

**An Roinn Airgeadais
Department of Finance**

**Mid-Term Evaluation
of the
Border, Midland and Western
Regional Operational Programme**

**Central Expenditure Evaluation Unit
Department of Finance**

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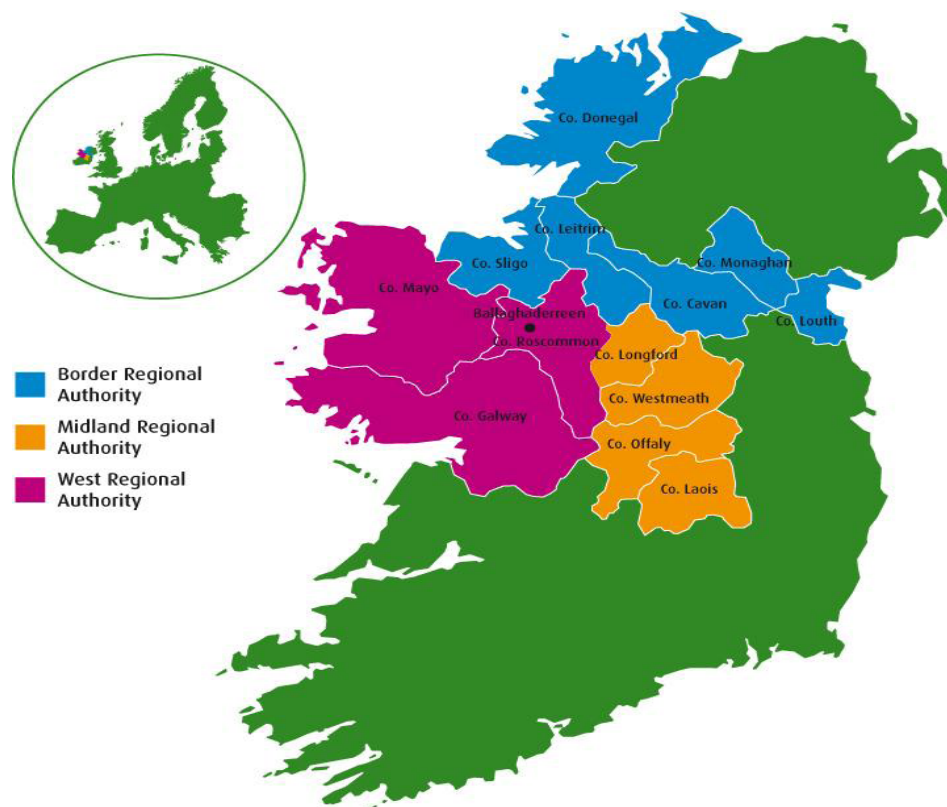
Chapter 1 Introduction

1.1 Introduction

This chapter gives an overview of the Border Midland and Western Region (BMW) and the objectives of the BMW Regional Operational Programme (OP). The chapter outlines the key analytical tasks involved in the Mid-Term Evaluation (MTE) as well as detailing the evaluation process adopted by the Evaluators.

1.2 Overview of the BMW Region and the Operational Programme

The BMW Region is a NUTS¹ II Region which comprises 3 NUTS III Regional Authority Areas - Border, Midland and Western (BMW) Regions. There are a total of 13 counties in the Region.



¹ The Nomenclature of Territorial Units for Statistics was established by Eurostat in order to provide a standard for referencing regional statistics for the European Union.

Community Strategic Guidelines 2007-2013²

The Community Strategic Guidelines provide the over-arching context in which the BMW Regional Operational Programme is framed. The purpose of the guidelines is to define the key priorities for EU Cohesion Policy over the 2007-13 period, which are to promote and encourage innovation, the knowledge economy, enterprise, R&D and ICT. Cohesion Policy also supports improvements in the attractiveness of regions through improved accessibility and the level of services available. The guidelines provide a framework by which programmes can be analysed with respect to the contribution that they make to the high level EU objectives, such as Lisbon, while giving regions such as the BMW Region, the flexibility to adopt programmes which are relevant to the regional landscape.

National Strategic Reference Framework for Ireland

The National Strategic Reference Framework (NSRF) as required by Article 27 of Council Regulation 1083/2006 sets out the policy context within which the funding available to Ireland under the Regional Competitiveness and Employment Objective for the 2007-2013 period through the European Regional Development Fund (ERDF) and the European Social Fund (ESF) may be applied.

The NSRF for Ireland sets out the following key priorities:

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

The strategy is implemented through 3 Operational Programmes; the BMW Regional OP and the Southern and Eastern (S&E) Regional OP (both ERDF co-funded), managed by the Regional Assemblies and the Human Capital Investment Operational Programme (ESF co funded), now managed by the Department of Education and Skills.

The overall objective of the BMW Regional OP is:

"To facilitate innovation, ensure sustainable development, improve accessibility and develop the urban fabric within the region, in order to enhance overall productivity and competitiveness."

² http://ec.europa.eu/regional_policy/sources/docoffic/2007/osc/l_29120061021en00110032.pdf

This objective is to be achieved by focusing and concentrating resources on three broad priority areas, as follows:

- Priority 1 - Innovation, ICT and the Knowledge Economy;
- Priority 2 - Environment and Risk Prevention; and
- Priority 3 - Urban Development and Secondary Transport Networks.

The objective of Priority 1 is:

To enhance the research, innovation and ICT infrastructure and capacity of the Border, Midland and Western Region, to promote entrepreneurship and enterprise development and to support collaboration and technology transfer between research institutions and the business sector, that responds to the economic development needs of the region.

The objective of Priority 2³ is:

To contribute to the sustainable development of urban and rural areas and the protection and enhancement of the urban and rural environment and the protection of surface and groundwater from pollution. The priority will also stimulate energy efficiency, renewable energy deployment and the integration of sustainable energy practices into public policies.

The objective of Priority 3 is:

To strengthen the spatial structuring of the BMW Region by investing in integrated sustainable initiatives in order to enhance the competitiveness, accessibility and social cohesion of the region's urban growth centres and to modernise the region's transport infrastructure.

³ As re-defined following the approved OP amendment in October 2009.

1.3 Terms of Reference / Key analytical tasks

The key analytical tasks for the evaluation are set out below. The detailed Terms of Reference proposal document is set out at Annex 1.

Review of External Developments

- A brief review of the implications of the changes in the programme environment since 2006, including a brief analysis of relevant regional and sub-regional data and a review of the implications of any relevant policy and legislative developments at both national and EU level.

Continued Relevance of the Programme Objectives

- Review of the quality, relevance and consistency of the programme objectives and strategy.

Effectiveness/Progress to date

- Review financial progress at priority and OP level compared to OP forecasts up to end 2009;
- Assess the physical progress of the BMW Regional OP on the basis of the reported progress and performance indicators (output and result) at theme and priority level on a cumulative basis to end 2009;
- Identify any constraints (internal or external to the programme) which have affected progress;
- Assess how the horizontal principles are reported on across all measures drawing from the progress reports issued to Monitoring Committee meetings; and
- Assess the contribution of the OP to the achievement of the Lisbon goals and to North/South co-operation.

Programme Management and Efficiency

- Assess the functioning of the administrative structures and the overall quality of Operational Programme management and monitoring arrangements; and
- Review the selection criteria applied in accordance with the principles set out in section 8.7 of the OP.

Indicators

- Review the indicators at priority and theme level having regard to the following criteria:
 - a) Comprehensiveness in terms of capturing programme outputs and benefits;

- b) The relevance, reliability and timeliness of the indicators including the quality of the data used;
- c) The realism of the targets set down;
- d) Consistency with EU Core Indicators;⁴ and
- e) The extent to which, horizontal effects are captured.

Conclusions/Recommendations

The Evaluator was expected to draw appropriate conclusions in relation to each of the analytical tasks set out above and express a view as to whether the priority and OP objectives are likely to be achieved. In addition the Evaluator could express a view on the continuing validity of the ex-ante/needs/ analysis presented in Chapter 4 of the Operational Programme and the continuing relevance of the programme and priority objectives and strategy in this light; and draw conclusions in relation to the structures and arrangements for programme management, monitoring and delivery.

In terms of recommendations, it was open to the Evaluator to make recommendations on any issue arising from the conclusions drawn. Where the Evaluator proposes adjustments to the allocation of resources within the programme, these had to be made within the envelope of remaining resources in the OP budget. Broadly speaking, recommendations were to be within the area of responsibility of the Monitoring Committee of the Operational Programme.

1.4 Evaluation Objective

The purpose of evaluations as stated in Article 47(1) of the General Structural Funds Regulation (EC) 1083/2006 is to improve the quality, effectiveness and consistency of assistance from Funds and the strategy and implementation of the OP with respect to the specific structural problems affecting the Member States and Regions.

The specific evaluation objective for this mid-term evaluation is to provide an independent analysis of progress under the Border, Midland and Western Regional Operational Programme and relevant developments in the programme environment to date and to make appropriate recommendations for programme adjustments on the basis of this analysis. It is noted that the EU's regulatory requirements seek that any amendment proposal arising from evaluations is underpinned by the analysis carried out.

⁴ As defined in Working Document No. 2 *Indicative Guidelines on Evaluation Methods: Monitoring and Evaluation Indicators* EU Commission August 2006 http://ec.europa.eu/regional_policy/sources/docoffic/2007/working/wd2indic_082006_en.pdf

1.5 Evaluation Process

The mid-term evaluation was undertaken by the Central Expenditure Evaluation Unit (CEEU) between June and November 2010. This Unit was established in the Department of Finance in 2006 to promote best practice in the evaluation and implementation of programme and project expenditure across all Government Departments and Public Sector Agencies. The Unit focuses in particular on ensuring that Department of Finance frameworks in relation to the appraisal and management of programmes and projects are being implemented, as well as overseeing ongoing Programme Evaluations in a number of public expenditure areas.

The CEEU's approach to the Evaluation task was to divide the evaluation task into three phases:

- Data Gathering and Review
- Analysis
- Reporting

The evaluation task was subsequently sub-divided into six work packages corresponding to the analytical tasks listed in the Terms of Reference (section 1.3 above.) The broad approach to different work package groupings is as follows:

Data Gathering and Review

Work Package A – Review of Progress and Constraints

Work Package B – Assessment of Reporting of Horizontal Principles and Indicators

Work Package C – OP Management and Monitoring, Indicators, Selection Criteria

These Work Packages were primarily in the Data Gathering and Review phase of the Evaluation. The desk based element drew extensively on the following documents:

- National Development Plan 2007-2013
- National Strategic Reference Framework (NSRF)
- Ireland's National Strategic Report - 2009
- Original ('07) and Modified ('09) BMW Regional OP 2007-13
- Implementation Plans for each co-financed theme (updated April 2010)
- Annual Progress Reports provided to the OP Monitoring Committee
- Annual Implementation Reports
- Reports on horizontal principles submitted by Intermediary Bodies
- Selection Criteria for co-financed themes (updated April 2010)

- Other reports/information from the implementing departments / agencies as the need arose

This desk based work was supplemented as required by appropriate consultation with implementing bodies, oversight authorities, the Managing Authority and other relevant stakeholders (these consultations are listed in Appendix 2). Consultation took the form of request for submissions, one-to-one meetings, phone calls and emails.

Work Package D – Review of External Developments

This Work Package was also part of the Data Gathering and Review phase, however it was exclusively desk based. The source documentation used included relevant regional, sub-regional, EU and national data as well as recently published economic reviews and policy documents, at regional, national and EU levels.

Analysis

Work Package E – Contribution to Lisbon and Gothenberg Goals and North/South Co-operation

Work Package F – Continued validity and relevance, Likelihood of meeting physical and financial objectives

These work packages made up the main Analysis phase of the evaluation (analysis also featured in the other Work Packages above). This part of the evaluation drew on the data gathered and reviewed.

Reporting

The final Report is structured as follows:

Chapter 2 reviews the economic developments in the programme environment since 2006 at both regional and national level. The chapter also examines the relevant policy developments at national and EU level. Chapter 3 addresses whether the interventions outlined in the BMW Regional Operational Programme continue to be relevant at the mid-point of the Programme and if they are expected to be the most relevant interventions in the current circumstances, for the remainder of the BMW Regional Operational Programme. It also takes account of the programme modifications approved in October 2009.

Chapters 4, 5 and 6 review the progress of the 3 priorities, including an assessment of the progress and constraints at theme level. These chapters also assess how the horizontal principles are reported on, across the priorities as well as a review of the performance indicators relevant to each priority and theme.

Chapter 7 summarises the progress made and the prospects to the end of 2013 at Operational Programme level in expenditure terms only. The chapter also contains a section which outlines the OP contribution to North/South co-operation.

Chapter 8 reviews the administrative and monitoring related elements of the Operational Programme and assesses the functioning of the administrative structures and the overall quality of Operational Programme management and monitoring arrangements. Progress under the Technical Assistance Priority is also dealt with in this Chapter. Chapter 8 also includes a section which reviews the criteria used in project selection.

Chapter 9 concludes with the Evaluators recommendations arising from the conclusions drawn.

The Report also contains Appendices as follows:

Appendix 1 – Terms of Reference Proposal Document;

Appendix 2 – List of Consultations including brief description of written submissions;

Appendix 3 – PRTLTI Performance Indicators; and

Appendix 4 – Comments / Recommendations on Performance Indicators.

1.6 Evaluation Steering Committee

The evaluation process was overseen by a Steering Committee comprising the Department of Finance, Managing Authority and EU Commission representatives. Its role was primarily a technical one: to guide the evaluation process, ensure that all of the terms of reference were being addressed and to exercise a quality control function on the final draft report. Following a preliminary meeting with the Department of Finance, an Inception Report was prepared by the Central Expenditure Evaluation Unit, which was reviewed at the first Steering Committee meeting. The Committee met a total of three times in the Department of Finance Offices in Tullamore, Co. Offaly.

Chapter 2 Review of Economic and Policy Developments

2.1 Economic and Policy Developments

2.1.1 Introduction

This chapter reviews the economic developments in the programme environment since 2006 at both regional and national level. The chapter also examines the relevant policy developments at national and EU level.

2.2 Economic Developments

2.2.1 Developments at National Level

The economic climate in which the Programme operates has undergone rapid and significant changes. Across the range of economic indicators, the performance of the Irish economy has deteriorated as against performance in 2007.

2.2.2 Economic Output

Economic activity in Ireland went into reverse in 2008 and this trend intensified in 2009. Table 2.1 below shows actual and forecast GDP growth / contraction since the beginning of the Programme period.

Table 2.1 Actual GDP & GNP percentage growth 2007 - 2010

| | <i>GDP</i> | <i>GNP</i> |
|-------------------|------------|------------|
| 2007 | 6 | 4.4 |
| 2008 | -2.8 | -3 |
| 2009 | -7.6 | -10.7 |
| 2010 ⁵ | 1 | -3/4 |

Source: Central Statistics Office, Department of Finance

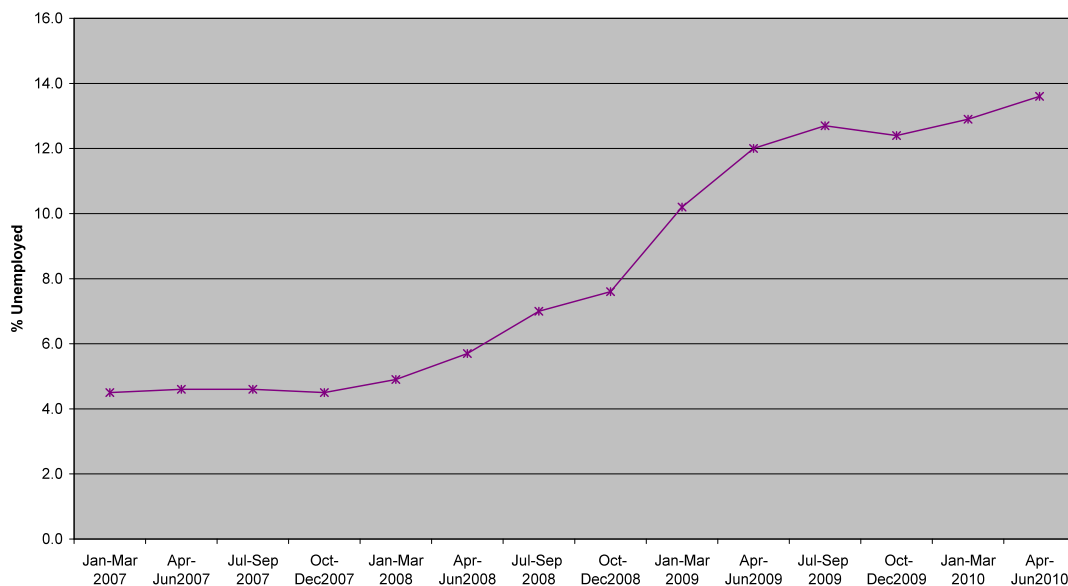
The contraction in 2009 was amongst the largest in the developed world and represented the particular exposure of the Irish economy to global financial turbulence and the correction in the construction sector. While positive growth in GDP in Quarter 1 of 2010 signalled the end of the recession in technical terms, the challenges in relation to stabilising the public finances, restoring competitiveness and returning the banking sector to health remain significant.

⁵ 2010 data are Department of Finance forecasts.

2.2.3 Labour Market

Amongst the most significant changes has been the increase in unemployment. From a level close to full employment for much of the preceding decade, unemployment began to increase from end-2007 and exceeded 13 percent in 2010. Figure 2.1 below illustrates the trend on a quarter-by-quarter basis.

Figure 2.1 National Unemployment, 2007-2010



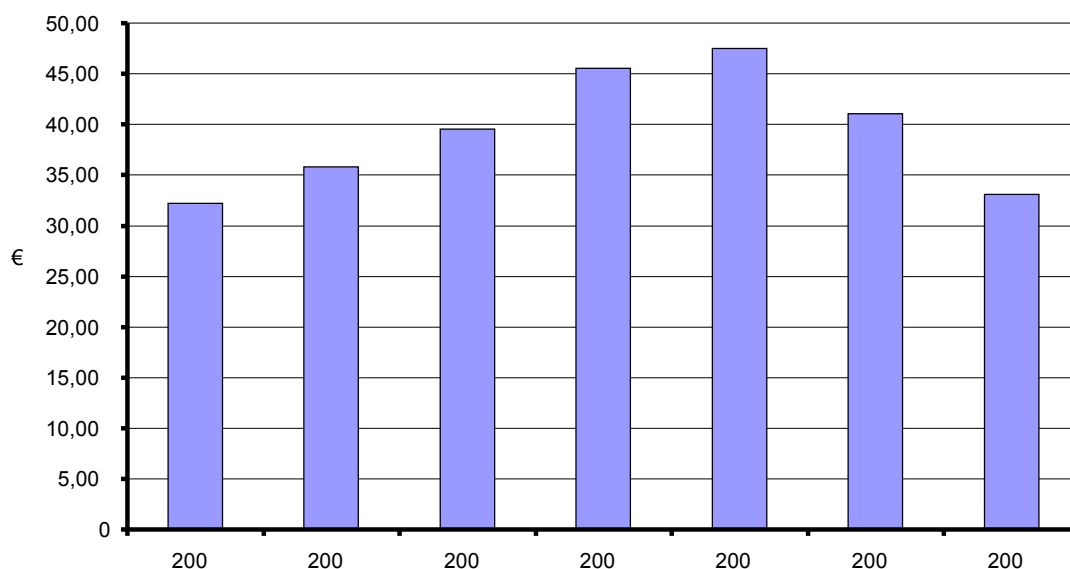
Source: Central Statistics Office

In parallel to this increase in the unemployment rate, there has been a decrease in labour force participation: participation has fallen from 63.5 percent at the beginning of the Programme period to 60.7 percent in Quarter 2, 2010⁶.

A direct consequence of the fall-off in economic activity and employment is a lower tax take. The decline in revenue over the Programme period has been sharp and 2009 revenues were in the region of 2003 levels.

⁶ Central Statistics Office Quarterly National Household Survey.

Figure 2.2 Tax Revenue 2003 -



Source: Revenue Commissioners

2.2.4 Developments at Regional Level

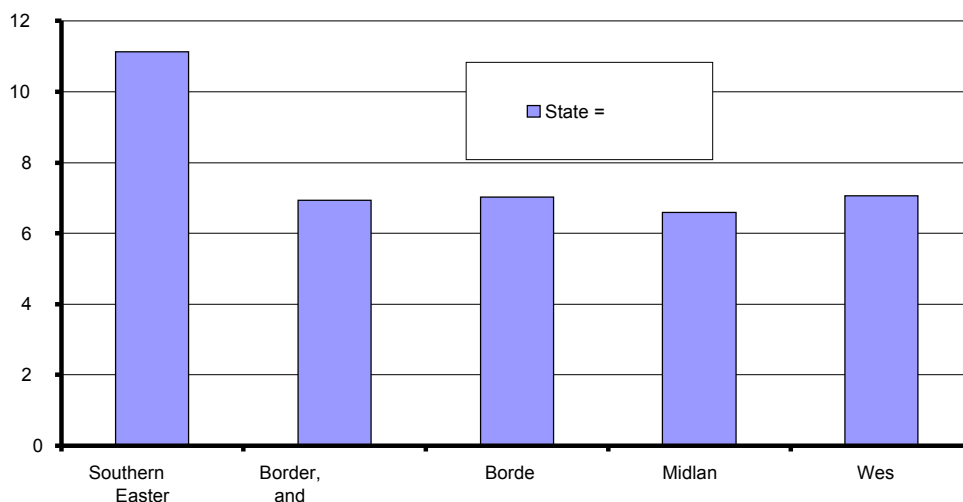
Some data are also available in relation to the economic environment at NUTS II and NUTS III regional level.

2.2.5 Economic Output

There is a considerable lag in the compilation of data on regional economic performance. For this reason it is not possible to present a regional decomposition of the *changes* in GDP and GNP noted above. Data is available relating to 2007 however, and this can be used to develop a clearer economic profile of the region.

For the Region as a whole, economic performance was still lagging behind the national average, with little variation between the three regional authority areas. Figure 2.3 below illustrates the breakdown.

Figure 2.3 Index of Regional GDP,

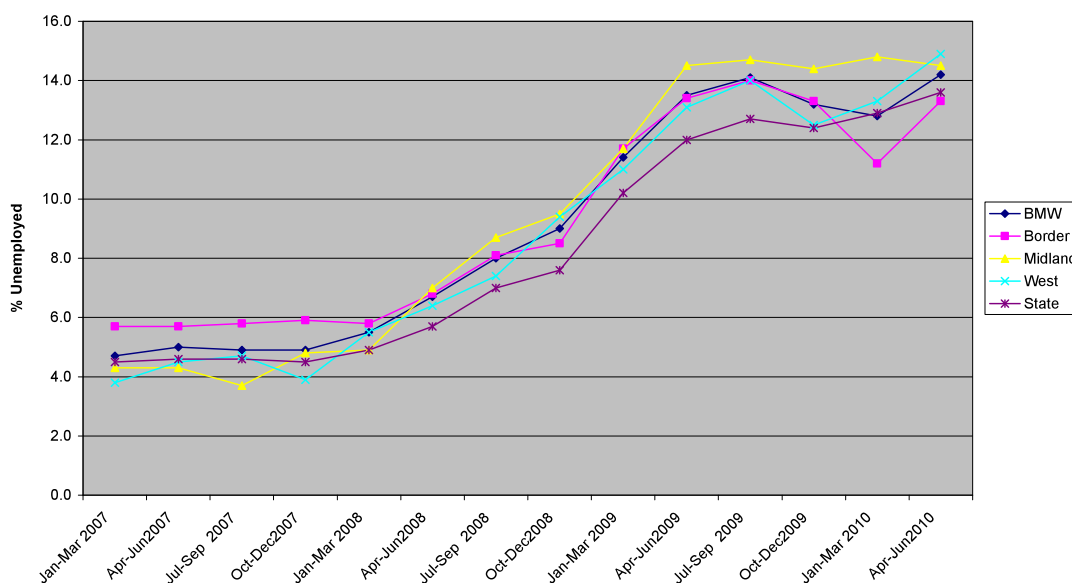


Source: Central Statistics Office⁷

2.2.6 Labour Market

Most recent data show that the unemployment rate for the BMW Region (14.2%) is slightly above that for the State (13.6%). However there are variations between the three Regional Authorities, with the Border Region below the national average, and both the Western and Midland Regions both above the national average. The chart below illustrates the trend.

Figure 2.4 Regional Unemployment, 2007-2010



Source: Central Statistics Office⁸

⁷ CSO (2010) County Incomes and Regional GDP, 2007.

⁸ CSO (2010) Quarterly National Household Survey, Q2 2010.

2.2.7 Sectoral Composition of Labour Market

Most recent data show the acute impact of the downturn in the economy, in particular, in the construction sector, from Q2 2007 to Q2 2010. This sector accounted for a reduction in 45,000 people employed in the BMW Region and 145,000 nationally. The other notable sectors which have seen dramatic reductions in the number of people employed are Industry and Agriculture, Forestry and Fishing, which saw 26,000 people leaving these sectors in the BMW Region, and over 82,000 nationally. However, some sectors have seen slight increases in the number of people employed at a national and regional level, namely Public Administration and Defence; Compulsory Social Security; Education; and Human Health and Social Work Activities. Of note also are the slight increases over the period in the BMW Region in professional scientific and technical activities; administrative and support services; financial, insurance and real estate activities; and other NACE activities – these are sectors in which the national figures were falling.

Table 2.2 - Employed persons aged 15 years and over (ILO) classified by NUTS2 regions and NACE Rev. 2 Economic Sector⁹

| | 2007q2 | 2007q2 | 2010q2 | 2010q2 |
|---|-----------------|---------------|-----------------|---------------|
| | (000s) | (000s) | (000s) | (000s) |
| | National | BMW | National | BMW |
| A. Agriculture, Forestry and Fishing | 108.5 | 42.9 | 84.9 | 32.1 |
| B-E. Industry | 299.0 | 86.1 | 240.1 | 70.9 |
| F. Construction | 269.9 | 81.1 | 125.3 | 36.1 |
| G. Wholesale and Retail trade; Repair of Motor Vehicles and Motorcycles | 297.2 | 77.7 | 269.1 | 69.1 |
| H. Transportation and Storage | 93.5 | 16.8 | 89.7 | 17.5 |
| I. Accommodation and Food service Activities | 130.6 | 36.1 | 119.8 | 31.3 |
| J. Information and Communication | 70.5 | 10.1 | 74.1 | 12.5 |
| K-L. Financial, Insurance and Real Estate Activities | 101.1 | 15.2 | 103.2 | 13.9 |
| M. Professional, Scientific and Technical Activities | 109.8 | 19.7 | 100.9 | 20.9 |
| N. Administrative and Support Service Activities | 78.3 | 12.4 | 61.3 | 12.5 |
| O. Public Administration and Defence; Compulsory Social Security | 102.3 | 26.9 | 107.8 | 28.5 |
| P. Education | 141.5 | 36.8 | 149.8 | 40.8 |
| Q. Human Health and Social Work Activities | 210.3 | 59.6 | 234.9 | 62.2 |
| R-U. Other NACE activities | 101.4 | 23.4 | 98.1 | 24.7 |
| Total | 2,113.9 | 544.9 | 1,859.1 | 472.9 |

⁹ Source: Quarterly National Household Survey, Central Statistics Office.

