably play a crucial role in creating employment and furthering economic and social cohesion in the years ahead. Furthermore, in contrast to the bioscience and other policy areas mentioned above, significant commercial impacts can not normally be expected from research in the Humanities and Social Sciences which receive more modest funding from PRTLTI and government. Yet these latter research areas have arguably enormous potential to contribute to key socio-economic policy concerns of the EC such as unemployment, poverty, social exclusion and cohesion.

One final point regarding the sustainability of the PRTLTI should be emphasised. The first four cycles of PRTLTI were well funded and awards from the fifth cycle have been made since 2010. Therefore, the research and those employed in the research arising from these awards are likely to be secure for the next few years. However, significant cuts to University funding in Ireland over recent years raises concerns regarding the medium to long-term sustainability of the PRTLTI or similar research initiatives (EC, 2012). If this were to continue the “transformation” of the Irish research landscape achieved over the last ten years would be in serious danger.

Under the Human Resources category the total employed in incubation centres remained at 258 as in 2011 but has already exceeded the target of 215. There are now 6 ERDF-supported incubation centres with 82 companies in the BMW region – in Athlone, Castlebar, Dundalk, Galway, Letterkenny and Sligo. These enterprises are operating across a range of sectors, including software, medical devices and environmental technologies (BMW Assembly, 2012). The number of recipients of training and the number of training days in micro-enterprises increased significantly and far exceed the targets. This emphasis on incubation and training is especially important at this time of economic downturn in order to prepare and up skill recipients for future development.

In the Transport, telecommunications and urban policy areas, no new major transport schemes were completed in the BMW region. However, a number of smaller but important road development initiatives were completed in 2012. These included a time-saving Transportation Corridor, incorporating a 1.6 km of dedicated bus and cycle facilities in Galway, an eastern access route to Cavan town (a critical link with the border area) and a by-pass of Longford town for traffic to and from the north-west of the BMW region (BMW, AIR, 2012, pp. 171ff). As shown in Table 7, broadband provision has now exceeded its 2013 target. In the urban policy category, the extent of cycle way provision increased further in 2012 and there were significant additions to public facilities under the Gateway and Hubs Scheme e.g. the completion of a 765 sq. m. Art

Gallery in Athlone, a 247 sq. m. library/archive centre in Ballina and a range of energy, technology and utility developments in Tuam (BMW *AIR*, 2012, pp. 173ff).

One of the key environmental challenges facing the BMW region has been the widespread provision of clean water in the interests of the environment and public health and to meet national and European standards. Considerable progress has been made in this respect. The number of new ERDF-supported water treatment plants increased further from 18 in 2011 to the 2013 target of 23 by the end of 2012. The population served similarly increased from 19,000 to 27,000 and by the end of 2012 had achieved the target.

Finally, in relation to energy the focus of policy is on delivering energy-cost and carbon-reduction services to all sectors of business through training and advisory programmes. For example, the number of exemplar energy-saving actions supported in large industry and SMEs and the community sector in the two NUTS II regions increased from 55 in 2011 to 68 in 2012. This is still well off the target of 200. A total of 88 R&D and other projects were also completed with the aim of accelerating the deployment of renewable energy. Despite the relatively small allocations to environment and energy a number of modest achievements can be recorded.

Table 7 - Selected Indicators and Outcomes in BMW Region up to 2012

Policy area	Main indicators	Outcomes/results up to:			
		Baseline	2011	2012	Target 2013
Enterprise Support - RTDI Innovation	No. of jobs created in micro-enterprises supported by City and County Enterprise Boards (CEBs)	16,684	14,740	14,392	20,884
	No. of micro-enterprises supported by CEBs	2,511	3,878	4,067	5,011
	Increased access to finance by SMEs (refundable aid - EUR million)	1.2	1.1	0.8	-
	PRTL Building Programme and Research Projects	BMW and S&E regions: 112,500 sq. m. of research and library space over 4 Cycles since 1998. 50,600 sq. m 2007-2012. Significant increase in researchers and post-graduate students. BMW and S&E regions Cycle 5 awards in 2012. See also text.			
	No. of Researchers in Supported Projects	47	98	82	70
Human Resources (ERDF) Youth Unemployment (ERDF only)	No. of recipients of training in micro-enterprises	26,550	60,456	67,603	61,530
	No. of training days provided to micro-enterprises	35,572	119,793	135,832	119,572
	Total employed in Incubation Centres	168	258	258	218
Transport and telecommunications	Km of new/improved inter-urban motorway	-	33	33	33
	Km of national primary roads	-	19.3	19.3	19.3
	Km of national secondary roads	-	14	14	14
	No. of new railcars serving destinations in the BMW region	-	24	24	24
	No. of additional businesses with broadband available	-	33,990	34,099	33,609
Urban Regeneration	Public space regenerated in urban centres (sq. m.)	-	25,800	25,800	29,400
	Km of new cycle ways	-	20.8	22.5	22.5
Environment and energy	No. of new water treatment plants	-	18	23	23
	No. of people served by new water treatment plants	-	19,000	27,000	27,000
	No. of exemplar energy savings actions supported*	-	55	68	200

Source: BMW Regional Assembly and BMW AIR 2012, Ballaghaderreen.

Note: (*) Refers to all regions.

The record in relation to “job outcomes” in the BMW region was shown earlier. In order to provide an alternative indicator of the extent of job creation Table 8 gives details of the gross job gains (together with gross job losses) over the period 2007-2012. It is clear that considerable job creation took place during this period, although job gains were counteracted by significant losses reflecting the particular challenges faced by this region. However, gross and net losses have declined significantly from a peak in 2009. The gross gains are a good indicator

of job creation but, while such gains are supported by ERDF, it is obvious that all of them cannot be attributed to this support.

Table 8 - Gross Job Gains and Losses in Micro-Enterprises in the BMW Region, 2007-2012

Year	Gross Gains	Gross Losses	Net Gain / Loss
2007	2,837	-1,923	915
2008	2,569	-2,806	-237
2009	2,061	-3,842	-1,781
2010	2,077	-2,264	-187
2011	2,868	-3,161	-293
2012	1,893	-2,220	-328
Total	14,305	-16,214	-1,909

Source: CEB Co-ordination Unit, Enterprise Ireland, Shannon.

Table 9 sets out selected achievements for the S&E region. As shown earlier the Enterprise category is by far the most important in this region in terms of expenditure. Within Enterprise “job outcomes” in micro-enterprises recorded a net gain of 968 jobs during 2012. This is an important turn-around from earlier years, particularly 2008 and 2009 when significant net losses occurred. Gross job gains and losses are given below to supplement this data. The number of micro-enterprise supported also increased significantly and should be close to the target in 2013. In contrast to the BMW region the number of researchers in the S&E region increased significantly and is now close to a recently-increased target. This reflects the fact that most of the large third level institutions with research capacity are located in this region. While the PRTL, co-funded by ERDF, covers both regions with considerable inter-institutional collaboration, most of the PRTL awards are inevitably made in the S&E region with most research capacity.

The Centre of Applied Science for Health (CASH) at the Institute of Technology, Tallaght, Dublin, funded by Cycle 4 of the PRTL, was completed and officially opened on 12 November 2012. CASH is a consortium involving over 40 researchers drawn from Institute of Technology, the National Institute for Cellular Biotechnology at Dublin City University, the National University of Ireland, Maynooth and the Adelaide-Meath Hospital incorporating the National Children’s Hospital. CASH has 944 new sq. m. of research space and 45 work stations.

An extension to the Focas Research Institute in Dublin Institute of Technology, also funded by PRTL, was completed and opened on 1 November 2012. This initiative has close links with two other PRTL-supported projects - the Integrated Nano-Science Platform for Ireland (INSPIRE) and the National Biophotonics and Imaging Platform, Ireland (NBIPI). This produced 550 new sq. m. of space and 60 new work stations (S&E Assembly, 2012, pp.93-94).

Under the Human Resources category the number of recipients receiving training in micro-enterprises increased as well as the number of training days. While both of these exceed the target, the question arises as to whether these and other targets have been set too low in the past. There has been a modest increase in the numbers employed in incubation centres which was just above the recently-increased target at the end of 2012. At this stage, there were 154 companies incubating in 12 Centres employing 690 people in the S&E region. As in the BMW region, the attention to training and incubation is to be welcomed and is in line with national and international labour activation policies.

No ERDF-supported transport developments took place during 2012 and broadband accessibility actually fell during the year, although its target had been exceeded. A number of urban regeneration projects were completed in Dublin and Limerick under the ERDF co-financed Gateway Grant scheme. Achievements were also modest in the Environment and Energy policy areas. National funding in these latter policy areas has been severely constrained and, as illustrated earlier, the ERDF allocation was also small in comparison with other policy areas.

Table 9 - Selected Indicators and Outcomes in S&E Region up to 2012

Policy area	Main indicators	Outcomes/results up to:			
		Baseline	2011	2012	Target 2013
Enterprise Support – RTDI Innovation	No. of jobs created in micro-enterprises supported by CEBs	24,858	24,157	25,125*	32,558*
	No. of micro-enterprises supported by CEBs	4,029	6,489	6,973	8,029
	Increased access to finance by SMEs (refundable aid – EUR million)	2.0	2.3	2.6	-
	PRTLTI Programme and Research Projects	BMW and S&E regions: 112,500 sq. m. of research and library space over 4 Cycles since 1998. 50,600 sq. m 2007-2012. Significant increase in researchers and post-graduate students. BMW and S&E regions Cycle 5 awards in 2012. See also text.			
	No. of Researchers employed in the region's HEI	-	708	819	847
Human Resources (only ERDF) – Youth Unemployment (ERDF)	No. of recipients of training in micro-enterprises	57,15	145,628	168,647	141,159
	No. of training days provided to micro-enterprises	74,294	226,199	256,078	249,249
	Total employed in Incubation Centres	284	653	690	670
Transport and telecommunications	Additional businesses with broadband available	-	25,991	25,843	23,125
Environment and energy*	No. of exemplar energy savings actions supported	-	55	68	200

Source: S&E Regional Assembly and AIR 2012, Waterford

Note: (*) Refers to all regions

These data refer to estimated “job outcomes” in order to compare with data from the BMW region in Table 7. However, the Irish authorities have recently agreed an indicator in order to align more closely with the requirements of the Commission. See S&E Assembly, AIR Amended September, 2013, pp. 24-25.

Table 10 illustrates the extent of micro-enterprise job creation in the S&E region by reference to gross job gains. These have increased steadily over the last few years. While they have been counteracted by gross job losses, there has been an overall net gain in jobs since 2010.

Table 10 - Gross Job Gains and Losses in Micro-Enterprises in the S&E Region, 2007-2012

Year	Gross Gains	Gross Losses	Net Gain / Loss
2007	4,283	-2,336	1,948
2008	3,401	-3,712	-311
2009	3,267	-5,336	-2,069
2010	3,911	-3,843	68
2011	4,385	-4,276	109
2012	4,852	-3,884	968
Total	24,098	-23,385	713

Source: CEB Co-ordination Unit, Enterprise Ireland, Shannon.

Table 11 outlines selected achievements in the Ireland Wales Programme since 2011. The number of SMEs created and assisted has increased significantly. The increase in the number of new products/processes is quite exceptional, but the S&E Assembly has confirmed that many first-round projects have just been completed and therefore new outputs arising were reported only by the end of 2012. Examples include improved health and safety processes in store, new inventory management and distribution processes and an innovative export strategy (See Annex 3 for more details). The number of cross-border projects dealing with climate change also increased.

Table 11 - Selected Indicators and Outcomes in the Ireland Wales Programme up to 2012

Policy area	Main indicators	Outcomes/results up to:			
		Baseline	2011	2012	Target
Territorial Co-operation: Ireland Wales Programme (see further details below)	No. of SMEs assisted	-	386	953	300
	No. of SMEs created	-	17	47	10
	New products/processes	-	61	540	15
	Cross-border projects on climate change	-	4	7	9

Source: Ireland Wales AIR, 2012, Waterford.

Under the Innovation and Competitiveness Theme a total of 157 gross new positions had been created in the Ireland Wales Programme by the end of 2012 compared with a modest target of 20. Similarly, under the Sustainable Regeneration of Communities Theme 38 gross new jobs had been secured in comparison with a target of 6 (S&E Assembly, 2013). Such low targets must be re-visited.

In summary, there have been a number of positive developments in 2012 in the BMW and S&E regions despite the continuing fall-off in government funding. This is especially the case in relation to the Enterprise and Urban policy areas. The Ireland Wales Programme has also improved its expenditure record and has registered a range of achievements. In the absence of the ERDF, it is unlikely that all of these developments would have taken place.

3. Effects of intervention

Main points from the previous country report:

- The continuing emphasis on innovation and enterprise is well founded, although questions arise as to whether the high-value orientation has a sufficiently broad impact.
- Progress was made in relation to additional training in both NUTS II regions
- County Enterprise Boards made a useful contribution to micro-enterprise development and in providing finance not available from traditional lending institutions.
- Regeneration programmes contributing to quality of life were completed in a range of urban centres.
- In relation to territorial co-operation the Ireland Wales Programme recorded a range of achievements.

Developments since the 2012 report

As illustrated in the various earlier sections of this Report these types of positive “impacts” have continued in 2012 and are reflected in stabilisation and modest improvements in some regions.

In addition, however, it can be concluded that there have been wider effects arising from the investments funded during this programming period. Based on interviews, evaluations and Reports from the MAs and Regional Authorities the following long-term effects can be identified:

- PRTL: Apart from contributing to the direct provision of physical and human capital, a number of key commercial and employment effects in the wider economy have already been identified during the 2007-2013 Programming period. See, for example, the evaluation by PA Consulting Group, 2011.
- Investment in the development of micro-enterprises and an emphasis on training has established a solid framework within which economic, social and territorial cohesion can be strengthened. See Annex 2 interviews.
- Urban regeneration initiatives have made a significant contribution to improving facilities, the environment and the quality of life in a range of urban centres outside the main “core” of Ireland, thus enhancing their competitive positions and alleviating regional disparities. See BMW and S&E AIRs, 2012.
- CEB initiatives in relation to micro-enterprise mentoring and financial engineering have played a critical role in supporting NUTS III regions and areas which would otherwise be largely ignored. See Annex 2 interviews.
- In relation to Territorial Co-operation the Ireland Wales Programme has been successful in creating a range of new products and processes with effects far beyond the boundaries of the Ireland Wales Programme. See SQW, 2011.

4. Evaluations and good practice in evaluation

Main Features of the Evaluation Strategy

When the OPs 2007-13 for the BMW and S&E regions were being drafted, ex ante evaluations were carried out to improve the quality and effectiveness of Structural Funds assistance and the implementation of the Programmes. The OPs contained a commitment to carry out regular evaluations in order to monitor the Programmes, to reveal any significant departure from the original goals and to propose revisions. An active Monitoring Committee has also been in place since 2007. The broad elements of the strategy for evaluating the effects of ERDF interventions in the Irish regions were outlined in the OPs, 2007-13 as follows:

“The purpose of evaluations is to improve the quality, effectiveness and consistency of the assistance from the Funds and the strategy and implementation of the *OPs* with respect to the specific structural problems affecting the region while taking account of the objective of sustainable development and of the relevant Community legislation concerning environmental impact and strategic environmental assessment”. (BMW and S&E Regional Assemblies, 2007)

The commissioning of evaluations is primarily the responsibility of the MAs and financial resources are provided in the OP Technical Assistance budget. Technical advice is also available from the Central Expenditure Evaluation Unit in the Government Department of Public Expenditure and Reform. This Unit has a remit to promote “best practices” in the evaluation and implementation of programmes across all Government Departments and state bodies and has completed evaluations in both regions over the last few years (see below).

Both Assemblies have produced *Evaluation Plans* (BMW Assembly, 2009 and S&E Assembly, 2010). Both *Plans* stress that evaluation is an important programming tool which can add value by enhancing the effectiveness of programme implementation and ensure a longer term impact. Stress is also laid on the requirement for the appointment of independent evaluators in accordance with regulations and a Steering Committee to develop terms of reference and to provide guidance. The proposed evaluation process also involves consultation and discussion with the Monitoring Committee and a wide range of stakeholders. The *Evaluation Plans* place emphasis on the need for appropriate “output” and “result” indicators, including “common indicators” defined by the Commission, to assess physical and financial progress against baselines. Regular assessment by the Monitoring Committee is envisaged and the *AIRs* outline the progress on indicators in the key Priority areas. There is no doubt therefore that both MAs accept the need for and usefulness of evaluation and a range of evaluations have been completed. Three evaluations were proposed in the BMW *Evaluation Plan* viz. a performance-related evaluation completed in 2010, the preparation of the *Gateway Development Index* (both also planned by the S&E MA) and a review of research actions. The first two of these have been completed for both regions and the review of research, envisaged for 2013, is expected to complement the evaluation of the PRTL already completed by the PA Consulting Group (2011). See Annex 4 for the full list of evaluations carried out during this programming period.

