

# COMPETITIVENESS & EMPLOYMENT MONITORING COMMITTEE MEETING

31<sup>ST</sup> JANUARY 2008  
SEAGOE HOTEL, PORTADOWN

## MINUTES

### 1. Attendance

A list of attendees is attached at Annex A. Apologies were received from Brian Murphy, Environment, Brendan Mackin, Trade Unions, Mealla Bratton, SDLP, John Doran, Business, and Robin Newton, DUP. The Chair welcomed the new Research sector representative Maurice Mulvenna who replaces Bernie Hannigan, and the new Desk Officer from the European Commission for the ERDF Programme, Stephen Langley who will take over from David Yormesor.

### 2. Introduction

**The Chair** advised that the purpose of the meeting was to ratify the outcomes of the last meeting, when the Committee operated in a shadow capacity due to the fact that both programmes had not been adopted by the European Commission; formal adoption of the ESF Programme was 26<sup>th</sup> October and 30<sup>th</sup> October 2007 for the ERDF Competitiveness Programme. Members were also required to note the appeals/review and Development Path Analysis (DPA) guidance notes, consider and approve the terms of reference for the Environmental Working Group, and discuss and agree the Monitoring Committee Progress Report Template.

**The Chair** advised that the Agenda had been revised to include a verbal update of both Programmes and two additional papers where tabled; the Communication Plan, paper CE 04/08, and Northern Ireland's response to the 4<sup>th</sup> Cohesion Report.

### 3. Minutes of meeting on 5<sup>th</sup> October 2007

**The Chair** advised that the minutes had been circulated to members on 16<sup>th</sup> October 2007 and were now presented with a tracked change suggesting how a trigger mechanism should come into play on low scoring projects to ensure the promotion of the cross cutting themes. No further comments were raised by the Committee. **The Chair** invited the Committee to agree the minutes as an accurate record of the meeting. The Chair stressed that by agreeing the minutes, the Committee would be providing full Monitoring Committee agreement to all decisions made at the previous meeting of the Monitoring Committee in shadow format including the selection criteria agreed at the previous meeting, when in shadow format. The Monitoring Committee indicated that they understood this point and agreed the minutes.

### 4. Action Points from meeting on 5<sup>th</sup> October 2007

#### 4.1 Amended Rules of Procedure

The **DFP representative** presented paper CE 01/08 to the Committee. It was explained that the comments received at the last meeting had been incorporated into the paper and were shown as tracked changes. A further amendment to the Membership Annex to show membership from NITB and INVEST NI will also be made.

**Action: DFP**

As no further comments were received **the Chair** noted the paper as being agreed.

#### 4.2 Appeals/Review Process

**The Chair** presented paper CE 02/08, explaining that as agreed at the last meeting, a paper would be presented to the Committee setting out the Appeals/Review Process which would apply to all NI Structural Funds Programmes. The **DFP representative** advised that this was one of a series of overarching Guidance Notes issued to the Managing Authorities to ensure consistency in implementation across all the Programmes. These Guidance Notes are then used by the Managing Authorities as a basis for their own specific guidance notes/manuals.

#### 4.3 Working Groups

**The Chair** thanked those members of the Committee who had nominated themselves to participate in Working Groups. He was pleased to note that the Environmental and Equality Working Groups had both had their first meetings. The draft Terms of Reference for the Environmental Working Group were presented to the Committee for approval (paper CE 03/08). The **Environmental sector representative**, who was appointed Chair of the Working Group, commended DFP on bringing forward this work and expressed thanks to those members who had volunteered to join the working group.

A **Local Government representative** expressed concern that the wording in the first paragraph of the 'Background' section did not go far enough to stress the importance of reducing the carbon footprint of the economy. He also asked for clarification or an interpretation of 'scientific uncertainty'.

**The Chair** advised that 'scientific uncertainty' is wording taken from the NI Sustainable Development Strategy and that the Working Group would interpret it in its widest sense. He explained the remit of the Working Group was to explore all sustainable development and environmental issues in the Programmes and advise the Monitoring Committee on such issues. The **Environmental representative** stated that the challenge was to encourage the economic and social development without harming the environment and the use of DPA would help to monitor progress. She was pleased to note that

the review procedure provided feedback to unsuccessful projects as it was a good opportunity to input environmental suggestions.

