

COMPETITIVENESS & EMPLOYMENT MONITORING COMMITTEE MEETING

5th October 2007
Cultra Manor, Holywood

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, Local Government, Arnold Hatch, Local Government, Bernie Hannigan, Research and Trevor Cooper, DETI Managing Authority.

2. Introduction

The Chair welcomed everyone to the meeting. He explained that although the Programmes had been approved by the NI Executive, until they were formally adopted by the Commission the Committee would meet as a 'Shadow Committee'. He advised that the meeting was important to enable the Committee to discuss their 'Modis operandi' and the proposed indicative project selection criteria for each Programme and the formation of the working groups.

During a 'Tour de table' the **European Commission representative** for the ESF Programme advised that the formal negotiations were completed on the ESF Programme and that it was now 'ready for decision'. He was confident that the target date for approval of the end of October would be met. The **European Commission representative** for the ERDF Programme thanked DFP and DETI for their co-operation during the negotiation process. He advised that the Programme had been re-submitted and hoped that it too would be adopted by end of October.

3. Rules of Procedure

The Chair introduced the first paper of the meeting which outlined the role of the Monitoring Committee and the members, deputy members and observers. He emphasised that while deputy members attended in the absence of a Member they would be welcome to attend any meetings as observers. He added that a contacts list for Members and their Deputies was tabled. Members are asked to contact their Deputy if they are unable to attend a meeting and inform the Secretariat accordingly.

He explained that the structure of the committee was partially defined by Regulations but also took into account complementarity with the other EU Programmes, i.e. PEACE III, INTERREG IV and the Rural Development Programme, and the interest of social partners.

He advised that Members were appointed by the DFP Minister as the Monitoring Committee provides advice for spending public funds. The Managing Authority (DETI and DEL) Ministers also have a role in the decision making process. If the Monitoring Committee cannot reach agreement then the Chair will outline the issue and present all arguments to the Ministers for decision.

He advised that the Committee would meet twice a year but there would also be engagement outside the formal meetings. Papers will be issued by the Secretariat 15 days in advance of meetings to allow the Commission representatives to give the Commissions view, otherwise they would be unable to comment on behalf of the Commission.

A **Local Government representative** asked if the reference to 'Social partners' in paragraph 5 included Local Government, and if so it should be noted separately. She also noted that Arnold Hatch represented Craigavon Borough Council. **The Chair** noted the comments and agreed to amend the paper to reflect the points raised.

Action: DFP

A **Local Government representative** asked for clarification on the terms 'outcomes' and 'targets' in relation to paragraph 2 c. He asked that both be included as targets should be met to achieve the ultimate outcome. **The Chair** agreed to reflect this.

Action: DFP

A **European Commission representative** noted that reference to 'written procedures' should be included in the document. **The Chair** agreed to insert this. He emphasised that although decisions could be taken by written procedure, if any committee member wished to have a discussion it would be facilitated.

A **European Commission representative** noted in relation to paragraph 2d, that the timing of meetings should be made bearing in mind the need to discuss reports before they are due to be submitted to the Commission. **The Chair** advised that the Monitoring Committee usually met in Spring (March/April) and Autumn (September /October) and this usually fitted in with any regulatory requirements. A note to reflect this may be added to paragraph 14 of the paper. He noted that this would not preclude any other meetings required.

Action: DFP

The Chair asked the Committee to agree the Rules of Procedure, as amended and advised that the revised paper would be presented for information at the next meeting.

Action: DFP Secretariat

4. Project Selection Criteria

The Chair advised that as there are two separate Programmes, each must have its own selection criteria which should be approved separately. He advised that the ESF criteria are at a slightly more developed stage, and included a draft application form.

The **DETI Managing Authority representative** presented the ERDF Selection Criteria paper. The selection criteria were prepared by DETI Managing Authority in conjunction with NITB, Invest NI and telecoms and energy branches of DETI. She advised that the criteria were at a strategic level which would apply to the whole programme, but after approval of the Programmes DETI would be working to flesh these out under each of the three key spending priorities.

A **Research representative** voiced concern on the weighting of the criteria and how the threshold of 65% could be reached without scoring against some criteria e.g. competence of promoter, and asked if there was any way to take account of this.

A **Local Government representative** asked several questions: when councils could submit LED plans; will retrospective payments be made on eligible activity between the closing of the old projects and opening of new projects; Can LED plans cover the whole Programme or just the enterprise priority; Can organisations other than councils apply for funding.

The Chair responded that current Letters of Offer allowed councils to spend until 2008, therefore there should be no gap if the selection criteria for the new programmes are agreed at this stage. Regarding retrospective payments, he advised that eligible expenditure under the new programmes could begin on 1 January 2007, so there could potentially be payments made. The LED plans could cover actions in most of the Programme as the categories of expenditure list 'other enterprise', however although the Programme identifies 85% of activities in line with the Lisbon Agenda, some Local Government activities may not fall within those areas. In relation to other organisations applying, the Chair advised that the Programme document specifies £50m (2007-13) to be incurred by Local Governments, therefore as Local Government has to provide the match funding (from the rates) they will be the only group applying.