No new evaluations of ERDF evaluations had been completed when the 2012 Report on Ireland was written. While the resources available (under the Technical Assistance Priority) have been reduced significantly (from EUR 6.6 million in 2011 to EUR 3.4 million in 2012) this has not impacted on the capacity or willingness to carry out planned evaluations. The 2012 Report referred to the first phase of work on a *Gateway Development Index* (GDI) published in 2009 (Fitzpatrick Associates, 2009) and to a second phase during 2012 updating this material. This update has now been published using existing Technical Assistance resources. These two phases enable us to provide an evaluation over time of the changes in key variables representing aspects of development in the key urban centres in Ireland. Therefore, they have the potential to estimate, to some extent, the effects of ERDF intervention. The two studies are examined below.

Gateway Development Index Phases 1 and 2, 2009 and 2012

The aim of the 2009 study was to establish the key factors contributing to the development of the Gateways. Eight evenly-weighted “domains” or categories were examined in each Gateway, and within these categories a range of variables contributing to development (see Annex Figure A). In this way it was possible to calculate a *Gateway Development Index*, providing rankings of the Gateways as a whole as well as ranking the performance of the key variables in relation to a Gateway average. A public awareness survey was also conducted in each Gateway to capture residents' views of the quality of life and the impact of Gateway designation.

The second phase, carried out by Future Analytics Consulting and Behaviour and Attitudes Consulting (2013), comprises the *Gateway and Hubs Development Index 2012* which enables us to assess the changes which have occurred since 2009. This phase consists of nine individual Reports on the Gateways as well as a Summary Report and a single Hubs Report. It builds on Phase 1 using the previously tested “domains” and indicators. The resulting index scores can

range from a minimum of zero to 10, with an average of 5. The overall results for 2009 and 2012 are given in Table 12.

Table 12- Overall Index Scores in 9 Gateways, 2009 and 2012 (Gateway Average: 5.0)

Area	2009	2012
BMW - Dundalk	4.5	4.6
Letterkenny	4.5	4.6
Sligo	5.0	5.0
Galway	6.0	5.9
Midlands (Mullingar/Athlone/Tullamore)	4.8	4.8
S&E - Cork	5.3	5.3
Dublin	5.6	5.4
Limerick/Shannon	4.8	4.8
Waterford	4.5	4.7

Source: S&E and BMW Assemblies, 2013.

This indicates that the BMW Gateways of Dundalk and Letterkenny and the S&E Gateway of Waterford record the lowest scores and are below the Gateway average in both years. The Midlands and Limerick/Shannon are likewise consistently below the average. The highest scores are recorded by Galway, followed by Dublin, Cork and Sligo. It is clear that little change in the scores have occurred between 2009 and 2012. This study pinpoints the strong and weak Gateways, the critical components accounting for this and the relative stability evident over several years. It also indicates the relative stability of the centres, with only one Gateway (Dublin) illustrating marginal decline. This study does not attempt to attribute any stability or improvements in the indices to ERDF interventions. However, positive interventions co-funded by the ERDF via the Gateways Grant Scheme (e.g. in relation to urban regeneration, traffic and improved quality of life) have inevitably strengthened the Gateways and have made them more attractive for inward investment, potential migrants and the existing population. During a period of serious economic downturn, these can be regarded as successful results or outcomes.

Table 13 provides a summary of the scope and findings of this study.

Table 13 - Summary of Gateway and Hubs Development Index, 2009 and 2012

Title and date of completion	Policy area and scope (*)	Main objectives and focus (*)	Main findings	Method used (*)	Full reference or link to publication
Gateway and Hubs Development Index. Two phases, 2009 and 2012	Urban Development in Ireland	To establish an Urban Gateway and Hubs Development Index in order to compare development or otherwise between 2009 and 2012 across a range of "domains" or categories e.g. population growth, enterprise, employment, environment, transport, social facilities.	The BMW Gateways of Dundalk and Letterkenny and the S&E Gateway of Waterford record the lowest overall index scores and are below the Gateway average in both years. The Midlands and Limerick/Shannon Gateways are likewise consistently below the average. The highest scores are recorded by Galway, followed by Dublin, Cork and Sligo. It is clear that little change in the index scores have occurred between 2009 and 2012 suggesting some stability. The more detailed results by "domains/categories", point to significant and consistent weaknesses in the low-scoring Gateways, but pinpoint considerable strengths in the strong ones.	Construction of an Index of Development using quantitative and qualitative indicators. A review of international literature was carried out to assess the key "domains or categories contributing to development. Eight domains were chosen. A number of relevant variables within each domain were then examined and scored to provide an overall index and a set of domain indices for each Gateway.	Preparation of a Gateway Development Index, Fitzpatrick Associates, Dublin, 2009 Gateway and Hubs Development Index 2012, BMW and S&E Assemblies, 2013.

Changes/Shifts in Policy

There have been no recent changes in the strategy for evaluating the effects of ERDF interventions. While there were no changes in the strategic priorities set out in the OPs since the 2012 Report, the various evaluations in the Annex have resulted in some amendments, including changes in the financial allocations in both regions. In the BMW region, for example, recommendations in the *Mid-Term Evaluation* resulted in a modest re-allocation of funding across the four Priorities (increasing Priorities 1 and 3 and reducing the others) and a revised financial allocation of national funding (Central Expenditure Evaluation Unit, 2010). Similarly, the *Mid-Term Evaluation* of the S&E OP recommended a reallocation of resources from Priority 2, 3 and 4 to Priority 1 and this has been implemented (Central Expenditure Evaluation Unit, 2011).

Previous Evaluations: Lessons Learned by Policy Area

The 2011 Report on Ireland examined a number of evaluations of Cohesion policy, including two representing "best practices", carried out during the 2007-2013 Programming period. These were:

- *Mid-Term Evaluation of the Border Midland and Western Regional OP*, Central Expenditure Evaluation Unit, Department of Finance, Dublin, 2010;
- *Mid-Term Evaluation of the Southern and Eastern Regional OP*, Central Expenditure Evaluation Unit, Department of Finance, Dublin, 2011;
- *Ten Years On: Confirming Impacts from Research Investment in the PRTL I 2000-2006* (abbreviated title), PA Consulting Group, London, 2011;
- *Implementation Analysis of PEACE III and INTERREG IVA Programmes: Final Report*, T. Haase and Fitzpatrick Associates, Economic Consultants, Dublin, 2009;
- *Theme 1.2 of PEACE III: Acknowledging and Dealing with the Past, Review of Implementation Report*, Deloitte, Dublin, 2010;
- *Mid Term Evaluation of the Ireland Wales OP 2007-2013, Final Report to the Southern and Eastern Regional Assembly*, SQW, Cambridge, 2011).

It must be noted that the above evaluations took place at a time of serious economic downturn and cutbacks in Government expenditure which resulted in a range of deferred projects. Nevertheless, these evaluations have given us valuable lessons regarding policy objectives and results.

The 2010 and 2011 *Mid-Term Evaluations* for both the BMW and S&E regions point clearly to:

Policy Areas 1 and 2: RTDI, Enterprise Support and ICT

- Good progress in relation expenditure and outputs in Priority 1 dealing with Innovation and the Knowledge Economy.
- The establishment of and creation of employment in micro-enterprises despite the difficult economic climate.

Policy Area 3: Human resources

- Significant progress in relation to training and support of incubation

Policy Area 4: Transport

- Significant progress in relation to road and rail improvements

Policy Areas 5 and 6

- The Environment and Energy policy areas lagged far behind expectations in both regions. However, both Irish government and ERDF allocations were too small to make any significant impact.

Policy Area 7: Urban Development

At the time of the evaluations the extent of new urban development, assisted by the ERDF-supported Gateways Grant Scheme was judged to be limited. As illustrated in this Report, however, significant progress has been made in 2012, particularly in the BMW region.

Evaluation of the PRTL I

Policy Area 1: RTDI

The 2011 evaluation of the PRTL I provided considerable evidence of success in this Policy Area:

- Resulted in significant new research space, library and industrial space (50,600 sq. m. during 2007-12), equipment and facilities and inter-departmental and inter-institutional collaboration;
- Resulted in a range of research outcomes
- Resulted in a commercial impact of an estimated EUR 754 million and an employment impact of 1,255 jobs.

The *Mid-Term Evaluation of the Ireland Wales OP* (under Territorial Co-operation) concluded that:

Policy Areas 1 and 2: RTDI, Enterprise Support and ICT (Innovation and Competitiveness)

- The strong emphasis on innovation and enterprise was appropriate and relevant especially in view of the need to revive both economies. The proportions contracted and delivered in some of these policy areas was strong e.g. 45% of joint innovation projects in SMEs contracted and delivered at the early stage of the evaluation. In the case of joint training and education projects, both contracted (120%) and delivered (240%) far exceeded the target;
- There was evidence of “additionality” with regard to cross-border benefit;
- A number of less quantifiable benefits were identified from survey work e.g. facilitating partnerships, mutual trust, innovation and adoption of “best practice”.

A number of Territorial Co-operation evaluations were carried out i.e. PEACE III and INTERREG IVA to assess progress with ERDF-supported projects designed to secure peace and reconciliation for victims of conflict and a range of marginalised groups in Northern Ireland. While there has been a considerable number of applications for funding and significant peace-oriented activity, the outputs and results are not easy to measure. However, the evaluations concluded that a range of positive outcomes could be identified, for example, in the form of willingness to attend counselling and conflict resolution workshops.

A further evaluation, commissioned by DG Regio and carried out under the auspices of the European Policy Research Centre at the University of Strathclyde and the London School of Economics, examines the main achievements of Cohesion policy from 1989 to the present in a range of EU countries. This was published in July 2013. Ireland is one of the case studies and this part of the evaluation was carried out by Fitzpatrick Associates (2013).

Next programming period – how to improve evaluation activity

What is required to improve evaluation activity in Ireland is a more rigorous approach in evaluation, focusing on whether or not the objectives of Cohesion policy set out in the OPs have been achieved.

5. Further Remarks - New challenges for policy

Main points from the previous country report:

- Regional disparities in Ireland have been longstanding and persistent. Since 2007 the problems of unemployment, and social exclusion had worsened.
- Cuts to public expenditure had exacerbated these disparities further.

This present Report underlines again the serious challenges which continue to face Ireland.

Regional disparities persist. The BMW region continues to lag behind the S&E region (both NUTS II regions). However, difficulties are particularly obvious at a Regional Authority (NUTS III) level in mainly agricultural and rural areas and in some urban centres. Although some modest improvement has occurred during 2012 and into 2013 the South East Regional Authority in the S&E region still has the highest unemployment rate in the country.

Regional and Cohesion policy in Ireland is unduly concentrated in central government departments and policy has been particularly weak during the national economic downturn since 2007. Heavily influenced by the ECB, the EC, and the IMF, severe expenditure cuts have been imposed in successive Budgets and regional development and the cohesion objective have been given a low priority. This suggests a serious disconnect with the fundamental philosophy of cohesion policy.

One central objective of policy during the period since 2007 has been the furtherance of “innovation and the knowledge economy” and a range of outcomes and impacts have been identified in this Report especially in relation to multinational companies. In future, it is also critical to ensure that this policy achieves results in indigenous economic and social activities and employment in which the majority of the population and, in particular vulnerable and disadvantaged groups, are able to participate.

The ERDF, with modest funding in comparison with previous periods, has played a key role in influencing the extent, direction and focus of regional expenditure.

Despite the relatively weak regional and cohesion policy during this period, much has been achieved in relation to innovation, enterprise development, training, transport, communications and urban development. Modest ERDF and government expenditure on energy and environmental policy has meant that less has been achieved in these areas.

Various evaluations have been carried out during the period since 2007. These have offered useful assessments of progress date. There is however a strong case for a more rigorous approach to evaluation in the new programming period from 2014. The specific objectives of cohesion policy must be set out in OPs at the outset and AIRs and evaluations must focus on whether or not these specific objectives have been achieved.

Despite some progress, many serious problems and challenges remain in both the BMW and S&E regions as well as in the Regional Authority regions in Ireland. One of the most urgent challenges is unemployment, including long-term and youth unemployment. Very little progress has been made on this problem since 2007 and it must now become a top priority. In addition, however, cohesion policy, if it is to be meaningful, must focus more clearly on the fundamental and persistent problems of poverty, inequality and social exclusion. EU and Irish policies are currently failing to adequately address these challenges. A change in philosophy which gives much more serious attention to cohesion policy is now a priority.

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Interviews

The following either gave interviews or provided helpful information. While this assistance is much appreciated none of these are of course responsible for the conclusions reached or remaining inadequacies.

- Ms Derville Brennan, Programme Executive, Research and Communications, S&E Regional Assembly, Waterford
- Mr Fergal Canny, Policy Analyst, CEB Co-ordination Unit, Enterprise Ireland, Shannon
- Mr Alan Dunne, Policy Adviser, Department of Public Expenditure and Reform, Government Buildings, Dublin 2
- Mr Jim Fitzpatrick, Managing Director, Fitzpatrick Associates, Dublin
- Mr David Kelly, Assistant Director, S&E Regional Assembly, Waterford
- Dr Kieran Moylan, Assistant Director, BMW Regional Assembly, Ballaghaderreen.
- Mr Adrian O'Donoghue, Policy Analyst, BMW Assembly, Ballaghaderreen
- Mr Michael Moroney, Assistant Director, South-East Regional Authority, Clonmel.

Annex 1 - Tables

See Excel Tables 1 -4:

Excel Table 1 – Regional disparities and trends

Excel Table 2 – Macro-economic developments

Excel Table 3 - Financial allocation by main policy area

Excel Table 3cbc - Financial allocation by main policy area – cross border cooperation

Excel Table 4 - Commitments by main policy area (by end-2012)

Excel Table 4cbc - Commitments by main policy area (by end-2012) – cross border cooperation

Annex Table A - Broad policy areas and correspondence with fields of intervention (FOI)

Policy area		Code	Priority themes	
1. Enterprise environment	RTDI and linked activities	01	R&TD activities in research centres	
		02	R&TD infrastructure and centres of competence in a specific technology	
		05	Advanced support services for firms and groups of firms	
		07	Investment in firms directly linked to research and innovation (...)	
		74	Developing human potential in the field of research and innovation, in particular through post-graduate studies...	
	Innovation support for SMEs	03	Technology transfer and improvement of cooperation networks ...	
		04	Assistance to R&TD, particularly in SMEs (including access to R&TD services in research centres)	
		06	Assistance to SMEs for the promotion of environmentally-friendly products and production processes (...)	
		09	Other measures to stimulate research and innovation and entrepreneurship in SMEs	
		14	Services and applications for SMEs (e-commerce, education and training, networking, etc.)	
		15	Other measures for improving access to and efficient use of ICT by SMEs	
	ICT and related services	11	Information and communication technologies (...)	
		12	Information and communication technologies (TEN-ICT)	
		13	Services and applications for citizens (e-health, e-government, e-learning, e-inclusion, etc.)	
	Other investment in firms	08	Other investment in firms	
	2. Human resources	Education and training	62	Development of life-long learning systems and strategies in firms; training and services for employees ...
			63	Design and dissemination of innovative and more productive ways of organising work
64			Development of special services for employment, training and support in connection with restructuring of sectors ...	
72			Design, introduction and implementing of reforms in education and training systems ...	
73			Measures to increase participation in education and training throughout the life-cycle ...	
Labour market policies		65	Modernisation and strengthening labour market institutions	
		66	Implementing active and preventive measures on the labour market	
		67	Measures encouraging active ageing and prolonging working lives	
		68	Support for self-employment and business start-up	
		69	Measures to improve access to employment and increase sustainable participation and progress of women ...	
		70	Specific action to increase migrants' participation in employment ...	
		71	Pathways to integration and re-entry into employment for disadvantaged people ...	
		80	Promoting the partnerships, pacts and initiatives through the networking of relevant stakeholders	
3. Transport	Rail	16	Railways	
		17	Railways (TEN-T)	

Policy area		Code	Priority themes
		18	Mobile rail assets
		19	Mobile rail assets (TEN-T)
	Road	20	Motorways
		21	Motorways (TEN-T)
		22	National roads
		23	Regional/local roads
		24	Cycle tracks
	Other transport	25	Urban transport
		26	Multimodal transport
		27	Multimodal transport (TEN-T)
		28	Intelligent transport systems
		29	Airports
		30	Ports
		31	Inland waterways (regional and local)
32		Inland waterways (TEN-T)	
4. Environment and energy	Energy infrastructure	33	Electricity
		34	Electricity (TEN-E)
		35	Natural gas
		36	Natural gas (TEN-E)
		37	Petroleum products
		38	Petroleum products (TEN-E)
		39	Renewable energy: wind
		40	Renewable energy: solar
		41	Renewable energy: biomass
		42	Renewable energy: hydroelectric, geothermal and other
		43	Energy efficiency, co-generation, energy management
	Environment and risk prevention	44	Management of household and industrial waste
		45	Management and distribution of water (drink water)
		46	Water treatment (waste water)
		47	Air quality
		48	Integrated prevention and pollution control
		49	Mitigation and adaption to climate change
		50	Rehabilitation of industrial sites and contaminated land
		51	Promotion of biodiversity and nature protection (including Natura 2000)
		52	Promotion of clean urban transport
		53	Risk prevention (...)
		54	Other measures to preserve the environment and prevent risks
5. Territorial development	Social Infrastructure	10	Telephone infrastructure (including broadband networks)
		75	Education infrastructure
		76	Health infrastructure
		77	Childcare infrastructure
		78	Housing infrastructure
		79	Other social infrastructure
	Tourism and culture	55	Promotion of natural assets
		56	Protection and development of natural heritage

Policy area	Code	Priority themes
	57	Other assistance to improve tourist services
	58	Protection and preservation of the cultural heritage
	59	Development of cultural infrastructure
	60	Other assistance to improve cultural services
	61	Integrated projects for urban and rural regeneration
	62	Compensation of any additional costs due to accessibility deficit and territorial fragmentation
Planning and rehabilitation	82	Compensation of any additional costs due to accessibility deficit and territorial fragmentation
	83	Specific action addressed to compensate additional costs due to size market factors
6. Technical assistance	84	Support to compensate additional costs due to climate conditions and relief difficulties
	81	Mechanisms for improving good policy and programme design, monitoring and evaluation ...
	85	Preparation, implementation, monitoring and inspection
	86	Evaluation and studies; information and communication

Annex Table B - Regional Employment Change in Ireland, 2011 - 2013 (thousands)

	Dec. 2011	Dec. 2012	June 2013	% change 2011-12	% change 2012-13
NUTS II					
BMW Region	462.4	458.1	476.5	-0.9	+4.0
NUTS III					
Border	180.8	171.5	183.1	-5.2	+6.8
Midlands	102.8	105.7	109.7	+2.8	+3.8
West	178.8	180.9	183.7	+1.2	+1.5
NUTS II					
S&E Region	1,385.3	1,390.8	1,393.4	+0.4	+0.2
NUTS III					
Dublin	548.8	556.4	555.1	+1.4	-0.2
Mid East	229.9	225.5	219.0	-1.9	-2.9
Mid West	154.6	150.1	150.9	-2.9	+0.5
South East	182.9	181.8	187.7	-0.6	+3.2
South West	269.1	277.0	280.7	+2.9	+1.3
National Total	1,847.7	1,848.9	1,869.9	+0.1	+1.1

Source: Central Statistics Office QNHS, Q4 2012 and Q2 2013.