2.3 Relevant Policy Developments

Given the scale and pace of the economic changes summarised above, policy changes across a range of sectors have been required. The sub-sections below provide a non-exhaustive overview of some of the key developments, at national and EU level, which impact on Programme implementation.

Developments at National Level

2.3.1 Government Infrastructure Investment Priorities 2010 – 2016

In July 2010 the Government published its medium-term capital investment framework, *Infrastructure Investment Priorities 2010 – 2016*. The review represents a thorough reappraisal of capital investment plans based on the range of developments that have taken place since the launch of National Development Plan and taking account of anticipated medium-term developments.

NDP 2007 – 2013 was predicated on a number of assumptions, chiefly:

- 4 – 4½ percent economic growth per annum over the period;
- A benign international environment; and
- A gradual slow-down in residential construction.

As detailed above, these assumptions clearly no longer hold and so the capital review served to reprioritise infrastructure investment based on the changing structural composition of the economy, a lower demand for infrastructure across a range of sectors and affordability constraints owing to a very challenging fiscal environment.

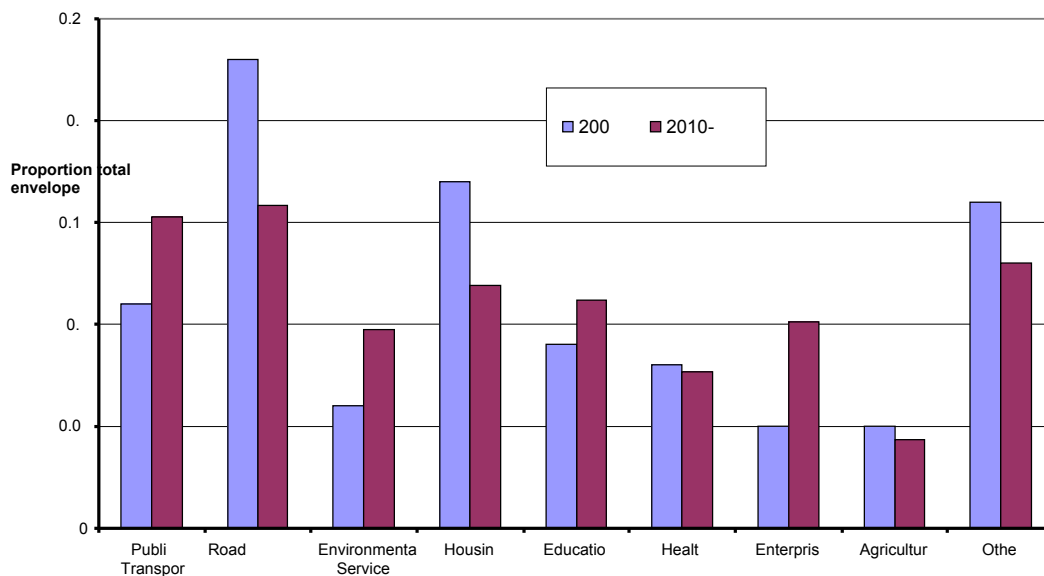
The outcome of this exercise is a re-oriented set of medium-term capital allocations across sectors designed to enable a return to economic growth and deliver important social infrastructure. The table below illustrates the areas to be prioritised over the medium-term. This topic is explored in more detail in Chapter 3 on the continued relevance of the programme objectives.

Table 2.3 Infrastructure Investment Priorities 2010 - 2016

- *Strategic STI investment at the core of the smart economy*
- *The Enterprise Development Agencies*
- *Water services investment*
- *Key strategic transport infrastructure*
- *Investment in education infrastructure*
- *Energy efficiency supports*
- *Health capital investment*
- *Funding to boost the tourism sector*
- *Regeneration of Local Authority Housing, including major projects in Limerick and Ballymun*

The total level of funding available will necessarily be lower than that envisaged under NDP 2007-13. The chart below illustrates the shift in sectoral prioritisation comparing allocations over the medium-term to earlier in the programme period.

Figure 2.5 Changing Infrastructure Investment



Among the key trends discernable from the new direction in infrastructure investment are:

- A move away from road transport in favour of public transport, reflecting the fact that the motorway network between Dublin and the main regional centres is substantially complete and a high-level policy shift in favour of public transport, notwithstanding a continued commitment to the Atlantic Road Corridor;
- A very significant increase in the focus on water services investment (included above in 'environmental services') driven by the need to address remaining deficiencies in

water infrastructure in key urban areas and the need to meet pressing environmental targets;

- A reduction in the allocation to housing programmes owing to the major changes in that sector; and
- A doubling of the share of total investment delivered through the Enterprise Development Agencies demonstrating the commitment to realising the goals of the Smart Economy (discussed below) and the need to return to sustainable employment creation.

These policy shifts are fully consistent with the Renewed Programme for Government and the goals of the Smart Economy Framework.

2.3.2 National Spatial Strategy

In October 2010, the Department of Environment, Heritage and Local Government published an update of the NSS, *Implementing the National Spatial Strategy: 2010 Update and Outlook Report*.

The Report notes that certain NSS implementing mechanisms have worked well, although other policies need to be strengthened or applied more widely in order to:

- Better integrate strategic planning and investment prioritisation so that infrastructure provision is targeted and coordinated; and
- Provide more strategic leadership and vision and better governance structures to lead development in Gateway cities and wider regions; and
- Enable more sustainable patterns of physical development.

Subject to overall budgetary policy, the Report enumerates a number of key policy priorities:

- Supporting employment and a return to an enterprise-led economy across all regions;
- Promoting environmental sustainability through investment in water services, renewable energy and energy efficiency;
- Completing a sustainable transport network;
- Creation of sustainable communities through investment in regeneration and infrastructure for areas which developed rapidly in recent years; and
- Harnessing the potential of rural areas to assist in the move to a less carbon intensive economy and a more diversified rural economy.

2.3.3 Smart Economy Framework and the Strategy for Science, Technology and Innovation

In December 2008 the Government set out its vision for the next phase of Ireland's economic development. *Building Ireland's Smart Economy – A Framework for Sustainable Economic Renewal* is designed to address the severe economic conditions the country currently faces and drive a return to growth.

The framework is made up of a series of inter-locking elements each of which is reflected in a set of action points for Government policy. The five key Action Areas outlined in the Framework are:

- Meeting the Short-term Challenge – Securing the Enterprise Economy and Restoring Competitiveness;
- Building the Ideas Economy – Creating the 'Innovation Island';
- Enhancing the Environment and Securing Energy Supplies;
- Investing in Critical Infrastructure; and
- Providing Efficient and Effective Public Services and Smart Regulation.

Delivering on these Action Areas will be central to returning to economic growth over the medium-term and the set of investment priorities outlined here are consistent with this approach.

This policy framework is also complementary to, and incorporates the Government's Strategy for Science, Technology and Innovation published in 2006. Among the specific developments of relevance in this regard are moves to ensure greater coordination in the execution of STI policy. It has been recognised that the unification of funding streams for STI investment can deliver enhanced economic efficiency in the allocation of scarce resources in this area. In April 2010, responsibility for the Programme for Research in Third Level Institutes was transferred from the Department of Education and Skills to the Department of Enterprise, Trade and Innovation.

2.3.4 Report of the Innovation Task Force

The Innovation Taskforce was established in June 2009 to advise the Government on its strategy for positioning Ireland as an International Innovation Development Hub and to assist in making the Smart Economy a reality. In its Report, The Taskforce sets out its vision of Ireland as a Global Innovation Hub:

- the best place in Europe to turn research and knowledge into products and services;

- the best place in Europe to start and grow an innovative company;
- the best place to relocate or expand and scale an SME; and
- the best place in Europe for research-intensive multinationals to collaborate with each other and with clusters of small companies.

The Taskforce has made recommendations across a wide range of areas including:

- transform the seed, angel and venture capital environment in Ireland;
- introduce a European Accelerator Programme to attract the European HQs of fast-growing private US companies;
- encourage overseas entrepreneurs to come to Ireland to start and grow their companies;
- transform our Intellectual Property (IP) arrangements and make Ireland an International Innovation Services Centre (IISC) ;
- use Flagship projects, where public procurement will grow clusters of companies, addressing global needs, with innovative products\services for export
- the education system needs to be better connected to the needs of innovative enterprises, including bonus points for high level maths.

If done successfully, the Taskforce estimates that a minimum of 117,000 new jobs could be created by 2020. A High Level Group, chaired by Mr. Batt O'Keeffe T.D., Minister for Enterprise, Trade and Innovation, has been established to implement the recommendations of the Report. The Taskforce Report however, lacks any region specific initiatives or targets at NUTS II level.

2.3.5 Water Services Investment Programme 2010 – 2012

During the Programme period a new Water Services Investment Programme (WSIP) was launched. WSIP 2010 – 2012 is a three year rolling programme for the provision of major drinking water and waste water infrastructure. The programme seeks to prioritise projects which support enhanced public health and environmental sustainability outcomes and provide the infrastructure necessary for economic development. This programme also incorporates an increased focus on water conservation and the rehabilitation of existing water infrastructure to minimise the incidence of treated water being lost through leakages, reflecting the priority given to this in the BMW Regional OP.

2.3.6 Next Generation Broadband

The Government policy document *Next Generation Broadband – Gateway to a Knowledge Ireland* establishes the context within which investment in this sector will take place over the medium-term. The core elements of this strategy are

- Promotion of private sector investment in Next Generation Broadband (NGB);
- An optimal regulatory framework, facilitating collaborative models of engagement among operators;
- An innovative radio spectrum policy; and
- Targeted Government actions, where necessary.

Such a policy builds upon the previous strategy which rolled out Metropolitan Area Networks (MANs) in urban areas under the previous Regional OPs and the National Broadband Scheme co-funded under the current Regional OP.

2.3.7 National Climate Change Strategy 2007-2012

The second National Climate Change Strategy 2007-2012 was published in 2007 and takes account of the public consultation process which followed the *Ireland's Pathway to Kyoto Compliance* review in 2006. The purpose of the Strategy is twofold:

- to show the measures by which Ireland aims to meet its 2008-2012 commitment; and
- to show how these measures position Ireland for the post-2012 period, and to identify the areas in which further measures are being researched and developed to enable Ireland meet the eventual 2020 commitment.

The Strategy shows, sector by sector, that the range of existing and additional measures which have already been or will have to be developed. The Strategy, which allows for the use of flexible mechanisms, aims to reduce Ireland's greenhouse gas emissions by over 17 million tonnes (Mt) of carbon dioxide equivalent in the period 2008-2012. The quantified reductions aim for a 13.6 Mt reduction from domestic action and a 3.6 Mt credited to the Government in return for investing in emission reduction projects in developing economies (i.e. using some flexible mechanisms allowed under the Kyoto Protocol).

Developments at EU Level

2.3.8 Europe 2020: A European Strategy for Smart Sustainable and Inclusive Growth

The Europe 2020 Strategy put forward by the Commission, in 2010, sets out a vision of Europe's social market economy for the 21st century. It shows how the EU can come out stronger from the current crisis and how it can be turned into a smart, sustainable and inclusive economy delivering high levels of employment, productivity and social cohesion. This strategy is detailed further in Section 3.2.2.

2.3.9 Lisbon Strategy Evaluation Document

The EU Commission published a short evaluation of the Lisbon Strategy in October 2010. The main findings of the evaluation were that overall, the Lisbon Strategy has had a positive impact on the EU even though its main targets (i.e. 70% employment rate, and 3% of GDP spent on R&D) will not be reached. Although the EU employment rate reached 66% in 2008 from 62% at the launch of the Lisbon Strategy in 2000, it has subsequently dropped back as a result of the financial crisis. In terms of closing the productivity growth gap with leading industrialised countries the EU has failed, with total EU R&D expenditure as a percentage of GDP only improving 0.8% between 2000 and 2008. One of the conclusions, of particular relevance to this evaluation is that earmarking of Structural Funds has helped mobilise considerable investments for growth and jobs although there is still room for improvement. The issue of Lisbon earmarking is dealt with in Section 3.2.3 and Table 3.1.

2.3.10 Fifth Report on Economic and Social Cohesion / Future of Cohesion Policy

The Fifth Report on Economic and Social Cohesion was published in November 2010 by the European Commission. This report will frame the discussions for the next funding period 2014-2020. The main findings are of the Report are:

- Disparities between EU regions are narrowing - differences in GDP per head have shrunk substantially
- More developed regions are more competitive, e.g. because they:
 - a. are more innovative
 - b. are better trained
 - c. have higher rates of employment
 - d. have better infrastructure
 - e. have a higher quality of governance
- Well-being and life satisfaction are strongly linked to higher household income in the less developed parts of the EU, but not in the more developed regions
- Environmental sustainability:
 - a. some regions are at high risk from climate change
 - b. others have a strong potential to produce more renewable energy
 - c. many city centres have poor air quality
 - d. some of the Eastern EU countries lack sufficient waste-water treatment capacity.
- Better coordination is needed between regional development and other EU and national policies
- Europe 2020 Strategy:
 - a. regions and regional development policy can significantly contribute

- b. there should be a balanced approach to investment, e.g. right balance between different types of investment
- c. the strong diversity among EU regions (e.g. differences in characteristics, opportunities and needs) need to be taken into account
- d. there must be a strong role for regions, cities and local authorities through the National Reform Programmes to be submitted in early 2011.

2.4 Summarised Findings on External Developments

The country and the BMW Region have, since the Operational Programme was agreed, seen a significant deterioration in the economic environment in which it operates and now face substantial challenges in securing a return to growth where competitiveness and job creation now assumes an even greater priority.

The scale and pace of the economic changes have required policy changes across a range of sectors which have impacted on programme implementation. The most notable of these developments at national Level were the medium-term capital investment framework, Infrastructure Investment Priorities 2010 – 2016, published in July 2010 and the update of the National Spatial Strategy in October 2010. Other sector specific developments were the Smart Economy Framework and the Strategy for Science, Technology and Innovation; the Water Services Investment Programme; Next Generation Broadband; National Climate Change Strategy; and, the Report of the Innovation Task Force. At EU level the most notable policy developments were Europe 2020: A European Strategy for Smart Sustainable and Inclusive Growth; the Lisbon Strategy Evaluation Document and the Fifth Report on Economic and Social Cohesion / Future of Cohesion Policy, all of which were published in 2010.

Chapter 3 - Continued Relevance of BMW Regional OP Objectives

This Chapter addresses whether the interventions outlined in the BMW Regional Operational Programme continue to be relevant at the mid-point of the Programme and if they are expected to be the most relevant interventions in the current circumstances, for the remainder of the current BMW Regional Operational Programme.

3.1 Approach

This question is addressed by firstly restating the objectives and strategy and then using:

- (i) the recently published “Infrastructure Investment Priorities 2010-2016” and
- (ii) the EU’s desired prioritisation of expenditure as expressed in the Lisbon Strategy earmarking process and in the EU2020 objectives.

to examine how each theme in the BMW Regional OP is viewed against priorities expressed at national and EU level.

The summarised findings in relation to Continued Relevance are then set out in Section 3.3.

3.1.1 Summary of Current Objectives and Strategy

The Operational Programme seeks to: support competitiveness and entrepreneurship, learning and knowledge, develop world-class infrastructure, and support a sustainable environment. This is based on delivery of the following priorities:

- **Priority 1:** To enhance the **research, innovation and ICT** infrastructure and capacity of the BMW Region, to promote entrepreneurship and enterprise development and to support collaboration and technology transfer between research institutions and the business sector, that responds to the economic development needs of the region;
- **Priority 2:** To contribute to the sustainable development of urban and rural areas and the **protection and enhancement of the urban and rural environment** and the protection of surface and groundwater from pollution. The priority will also stimulate energy efficiency, renewable energy deployment and the integration of sustainable energy practices into public policies;
- **Priority 3:** To strengthen the **spatial structuring** of the BMW Region by investing in integrated sustainable initiatives in order to enhance the competitiveness, accessibility and

social cohesion of the region's growth centres and to modernise the region's transport infrastructure.

3.1.2 Modifications made to the Operational Programme:

In light of the changed socio-economic circumstances and budgetary situation, modifications to the BMW Regional OP were agreed in October 2009. The overall strategic focus of the Operational Programme remains unchanged. The additional interventions were chosen with due regard to the need to maximise the OP's contribution to the Lisbon Growth and Jobs agenda. The modifications to the BMW Regional OP were as follows:

- Gateway/Hub Investment Fund under Priority 3;
- Inclusion of Science Foundation Ireland Research Awards in Priority 1;
- Inclusion of Water Supply and Waste Water Treatment in Priority 2;
- Inclusion of additional Strategic Road Projects in Priority 3;
- Funding of Environmental Investments in Non-Gateway Locations in Priority 2;
- Investment in Railcars in Priority 3;
- Inclusion of Ocean Energy theme in priority 2; and
- Increase Co-Financing Rate across the OP from 40% to 50%.

3.2 Alignment with latest Policy Developments/Analysis

3.2.1 National Level Analysis

The most recent statement, at a national level, on public capital spending priorities is contained in "Infrastructure Investment Priorities 2010-2016" published by the Department of Finance in July 2010. The priorities identified in this report are based on analysis which takes account of: the rationale for Government spending in each area; progress in each sector in recent years in developing capacity; anticipated medium term demand for infrastructure given the contraction in aggregate economic activity; and required outputs and outcomes over the medium term.

Based on its analysis, "Infrastructure Investment Priorities 2010-2016" identified the following priorities for investment:

- Strategic STI investment at the core of the smart economy
- The Enterprise Development Agencies

- Water services investment
- Key strategic transport infrastructure
- Investment in education infrastructure
- Energy efficiency supports
- Health capital investment
- Funding to boost the tourism sector
- Regeneration of Local Authority Housing, including major projects in Limerick and Ballymun

3.2.2 EU Prioritisation – Europe 2020

The Europe 2020 Strategy put forward by the Commission, in 2010, sets out a vision of Europe's social market economy for the 21st century. It shows how the EU can come out stronger from the current crisis and how it can be turned into a smart, sustainable and inclusive economy delivering high levels of employment, productivity and social cohesion. To deliver rapid and lasting results, stronger economic governance will be required.

The Europe 2020 Strategy has five headline targets:

- 75% of the population aged 20-64 should be employed
- 3% of the EU's GDP should be invested in R&D
- The "20/20/20" climate/energy targets should be met
- The share of early school leavers should be under 10% and at least 40% of the younger generation should have a tertiary degree
- 20 million less people should be at risk of poverty

Seven flagship initiatives have been put forward by the EU Commission to increase progress. Themes in the co-funded BMW Regional Operational Programme contribute to the four flagship initiatives listed below:

- "Innovation Union" to improve framework conditions and access to finance for research and innovation so as to ensure that innovative ideas can be turned into products and services that create growth and jobs
- "A digital agenda for Europe" to speed up the rollout of high speed internet and reap the benefits of a digital single market for households and firms
- "Resource efficient Europe" to help to decouple economic growth from the use of resources, support the shift towards a low carbon economy, increase the use of

renewable energy sources, modernise our transport sector and promote energy efficiency

- "An industrial policy for the globalisation era" to improve the business environment, notably for SMEs and to support the development of a strong and sustainable industrial base able to compete globally.

3.2.3 EU Prioritisation – Lisbon "earmarking"

In order to ensure that assistance from EU Regional Development Funds is consistent with the EU priorities of promoting competitiveness and creating jobs, 75% of supported expenditure is to be for identified priority themes i.e. priority themes that have been earmarked. The calculation of the "earmarking" effort of Member states is done through a system of codification. Table 3.1 below identifies the interventions in the BMW Regional OP that have been earmarked as Lisbon priorities.

3.2.4 Mapping BMW Regional OP Interventions to EU and National priorities

The priorities identified at EU level and by the recent analysis at national level provide appropriate benchmarks against which to measure the continued relevance of the interventions in the Operational Programme for the BMW Region. The change in priorities at national level will see a decline in the share of investment in Road Transport, Housing, Health and Agriculture and an increase in the proportion of investment in public transport, environmental services, education and enterprise. While planned investment in 2010-2016 may be at a lower level than had been envisaged when the BMW Regional OP was agreed, the shifts in the proportions of spend are concrete evidence of what areas are to be prioritised for the remainder of the Operational Programme.

Table 3.1 below maps the set of interventions in the BMW Regional Operational Programme to the new investment priorities.

| Table 3.1 | | | | |
|--|--------------------------|--|-----------------------------|---------------------------|
| Operational Programme Interventions | Intervention Code | Most recent prioritisation of these interventions | National + - Neutral | Lisbon Ear-marking |
| PRTLII, Marine Research and SFI Actions | 01 | Investment in these areas has been prioritised. Share of overall capital investment is to increase. There is to be a doubling of the share of total investment delivered through the Enterprise Development Agencies. | + | + |
| Applied Research, Incubation and Commercialisation | 02 | | + | + |
| Micro Enterprise | 08 | | + | + |
| Broadband | 10 | Broadband investment is part of the necessary infrastructure needed to capitalise on the emerging digital future and remains a priority. | + | + |
| Water Services Investment, Water Conservation and Pilot Sewerage | 45 | Investment in Water Services and Waste Water will remain a priority. Expenditure levels in the latter part of the OP is expected to be at or above the levels in 2007-2009. There is recognition that achieving compliance with EU Directives will require proportionately higher levels of investment in areas with a lower population density. | + | - |
| Renewable Energy and Energy Efficiency | 43 | Expenditure on Energy Programmes in the latter period of the OP is expected to be more than double the levels in the first years of the BMW Regional OP. | + | + |
| Waste Management | 44 | Significant Investment is targeted particularly for landfill diversification | + | - |

| Operational Programme Interventions | Intervention Code | Most recent prioritisation of these interventions | National + - Neutral | Lisbon Ear-marking |
|---|--------------------------|---|-------------------------------------|---------------------------|
| Natural and Built Heritage | 56,58 | While expenditure levels are expected to be lower, priority is still attached to this area | Neutral | – |
| Key Linking Routes | 20, 22 | Expenditure on Roads is expected to decline. However this reprioritisation will have little effect on the remaining years of the BMW Regional OP as the significant investment planned for the Road infrastructure has already taken place. | - | + * - |
| Public Transport | 16 | Public Transport is being prioritised. Specific to the OP is the focus for mainline rail on removing speed restrictions and essential safety work. | + | + |
| Urban Development and RAPID and Cultural Infrastructure | 61 | Supporting the implementation of the National Spatial Strategy was one of the key criteria used in the approach to reprioritisation. The Gateways Innovation Fund (€200m) is to be re-established from 2012. | + | – |

* Motorways are earmarked as a priority. One of the Key Linking Projects is a section of the M6 Motorway.

3.3 Summarised Findings on Continued Relevance

As outlined in the previous chapter the country and the BMW Region have, since the Operational Programme was agreed, seen a significant shift in the economic environment in which it operates. The country and the BMW Region face substantial challenges in securing a return to growth where competitiveness and job creation now assumes an even greater priority.

All of the interventions in the Operational Programme except for the Roads theme and natural/built heritage are in areas that have been identified, at the national level, for a greater proportion of investment. While investment in Roads is expected to fall this has no implication for the latter part of the Operational Programme as the two roads projects supported by the BMW Regional OP have been completed.

There are some interventions that are not aligned with EU priorities. These are either low value interventions or interventions that due to national circumstances deserve to retain a priority status e.g. Water Services, Waste Management. In terms of priorities identified at EU level 6 of the 11 interventions are clearly earmarked as priority and the indicative expenditure for these interventions represents 80% of total OP expenditure.

The analysis above shows that the high level objectives and the interventions in the Operational Programme are still a good fit for the new environment. The Priorities and themes that make up the BMW Regional OP continue to be relevant to the challenges faced and are closely aligned to the actions considered to be the highest priority both nationally and at EU level.

Chapter 4 Innovation, ICT and the Knowledge Economy

4.1 Introduction

This chapter reviews the progress of Priority 1 - Innovation, ICT and the Knowledge Economy up to end 2009, including an assessment of the progress and constraints at theme level. The chapter also assesses how the horizontal principles are reported on across the priority and contains a review of the performance indicators relevant to this priority.

The objective of this Priority is to enhance the research, innovation and ICT infrastructure and capacity of the Border, Midland and Western Region, to promote entrepreneurship and enterprise development and to support collaboration and technology transfer between research institutions and the business sector, that responds to the economic development needs of the region.

Interventions supported under this Priority and their indicative allocated expenditure over the period to 2013 are outlined in Table 4.1.

Table 4.1 - Interventions and Indicative Expenditure 2007-2013

| <u>Intervention</u> | <u>Indicative Expenditure¹⁰</u> |
|---|---|
| Applied Research Enhancement | €24m |
| Sub – Theme 1: Applied Research Enhancement (ARE) Sub – Theme 2: Incubation Facilities Sub – Theme 3: Collaboration Initiatives | |
| Building Research Capacity | €99m |
| Sub – Theme 1: Programme for Research in Third Level Institutions (PRTL) Sub – Theme 2: Technological Sector Research Sub – Theme 3: Research Facilities Enhancement Scheme Sub – Theme 4: Research Equipment Renewal Grant Sub – Theme 5: Marine Research Sub – Theme 6: Science Foundation Ireland (SFI) Actions | |
| Micro-enterprise, Innovation and Entrepreneurship | €40m |
| Broadband Provision and Demand Stimulation | €37m |
| Total for Priority | €200m |

¹⁰ As presented to the BMW Regional OP Monitoring Committee, October 2009.

4.2 Progress at Priority Level

Table 4.2 – Expenditure to Date and Likely Outturn 2007-2013

| | Expenditure to end December 2009 €m | Likely outturn 2010- 2013 €m¹¹ | Total expected Expenditure 2007-2013 €m | Original Indicative Expenditure €m | Difference - Under Alloc. + Over Alloc. €m |
|--|--|--|--|--|---|
| Applied Research Enhancement, Incubation and Commercialisation | 5.3 | 11.4 | 16.7 | 24.0 | -7.3 |
| Building Research Capacity, including Marine Institute and SFI Actions | 44.9 | 100.0 | 144.9 | 99.0 | +45.9 |
| Micro-enterprise, Innovation and Entrepreneurship | 19.5 | 21.3 | 40.8 | 40.0 | +0.8 |
| Broadband Provision and Demand Stimulation | 20.4 | 25.6 | 46.0 | 37.0 | +9.0 |
| TOTAL | 90.1 | 158.3 | 248.4 | 200.0 | +48.4 |

4.2.1 Financial Progress for Priority 1

Progress to end 2009 shows overall expenditure for Priority 1 of €90.1m and consultation with the implementing authorities and beneficiary bodies shows that a further €158.3m is likely to be spent by the end of 2013. The original expectation was that expenditure was to be heavily front-loaded with c.79% to be committed within the first three years. Expenditure in the first three years, to end 2009, is running at 45% of the Priority forecast for the 2007-2013 period. The reasons why expenditure is running behind profile include the non-availability of exchequer funding and the competitive nature of much of the research funding

¹¹ Based on figures provided by Implementing Departments and Agencies. It should be noted that not all reported expenditure is subsequently eligible for certification as EU-eligible.

which means that there is no guarantee that HEIs in the BMW will be awarded any particular target level of funding.