The **Voluntary and Community** sector representative voiced concern on the possibility of passing the threshold score without scoring against the cross cutting themes.

The **Equality** sector representative noted an inconsistency in the two selection criteria papers – the ERDF allocates 15 points while the ESF allocates 10 to the cross cutting themes and asked if this was an appropriate balance. He also noted that there was the capacity to secure

the qualifying mark without scoring against all criteria. He noted that question B2.9 of the ESF criteria 'Dedicated Innovative activity only' states that 6 out of the possible 10 points must be scored and asked if there should be a requirement to cross a similar bar on the cross-cutting themes.

A **Local Government representative** also voiced concern at the weighting of the cross cutting themes and suggested a minimum threshold for these criteria should be set to ensure projects were in compliance with equality and sustainability objectives given the centrality of these in the Fourth Cohesion Policy discussions.

In relation to the cross-cutting themes **the Chair** noted that equality had a different standing than the environment in that all projects had as a first eligibility criteria to comply with Section 75 requirements. After that the score in selection would reflect the degree to which the issue was promoted. The environmental theme reflected clear Government policies to promote sustainable development and each project will have to identify its impact on the environment.

There was some discussion surrounding the possibilities of ensuring projects not only scored against the cross cutting themes criteria at application stage but also that projects should be monitored throughout the lifetime of the projects to ensure that they are adhering to their targets. Suggestions included informing prospective projects that each criteria will be addressed and to ensure that they can score appropriately, having threshold scores, recovering money from projects who do not meet targets, and providing detailed guidance for selection panels.

The Chair advised that 'commitments made in application forms' should be delivered and that equality and environment are part of the monitoring system. He explained that if projects do not meet the conditions in their Letter of Offer then they do not get paid, although some targets are more difficult to monitor than others. The idea of introducing minimum thresholds for each criteria may mean that some innovative projects would lose out. He also advised that Article 4 management checks carried out on projects were to check how guidance was applied and cross cutting themes were included in this. He also noted that there was an Equality Guidance Note which would be used and which should be reviewed by the Working Group. The ERDF Programme had been considered under the Strategic Environmental Assessment Process. He suggested a system where selection panels could assess each project and if scores are low in certain criteria then this could prompt the panel into identifying conditions that could be applied in the letter of offer with which the project would have to comply to receive funding.

In response to the **Trade Union representatives** question on recovering money already paid, **the Chair** advised that Public funds are never paid unless the conditions of the Letter of Offer are met. If discrepancies are

later found irregularities are raised and the money recovered, however this may prove less cost effective on smaller projects.

The **PEACE III Managing Authority** representative noted that there was an element of risk but it was how to manage the risk which was important. He stated that it was not helpful to exclude projects on the criteria as some good projects could be excluded. Drawing from his experience he advised there should be an emphasis on a mix of good guidance, good panels, monitoring techniques, strict Article 4 checks and a robust and transparent appeals procedure. He also added that the Programme should be flexible but have robust checks.

The Chair noted the concern raised over the cross cutting themes, not only at the selection stage but ongoing throughout the lifetime of the project. He agreed that the guidance would be given to applicants informing them that it was expected that they would provide information against all criteria. For the selection panels, he agreed that the issue of how the cross cutting themes should be addressed should be built into the selection process guidance notes so that they can address the projects and make suitable conditions or recommendations. A score below 50% of the available mark should trigger concern and appropriate action from the panel. He asked that projects would not automatically be excluded from the selection process at this stage. A **Local Government representative** suggested that projects which did not achieve a positive outcome in respect of the cross-cutting themes i.e. they had a neutral impact, should not score sufficiently to achieve the threshold (50%), and that the trigger mechanism should then come into effect, so as to ensure the active promotion of the cross-cutting themes. **The Chair** agreed that the Programme would seek applications which positively promoted equality and sustainable development.

The Chair also noted that the selection process should have an appeals procedure. This will be put in a paper to the Monitoring Committee.

Action: DFP

He suggested that the Equality and Environmental Working Groups should be set up as soon as possible. The Equality group will be tasked with reviewing the equality guidance note to ascertain if it addresses the Monitoring Committees concerns and to make recommendations to reflect the shared concerns. The Environment Working Group will be tasked with reviewing the SEA report of the ERDF Programme which was produced after a public consultation. The Programme makes a commitment on how these environmental issues will be addressed.

The Chair proposed that the way forward is to work with the proposed selection criteria taking into consideration the concerns of the Members by issuing appropriate selection guidance.

The Voluntary & Community sector representative highlighted that there appeared to be an imbalance in the allocation of points to a non-requirement on innovative activity and the cross-cutting themes in the ESF criteria. Both scored 10 points yet one was not a requirement which seemed to devalue the importance of the cross-cutting themes.