A **European Commission representative** asked if there were Environmental targets in the Programmes concerning carbon emissions. The **DFP representative** advised that there were and that it was also a cross-cutting theme and projects would be scored against these. The **Environmental representative** also pointed out that the ERDF Programme had undergone a Strategic Environmental Assessment (SEA) and the report contains targets which have to be monitored.

A **European Commission representative** asked if there was a representational balance of the Programmes in working groups to allow complementarity in implementing all the Programmes. The **DFP representative** advised that there are representatives from all Managing Authorities on the working groups and that they would be happy to have a Commission representative join the groups.

**The Chair** asked the working group to consider strengthening the wording in line with the comment made and put it to the Committee to agree the Terms of Reference. The **Local Government representative** again stressed his concern on the carbon footprint issue and stated the document should be amended before going forward. The **Environmental representative** advised that the Carbon footprint is a target in the SEA report and as such it is mandatory for the Committee to comply by it. She suggested adding a reference that the Working group will ensure that the SEA report is complied with. **The Chair** asked that it be left to the Secretariat/Working Group to amend the wording and on that basis for the Committee to agree the TOR. No further comments were received and the paper was agreed.

### **Action: Working Group**

The **Voluntary and Community sector** representative asked for clarification on paragraph 2a of the of the Rules of Procedure, asking if the selection criteria could be changed during the course of the Programmes if there appeared to be problems/difficulties with it. **The Chair** confirmed that such amendments were possible and it was possible for members to ask for items to be added to the agenda for meetings and submit relevant supporting papers to the Committee.

## **5. Progress report**

### **5.1 ESF Progress**

A **DEL representative** advised that the first call for the ESF Programme had opened on the 11/12 October 2007. There were 113 expressions of interest registered on the database of which 86 applications were received for selection and scoring. Of those, 76 applications were successful (from 69 organisations). Of the rejected projects 4 appealed – all 4 were firstly debriefed but went on to an appeal panel. One of the projects was successful,

making 77 projects from 70 organisations. Economic appraisals are now being carried out on 37 projects whose funding exceeding £500k. Consultants have been appointed to carry out these appraisals over the next 4 weeks, enabling Letters of Offer to be issued in March. Of the £65m in the ESF Programme £31.2m has been offered. Match funding of £19m will be provided by DEL and the remainder will be from the public sector. The projects will start on 1<sup>st</sup> April and run to 31<sup>st</sup> March 2011. After the Letters of Offer have been issued, DEL will advise the Committee of the names of projects.

**Action: DEL**

5.2 ERDF Progress

The **DETI representative** advised that the Managing Authority was focussing on the application process and selection criteria. She advised that the high level selection criteria agreed at the last meeting was being developed into an application form and guidance that would be made available on the website for applicants and selection panels. DETI are working with Invest NI and NITB to update the current systems and procedures to reflect the requirements of the new Programme. Meetings have also been held with NISRA to discuss the evaluation plan. DETI is also looking at the publicity of the Programme. It was explained that there is a requirement to host a major public event to launch the programme and it is hoped to take advantage of the coming visit of Danuta Hubner to launch the ERDF Programmes (Competitiveness, Peace III and Interreg IV). DETI have also contributed to the Communication Plan tabled at today's meeting.

A **European Commission representative** advised that Danuta Hubner will be in Northern Ireland to present the Task force report in mid-March and that she hopes to launch all the ERDF Programmes at that time.

**The Chair** advised that invitations to attend will be extended to Monitoring Committee members.

**Action: DFP**

The ESF Programme will be launched separately, discussion of how and when are ongoing.

A **Local Government representative** reported that Local Economic Development officers had expressed concern that the Programmes were limited in certain areas due to the regulatory requirement for compliance of 75% of the Lisbon Agenda. He stated a recent letter received from DETI informed that LED projects had to be 100% compliant with the Lisbon Agenda. LED officers have already produced their 3-5 year plans based on 75% and have now been advised that they should be 100% compliant. He asked why the change from 75% to 100%. He also highlighted that some councils would not be able to conform to 100% leading to some projects being rejected. This in turn may lead to project officers having to be made redundant. He feels a control is being imposed on councils with a move away

from 'thematic' projects leaving no flexibility for local authorities to get involved in the Programmes. His final point suggested that holding Monitoring Committee meetings every 6 months was insufficient as the Programmes will be rolled out as a 'fait accompli' and he feels it would be a waste of time for members to attend. He suggested meeting quarterly rather than six monthly to be able to contribute to and monitor the implementation of the Programmes.