Annex Table C - Regional Unemployment Rates in Ireland, 2011-2013 (%)

	Dec. 2011	Dec. 2012	June 2013
NUTS II			
BMW Region	15.6	15.8	14.7
NUTS III			
Border	13.9	16.5	15.3
Midlands	18.7	16.9	15.4
West	15.4	14.4	13.6
NUTS II			
S&E Region	14.2	13.1	13.6
NUTS III			
Dublin	13.0	11.1	12.0
Mid East	12.4	12.4	14.4
Mid West	15.9	15.4	14.8
South East	19.2	18.8	18.3
South West	13.5	11.9	11.9
National Total	14.5	13.7	13.9

Source: Central Statistics Office QNHS, Q4 2012 and Q2 2013.

Annex Figure A - Summary of GDI Domains and Constituent Indicators

Domain/Indicator	Variable Used
1. Population <ul style="list-style-type: none"> Population growth Age vibrancy of population 	Population change relative to national average Age dependency rate
2. Enterprise and employment <ul style="list-style-type: none"> New firm formation Quality of enterprise Unemployment rate 	New VAT registrations (per 1,000 population) Share of services sector in total employment No. on Live Register per 100 workforce
3. Knowledge and Innovation <ul style="list-style-type: none"> Labour force quality Graduate admissions Graduate retention Third level R&D 	% of labour force with third-level qualifications Third-level admissions as % of age cohort Proportion of graduates finding jobs in area R&D earnings per head of (Zone 1) population
4. National and Physical Environment <ul style="list-style-type: none"> River water quality Drinking water quality 	River water quality indicator Drinking water quality indicator
5. Transport and Connectivity <ul style="list-style-type: none"> Transport access Retail service availability ICT connectivity 	Non-car use, travel times and public transport availability Retail outlets per 100 households PC/internet access per 1,000 households
6. Health and Wellness <ul style="list-style-type: none"> Mortality Birth weight Primary health care 	Mortality rate Average birth weight No. of GPs per capita
7. Social Facilities and Networks <ul style="list-style-type: none"> Social facilities Crime levels Community involvement 	No. of facilities per head No. of serious crimes per capita Level of people participating in Community Activity
8. Affluence and Deprivation <ul style="list-style-type: none"> Demographic growth Social class composition Strength of labour market 	The new measure of Deprivation The new measure of Deprivation The new measure of Deprivation

Source: Fitzpatrick Associates, 2009.

Annex 2 - Perspectives of the Regional Assemblies (NUTS II) and Regional Authorities (NUTS III)

Name of Region: Border, Midland and Western Region (NUTS II)

Socio-Economic Position of your Region

1. What are the particular social and economic difficulties in your region? Please list in order of or otherwise importance.
6. **Unemployment:** The unemployment rate stands at 14.7% in the second quarter of 2013 (from close to full employment levels in 2008). Each NUTS III Region with the exception of the Western Region (13.6%) within the BMW Region is ahead of the average unemployment figure for the state of 13.9% - Border Region 15.3% and Midland Region 15.4%. An evident employment gap remains between the S&E Region (13.6%) and the BMW Region;
7. **Declining output levels:** Stagnant economic activity has contributed to a decline in GDP since 2008 and a consequent slow-down in new firm formation due to weaker domestic and international market conditions. The Region produced output levels equivalent to just 84.1% of the EU27 average in 2010, demonstrating a rapid decline of 21.0 percentage points since 2006;
8. **Low Value-Added Activity:** Depressed productivity – the region contributes just 17.8% of national output (2010) despite employing on average 25% of Ireland’s workers;
9. **Slow Transition to High Value Economic Activities:** Structural difficulties following the ‘collapse’ of the construction sector, which accounted for more than 15% of the regional economy in 2007 have been exacerbated by a slow transition to high value-added economic activities and a less developed R&D sector;
10. **Up-skilling is a key challenge for developing the BMW Region:** The S&E Region still has a higher proportion of professionals, higher professionals, employers and managers. This implies that one of the key challenges facing the BMW Region is to up-skill existing employees and attract and develop more professionals and managers;
11. **Decline in Public Sector Funded Programmes and Employment Levels:** Austerity measures imposed in response to the economic crisis facing the Government have led to the cancellation of important infrastructure and economic stimulus projects in the Region. In addition, strict restrictions have been imposed upon recruitment to the public sector;
12. **Population increases led by the proximity to national capital:** Between 2002 and 2011 Ireland’s population has grown by 17.0% and by 19.6% in the BMW Region. However, this pattern of growth has been concentrated in the Dublin Commuter belt areas - Meath (37.3%), Kildare (28.1%), Wicklow (19.0%) and in the wider commuting counties which are part of the BMW Region, including, Laois (36.9%), Louth (20.65), Westmeath (19.6%), Longford (20.6%), Cavan (28.9%) and Offaly (20.6%). However, while high growth levels were experienced in the Midlands, this has not been accompanied by a corresponding increase in economic activity. In comparison, counties in the BMW Region such as Mayo (11.2%), Sligo (12.1%), Monaghan (15%) and Donegal (17.0%) experienced growth on or below the national average. Strong growth was experienced in Galway (19.8%) reflecting its comparatively strong economic performance in a range of sectors, (e.g. Medical Devices/Software Sectors) which has attracted workers who also enjoy the quality of life

that can be experienced in Galway. While population growth was also strong in Leitrim (23.2%), it remains the least populated in Ireland.

2. Have these difficulties in your region improved or worsened since 2012? Please specify which ones.

The above difficulties have persisted in 2012 and unemployment levels in particular remain high despite the high level of outward migration to both the S&E Region and abroad (UK, Canada, New Zealand and Australia in particular), without any signs of improvement.

3. Do you feel that austerity measures or other government policies have affected your region? If yes, please specify in what way.

As outlined in question 1 above, the austerity measures imposed in response to the economic crisis facing the Government have led to the cancellation of important infrastructure and economic stimulus projects in the Region. In addition, strict restrictions have been imposed upon recruitment to the public sector.

4. With regard to your region, do you detect any shift in concern away from regional disparities towards national concerns such as low growth or unemployment?

See Report text.

Regional Policy Pursued

5. (a) What policy initiatives co-financed by ERDF were implemented to date in your region during the 2007-2013 Operational Programme? Please note any new initiatives in 2012/13.

The following policy initiatives have been pursued since 2007

Innovation, ICT & Knowledge Economy

- Building research capacity in key sectors such as biotechnology, marine
- Applied Research, Incubation and Commercialisation Schemes
- Entrepreneurship Development – SME Support programmes
- National Broadband Scheme

Environment and Renewable Energy

- Water Services investment and conservation programme
- Natural and Built Heritage
- Waste management
- Energy for Business Programme
- Renewable Energy Deployment and Ocean Energy Development
- CHP and BioHeat Programme
- Sustainable Energy Zones

Urban Development and Transport

- Gateways and Hubs Scheme
- Key Linking Routes
- Public Transport – accessibility and services improvements

(b) What policy initiatives were implemented to date under the Territorial Co-operation Programme? Please note any new initiatives in 2012/13.

Ireland is participating in 6 INTERREG Programmes along with the Cross-Border PEACE Programme. These programmes are:

- Ireland/N Ireland/Scotland (A strand)
- Ireland/Wales (A Strand)
- Atlantic Area (B strand)
- North West Europe (B strand)
- Northern Periphery (B strand)
- IVC Programme (C strand)

See below a table with to year end 2012 outlining the Global Benefits to Ireland from these programmes

Programme	ERDF Apparoved (EUR million)	Total No. of Irish Projects	Total No. of Irish Partners
Atlantic Area	11.8	48	80
Northern Periphery	5.3	23	34
Interreg IVC	6.9	40	56
North West Europe	11.0	22	36
Total	35	133	206

(c) Have there been shifts in priorities or allocation of ERDF?

None since the programme amendments approved in 2009

(d) To what extent, if any, has ERDF support helped to maintain public investment in the present difficult economic circumstances?

It is difficult to directly link continued public investment to a need to fulfil ERDF commitments – to a large extent programmes that the Government have determined to be key to Ireland's recovery, such as R&D provision, business supports and broadband provision since all of these are central to the region's Operational Programme.

6. (a) What new initiatives, if any, were implemented in the OP since 2012?

None

(b) What new initiatives, if any, were implemented in the Territorial Co-operation Programme since 2012?

None

7. (a) What expenditure took place on these new initiatives since 2012? None

(b) Any new commitments? If so, please specify. N/A

8. Were any specific measures co-financed by ERDF taken over the past few years to tackle:

(a) problems of youth unemployment None

(b) SME difficulties in obtaining finance?

SMEs in the region have through County Enterprise Board support programmes co-funded under ERDF received support for training, access to energy programmes and start-ups have been supported in incubation centres

9. *Did implementation of OPs accelerate or slow down during or after 2012?*

The implementation of the OP has increased and has exceeded forecasts. All four Priorities in the OP are either above or close to reaching OP forecasts by year end 2012 for the full 2007-13 period in terms of allocations (reported expenditure plus commitments awarded). Overall, OP reported expenditure has reached 99.8% of the OP forecast, while allocations exceed the overall OP forecast.

10. *Were projects planned which failed to be implemented? If yes, which ones?*

None

11. *The main reasons for delays or non-implementation?*

N/A

12. *Any new initiatives to accelerate implementation?*

N/A

Achievements of Policy

13. *Could you give examples of important initiatives co-financed by ERDF implemented in your region and their **achievements** to date under the following headings ?*

See Report text.

14. *Are the indicator "targets" meaningful in relation to the funding allocated to each policy area?*

Yes, they are a very important barometer of achievement.

15. *If the objectives or "targets" are not being achieved, what are the main reasons for this?*

Departments may have committed to certain levels of expenditure which, due to the economic downturn and restricted budgets, have become more difficult to achieve.

16. (a) *To what extent have ERDF-supported projects strengthened the capacity of your region to achieve sustainable development and improve the quality of life?*

See 16b

(b) *Is there evidence that ERDF support is helping your region to respond to major long-term challenges (e.g. globalisation, demographic change, energy security)?*

The areas of investment supported by the ERDF are contributing to building upon the region's key assets for economic development, such as:

1. Regional research and innovation infrastructure and competencies
2. SME establishment and growth capabilities
3. Universal broadband availability
4. Energy efficiency in firms and renewable energy capacity
5. Environmental infrastructure - water services, waste etc.
6. Tourism infrastructure – natural and built heritage

7. Urban regeneration and enhancement
8. Transport infrastructure and services

Challenges for the Future

17. Please outline the main challenges currently facing Cohesion Policy in your region

In terms of maximising Cohesion Funding in the next programming period and to reflect the economic downturn – one of the challenges that occurred during 2013 was to determine the BMW region's status. While the reference years remained unchanged (these are based on 2006-2008 period taking account of GVA output levels by region) this did not take due account of the economic downturn. This imbalance would have meant a lower allocation. However, the distinctive position of the BMW Region was recognised (following a sustained level of communication from the Regional Assembly and the Irish government) by the inclusion of a special allocation of an extra EUR 100 million during the MFF negotiations in Spring 2013.

The Assembly is currently involved in programme preparation activities for the 2014-2020 OP and this will remain of the focus of the Regional Assembly during 2013. The main challenges are to ensure that the region will receive appropriate levels of funding in the agreed thematic areas to meet the challenges for the region – as identified in the Needs Analysis exercise currently being completed by the Assembly.

18. What, in your view, are the Irish or EU policy changes needed to meet these challenges.

It is important that adequate flexibility is built into future Cohesion Policy to reflect the ongoing challenges and changes to government budgets and priorities, to enable regions to continue to react and manage the challenges of maximising the impact of ERDF.

Name of Region: Southern & Eastern Region (NUTS II)

Socio-Economic Position of your Region

1. What are the particular social and economic difficulties in your region? Please list in order of importance.

The key weaknesses identified at the outset of the 2007-2013 OP were, in no particular order of importance:

1. Relatively weak RTDI base, compared to other mature economies;
2. Relatively weak indigenous industry base;
3. Infrastructural inadequacies in areas such as road and public transport
4. Infrastructural gaps in energy and broadband
5. Growing environmental pressures, particularly on ground and surface water
6. Unbalanced urban structure – Dublin predominating, with other Gateway cities lacking critical mass.

Obviously with the economic downturn over the last number of years other difficulties have arisen such as:

7. Rising unemployment;
8. Reduced budgets for Government departments and state agencies affecting matched funding for ERDF funded schemes

9. Growing disparities emerging at NUTS 111 level pointing in many respects to a maintenance of the historically larger imbalances between the regions.

2. Have these difficulties in your region improved or worsened since 2012? Please specify which ones.

The number of persons employed increased by 0.1% (+1,200) over the year to Q4 2012. This is the first annual increase in employment recorded since the second quarter of 2008. At a NUTS 11 level the 4th quarter 2012 reported a decrease in the unemployment rate for the S&E region of 1.1%. The biggest decrease was in the Dublin NUTS III region of 1.8% compared to a 0.4% decrease in the South East NUTS III region. However, all NUTS III regions experienced a decrease.

3. Do you feel that austerity measures or other government policies have affected your region? If yes, please specify in what way.

- The current economic climate and cuts in budgets affect the delivery of the various schemes to support innovation;
- Initiatives that could support and strengthen the Gateways and give animation to the NSS are severely curtailed by budget cuts.
- Uncertainty and lack of funding has hampered further development of public transport systems. While major progress was achieved under the 2000-2006 NDP in Dublin there is a deficit in other Gateway cities and interconnections between cities.
- Innovation policy development tends to be written at national level and tends not to take into account the various issues at local and regional level which need to be overcome;

4. With regard to your region, do you detect any shift in concern away from regional disparities towards national concerns such as low growth or unemployment?

Generally policy in Ireland is drafted at national level with very little attention paid to the regions or regional disparities. During the 2000-2006 programming period there was an effort to redress this somewhat in that the National Development Plan and the constituent Operational Programmes, co-funded by the EU, had specific regional targets. Since then, apart from the targets as set out in the 2 ERDF Regional OP's, the concept of regional targets has more or less evaporated. With the onset of the economic crisis the focus is very much on the national scene.

Regional Policy Pursued

5. (a) What policy initiatives co-financed by ERDF were implemented to date in your region during the 2007-2013 Operational Programme? Please note any new initiatives in 2012/13.

PRTL

NBS

Renewable Energy Schemes

Strands of the SSTI – Development of the RTDI

Smarter Travel

(b) What policy initiatives were implemented to date under the Territorial Co-operation Programme? Please note any new initiatives in 2012/13.

The Ireland Wales Territorial Co-operation Programme. Under this programme joint projects between partners in Ireland and Wales are co-funded under the following thematic areas:

Priority 1 – Knowledge, Innovation and Skills for growth

- Innovation and competitiveness
- Skills for competitiveness and employment integration

Priority 2 – Climate Change and Sustainable Regeneration

- Climate Change and Sustainable Development
- Sustainable Regeneration of Communities

Two strategic projects have also been funded:

1. Winning in Tendering is aimed at transforming the public tendering experience of Small Indigenous Suppliers (SIS) in the INTERREG Ireland Wales cross-border area. The project will address skill gaps of SIS and procurers through unique, innovative & complementary targeted interventions. It aims to tackle SIS-public buyer skills gaps in the cross-border region so these enterprises can realistically compete for public work.
2. Smart Coasts aims to equip Irish and Welsh communities to maintain the economic and strategic value of their near-shore waters. This will be done by facilitating application of new real-time management systems, first suggested by World Health Organisation and soon to be allowed (but not a regulatory requirement of) in the 2006 Bathing Water Directive. This will ensure no adverse loss of beach awards (blue flags) and the maintenance of public health through deployment of ICT tools and real-time public information systems.