The **DEL Managing Authority** representative responded that while innovation should be inherent in all projects it was not essential, however the allocation of a score was to encourage projects to include more innovative activity.

The **DEL Managing Authority representative** advised that DEL were under a time constraint as the majority of their current projects expired in March 2008. As this will impact on the Voluntary and Community sector, with possible redundancies requiring 90 days notice, DEL need to be in a position to advise projects of their decisions by December 2007. He noted that the ESF selection criteria has more detailed questions, including questions on how equal opportunities will be incorporated and monitored not just at selection but throughout the life of the project. He would welcome an early decision from the committee on the proposed selection criteria to facilitate the Voluntary & Community sector as employers.

The Chair proposed that the selection criteria be agreed subject to the issue of supporting guidance to both applicants and selection panels. This was agreed.

5. Working Groups

The Chair gave a brief outline of the role of the working groups. He explained that each would draw up its own Terms of Reference. He emphasised that working groups did not make decisions but provided advice to the Monitoring Committee.

He highlighted the 4 working groups which have been identified in the programme document and asked members to join at least one working group. He stated that it was possible for deputy members to be on working groups and that the group can also invite people with expertise to assist in their work. He suggested that the Equality and Environmental Groups should be established first and meetings organised as soon as possible. Members should contact the Secretariat with their nomination.

Action: Members

A **Research representative** asked if deputy members could chair the meeting as the paper suggests that the chair should be a member. **The Chair** agreed.

6. AOB

The Chair introduced the tabled paper on the Fourth Cohesion Forum. At the Forum (on 27 September) Commissioner Hubner launched a public consultation on the future of Cohesion Policy which runs to 31 January 2008. The Chair stressed that the tabled paper is not a Commission document but reflected his own notes from comments made by the spokespersons during the forum which summarises the direction in which the Commission are moving in relation to Cohesion Policy.

The Chair advised that the UK would be making a formal response on behalf of the devolved Governments. He volunteered to attend any meetings the sectors may hold to help inform the discussion.

DFP offered to forward a link to the consultation on the Commission website to anyone who is interested. Any member of the Secretariat will assist.

Action: DFP

7. Date of next meeting

The next meeting of the Committee will be held in April 2008. Included in the Agenda will be the Annual Implementation Report for 2007 and Working Group reports. The Secretariat will be in touch in due course.

The Chair thanked everyone for their attendance and contribution.

**ATTENDEES AT THE COMPETITIVENESS AND EMPLOYMENT
MONITORING COMMITTEE MEETING CULTRA MANOR, HOLYWOOD**

FRIDAY 5 OCTOBER 2007

Members

Bill Pauley	Chairperson
Joan Baird	Local Government Representative
Norman Black	Research
Bob Collins	Equality
Margaret Connolly	Research
Trevor Connolly	DEL Managing Authority
John Doran	Business
Colette Fitzgerald	DETI Managing Authority
Lisa McElherron	Voluntary & Community
Audrey McKeown	Education
Lynsey Mooore	DFP
Cathal Mullaghan	Local Government
Domhnall O' Cobhthaig	Local Government
John O'Farrell	Trade Unions
Andrea Quail	DEL Certifying Authority
John Thompson	Agri-Rural

Advisors

Gerard Colgan	NISRA
Pat Colgan	PEACE III and INTERREG IV Managing Authority
Charles Hamilton	Invest NI
John McKenna	OFMDFM
Glenn Moorcroft	DOE
Keith Morrison	DARD
Franz Pointner	European Commission (DG Employ)
David Yormesor	European Commission (DG Regio)
Kathryn Thomson	NITB

Observers

Damian Fitzpatrick	Department of Enterprise Trade and Industry
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Sean Kelly	Voluntary and Community
Tristen Kelso	For Jim Allister MEP
Teresa Lennon	Northern Ireland Local Government Association
Rosemary Mulholland	Department for Employment and Learning
Colin Smith	Ulster Farmers Union

Apologies

Mealla Bratton	Local Government
Bernie Hannigan	Research
Arnold Hatch	Local Government
Brendan Mackin	Trade Unions
Brian Murphy	Environment
Trevor Cooper	DETI Managing Authority

**ACTION POINTS ARISING FROM THE
C & E MONITORING COMMITTEE
FRIDAY 5 OCTOBER
CULTRA MANOR, HOLYWOOD**

ISSUE	ACTION	TIMING
Rules of Procedure	DFP to make the following amendments: i) reference to Local Govt representatives to be made in Para 5 ii) amend details of Arnold Hatch iii) include 'outcomes' in para 2c iv) include timings of meetings in para 14 v) include reference to 'Written procedures'	Immediate
	DFP to present revised Rules of Procedure to Monitoring Committee	Next meeting
Selection Criteria	DFP to present paper on appeals procedure	Next meeting
Working Groups	Members to nominate themselves for a working group	By 26 th October 2007
AOB	DFP to forward link to Commission website for the Fourth Cohesion Consultation	Immediate