A more detailed breakdown, at theme level, of expenditure and physical progress to date is outlined in Section 4.3 below.

4.2.2 Physical Progress of Priority 1

With 45% of the allocation for this Priority spent (just over €90m) significant progress can be seen under a number of headings. The most significant physical progress achieved is highlighted in Box 1 below.

Box 4.1: Priority 1 - Significant physical progress summary

- Enterprise Training or Masters Level education was provided to 81 graduates in 5 Institutes of Technology (IoTs)
- Research Facilities were upgraded, at a cost of over €10m, in each of the seven Higher Education Institutes (HEIs) supporting the provision of 309 Research Work Stations
- 39 pieces of Research Equipment (€3.4m) were purchased by six HEIs
- Six Marine Research projects were supported including EirCod which is investigating the organic farming of cod.
- 55 researchers and 9 enterprises are involved in a total of 16 SFI funded Research Projects
- A total of 3,370 micro-enterprises were assisted under the theme with close to 15,000 jobs in assisted micro-enterprises.
- Over 93,000 training days provided by CEBs to just under 46,000 recipients.
- The number of additional broadband users in each category (Residential – 44,689, Commercial 2,674 and Residential and Commercial 14,131) are on schedule to meet 2013 targets

Table 4.3 below shows all of the Priority level indicators, their targets and the level of achievement. Commentary on progress against target is outlined below.

Table 4.3: Priority 1 - Performance Indicators

| Output: | Baseline | Achievement to end 2009 | Final Target (2013) |
|--|----------|---------------------------|---|
| 1. No. of Regional Incubation Centres | 5 | 6 | 9 |
| 2. No. of collaborative research projects approved | 0 | 1 | 4 |
| 3. No. of Principal Investigator Awards | 10 | 14 | 12 |
| 4. No. of Research Centres (SRC and CSET) | 2 | 2 | 4 |
| 5. No. of training days provided to microenterprises | 35,572 | 93,319 | 119,572 |
| 6.. No. of microenterprises supported | 2,511 | 3,370 | 5,011 |
| 7. No. of initiatives to enable broadband infrastructure and service provision | 0 | 3 | 3 |
| | | | |
| Result: | | | |
| 1. Total employed in Incubation Centres | 168 | 193 | 218 |
| 2. No. of researchers engaged in the approved projects | 47 | 87 | 170 of which: 100 PRTL 70 SFI |
| 3. No. of enterprises collaborating with SRCs | 0 | 9 | 15 |
| 4. No. of enterprises in Incubation Centres | 52 | 69 | 68 |
| 5. No. of recipients of training | 26,550 | 45,974 | 61,530 of which: 27,562 Male 33,668 Female |
| 6. No. of jobs created in assisted microenterprises | 16,684 | 14,743 | 20,884 |
| 7. Additional users with broadband available | 0 | 44,689 2,674 14,131 | 89,377 Residential 5,348 Commercial 28,261 Residential and Commercial |

Progress, in terms of results achieved to end 2009, is on schedule for many of the Priority 1 interventions – enterprises collaborating with SRCs, no. of training recipients and additional users of broadband. In some cases this is in spite of a lower level of output than expected e.g. only one additional incubation centre has been added to date under the OP and the target was to add four but the number of enterprises and the number employed in Incubation Centres was still close to target (however it is unlikely that there will be further expenditure under this sub-theme.)

However, the number of jobs created in assisted microenterprises has fallen and this is obviously related to the downturn in the economy. The number of enterprises supported is also less than what was anticipated which also contributes to the lower numbers employed in supported enterprises. The number of Researchers engaged in approved projects is also behind target but more is expected to be spent in the latter part of the OP than in the first three years.

4.2.3 Conclusions at Priority Level

In expenditure, output and result terms this Priority is performing reasonably well. The indication (see Table 4.2 above) is that, while the expenditure has not been front-loaded as originally envisaged, €48m more than the full indicative Priority allocation of €200m may be spent, based on the forecasts provided by Implementing Departments and Agencies

If the Priority is expected to achieve its expenditure targets then it should follow that physical progress will also be on target. This is expected to be the case. The areas for concern relate to the number of microenterprises that will receive support and the numbers employed in supported microenterprises. The number of researchers engaged in approved projects may fall also short of target. It is also likely that there will be no further progress under the Incubation Facilities sub-theme. All other significant targets are expected to be achieved or exceeded.

Some caution is required on the anticipated figures. Some of the anticipated expenditure may not qualify on technical grounds. An overriding dependency in the current climate is the continued availability of the exchequer funding for the interventions in the Operational Programme. It can however be stated with confidence, based on expenditure to date and committed expenditure to the end of the programme that the original allocation of €200m will be spent. There is a more than reasonable expectation that the additional €48m will also be spent, before the end of 2013.

The overall conclusion is that this Priority will achieve its expenditure target and will produce the level of planned outputs. This Priority is capable of absorbing some additional funding from other priorities where progress may be less certain.

4.3 Physical and Financial Progress at Theme Level

4.3.1 Applied Research Enhancement, Incubation Facilities and related Collaboration initiatives

| | | |
|-------------------------|-----------|--------|
| Planned expenditure | 2007-2013 | €24m |
| Expenditure to date | 2007-2009 | €5.3m |
| Anticipated expenditure | 2010-2013 | €11.4m |

Theme 1 is made up of three sub-themes:

Applied Research Enhancement (ARE)

Incubation Facilities:

Collaboration Initiatives:

The focus of the **Applied Research Enhancement (ARE)** sub-theme is to enhance the applied research capabilities within the Institutes of Technology (IoTs) and to provide an opportunity for the Institutes to develop research capability in areas of strategic importance to the individual colleges and of relevance to industry both regionally and nationally. The programme aims to accelerate the development of start-up companies through a combination of business support services, infrastructure and specialised resources before and during their foundation, which will ultimately strengthen the innovation infrastructure linked to IoTs in the regions in order to grow new embedded, high potential, high tech companies.

Only one new ARE Centre was approved for funding in 2009 under the BMW Regional OP - funding of €1.82m was approved to Dundalk Institute of Technology to establish the CASALA ARE Centre. Although further progress on the number of ARE centres and the number of industrially focused projects is reported on in the Progress report (see table below on performance indicators), this progress refers to total expenditure from all sources to date, as well as Productive Sector OP monies from the 2000-06 Round. The sub-theme has been constrained by the limited availability of funding from the exchequer and this resulted in the ARE Programme being put on hold until Q3 2010. Because of these constraints, a full year

was lost in developing new proposals and progressing the current applications. The sub-theme will not achieve the expected outturn of 15 centres before the end of 2013. A more realistic target is 12 or 13. Even with fewer centres, it is expected that the target of 21 industrially focused projects will be achieved. The best estimate, from Enterprise Ireland for expenditure in the BMW Region on this sub-theme to 2013 is €5.4m however, this estimate is very fluid until budget and priority activities are confirmed for 2011.

Applied Research Enhancement (ARE) – Performance Indicators

| Class | Indicator | Baseline | Final Target | Outturn to 31st December 2009 |
|--------------|---------------------------------------|-----------------|---------------------|---|
| Output | No. of ARE Centres in place/extended | 5 | 15 | 8 |
| Result | No. of industrially focussed projects | 2 | 21 | 12 |

The ***Incubation Facilities*** sub-theme is concerned with the provision of supports and business space within the environment of a third level institution that will advance the development of emerging high potential start-up companies. The sub-theme provides for the development of the infrastructure of the Institutes of Technology and the Universities by the provision of Incubation Centres. These Centres facilitate the commercialisation of research and development projects carried out by the incubating companies. The colleges are also encouraged to provide dedicated mentoring and support services to incubator facilities.

Although substantial progress is reported on in the Progress Reports in terms of the number of centres, number of companies in centres and the number of employees, just one new Centre was actually approved for funding to date under this OP, which was the funding of €2.15m approved for CoLab in Letterkenny Institute of Technology. This centre has 12 companies employing 28 people. The other progress reported relates to either other funding or BMW Regional OP monies from previous rounds and is therefore not pertinent to this review. In May 2008, a funding call was opened to support extensions of the centres in the Institutes of Technology. However, in November 2009, this call was put on hold due to budgetary constraints.

It is expected that the final outturn to 2013 will be the same as the outturn to end 2009 (€2.15m). The tightening of public finances, when combined with greatly increased availability of private sector space and falling rents, means that further State investment in

physical space for incubation is not currently a priority activity for EI. EI will support start-ups and their linkages to higher education institutions through a suite of other supports, e.g. training and mentoring assistance for entrepreneurs, support to collaborate on R&D projects with the colleges, etc. Any material change to this would only be triggered by a significant diminution of available private office space, coupled with expansion of public monies.

Incubation Facilities – Performance Indicators

| Class | Indicator | Baseline | Final Target | Outturn to 31st December 2009 |
|--------------|---|-----------------|---------------------|---|
| Output | No. of business incubation centres in place/ extended | 5 | 9 | 6 |
| Result | No. of companies in centres | 52 | 68 | 69 |
| Impact | No. of employees in these companies | 168 | 218 | 193 (24 female) |

The ***Collaboration Initiatives*** sub-theme is concerned with generating project outputs suitable for commercial exploitation opportunities for the benefit of the Irish economy. Third-level researchers and researchers in other research producing organisations (RPOs) can apply to carry out applied research that may lead to licensing agreements and spin-out companies. This Fund does not support purely exploratory research, nor does it support applied research for companies. The objectives of the programme are to foster a dynamic and commercially aware research community and to create an environment that promotes entrepreneurship. In so doing, an accessible route to commercialisation is established for the transfer of knowledge from the research base into industry. A total of nine projects totalling €1.3m were supported in the BMW Region up to end-year 2009.

The sub-theme has been constrained for two reasons. Firstly, the extension of the previous Productive Sector OP to March 31st 2009 meant that outputs that were expected to be captured under this OP were actually captured under the previous OP. Secondly, the limited availability of exchequer finance resulted in the fund being put on hold after the 2009 Winter Call. A new call for proposals was issued in July 2010 and this call closed on September 22nd. The budget for this current call is €7m (nationally) and the best estimate for expenditure in the BMW Region to 2013 is €6m (however as this is a competitive process this estimate for the BMW Region is dependent on how well the region's institutions do in the competitive processes.)

Collaboration Initiatives – Performance Indicators

| Class | Indicator | Baseline | Final Target | Outturn to 31st December 2009 |
|--------------|--|-----------------|---------------------|---|
| Output | No. of approvals by IRCC -Proof of Concept, Technology Development, Commercialisation Plus | 0 | 90 | 9 |
| Result | Licenses achieved as a result of funded research | 0 | 10 | 2 |
| Impact | Start-up Enterprises arising from funded research | 0 | 9 | 1 |

4.3.2 Building Research Capacity

| | | |
|-------------------------|-----------|---------|
| Planned expenditure | 2007-2013 | €99.0m |
| Expenditure to date | 2007-2009 | €44.9m |
| Anticipated expenditure | 2010-2013 | €100.0m |

Theme 2 is made up of six sub-themes:

PRTL

Technological Sector Research

Research Facilities Enhancement Scheme

Research Equipment Renewal Grant

Marine Research

SFI Actions

The **PRTL** aims to support a strategic and planned approach by third level institutions to the long-term development of their research capabilities, consistent with their existing and developing research strengths and capabilities. PRTL supports the development of physical infrastructure by supporting buildings and equipment but also supports the development of human capital by funding the first intake of graduates to a research programme. These graduates and this infrastructure is expected to be the foundation of longer term research projects that will be financed from other sources including Science Foundation Ireland. As evidence of this, 73% of SFI funded researchers are in PRTL funded buildings.

Expenditure to end 2009 was over €22.9m in the BMW Region. Six PRTL Cycle 4 projects provided 152 workstations. These were refurbishments and equipment provision as opposed to new buildings. Eighty seven posts are supported and include Principal Investigators (8), Post Doctorate Researchers (28), PhD Students (44) and others (7). Intellectual Property registrations including patents numbered 59 for the whole country. It can be difficult to attribute these with certainty to PRTL and they cannot be broken down by region.

Projects being supported under Cycle 5 will include two capital projects in the BMW Region. One of these projects the "Advancing Medicine Project" has been initiated and completion is expected in 2012 while the Arts, Humanities and Social Science Building has not yet commenced but completion is also expected by 2012. Both of these projects are in NUIG. Total expected expenditure from 2010-2013 on PRTL is expected to be €63.6m.

An economic impact assessment of PRTL nationally is currently being undertaken on behalf of the Office of Science and Technology by PA Consulting.

PRTL – Performance Indicators

See Appendix 3 for extract of Performance Indicators for PRTL from Annual Implementation Report 2009.

The target number of researchers engaged in approved PRTL projects to end 2013 is 100. Significant progress has been achieved to end 2009 with 87 engaged. However most of the researchers to be engaged were in place at the end of 2009 and this figure will not increase significantly. In terms of research workspaces provided (and to be provided), there is an insufficient breakdown between the BMW and S&E Regions and performance indicator reporting needs to be improved. This is commented on further below.

The **Technological Sector Research** Initiative sub-theme aims to build the research capability of Institutes of Technology (IoTs) by enabling them to focus on research projects based on their core strengths, either as individual Institutes or as the sector as a whole. Support is provided for Masters Programmes, enterprise development training for graduates and core research projects. Expenditure to the end of 2009 amounted to €4.3m. The outputs included 4 research awards. Enterprise Training or Masters Programme education was also delivered to 81 graduates in 5 IoTs in the BMW Region. Expenditure in the period 2010-2013 is expected to be in the region of €6.8m. A proportionate volume of outputs is expected from this expenditure as there is a direct link between cost and the number of participants.

Technological Sector Research – Performance Indicators

| <i>Indicator</i> | <i>Baseline</i> | <i>Outturn 2008</i> | <i>Outturn 2009</i> | <i>Original Final Target</i> |
|---|-----------------|---------------------|---------------------|------------------------------|
| <u>Strand I: Postgraduate R&D skills</u> | | | | |
| BMW Region total | 10 | 23* | 28 | 28 |
| • Male | 6 | 14 | 14 | |
| • FEMALE | 4 | 9 | 14 | |
| <u>Strand II: Enterprise Platform</u> | | | | |
| BMW Region total | 8 | 46 | 53 | 40 |
| • Male | 5 | 32 | 46 | |
| • FEMALE | 3 | 14 | 7 | |
| <u>Strand III: Core Research Strengths Enhancement</u> | | | | |
| No. of Core Research Projects Funded | | | | |
| • National | Nil | 8 †† | 8 | 8 |
| • BMW Region | | 4 | 4 | 4 |
| • S&E Region | | 4 | 4 | 4 |
| Completed | 0 | 0 | 0 | 0 |

*Of the 28 that were proceeded with, a total of 23 commenced in 2008.

†13 programmes approved offering a total of 170 places – greater intake occurred.

†† these projects commenced in 2009 and are multi annual in duration.

As can be seen from the table above, this theme is on schedule to achieve its target outputs. Some of the final OP targets have already been achieved at end of 2009.

The **Research Facilities Enhancement Scheme** targets capital at eliminating sub-standard research facilities. It provides for both refurbishment and new equipment purchase to allow HEIs conduct research in line with its priorities. Expenditure to end 2009 was €10.7m in the BMW Region which supported seven projects, one in each of the seven institutions. Over 80% of the expenditure was on buildings, the remainder on equipment and furniture.

No further expenditure is envisaged under this scheme for the remainder of the Operational Programme.

Research Facilities Enhancement Scheme – Performance Indicators

Increased physical infrastructure – BMW Region

| Output: | m² delivered to date [gross] | m² delivered to date [new] | Workstations [Total] | Workstations [New] | Researcher Places [Total] | Researcher Places [New] |
|----------------|---|---|---------------------------------|-------------------------------|--|--|
| BMW Region | 3,841 | 2,454 | 385 | 309 | 290 | 122 |

The **Research Equipment Renewal Grant** was a one-off response to identified deficits with existing research infrastructure which allowed for the acquisition or renewal of small to medium sized items of research equipment. The grant was based on the number of FTE Masters and PhD students. Proposed purchases had to be cleared by the Higher Education Authority (HEA) in consultation with Enterprise Ireland (EI) and SFI to ensure that there was no funding overlap. Thirty-nine pieces of equipment were purchased by six institutions in the BMW Region and expenditure amounted to €3.4m. Like the Research Facilities Enhancement Scheme no further expenditure is envisaged under this sub-theme. This scheme in particular provided funding for research equipment in areas that were not winning research award funding under other headings.

Research Equipment Renewal Grant - Performance Indicators

Some examples of how this sub-theme responded to deficits identified in the HEA/Forfás Infrastructure review in the BMW Region are set out in the table.

| THEMATIC AREA | DEFICIT IDENTIFIED | ADDRESSED BY RERG |
|-------------------------|--|--|
| Library Facilities | Absence of adequate library provisions | A number of pieces of equipment were purchased by NUIG in relation to library equipment: Book scanners (€ 180,000); Digital Storage (€300,000) |
| Pre-clinical facilities | Need for micro-injector equipment Specialised clinical research equipment for large animal studies, | Imaging equipment was acquired as follows: NUIG (NBIP): Operating Systems/Imaging Suite (€ 30,000) |

| THEMATIC AREA | DEFICIT IDENTIFIED | ADDRESSED BY RERG |
|---|---|---|
| | including imaging equipment, needs investment | |
| Computer Sciences/ Physical Sciences and Mathematics | <p>Research Resources in the form of physical library provision are necessary</p> <p>A national approach to the development of an electronic depository for theses was cited as a useful infrastructural project.</p> | NUIG (Nanoscience): Video/Web Conferencing (€ 72,000) |
| Earth, Atmosphere, and Ocean Sciences | Potential for developing Galway and the western seaboard as a leading centre in the marine and environmental sciences was emphasised | A number of key pieces of equipment were purchased in the Marine/ Environmental Sciences area in: GMIT, LKIT and NUIG including: a Mini-fermenter system (€ 31,000); Cellular Dynamics Workstation (€ 500,000); Millipore Laboratory Water System (€ 20,000); End point polymerase chain reaction (PCR) unit (€ 24,000) |

The aim of the **Marine Research** sub-theme is to strengthen the competitiveness and environmental sustainability of existing marine sectors by aligning public sector and third-level research capacity with industry needs, and to build new multi-disciplinary research capacity and capability in fundamental technologies that can be applied to marine-related activities in order to create new commercial opportunities and applications.

Expenditure to end 2009 totalled €946,000. The level of expenditure has been constrained by delays in starting projects (all of which have been addressed), but also due to funding constraints, which has prevented an intended annual call for proposals. Up to mid 2010 six research projects have been supported and these projects have commitments totalling €5.23m in the BMW Region. The number of PhDs and marine research fellows funded to date

(total of 7) is like expenditure to date behind target. Projects include the EIRCOD project which aims to contribute towards the development of an Irish organic cod farming industry.

Marine Research – Performance Indicators

| Class | Indicator | Baseline | Mid-term Target | Final Target 2013 | Out-turn to end 2009 |
|---------------|---|-----------------|------------------------|--------------------------|-----------------------------|
| Output | | | | | |
| 1 | No. marine-related PhDs funded (gender disaggregated) | 0 | 5 | 16 | 5 F 1 M |
| 2 | No. marine-related research fellows funded (gender disaggregated) | 0 | 3 | 9 | 2 M |
| 3 | No. research projects based in research institutions funded | 0 | 4 | 8 | 5 |
| 4 | No. desk/feasibility studies funded | 0 | 2 | 4 | 0 |
| 5 | No. scientist days funded on National Research vessels | 0 | 16 | 48 | 0 |
| 6 | No. of items of specialist research equipment acquired | 0 | 3 | 6 | 1 |
| 7 | No. of projects that advance the sustainable development and management of marine resources | 0 | 3 | 8 | 5 |
| 8 | No. of projects that enhance our understanding of marine and coastal ecosystems and/or create knowledge of relevance to the management of Ireland's future environmental well-being | 0 | 3 | 8 | 3 |

| Result | | | | | |
|--------|--|---|-------------|-------------|---|
| 1 | Increased research activity in the BMW Region measured by no. and nature of projects funded | - | 12 | 18 | 6 |
| 2 | Research funds leveraged by funded researchers via participating in international research projects | 0 | €0.5m | €2m | 0 |
| 3 | Enhanced research opportunities measured by increased access to specialised research equipment managed under National Equipment Pool | 0 | 3 new users | 6 new users | 0 |
| 4 | Enhanced North/South marine research collaboration measured by no. of projects/initiatives funded | 0 | 1 | 2 | 1 |

The performance indicators reflect the fact that the number of projects now receiving support is on target but that progress on the projects themselves was initially slower than anticipated. As most of the expenditure under this sub-theme is expected in the latter half of the OP then it is in the latter part of the OP that most of the physical progress will be seen.

The **Science Foundation Ireland (SFI) Actions** sub-theme provides for the development of human capital in research in strategic areas relevant to Irish economic development, particularly in the areas of Biotechnology, ICT and now also Sustainable Energy/energy efficient technologies. The SFI actions help to promote entrepreneurship and enterprise development and support collaboration and technology transfer between research institutions and the business sector that responds to the economic development needs of the region. There are three types of SFI co-funded programmes; CSETS – Centres for Science, Engineering and Technology Programme can involve a research team of 100 with an award spanning a 5 year term; Strategic Research Clusters like CSETs involve industry partners with

a typical team of 25-30 researchers; the Principal Investigator programme is SFI's core programme supporting basic research by PI teams of 6-8 members.

Expenditure under this heading only became a part of the BMW Regional OP from July 2009 onwards. Expenditure in the latter part of 2009 was over €2.65m. Expenditure in the latter part of the OP will be made up of 11 existing awards that have a number of years left to run and 5 new awards (4 PIs and 1 SRC) made in 2009. Examples of supported Research projects are in Applied Optics, Cornea Transplantation and mechanisms to control DNA duplication in cancer cells. The number of researchers engaged (55) and the number of Enterprises engaged (9) is ahead of target at this point in the OP. There may also be new awards in future rounds. The total expected expenditure for 2010-2013 is €25.3m.

As outlined in the table below performance is in line with target. This is to be expected at this point as this sub-theme is a late addition to the OP and mid-term targets would be easier to predict.

Science Foundation Ireland (SFI) Actions – Performance Indicators

| Indicator | Baseline figures [July 09] | Target – end of 2013 | End of 2009 position |
|---|-----------------------------------|-----------------------------|-----------------------------|
| 1. No. of Principal Investigator Awards | 10 | 15 | 14 |
| 2. No. of Research Centres (CSETs and SRCs) | 2 | 4 | 2 |
| 3. No. of Researchers engaged | 47 | 70 | 55 |
| 4. No. of Enterprises engaged | 9 | 15 | 9 |

Note: These Indicators are supplemented in the Annual Implementation Report 2009 by outline descriptions of each Research Award.

4.3.3 Micro-enterprise, Innovation and Entrepreneurship

| | | |
|-------------------------|-----------|--------|
| Planned expenditure | 2007-2013 | €40m |
| Expenditure to date | 2007-2009 | €19.5m |
| Anticipated expenditure | 2010-2013 | €21.3m |

This intervention involves providing supports and services which are designed to encourage entrepreneurship, increase the rates of business start-up and expansion and increase competitiveness, sustainability, innovation and technological adaptation by micro-enterprises. A suite of accessible focused business, financial and support services are provided by the County Enterprise Boards (CEBs) to enable existing and start-up enterprises to increase their capability to raise productivity, adapt ICT applications and increase employment.

The indicators for the theme show that, to end year 2009, a total of 3,370 micro-enterprises were assisted under the theme with close to 15,000 jobs in assisted micro-enterprises. Over 93,000 days training was also provided by the CEBs to just under 46,000 recipients.

While the reduction in Exchequer Capital funding provided for the Boards in 2010 and the increased demand for CEB services due to the economic downturn, have posed considerable additional challenges for the Boards in supporting micro-enterprises in 2010, it is likely that the full indicative allocation of €40m for this theme will be spent by 2013.

A review of the County Enterprise Boards is currently being undertaken by the Department of Enterprise, Trade and Innovation.

Micro-enterprise, Innovation and Entrepreneurship – Performance Indicators

| Class | Indicator | Baseline figures as of 31st Dec 2006 | Final Target 2013 | Out-turn to 31st December 2009* |
|---------------|--|--|--------------------------|---|
| Output | No. of micro-enterprises assisted | 2,511 | 5,011 | 3,370 |
| | Of which Male Promoters | 1,792 | 3,576 | 2,460 |
| | Of which Female Promoters | 608 | 1,213 | 786 |
| | Of which Promoter is company/partnership/other | 111 | 222 | 124 |

| | | | | |
|---------------|---|--------|---------|-----------|
| | No. of training days provided | 35,572 | 119,572 | 93,319.30 |
| | Male | | | 43,575.5 |
| | Female | | | 49,635.8 |
| | Other | | | 108.0 |
| Result | No. of jobs created in assisted micro-enterprise | 16,684 | 20,884 | 14,743.5 |
| | Male F/T | 10,460 | 13,093 | 8,747 |
| | Female F/T | 4,324 | 5,412 | 3,997 |
| | Male P/T | 1,401 | 1,757 | 1,501 |
| | Female P/T | 2,399 | 3,001 | 2,498 |
| | No. of training recipients | 26,550 | 61,550 | 45,974 |
| | Of Which Male | 12,059 | 27,562 | 21,234 |
| | Of Which Female | 14,239 | 33,688 | 24,458 |
| | Of Which Companies /partnership/other | 252 | 300 | 282 |

*Figures are calculated using baseline figure plus 2007-2009 figures

4.3.4 Broadband Provision and Demand Stimulation

| | | |
|-------------------------|-----------|--------|
| Planned expenditure | 2007-2013 | €37m |
| Expenditure to date | 2007-2009 | €20.4m |
| Anticipated expenditure | 2010-2013 | €25.6 |

This intervention is aimed primarily at overcoming identified gaps in broadband infrastructure and services. Progress to date includes:

(i) Metropolitan Area Networks (MANs): The Department of Communications, Energy and Natural Resources is currently analysing options for further investment under the MANs programme. The MAN located in Edenderry, Co. Offaly is the only one currently being funded in the BMW Region under this OP.

(ii) National Broadband Scheme: The National Broadband Scheme ("NBS") aims to provide affordable, scalable broadband services to fixed residences and businesses within certain designated rural areas where broadband coverage was deemed to be insufficient.