(c) Have there been shifts in priorities or allocation of ERDF?

Nothing additional to what was reported in 2012

Reasons for such shifts?

See Report Text.

(d) To what extent, if any, has ERDF support helped to maintain public investment in the present difficult economic circumstances?

ERDF support has helped to maintain public investment in the S&E Region. However, it is difficult to quantify to what level. This is due to the fact that in the early years of the programme there were almost sufficient levels of commitments, particularly in Priority 1, to draw down the full allocation. Other areas have suffered somewhat due to reduced public investment and this is reflected in the re-allocation as part of the modification proposal.

6. (a) What new initiatives, if any, were implemented in the OP since 2012?

None

(b) What new initiatives, if any, were implemented in the Territorial Co-operation Programme since 2012?

None

7. (a) What expenditure took place on these new initiatives since 2012?

None

(b) Any new commitments? If so, please specify

None.

8. Were any specific measures co-financed by ERDF taken over the past few years to tackle:

(a) problems of youth unemployment

- CEB support for entrepreneurship, school enterprise programmes, start your own business
- Applied research enhancement scheme; research teams in Irish Institutes of Technology are assisting companies to identify and develop new products, services and market opportunities through research and innovation.
- Commercialization Fund: Turn research into a commercial proposition
- Incubation Centre's in IoT's provide incubation space for young companies.

(b) SME difficulties in obtaining finance?

Under the micro-enterprises theme the County Enterprise Boards allocate at least 30% of Measure 1 activities in a repayable form. However, this is only to client projects which are eligible for ERDF. It cannot be equated to access to finance from financial institutions.

9. Did implementation of OPs accelerate or slow down during or after 2012?

Maintained its progress throughout 2012

10. Were projects planned which failed to be implemented? If yes, which ones?

Some aspects of the Urban Development Priority did not progress such as the Gateway and Hubs Challenge funds.

11. The main reasons for delays or non-implementation?

Cuts in public expenditure

12. Any new initiatives to accelerate implementation?

In 2009 the MA introduced an ERDF Gateway Grants scheme for the 4 designated Gateways in the Region. This is ongoing.

Achievements of Policy

13. Could you give examples of important initiatives co-financed by ERDF implemented in your region and their achievements to date under the following headings ?

See Report text

14. Are the indicator "targets" meaningful in relation to the funding allocated to each policy area?

Yes, but changes have been made as necessary.

15. If the objectives or "targets" are not being achieved, what are the main reasons for this?

See Report text

16. (a) To what extent have ERDF-supported projects strengthened the capacity of your region to achieve sustainable development and improve the quality of life?

ERDF support has been critical for the region over successive programming periods, and this is evident in much of the physical, institutional and research infrastructure, amongst others, which now exists across the region. It is difficult, however, to quantify this to any real extent from the ERDF support directly attributable to the Regional Operational Programme due to the relatively small size of the programme.

(b) Is there evidence that ERDF support is helping your region to respond to major long-term challenges (e.g. globalisation, demographic change, energy security)?

Again, ERDF support is a contributing factor in helping the region responding to the many challenges, in a small but positive manner. As mentioned above the overall level of funding in the programme is relatively small. However, some very positive projects have been funded in the areas of renewable energy which will have a long term positive impact. Details on these are available in the AIR. Having ERDF allocated to certain schemes ensures, even in this difficult economic climate, that national public matched funding is ring fenced, resulting in an element of certainty for the delivery of the schemes. This is particularly important in areas like enterprise development (Micro Enterprises) and enabling measures for RTDI (PRTLTI).

Challenges for the Future

17. Please outline the main challenges currently facing Cohesion Policy in your region

Current economic climate and cuts in budgets affect the delivery of the various schemes to support innovation;

Innovation policy development tends to be written at national level and tends not to take into account the various issues at local and regional level which need to be overcome;

Creating and maintaining a link between the various third level institutes and industry to drive industry specific research and innovation beneficial for the regions;

Creating alliances between the third level institutes, specifically Institutes of Technology which are located in the regions, to create a critical mass to bid successfully for research grants.

18. What, in your view, are the Irish or EU policy changes needed to meet these challenges.

At EU level a concerted effort to address the economic challenge that the EU is facing

At national level a re-focusing of effort on the regional level – the recent publication in October 2012 of the reform of local and regional structures entitled *Putting People First* is a first step along this process as it recognises the importance of the regional level.

Planning and development of ERDF programmes 2014-2020 at regional level (currently underway).

European Commission Study on ERDF and Cohesion Policy

Name of Region – South-East Regional Authority (NUTS III)

Socio-Economic Position of the Region

1. *What are the particular social and economic difficulties in your region? Please list in order of importance.*

There is a common misconception that the South-East region is wealthy and that it is performing well economically. This has manifested itself in recent times because the NUTS 3 South-East region is included with the other, more wealthy regions, in the NUTS II Southern & Eastern Region (S&E). This underperformance is borne out when the performance of the South-East is viewed across range of socio-economic indicators, such as unemployment, output, disposable income, higher education levels, etc. The following table provides a comparison between the NUTS III South-East Region, the NUTS II S&E Region and the State under some key socio-economic indicators from before the start of the current NDP to the most recently available figures. These show that the South-East Region has further lagged since 2007 and is still considerably off the averages for the State and the S&E region.

Indicator		State	South-East	Southern & Eastern	South-East (as % of S&E)
Indices of GVA Per person (%)	2007	100	74.5	111.1	67
	2010	100	67.4	112.7	60
Indices of Disposable Income Per Person (%)	2007	100	95.7	103.1	92
	2010	100	93.8	103.1	91
Unemployment Rate (%) (Jan-Mar)	2007	4.5	5.0	4.4	113
	2013	13.7	18.4	13.2	139

2. *Have these difficulties in your region improved or worsened since 2012? Please specify which ones.*

The South-East region's socio-economic position, like all other parts of Ireland, has been negatively impacted by national and global economic factors, such as the banking collapse, increased unemployment, reduced consumer spending, very weak Exchequer tax receipts and reductions in Government revenue and capital spending programmes. Nevertheless, unemployment in particular in the NUTS III South-East Region, in 2012/2013 is considerably much worse and more deeper than it was in 2007 and is well above the national average. Large-scale company lay-offs have unfortunately become a frequent occurrence in the region.

A South-East Employment Action Plan was published by Forfás in December 2011 at the request of Mr. Richard Bruton, T.D., Minister for Jobs, Enterprise and Innovation, in response to the sudden closure of the Talk-Talk company and the on-going concerns about the persistently above average rates of unemployment in the South-East Region. The demonstrable impact and effectiveness of the Plan, which sets out key actions in a number of different areas, on unemployment in the Region has not been significant.

3. *Do you feel that austerity measures or other government policies have affected your region? If yes, please specify in what way.*

The Government's austerity measures have, like all other parts of Ireland, been negatively impacting the socio-economic performance of the South-East.

The Government's decision to reform and rationalise the regional dimension of local government, as part of its "Putting People First" package, into 3 regions (in which the South-East NUTS III will become a part of a new Southern Region) will negatively impact on the direct focus that this region can gain and receives under the current regional designation.

4. With regard to your region, do you detect any shift in concern away from regional disparities towards national concerns such as low growth or unemployment?

Notwithstanding the South-East Employment Action Plan, national concerns take primary focus. The reform proposals for the regional government sector afforded the Government an ideal opportunity to provide for a strengthened NUTS III regional tier that can contribute to the national goals of economic recovery and job creation (see appended Submission by Association of Irish Regions to the Minister for the Environment, Community & Local Government "Regional Reform and Economic Development : The Case for a Strengthened Regional Tier of Government in Ireland"). Unfortunately, this submission was not reflected in the *Putting People First* reform package developed by the Government.

Regional Policy Pursued

5. (a) What policy initiatives co-financed by ERDF were implemented to date in your region during the 2007-2013 Operational Programme? Please note any new initiatives in 2012/13.

Initiatives have been implemented across the priorities of the Southern & Eastern Regional Operational Programme (S&E OP) within the region.

(b) What policy initiatives were implemented to date under the Territorial Co-operation Programme? Please note any new initiatives in 2012/13.

The South-East Regional Authority has implemented activities, through funding secured from the ERDF INTERREG programmes, in areas such as entrepreneurship education, creativity and innovation by micro-enterprises, business and social media/communications, bio-energy and climate change. The Regional Authority is aware that there are other organisations throughout the region (e.g. Institutes of Technology, Local Authorities, etc) involved in initiatives funded by the Territorial Co-operation Programmes.

(c) Have there been shifts in priorities or allocation of ERDF?

See Report text.

Reasons for such shifts?

See Report text.

(d) To what extent, if any, has ERDF support helped to maintain public investment in the present difficult economic circumstances?

The level of ERDF does help to maintain public investment. However, the level of such support to Ireland has reduced significantly during the period 2007-2013.

6. (a) What new initiatives, if any, were implemented in the OP since 2012?

See Report text.

(b) What new initiatives, if any, were implemented in the Territorial Co-operation Programme since 2012?

The South-East Regional Authority has commenced, from 2012, one Ireland-Wales INTERREG and two INTERREG IVC part-funded projects. The Authority is also implementing during 2013 a project under the terms of the PROGRESS Programme.

7. (a) What expenditure took place on these new initiatives since 2012?

(b) Any new commitments? If so, please specify.

See Report text.

8. Were any specific measures co-financed by ERDF taken over the past few years to tackle:

(a) problems of youth unemployment

See Report text and MA submissions

(b) SME difficulties in obtaining finance?

“Youth 4JOB” is a small research-focused project, funded under the terms of the PROGRESS Programme, in which the Authority is involved. The overall objective of the project is to carry out benchmark research and analysis on policies and programmes that promote youth employment, concentrating on the need to facilitate the transition for young people from education to the labour market. The key output from the project will be a report on good practices and quality services in terms of vocational orientation and guidance services, taking into account employment perspectives. Within these terms of reference, the Regional Authority is responsible for carrying out a small-scale sectoral-specific case study on Youth Entrepreneurship (which will be completed in Autumn 2013).

9. Did implementation of OPs accelerate or slow down during or after 2012?

See Report text.

10. Were projects planned which failed to be implemented? If yes, which ones?

The Regional Authority is aware that, for example, the National Broadband Programme has not proceeded in a number of key regional urban centres. Also the capital funding announced some years ago for major infrastructural works at the Airport has not materialised.

11. The main reasons for delays or non-implementation?

The Regional Authority would suggest that one of the main reasons is that insufficient levels of exchequer match-funding were not made available.

12. Any new initiatives to accelerate implementation?

See Report text.

Achievements of Policy

13. Could you give examples of important initiatives co-financed by ERDF implemented in your region and their achievements to date under the following headings ?

See Report text.

14. Are the indicator “targets” meaningful in relation to the funding allocated to each policy area?

The lack of meaningful targets disaggregated at NUTS III spatial level makes it very difficult to monitor and assess outcomes/effects at NUTS III (Regional Authority) level.

15. If the objectives or “targets” are not being achieved, what are the main reasons for this?

Refer to MAs.

16. (a) To what extent have ERDF-supported projects strengthened the capacity of your region to achieve sustainable development and improve the quality of life?

ERDF supported projects have certainly strengthened the region’s key infrastructure (e.g. water, waste water, tourism, transport, broadband) with positive resulting impacts on sustainable development and quality of life issues.

(b) Is there evidence that ERDF support is helping your region to respond to major long-term challenges (e.g. globalisation, demographic change, energy security)?

The lack of adequate and worthwhile reporting of information at a NUTS III level makes it difficult to accurately evaluate such outcomes/effects at this level.

Challenges for the Future

17. Please outline the main challenges currently facing Cohesion Policy in your region

18. What, in your view, are the Irish or EU policy changes needed to meet these challenges.

In response to Questions 17 and 18 questions, the submission (May 2013) made by the South-East Regional Authority to the Southern & Eastern Regional Assembly’s consultation process on the preparation of the S&E Regional Operational Programme (OP) 2014-2020 is appended.

Appended Below

1. Submission by Association of Irish Regions (AIR) to the Minister for the Environment, Community & Local Government “Regional Reform and Economic Development, The Case for a Strengthened Regional Tier of Government in Ireland”

2. Submission by the South-East Regional Authority to the Southern & Eastern Regional Assembly’s consultation process on the preparation of the S&E Regional Operational Programme (OP) 2014-2020

Regional Reform and Economic Development

The Case for a Strengthened Regional Tier of Government in Ireland

Submission to Mr. Phil Hogan, T. D., Minister for the Environment, Community & Local Government

February 2012

Regional reform and economic development

1. Contributing to National Economic Recovery and Job Creation

This submission, on behalf of the Association of Irish Regions, sets out how, as strategic policy developers, funding managers and co-ordinators, the Regional Authorities and Regional Assemblies, can contribute to the national policy goals of economic recovery and job creation. It is made within the context of the Government’s stated commitment to reform public

administration in Ireland, including the achievement of efficiencies through the sharing of services provided by public authorities. The submission takes account of the Local Government Efficiency Review process and the views of the Minister expressed at the meeting on 17th January 2012.

The Local Government Efficiency Review Group identified that efficiency gains could be made from greater integration of administrative structures, both through a regional approach to shared services and through the “pairing” of neighbouring county/city authorities as joint administrative areas. The report recognises that shared services can lead to service improvements and greater consistency in delivery and can free up scarce resources within local authorities.

The Association of Irish Regions considers that a region-based shared services model would have many clear advantages over a jointly administered area or a lead authority model. With democratic representation drawn from across the region, Regional bodies provide a forum to enable elected members and the executive to fulfil their responsibilities and functions in the interest of the common good. Regional bodies could pool expertise in multi-disciplinary teams and effectively address trans-boundary service delivery issues, while retaining democratic accountability to elected representatives. This would deliver more efficient policy implementation through cross-sectoral resource prioritisation at all levels, whilst maintaining democratic interaction.

An expanded role for the Regional Assemblies and Regional Authorities can generate efficiencies and assist the economy in its return to sustainable growth. A strengthened strategic role for regional bodies can contribute to job creation through tailoring smart investment in dynamic regional centres. The Regional tier in Ireland has a proven track record in effective stakeholder engagement across spatial and sectoral divides. An invigorated regional tier would also enhance Ireland’s ability to attract additional EU resources, in particular from programmes targeted at regional initiatives.

The Regional Assemblies manage EU Funds and maximise the benefit to the regions through the roll-out and monitoring of EU-funded programmes and initiatives. Regional Authorities promote economic renewal and sustainable development by ensuring that the planning system supports targeted investment through their statutory role under the Planning and Development Acts.

A regional approach is needed to respond in a targeted way to the specific social and economic needs of different parts of the country, through tailored appropriate strategies and programmes, consistent with the principle of subsidiarity. Regional bodies fulfil an essential co-ordination role for county and city-based authorities with regard to important planning and investment matters, offering an ideal vehicle to eliminate inefficient trans-boundary duplication of services and promote co-operation and co-ordination among local authorities

The persistence of regional disparities in Ireland highlights the need to promote a coherent, proactive regional policy. Regional bodies believe that the current review is an opportune time to strengthen the regional tier in Ireland and are willing to undertake expanded strategic roles and responsibilities, which are broadly set out in this paper.

The Association of Irish Regions considers that if all parts of our country are to benefit from a return to sustainable growth, the Recovery Plan must contain a regional dimension with appropriate and effective measures to ensure a balanced recovery.

2. Public Service Coordination – Strengthening of Strategic Role

Regional bodies are ideally placed and statutorily empowered to co-ordinate the delivery of public services, linking Central Government Departments and Agencies with local authorities, operating within a democratically accountable structure. They are an effective forum to regionalise national policies and strategies, acting as a bridge between the centre and the local authorities and a democratically elected forum to facilitate, monitor and report on the coordinated delivery of services by state and local agencies and national authorities.

Regional bodies are the most appropriate level to spearhead and co-ordinate the implementation of Regional Employment Action Plans³ and the implementation at regional level of the national employment action plan⁴. Because responsibility for many of the actions in such plans is spread over several bodies, their implementation calls for coordination and oversight by an „independent“ entity such as a regional authority.

Through existing Public Sector Co-ordination structures, the Regional Authorities provide a mechanism to efficiently address common challenges identified in the County Development Strategies by the County Development Boards. The priority actions identified can be effectively prioritised at regional level, working with the key agencies leading to agreement and co-ordinated cross-sectoral funding decisions at regional level. This can then be followed by implementation at the local level that benefits from the synergies gained in areas such as the economy, cultural tourism and community development.