**The Chair** agreed to consider holding more frequent meetings until the Programmes are rolled out. However he did stress that responses to queries raised by members at meetings needed to be timely and as such responses would be given in writing.

The **DETI representative** advised the Committee that DETI has been in contact with local government to discuss the implementation of the measure in the Programme. It was explained that the target for the whole programme is 86% and the LED measure contributes to that.

Regarding the thematic projects, she explained that the focus was to move away from a large number of small projects to a smaller number of larger, more strategic projects. The LED measure is a key measure in achieving the overall regional level. DETI are encouraging councils to bring forward more significant sized projects which will have a more tangible and longer term impact.

With regard to flexibility and staffing, DETI advised that they will discuss a way forward with councils at a separate meeting.

#### **Action: DETI**

The **Local Government representative** asked if guidelines were available and if so, could they be issued to councils now in preparation for the first call in March.

The **DETI representative** advised that the call at the end of March was a target which they hoped to achieve. Guidance is in an advanced stage and before issue DETI would like to consult with councils.

**The Chair** asked that the Committee to note that this issue has been brought to its attention i.e. where Local Government need guidelines on how this measure will operate.

**A Local Government representative** asked where the 100% allocated to the LED measure came from and what was the justification for applying it to that measure alone it, and should the 100% be a global figure across the Programme.

**The Chair** explained that the Lisbon target was not a Member State target but a target set by the Commission, and that it is the Commission that must ensure the target is met. During the negotiation process with the Commission, there was a need for the UK's Programmes to offer a higher percentage to

show leadership. Each Programme details the categories of expenditure in their financial tables. These became Programme targets that had to be adhered to. The ERDF Programme contains 2 categories, Codes 8 and 9, which loosely define activities which could give local councils the flexibility they need.

The **Local Government representative** still voiced concern that with 100% compliance there was no flexibility and that this would have a negative equality impact on rural areas. **The Chair** reiterated that there are 9 actions that are Lisbon related and codes 8 and 9 use 'other investment' and 'other measures' which in themselves offer flexibility. The Programme itself contains a reference to Community Enterprise.

The **DETI representative** noted all the areas of concern and advised that DETI will meet with councils and NILGA to discuss.

A **Local Government representative** asked how Departments determined who assessed projects under the C & E Programmes. **The Chair** advised that Steering Committees are a regulatory requirement for Co-operation objective Programmes and therefore do not apply to the C & E objective Programmes. Selection panels are formed by the Managing Authorities and must one independent member with knowledge of the work area. The **Local Government representative** commented that partnerships were more transparent and should be considered for all Programmes. **The Chair** confirmed that the Monitoring Committee has oversight of all processes and will receive reports on same. They can also seek information as they see fit. He advised that Monitoring Committee members can be the independent member on selection panels, provided they have knowledge of the relevant work area. The **DFP representative** also reminded the Committee that the Guidance Notes can be reviewed to take into consideration comments received from the Committee.

## 6. Communications Plan

The **DFP representative** presented the draft Communication Plan (paper CE 04/08), explaining the focus was mainly on the roles of the Member State and Managing Authorities. The Member State and Managing Authorities will provide an annual implementation plan against which the Committee can monitor progress. A final version of the document will be presented at next meeting. Members are invited to pass any comments to the Secretariat by 8<sup>th</sup> February.

**The Chair** emphasised that it was not for the Committee to agree the Communication Plan; the Plan is to be agreed between the Member State and the Commission. He explained that the purpose of publicity was to acknowledge where the money is coming from i.e. EU provides resources to NI. The Committee were asked to note the paper.

The **Equality representative** noted that if the Committee are to monitor progress there should be clear targets/indicators. He also suggested that in

addition to noting the source of the money it is important to develop a degree of understanding in the community in respect of the potential impact on the lives of citizens. The **DFP representative** advised that a joint information event was being planned to inform the public of the areas being funded by the EU and advise potential applicants of what was available across all of the NI Structural Funds Programmes. A **European Commission representative** reiterated the need not only for clear targets to monitor against but also an output indicator and identification of who it applied to i.e. public/policymaker/beneficiary.