Following the conclusion of a technology neutral procurement process, Hutchison 3G Ireland Ltd were awarded the contract for the implementation of the NBS. Broadband is now available throughout all designated NBS areas, including all designated Electoral Divisions in BMW Region.

(iii) School Broadband Access Scheme: The 100Mbps to schools pilot project aims to deliver 100Mbps broadband access to 78 schools, 31 of which are located in the BMW Region. All 78 schools participating in the pilot project have had their connections installed and the appropriate core and aggregate infrastructure build has been completed for the pilot project. Agreement for the purchase and distribution of 2,000 laptops has also been agreed with Dell Ireland.

Expenditure under this theme has been steady with €20m having been spent to end 2009. It is estimated that the final spend for this theme will be €46m in the BMW Region. The NBS project is on track to provide broadband connectivity to all NBS Areas by autumn 2010. Part of the NBS requires that the NBS Service Provider, H3GI Ltd, implements a marketing campaign to stimulate demand for broadband in the areas covered by the scheme. A total of c. €3.5m has been spent to date on the marketing campaign.

The physical progress, as captured by the performance indicators in the Progress Report, is outlined in the table below. No mid-term targets were set for this theme.

Broadband Provision and Demand Stimulation - Performance Indicators

| Class | Indicator | Baseline | Final Target | Outturn to 31st December 2009 |
|--------------|---|-----------------|---|---|
| Output | No. of initiatives to enable broadband infrastructure and service provision | 0 | 3 | 3 |
| Result | Additional businesses with broadband available | 0 | 89,377 Residential 5,348 Commercial 28,261 Residential/Commercial | 44,689 2,674 14,131 |
| Result | Additional schools with 100 Mbit/s broadband | 0 | 31 | 0 |

4.4 Horizontal Principles

4.4.1 Overview Description

This section focuses on how the horizontal principles were reported on across all measures, drawing from the progress reports issued to Monitoring Committee meetings. The four horizontal principles relevant to the OP are Gender Equality, Environmental Sustainability, Broad Equality; and Social Inclusion, and for the purpose of this evaluation¹², are defined as follows:

Gender Equality: Gender Equality means that women and men should enjoy the same rights and opportunities and that the different behaviour, aspirations and needs of women and men are equally valued and favoured. Government policy in this area includes positive action in particular circumstances and commitments to apply a gender equality perspective in all areas (gender mainstreaming).

Environmental Sustainability: Ensuring that the economy and society can develop to their full potential within a well protected environment without compromising the quality of that environment, and with responsibility towards present and future generations and the wider international community.

Broad Equality: The prevention of discrimination on the basis of the grounds of gender, race, ethnic origin, religion or belief, disability, age and sexual orientation. Accessibility for disabled persons shall be one of the criteria to be observed in defining operations co-financed by the Funds and to be taken into account during the various stages of implementation.

Social Inclusion: Social exclusion is being unable to participate in society because of a lack of resources that are normally available to the general population. It can refer to both individuals, and communities in a broader framework, with linked problems such as low incomes, poor housing, high crime environments and family problems

¹² As per section 1.6 of the Terms of Reference (at Annex 1 of this Evaluation Report).

4.4.2 Review of Reporting of Horizontal Principles

Table 4.4 - Prioritised Horizontal Principles relevant to this Priority by Theme

| Theme | Sub-Theme | Environmental Sustainability | Gender Equality | Broad Equality Grounds | Social Inclusion |
|--|--|-------------------------------------|------------------------|-------------------------------|-------------------------|
| Applied Research, Incubation, Collaboration | | | √ | | |
| Build Research Capacity | PRTLTI | √ | √ | | |
| | Technological Sector Research | √ | √ | | |
| | Research Facilities Enhancement Scheme | √ | √ | | |
| | Research Equipment Renewal Grant | √ | √ | | |
| | Marine Research | √ | √ | | |
| | SFI | √ | √ | | |
| Micro-enterprise Innovation and Entrepreneurship | | | √ | √ | |
| Broadband Provision | | √ | | | √ |

Overall, the level of reporting of the horizontal principles is mixed ranging from poor to comprehensive. The quality of the reporting seems dependent on whether or not there is a clear and logical link between the intervention and the impact it can have on the horizontal principle e.g. the theme on micro-enterprise innovation and entrepreneurship has clear comprehensive material on what each CEB is doing in promoting the principal of gender equality. Whereas other themes / sub-themes, especially some of the grant-type schemes in Theme 2, have very limited reporting mainly due to the nature of the scheme or the tenuous link to the particular horizontal principle. Although there is a template to be followed in the progress reports, there is a tendency for this template not to be followed.

Another feature of the reporting of the horizontal principles in the progress reports is that while many reports attempt to identify what is being done in promoting a particular principle,

they are less clear in what the outcome/contribution to promoting the principle actually is - this is reflected in the vague reporting for some of the themes.

These general themes were also a common feature in the submissions received from the Authorities responsible for the horizontal principles (i.e. Department of Community, Equality and Gaeltacht Affairs, Department of Environment, Heritage and Local Government and the Equality Authority) i.e. overall poor reporting; incomplete templates; lack of understanding of the principles and what is required from the reports; and an absence of indicators to capture the horizontal principles adequately. The main recommendation stemming from the submissions is that further assistance is needed for those responsible for authoring the reports. This assistance should to be provided either through a training session or by greater involvement from the Managing Authority with the intermediate and beneficiary bodies on the requirement to integrate the horizontal principles in the individual themes.

The main findings are:

For Theme 1 and its subthemes, the reporting of the gender equality horizontal principle is adequate and an effort is made to address how the horizontal principle is incorporated into the intervention.

The horizontal principles Environmental Sustainability and Gender Equality are relevant to Theme 2 - Build Research Capacity and its subthemes. The quality of reporting is mixed with some sub-themes such as PRTLTI and Marine Research having good or reasonably good reporting on their contribution to the Environmental Sustainability principle. Stating that compliance with planning consents (Research Facilities Enhancement Grants) contributes to the Environment Principle is not regarded as adding much value and is more quantity than quality. If a sub-theme's only contribution comes from compliance with statutory obligations then it is not significant enough to report on. Reporting on the gender breakdown of researchers is useful as is reporting on efforts made to promote female leaders of research teams etc. even though it is acknowledged that it is the technical merit of a proposal that is relevant to the award.

For the theme on Micro-enterprise Innovation and Entrepreneurship, the reporting of the Gender Equality Horizontal Principle is comprehensive with a clear summary of the actions for each CEB in the Region. Likewise, for the principle of broad equality, there is good reporting on the many initiatives which are relevant to the principle.

The quality of reporting for the two horizontal principles relevant to the theme on Broadband Provision and Demand Stimulation, environmental sustainability and social inclusion, is poor with limited detail which does not address the principles in any meaningful way.

4.5 Performance Indicators

4.5.1 Overview Description

This section reviews and comments generally on the quality of reporting of the indicators at theme level, as set out in the 2009 Annual Implementation Report, having regard to the following criteria:

- a) Comprehensiveness in terms of capturing programme outputs and benefits;
- b) The relevance, reliability and timeliness of the indicators including the quality of the data used;
- c) The realism of the targets set down;
- d) Consistency with EU Core Indicators; and
- e) The extent to which, horizontal effects are captured.

The commentary concentrates on the main findings associated with each theme and does not deal separately with each of the criteria listed from a) to e) above. Box 4.2¹³ defines the

Box 4.2: Definition: input, output, result and impact indicators

Output indicators relate to activity. They are measured in physical or monetary units (e.g., length of railroad constructed, number of firms financially supported, etc.).

Result indicators relate to the direct and immediate effect on direct beneficiaries brought about by a programme. They provide information on changes to, for example, the behaviour, capacity or performance of beneficiaries. Such indicators can be of a physical (reduction in journey times, number of successful trainees, number of roads accidents, etc.) or financial (leverage of private sector resources, decrease in transportation cost, etc.) nature.

Impact indicators refer to the consequences of the programme beyond the immediate effects.

¹³ As defined in Working Document No. 2 *Indicative Guidelines on Evaluation Methods: Monitoring and Evaluation Indicators* EU Commission August 2006.
http://ec.europa.eu/regional_policy/sources/docoffic/2007/working/wd2indic_082006_en.pdf

various types of indicator which are relevant to this valuation, namely, output, result and impact.

For the 2007-13 programming period, the EU Commission has encouraged the use of reliable common minimum core indicators by all Managing Authorities, where appropriate to the content of programmes. These are generally for the use of the Commission Services in order to make comparisons across programmes/member and to aggregate results data across all programmes, using the consistently defined core indicators. The core indicators will usually be a sub-set of the entire set of performance indicators developed for a particular Operational Programme. The full list of core indicators is provided in Commission Working Document no. 2 "Indicative Guidelines on Evaluation Methods: Monitoring and Evaluation Indicators" published in August 2006. It includes a total of 41 ERDF & Cohesion Fund-related indicators on the following: employment creation, RTDI activities, Information Society, transport, enterprise support, renewable energy, environment, climate change and environmental risks, tourism, education, health, urban regeneration, competitiveness, social inclusion. A separate Working Document (No. 7) on reporting of Core Indicators was also published by the Commission Services. Where possible, the core indicators should be used for any revised indicators to be developed arising from this evaluation.

4.5.2 Commentary on Indicators / Findings

Applied Research Enhancement

| Class | Indicator | Baseline | Final Target | Outturn to 31st December 2009 |
|--------------|---------------------------------------|-----------------|---------------------|---|
| Output | No. of ARE Centres in place/extended | 5 | 15 | 8 |
| Result | No. of industrially focussed projects | 2 | 21 | 12 |

Comment: The performance indicators are straightforward and measurable, however as this theme is concerned with creating a strong regional applied research base that will ultimately accelerate the development of start-up companies, an indicator on the number of start-up companies developed / number of people employed in companies, would be useful. However, it is not certain that the IoTs currently track this information.

Incubation Facilities

| Class | Indicator | Baseline | Final Target | Outturn to 31st December 2009 |
|--------------|---|-----------------|---------------------|---|
| Output | No. of business incubation centres in place/ extended | 5 | 9 | 6 |
| Result | No. of companies in centres | 55 | 68 | 69 |
| Impact | No. of employees in these companies | 187 | 230 | 193 (24 female) |

Comment: Again the indicators are straightforward and measurable. Having the number of employees as an impact indicator demonstrates a lack of understanding of the different types of indicators, as it should be identified as a result indicator. A more appropriate impact indicator would be the number of companies subsequently setting up as stand-alone entities.

Collaboration Initiatives

| Class | Indicator | Baseline | Final Target | Outturn to 31st December 2009 |
|--------------|--|-----------------|---------------------|---|
| Output | No. of approvals by IRCC -Proof of Concept, Technology Development, Commercialisation Plus | 0 | 90 | 9 |
| Result | Licenses achieved as a result of funded research | 0 | 10 | 2 |
| Impact | Start-up Enterprises arising from funded research | 0 | 9 | 1 |

Comment: The performance indicators for this intervention are adequate and an attempt is made at capturing the impact of the intervention by including an indicator on the number of licenses and start-up enterprises which arise from the funded research.

See Appendix 3 for extract of Performance Indicators for PRTLI from Annual Implementation Report 2009.

Comment: A large amount of information is provided in the Implementation Report on the outputs produced by PRTLI but it could be better organised and presented. Questions arise about the inclusion of replacements in the figures for numbers of posts supported. This practice needs to be further justified or alternatively only the net figures should be reported.

A proper breakdown between outputs for the BMW / S&E Regions is not available for many of the indicators. This needs to be improved. There may be some instances where a breakdown is not possible but most indicators should be reportable by region.

The Performance Indicator Table from the Implementation Report is not very useful containing more descriptive material on what is going to be done rather than indicators of how progress will be measured.

Technological Sector Research

| <i>Indicator</i> | <i>Baseline</i> | <i>Outturn 2008</i> | <i>Outturn 2009</i> | <i>Original Final Target</i> |
|---|-----------------|---------------------|---------------------|------------------------------|
| <u>Strand I: Postgraduate R&D skills</u> | | | | |
| BMW Region total | 10 | 23 | 28 | 28 |
| • Male | 6 | 14 | 14 | |
| • FEMALE | 4 | 9 | 14 | |
| <u>Strand II: Enterprise Platform</u> | | | | |
| BMW Region total | 8 | 46 | 53 | 40 |
| • Male | 5 | 32 | 46 | |
| • FEMALE | 3 | 14 | 7 | |

| <i>Indicator</i> | <i>Baseline</i> | <i>Outturn 2008</i> | <i>Outturn 2009</i> | <i>Original Final Target</i> |
|---|-----------------|---------------------|---------------------|------------------------------|
| <u>Strand III: Core Research</u> | | | | |
| <u>Strengths Enhancement</u> | | | | |
| No.of Core Research Projects | | | | |
| Funded | | | | |
| • National | Nil | 8 | 8 | 8 |
| • BMW Region | | 4 | 4 | 4 |
| • S&E Region | | 4 | 4 | 4 |
| Completed | 0 | 0 | 0 | 0 |

Comment: The performance indicators for the three strands of TSR are straightforward and measurable. They are however output indicators only.

Research Facilities Enhancement Scheme

| Output: | m² delivered to date [gross] | m² delivered to date [new] | Workstations [Total] | Workstations [New] | Researcher Places [Total] | Researcher Places [New] |
|----------------|---|---|---------------------------------|-------------------------------|--|--|
| BMW Region | 3,841 | 2454 | 385 | 309 | 290 | 122 |

Comment: The output performance indicators used for this sub-theme are appropriate as it is about providing suitable extra space and places. There is however no stated targets for the measure and no attempt at any result type indicators. The percentage of the new places provided that are in active use would be a simple but informative addition, as a result indicator.

Research Equipment Renewal Grant

Some examples of how this sub-theme responded to deficits identified in the HEA/Forfas Infrastructure review in the BMW Region are set out in the following table.

| THEMATIC AREA | DEFICIT IDENTIFIED | ADDRESSED BY RERG |
|---|--|---|
| Library Facilities | Absence of adequate library provisions | A number of pieces of equipment were purchased by NUIG in relation to library equipment: Book scanners (€ 180,000); Digital Storage (€300,000) |
| Pre-clinical facilities | Need for micro-injector equipment Specialised clinical research equipment for large animal studies, including imaging equipment, needs investment | Imaging equipment was acquired as follows: NUIG (NBIP): Operating Systems/Imaging Suite (€ 30,000) |
| Computer Sciences/ Physical Sciences and Mathematics | Research Resources in the form of physical library provision are necessary A national approach to the development of an electronic depository for theses was cited as a useful infrastructural project. | NUIG (Nanoscience): Video/Web Conferencing (€ 72,000) |
| Earth, Atmosphere, and Ocean Sciences | Potential for developing Galway and the western seaboard as a leading centre in the marine and environmental sciences was emphasised | A number of key pieces of equipment were purchased in the Marine/ Environmental Sciences area in: GMIT, LKIT and NUIG including: a Mini-fermenter system (€ 31,000); Cellular Dynamics Workstation (€ 500,000); Millipore Laboratory Water System (€ 20,000); End point polymerase chain reaction (PCR) unit (€ 24,000) |

Comment: It may be difficult to have very informative performance indicators for this sub-theme. The number of pieces of equipment purchased is a very basic indicator. It is suggested that the number of research students that benefit from the purchase of new equipment be used as an indicator. Equipment that is likely to benefit all students such as library equipment should be counted separately.

Marine Research

| Class | Indicator | Baseline | Mid-term Target | Final Target 2013 | Out-turn to end 2009 |
|---------------|--|-----------------|------------------------|--------------------------|-----------------------------|
| Output | | | | | |
| 1 | No. marine-related PhDs funded (gender disaggregated) | 0 | 5 | 16 | 5 F 1 M |
| 2 | No. marine-related research fellows funded (gender disaggregated) | 0 | 3 | 9 | 2 M |
| 3 | No. research projects based in research institutions funded | 0 | 4 | 8 | 5 |
| 4 | No. desk/feasibility studies funded | 0 | 2 | 4 | 0 |
| 5 | No. scientist days funded on National Research vessels | 0 | 16 | 48 | 0 |
| 6 | No. of items of specialist research equipment acquired | 0 | 3 | 6 | 1 |
| 7 | No. of projects that advance the sustainable development and management of marine resources | 0 | 3 | 8 | 5 |
| 8 | No. of projects that enhances our understanding of marine and coastal ecosystems and/or create knowledge of relevance to the | 0 | 3 | 8 | 3 |

| Class | Indicator | Baseline | Mid-term Target | Final Target 2013 | Out-turn to end 2009 |
|---------------|--|-----------------|------------------------|--------------------------|-----------------------------|
| | management of Ireland's future environmental well-being | | | | |
| Result | | | | | |
| 1 | Increased research activity in the BMW Region measured by no and nature of projects funded | - | 12 | 18 | 6 |
| 2 | Research funds leveraged by funded researchers via participating in international research projects | 0 | €0.5m | €2m | 0 |
| 3 | Enhanced research opportunities measured by increased access to specialised research equipment managed under National Equipment Pool | 0 | 3 new users | 6 new users | 0 |
| 4 | Enhanced North/South marine research collaboration measured by no. of projects/initiatives funded | 0 | 1 | 2 | 1 |

Comment: There is a good range of output performance indicators for this sub-theme with baseline and targets for each. A number of the result performance indicators, in the main, are closer to output than outcome indicators.

SFI Actions

| Indicator | Baseline figures [*July09] | Target – end of 2013 | End of 2009 position |
|---|---------------------------------------|---------------------------------|-------------------------------------|
| 1. No. of Principal Investigator Awards | 10 | 15 | 14 |
| 2. No. of Research Centres (CSETs and SRCs) | 2 | 4 | 2 |
| 3. No. of Researchers engaged | 47 | 70 | 55 |
| 4. No. of Enterprises engaged | 9 | 15 | 9 |

Note: These Indicators are supplemented in the Annual Implementation Report 2009 by outline descriptions of each Research Award.

Comment: The Performance Indicators in isolation are basic but the Implementation Report also contains a comprehensive outline of each supported research project. While research output is difficult to measure there should be some indicators for what is being produced from the stages that lead up to possible significant discoveries.

Micro-Enterprise, Innovation and Entrepreneurship

| Class | Indicator | Baseline figures as of 31st Dec 2006 | Final Target 2013 | Out-turn to 31st December 2009* |
|---------------|---|--|--------------------------|---|
| Output | No. of micro-enterprises assisted¹⁴ | 2,511 | 5,011 | 3,370 |
| | Of which Male Promoters | 1,792 | 3,576 | 2,460 |
| | Of which Female | 608 | 1,213 | 786 |

¹⁴ PMS Report N109 "Key and Secondary Indicators Summary – Key no 3, Secondary Indicator no 6" out-turn to 31/12/09, printed 05/03/10 including baseline figure.

| | | | | |
|---------------|--|--------|---------|-----------|
| | Promoters Of which Promoter is company/partnership/other | 111 | 222 | 124 |
| | No. of training days provided¹⁵ | 35,572 | 119,572 | 93,319.30 |
| | Male | | | 43,575.5 |
| | Female | | | 49,635.8 |
| | Other | | | 108.0 |
| Result | No. of jobs created in assisted micro-enterprise¹⁶ | 16,684 | 20,884 | 14,743.5 |
| | Male F/T | 10,460 | 13,093 | 8,747 |
| | Female F/T | 4,324 | 5,412 | 3,997 |
| | Male P/T | 1,401 | 1,757 | 1,501 |
| | Female P/T | 2,399 | 3,001 | 2,498 |
| | No. of training recipients¹⁷ | 26,550 | 61,550 | 45,974 |
| | Of Which Male | 12,059 | 27,562 | 21,234 |
| | Of Which Female | 14,239 | 33,688 | 24,458 |
| | Of Which Companies /partnership/other | 252 | 300 | 282 |

*Figures are calculated using baseline figure plus 2007-2009 figures

Comment: The performance indicators are very limited and merely capture:

- (i) the number of micro-enterprises assisted and number of training days provided as the output indicator; and
- (ii) the number of jobs supported in these assisted enterprises and the number of participants who availed of the training days provided as the result indicator.

Both sets of indicators also capture the gender breakdown in each category. Overall, although the indicators are straightforward and easily measurable, they are limited in what they tell of the theme, other than its outputs. An attempt at recording the impact of the theme would be useful, e.g., the survival rate of assisted businesses.

¹⁵ PMS Report N110 "National Development Plan Performance Indicators – Key no 9" out-turn to 31/12/09, printed 05/03/10 including baseline figure.

¹⁶ PMS Report N117 "National Roll Up Summary" out-turn to 31/12/09, printed 05/03/10.

¹⁷ PMS Report N110 "National Development Plan Performance Indicators – Key no 4" out-turn to –31/12/09, printed 05/03/10 including baseline figure.

Broadband Provision and Demand Stimulation

| Class | Indicator | Baseline | Final Target | Outturn to 31st December 2009 |
|--------------|---|-----------------|---|---|
| Output | No. of initiatives to enable broadband infrastructure and service provision | 0 | 3 | 3 |
| Result | Additional businesses with broadband available | 0 | 89,377 Residential 5,348 Commercial 28,261 Residential/Commercial | 44,689 2,674 14,131 |
| Result | Additional schools with 100 Mbit/s broadband | 0 | 31 | 0 |

Comment: The performance indicators for this intervention are basic but do adequately capture the intervention. However mid-term targets would have been beneficial in terms of tracking actual progress against planned progress.

Chapter 5 Environment and Risk Prevention

5.1 Introduction

This chapter reviews the progress of Priority 2 – Environment and Risk Prevention up to end 2009, including an assessment of the progress and constraints at theme level. The chapter also assesses how the horizontal principles are reported on across the priority and a review of the performance indicators relevant to this priority.

The objective of this Priority is to contribute to the sustainable development of urban and rural areas and the protection and enhancement of the urban and rural environment and the protection of surface and groundwater from pollution. The priority will also stimulate energy efficiency, renewable energy deployment and the integration of sustainable energy practices into public policies. Interventions supported under this Priority and their indicative allocated expenditure over the period to 2013 are outlined in Table 5.1.

Table 5.1 - Interventions and Indicative Expenditure 2007-2013

| <u>Intervention</u> | <u>Indicative Expenditure</u> ¹⁸ |
|--|--|
| Water Services Investment, Water Conservation and Pilot Sewerage | €26m |
| Sub – Theme 1: Rural Water Source Protection Sub – Theme 2: Village Sewerage Systems Sub – Theme 3: Water Supply and Waste Water Treatment Sub – Theme 4: Water Conservation | |
| Renewable Energy and Energy Efficiency | €30m |
| Sub – Theme 1: Energy for Business Programme Sub – Theme 2: Strategic Development Zones Sub – Theme 3: Renewable Energy Research, Development and Demonstration (R,D&D) Sub – Theme 4: CHP and Bioheat Boiler Deployment Programme Sub – Theme 5: Ocean Energy | |
| Waste Management | €6m |
| Natural and Built Heritage | €13m |
| Total for Priority | €75m |

¹⁸ As presented to the BMW Regional OP Monitoring Committee, October 2009.

5.2 Progress at Priority Level

Table 5.2 – Expenditure to Date and Likely Outturn 2007-2013

| | Expenditure to end December 2009 €m | Likely outturn 2010-2013 €m¹⁹ | Total expected Expenditure 2007-2013 €m | Original Indicative Expenditure €m | Difference -Under Alloc. +Over Alloc. €m |
|--|--|---|--|---|---|
| Water Services Investment, Water Conservation and Pilot Sewerage | 0 | 34.4 | 34.4 | 26.0 | +8.4 |
| Renewable Energy and Energy Efficiency | 9.3 | 9.0* | 18.3 | 30.0 | -11.7 |
| Waste Management | 0 | 5.0 | 5.0 | 6.0 | -1.0 |
| Natural and Built Heritage | 8.4 | 4.5 | 12.9 | 13.0 | -0.1 |
| TOTAL | 17.7 | 52.9 | 70.6 | 75.0 | -4.4 |

* This excludes any expenditure on the Belmullet Ocean Energy Test Site

5.2.1 Financial Progress for Priority 2

Progress to end 2009 shows overall expenditure for Priority 2 of €17.7m and consultation with the implementing authorities and beneficiary bodies shows that a further €52.9m is likely to be spent by the end of 2013. Expenditure to the end of 2009 is well behind target with less than 24% spent when expectations for the OP generally were to front load nearly 80% of spending in the first three years.

¹⁹ Based on figures provided by Implementing Departments and Agencies. It should be noted that not all reported expenditure is subsequently eligible for certification as EU-eligible.

There has been no reported expenditure on the Water and Sewerage sub-themes and these are expected to make up one third of the expenditure in this Priority. Expenditure is however expected to catch-up in the second half of the OP period, resulting in an overall spend, on these sub-themes, in excess of what was originally expected.

Expenditure under the Energy sub-themes is also well behind target. Expenditure under this theme can potentially catch-up in the latter half of the OP and may even exceed original expectations. Exceeding expectations is very much dependant on the construction of the Ocean Energy Test Site off Belmullet, Co. Mayo. In the absence of this project the Energy sub-themes will fall short of their expenditure expectations.

Waste Management has yet to start but is expected to spend its targeted allocation by 2013 while the Natural and Built Heritage sub-theme is also expected to spend its targeted allocation by the end of the programme period. However, some expenditure on Waste Management and Built Heritage projects outside of Gateways and Hubs only became eligible for co-financing after July 2009.

A more detailed breakdown of expenditure and progress to date and the prospects to 2013 is outlined below.

5.2.2 Physical Progress for Priority 2

Box 5.1: Priority 2 physical progress summary

- Visitor Centres completed at the Ballycroy National Park, Co. Mayo and at the Clara Bog Nature Reserve in Co. Offaly
- Six projects received funding under the Built Heritage theme
- Four Waste Recycling projects approved
- 44 companies accredited to international energy management standards
- Energy savings of €140m achieved
- 14 research reports/studies to accelerate the deployment of renewable energy
- The CHP and Bioheat Deployment Programme has facilitated 49 new gas fired CHP installations, 161 wood fuelled boilers, 2,440m² of installed solar panels and 58 heat pump systems

Table 5.3: Priority 2 - Performance Indicators

| Output: | Baseline | Achievement to end 2009 | Final Target (2013) |
|--|----------|-------------------------|---------------------|
| 1. No. of Rural Water Source Protection Projects Supported | 0 | 0 | 12 |
| 2. No. of STEDS projects supported | 0 | 0 | 12 |
| 3. No. of energy schemes introduced | 0 | 3 | 8 |
| 4. No. of visitors to 2 new National Park Visitor Centres | 0 | 5,902 | 35,000 |
| | | | |
| | | | |
| Result: | | | |
| 1. Biological Oxygen Demand (BOD) Reduction in protected sources | 0 | 0 | 75% |
| 2. Population equivalent served by STEDS Schemes | 0 | 0 | 2,800 |
| 3. No. of organisations substantially engaged in energy related projects | 0 | 440 | 972 |
| 4. Additional jobs created at National Park Visitor Centres | 0 | 3 | 10 |

There was no expenditure under the Water themes and therefore no physical progress to report.