A strengthened strategic role for Regional Authorities, utilising the Regional Planning Guidelines Implementation Structures already in place, can generate a more effective coordinated approach at regional level through prioritisation of investment and resource allocation, the use of shared services and the utilisation of regional synergies in several important areas, including:

- Preparation of regional economic and enterprise frameworks, focused on the key sources of indigenous growth and enterprise: SME enterprise development; tourism and recreation; agriculture and food; low carbon initiatives, energy saving and renewable energy. Funding support for such an initiative could come from the EU INTERREG programme and technical support from National, Regional and Local Development agencies.
- Incorporating and overseeing the implementation of regional employment strategies in cooperation with Forfás and the agencies under its remit (EI, IDA, SOLAS).
- Land Use and Transport Planning – developing and implementing regional integrated transport plans and the co-ordination of urban and rural transport services. Such plans would identify appropriate land use and transport policies in all areas and sectors such as residential, health, education and employment and provide for a more efficient and effective use of public resources.
- Waste management strategies.

- Facilitating translation of national priorities for local delivery through the preparation of Gateway strategies, regional innovation strategies and regional retail, housing and broadband strategies.
- Providing a democratic regional forum through which national bodies such as “Irish Water” can report and interact at County level in the fulfilment of their obligations and discharge of their duties.
- Regional co-ordination of the framework for sustainable development and marine spatial planning, e.g., preparation of the Shannon Estuary Integrated Framework Plan.

In fulfilling these strategic roles, the democratic accountability of the Regional Authorities/Assemblies is invaluable for the effective monitoring and review of the functions assigned. Further to this, Ireland will be required to formulate Regional Smart Specialisation Strategies in order to avail of ERDF funding for the post-2013 programming period. The Regional bodies are ideally placed to lead his process.

The strategic role of the Regional Assemblies/Authorities would be greatly enhanced if the proposed National Development Plan 2012-2019 were to contain region-specific chapters containing the strategic investment and sectoral priorities to be identified at regional level and co-produced with Central Government. This would enable each region to fulfil its potential and maximise its contribution to the national economy and would facilitate more effective monitoring of regional economic investment and a more proactive engagement between national and regional-level authorities.

In order to meet the requirements of the Europe 2020 Strategy, Ireland is obliged to ensure an enhanced contribution from regional stakeholders in the preparation, implementation and monitoring of the 3-year National Reform Programmes. There has not been a meaningful engagement with regional stakeholders on this to date. A strengthened strategic role should be assigned to sub-national (regional and local) bodies in the operationalization of the planned actions to help Ireland meet the national targets and comply with its obligations under the Europe 2020 Strategy.

3. A Regional Model for Shared Services

The Local Government Efficiency Review Group⁵ identified several service areas that could be administered more efficiently at a regional or shared service level. Many of the services identified could be hosted and co-ordinated in an efficient manner, with a regional reporting structure put in place, utilising existing accommodation and seconded expertise and administrative support, in the following areas:

- A Regional Infrastructure Delivery Office - employing the skills and experience gained in Regional Road Design Offices to design, plan, procure and manage the delivery of all infrastructure in each region.)
- Water quality and overseeing implementation of River Basin Management Plans
- Co-ordination and accountability of Local Energy Agencies and development of renewable energy strategies
- Development and management of shared services with District Councils in Northern Ireland (Border Region).

Other areas where potential exists for the hosting and/or provision of services within the regions include:

- Hosting Back-office functions – HR, payroll, IT & IS
- Co-ordination of Grants and programmes (e.g. higher education, housing etc.)
- Laboratory and Library Services and other technical support services
- Consolidation of Heritage, conservation/archaeology, biodiversity, landscape planning, architecture services, including SEA, EIA and Habitats Directive Assessment specialisations
- Building Control and Inspection platform.

To give effect to this, the Association of Irish Regions recognises the need to appoint Liaison Officers to co-ordinate the identification of services that could be provided on a shared basis. These should be hosted by the Regional bodies in order to expedite this process. This would also enable the establishment of consistent systems to capture, review and report on the levels of savings being achieved, relative to those envisaged by the Local Government Efficiency Review Group. In this regard, it is requested that our proposed regional model for shared services should be given due consideration by the Local Government Efficiency Review Implementation Group.

4. Maximising EU Resources

Regional Assemblies and Authorities have been successful in securing and managing INTERREG projects with over EUR 28.5 million in funding approved to date for 180 local and regional projects in the current 2007-2013 round. They have also facilitated access by other public agencies and academic institutions to EU and other funding streams. The Regional Authorities and Assemblies have established links through their Irish Regions Office based in Brussels and engage in the formulation of EU policy at an early stage through their representation on the EU Committee of the Regions. Many EU initiatives expressly require regional bodies to either lead or act as public sector partners.

The Regional Assemblies have an expertise in the preparation, management, monitoring and financial control of Regional, Cross-Border and Inter-Regional Operational Programmes. A joint submission has been presented to the Department of Public Expenditure and Reform in respect of future Regional Programmes setting out how significant administrative savings could be made by Government Departments and Agencies if the funds were allocated and paid directly by the Assemblies, similar to the model that currently applies for the EUR 28 million ERDF Gateways and Hubs Scheme, designed and implemented by the Assemblies.

The Regional Assemblies also represent the State on all Cross-Border, Transnational and Inter-regional Territorial Co-operation (INTERREG) Programmes in which Ireland participates. In effect, the two Regional Assemblies sit on all Programme Monitoring Committees, which are responsible for the design and oversight of implementation of the Programmes. The Assemblies also represent Ireland on all the Steering Committees under which projects are selected for funding. Regional bodies can play a greater role in the co-ordination of cross-border funding, under the future INTERREG V programme.

There are significant untapped resources available through other EU initiatives, such as the Intelligent Energy Europe programme (total budget EUR 727 million); Culture programme (EUR

400 million); Entrepreneurship and Innovation Programme (EUR 2,166 million); ICT-Public Support programme (EUR 728 million) and LIFE+, that could be bid for by regional bodies in Ireland. Government Departments and Agencies are generally not proactive in pursuing these additional funding opportunities. In the case of LIFE+, Ireland has under-claimed its indicative allocation over the past number of years. Regional bodies are also well placed to co-ordinate applications under the European Globalisation Fund (EGF).

5. Regional Planning

The Regional Authorities are charged with a specific role in the 2010 Planning and Development (Amendment) Act, to promote the alignment of national with local level policy to ensure efficient and effective development patterns that reflect identified investment priorities through the Core Strategies. Alignment of planning policy between the Region and County/City levels has resulted in a significant revision to the amount of land zoned, or potential number of housing units to be made available, for future residential housing under the plan-led approach to development.

This process has been successfully implemented throughout the country, resulting in significantly more sustainable zoning patterns. It is recognised in the Government's recent consultation paper on sustainable development⁶ that the NSS, the Regional Planning Guidelines (RPGs) 2010-2022 and the implementation of the Core Strategy provisions of the 2010 Planning and Development (Amendment) Act, overseen by the Regional Authorities, are "creating a more effective policy framework designed to support economic renewal and continue the promotion of sustainable development". This has been achieved by ensuring that the planning system supports targeted investment on infrastructure and by modernising land zoning. Alignment of land use planning with transport planning, water services, energy supply and waste management as supported in the RPGs and core strategies of Development Plans, provides the basis upon which strategic decisions are made to facilitate greater alignment and integration between infrastructural investment programmes, planning policies and strategies at the regional and local levels.

Regional Authorities are required under the planning legislation to oversee the re-shaping of local authority development plans through the incorporation of new Core Strategies and relevant objectives from the 2010 Regional Planning Guidelines.

The Development Plan core strategies are in turn integrating national, regional and local planning issues, which will help to bring about:

- a more rational, evidence-based approach to the identification of future development land requirements;
- greater co-ordination and cost effectiveness in delivering essential physical and social infrastructure; and
- better conditions for investment and economic recovery.

Regional Authorities have therefore important roles in relation to:

(1) Demonstrating that local authorities are playing their full part in the implementation of the Planning and Development Act 2010, and

(2) Supporting the implementation of the recommendations of the 2009 NSS „Review and Outlook“ Report, and the wider objectives of the RPGs through consensus building and co-ordination of key stakeholders in regional development, such as government departments, development agencies and the private sector.

The objectives of the Regional Planning Guidelines require cross-sectoral interaction and engagement which, with an expanded remit, has the potential to contribute even more to economic development and job creation. The RPGs will be an essential and dynamic element of the broader planning process in Ireland contributing its share of the effort to securing overall regional, and therefore national economic recovery.

The regional tier in Ireland has also worked effectively to address inter-regional and cross-border strategic issues, e.g. the development of the Atlantic Gateways Initiative, and is playing a greater role in the development of plans and strategies in Northern Ireland which have a significant trans-boundary impact in Ireland.

6. Revised Regional Configuration

The design of an optimum configuration of regional bodies is largely determined by the functions that Government wishes them to fulfil, taking account of the expanded functions set out above. In determining what boundaries may be appropriate, the following principles should be taken into account:

- Retaining representation of counties at regional level and democratic accountability
- Potential administrative efficiencies
- Coherent functional economic areas, with a critical mass of population and recognised growth centre(s) e.g. gateways and their areas of influence, sharing common characteristics
- Recognition of established geographic, historic, social and cultural linkages
- The EU's preference for region-level programme preparation, management and monitoring and existing Eurostat statistical designations
- Alignment with local authority boundaries – avoidance of „split“ Counties
- Contiguity, where feasible, with regional functional areas of key public agencies, e.g. HSE, Fáilte Ireland, IDA, Enterprise Ireland, Solas etc. and potential for greater alignment
- Recognition of the Greater Dublin Area (and possible regional role of Dublin Mayor).

References

1. Government for National Recovery 2011, Department of the Taoiseach, 2011
2. Report of the Local Government Efficiency Review Group, 2010
3. 'South-East Region Employment Action Plan: Spotlight on the South-East', Forfás, Dec. 2011
4. 'Action Plan for Jobs 2012', Department of Jobs, Enterprise and Innovation, Feb. 2012
5. Report of the Local Government Efficiency Review Group, 2010
6. A Framework for Sustainable Development for Ireland, Department of Environment, Community and Local Government, December 2011

Appendix

International Comparisons

The recent reforms undertaken in Denmark, a country of similar size, economic status and population structure, are instructive in this context. The Danish Government and Parliament have re-configured from 14 county administrations to five regions (Denmark also has municipal-level administration with 20,000 – 30,000 per municipality). Since 1st January 2007, the regions have been responsible for certain health care services, regional development, environment and public transport. The activities of the Danish regions are paid for by subsidies from the municipalities and the state. Each of the five regions is led by a Regional Council with 41 members, elected by the people every four years. Each Regional Council has adopted a regional development plan comprising a vision for the development of the region, including cities, rural districts, fringe areas as well as environment, business, tourism, employment, education and culture.

This is but one of many examples of how comparable Member States in the EU are strengthening their regional tier of government and leveraging the benefits of region-level strategic planning, programme management and implementation. Others include the strengthening of Regional Councils in both Sweden and Finland, and the devolution of additional powers to Regional Authorities in Portugal. In fact, Ireland's regional structures are very weak compared to European norms, and in many ways Ireland is out of sync with the dominant trend in Europe, even in smaller Member States, of moving to enhance the role and functions of the regional tier of governance. Under the current Local Government Reform agenda, now is an ideal opportunity to move with our European colleagues by strengthening the role of regional structures in Ireland.

Submission to the Southern & Eastern Regional Assembly on the development of a Southern & Eastern Regional Operational Programme 2014-2020

1. Introduction

The cohesion (or regional) policy of the European Union provides a framework for financing a wide range of projects and investments with the aim of encouraging economic growth in EU Member States and their regions. The policy is reviewed by the EU institutions once every seven years. The next round of programmes will cover the period 2014 - 2020.

Under the Partnership Agreement¹, each of the European Structural & Investment (ESI) Funds will have its own Operational Programme. In the case of the European Regional Development Fund (ERDF), this funding is to be delivered through two Regional Programmes, one for the Border Midland & Western Region and one for the Southern & Eastern (S&E) Region. The two Regional Assemblies are the designated Managing Authorities for their respective Regional Programmes.

The S&E Region will be categorised as a 'More Developed Region' for the next programming period, having a GDP per capita greater than 90% of EU average for the 2007-2009 reference period.

The S&E Regional Assembly has launched a consultation process on the preparation of the S&E Regional Operational Programme (OP) 2014-2020 and it is in this regard that the South-East Regional Authority (SERA) makes this submission to the Regional Assembly in respect of the priorities and development requirements of the NUTS III South-East Region that require inclusion in the future OP.

2. Key Economic Characteristics of South-East NUTS III Region

The South-East NUTS III Region comprises the five counties of Carlow, Kilkenny, Waterford, Wexford and South Tipperary, an area of 9,406 kms² (representing 13.5% of the area of the State and 25.8% of the area of the NUTS II S&E Region.)

CSO figures from the 2011 Census show that the population of the South-East NUTS III region was 497,578 (10.84% of the national population and 14.9% of the population of the S&E NUTS II Region). The South-East is predominantly rural in character but also enjoys a unique and balanced urban structure with the main urban centres being Waterford City, Kilkenny City and the towns of Carlow, Clonmel and Wexford. In particular, the region has more towns of greater than 5,000 inhabitants than any other region outside the Greater Dublin Area.

The regional economy of the South-East is based primarily on agriculture and food, manufacturing and services, tourism, fishing and aquaculture. The agriculture and food sectors account for a significant proportion of output and employment, with the region having a higher than average reliance on this sector. A high proportion of the region's manufacturing industry is foreign owned. Overseas industry is concentrated mainly in electronics and precision engineering, pharmaceuticals and healthcare and in internationally traded services.

The breakdown of sectoral employment as a share of total employment is as follows:

Sector	South-East NUTS III	S&E NUTS II	State
Agriculture	8.9%	4.6%	5.2%
Industry	22.6%	19.6%	18.1%
Services	68.5%	75.6%	76.6%

Source: Central Statistics Office, Quarterly National Household Survey Q1/2013; Forfás, Regional Labour Markets Bulletin 2012

The following table illustrates the region's relative position in employment terms. The figures illustrate that the South-East has the highest unemployment rate by far in the S&E NUTS II Region, nearly six percentage points above the NUTS II figure. It is also the highest regional rate in the State at over five percentage points above the State average.

Region	In Employment	Unemployed	In Labour Force	Unemployment Rate (%)
Dublin	547,100	70,000	617,100	11.3
Mid-East	220,600	36,700	257,300	14.3
Mid-West	146,500	27,000	173,500	15.6
South-East	186,500	42,000 ²	228,600 ³	18.4
South-West	277,100	34,700	311,800	11.1
S&E NUTS II	1,377,800	210,400	1,588,200	13.2
State	1,845,600	292,000	2,137,500	13.7

Source: Central Statistics Office, Quarterly National Household Survey Q1/2013

The following table and figure provide a comparison between the South-East Region, the NUTS II S&E Region and the State in the key socio-economic indicators of Gross Value Added (GVA)⁴ and household income from the start of the present OP to the most recently available figures.

Indicator		State	South-East NUTS III	S&E NUTS II	South-East (as % of S&E)
Indices of GVA Per person (%)	2006	100	73.6	110.2	66.8
	2010	100	67.4	112.7	59.8
Indices of Disposable Income Per Person (%)	2006	100	93.7	103.2	90.8
	2010	100	93.8	103.1	91.0
Disposable Income per person (€)	2006	20,678	19,265	21,304	90.8
	2010	19,318	18,125	19,910	91.0

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

The South-East continues to very much lag behind and is performing poorly within the S&E NUTS II region. There is a significant imbalance at NUTS III level within the S&E Region. There is a widespread misconception that the South-East is wealthy and that it is performing well economically. This has manifested itself more over the past decade because the South-East Region is included with the other, more wealthy regions of the NUTS II S&E Region. Regional disparities and inter-regional differences are often stark between the two.

The following table summarises unemployment and output data for the South-East.

GVA at Basic Prices per capita	
Ireland = 100	EU27 = 100
South-East NUTS III Region = 67.4 S&E NUTS II Region = 112.7	South-East NUTS III Region = 86.3 S&E NUTS II Region = 144.3 Ireland = 128
Unemployment	
Ireland = 13.7%	EU27 = 10.6% ⁵
South-East NUTS III Region = 18.4% S&E NUTS II Region = 13.2%	South-East NUTS III Region = 18.8% ⁶ S&E NUTS II Region = 13.1% Ireland = 13.7% EU15 = 10.8%

These figures are not once-off phenomena; the South-East's unemployment rate has persistently been well above the averages for both the State and S&E Region and the region's GDP dropped below the EU average in 2009.

A related issue is that, on the basis of the European Commission's Guidelines on National Regional Aid for 2014-2020⁷, the South-East meets the qualifying criteria under Article 87.3(c) for regional aid designation.

Several publications⁸ over recent years have called for a greater focus and concentration of economic investment in the South-East NUTS III Region. It is clearly demonstrated by a range of economic indicators that the South-East requires special and sustained attention and this needs to be reflected and meaningfully addressed in the S&E Regional OP 2014-2020.