**Action: DFP**

Another **European Commission representative** noted that a reference had to be made to the project promoters responsibility. He also noted that the Monitoring and Evaluation section was brief and should detail more positive aspects.

**Action: DFP**

**The Chair** noted that comments were welcome. The Plan will be submitted to the Commission by the end of February and presented to the Committee at the next meeting.

**Action: DFP**

## **7. Programme Progress Report Template**

**The Chair** explained that future Progress Reports would be submitted to the Committee in the format outlined in paper CE 05/08.

A **European Commission representative** asked for the inclusion of a section on control checks and irregularities as it would be useful for the Committee to see if there are any irregularities and if so the action taken to address them.

A **Local Government representative** asked for the inclusion of updates on the cross-cutting themes and New TSN. **The Chair** advised that this would be included and agreed to send a link to a previous BSP report to show how these were reported.

**Action: DFP**

## **8. Guidance Note on Development Path Analysis (DPA)**

**The Chair** advised that DPA was used to monitor the environmental impact of the Programmes. The Guidance Note outlines the process and has been updated for these Programmes by NISRA to be more user-friendly. The **NISRA representative** explained that the use of DPA helps provide an indication of where resources are being spent. NISRA have issued specific guidance to Managing Authorities to reflect the type of activities under each Programme.

**A Local Government representative** agreed it was a useful approach and asked for confirmation that projects scoring Path A would not pass the scoring threshold and would need to promote a more positive approach. The **DFP representative** advised that projects scoring 'A' would trigger the need for Selection Panels to consider the need for approval to be subject to specific Letter of Offer conditions.

The **Environmental representative** noted that on analysis of the previous round where the majority of projects were allocated a Path 1, some projects could have been allocated a different path. She noted that consideration should be given to DPA when there is a reallocation of money within measures/priorities.

## **9. AOB**

### **9.1 Visit to Belfast by the European Commission Task force for NI**

**The Chair** noted that copies of a presentation made by Ronnie Hall, Chair of the Commission President's Task Force for NI, had been sent to the Committee. He advised that the first draft of the Task Force report was expected by the end of February. He agreed to forward the final report to the Committee for information.

#### **Action: DFP**

He explained that the purpose of the Task Force was to examine EU initiatives, other than Structural Funds, with a view to participation. The meeting was between members of the various Directors General of the Commission and their counterparts in the NI Civil Service Departments.

The **Voluntary & Community sector representative** advised that they had independently presented a paper to the Task Force which she will forward, for information, to DFP for circulation to members of the Committee.

#### **Action: Vol & Comm rep /DFP**

The Chair encouraged all other sectors represented on the Monitoring Committee to consider making a similar contribution.

#### **Action: Monitoring Committee Members**

### **9.2 Cohesion Policy**

**The Chair** advised that the tabled paper was the NI input from the Minister for Finance & Personnel on the Cohesion Policy consultation, which supports the UK response. The full UK response will be circulated to the Committee.

#### **Action: DFP**

He advised that the Commission's report would be made available next Spring and a conference held in the Autumn.

**10. Date of next meeting**

The next meeting will be held on 24<sup>th</sup> April 2008. The Secretariat will be in touch with details.

**The Chair** thanked David Yormesor for his work with the Committee over the past few years.

## ACTION POINTS

ISSUE	ACTION	RESPONSIBILITY
Rules of Procedure	Membership to include NITB and Invest NI	DFP
Environmental Working Group Terms of Reference	Wording to be considered	Working Group/Secretariat
ESF Progress	Names of projects to be presented to Committee	DEL
ERDF Progress	Members to be invited to launch	DETI/Secretariat
	Meeting to be arranged with Councils	DETI
Communication Plan	Insert clear targets/indicators for monitoring purposes	DFP
	Monitoring & Evaluation section to be expanded	DFP
	Final Plan to be presented to Committee at next meeting	DFP
Progress report template	Report to include cross-cutting theme progress	DEL/DETI
	Previous BSP report to be circulated to Committee as an example	DFP
NI Task Force	Monitoring Committee sectors to consider making contributions to the Task force	All Monitoring Committee Members