Significant progress was made under the Natural Heritage sub-theme with the completion of visitor centres at the Ballycroy National Park, Co. Mayo and at the Clara Bog Nature Reserve in Co. Offaly.

Some progress was made under the Energy sub-themes with energy savings valued at over €140m. Grant support was provided for gas fired Heat and Power installations, wood fuelled boilers, heat pumps and solar panels. Research reports were also completed and activity is expected to pick up in the latter part of the Operational Programme.

As there has been no expenditure to end 2009 under the waste management theme, mainly due to delays in the closure of the previous Capital Grants Scheme and the current economic situation, there was no physical progress to report on, as measured by the themes performance indicators. However, to date four projects have been approved for grant approval.

5.2.3 Conclusions at Priority level

Progress on this Priority has been very slow to date. If it was not for the completion of the two Natural Heritage Projects the levels of expenditure would be very low. Physical progress as a result is not significant and as seen in Box 5.1 above, some of the highlighted progress includes project approvals rather than delivery of output/results.

The expectation for the OP was that expenditure would be frontloaded but the opposite will be the case for this Priority. Significant expenditure and progress is expected in the latter period of the OP. Expenditure on the Water measures is expected to begin in 2010 and to exceed the overall allocation by 2013. The Waste Management and Heritage themes are expected to come in on target. The greatest area of uncertainty is the Energy theme. Expenditure to date is about 30% of the total expected and a reasonably conservative view would see expenditure reaching 60%. A more optimistic view would include the construction of the Belmullet Ocean Energy Test Site. As this is single project is expected to cost €25m its progress has a significant bearing on the prospected outturn for the Priority. If it doesn't happen expenditure will fall short. If it goes ahead, expenditure could be more than 40% over the allocation.

The Belmullet Ocean Energy Test Site project faces significant hurdles (see theme level discussion below). In addition there must be some doubt, in the current economic climate, over expenditure for which there is not a firm commitment at this time. This would include some of the Water measures expenditure and some of the Built Heritage measure expenditure. For these reasons the conclusion is that this Priority is the least certain to meet its targets and may record an under spend of 10 to 20%.

5.3 Physical and Financial Progress at Theme Level

5.3.1 Water Services Investment, Water Conservation and Pilot Sewerage

| | | |
|-------------------------|-----------|--------|
| Planned expenditure | 2007-2013 | €26m |
| Expenditure to date | 2007-2009 | €0m |
| Anticipated expenditure | 2010-2013 | €34.4m |

Theme 1 is made up of four sub-themes:

Rural Water Source Protection:

Village Sewerage Systems:

Water Supply and Waste Water Treatment (Rural Water Services Investment);

Water Conservation:

There was no expenditure under these headings in the 2007-2009 period. Expenditure relating to **Rural Water Source Protection** and **Village Sewerage Systems** was delayed as pilot projects, needed to test the solution, had first to be completed. Project selection, tendering and work on contracts also contributed to delays on **Water Supply and Waste Water Treatment (Rural Water Services Investment)** sub-theme. There has been no expenditure to date under the Water Conservation theme mainly due to the nature of the projects as each one progresses through their different phases.

Now that pilot projects are nearing completion (final report on source protection is expected by end 2010) liaison with local authorities on the selection of Water Source Protection and Village Sewerage schemes can begin in the next few months, having regard, as appropriate, for the outcome of the pilot projects.

It is expected that €3m will be spent on a combination of Rural Water Source Protection and Village Sewerage Systems in the 2011-2013 period. However, it should be noted that progress on the Rural Water Source Protection measure, in particular, may be difficult as, apart from being dependent on the outcome of the pilot project, issues are likely to arise relating to the methods of source protection which may be possible. For instance, if fencing is required around water sources, it may not be possible to reach agreement with landowners for placement of such fencing on their lands. In addition, progress on schemes will be dependent on sufficient funding being made available from Exchequer sources.

Rural Water Source Protection - Performance Indicators

| Class | Indicator | Baseline | Mid-term Dec 09 | Final Target | Outturn to 31st Dec. 09 |
|--------------|----------------------------|-----------------|------------------------|---------------------|---|
| Output | No. of Group Water Schemes | 0 | 6 | 12 | 0 |
| Result | Biochemical Oxygen Demand | | | 75% BOD reduction | 0 |

Village Sewerage Systems – Performance Indicators

| Class | Indicator | Baseline | Mid-Term Dec 09 | Final Target | Outturn to 31st Dec 09 |
|--------------|------------------------------|-----------------|------------------------|---------------------|--|
| Output | No. of Schemes | 0 | 6 | 12 | 0 |
| Result | Population equivalent served | | | 2,800 | 0 |

Expenditure and activity on the **Water Supply and Waste Water Treatment sub-theme (Rural Water Services Investment)** is more definite. Contracts totalling €24.4m were signed in 2010 for two water treatment Design/Build/Operate schemes in Galway and Roscommon. Construction on both schemes is expected to be completed in 2011 or early 2012.

The Galway scheme involves the provision of 16 Water Treatment Plants to serve 15 group water supply schemes and 1 public water supply scheme. The Design/Build contract, in the amount of €16.7m, was signed in March 2010.

The Roscommon scheme involves the provision of 6 Water Treatment Plants to serve 4 group water supply schemes and 2 public water supply schemes including 1 group water scheme in Leitrim. The Design/Build contract, in the amount of €7.7m, was signed in January 2010.

Consideration is being given to including the public water supply schemes for ERDF funding. If this is not possible, it is intended to report eligible expenditure in respect of the group water schemes only which will reduce the anticipated expenditure of €34.4 million shown above.

Water Supply and Waste Water Treatment (Rural Water Services Investment) – Performance Indicators

| Class | Indicator | Baseline | Final Target | Outturn to 31st Dec. 09 |
|--------------|--|-----------------|---------------------|---|
| Output | No. of Water Disinfection/Treatment Plants constructed | 0 | 9 | 0 |
| Result | No. of households served by improved water supplies. | 0 | 8,400* | 0 |

*5,147 houses will be served by group water schemes in Galway while 1,437 and 160 will be served by group water schemes in Roscommon and Leitrim respectively. This would give a total of 6,744 houses served rather than the 8,400 final target above. 646 houses will be served from the Galway public scheme and 880 from the Roscommon public scheme.

Current indications are that the original final targets may not be met in the case of the three sub-themes but that sufficient funding will nevertheless be spent to draw down the full amount (€26 million) provided for the overall Theme.

Under the Water Conservation Theme, all selected projects²⁰ have reached the stage where they would be expected to progress fairly smoothly over the period 2011-2012. There should be no further constraints in these projects progressing. Projects with an estimated value of €19m in all are to be progressed - €7million of which will be co-funded works, attracting 50% recoupment in ERDF aid. The Department of Environment, Heritage and Local Government are confident of meeting that target by the end of 2013, with most of the expenditure taking place by the end of 2012.

²⁰ Water conservation projects in Sligo, Athlone, Mullingar and Dundalk were originally selected for co-funding. Arising from the 2009 amendment to the Regulations which expanded where eligible projects might be undertaken within the BMW Region, water conservation works in Drogheda, Co Louth were included, but at no overall increase in expenditure proposed.

Water Conservation – Performance Indicators

| Class | Indicator | Baseline | Mid-Term Dec 09 | Final Target | Position at 31 December 2009 |
|--------------|--|-----------------|------------------------|---------------------|-------------------------------------|
| Output | No. of Gateway mains rehabilitation/replacement projects | 0 | 2 | 4 | 0 |
| Result | UFW | | | | |
| - Dundalk | | 55% | | 48% | 55% |
| - Sligo | | 46-86% | | 30% | 46-86% |
| - Athlone | | 47% | | 42% | 47% |
| - Mullingar | | 29% | | 26% | 29% |

5.3.2 Renewable Energy and Energy Efficiency

| | | |
|-------------------------|-----------|--------|
| Planned expenditure | 2007-2013 | €30m |
| Expenditure to date | 2007-2009 | €9.3m |
| Anticipated expenditure | 2010-2013 | €9.0m* |

* This excludes any expenditure on the Belmullet Ocean Energy Test Site

Theme 2 is made up of five sub-themes:

Energy for Business Programme

Strategic Development Zones

Renewable Energy RE D&D

Ocean Energy

CHP and Bioheat Boiler Deployment Programme

The ***Energy for Business Programme*** objective is to deliver energy, cost and carbon reduction savings to business and the public sector by establishing high energy efficiency as the norm. Programmes range from certified energy management for advanced firms to support for exemplar energy efficiency projects in the public and commercial sector.

Eligible expenditure to end 2009 including Support for Exemplar Energy Efficiency projects has been €5.2m. The Large Industry Energy Network has 139* participating companies that account for 70% of industrial energy use who have achieved an estimated energy saving of €140m between 2007 and 2009. An estimated energy saving of €5.7m* by SME's engaged with, has been achieved in the same period. 44 companies have been accredited to international energy management standards.

A headline energy saving of €140m for large industry is a good return for this sub-theme albeit one would have to acknowledge that not all of these savings can be fully attributed to this sub-theme as large industry have their own motivation to achieve savings.

The SEAI are refocusing the scheme to fund more intensive "capital engagements" with large companies to increase energy efficiency. This will increase the attractiveness of this measure and will involve higher levels of expenditure with participating companies. SEAI anticipates that Energy in Business will expand going forward in 2010-2013 due to the increase in depth of the measures provided under this programme.

Energy for Business programme – Performance Indicators

| Indicator | Baseline | Final Target | Outturn to 31 st December 2009 |
|--|---|--------------|---|
| <p><u>Output:</u></p> <p>Deliver a range of support programmes and services across the business sector, progressively servicing more businesses (measured in terms of energy spend by those businesses).</p> | <p>0 Engagements</p> <p>Baseline established for energy efficiency of business against which to measure improvement</p> | | <p><u>Large Industry</u></p> <p>Increased penetration of SEAI programmes. Currently 139 Companies accounting for 70% of industrial energy use participate in LIEN and Agreements.</p> <p><u>SMEs</u></p> <p>Engagement with over 1000 firms (505 in 2007, 540 in 2008 and 615 new companies) by end of 2009.</p> <p>Over 1,660 SMEs (since 2007) registered for energy efficiency supports with savings captured in 2009)</p> |

| Indicator | Baseline | Final Target | Outturn to 31st December 2009 |
|---|---|--|--|
| <p><u>Output:</u></p> <p>To establish high efficiency as the norm in the public and commercial sectors through tailored advice, training and mentoring and assistance in structured energy management systems</p> | <p>0 Advice mentoring /assessments registrations</p> <p>0 Energy MAP training programmes delivered</p> <p>0 Best Practice initiatives delivered</p> | <p>Demonstrate progress to NEEAP Targets (335 by 2020)</p> | <p>1,240 Advice mentoring and assessments registrations. There were 390 (2009), 325 (2007) and 570 (2008)</p> <p>11 Energy MAP training programmes in 2009.</p> <p>Delivered 18 Best Practice initiatives (including Lighting guide series – 8 guides , 3 groups in Water Services, 4 Energy Efficient design (EED) reviews, and Energy link) in 2009</p> <p>Commenced work on the Monitoring and Reporting System (M&R system) for Energy Services Directive regulations²¹</p> |
| <p><u>Result:</u></p> <p>Level of energy spend in businesses targeted for energy management advice and support services</p> | <p>0 businesses involved in energy management in business support services</p> | <p>Provision of energy management advice and support services to businesses with energy spend of €1,300m</p> | <p>44 companies accredited to international energy management standards.</p> |

²¹ One of the additional developments under the Energy in Business programme is a focus on energy efficiency in the public sector. SEAI proposes to include the activities relating to "Support For Exemplar Energy Efficiency Projects" under the Energy in Business initiative. This inclusion is subject to a review by the Regional Assemblies and the Department of Finance.

| Indicator | Baseline | Final Target | Outturn to 31 st December 2009 |
|---|----------|---|--|
| | | Business sector is 20% more efficient than baseline. | |
| <p><u>Result:</u></p> <p>Cumulative energy savings resulting from SEAI's business energy management and advice services</p> | | €306m | <p>Large Industry</p> <p>Cumulative 2007 – 2009 Estimated energy savings of €140m</p> <p>SME Services, Cumulative 2007 – 2009 Estimated energy savings of €5.7m</p> |
| <p><u>Result:</u></p> <p>Cumulative Total Primary energy Equivalent (PEE) Savings resulting from SEAI's business energy management and advice services</p> | | 6,370 GWh | <p>Large Industry</p> <p>Cumulative 2007 – 2009 Estimated energy savings: 4000GWh</p> <p>SME Services, Cumulative 2007–09 Estimated energy savings of 100GWh</p> |
| <p><u>Result:</u></p> <p>To lead, inspire and support the public sector in adopting and maintaining exemplary standards of energy management and the achievement of aggressive NEEAP targets.</p> | | <p>0 exemplar energy saving actions</p> <p>0 Local Authorities and Additional Public sector bodies implementing world class structured energy management systems.</p> | <p>Provided financial support to 74 exemplar energy saving actions based on replication, saving and labour-intensity criteria through SEEAP.</p> <p>Six Local Authorities and 5 Additional Public sector bodies implementing world class structured energy management systems.</p> |

There has been no expenditure eligible for ERDF funding under the **Strategic Development Zones** sub-theme to date. This is due to a combination of restricted exchequer funding and the fact that activity to date under this heading has received funding from another EU source²².

The main focus of the **Renewable Energy Research Development and Demonstration** (RERD&D) sub-theme is on shared cost demonstration of renewable energy technologies and international research collaboration. It includes supports for solutions that enable technical and other barriers to market uptake and/or modal switching to be overcome. It involves the demonstration of renewable and alternative energy technologies in residential, commercial, public and community buildings through a combination of grant and regulatory interventions.

Up to the end of 2009 SEAI has delivered 14* Research Reports to accelerate the deployment of renewable energy and 9* Demonstration Projects. These numbers are at only 1/3 of the original targets. Expenditure to the end of 2009 amounted to €0.375m. SEAI does not anticipate an increase in this annual programme expenditure in the period 2010-2013.

Renewable Energy, Research Development and Demonstration – Performance Indicators

| Indicator | Baseline | Final Target | Outturn to 31st December 2009 |
|--|--|--|--|
| <u>Output:</u> Acceleration of the development and deployment in the Irish marketplace of competitive renewable energy products, processes and systems. | | Delivery of 100 R&D projects to accelerate the deployment of renewable energy | SEAI delivered 14 research reports/ studies to accelerate the deployment of renewable energy |
| <u>Result:</u> Enabling technical and other barriers to market uptake and/or modal switching to be | 6.8% (2005) 8.6 % (2006) of electricity consumption from | Wind equates to 15% of national electricity demand in 2010 and 40% demand by 2020. | Total final consumption from renewable energy was 10%. There was 1,441MW of wind generation connected |

²² The EU's Research and Technological Development Programme under the Sixth Framework Programme (RTD FP6),

| | | | |
|---|------------------|---|--|
| overcome. | renewable energy | | to the grid at the end of 2009 and renewable energy provided 14.4% of gross national electricity demand in 2009. |
| <u>Result:</u> The no. of RE RD&D projects delivered under the following areas | | | SEAI delivered 14 reports across a variety of technologies including <ul style="list-style-type: none"> - The development and mobilisation of the Wood Fuel Quality Assurance scheme - Development of a 500 kW Fluidised Bed Boiler through to market release - Innovative Demonstration of an Electric Vehicle, EV Accelerator and Electric Vehicles in a Captive Fleet |
| <u>Result:</u> Shared cost | | 30 RE RD&D Shared Cost projects | 14 RE RD&D Shared Cost projects (cumulative from 2007) |
| <u>Result:</u> Demonstration | | 54 RE RD&D demonstration projects | 9 RE RD&D demonstration projects (cumulative from 2007) |
| <u>Result:</u> Shared cost R&D Commissioned public good activities | | 20 RE RD&D Shared cost R&D / Public Good activities | 7 RE RD&D Shared cost R&D / Public Good activities (cumulative from 2007) |

The final consumption from renewable energy at end 2009 was 10%* against a target to achieve 15% by 2010. It is difficult to effectively measure the impact that various RD&D supports, to overcome barriers to market uptake, have on the deployment of renewable

energies. The performance indicators above may be overstating the contribution of this sub-theme.

Ocean Energy is now a separate sub-theme. The aim is to increase the capacity for research and development both within academic institutions and commercial entities which may lead to the creation in Ireland of a centre of excellence in Ocean Energy technology and the stimulation of a world class cluster. The Ocean Energy sub-theme funds prototype testing and there have been approximately 50* approaches to SEAI for prototype funding, with awards made to 8* by the end of 2009 resulting in €4.2m commitments with €1.2m of that awarded. The intention is to construct a test site for ocean energy prototypes (estimated cost €25m). This would involve a 38kv line connection to the grid at Belmullet. To date there have been technical and administrative constraints including zoning for energy projects, foreshore licences and a lack of a defined approach to environmental impacts. The Department of Communications, Energy and Natural Resources believe that the test site will be built within the timeframe of the BMW Regional OP and that it will involve significant expenditure in the BMW Region.

Expenditure under this sub-theme to end 2009 of €0.7m has been limited but as stated above, expenditure in the latter part of the programme could be significant and commitments have already been made. There is the possibility of additional expenditure up to €25m if the Belmullet Test Site goes ahead

Ocean Energy – Performance Indicators

| Indicator | Baseline | Final Target | Outturn to 31st Dec 2009 |
|---|---|---|---|
| <p><u>Output:</u></p> <p>Acceleration of the development of Ocean Energy (Wave and Tidal) in Ireland.</p> | <p>¼ scale test site operating in Galway Bay. HMRC established as Centre of Excellence.</p> | <p>Upgraded National Ocean Test Facility (NOTF) operational. Full scale wave test site underway for completion for 2010/11.</p> | <p>Ocean energy prototype fund developed and launched with 12 companies engaged and grants awarded to 8 companies, resulting in €4.2m commitments with €1.2m of that awarded. Selection of one tidal and one wave energy technology for full scale prototype test support and installation. <i>(Completed – Wavebob and Open Hydro)</i> Full scale wave test site development underway <i>(Completed)</i></p> |
| <p><u>Result:</u></p> <p>Increased the capacity for research and development within academic institutions. Increased number and stronger commercial entities developing devices and projects in Ireland.</p> | <p>¼ scale ocean energy device in testing/development at Galway.</p> | <p>NOTF contributing to OE research and development and providing services for industry development. First Ocean Energy grid connected device producing power.</p> | <p>National wave basin facility project at HMRC / NOTF commenced. <i>(Completed)</i> Three reviews commissioned including (1) Strategic Environmental Assessment for OE (2) Review of engineering and specialist support requirements for the OE sector and (3) review of Marco-Economics and Strategy for Ocean Energy. <i>(Completed)</i></p> |

The **CHP (Combined Heat and Power) and Renewable Energy (ReHeat) Deployment Programme** aims to achieve carbon emission savings and fossil fuel displacement. The sub-theme grant aids the installation of suitable boilers that meet these aims. Grant aid of 30% is provided. The take-up of the scheme is significantly influenced by the current state of the economy with companies reluctant or unable to provide the matching 70% investment and also by fluctuations in energy prices. If the price of oil products is low then there is less of a case for the private investment.

Up to the end of 2009 just over €3m has been spent. The CHP and Bioheat Boiler Deployment Programme has facilitated 49 new gas fired CHP installations, 161 wood fuelled boilers, 2,440m of installed solar panels and 58 heat pump systems by the end of 2009. Given that the CHP Programme is mostly closed and only the ReHeat Programme remains in place (with some Bio and Anabolic Digestion projects), SEAI anticipates that future spend may be low in this area.

CHP and Bioheat Deployment Programme – Performance Indicators

| Indicator | Baseline | Final Target | Outturn to 31st December 2009 |
|---|-----------------|--|--|
| <u>Output:</u> The development of a CHP and Bioheat Boiler Deployment Programme to assist in the deployment of small-scale fossil fired CHP, and biomass CHP and heating systems in industrial, commercial and public sectors. | | 450 - 600 wood fuelled boilers supported by end 2010 12,000 m ² of installed solar panels. 15 - 20 heat pumps systems 50-80 new gas fired CHP installations. | Reheat 161 wood fuelled boilers supported by end 2010 2,440m ² of installed solar panels 58 heat pumps systems CHP 49 new gas fired CHP installations; |
| <u>Result:</u> Leveraged investment | | Leveraged investment of €30m in CHP in Ireland; | Leveraged investment of approximately €18.83m in CHP |

| | | | |
|----------------|--|--|--|
| | | Leveraged investment of approximately €85m in ReHeat by 2010. | Leveraged investment of approximately €17.32m in ReHeat Every €1m invested in the ReHeat Programme generates €6.6m of savings to the economy. |
| <u>Impact:</u> | | 1.5 - 2 MW _{th} of installed capacity from heat pumps systems | Every €1m invested in the ReHeat Programme generates 6,000 tonnes of CO ₂ savings and displaces 22,000 MWh of fossil fuel. |

The number of wood fuelled boilers and in particular the m² of solar panels installed is well below expectation but the heat pump systems and gas fired installations have already reached or exceeded the 2013 target figures.

* Output/Result measurements relate to the whole country and not just the BMW Region. Expenditure relates to the BMW Region. Many projects are national in nature and cannot be easily tied to a specific region.

5.3.3 Waste Management

| | | |
|-------------------------|-----------|-----|
| Planned expenditure | 2007-2013 | €5m |
| Expenditure to date | 2007-2009 | 0 |
| Anticipated expenditure | 2010-2013 | €5m |

The aim of this intervention is to provide co-funding for investment by local authorities in waste recovery and recycling infrastructure for municipal and other waste and to support the development of an integrated waste management infrastructure for the BMW Region that will reduce reliance on waste disposal and facilitate waste recovery and recycling.

There has been no expenditure to end 2009²³ under this heading mainly due to delays in the closure of the previous Capital Grants Scheme and the current economic situation, which caused many Local Authorities to be slow to commit / submit applications for the new scheme. As a result there was no physical progress to report on as measured by the themes performance indicators, namely: density of bring banks per 1000 population; number of civic amenity sites; tonnes of solid waste collected at bring centres and civic amenity sites (CAS) from landfill; and percentage of waste diverted from landfill via CAS and bring banks.

To date four projects have been approved, three of which have received full grant approval (Castlerea, Portarlinton and Carrickmacross), while the fourth (Casla in Galway) has received approval in principle. The combined expenditure predicted for these 4 projects is €4.5m. These four projects should be fully complete by 2013.

Overall interest in developing new recycling facilities under this intervention remains disappointing, due to the difficulty in local authorities securing exchequer funds as the Local Authorities need to fund the balance of the cost of the project themselves, and due to current economic conditions, they are finding it extremely difficult to source this funding. In addition, in some cases staff shortages, due to the current recruitment embargo, are also being cited by Local Authorities as hindrances.

Unless there is a major change in economic conditions, it is expected that these constraints will continue to have a significant impact to 2013. Between 2007 and 2010, €4.5m has been approved for projects under the measure, however approximately €1.5m of this expenditure will be ineligible as it was incurred before 15 July 2009 and was outside designated Gateways and Hubs. It is likely that if there was further approval of another 2-4 projects, a further €1.5 - €2.5m would be spent, giving a potential total expenditure of €5m.

²³ Projects outside the Gateways and Hubs, but within the BMW Region, only became eligible for co-funding under this theme after 15 July 2009.

Waste Management – Performance Indicators

| Class | Indicator | Baseline (New baseline from July 06 to June 2007) | Mid-term Dec '09 | Final |
|--------------|--|--|-----------------------------|--------------|
| Output | Density of Bring Banks per 1,000 population | 0.53 | 0.6 | 0.7 |
| | No. of Civic Amenity Sites | 23 | 25 | 30 |
| Result | Tonnes of solid waste collected at bring centres and Civic Amenity Sites from landfill | 78,923 | 120,000 | 225,000 |
| Impact | % of waste diverted from landfill via CAS and Bring Banks | 13.6% | 16% | 25% |

5.3.4 Natural and Built Heritage

| | | |
|-------------------------|-----------|-------|
| Planned expenditure | 2007-2013 | €13m |
| Expenditure to date | 2007-2009 | €8.4m |
| Anticipated expenditure | 2010-2013 | €4.5m |

Theme 4 has two sub-themes:

Natural Heritage

Built Heritage

The ***Built Heritage*** sub-theme supports and assists the conservation, restoration and upgrading of natural and cultural heritage sites in designated urban and rural areas including villages. The objective is the conservation of a small number of large scale built heritage sites. Expenditure to end 2009 was under target at €0.3m due to a combination of budget

cutbacks and clarifying the locations that were eligible for inclusion. In mid 2009 eligibility was extended from Gateways and Hubs to all rural areas within the BMW Region. Six eligible projects have received funding. The amount of expenditure in the latter part of the Operational Programme is expected to be in the region of €4.4m.

Built Heritage – Performance Indicators

| Class | Indicator | Baseline figures | Mid-term Target | Final Target 2013 | Out-turn to end of 2009 |
|--------------|--|-------------------------|---------------------------------|---------------------------------|---------------------------------|
| Output | No. of projects assisted | 2 | 3 | 14 | 6 |
| Result | No. of conservation projects completed | Not completed | Conservation projects completed | Conservation projects completed | Conservation projects completed |

The **Natural Heritage** sub-theme supported the construction of visitor centres for Ballycroy National Park, Co. Mayo and Clara Bog Nature Reserve in Co. Offaly. Both projects are intended to promote the sustainable enjoyment of the natural heritage at Ballycroy and Clara and to contribute to a better understanding of the value of nature conservation generally through education and information. Construction of both projects is completed at a cumulative cost of €8.1m to end 2009 and no further significant expenditure is envisaged over the period 2010 to 2013, other than just over €0.1m in 2010 for the fit-out of the Clara centre. A 'soft' opening of the Ballycroy Visitor centre from July to November resulted in 5,902 visitors to the centre, this is against a mid-term target of 10,000 visitors for both centres, which would indicate that if both centres were opened the target would have been achieved. 3 new staff were employed (end year 2009) with the final target to 2013 being 10.

Natural Heritage – Performance Indicators

| Indicator | Baseline | Mid-term Target | Final Target | Outturn to 31st December 2009 |
|--|--------------------|------------------------|--|--|
| Output: | | | | |
| Visitor Numbers | 0 – new facilities | 10,000 | 35,000 | Soft opening of Ballycroy Visitor Centre – 5,902 visitors from 26 July '09 to 1 Nov '09 |
| Contribution to education in nature and sustainability | 0 – new facilities | 2,500 | 5,000 | N/A |
| Result: | | | | |
| Additional employment created at national park Visitor Centres | 0 | | 10 | 3 |
| Visitor satisfaction | | | High (80%+) satisfaction levels in surveys | No formal survey conducted as centre at Ballycroy has not fully opened and centre at Clara is not yet opened |

Section 5.4 Horizontal Principles

See introduction to the review of Horizontal Principle in Chapter 4 (Section 4.4.1).