3. South-East Region Policy/Strategy Context

3.1 National Spatial Strategy

The Government's NSS sets out the basis on which all areas of the country will have the opportunity to develop to their potential within a national spatial planning framework for the period up to 2020. The NSS has determined that in the South-East Region critical mass will be

enhanced through Waterford performing as a “gateway”, supported by Kilkenny and Wexford as “hubs”. Critical mass relates to size and concentration of population that enables a range of services and facilities to be supported. This in turn can attract and support higher levels of economic activity and improved quality of life throughout the Region. The South East Regional Planning Guidelines aim to implement the objectives of the NSS as they relate to the South-East.

3.2 South-East Regional Planning Guidelines 2010-2022

In 2004 the SERA adopted Regional Planning Guidelines (RPGs) for the South-East Region for the first time. These RPGs were reviewed and updated in 2009/2010 and new Guidelines for the Region for the period 2010-2022 were made.

The RPGs provide a strategic planning framework for the South-East Region with the objective of implementing the NSS at regional level and achieving balanced regional development. The RPGs incorporate high level policies which inform and assist Local Authorities in the preparation and review of their respective Development Plans, thus providing clear integration of planning and development policy from national to regional to local level.

The RPGs articulate a strategic vision for the Region that:

‘By 2022 the South-East will be recognised as a distinct and cohesive region that is prosperous and competitive, where the benefits of economic success are shared equitably throughout the region and throughout society and which offers a good quality of life in an environment rich in heritage and landscape value’.

Furthermore, the RPGs outline that this vision will be realised through attainment of the following strategic goals:

- Broaden and strengthen the economic base of the Region and seek to achieve greater economic competitiveness and growth with associated social progress;
- Support the development of the Gateway and combine the strengths of the cities and towns in the Region, as envisaged in the NSS, to achieve sufficient critical mass to compete with larger urban centres in other regions;
- Progress towards an accessible region with efficient and fully integrated transport systems;
- Maintain the character and vitality of rural areas, promote rural sustainability and conserve the Region’s characteristic environment, landscape and heritage assets.

The RPGs identify the strategic objectives, actions, issues and infrastructure that need to be tackled and prioritised in support of balanced economic development of the South-East.

3.3 South-East Employment Action Plan

A South-East Employment Action Plan was published in December 2011 by Forfás at the request of the Minister for Jobs, Enterprise and Innovation in response to the on-going concerns about the persistently above average rates of unemployment in the South-East Region. According to the Plan, there is a need to:

- Have a policy focus over the next three to five year period on the continued upgrading of the existing base of enterprise;

- Increase the contribution of employment and value-added from exporting manufacturing and internationally trading services enterprise;
- Develop 'new' sectors in the region and upgrade the region's skills base;
- Develop a short-term focus on attracting replacement enterprise for Waterford (including a focus on business process outsourcing (BPO)/international services activities) on the part of the IDA and Enterprise-Ireland.

The Plan sets out required key actions:

- Development of the Regional Gateway and Effective Promotion of the Region;
- Upgrading the Regional Enterprise Mix;
- Measures Relating to developing Contact Centre Management and Business Process Outsourcing related activities in the South-East;
- Measures to Support the Recently Unemployed;
- Progressing Regional Infrastructural Priorities.

3.4 Regional Competitiveness Agenda for the South-East Region

In 2009 Forfás produced a Regional Competitiveness Agenda (RCA)⁹ for the South-East Region. The RCA sets out the economic potential and opportunities of the Region. Building on the strengths identified in the Region, the sectoral opportunities considered in the RCA for the South-East are:

- Environmental Technologies;
- Agri-Food;
- Tourism (including Marine-based tourism);
- ICT Services;
- Internationally Traded Services (excluding ICT);
- Life Sciences.

While this listing suggests discrete sectors with potential, a key characteristic of global enterprise trends is the increased blurring of sectoral boundaries - where advances in science, engineering and ICT drive previously separate sectors to collaborate and develop new and more valuable products and services. In the context of sectoral convergence, core skills become transferable across sectors, for example, biology, chemistry, engineering, electronics, logistics and software; and cross-sectoral strategic collaborations and networking (regionally, nationally & internationally) amongst firms and between firms and knowledge providers (HEIs, research institutes etc.) become critical. As regards the South-East, core competencies in engineering, food production, and more recently, software development have provided a strong base to build strong enterprises (both indigenous and foreign in origin) within the region, particularly in Medical Technologies, Food Processing, Pharmaceuticals and International & Financial Services. These competencies will play a central role as these sectors continue to evolve and 'cross-fertilise'.

The RCA identifies a series of priority actions to address the opportunities and challenges outlined in the report, many of which can be taken at a regional level, with the relevant regional stakeholders acting collaboratively. There are others, though, that require a national response.

3.5 Other Policies/Strategies

Atlantic Gateways

The aim of the Atlantic Gateways Initiative is to advance in a complementary way the development of the Waterford, Cork, Limerick/Shannon and Galway Gateways. The initiative is seen as part of a wider process of strengthening the urban structure along the southern and western seaboard and developing stronger linkages between these Gateways. The N25 and N24 routes and the Waterford-Limerick rail line form the transport corridors from Waterford to Cork and Waterford to Limerick/Shannon and it is considered that the opportunities for growth along these corridors should be exploited through the upgrading of these transport links and the public transport services operating along these transport corridors.

South-East Region Bioenergy Implementation Plan

The Bioenergy Implementation Plan was first developed by the SERA in 2008 and it was reviewed and updated in 2012/2013. The primary aim of the Plan is to promote the sustainable deployment of bioenergy within the South-East Region and to increase the production and consumption of bioenergy within the region. The implementation of the Plan will significantly increase the production and consumption of energy from biomass in the South-East Region. By achieving the targets set out in the Plan, the Region will reduce its reliance on imported finite fossil fuels and will benefit from reduced carbon emissions and will create opportunities to support employment creation and regional development.

N24 Prioritisation Study

The current N24 is of variable standard and is certainly not consistent with its status as a National Primary route. This results in a number of problems, principally arising from congestion and safety issues. The Study, published by the SERA in 2008, sets out the case for upgrading the route on the grounds of safety, efficiency and strategic importance of the route for the economic performance of the region.

Waterford Planning Land Use and Transportation Study

Waterford City Council, Waterford County Council and Kilkenny County Council jointly adopted the Waterford Planning, Land Use and Transportation Study 2004-2020 (PLUTS) in 2004 to provide a strong planning framework for the future development of Waterford City and its environs. A key element of the PLUTS is the achievement of critical mass to allow the City to reinforce and develop its role as the economic driver of the South-East Region. It provides guidance on the location, scale and forms of development so that the City and its environs can be developed in a balanced, sustainable, transport-friendly and attractive way to provide a high quality of life and opportunities for all its citizens.

Regional Higher Education Development

The establishment of a university in the South-East is of paramount importance to the region's future economic, social and cultural development. The Hunt Report and the subsequent "Towards a Future Higher Education Landscape" provide for the establishment of Technological Universities, with a particular focus on the application of knowledge in a regionally contextualised way. The establishment of a Technological University in the South-East of Ireland, with Waterford I.T. and I.T. Carlow as partners in its development is the key strategic aim for the upcoming period.

4. Learnings from Participation in European Territorial Cooperation Programme

The SERA has, for some considerable time, participated very actively in the EU's many cooperation programmes. The EU's cohesion policy encourages regions and cities from different EU Member States to work together and learn from each other through joint programmes, projects and networks. Formerly known as the INTERREG Community Initiative, European Territorial Cooperation covers three types of programmes – cross-border, transnational and inter-regional. The key objective from such territorial cooperation is to learn and to take the learnings and transfer them into policies and programmes in your own territory.

The following are examples of experience and learning gained by the SERA from participation in territorial cooperation programme projects during the 2007-2013 period:

- The Irish entrepreneurship education (EE) scene is perceived as vibrant and exhibiting a wealth of local initiatives. However, it suffers from fragmentation and uneven quality across the system. The clarion cry was for national co-ordination and coherence in EE design and provision by means of publication of an entrepreneurship education policy, such as that produced in a number of member states and regions (INTERREG IVC “Youth Entrepreneurship Strategies” Project¹⁰).
- A creativity and innovation training/mentoring (CIME) programme piloted to SMEs in the South-East Region produced excellent results in terms of new jobs created, new processes/products introduced and new businesses established. There is clear evidence of a need for such a tailored programme for micro-enterprises and SMEs, in which the creativity and innovation does not depend on technology or formal R&D processes, and which is focused on more effective and efficient business management and exploring new opportunities and new ways of doing business (INTERREG IVA Ireland-Wales “Creativity & Innovation in Micro-Enterprises” Project^{11/12}).
- Local, small-scale actions can produce a tangible contribution towards carbon footprint reduction. A collaborative venture between the SERA, Carlow County Council and Carlow-Kilkenny Energy Agency to identify and demonstrate best in class energy efficiency measures in each of the Council's main internal electricity-consuming activities showed significant energy savings. The initiatives undertaken have a high level of transferability to other local authorities across Ireland and the EU and would lead to significant energy savings across the EU public sector. (INTERREG IVB Atlantic Area “CLIMATLANTIC: Local and regional action for carbon footprint reduction” Project¹³).
- Energy policy is increasingly important in today's society and the location and use of alternative energy sources are paramount to the sustainability of national, regional and local development and competitiveness. The SERA has prepared a Bioenergy Implementation Plan 2013-2020. Awareness raising and demonstration initiatives are fundamental to increase the uptake in the use of renewable energy sources. The SERA has organised several awareness raising conferences, seminars, site visits and school competitions and has also produced many publications focusing on the use of biomass sources (INTERREG IVC ‘Bio-En-Area’ Project and INTELLIGENT ENERGY REGBIE+ Project¹⁴).
- There is a very positive correlation between a strong social media and online presence and SME and micro-enterprise business growth and development. High participation

rates and demand from SMEs for social media awareness and training have highlighted the growing ubiquity and importance of social media for business competitiveness (INTERREG IVA Ireland-Wales “Advanced Communication Technologies” Project¹⁵).

- - The central role of SMEs to European, national, regional and local economies is evidenced by Eurostat (87m employees across Europe, 92% of SMEs with less than 10 employees) and acknowledged by policy makers across the EU. Policy initiatives and practical support to start-ups and new SMEs are clearly defined. However, these supports tend to dissipate as businesses develop and attrition rates grow. For businesses to grow, consolidate and sustain beyond Year 3 of their existence, further targeted measures and regional policy initiatives are required (INTERREG IVC “Young SMEs” Project¹⁶).
- - The transfer of both technology and knowledge from Higher Education Institutes through licensing, patents, intellectual property, spin-outs and entrepreneurship development is a key goal of the third and fourth-level education mission. The commercialisation and knowledge transfer of such publicly-funded research for wider public, social and business benefit should be a key policy focus (INTERREG IVC project “KTForce” Project¹⁷).

5. Strategic Directions Required for S&E Regional OP 2014-2020

A number of key directions have been identified by the SERA that the Regional OP must, *inter alia*, address:

- In the context of the NSS there is a clear need for the integration of development programmes on a territorial, and not merely on a sectoral, basis. The NUTS III regions provide the appropriate territorial unit for this purpose;
- Complement the Regional Planning Guidelines 2010-2022 which have been prepared by the SERA for the South-East (and by the other Regional Authorities for their respective functional area) and the Local Authority City/County Development Plans in identifying different spatial types in the region and assisting in the delivery of development and settlement policies appropriate to local conditions so as to strengthen communities and underpin economic competitiveness and environmental sustainability;
- Be consistent with and complement any future National Development Plan;
- Promote regional smart specialisation by aligning with the sectoral opportunities identified in the Regional Competitiveness Agenda reports;
- Achieve balance between urban and rural development in the context of achieving the Government’s stated objective of balanced regional development;
- Recognise the economic and social importance attaching to rural areas in many parts of the NUTS II Region, particularly the South-East, and through its strategic goals and implementation measures, assist the fulfilment of this goal. Because the S&E NUTS II Region contains four of the five large urban centres of the State and the obvious policy and project ‘pull’ towards such centres, rural regions often do not receive proper recognition and focus. Rural areas have a vital contribution to make to the achievement of balanced regional development and one of the strategic goals set out in the South-East RPGs is *‘to maintain the character and vitality of rural areas, promote rural sustainability and conserve the region’s characteristic landscape and heritage assets’*.

- Focus on tackling the high levels of unemployment, particularly amongst the youth population;
- Facilitate the provision of effective and efficient collaboration and ‘joined-up’ thinking at and between all levels of government;
- Support and manage orderly change to a more environmentally sustainable, multi-ethnic society and a knowledge-based economy;
- Develop programmes of ongoing and long-term support for activities that are fundamental to balanced national and regional development and that cannot be delivered by the market alone;
- Assist in implementing the European Commission’s Maritime Strategy for the Atlantic Ocean Area¹⁸;
- Acknowledge that some areas of Ireland have demand deficiencies with respect to certain services and that these services cannot be provided in a way that does not require indefinite, ongoing support;
- Promote best practice in line with the EU 2020 Digital Agenda with regard to interoperability, security, speedy access to broadband, R&D and e-Skills – which underpin the single digital market;
- Provide an increased level of subsidiarity in decision-making so that areas can respond properly to their specific needs in the context of the overall parameters set by Government;
- Develop strategies and structures that will promote issues of integrated coherent management and implementation of programmes and not on specific investment programmes alone.

6. Thematic Investment Areas in South-East Region, including specific investment projects

In 2012, the European Commission published a Position Paper on the development of the Partnership Agreement and Programmes in Ireland for the period 2014-2020¹⁹. The paper presents the Commission’s preliminary views on the main funding priorities in Ireland that should be addressed during the period 2014-2020.

In terms of the South-East Region there are a number of key areas/projects that require targeting and investment on the basis of the thematic objectives laid down in the draft Common Provisions Regulation, as follows:

6.1 Research, Technological Development & Innovation – Thematic Objective 1

1. Promote, in order to become a knowledge-based economy, careers in STEM subjects (science, technology engineering and maths).
2. Strengthen and intensify academic/industrial linkages in R&D, innovation, entrepreneurship and SME development through the triple helix model by collaborative undertakings and a ‘shared facilities’ approach.
3. Strengthen the research and technological innovation capabilities in firms.
4. Build up Clusters/Networks for innovation, both public and private, to develop critical mass and expertise.
5. Develop higher education R&D capabilities, particularly in the Institutes of Technology (perhaps on a shared basis) to have research of an internationally recognised standard; research growth areas include agricultural and environmental science, eco-innovation, ICT, pharmaceutical science, advanced manufacturing.
6. Provide more equity and balance in the disbursement of R&D funds between the University and

Institute of Technology sectors.
7. Provide supports to develop high-quality Enterprise/Innovation Parks to facilitate the development of high-growth, innovative start-ups and enterprise, e.g. the proposed R&D Enterprise Unit at Ballingarranne, Clonmel.
8. Incorporate regional-specific criteria/targets into calls for proposals for research projects.
9. Support the Region's Institutes of Technology in the development of Nanotechnologies.

6.2 Information & Communication Technologies – Thematic Objective 2

1. Provide Metropolitan Area Networks in all towns of greater than 1,500 population and improve broadband service speeds in all areas (urban and rural).
2. Programmes of support for potential users along existing MAN routes to enable them to connect to the MANs.
3. Provision of open access fibre-optic cables to within 10 km of every citizen.
4. Provide efficient and cost-effective back-haul, particularly to areas of dispersed population.
5. Support greater competition in the telecommunications sector.
6. Measures to encourage businesses to develop/expand their ICT usage and demand stimulation amongst the general public.
7. Measures to implement the EU 2020 Digital Agenda, such as eGovernment, eBusiness services, etc.
8. Development of test-bed and service validation platforms for ICTs which would support industry service development and validation.

6.3 Competitiveness of SMEs – Thematic Objective 3

1. Deliver easier access to venture/risk capital funding sources for entrepreneurs.
2. Deploy advanced SME support services at local level through the enterprise support agencies, targeted "innovation voucher" type scheme for small businesses.
3. Develop, through tailored programmes, the 'soft' skills (e.g. creativity, innovative processes and marketing) necessary for business growth in micro-enterprises and SMEs, such as the creativity and innovation training/mentoring programme provided by SERA in its "CIME" Project.
4. Provide higher rates of assistance on programmes such as the development of Community Enterprise Centres for areas suffering sudden/severe job losses/economic shocks.
5. Support high potential start-ups (HPSUs) irrespective whether they are indigenous market-focused or export oriented.
6. Measures to grow the internationalisation capacity of regional SMEs.
7. Programmes of support to companies in the scale-up stage of growth (beyond the start-up phase).
8. Support the 'local organic' food quality concept in order to further encourage growth in the artisan/small food industry.
9. Provide a framework through which key regional-specific socio-economic resources can be prioritised for planned and orderly development. As an example, it is an objective of the Regional Authority to work in partnership with key stakeholders to develop a sustainable Strategic Commercial and Leisure Development Framework for the Waterford Estuary that will guide the future development of this resource.
10. Measures for recreational angling development; investment in angling infrastructure in rural locations.
11. Craft industry is an important part of local and rural economies; provide measures for targeted R&D investment and initiatives in design, innovation and production processes to enhance craft SME competitiveness.

6.4 Low-carbon Economy – Thematic Objective 4

1. Emphasise the use of renewable energy resources from a bioenergy perspective, such as wind, hydro, wave, solar/geothermal, renewable crops, energy from waste.
2. Develop regional capacity and capability for biodiesel, bioethanol and PPO production.
3. Measures to encourage conversion to bioenergy heating systems amongst individual, public and commercial consumers.

4. Measures seeking to achieve further gains in energy efficiency and emission reductions amongst individual, public and commercial consumers and community facilities and infrastructure.
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6.5 Other Thematic Areas

Climate Change – Thematic Objective 5

1. Prevent coastal erosion and preservation of the region's uplands.
2. Develop flood prevention plans/measures for urban centres at known risk of flooding.
3. Investments in developing disaster resilience and management systems in conjunction with our Atlantic maritime neighbours

Protecting the Environment – Thematic Objective 6

1. Schemes for the rehabilitation of contaminated sites/land and remediation of old brownfield sites.
2. Expansion of the group water and sewerage sector, with improved grant rates, should be intensified on the basis of needs and requirements identified by the local authorities to address/minimise potential pollution risks to rural waters/environment.
4. Accelerate implementation of the Water Services Investment Programme to ensure provision of water and wastewater services to all designated towns/villages.
5. Full implementation of the Water Conservation Programme.
6. Measures to support the implementation of the Joint Regional Waste Management Plan.
7. Measures to achieve the objectives of the River Basin Management Plans and associated Programme of Measures.
8. Initiatives to conserve the inland fisheries angling resource and to render sustainable its competitiveness; protection of water resource; invasive species control; disinfection stations at country's points of entry; biosecurity facilities at fisheries.

Sustainable Transport – Thematic Objective 7

1. Establish a Regional Transport Planning Unit (RTPU) to integrate and co-ordinate bus, taxi and hackney services (both public and private) within the region as well as inter-modal integration where appropriate ²⁰ .
2. Develop non-conventional semi-scheduled or demand-responsive services, using smaller buses/taxis/hackneys to connect dispersed rural populations to their local centre, building on experience of RTI projects as a sustainable rural public transport option with encouragement for the migration of public service vehicles to non-fossil fuels.
3. Priority upgrading of the N24 National Primary Route. The N24 is one of the key economic infrastructural drivers of the South-East regional economy. The route forms the key east-west transport corridor for the region, linking the two NSS 'Gateway' cities of Waterford and Limerick, the 3rd and 4th largest cities of the State. The N24 in its current condition is clearly not fit for purpose ²¹ .
4. Improve intra-regional road links, including improvements to cross-radial routes.
5. Regional airports continue to be important access points. Schemes to support proposals for extending runways to accommodate larger aircraft and improving passenger and cargo facilities would greatly enhance the economic and social role which airports, such as Waterford Regional Airport, could play.
6. Improve the reliability and safety of road transport.
7. Support regionally important car ferry routes (e.g. Passage East to Ballyhack).
8. Develop rail cargo depots and development and enhancement of the region's multi-modal freight logistics capabilities.
9. Develop under-utilised existing local rail lines, (especially the Waterford–Limerick service). Provide opportunities for advancing innovative solutions for such under-utilised lines, such as Community Rail Partnerships.

Employment and Labour Mobility – Thematic Objective 8

1. Develop sustainable tourism activities centred on the region's rural natural resources, e.g. waterways, mountains/uplands, valleys, coasts, forests and heritage.
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2. Measures to implement the Government's South-East Employment Action Plan.
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3. Initiatives to integrate young people not in education, education or training (the so-called "NEETs") into the labour market. Ireland's youth unemployment rate is one of the highest in the EU.

Social Inclusion – Thematic Objective 9

1. The Regional OP should:

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| <ul style="list-style-type: none"> • Adopt as an objective that social, community and cultural needs of all persons and communities be catered for through the provision of well dispersed and easily accessible social and community infrastructure contributing to and ensuring the delivery of a high quality of life; • Have regard to the policies and recommendations of the National Anti-Poverty Strategy to safeguard and protect the most vulnerable in Irish society. |
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2. Support development and maintenance of community facilities appropriate in scale and location to the populations that use and depend upon these facilities.
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Education, Skills and Lifelong Learning – Thematic Objective 10

1. Embed and integrate entrepreneurial education into the education system at all levels from primary to postgraduate level in order to foster an entrepreneurial and innovation culture.

2. Support expansion in the further education training and skills sector as a positive step towards advanced training and re-skilling of the labour force through, for example, the development of Multiplex Adult and Further Education Centres in accessible locations.

Enhanced Institutional Capacity – Thematic Objective 11

Traditional economic/industrial policies can no longer guarantee high growth and employment, certainly not for all regions. Both innovation and entrepreneurship are considered vital for economic growth and industrial renewal. 'Innovative Entrepreneurship' lies at the intersection of entrepreneurship and innovation. There are often gaps in the understanding of the need for, and provision of, innovative entrepreneurship at a regional level. The Regional OP should provide staff of regional and sub-regional actors with pathways and structured supports to improve their knowledge and competencies in the field of innovative entrepreneurship.

7. Implementation/Administrative Requirements

Most responsibility for successful implementation of the S&E Regional OP 2014-2020 will rest with the various public and semi-state bodies charged with the provision of the social, economic and physical infrastructure and services provided for in the OP. Ongoing, timely and relevant evaluation and monitoring will be required to ensure that the necessary progress is being made.

In terms of the sub-NUTS II regional role in this implementation process, the following points are made:

- A core objective of Government policy thinking is 'balanced regional development'. The NSS represents the Government's roadmap for achieving this objective. The NUTS III regional socio-economic strategy and RPGs have an important role in the implementation and delivery of the NSS. For this reason the new Regional OP must have a stronger NUTS III spatial dimension to its programmes. Sectoral programming, by its nature, will not allow for a meaningful evaluation of the achievement of balanced regional development. Also, since one aspect of development affects another, development must be managed spatially as well as on a programme-by-programme basis. The established NUTS III territorial designations provide the natural regional level

to accomplish this. There is a need for a clear, unambiguous designation of the NUTS III Regions as the practical level for spatial programming in the new Regional OP.

- As a guarantee of the spatial dimension, explicit targets at NUTS III regional level should be developed and incorporated into the new Regional OP (in tandem with sectoral specific indicators). The spatial indicators themselves should have the flexibility to incorporate diverse approaches to the specific needs of different territories and the integrative needs of specific target groups.
- There is a need to radically improve the information provided on programmes and spending in the new Regional OP in comparison to that which exists currently. For the new programmes information must be provided in a timely fashion and in a manner that is relevant. More information structured on a NUTS III regional/NUTS IV county spatial basis is required. In order for the Regional OP Monitoring Committee to review implementation as it happens (when worthwhile improvements can potentially be suggested), as opposed to considerably afterwards (when it is of historic interest only), then the relevant information, data and reports are needed more promptly and must be produced more speedily. This should include progress updates on projects from implementing bodies as well as quantitative data. An online reporting system may provide a solution in this regard;
- The levels of bureaucracy and administrative burden on beneficiaries within the programme need to be further reduced and eliminated;
- The OP profile should be improved. Communication could be improved through the additional use of ICT and other new means of communication and social media.
- Reconsider the match-funding requirements. This is particularly relevant when it is difficult to access private sector borrowing, or where projects cannot bear the loan repayments on capital projects that are in receipt of grant aid.

7.1 Key Indicators

Effective monitoring mechanisms are essential in measuring whether plans and programmes are achieving their intended objectives. In the new Regional OP the objectives and strategies for the achievement of balanced regional development, if they are to be meaningful and effective, must be based on the NUTS III regional level as outlined before. Furthermore, sectorally based indicators also tend not to permit an evaluation of balanced regional development. In this regard it is important that the full suite of indicators used to monitor implementation and progress of the new OP be determined and reported on a territorial basis at the NUTS III level.

An indicator set has been identified and developed by the Regional Authority Regional Planners Network to establish an effective monitoring framework for all the 2010-2022 RPGs. It is now widely known and accepted that evidence-based planning is a prerequisite to good decision-taking and policy-making. The indicators are the initial step in a system tailored to measure and evaluate progress in the implementation of the RPGs at two levels – regional (overall regional policy) and sub-regional (Gateway/ Hub) and across three main themes – People and Places, Economic Prosperity and Environment and Infrastructure. In total, there are nineteen indicators across the three themes.

This indicator set could provide a very useful baseline for the monitoring framework for the OP to allow for highlighting areas of regional progress and identifying if, and where, review of national and regional policy is required.

7.2 Community-Led Local Development

The Community-Led Local Development (CLLD) model – that is the setting up of a Local Action Group, involving a wide range of local stakeholders, delivering a Local Action Plan – is generally a welcome one, provided the group is actually empowered to deliver the plan. CLLD can work, but it would be important to have a national overarching focus. Regardless of whether a CLLD model is in place, it would be important, whenever feasible, to ensure that all sectors are involved in a true partnership approach in action groups, action plans and action delivery at the local level.

7.3 Integrated Territorial Investment

Integrated Territorial Investments (ITIs) could provide an opportunity to allocate EU funds in line with local/regional spending plans in areas such as economic development, education, environmental protection and social inclusion. Combined with other funds ITIs could ensure economic and social development of areas. ITIs could be used as a mechanism to implement multi-sectoral investment programmes in territorial areas within the NUTS II S&E Region that are significantly underperforming economically (the NUTS III South-East Region being an obvious case on the basis of the socio-economic data presented in Section 2). Such an approach could provide the leadership and focus to generate the necessary targeted delivery of supports of integrated plans, such as the Government's South-East Employment Action Plan.

7.4 Financial Engineering Instruments

Ireland should be very open to the possibilities offered by such instruments but also cognisant of the many obstacles that can exist to their effective use, including the availability of finance and the complexity of the instruments. The Managing Authorities of the Regional OPs and the Government should actively explore the option of using financial instruments in the 2014-2020 programming period. To that end the SERA is aware that the Government invited the European Investment Bank (EIB) last year to undertake a JESSICA feasibility study. This study, to the SERA's knowledge, is almost completed and the findings should feed into the preparations for the 2014-2020 OP.

It is essential that the ESI Funds are used in conjunction with EIB funds and financing sourced from Government and the private sector to ensure an optimum leveraging for EU and EIB funds while securing economic growth and related employment creation. Based on the indicative projects that have been highlighted during the scoping phase of the feasibility study, four areas are being considered:

- Housing Retrofit;
- Energy Efficiency in Public Buildings;
- Innovation Space;
- Waste Management.

Appendices

A. Consultation

For the purposes of compiling this submission the six constituent local authorities of the South-East Regional Authority (County Councils of Carlow, South Tipperary, Waterford, Wexford, Kilkenny and Waterford City Council) and a range of organisations, public and private, were consulted and any submissions made by them have been incorporated into this document. Written submissions were received from:

- Crafts Council of Ireland
- Inland Fisheries Ireland
- South Tipperary County Council
- Waterford County Council
- Waterford Institute of Technology.

B. Documents Consulted

For the purposes of compiling this submission, the following reports and documents were consulted.

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South-East Regional Authority, 2013, *A Baseline Research Analysis of the online and social media strategies of SMEs/micro-enterprises in South-East Ireland and West Wales*

South Tipperary County Council (for the City and County Councils in the Region), 2005, *Joint Waste Management Plan for the South-East*

Waterford City Council, 2004, *Waterford Planning Land Use and Transportation Study Page*

Notes and References

1 The Partnership Agreement is the overall strategic document at national level which defines the scope and manner of the proposed interventions under the ERDF,ESF, EAFRD and EMFF funds, the overall results to be achieved and the arrangements to ensure strategic coherence at EU, national and regional levels

2 20% of those unemployed are under 22, with over 33% under 34. 1/3 of those unemployed hold less than a higher secondary education qualification.

3 Labour Force participation rates at 58.30% are also below S&E and national averages of circa 60%

4 GVA is a measure of the value of goods and services produced in a region. Gross Domestic Product (GDP) and GVA are the same concept, i.e. they measure the value of the goods and services (or part thereof) which are produced within a region or country. GDP is valued at market prices and hence includes taxes charged and excludes the value of subsidies provided. GVA at basic prices on the other hand excludes product taxes and includes product subsidies

5 The latest available comparable figures for all EU27 member states are for the 4th quarter of 2012

6 For reference purposes in this column, the figures used for Ireland, South-East and S&E regions are also for the 4th quarter of 2012

7 http://ec.europa.eu/competition/consultations/2013_regional_aid_guidelines/paper_en.pdf

8 For example, *South East Employment Action Plan (Forfás, 2011)*

9 An RCA was produced by Forfás for each NUTS III region, although Dublin and the Mid-East were combined for this purpose

10 www.young-entrepreneurs.eu

11 www.cimeproject.com

12 A delegation from the South-East Regional Authority held a meeting with Mr. John Perry, T.D., Minister for Small Business on 18 October 2012 to launch the CIME Business Support App and to discuss with him the CIME Programme and its potential for expansion

13 www.climatlanticproject.eu

14 www.bioenarea.eu and www.regbieplus.eu

15 www.actireland.ie

16 www.youngsmes.eu

17 www.ktforce.eu

18 COM(2011) 782 final – 21/11/2011

19 Ares(2012) 1320527 – 09/11/2012. A Position Paper was also published for each of the other Member States

20 The RTPU concept was recommended in the SERA's South-East Regional Passenger Transport Strategy

21 As clearly spelled out in the SERA's N24 Prioritisation Study

22 *Community Rail Partnerships were identified in SERA's Socio-Economic and Business Case for the Maintenance of the Rosslare-Waterford-Limerick Rail Corridor presented to the National Transport Authority*

23 http://epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/3-30042013-BP/EN/3-30042013-BP-EN.PDF

C. RPG Regional Indicators Set

Theme 1 - Economic Prosperity

- 1: Population (total and by gender) aged 30-34 years with tertiary education
- 2: Employment rate of population aged 20-64 years
- 3a: GVA per person in each region at basic prices
- 3b: GVA contribution by sector at basic prices
- 4: SMEs as a proportion of population per region
- 5a: Employment in IDA supported companies per region as a proportion of population per region
- 5b: Number of IDA supported companies as a proportion of population per region
- 6a: Households with a personal computer
- 6b: Households with internet access
- 6c: Broadband coverage

Theme 2 - People and Place

- 1a: Total Population by Region, Gateway, Hub & Tier 1 settlement (i.e. key regionally significant settlements as per RPGs)
- 1b: Population change by Region, Gateway, Hub & Tier 1 settlements
- 2a: Urban/ Rural population ratio
- 2b: Gateway and Hub/ Rural population ratio
- 3: Dependency Ratio
- 4a: Total housing stock by Region, Gateway, Hub & Tier 1 settlement
- 4b: Housing vacancy by Region, Gateway, Hub & Tier 1 settlement
- 5a: Serviced residential zoned land by Region, Gateway, Hub & Tier 1 settlement
- 5b: Unserviced residential zoned land by Region, Gateway, Hub & Tier 1 settlement
- 6a: Work-related commuting by car, bus, rail, bicycle and walking
- 6b: Population both living and working in Gateways, Hubs and Tier 1 settlements

Theme 3 - Environment and Infrastructure

- 1: Status of all water bodies (groundwater, rivers, lakes, estuarine, coastal, bathing, drinking waters)
- 2: Settlements (main RPG settlements/ County Towns) in compliance with Urban Waste Water Treatment Directive Discharge License

- 3: Actual and surplus wastewater treatment capacity in Gateway, Hub & Tier 1 settlements
- 4a: Renewable Energy Capacity (wind)
- 4b: Total Energy Consumption by region
- 5: Unserviced occupied households (unmanaged waste arising)
- 6: Collected and Brought Municipal (household) managed waste
- 7: Status of EU protected habitats and species (national level only)

Annex 3 – Ireland Wales Programme: Selected Examples of New Processes and Products

The significant growth in the number of new products/process completed in 2012 is accounted mainly by three particular project proposals working directly with SME's. Therefore, each new product/process introduced by an SME was counted. For example, if 10 SME's introduced a new export strategy/process then the output is counted as 10 as each strategy will be customised to the individual SME.

Examples of the new processes introduced included:

- Improved Health and safety Processes in Store
- Inventory Management
- Management Accounting and Product Costings
- SKU Rationalisation Process
- Reformulation of Products;
- New Export Strategy
- New Opportunities for Growth
- Improved Distribution Process
- Distributor Motivation Tools.
- Competitor retail price tracking in overseas markets
- New Pricing Structures for Overseas Markets
- Improved NPD Processes
- New processes developed for pricing jobs (e-brochure developed).
- Re branded agricultural products
- Technical Development of new products
- Market awareness
- Health & Safety Audit and processes
- New website, e-brochure developed - this helped a lot with new business
- Examples of the new products introduced included:
 - Baby Comforter
 - Septic tank

Source: S&E Regional Assembly, 2013.