Table 5.4 - Horizontal Principles relevant to this priority by Theme

| Priority/Theme | Sub-Theme | Environmental Sustainability | Gender Equality | Broad Equality Grounds | Social Inclusion |
|---|------------------|-------------------------------------|------------------------|-------------------------------|-------------------------|
| Rural Water Source Protection | | √ | | | |
| Pilot Village Sewerage | | √ | | | |
| Water Supply and Waste Water Treatment | | √ | | | |
| Energy Efficiency and Renewable Energy (all themes) | | √ | | | |
| Water Conservation | | √ | | | |
| Built Heritage | | √ | | | √ |
| Natural Heritage | | √ | | | |
| Waste Recycling | | √ | | | |

Overall, the level of reporting of the Horizontal Principles for this priority is mixed. Again, the quality of the reporting seems dependent on whether or not there is a clear and logical link between the intervention and the impact it can have on the Horizontal Principle e.g. the four sub-themes of the sustainable energy theme have relevant material as the objectives of these sub-themes are very closely aligned to the Environment Principle, likewise with the theme on the natural environment. However, the Horizontal Reports would be improved if made more concise and focussed more on the outcomes/contribution made to the principle – as opposed to merely repeating material that is produced elsewhere in the annual progress reports.

As mentioned in Section 4.4.2 the general overall view is poor reporting; incomplete templates; lack of understanding of the principles and what is required from the reports; and an absence of indicators to capture the horizontal principles adequately, these were also a

common theme in the submissions received from the Authorities responsible for the horizontal principles.

As several of the themes for this priority had no expenditure and therefore had limited progress to report on, no assessment of the reporting of the horizontal principles for these themes took place. This was the case for the themes on Rural Water Source Protection, Village Sewerage Systems, Water Supply and Waste Water Treatment, Water Conservation and Waste Recycling.

The main findings for the other themes were:

For the theme on the Built Heritage, the reporting in Annex 1 of the 2009 annual Progress Reports, of the contribution that this sub-theme makes to the Environmental and Social Inclusion principles is good. However, the material in Annex 2 of the report, which deals specifically with the Horizontal Principles, is different and not as focussed on the relevant principle.

The progress report for the Natural Environment theme details how each of the projects are operating in an environmentally sustainable manner and includes good descriptive material on how both visitor centres will have low impact on the locations of the centres and how they will be built using sustainable materials and sustainable energy. Overall, the material is clear, concise and relevant.

There is a single horizontal theme report for the four Sustainable Energy sub-themes dealing with the Environment Sustainability Principle. Overall the report is good but could be improved by adding a high-level summary of some of the relevant quantitative result measurements. As is the case with a lot of the progress reports on Horizontal Principles, a lot of the material that appears in the Progress Report merely gets repeated in the Horizontal Principle Report.

5.5 Performance Indicators

5.5.1 Overview Description

This section reviews and comments generally on the indicators at theme level, as set out in the 2009 Annual Implementation Report. See Section 4.5.1 Overview Description for further detail on the approach taken in this evaluation.

5.5.2 Commentary on Indicators / Findings

Rural Water Source Protection

| Class | Indicator | Baseline | Mid-term Dec 09 | Final Target | Outturn to 31st Dec. 09 |
|--------------|----------------------------|-----------------|------------------------|---------------------|---|
| Output | No. of Group Water Schemes | 0 | 6 | 12 | 0 |
| Result | Biochemical Oxygen Demand | | | 75% BOD reduction | 0 |

Village Sewerage Systems

| Class | Indicator | Baseline | Mid-Term Dec 09 | Final Target | Outturn to 31st Dec 09 |
|--------------|------------------------------|-----------------|------------------------|---------------------|--|
| Output | No. of Schemes | 0 | 6 | 12 | 0 |
| Result | Population equivalent served | | | 2,800 | 0 |

Water Supply and Waste Water Treatment (Rural Water Services Investment)

| Indicators | Baseline | Final Target | Outturn to 31st Dec. 09 |
|------------------------------|-----------------|---------------------|---|
| No. of Schemes | 0 | 9 | 0 |
| Population equivalent served | | 8,400 | 0 |

Water Conservation

| Class | Indicator | Baseline | Mid-Term Dec 09 | Final Target | Position at 31 December 2009 |
|--------------|--|-----------------|------------------------|---------------------|-------------------------------------|
| Result | UFW | | | | |
| - Dundalk | | 55% | | 48% | 55% |
| - Sligo | | 46-86% | | 30% | 46-86% |
| - Athlone | | 47% | | 42% | 47% |
| - Mullingar | | 29% | | 26% | 29% |
| Output | No. of Gateway mains rehabilitation/replacement projects | 0 | 2 | 4 | |

Comment: No expenditure to date but the proposed Output Indicators (No. of Schemes and Population Equivalent Served) for the first three sub-themes would be straightforward and easily reported on. The *Population Equivalent Served* Indicator should be added as an indicator for the Rural Water Source Protection sub-theme. The Biological oxygen demand reduction in protected sources is an appropriate indicator for the Rural Water Source Protection sub-theme and may also be appropriate to the Village Sewerage Systems sub-theme. Percentage of Unaccounted for Water is an acceptable result indicator for the Water Conservation sub-theme.

Waste Recycling

| Class | Indicator | Baseline (New baseline from July 06 to June 2007) | Mid-term Dec '09 | Final |
|--------------|--|--|-----------------------------|--------------|
| Output | Density of Bring Banks per 1000 population | 0.53 | 0.6 | 0.7 |
| | No. of Civic Amenity Sites | 23 | 25 | 30 |
| Result | Tonnes of solid waste collected at bring centres and Civic Amenity Sites from landfill | 78,923 | 120,000 | 225,000 |
| Impact | % of waste diverted from landfill via CAS and Bring Banks | 13.6% | 16% | 25% |

Comment: There was no reported expenditure to date under the Waste Recycling theme but the proposed indicators: density of bring banks per 1000 population; number of civic amenity sites; tonnes of solid waste collected at bring centres and civic amenity sites (CAS) from landfill; and percentage of waste diverted from landfill via CAS and bring banks, seem reasonable and cover the theme adequately and should be easily reported on. Mid-term and final targets for the theme are included but it is not possible to further comment on them, other than that they were relatively straightforward targets, which would have been realistic

and achievable, in different budgetary circumstances and if delays in the closure of the previous scheme had not occurred.

Energy for Business Programme

| Indicator | Baseline | Final Target | Outturn to 31 st December 2009 |
|---|---|--|---|
| <p><u>Output:</u></p> <p>Deliver a range of support programmes and services across the business sector, progressively servicing more businesses (measured in terms of energy spend by those businesses).</p> | <p>0 Engagements</p> <p>Baseline established for energy efficiency of business against which to measure improvement</p> | | <p><u>Large Industry</u></p> <p>Increased penetration of SEAI programmes. Currently 139 Companies accounting for 70% of industrial energy use participate in LIEN and Agreements.</p> <p><u>SMEs</u></p> <p>Engagement with over 1,000 firms (505 in 2007, 540 in 2008 and 615 new companies) by end of 2009.</p> <p>Over 1,660 SME (since 2007) registered for energy efficiency supports with savings captured in 2009)</p> |
| <p><u>Output:</u></p> <p>To establish high efficiency as the norm in the public and commercial sectors through tailored advice, training and mentoring and assistance in structured energy management systems</p> | <p>0 Advice mentoring /assessments registrations</p> <p>0 Energy MAP training programmes delivered</p> <p>0 Best Practice initiatives</p> | <p>Demonstrate progress to NEEAP Targets (335 by 2020)</p> | <p>1,240 Advice mentoring and assessments registrations. There were 390 (2009), 325 (2007) and 570 (2008)</p> <p>11 Energy MAP training programmes in 2009.</p> <p>Delivered 18 Best Practice initiatives (including Lighting guide series – 8 guides , 3 groups in Water Services, 4 Energy Efficient design (EED)</p> |

| Indicator | Baseline | Final Target | Outturn to 31 st December 2009 |
|---|---|--|--|
| | delivered | | reviews, and Energy link) in 2009 Commenced work on the Monitoring and Reporting System (M&R system) for Energy Services Directive regulations ²⁴ |
| <p><u>Result:</u></p> <p>Level of energy spend in businesses targeted for energy management advice and support services</p> | 0 Businesses involved in energy management in business support services | <p>Provision of energy management advice and support services to businesses with energy spend of €1,300m</p> <p>Business sector is 20% more efficient than baseline.</p> | 44 companies accredited to international energy management standards. |
| <p><u>Result:</u></p> <p>Cumulative energy savings resulting from SEAI's business energy management and advice services</p> | | €306m | <p><u>Large Industry</u> Cumulative 2007 – 2009 Estimated energy savings of €140m</p> <p><u>SME Services</u>, Cumulative 2007 – 2009 Estimated energy savings of €5.7m</p> |

²⁴ One of the additional developments under the Energy in Business programme is a focus on energy efficiency in the public sector. SEAI proposes to include the activities relating to "Support For Exemplar Energy Efficiency Projects" under the Energy in Business initiative. This inclusion is subject to a review by the Regional Assemblies and the Department of Finance.

| Indicator | Baseline | Final Target | Outturn to 31 st December 2009 |
|---|----------|---|--|
| <p><u>Result:</u></p> <p>Cumulative Total Primary energy Equivalent (PEE) Savings resulting from SEAI's business energy management and advice services</p> | | 6,370 GWh | <p><u>Large Industry</u> Cumulative 2007 – 2009 Estimated energy savings: 4000GWh</p> <p><u>SME Services,</u> Cumulative 2007–09 Estimated energy savings of 100GWh</p> |
| <p><u>Result:</u></p> <p>To lead, inspire and support the public sector in adopting and maintaining exemplary standards of energy management and the achievement of aggressive NEEAP targets.</p> | | <p>0 Exemplar energy saving actions</p> <p>0 Local Authorities and Additional Public sector bodies implementing world class structured energy management systems.</p> | <p>Provided financial support to 74 exemplar energy saving actions based on replication, saving and labour-intensity criteria through SEEAP.</p> <p>Six Local Authorities and 5 Additional Public sector bodies implementing world class structured energy management systems.</p> |

Comment: The outputs are poorly described. The description of the output indicators (col 1.) reads like the chosen strategy or an objective. The output indicator descriptions could simply be:

- No. of Large Industry entities and No. of SMEs engaged in the programme
- Percentage of industrial energy use accounted for by Large Industry participants

Similar comments apply to the public and commercial sector indicators

With regard to the Result Indicators:

- For the first Result indicator there is a mismatch between the indicator description and what is reported. What is reported – no. accredited to international standards is acceptable. The result indicator as described is reported on the row dealing with the first of the Output indicators.
- Cumulative energy savings is a good result indicator and is reported on in a straightforward fashion.
- The last Result indicator is poorly described (worded as an objective) and the reporting against this indicator suggests that it is an output not a result.

Strategic Development Zones

| Indicator | Baseline | Final Target | Outturn to 31st December 2009 |
|--|--|---|---|
| <u>Output:</u> Demonstrate and promote integrated community approaches to sustainable energy via a network of Sustainable Energy Zones | No. of SEZ in Ireland | Three Zones fully operational | See footnote 1 |
| <u>Result:</u> No. of sustainable energy zones that each comprise a mix of social and private houses, industry, institutional buildings and transport facilities. | The Provision of models and lessons to motivate and guide regulators, developers and consumer choice | 10,000 MWh contribution from renewable electricity within the 3 SEZ per annum | See footnote 2 |
| <u>Result:</u> Contribution from renewable electricity within SDZ | | 20% contribution from renewable electricity within SDZ in 2010 | See footnote 3 |
| <u>Result:</u> Penetration of | | 10% penetration of renewable heat into the SDZ in 2010 | See footnote 4 |

| | | | |
|--|--|--|----------------|
| renewable heat into the SDZ | | | |
| <u>Result:</u> Improvement in energy efficiency performance of the buildings within the SDZ | | 40% improvement in energy efficiency performance of the buildings within the SDZ in 2010 | See footnote 5 |

1. One zone in progress in Dundalk. Local Authorities were engaged in a dialogue on SEZ programme in SEZ. Framework Energy Supply Contract (ESC) developed Development of a research platform within Dundalk SEZ
2. Technical data from Dundalk collected and analysed. Cumulative savings of approx 2,500 tonnes of CO2 over all projects. One zone in progress in Dundalk involving public sector, businesses and consumer population
3. 5% (cumulative) contribution from renewable electricity within SDZ by 2009
4. 1% penetration of renewable heat into the SDZ by 2009
5. >40% improvement in energy efficiency performance of the buildings within the SDZ by 2009

Comment: As there has been no expenditure to date and no expected expenditure for the remainder of the OP there are no comments on these performance indicators.

Renewable Energy R, D & D

| Indicator | Baseline | Final Target | Outturn to 31st December 2009 |
|--|-----------------|---|--|
| <u>Output:</u> Acceleration of the development and deployment in the Irish marketplace of competitive renewable energy products, processes and systems. | | Delivery of 100 R&D projects to accelerate the deployment of renewable energy | SEAI delivered 14 research reports/ studies to accelerate the deployment of renewable energy |

| | | | |
|--|---|---|--|
| <p><u>Result:</u></p> <p>Enabling technical and other barriers to market uptake and/or modal switching to be overcome.</p> | <p>6.8% (2005) 8.6% (2006) of electricity consumption from renewable energy</p> | <p>Wind equates to 15% of national electricity demand in 2010 and 40% demand by 2020.</p> | <p>Total final consumption from renewable energy was 10%.</p> <p>There was 1,441MW of wind generation connected to the grid at the end of 2009 and renewable energy provided 14.4% of gross national electricity demand in 2009.</p> |
| <p><u>Result:</u></p> <p>The no. of RE RD&D projects delivered under the following areas</p> | | | <p>SEAI delivered 14 reports across a variety of technologies including</p> <ul style="list-style-type: none"> - The development and mobilisation of the Wood Fuel Quality Assurance scheme - Development of a 500 kW Fluidised Bed Boiler through to market release - Innovative Demonstration of an Electric Vehicle, EV Accelerator and Electric Vehicles in a Captive Fleet |
| <p><u>Result:</u></p> <p>Shared cost</p> | | <p>30 RE RD&D Shared Cost projects</p> | <p>14 RE RD&D Shared Cost projects (cumulative from 2007)</p> |
| <p><u>Result:</u></p> <p>Demonstration</p> | | <p>54 RE RD&D demonstration projects</p> | <p>9 RE RD&D demonstration projects (cumulative from 2007)</p> |

| | | | |
|---|--|---|---|
| <u>Result:</u> | | 20 RE RD&D Shared cost R&D / Public Good activities | 7 RE RD&D Shared cost R&D / Public Good activities (cumulative from 2007) |
| Shared cost R&D Commissioned public good activities | | | |

Comment: The output description should be the number of Research Reports delivered. The output description currently reads like the objective. Similarly the description of the first Result Indicator reads like an objective. One would have to question if there is a sufficient cause and effect relationship between this sub-theme and the amount of renewable energy deployed. The second result indicator reads the same as the output indicator for the sub-theme. The remaining result indicators also read like output indicators.

The performance indicators for this sub-theme need to be simplified. The level of expenditure does not match the type of results expected and the indicators should reflect what the research outputs can realistically be expected to contribute to.

Ocean Energy

| Indicator | Baseline | Final Target | Outturn to 31st Dec 2009 |
|--|---|---|--|
| <u>Output:</u> Acceleration of the development of Ocean Energy (Wave and Tidal) in Ireland. | ¼ scale test site operating in Galway Bay. HMRC established as Centre of Excellence. | Upgraded National Ocean Test Facility (NOTF) operational. Full scale wave test site underway for completion for 2010/11. | Ocean energy prototype fund developed and launched with 12 companies engaged and grants awarded to 8 companies, resulting in €4.2m commitments with €1.2m of that awarded. Selection of one tidal and one wave energy technology for full scale prototype test support and installation. <i>(Completed – Wavebob and Open Hydro)</i> |

| | | | |
|--|---|--|--|
| | | | Full scale wave test site development underway (Completed) |
| <u>Result:</u> Increased the capacity for research and development within academic institutions. Increased number and stronger commercial entities developing devices and projects in Ireland. | ¼ scale ocean energy device in testing/development at Galway. | NOTF contributing to OE research and development and providing services for industry development. First Ocean Energy grid connected device producing power. | National wave basin facility project at HMRC / NOTF commenced. (Completed) Three reviews commissioned including (1) Strategic Environmental Assessment for OE (2) Review of engineering and specialist support requirements for the OE sector and (3) Review of Marco-Economics and Strategy for Ocean Energy. (Completed) |

Comment: Similar to comments above - the descriptions of the indicators read like objectives not indicators. There is a mis-match between the description of the result indicators and what is reported on. The information in the table above can be reorganised to form a reasonably informative set of performance indicators.

CHP and Bioheat Deployment Programme

| Indicator | Baseline | Final Target | Outturn to 31st December 2009 |
|---|-----------------|--|---|
| <u>Output:</u> The development of a CHP and Bioheat Boiler Deployment Programme to assist in the deployment of small-scale fossil fired CHP, and biomass CHP and heating systems in industrial, commercial and public sectors. | | 450 - 600 wood fuelled boilers supported by end 2010 12,000 m ² of installed solar panels. 15 - 20 heat pumps systems | Reheat 161 wood fuelled boilers supported by end 2010 2,440m ² of installed solar panels 58 heat pumps systems CHP |

| | | | |
|---|--|---|--|
| | | 50-80 new gas fired CHP installations. | 49 new gas fired CHP installations; |
| <u>Result:</u> Leveraged investment | | Leveraged investment of €30M in CHP in Ireland; Leveraged investment of approximately €85 million in ReHeat by 2010. | Leveraged investment of approximately €18.83M in CHP Leveraged investment of approximately €17.32m in ReHeat Every €1m invested in the ReHeat Programme generates €6.6m of savings to the economy. |
| <u>Impact:</u> The development of a CHP and Bioheat Boiler Deployment Programme to assist in the deployment of small-scale fossil fired CHP, and biomass CHP and heating systems in industrial, commercial and public sectors. | | 1.5 - 2 MW _{th} of installed capacity from heat pumps systems | Every €1m invested in the ReHeat Programme generates 6,000 tonnes of CO ₂ savings and displaces 22,000 MWh of fossil fuel. |

Comment: The output indicators are straightforward and informative but the description of the output indicator need to be revised. The Leveraged investment result is fine but it is not fully clear how €1m of investment yields a €6.6m saving to the economy. Is this the value of the energy saved by deploying the supported technologies. The Impact indicator needs to be reviewed starting with the description. The target of 1.5 -2 MW of installed capacity from heat pump systems is an output target, not an impact indicator target. The way the indicator

is reported would suggest that this could be combined with part of the first result indicator to form one new result indicator.

Built Heritage

| Class | Indicator | Baseline figures | Mid-term Target | Final Target 2013 | Out-turn to end of 2009 |
|--------------|--|-------------------------|---------------------------------|---------------------------------|---------------------------------|
| Output | No. of projects assisted | 2 | 3 | 14 | 6 |
| Result | No. of conservation projects completed | Not completed | Conservation projects completed | Conservation projects completed | Conservation projects completed |

Comment: The number of projects completed should be the Output Indicator. The Result Indicator should give some indication of how these projects are of benefit to their locality or to the stock of endangered or rare buildings or sites.

Natural Heritage

| Indicator | Baseline | Mid-term Target | Final Target | Outturn to 31st December 2009 |
|---|--------------------|------------------------|---------------------|--|
| Output: | | | | |
| 1. Visitor Numbers | 0 – new facilities | 10,000 | 35,000 | Soft opening of Ballycroy Visitor Centre – 5,902 visitors from 26 July '09 to 1 Nov '09 |
| 2. Contribution to education in nature and sustainability | 0 – new facilities | 2,500 | 5,000 | N/A |

| | | | | |
|---|---|--|--|--|
| Result: | | | | |
| 1. Additional employment created at national park Visitor Centres | 0 | | 10 | 3 |
| 2 Visitor satisfaction | 2 Unknown – baseline survey required). Survey to be carried out in 2008-9 | | High (80%+) satisfaction levels in surveys | No formal survey conducted as centre at Ballycroy has not fully opened and centre at Clara is not yet opened |

Comment: With the exception of the indicators on contribution to education and additional employment created, the other two indicators are relevant to the theme and should be easily reported on. However the indicator on contribution to education in nature and sustainability is vague as it is unclear how this indicator would be captured. If as suggested in the Implementation Plan for the OP Mid-term that it is the number of students attending education programmes at the centre, then the indicator should simply be referred to as this and not as it is titled in the Progress Report. Final and mid-term targets for the theme are included and are straightforward, however only two of the indicators, number of visitors and number employed, have actual outturn results for end year 2009 recorded.

Chapter 6 Urban Development and Secondary Transport Networks

6.1 Introduction

This chapter reviews the progress of Priority 3 - Urban Development and Secondary Transport Networks up to end 2009, including an assessment of the progress and constraints at theme level. The chapter also assesses how the horizontal principles are reported on across the priority and reviews the performance indicators relevant to this priority.

The objective of this Priority is 'to strengthen the spatial structuring of the BMW Region by investing in integrated sustainable initiatives in order to enhance the competitiveness, accessibility and social cohesion of the Region's urban growth centres and to modernise the region's transport infrastructure'.

Interventions supported under this Priority and their indicative allocated expenditure over the period to 2013 are outlined in Table 6.1.

Table 6.1 - Interventions and Indicative Expenditure 2007-2013

| <u>Intervention</u> | <u>Indicative Expenditure</u> ²⁵ |
|---|--|
| Urban Regeneration | €31m |
| Sub – Theme 1: Gateway and Hub Fund Sub – Theme 2: RAPID Physical Environment Sub – Theme 3: Playground in RAPID areas Sub – Theme 4: Arts Capital | |
| Key Linking Routes | €90-100m |
| Public Transport | €57m |
| Total for Priority | €178m |

²⁵ As presented to the BMW Regional OP Monitoring Committee, October 2009.

6.2 Progress at Priority Level

Table 6.2 – Expenditure to Date and Likely Outturn 2007-2013

| | Expenditure to end December 2009 €m | Likely outturn 2010-2013 €m²⁶ | Total expected Expenditure 2007-2013 €m | Original Indicative Expenditure €m | Difference - Under Alloc. + Over Alloc. €m |
|--------------------|--|---|--|---|---|
| Urban Regeneration | 3.0 | 25.7 | 28.7 | 31.0 | -2.3 |
| Public Transport | 31.9 | 39.7 | 71.6 | 57.0 | +14.6 |
| Key Linking Routes | 121.8 | 6.1 | 127.9 | 90.0 | + 37.9 |
| TOTAL | 156.7 | 71.5 | 228.2 | 178.0 | + 50.2 |

6.2.1 Financial Progress for Priority 3

Progress to end 2009 shows overall expenditure for Priority 3 of €156.7m and consultation with the implementing authorities and beneficiary bodies shows that a further €71.5m is likely to be spent by the end of 2013. Expenditure to the end of 2009 is ahead of target which is due predominantly to the Key Linking Routes theme. This theme will have higher than forecast expenditure and had at the end of 2009 already exceeded its total indicative figure by over €30m and is expected to have further expenditure of €6.1m in 2010.

There has been limited expenditure under the Urban Regeneration theme, especially in the Arts Capital and RAPID sub-themes, but expenditure is expected to catch-up in the second half of the OP period mainly due to anticipated expenditure under the Gateway and Hubs Fund sub-theme. Overall this theme is likely to under spend by approx €2.3m or 7.5%.

Expenditure under the Public Transport has been steady with just under €32m of the allocated €57m spent to date (the €32m excludes the cost of new rolling stock of €22.1m

²⁶ Based on figures provided by Implementing Departments and Agencies. It should be noted that not all reported expenditure is subsequently eligible for certification as EU-eligible.

which is included under the expected expenditure 2010-2013). It is likely that a further €39.7m (including expenditure of €22.1m on railcars which is subject to a Major Project notification to the European Commission) will be spent under the theme giving a total expenditure of €71.6m over the 2007-2013 period, which is €14.6m ahead of the indicative allocation for the period.

A more detailed breakdown of expenditure and progress to date and the prospects to 2013 is outlined in section 6.3 below.

6.2.2 Physical Progress at Priority Level

Box 6.1: Priority 3 physical progress summary

- Completion of the Tullamore by-pass and Completion of National Primary route M6 between Athlone and Ballinasloe
- Completion of rail line improvements that removed speed restrictions at Portlarlinton and Drumsna
- Twenty-four new railcars serving destinations in the BMW Region
- Six new playgrounds in BMW Region's RAPID areas
- Twelve integrated growth centre strategies approved under the Gateway and Hub Fund

Table 6.3: Priority 3 - Performance Indicators

| Output: | Baseline | Achievement to end 2009 | Final Target (2013) |
|--|----------|-----------------------------------|---------------------|
| 1. No. of Strategic Applications approved | 0 | 12 | 10 |
| 2. No. of Secondary linking routes improved | 0 | 2 | 2 |
| 3. Km of improved linking routes | 0 | 33 | 33 |
| 4. No. of new railcars serving destinations in BMW Region | 0 | 24 | 24 |
| | | | |
| Result: | | | |
| 1. Improvement in Gateway Development Index (GDI) Score for Gateways in the BMW Region | 0 | To be assessed based on 2010 data | 5 |
| 2. Time Savings on improved key linking routes | 0 | 15.5 mins peak | 15.5 mins peak |

| | | | | |
|--|-------------------|---|-------------------|-------------------|
| | | | 8.7 mins off-peak | 8.7 mins off-peak |
| 3. Daily Services: | Dublin – Galway | 7 | 8 | 10 |
| | Dublin – Westport | 3 | 4 | 5 |
| 4. Increased annual capacity on railcars per passenger journey | | 0 | 61,152 | 76,440 |

As expected the physical progress achieved is closely aligned to the levels of expenditure. The high levels of expenditure on the Key Linking Routes has been matched by the completion of the two roads projects – the Tullamore by-pass and the M6 between Athlone and Ballinasloe.

Significant progress has also been made under the Public Transport theme. New railcars have entered service, an extra daily service has been added to two routes and time savings have been achieved. Accessibility works have also been completed at a number of stations.

Less has been achieved under the two RAPID themes and Arts Capital. Six playground projects were completed which is two thirds of the target but no further progress is expected to be made. No progress was reported under RAPID Physical Environment or Arts Capital.

The Gateway and Hub Fund was only launched in mid-2009 but since then, despite some practical implementation issues, overall progress has been steady as outlined in Table 6.4 below.

6.2.3 Conclusions at Priority Level

In expenditure, output and result terms this Priority has performed well. Two of the three themes, Key Linking Routes and Public Transport already have or are likely to meet or exceed expenditure, output and result expectations. If the €22.1m for new rolling stock were to be included in the expenditure to end 2009 then the original indicative amount for Priority 3 has already been exceeded. The output targets for these two themes have been achieved and the expected results have either been achieved or are on target to be achieved. Based on current indications it is likely that the Priority will overspend its overall allocation by over €50m and is capable of absorbing funding from other priorities where progress may be less certain.

6.3 Physical and Financial Progress at Theme Level

6.3.1 Urban Development, RAPID and Cultural Infrastructure

| | | |
|-------------------------|-----------|--------|
| Planned expenditure | 2007-2013 | €31m |
| Expenditure to date | 2007-2009 | €3.0m |
| Anticipated expenditure | 2010-2013 | €25.7m |

Theme 1 is made up of four sub-themes:

Gateway and Hub Fund

RAPID Physical Environment

Playgrounds in RAPID areas

Arts Capital

The focus of the **Gateway and Hub Fund** sub-theme is to support actions which will contribute to enhancing the attractiveness of the Gateways and Hubs and also contribute to improving their development potential through enhancement of the economic, social and environmental conditions.

Overall progress in this sub-theme has been steady. As with any regeneration and infrastructure projects, there have been practical implementation issues which have inhibited progress e.g., archaeological find on the site of Athlone Art Centre, planning delay in Dundalk Market Square, compulsory purchase delay in Monaghan Town, pedestrian bridge design delay in Tullamore. However, it is likely that the full allocation of €28.5m will be spent on this sub-theme, the majority of which will be spent in 2010. A total of 12 strategic applications were approved under the theme to end 2009 (initially the overall target to 2013 was 10, in anticipation of a single Midland Gateway application). A table outlining the physical progress of the various projects is outlined in Table 6.4.

Table 6.4 – Reported Physical Progress under the Gateway and Hub Fund

| Project | Brief Description of progress reported to April 2010 Monitoring Committee |
|--|--|
| Athlone Art Gallery | Tender documents issued to 8 selected contractors end of February 2010. Construction commenced in late April 2010 |
| Tullamore Canal Corridor | Expressions of interest sought from contractors in December 2009 and assessed in Early 2010. Preliminary work done on Part 8 consultation process. |
| Mullingar Cycleways Project | Construction commenced on the first 2 routes in March 2010. Design and consultation/planning process ongoing on further 5. |
| Galway City: Seamus Quirke Road Transport Corridor | Pre-qualification of tenders started at the end of 2009. The design work regarding the treatment of junctions finalised in early 2010. On-site works will commence in June 2010. |
| Dundalk Market Square | Project designs and topographical and traffic surveys of Market Square have been completed. Part 8 planning process is being prepared. |
| Letterkenny: Urban Regeneration and Traffic Management | Contracts have been awarded for the Electronic Parking Guidance Information System and the supply and delivery of signs and posts. Tenders for the Court House Junction traffic management system are being assessed. Phase II and III plans were available for submissions and observations April 2010. Tenders for Phase III to be returned by August 2010, it is expected works will commence in September 2010 for completion December 2010. |
| Sligo Model: Niland Project | Project due for completion before end of 2010, while the Model Arts Centre will re - open in Summer 2010. Fit out is being procured. The external elements are being designed. |
| Ballina: Urban Renewal and Jackie Clarke Library/Archives | The Pearse Street Refurbishment project is under construction and should be completed by June 2010. Part 8 permission has been obtained for Jackie Clarke Library and a new Link Road, design and tender documents are being prepared for end of year project completion target. |
| Castlebar Urban Regeneration | A contractor has been appointed work was expected to commence in March 2010. |
| Tuam (Various Projects) | A contractor has been appointed for the construction of the Main Drainage Project. Work will begin in June 2010. Plans for improving the energy efficiency of community/public buildings are at an advanced tendering and design stage. Programme of work for |

| | |
|--|--|
| | refurbishment of local authority residential areas, public lighting, CCTV and Smart technologies projects are being finalised. |
| Cavan Town Eastern Access Route | Topographical Survey, Ground Investigation Works and Preliminary Design work has been completed and detailed design work has commenced. The Part 8 process commenced March 2010 to be approved in June 2010. Land negotiations are at an advanced stage and construction will commence in August 2010. |
| Monaghan Town: Dublin Street Regeneration and Recreational Amenities Projects | A planning application was lodged in 2010. However, local resistance to the proposal led to the scheme being reduced, with approval from the BMW Regional Assembly, from 5 locations to just 2. Installation will take place in 2010. |

Gateway and Hub Fund – Performance Indicators

| Indicator | Baseline 2008 | Final 2013 | Out-turn to December 2009 |
|--|---|---------------------------|--|
| <u>Output:</u> No. of integrated growth centre strategies supported | 0 | 10 | 12 approved |
| <u>Result:</u> Gateway Development Index Scoring | Dundalk 2.7 Galway 5.6 Letterkenny 3.2 Midland Gateway (Athlone, Mullingar and Tullamore) 3.6 Sligo 5.0 | All 5 to show improvement | GDI index score to be updated based on 2010 data |

There was no expenditure under the **RAPID** – (Revitalising Areas by Planning, Investment and Development) - **Physical Environment** sub-theme to the end of 2009 and there is no planned expenditure for the 2010-2013 period.

The **Playgrounds in RAPID Areas** provides funding for the provision of new playgrounds or the refurbishment of existing playgrounds in disadvantaged urban areas designated under the RAPID programme. Expenditure to end 2009 was just under €0.2m which supported six playground projects.

Playgrounds in RAPID Areas – Performance Indicators

| Indicator | Baseline | Mid-term Dec 09 | Final | Outturn to 31st December 2009 |
|--|---------------------|--|--|--|
| <u>Output:</u> No. of Playgrounds provided | 0 under 2008 Scheme | 9 projects in BMW Region Gateway/Hubs | 9 projects in BMW Region Gateways/Hubs | 6 playgrounds built in the BMW Region's RAPID areas - Cavan Town (3), Athlone (2), Sligo (1) |
| <u>Result:</u> No. of users of new/used playgrounds | 0 | 46,000 households in completed projects in BMW Region Gateways/Hubs by end 2009 Based on one child user per household | 60,000 households in completed projects in BMW Region Gateways/Hubs by end 2013 Based on one child user per household | 4,000 households in the completed project in the BMW Region. Based on one child per household |

The focus of the **Arts Capital** sub-theme is to improve accessibility to and participation in the arts and culture in the Gateways and Hubs thereby making the centres more attractive places to live and work, which in turn will contribute to strengthening designated growth centres in accordance with the National Spatial Strategy 2002-2020. However, there has been no progress under this sub-theme and no projects have been co-financed under the BMW Regional OP. It was expected that a new round of the ACCESS Programme (Arts and Culture Capital Enhancement Support Scheme) would commence in 2009. However, due to the economic climate, this was deferred. At this stage, it is not known when capital funding will be available to allow a new round of the Programme to commence, however, it is reasonable to assume that given current budgetary constraints, it is unlikely that there will be any expenditure under this sub-theme to 2013.

6.3.2 Key Linking Routes

| | | |
|-------------------------|-----------|---------|
| Planned expenditure | 2007-2013 | €90m |
| Expenditure to date | 2007-2009 | €121.8m |
| Anticipated expenditure | 2010-2013 | €6.1 |

Theme 2 under this Priority is Key Linking Routes which comprised of 2 large road infrastructure projects (33km in total), namely the N52 Tullamore By-Pass and the M6 Athlone-Ballinasloe Motorway. The total time savings on the two routes were 15.5 minutes peak time and 8.7 minutes off-peak. The expected target for level of traffic use by end 2009 was estimated at 12,546 but there are no updated figures available for this indicator. Both projects had been completed by end December 2009 and the intervention has therefore achieved its physical targets. No more projects are planned. The final outturn is likely to be a cumulative total of €127.9m (equally divided between ERDF and Exchequer) with €121.8m claimed up to end December 2009. Both projects were subject to Major Project approvals by the European Commission.

Key Linking Routes – Performance Indicators

| Indicator | Baseline | Final Target (2013) | Position end 2009 |
|---|-----------------|--|--|
| <u>Output:</u> | | | |
| No. of key linking routes | 0 | 2 | 2 |
| Km of new/improved linking routes | 0 | 33 | 33 |
| <u>Result:</u> | | | |
| Time Savings on improved key linking routes | 0 | 15.5 minutes peak time 8.7 minutes off-peak | 15.5 minutes peak time 8.7 minutes off-peak |
| Traffic Use | 0 | 13,070 | Not available |

6.3.3 Public Transport

| | | |
|-------------------------|-----------|--------|
| Planned expenditure | 2007-2013 | €57m |
| Expenditure to date | 2007-2009 | €31.9m |
| Anticipated expenditure | 2010-2013 | €39.7m |

The objective of the **Public Transport** sub-theme is to increase the use of public transport, in particular rail transport, in the BMW Region by reducing journey times, improving accessibility at railway stations, expanding the service and improving safety on railway lines. Expenditure to end 2009 was just under €32m. This does not include an amount of €22.1m for new rolling stock which is likely to be included as part of the OP expenditure. This figure has been included in the anticipated expenditure figure 2010-2013 for this theme.

Physical work to allow for the removal of speed restrictions was completed at Portarlington in February 2008. Reconstruction work on the Drumnsa Bridge allowed for the removal of the 10 mph speed restriction at that point. A programme of automation of level crossings on four lines in the BMW Region involving 29 road crossings is underway. A programme of accessibility works, which includes easier access and services for hearing and visually impaired customers, has been carried out on stations on the Galway and Belfast routes. 24 new Intercity Railcars, which will serve the BMW Region, have entered service. These are the subject of a Major Project application to the EU Commission in 2010. The targeted time savings to 2013 are close to being fully achieved by end-2009 on the Dublin-Galway route and 40% of the increase in the frequency of services has been achieved. The increase in capacity has reached 80% of target by end 2009 but there is no reporting of any increase in usage.

Expected expenditure to 2013 is €39.7m and is made up of €22.1m for the new rolling stock, €16m on Road Crossing Automation, €1m on Accessibility work and final expenditure of €0.6m on the Drumnsa Bridge project which has been completed.

Public Transport – Performance Indicators

| Indicator | Baseline 2006 | Out-turn Dec '09 | Final 2013 |
|---|--------------------------|--------------------------------|--------------------------------|
| <u>Output:</u> | | | |
| Journey Time Dublin-Galway | Average minutes 165 | Average minutes 159 minutes | Average minutes 158 minutes |
| <u>Output:</u> | | | |
| No. New railcars serving destinations in BMW Region | 0 | 24 | 24 |
| <u>Result:</u> | | | |
| Daily Services on | Dublin - Galway | 8 | 10 |
| Daily Services on | Dublin - Westport | 4 | 5 |
| <u>Result:</u> | | | |
| Increased annual capacity on railcars, per passenger journey | 0 | 61,152 | 76,440 |

6.4 Horizontal Principles

See introduction to the review of Horizontal Principle in Chapter 4 (Section 4.4.1).

Table 6.5 - Horizontal Principle relevant to this Priority by Theme

| Priority/Theme | Sub-Theme | Environmental Sustainability | Gender Equality | Broad Equality Grounds | Social Inclusion |
|-----------------------|----------------------|-------------------------------------|------------------------|-------------------------------|-------------------------|
| Urban Regeneration | Gateway and Hub Fund | √ | | | √ |
| | RAPID Development | | | √ | √ |
| | Arts Capital | | | √ | √ |
| Key Linking Routes | | √ | | | |
| Public Transport | | √ | | | √ |

Overall, the level of reporting of the horizontal principles for this priority is adequate. As noted previously, the Horizontal Principles Reports would be improved if made more concise and focussed more on the contribution made to the principle – as opposed to merely repeating material that is produced elsewhere in the annual progress reports, which is of little interest or benefit. The submissions received from the Authorities responsible for the horizontal principles also noted this tendency to merely repeat material produced elsewhere in the report without any reference to the template provided.

The theme on **Arts Capital** had no expenditure and no progress to report on so no assessment of the reporting of the Horizontal Principles for this theme took place.

The main findings for the other themes were:

For the sub-theme on the **Gateway and Hub Fund**, the reporting on the Environmental Sustainability and Social Inclusion Principles is clear and adequately describes the progress made in incorporating the principles into those sub-themes that are directly relevant to the principle. In the reporting of those projects that are less relevant to the principle, an effort is made to at least comment on the principle. The reports also have some comment on what contribution the theme is making in the promotion of the principle.

The reporting of the Horizontal Principle for the **Key Linking Routes** theme is in relation to Environmental Sustainability only. In the case of this intervention, the latest progress report

details a lot of information about what actions have taken place to incorporate the principle into the theme, much of which focuses on the environmental integration model which the NRA has adopted. However, no attempt is made to quantify the outcomes/contribution this makes in promoting the principle, which would be of greater interest and value.

Interventions under the RAPID heading are expected to contribute to the Horizontal Principles of Broad Equality and particularly Social Inclusion. An identical report, which gives a description of **RAPID** and how it operates, appears for both principles in the latest progress report. In answer to the question of what contribution the sub-theme is making to the principle of Social Inclusion, the answer is "n/a", resulting in the overall benefit of the report being very limited.

The reporting of the Horizontal Principles for the **Public Transport** theme is very limited and badly presented with material replicated from the progress reports demonstrating a lack of understanding of the HP reporting requirement. The Horizontal Principle Report states that quicker and more reliable services will retain customers and attract new customers but it should go on to make the fairly obvious link to the contribution this makes to Environmental objectives. With regard to Social Inclusion, the HP progress report is very limited and while the report states that public transport has a positive impact on women and older people especially those that are economically disadvantaged, there is no further commentary on the basis for making this assertion.

6.5 Performance Indicators

6.5.1 Overview Description

This section reviews and comments generally on the indicators at theme level, as set out in the 2009 Annual Implementation Report. See Section 4.5.1 Overview Description for further detail on the approach taken in this evaluation.

6.5.2 Commentary on Indicators / Findings

Gateway and Hub Fund

| Indicator | Baseline 2008 | Final 2013 | Out-turn to December 2009 |
|--|---|---------------------------|--|
| <u>Output:</u> No. of integrated growth centre strategies supported | 0 | 10 | 12 approved |
| <u>Result:</u> Gateway Development Index Scoring | Dundalk 2.7 Galway 5.6 Letterkenny 3.2 Midland Gateway (Athlone, Mullingar and Tullamore) 3.6 Sligo 5.0 | All 5 to show improvement | GDI index score to be updated based on 2010 data |

Comment: The output performance indicator is the number of integrated growth centre strategies supported in Gateways and Hub Towns. This indicator does not cover the intervention adequately, covering only the number of projects supported. An output indicator for each project would be more relevant and comprehensive than simply recording the number of growth centre strategies supported.

The result indicator used is the Gateway Development Index scoring and is based on the Gateway Development Index score for the Gateway towns. The Gateway Development Index measures the extent to which the designated Gateways are progressing as drivers of regional

economic development. The index takes account of the current level of development and trends across a common framework of key indicators which include population, enterprise, environment, economic, employment and social factors. A public awareness survey was also conducted to capture residents' views of the quality of life and the impact of Gateway designation in each Gateway city/town. The Index was the first such assessment of its kind in Ireland focusing solely on the effectiveness of the country's regional development strategy in the context of Gateways as drivers of their regional economies and is due to be reproduced in 2010 and 2013.

The use of the GDI as a result performance indicator seems to be a comprehensive method of assessing the effectiveness of the country's regional development strategy in the context of Gateways as drivers of their regional economies. However, the use of the GDI for this theme is very general and fails to capture how the particular projects actually contribute to the overall score achieved.

Playgrounds in RAPID Area

| Indicator | Baseline | Mid-term Dec 09 | Final | Outturn to 31st December 2009 |
|--|---------------------|--|--|--|
| <u>Output:</u> No. of Playgrounds provided | 0 under 2008 Scheme | 9 projects in BMW Region Gateway/Hubs | 9 projects in BMW Region Gateways/Hubs | 6 playgrounds built in the BMW Region's RAPID areas - Cavan Town (3), Athlone (2), Sligo (1) |
| <u>Result:</u> No. of users of new/used playgrounds | 0 | 46,000 households in completed projects in BMW Region Gateways/Hubs by end 2009 Based on one child user per household | 60,000 households in completed projects in BMW Region Gateways/Hubs by end 2013 Based on one child user per household | 4,000 households in the completed project in the BMW Region. Based on one child per household |

Comment: The reporting of the number of playground projects supported and completed should be straightforward. The targets for the number of households that will be served by supported Playgrounds (46,000 households by 9 playgrounds) bears no relationship to the number of households that are served by the Playground projects completed (4,000 households by 6 playgrounds). A review of the targets is required.

Key Linking Routes

| Indicator | Baseline | Mid-term target Dec '09 | Final (2013) Target | Position end 2009 |
|---|-----------------|--------------------------------|---|---|
| <u>Output:</u> | | | | |
| No. of key linking routes | 0 | 2 | 2 | 2 |
| Km of new/improved linking routes | 0 | 19.6 | 33 | 33 |
| <u>Result:</u> | | | | |
| Time Savings on improved key linking routes | 0 | 12 | 15.5 mins peak time, 8.7 minutes off-peak | 15.5 mins peak time, 8.7 minutes off-peak |
| Traffic Use | 0 | 12,546 | 13,070 | Not Available |

Comment: Both sets of indicators, outputs and results, seem reasonable and cover the intervention adequately. However, the result indicators on time savings and traffic use should clarify what the targets / outturn refers to i.e. is the figure for time savings an average of peak/off-peak for both roads jointly and if this is the case, it would be clearer if both roads were identified separately; also, does the traffic use indicator refer to *all types* of vehicles on a daily, weekly, or monthly basis and again does it refer to both roads jointly or separately.

As there has been substantial progress on this intervention, this has been reflected in the indicators, which, with the exception of the indicator on traffic use, have been able to collect

the required data. However, as this indicator on traffic use is unable to provide the data for end 2009, there is an issue on how timely the indicator is.

Public Transport

| Indicator | Baseline 2006 | Out-turn Dec '09 | Final 2013 |
|---|--------------------------|--------------------------------|--------------------------------|
| <u>Output:</u> Journey Time Dublin-Galway | Average minutes 165 | Average minutes 159 minutes | Average minutes 158 minutes |
| <u>Output:</u> No. of New railcars serving destinations in BMW Region | 0 | 24 | 24 |
| <u>Result:</u> Daily Services on | Dublin - Galway | 8 | 10 |
| Daily Services on | Dublin - Westport | 4 | 5 |
| <u>Result:</u> Increased annual capacity on railcars, per passenger journey | 0 | 61,152 | 76,440 |

Comment: The indicators for this theme capture some of the outputs and some of the outcomes. There are no indicators for work on rail line or accessibility improvements. Improvement in journey time is classified as an output but this is more the result of the rail line improvement and work on crossings etc (outputs).

The performance indicators that are classified as Results are really outputs. New rolling stock contributes to increased capacity and greater frequency and these are within the direct control of the rail company. The expectation is that improved journey times and comfort and increased services will lead to more passengers using the services. This is the real expected result, which cannot be controlled but is the basis of the investment. The changes in usage levels should be reported on.

Reporting against some indicators is inconsistent or contradictory in the Implementation Report. In one table the frequency of service does not appear to have improved whereas another table reports an additional daily service on each line. Time savings are only reported for one of the routes and should be reported for both.

Chapter 7 - Summary of Operational Programme Progress

7.1 Introduction

This Chapter summarises the progress made and the prospects to the end of 2013 at Operational Programme level in expenditure terms only. The preceding chapters (4-6) provided more detail of both physical and financial progress for each of the Priorities, themes and sub-themes. The chapter also outlines the OP contribution to North/South co-operation.

7.2 Financial Progress to Date and likely outturn to 2013

Table 7.1 – Expenditure to Date and Likely Outturn 2007-2013

| Priorities | Expenditure to end December 2009 €m | Likely outturn 2010-2013 €m | Total expected Expenditure 2007-2013 €m | Original Indicative Expenditure €m | Difference - Under Alloc. + Over Alloc. €m |
|--|--|--|--|---|---|
| 1. Innovation, ICT and the Knowledge Economy | 90.1 | 158.3 | 248.4 | 200.0 | +48.4 |
| 2. Environment and Risk Prevention | 17.7 | 52.9 | 70.6 | 75.0 | -4.4 |
| 3. Urban Development and Secondary Transport | 156.7 | 71.5 | 228.2 | 178.0 | + 50.2 |
| 4. Technical Assistance | 1.3 | 3.2 | 4.5 | 4.5 | 0 |
| TOTAL | 265.8 | 285.9 | 551.7 | 457.5 | +94.2 |

7.2.1 Expenditure to date:

The original expectation was that expenditure under the BMW Regional OP would be significantly front-loaded with nearly 80% to be spent in the first three years. This has not happened – Priority 1 is at 45%, Priority 2 is less than 25% and Priority 3 is close to 90%.

Only for Priority 3 has expenditure been frontloaded as expected. However taking the Programme as a whole, €265.8m or 58% has been spent in the first three years from a total programme allocation of €457.5m. As has been outlined in the previous chapters, where expenditure has occurred it has been matched by an expected level of outputs.

7.2.2 Anticipated Expenditure 2010-2013:

Current indications are that all three priorities can achieve their original expenditure allocations. Different levels of confidence apply to expected progress under the three Priorities.

For Priority 1 one can be very confident about the expenditure up to the original allocation and have reasonable confidence also about expenditure above that figure. Commitments already made under PRTLI for significant building projects and awards already made under SFI actions on their own will largely close the gap between the amount spent to date and the amount allocated to this Priority. In addition there will be expenditure on Broadband and Enterprise support as both of these are targeted under both the National and EU exercises on expenditure prioritisation (see Chapter 3 on Continued Relevance).

Priority 2 has spent the lowest percentage of its allocation in the first three years at less than 25%. Priority 2 has planned projects that would see it exceed its allocation but there is not the same level of confidence that these projects will progress as there is in projects in the other two priorities. One can state with some confidence that expenditure under this priority will rise from less than 25% to over 80%. The Energy sub-theme includes the construction of an Ocean Energy Test Site off Belmullet at a projected cost of €25m. This project has many hurdles to cross before construction begins. If this project does not proceed it will mean that expenditure under Priority 2 will fall short of its allocation.

Priority 3 is virtually certain to achieve and exceed its allocation. The anticipated expenditure of €6.1m on the Key Linking Routes theme relates to two projects that are now complete and €22.1 of the anticipated expenditure for the Public Transport theme relates to the new rail cars that have been purchased. The rail car expenditure is awaiting a major project approval. These two amounts taken together would mean that Priority 3 has already exceeded its allocation by about €7m. In addition there will be other expenditure under the Public Transport theme and under the Urban Regeneration theme.

7.3 Recommended Re-allocations to maximise OP Objectives:

The Terms of Reference for this evaluation stated that:

"The key objective of this evaluation will be to provide an independent analysis of progress under the Border, Midland and Western Regional Operational Programme and developments in the programme environment to date and to make appropriate recommendations for programme adjustment on the basis of this analysis."

The primary objective of the Operational Programme is the development of the BMW Region. The financial supports provided in the OP must be directed, in as far as possible, at interventions that will deliver their target outputs and achieve their projected results and outcomes. Based on the summary analysis above and the analysis in the preceding chapters this Mid-Term Review recommends the following reallocations of expenditure between the four principal Priorities:

1. Reduce the allocation to Priority 2 by €15m - from €75m to €60m
2. Reduce the allocation to Priority 4 by €0.5m - from €4.5m to €4m
3. Increase the allocation to Priority 1 by €5m - from €200m to €205m
4. Increase the allocation to Priority 3 by €10.5m – from €178m to €188.5m

These proposed reallocations should ensure that the BMW Regional Operational Programme maximises its support for interventions that will progress and therefore maximise its support for the development of the Region. The reallocation regarding Priority 4 – Technical Assistance is discussed in Chapter 8.

7.4 OP Contribution to North/South Co-operation

7.4.1 Overview

This section assesses the contribution of the OP to North/South Co-operation and focuses at a Programme level on those areas, which were identified in the Comprehensive Study on the All Island Economy²⁷, where co-ordination of policy intervention can prove beneficial to the citizens of both jurisdictions. These areas include:

²⁷ This study was prepared by officials from the Irish and NI Governments and Intertrade Ireland, supported by independent economic consultants and in close consultation with business leaders, North and South.

- interventions to support R&D and the development of the knowledge economy;
- interventions in education and training to enhance human capital;
- enhancing co-operation and co-ordination in the provision of key infrastructure including transport, energy and telecommunications; and
- enhanced co-operation in support of enterprise and development.

The investment in the BMW Regional OP is intended to *facilitate where possible greater co-operation between communities, institutions and enterprises on both parts of the Island especially the areas of infrastructure and enterprise.*

7.4.2 Progress

The majority of the themes / subthemes have limited scope for contributing to North/South co-operation, and are subsequently poorly reported on or not reported on at all in the Progress Reports. However, some concrete examples of themes²⁸ which contribute to North/South co-operation are:

Micro-enterprise – Innovation and Entrepreneurship

This theme is particularly pertinent to the area of enhanced co-operation in support of enterprise and development, as identified in the Comprehensive Study on the All Island Economy. Cross-border trade and business co-operation is facilitated and encouraged by CEBs, especially by those in Border counties and there are a number of formal cross-Border projects such as: Trade links; Interreg IIIA; Peace II/(EU) Peace and Reconciliation, etc. as well as informal networks of co-operation at district and local area level. There is also co-operation between the CEBs and the Northern network of Local Enterprise Agencies on introducing micro-businesses in both jurisdictions to Island-wide market possibilities for products and services; business visit exchanges; joint marketing initiatives; etc.

PRTL I

The PRTL I Cycle 4 – Call for Proposals specifically encourages collaboration with higher-education institutions in Northern Ireland. Four of the 16 (All-Ireland) PRTL I Cycle 4 recurrent projects currently funded include collaborative partnerships with Northern Institutions. Projects have established 16 new collaborations across five projects, all of which include institutions from the BMW Region.

Sustainable Energy

There are a number of examples of how this theme contributes to North/South co-operation, particularly to the area identified in the *Comprehensive Study on the All Island Economy* of

²⁸ Only those themes which have had funded activity to date are included in the assessment.

enhancing co-operation and co-ordination in the provision of key infrastructure including transport, energy and telecommunications. Examples of greater co-operation include:

- the Sustainable Energy Working Group under the All-Ireland Energy Joint Steering Group;
- the sustainable community projects in Dundalk and Newry with lessons being shared between the two projects; and
- the all-island Annual Energy Awards.