Annex 4 - Previous Evaluations during the 2007-13 Programming Period

Title of evaluation	Policy area and scope (*)	Main objective and focus (*)	Method(s) used (*)	Main findings	Full reference or link to publication
Implementation Analysis of PEACE III and INTERREG IVA Programmes: Final Report July 2009	09-Multi-field	1-Process oriented	4	<p>PEACE III: 210 applications; 47% approval rate; value of approvals EUR 163.8m. The strategic nature of projects, including both the location of co-applicants and projects & planned areas of operation, create potential for a broad spread of project activity and benefits well beyond applicants geographic locations. The predefined PEACE III target groups are: victims of conflict, displaced persons, people excluded/marginalised from networks, former members of security forces, ex-prisoners and public private and voluntary organisations. While there was variation in the target groups in a number of projects, all groups were included in at least 20 of the 75 projects approved.</p> <p>INTERREG IVA: 72 applications: 52% approval rate; value of approvals EUR 158.3. When all applicants, i.e. lead and co-, are included the spread of participation broadens with 100% of eligible council areas participating in a number of projects. The Border Region of Ireland, and counties on the border area in Northern Ireland, are particularly prominent. Council areas away from the border in Northern Ireland are less prominent. The INTERREG IVA Programme provides a list of 45 separate indicators across Priorities 1 and 2. The development of a set of indicators for the Programme is in itself an example of good practice, and the nature of the indicators chosen also demonstrates elements of good practice. A review of approved projects, expected outputs, results and impacts, suggests that the Programme is well on its way to matching and indeed exceeding many of the targets that have been set for it. The number of PEACE III applications at end-February 2009 is much larger (about three times) the number of those for INTERREG IVA. However, the total value of applications is higher for INTERREG IVA, implying a much larger average size of INTERREG IVA application. The approval was similar so INTERREG IVA approval numbers are much lower – 33 as against 75 for PEACE III. Average INTERREG IVA approval values are, however, over twice as large as PEACE III. Hence, total approved values are similar EUR 163.8 million for PEACE III and EUR 158.3 million for INTERREG IVA. Regarding geographic spread of lead applicants, INTERREG IVA lead applicants are somewhat less spread out across the eligible council areas than those for PEACE III – nearly 60% of council areas have a successful PEACE III applicant, the same figure for INTERREG IVA is 45%. Council areas targeted to benefit from approved projects is widespread, with some level of involvement of eligible council areas already universal under both Programmes as at end-February 2009. This reflects the number and spread of co-applicants and of project remits, the strategic approach adopted by both Programmes in the 2007-13 period.</p>	Haase, T., 2009. Implementation Analysis of PEACE III and INTERREG IVA Programmes: Final Report. Dublin: Fitzpatrick Associates, Economic Consultants http://www.fitzpatrick-associates.com/
PEACE III – Theme 1.2: Acknowledging and Dealing with the Past, Review of Implementation Report September 2010	09-Multi-field	1-Process oriented	4	<p>Since 2007, 57 projects received funding under Theme 1.2; EUR 25m allocated (of EUR 50 million ring-fenced for period 2007-2013). All approved projects under Strands 2 & 3. None under Strand 1. Services received: 2,500 people received counselling; 4,000 attended conflict resolution workshops; 5,000 attended events for victims and survivors. Quality of the targets less clear. Potential under Strand 2 to address wide spectrum of victim & survivor needs. While quality standards are in place, practice is varied and inconsistent. Need for future applicants to think through how their activity links to wider peace and reconciliation processes and objectives. Clearest gap relates to activities envisaged under Strand 1. Other gaps: provision of services in Southern Border counties, mainstreaming of service delivery/collaboration with public agencies; some legacies of the past that are not being dealt with. Overall, however, the analysis is positive as the evaluation is confident of outcomes across each</p>	Deloitte, 2010. Theme 1.2: Acknowledging and Dealing with the Past, Review of Implementation Report http://www.seupb.eu/Libraries/PEACE_III_Reports/Pubs/Theme_1_2_Acknowledging_and_Dealing

Title of evaluation	Policy area and scope (*)	Main objective and focus (*)	Method(s) used (*)	Main findings	Full reference or link to publication
				of the 'aid for peace' indicators.	with the Past - Review of Implementation.sflb.ashx
Mid Term Evaluation of the Ireland Wales OP 2007-2013 Final Report to the Southern and Eastern Regional Assembly January 2011	09-Multi-field	1-Process oriented	4	Wider economic circumstances have changed since the Programme was put together but the main thrust of the strategy, oriented towards innovation among businesses and sustainability is still appropriate. The supported projects are generally of the required quality and there are no major concerns about project quality. The cross-border element in this programme is generally strong and genuine. There are also significant challenges for the programme – mainly to do with the practicalities of management and administration – e.g. the level of spend; questions relating to match funding; the system for approving and meeting claims for payment. A number of key recommendations are made.	SQW, 2011. Mid Term Evaluation of the Ireland Wales OP 2007-2013: Final Report to the Southern and Eastern Regional Assembly Link: http://www.sqw.co.uk/
Evaluation of the BMW Programme of Innovative Actions (2009)	1	3 - assess outcomes	4	The key "outputs" of the Programme were as follows: <ul style="list-style-type: none"> • Research and intelligence briefings on four major R&D topics; • Innovation management training for 20 participant companies; • Take-up of research voucher support among 24 companies; • Assistance to 50 companies under the Food Technology Transfer programme; • Assistance to 35 companies under the Business Mentoring for Winners programme; • Completion of a feasibility study on R&D links between SMEs, multinational companies and knowledge institutions. 	Fitzpatrick and Associates et al. (2009) Evaluation of the BMW Programme of Innovative Actions, Dublin
Mid-Term Evaluation of the Border Midland and Western Regional Operational Programme (2010)	9	3	3	The evaluation concluded that, despite some adjustments during the period up to 2009, the Operational Programme priorities and interventions were "well aligned" with national and EU objectives. Priority 1 on Innovation, ICT and the Knowledge Economy was performing "reasonably well" although the frontloading of expenditure envisaged had not been achieved. Priority 2 on Environment and Risk had fallen behind expectations but "significant progress" had been made on Priority 3 relating to Transport and Urban Development with special reference to road and rail development. In relation to the indicators being used to assess the Operational Programme, the evaluation concluded that many of these were "acceptable" while others "need improvement". No horizontal principles indicators were available. The Evaluation recommended re-allocations of expenditure between the principal Priorities/Policy Areas and these were been accepted.	Mid-Term Evaluation of the Border Midland and Western Regional Operational Programme, Central Expenditure Evaluation Unit, Department of Finance, Dublin, 2010;
Southern and Eastern Regional Operational Programme Mid-Term Evaluation (2011)	9	3	3	The evaluation found good progress in achieving targets at the level of the OP although it identified some discrepancies in performance across the different Priorities. Priority 1 was found to be performing well, driven mainly by the robust performance of the PRTL. Regarding Priority 2, progress for the environment and energy-related sub-themes was slow but the ICT and Accessibility themes were satisfactory in relation to physical and financial targets. Priority 3 registered the lowest level of financial progress in proportionate terms with only 6% of profile spent to date. The public transport and ERDF Gateways Grant sub themes achieved a modest level of outputs. Expenditure on Priority 4 relating to technical assistance was weak but reasonable progress was made on the key outputs. There was scope for re-allocation of resources from this Priority.	Southern and Eastern Regional Operational Programme Mid-Term Evaluation, Central Expenditure Evaluation Unit, Department of Finance, Dublin, 2011; EEN2011 Task 2: Country Report on Achievements of Cohesion Policy Ireland, Final version

Title of evaluation	Policy area and scope (*)	Main objective and focus (*)	Method(s) used (*)	Main findings	Full reference or link to publication
					Page 21 of 95
Ten Years On: Confirming Impacts from Research Investment in the PRTL 2000-2006 (2011)	1	3	3	Resulted in significant new research space, equipment and facilities and inter-departmental and inter-institutional collaboration. Supported the costs and output of Principal Investigators, post-doctoral students, research assistants and technicians. Commercial impacts have been established in tracking and attributing investment, savings, turnover and employment to the products of particular research activities. This has resulted in 50 companies where impact has been validated, a commercial impact of EUR 753.7 million, and an employment impact of 1,255 jobs. Significant potential future commercial impact identified by industry amounting to EUR 1,1080 million. Wider economic impact also identified.	Ten Years On: Confirming Impacts from Research Investment in the PRTL 2000-2006 (abbreviated title), PA Consulting Group, London, 2011;
Gateway/Hubs Development Index 2012	7- Territorial Development	3	3	The BMW Gateways of Dundalk and Letterkenny and the S&E Gateway of Waterford record the lowest overall index scores and are below the Gateway average in both years. The Midlands and Limerick/Shannon Gateways are likewise consistently below the average. The highest scores are recorded by Galway, followed by Dublin, Cork and Sligo. It is clear that little change in the index scores have occurred between 2009 and 2012 suggesting some stability. The more detailed results by "domains/categories", point to significant and consistent weaknesses in the low-scoring Gateways, but pinpoint considerable strengths in the strong ones.	Gateway/Hubs Development Index 2012 A Review of Socio-Economic Performance, Future Analytics Consulting and B&A Behaviour and Attitudes, S&E Regional Assembly, Waterfords and BMW Regional Assembly, Ballaghaderreen, 2012

Note: (*) Legend:

Policy area and scope: 1. RTDI; 2. Enterprise support and ICT; 3. Human Resources (ERDF only); 4. Transport; 5. Environment; 6. Energy; 7. Territorial development (urban areas, tourism, rural development, cultural heritage, health, public security, local development); 8. Capacity and institution building; 9. Multi-area (e.g. evaluations of programmes, mid-term evaluations); 10. Transversal aspects (e.g. gender or equal opportunities, sustainable development, employment)

Main objective and focus: 1. assess the arrangements and procedures for managing or administering programmes; 2. support monitoring, or check the progress made in implementing programmes, such as many mid-term evaluations; 3. assess the outcome or effects of programmes in terms of the results achieved and their contribution to attaining socio-economic policy objectives

Method used: 1. Counterfactual; 2. Cost-benefit analysis; 3. Other quantitative; 4. Qualitative.

Annex 5 - Evaluation grid for examples of good practice in evaluation

Evaluation Grid A - Ten Years On: Confirming Impacts from Research Investment.

BASIC INFORMATION		
Country: Ireland		
Policy area (Enterprise support, RTDI, Transport, etc.) PRTLTI – co-funded under ERDF. Enterprise support, RTDI, Innovation, ICT, Education/Training, Environment and Energy		
Title of evaluation and full reference PA Consulting Group, 2011. Ten Years On: Confirming Impacts from Research Investment. A Case Study focusing on the direct commercial and economic impacts from exchequer investment into centres and initiatives supported by the PRTLTI 2000-2006. www.heia.ie		
Intervention period covered (2000-2006; 2007-2013; specific years) 2000-2006		
Timing of the evaluation (when it was carried out) Mid 2010 to 2011. Published August 2011		
Budget (if known): EUR		
Evaluator (External evaluator, internal evaluator, EC) External: PA Consulting Group		
Method (counterfactual analysis, process analysis, case study, econometric model, analysis of indicators, etc.) Examination of previous work on economic impact of research investment; assessment of situation pre-PRTLTI to establish “base case”, consult stakeholders, review programme material and establish strategic rationale; case study approach, counterfactual/additionality assessment, survey of all centres and initiatives (77% response rate), visits to 45 funded centres/initiatives; assess inputs, outputs and outcomes; national and international benchmark, assess and validate impact including surveys and validation exercise with companies, stakeholders and researchers; compare “base case” to current position; international comparators.		
Main objectives and main findings (very short description - 3-4 lines) To offer an independent assessment of the commercial and economic impacts of exchequer investment in centres/initiatives funded via the PRTLTI over its first three cycles 2000-06. The PRTLTI investment, in collaboration with a range of other exchequer interventions, supported 45 centres/initiatives and across five broad subject areas with a particular emphasis on biosciences and biomaterials (53%), but also supported research on the environment and marine, the social sciences, humanities and ICT. Resulted in significant new research space, equipment and facilities and inter-departmental and inter-institutional collaboration. Supported the costs of Principal Investigators, post-doctoral students, research assistants and technicians. Resulted in a trebling of publications and a ten-fold increase in citations; significant increase in conferences and conference presentations; Ph.D graduate base 12 times greater than the base in 2000; patent submissions and registrations up to 5 times higher and invention disclosures 8 times higher than base; provides an indication of commercialisation, technology transfer and collaboration with industry. Range and details of examples of direct commercial and economic impacts provided and quantified. Assisted the development of companies, marketable products, ideas and employment generation. Significant improvement in human capital base and development of skills, including research and teaching.		
Appraisal (Why you consider the evaluation an example of good practice: - 2-3 lines) Draws on best international experience and practice for methodology. Acknowledges difficulties in isolating specific PRTLTI impact. Evaluation follows a logical sequence from inputs to outputs, outcomes, additionality/deadweight assessment and impact. Provides evidence-based estimates of commercial and economic impacts. Raises important concerns regarding the focus of research support, the sustainability of the initiatives due to recent exchequer funding cuts and restrictions on recruitment.		
CHECK LIST	YES	NO
UTILITY		
Report Clarity and Balance		
Are the objectives, methods and findings of the evaluation clearly described?	x	
Are the conclusions and recommendations clearly supported by the analysis?	x	
Are the strengths and weaknesses of the intervention being evaluated fairly assessed and reported?	x	
Is the outcome of the intervention clearly reported?		

RELIABILITY OF FINDINGS		
Evaluation design		
Is the approach adopted by the evaluation and method used clearly set out?	x	
Is the approach and methods suitable given the objectives of the valuation and the intervention being assessed?	x	
Are the details of the operation of the intervention clearly described?	x	
Are the mechanisms through which the intervention is intended to achieve its objectives clearly identified?	x	
Context		
Is the socio-economic and policy context clearly set out?	x	
Are the effects of the economic and/or policy context on the outcome of the intervention clearly described?	x	
Information Sources		
Are the quantitative and/or qualitative data used suitable for the purpose for which they are used?	x	
Is the reliability of the data fairly assessed and described?	x	
Analysis		
Are appropriate procedures/techniques used to analyse the data and/or qualitative information?	x	
Are suitable procedures used to check the validity of findings?	x	
Is the validity of the findings reached clearly demonstrated?	x	
Do the policy recommendations follow clearly from the findings of the analysis?	x	

Evaluation Grid B - Mid Term Evaluation of the Ireland Wales OP 2007-2013: Final Report to the Southern and Eastern Regional Assembly

BASIC INFORMATION		
Country: Ireland and Wales		
Policy area (Enterprise support, RTDI, Transport, etc.) Territorial Co-operation. Ireland Wales OP (Ireland/Wales INTERREG IVA Programme)		
Title of evaluation and full reference SQW, 2011, Mid Term Evaluation of the Ireland Wales OP 2007-2013: Final Report to the Southern and Eastern Regional Assembly SQW, 2011, Mid Term Evaluation of the Ireland Wales OP: Case Studies See www.irelandwales.ie		
Intervention period covered (2000-2006; 2007-2013; specific years) 2007-2013		
Timing of the evaluation (when it was carried out) 2010-2011		
Budget (if known): EUR		
Evaluator (External evaluator, internal evaluator, EC) External Evaluator		
Method (counterfactual analysis, process analysis, case study, econometric model, analysis of indicators, etc.) Review of programme documentation; review of policy context; analysis of underlying socio-economic conditions 2007-2010; quantitative analysis of spend and output data; expert review of priority axes and funded projects; Expert review of CCTs; Programme management workshops; project manager's survey; unsuccessful applicants survey; stakeholders survey; case studies; internal team meeting.		
Main objectives and main findings (very short description - 3-4 lines) Main Objectives: 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 this analysis. Main Findings: Overall, the Programme was found to have performed well in terms of contracting projects. Almost all P2 resources were found to have been committed. It was assessed that there will be at least one further round of project approvals and consequently recommendations are made to influence activity beyond 2013.		
Appraisal (Why you consider the evaluation an example of good practice: - 2-3 lines) This evaluation report is clear and focussed in its objectives; utilises a range of appropriate tools in its methodological approach; examines the socio-economic context for the programme; engages in a critical analysis of the findings; the range of different approaches used in the methodology would have provided a form of triangulation as a way of ensuring validity of the findings; the recommendations follow clearly from the analysis.		
CHECK LIST	YES	NO
UTILITY		
Report Clarity and Balance		
Are the objectives, methods and findings of the evaluation clearly described?	x	
Are the conclusions and recommendations clearly supported by the analysis?	x	
Are the strengths and weaknesses of the intervention being evaluated fairly assessed and reported?	x	
Is the outcome of the intervention clearly reported?	x	
RELIABILITY OF FINDINGS		
Evaluation design		
Is the approach adopted by the evaluation and method used clearly set out?	x	
Is the approach and methods suitable given the objectives of the valuation and the intervention being assessed?	x	
Are the details of the operation of the intervention clearly described?	x	
Are the mechanisms through which the intervention is intended to achieve its objectives clearly identified?	x	
Context		
Is the socio-economic and policy context clearly set out?	x	
Are the effects of the economic and/or policy context on the outcome of the intervention clearly described?	x	
Information Sources		
Are the quantitative and/or qualitative data used suitable for the purpose for which they are used?	x	

Is the reliability of the data fairly assessed and described?	x	
Analysis		
Are appropriate procedures/techniques used to analyse the data and/or qualitative information?	x	
Are suitable procedures used to check the validity of findings?	x	
Is the validity of the findings reached clearly demonstrated?	x	
Do the policy recommendations follow clearly from the findings of the analysis?	x	