The Gateway and Hub Fund

5 of the 12 approved projects under this Sub-theme are relevant to North/South co-operation, Letterkenny, Cavan, Monaghan, Sligo and Dundalk. 3 of these projects, Letterkenny, Monaghan and Dundalk are regeneration type projects and will strengthen North/South co-operation in terms of tourism development in the Border Region. The Cavan Eastern Access Route is an infrastructure project which is seen as a key area in building co-operation between North and South, in this case contributing to the region's attractiveness for investment. The Sligo project focuses on the area of arts and culture, particularly the Model Education Programme which has several forms of North/South Co-operation and cross-community projects.

Chapter 8 - Programme Management, Technical Assistance and Selection Criteria

8.1 Introduction

This Chapter reviews the administrative and monitoring related elements of the Operational Programme and assesses the functioning of the administrative structures and the overall quality of Operational Programme management and monitoring arrangements. Due to the unique nature of the Technical Assistance Priority, progress under this Priority is also dealt with in this Chapter. Chapter 8 also includes a section which reviews the criteria used in project selection.

8.2 Programme management and Monitoring Arrangements

8.2.1 Overview

This section assesses the functioning of the administrative structures and the overall quality of the Operational Programme management and monitoring arrangements. The section is informed by the responses of the various Departments / Agencies, who are responsible for the OP themes, to a set of questions which was issued by the Evaluators. The set of questions was specifically tailored for each intervention, however there was a standard question relating to the management and monitoring arrangements and whether or not these arrangements in any way inhibited or prevented progress under the theme.

8.2.2 Review of administrative structures / Quality of Management and Monitoring Arrangements

The Implementation Plan for each priority / theme details the responsibilities of each of the relevant parties, i.e. the Managing Authority, the Intermediary Body and the Beneficiary Body, and defines the arrangements / structures in place to implement and manage the interventions. At OP level, the management and monitoring arrangements seem to work well for the programme and no difficulties were evident or were highlighted to the evaluators as being problematic.

With regard to the reporting in the progress reports, the overall view is that it is satisfactory, this is particularly true when the suggested format/templates are followed. However, the reporting on the horizontal principles does leave room for improvement. As mentioned in the individual sections on Horizontal principles in chapters 4-6, these reports would be improved if made more concise and focussed more on the outcomes/contribution made to the principle.

Other findings on the horizontal principle reports were a tendency to merely reproduce material that is elsewhere in the annual progress reports; many have incomplete templates; many demonstrate a lack of understanding of the principles and what is required from the reports; and an absence of indicators to capture the horizontal principles adequately. This view was supported in the submissions received from the Authorities responsible for the horizontal principles.

Priority 1 – Innovation, ICT and the Knowledge Economy

Overall, the management and monitoring arrangements seem to work well for the themes within the priority and no difficulties were evident or were highlighted to the evaluators as being problematic.

However one issue to highlight is the complexity of some of the management/administrative structures, especially for some of the Building Research Capacity sub-themes. While this complexity may be necessary due mainly to the number of bodies included it could increase the risk of inefficiency in the management of the theme. For example in the Technological Sector Research sub-theme, in addition to the Department of Enterprise, Trade and Innovation, the HEA and the educational institutions, the Council of Directors of the Institutes of Technology/Dublin Institute of Technology administered this sub-theme including the selection process (The Council of Directors are currently being removed from the process).

Another example of the complexity of some of the management/administrative structure is in the PRTLTI sub-theme. Responsibility for this sub-theme at Departmental level has recently transferred to the Department of Enterprise, Trade and Innovation (E,T&I) from the Department of Education and Skills. The HEA as the Beneficiary Body, has a key role in the management of this sub-theme, reporting to the Department (E,T&I) and managing and monitoring grants to the educational institutions. The HEA interacts with these institutions on a wide range of funding and on issues other than PRTLTI and while this is an advantage, the nature of PRTLTI does present its own management challenges. Each project may involve a number of institutions and a concern is the increased complexity in monitoring the achievement of outputs and outcomes across a large number of projects and institutions.

Priority 2 – Environment and Risk Prevention

Again, the management and monitoring arrangements seem to work well for the themes and there were no difficulties to report, though this is qualified for the waste management and water services themes and some of the Renewable energy and energy efficiency sub-themes, which have made no progress. However, for those themes which have made no progress, management / administrative structures was not cited as an impediment to progressing.

Priority 3 – Urban Development and Secondary Transport Networks

The management and monitoring arrangements work well for the themes and there were no difficulties to report. Several of the themes, especially on the Key Linking Routes and the Public Transport Themes, have long established working relationships which would include the appraisal and management of capital projects and this is demonstrated by the level of progress on both of these themes. The Arts Capital and RAPID Physical Environment sub-themes of the Urban Regeneration Theme made no progress to end 2009, however management / administrative structures was not viewed as impeding the theme in any way.

As with some of the Building Research Capacity sub-themes, the management / administrative system under the RAPID Playgrounds is complex, involving local authorities, Government Departments and Agencies and a local Area Implementation Team with representatives of the community. While complex, it is deliberately so, as a key part of the initiative is the involvement of disadvantaged communities in the identification of needs and in the influencing of policy. However, the structure of this sub-theme with the funding provided by the Department of Community, Equality and Gaeltacht Affairs and the HSE with the local authorities responsible for the actual spend, there is a danger that the complexity of the structure could lead to inefficiency.

The management arrangements for the Gateways and Hubs Scheme is unique within the programme, with the Regional Assembly acting as both Intermediate funding body and as Managing Authority. The scheme was launched in July 2009 using the 7.5% funding advanced by the EU Commission in respect of the BMW OP. Projects were assessed by a committee comprising the Departments of Finance and Environment along with the Regional Assemblies. The administration of the scheme is quite straightforward with grant offers and grant agreements issued to the local authorities by the Regional Assembly and grant payment claims are processed by the Assembly staff. The Regional Assemblies have proposed that this arrangement be extended for the post-2013 period in order to achieve administrative efficiencies, greater visibility for co-funded schemes and a higher level of compliance with structural funds regulations.

8.3 Technical Assistance

8.3.1 Overview

The Technical Assistance Priority is a stand-alone priority administered by the BMW Regional Assembly as Managing Authority and provides funding to cover programme wide costs in relation to areas such as preparation, management, monitoring, evaluation, information/publicity and financial management and control of the Operational Programme

together with activities to reinforce the administrative capacity for implementing the Funds. As it is a priority which applies across the entire Operational Programme it does not impact on the achievement of the specific objectives of the Operational Programme.

8.3.2 Financial Progress for Priority 4

Table 8.1 - Expenditure from 1st January 2007 to 31st December 2009

| | Total Programme Spend | EU Structural Funds |
|-------------|------------------------------|----------------------------|
| Expenditure | €1,362,855 ²⁹ | €681,428 |

The total technical assistance budget for the duration of the Operational Programme is €4,517,676.³⁰ The spend to date of over €1.3m represents 30% of the overall technical assistance allocation for the 2007-13 period. The budget covers programme costs up to the closure of the Programme in 2015/16 and it is unlikely that the full remaining allocation of €3.15m will be spent during this period. The Evaluators propose that a further €0.5m is possible for re-allocation to Priority 3 from this Priority.

²⁹ The expenditure represents expenditure incurred by the Regional Assembly & Regional Authorities only. Other expenditures incurred in respect of Publicity, Audit, IT system, etc., have not yet been quantified and are therefore not included.

³⁰ The original budget for Technical Assistance was €10.9m however this was revised to €4.5m as part of the modifications to the Operational Programme approved in 2009.

8.3.3 Physical Progress for Priority 4

Table 8.2 - Performance Indicators

| Indicator Class | Indicator | Baseline | Final Target (2013) | Out-turn to December 2009 |
|------------------------|---|-----------------|----------------------------|----------------------------------|
| OUTPUT | No. of Monitoring Committee Meetings held | 0 | 7 | 4 |
| | No. of Evaluations and Studies conducted | 0 | 3 | 1 (GDI) |
| | Annual Programme of Verification and Systems Audits | 0 | 7 | 3 |
| | No. of annual publicity events | 0 | 7 | 3 |
| RESULT | % Achievement of Physical and Financial Targets | 0 | 100% | N/A |

Table 8.2 outlines the physical progress to date under the Technical Assistance Priority as captured by the performance indicators. While no mid-term targets were set for the Priority and it is not possible to comment on the extent to which the priority is progressing against target at this stage, it is reasonable to assume that the Priority is making good progress at the mid-term stage in terms of progress against what final 2013 targets.

8.3.4 Horizontal Principles

There are no associated horizontal principles with the Technical Assistance Priority.

8.3.5 Performance Indicators

As mentioned previously, Technical Assistance is a unique priority in that it does not impact on the achievement of the specific objectives of the Operational Programme but provides for funding to cover the administrative elements of the OP such as management, monitoring, evaluation, etc. Overall the indicators for the Priority, detailed in Table 8.2 above, adequately

cover the Priority and give a broad indication of the physical progress of the priority. However, no mid-term targets were set for the Priority, so it is not possible to comment on the extent to which the priority is progressing against target.

8.4 Selection Criteria

8.4.1 Overview

This section reviews the selection criteria applied in accordance with the principles set out in section 8.7 of the OP, namely:

- transparency in the process – all potential beneficiaries to be aware of the process and criteria to be used;
- incorporation of OP objectives into the selection criteria;
- incorporation of applicable horizontal principles (e.g., sustainability, equality) into the selection criteria;
- use of competitive selection processes, where feasible;
- cost effectiveness and value for money; and
- consistency in the appraisal of proposals.

In addition to these, for Priority 3, projects are to be selected which address economic, social and environmental issues in the designated growth centres, consistent with the NSS, Regional Planning Guidelines and Gateway investment priorities.

The section is informed by the responses of the various Departments / Agencies, who are responsible for the OP themes, to a set of questions which was issued by the Evaluators. The set of questions was specifically tailored for each intervention, however there was a standard section relating to the Project Selection criteria and to what extent did the various interventions incorporate the selection criteria mentioned above.

8.4 .2 Selection Criteria Applied

Priority 1 – Innovation, ICT and the Knowledge Economy

The beneficiaries of this priority are Higher Education Institutions (HEIs), business and providers of broadband solutions. Potential beneficiaries are made aware of the process and criteria to be used in an appropriate fashion. In the case of the HEIs they form a small group who can be invited directly to apply or directed to information about supports which is made

available on-line. Business is made aware of supports using appropriate publicity and criteria for selection are published and/or explained during direct contact with clients. In the case of broadband providers open invitations to tender are made through the usual procurement channels that suppliers are very familiar with.

Based on the material provided, the Implementation Plans and contact made with the implementing agencies it was found that the selection criteria are aligned to the Priority and OP objectives. Horizontal Principles are not as explicitly incorporated. For the Marine Research sub-theme, for example, it was stated that the Environment Sustainability principle is implicit in the selection criteria. For many of the sub-themes the Gender Equality principle is well promoted but the selection criteria have to be based on the technical merit of the proposal.

For sub-themes where a competitive process is appropriate it is used e.g. Applied Research Enhancements, Incubation Facilities, SFI Actions, and Broadband. Two exceptions are Micro Enterprise Innovation and Entrepreneurship and Research Facilities Renewal. The micro enterprise grants are assessed by an Evaluation Committee and selection is based on eligibility based on criteria published by CEBs and subject to local area development needs and available funds. This is an acceptable exception to a competitive process. For the Research Facilities Renewal sub-theme grants were based on the number of full time equivalent Masters and PhD students. This sub-theme will not have any further expenditure for the remainder of the OP. It was put in place to ensure that institutions that were not successful in the competitive research funding processes were able to fund some of their research needs. While this may have been the case it probably meant that some Institutions that were successful under the competitive processes were just getting bonus funding under this heading. If this sub-theme was to continue to operate then a recommendation to amend the selection process would have been made. The selection process should have taken account of research needs and all research funding sources.

Consistency in the appraisal of proposals is assured by a number of means including the publication of guidelines for evaluation, consistent scoring and evaluation methodologies and the use of panels with outside expert members. An open tendering process contributes to ensuring the cost effectiveness of the Broadband theme. Ensuring the cost-effectiveness of the other themes in the Priority is more difficult. It relies on good overall strategies and appraisal to ensure that investment is made in the right areas. It also is reliant on quality proposals, quality follow through by award recipients and good management by the Implementing Bodies. Cost effectiveness will be judged by on-going in-depth evaluation of individual themes. As an example an economic impact assessment of PRTLTI is currently being

undertaken. Ongoing evaluation is particularly relevant to the interventions under this Priority. In this regard, a commitment has been made in the Evaluation Plan for the OP, to undertake an impact evaluation of the research and innovation themes in Priority 1, at the end of the programme (2013).

Priority 2 – Environment and Risk Prevention

A diverse set, made up of Local Authorities, large business and SMEs, and the energy research community make up the target population for this Priority. These diverse groupings are made aware by different means of the supports available. The Local Authorities have an ongoing relationship with their parent Department of Environment, Heritage and Local Government and have responsibilities for Water Supply, Waste Water Treatment and Water Conservation. Ensuring that Local Authorities are aware of the supports available for Water measures under this priority is part of the ongoing exchange with the funding Department. The Sustainable Energy Authority of Ireland provides significant information on the supports available to their target population on their website. All interested parties should, based on the steps taken by the implementing authorities, be adequately aware of the supports that are available.

Based on the material provided, the Implementation Plans and contact made with the implementing agencies it was found that the selection criteria are aligned to the Priority and OP objectives. Nine of the eleven sub-themes in this Priority are closely aligned to the Environment Sustainability principle and therefore this Horizontal Principles is well reflected in the selection criteria. The only other Horizontal Principle relevant in this Priority is Social Inclusion. The Built Heritage sub-theme takes account of access and pricing in relation to this principle.

Competitive selection processes are not widely used in this priority. Qualification for funding based on scientific or technical merit would typify the selection processes used. This is justified by the nature of interventions supported. Water supply, conservation or treatment support is based on the needs of the location concerned. Grants for energy saving installations in business are based on objective qualification criteria. Built Heritage Sites are nominated by organisations with appropriate expertise and funding awards are decided on by a Department selection board.

Published criteria, selection boards, and adherence to guidelines such as the Capital Appraisal Guidelines should ensure that appraisal of proposals is consistent. Cost effectiveness and

value for money, in the absence of purely competitive processes, is dependant on well chosen strategic frameworks, quality appraisal, quality proposals and management. On-going evaluation needs to be used to verify that all stages are delivering on expectations.

Priority 3 – Urban Development and Secondary Transport Networks

The themes that make up this Priority have very specific target groups which make informing potential beneficiaries a straightforward process. The target groups are specific local authorities, RAPID Area Implementation Teams in the BMW Region and Iaranród Éireann which is the single national authority with responsibility for national rail transport. The Arts Capital theme would have a wider audience but it had no expenditure to date and is not expected to have any expenditure for the remainder of the OP.

It was found from the material examined and consultations with implementing agencies that the selection criteria are aligned to the Priority objectives. Horizontal Principles are by default relevant to the selection criteria for some of the themes e.g. any investment in RAPID areas is expected to contribute to the Social Inclusion Principle, investment in accessibility to the Broader Equality Principle and in Public Transport to the Environment Sustainability Principle. This incorporation of horizontal principles is largely due to the close alignment between some of the themes and horizontal principles.

Selection processes for Key Linking Routes and Public Transport concentrate on meeting an identified need that is deemed to be a priority. Adherence to the Capital Appraisal Guidelines and the use of Cost-Benefit Analysis where appropriate help to ensure that selected projects are a priority within their area. It also contributes to the value for money process as the most economical option that meets the identified need should be selected.

The selection of RAPID playground projects uses a local partnership approach which involves the community in selecting projects that meet local needs. This process, while not as standardised or formal as the processes used elsewhere, is appropriate to the scale and type of intervention that is supported in the RAPID designated areas.

Chapter 9 Conclusions and Recommendations

9.1 Introduction

This Chapter summarises the conclusions and recommendations of this Mid-Term Evaluation of the Operational Programme for the BMW Region.

9.2 Conclusions

The economic environment in the BMW Region and in the country as a whole has changed significantly from the one that existed at the time the Operational Programme was agreed and into its first year of operation. Economic activity went into reverse in 2008 and this reversal intensified in 2009. Unemployment levels in the Region have increased from c. 4% to c. 14% with the Construction, Industry and Agriculture, Forestry and Fishing sectors suffering most.

There have been many new policy developments since the OP was agreed and some of these are discussed in Chapter 2. Adjustments to the OP itself were also agreed in 2009 which included the addition of a second Strategic Road project and the inclusion of the SFI Actions sub-theme to Priority 1. Analyses at national and European level have been undertaken to identify interventions that should be prioritised to tackle these significant economic challenges. This Review examined the interventions contained in the BMW Regional OP against the interventions that have been identified as priorities at national and EU level and found that the BMW Regional OP interventions are well aligned with the national and EU priorities.

This Review found that Priority 1 – Innovation, ICT and the Knowledge Economy is performing reasonably well. While expenditure has not been frontloaded as originally envisaged, expenditure to date has reached a point equivalent to what one would expect if expenditure was to be spread evenly over the seven years of the OP. The Performance Indicators show that outputs and results are being achieved in line with expectations. Current expectations are that expenditure under this OP in the BMW Region will increase in the latter part of the OP. This is partly due to the adjustments made to the OP in 2009 including the addition of the SFI Actions sub-theme.

Of the three main priorities Priority 2 – Environment and Risk Prevention is the one that is lagging furthest behind expectations. Expenditure to date is less than 25% and there has

been no expenditure under some of the themes. Activity is expected to pick up significantly in the latter period of the OP and expenditure may even exceed original expectations. A lot will depend on whether the Belmullet Ocean Energy Test Site proceeds or not. A more realistic expectation may be that Priority 2 will fall 10-20% short of its allocation.

Significant progress has been achieved under Priority 3. New projects, Strategic Roads and Railcars in particular, that were added to the Priority as part of the 2009 OP adjustments have helped boost expenditure and the achievement of expected results. Two of the three themes are likely to exceed expectations with the third theme – Urban Regeneration likely to under spend by €2.3m or 7.5%. Overall the Priority will definitely spend its target allocation and is expected to exceed this target by nearly 1/3 or just over €50m.

The OP has high-level Performance Indicators at Priority level. These are easily understood, have baseline positions, targets and are well reported. Being high-level targets they can fail to capture the complexity of the Priority. The Performance Indicators for each theme/sub-theme were reviewed and commented on as part of this review. Some performance indicators were found to be acceptable but others need improvement. A full review of performance indicators for a programme of this size would be a significant task but suggestions for improvement have been made, where practicable. A general comment about many of the performance indicators is that their usefulness could be improved by a more focussed presentation.

Reporting against the OP's four Horizontal Principles was also reviewed. Similar to the comments made about the Performance Indicators above, the standard of reporting is mixed. This may be because there is not a full understanding of what is expected of the reports or possibly reflect the limited physical progress of some of the themes. In many cases the main report on progress is replicated as the report of the contribution made to the horizontal principle. There is a lack of horizontal principle performance indicators.

The Review also assessed the contribution of the OP to North/South co-operation and focused on those areas, which were identified in the Comprehensive Study on the All Island Economy, as being potentially beneficial to the citizens of both jurisdictions. Overall, the majority of the themes / sub-themes have limited scope for contributing to North/South co-operation, and are subsequently poorly reported on or not reported on at all in the Progress Reports. However, there are some examples of themes which can / have contributed to North/South co-operation including the Micro-enterprise, PRTLTI, Sustainable Energy and the Gateway and Hub Fund themes/sub-themes. These themes broadly correspond to those areas identified as being beneficial in the Comprehensive Study on the All Island Economy.

Monitoring and Administrative Arrangements were reviewed and the overall conclusion is that the arrangements in place are often well established relationships between the providers of funding and those implementing and that these arrangements have not been an impediment to progress. There are a small number of situations where inefficiencies may arise.

Selection Criteria were reviewed and found generally to be in accordance with the principles set out in Section 8.7 of the OP. Where there were deviations from the principles it was found that there were valid reasons for these. There are a range of relevant guidelines in place that are relevant to appraisal, procurement and evaluation. Adherence to the principles set out in relation to Selection Criteria is very dependant on how well the funding and implementing agencies follow these guidelines.

9.3 Recommendations

Re-allocation

The principle recommendation of this review is that funding be reallocated from Priority 2 to Priorities 1 and 3 as follows:

1. Reduce the allocation to Priority 2 by €15m - from €75m to €60m;
2. Reduce the allocation to Priority 4 by €0.5m - from €4.5m to €4m
3. Increase the allocation to Priority 1 by €5m - from €200m to €205m; and
4. Increase the allocation to Priority 3 by €10.5m – from €178m to €188.5m.

These proposed reallocations should ensure that the BMW Regional Operational Programme maximises its support for interventions that will progress and therefore maximise its support for the development of the Region.

Performance Indicators

- At Priority level the Performance Indicators for Priority 2 in particular should be reviewed. A more expanded set of Priority level indicators is required to reflect the complexity of the Priority.
- The detailed observations and recommendations for the theme/sub-theme performance indicators contained in Chapters 4, 5 and 6, summarised in Appendix 4, should be acted on.

- Where possible, the core indicators (as described in section 4.5.1) should be used for any revised indicators to be developed arising from this evaluation.

Horizontal Principle Reporting

- Steps should be taken by the Regional Assembly as Managing Authority in consultation with relevant Departments to specify more clearly what is expected in Horizontal Principle Reports.
- Departments and agencies responsible for the implementation of themes should ensure that the content of their horizontal report is focussed on the contribution the theme is making to the relevant horizontal principle. Repetition of the progress report does not make for good horizontal principle reporting.
- Performance Indicators for horizontal principles are the exception and need to be developed.

Selection Criteria

- The success of many of the themes in the OP may only be apparent some time after the investment has been made. A strong programme of on-going monitoring is required to confirm that the interventions supported work as well in practice as in theory and that they are achieving the expected results. An impact assessment of the research and innovation interventions is planned at the end of the programme.

Monitoring/Administrative Arrangements

- While the management and monitoring arrangements seem to work well for the programme and no difficulties were evident or were highlighted to the evaluators as being problematic, there is room for improvement in the reporting on the horizontal principles. The relevant recommendations have already being listed in the recommendations under Horizontal Principle Reporting.

Appendix 1

Terms of Reference Proposal Document



Border, Midland & Western
Regional Assembly
Investing in Your Future

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**Terms of Reference
for the Performance Evaluation of the Border, Midland and
Western Regional Operational Programme 2007-13**

**Border, Midland and Western Regional Assembly,
The Square,
Ballaghaderreen,
Co. Roscommon
Tel: 094 9862970
Fax: 094 9862973
www.bmwassembly.ie**

April 2010



Ireland's EU Structural Funds
Programmes 2007 - 2013

Co-funded by the Irish Government
and the European Union



EUROPEAN REGIONAL
DEVELOPMENT FUND

Terms of Reference for Evaluation of the Border, Midland and Western Regional Operational Programme 2007-13

1. Programme Objectives, Structure and Financial Allocations

1.1 Overview and Background to the Border, Midland and Western Regional Operational Programme

The regionalisation arrangements negotiated by the Irish authorities in the context of the Agenda 2000 Agreement, led to the designation of the country into two NUTS II regions, for structural funds purposes. The new regions are:-

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

Under the 2007-13 round of EU Structural Funds, the Border, Midland and Western Region is no longer eligible as an objective 1 region and qualifies for assistance as a phasing-in region under the Regional Competitiveness and Employment objective (formerly objective 2).

The Irish Government, as set out in the [National Strategic Reference Framework](#) (NSRF) has decided that Cohesion policy for the 2007-13 period is to be delivered through separate Regional Operational Programmes (OPs) for the BMW and the S&E Regions and a national ESF Operational Programme. The BMW Regional Assembly was designated by the Irish Government as the Managing Authority for the BMW Regional OP 2007-13 and responsible for its preparation and delivery.

The new OP was prepared taking account of EU priorities, regulations and guidelines, national policies and strategies and regional needs. A lengthy consultation process was undertaken during 2006 and early 2007 involving Government Departments and Agencies and regional bodies. The new programme aims to build upon the success of the previous OP and address new challenges in the BMW Region and will seek to support entrepreneurship, innovation and knowledge, develop world-class infrastructure and support a sustainable environment.

1.2 Objectives of the Border, Midland and Western Regional Operational Programme

The overall objective of the operational programme is to facilitate innovation, ensure sustainable development, improve accessibility and develop the urban fabric within the region, in order to enhance overall productivity and competitiveness. Specific priority-level objectives have been defined, as follows:

Priority 1: Innovation, ICT and the Knowledge Economy

The objective of this priority is to enhance the research, innovation and ICT infrastructure and capacity of the Border, Midland and Western Region, to promote entrepreneurship and enterprise development and to support collaboration and technology transfer between research institutions and the business sector, that responds to the economic development needs of the Region.

Priority 2: Environment and Risk Prevention (amended Oct '09)

The objective of this priority is to contribute to the sustainable development of urban and rural areas and the protection and enhancement of the urban and rural environment and the protection of surface and groundwater from pollution. The priority will also stimulate energy efficiency, renewable energy deployment and the integration of sustainable energy practices into public policies.

Priority 3: Urban Development and Secondary Transport Networks

The objective of this priority is to strengthen the spatial structuring of the BMW Region by investing in integrated sustainable initiatives in order to enhance the competitiveness, accessibility and social cohesion of the region's urban growth centres and to modernise the region's transport infrastructure

Priority 4: Technical Assistance

Under this priority, funds are used to finance the preparatory, management, monitoring, evaluation, information and control activities of the OP together with activities to reinforce the administrative capacity for implementing the funds.

1.3 Focus of the Regional Operational Programme

The specific focus of the OP is on innovation and the knowledge economy, environment and risk minimisation, and accessibility to services of general interest (e.g. broadband, transport infrastructure).

The justification for the selected priorities is based on EU and national/regional considerations. The Priorities have taken account of:

- The EU policy context set by the Lisbon and Gothenburg Agendas;
- The Community Strategic Guidelines and the strategic priorities defined in the National Strategic Reference Framework;
- The requirement that a minimum of 75% of national expenditure in "Regional Competitiveness and Employment" Programmes should be earmarked for actions which support the Lisbon objectives;
- The range of intervention eligible under the ERDF Regulation, the reduced Structural Funds available to the region under EU Cohesion Policy and the profile (frontloading) of the funding; and
- The need to maximise Community Added-Value.

At a regional and national policy level, the OP has also taken account of:

- The agreed vision for the BMW Region, arising from the Regional Foresight exercise;
- The SWOT analysis and the specific areas of need identified in the previous chapter;
- The importance of selecting investments that would facilitate the on-going convergence of the region towards the EU and national averages;
- The need for both concentration of resources and for balance in interventions (both spatially and thematically);
- The National Spatial Strategy (NSS) 2002-2020 and other relevant strategies;
- The need to ensure complementarity with other EU co-financed programmes and financial

instruments; and

- Investments to be undertaken under the NDP and its constituent investment programmes and the requirement for this OP to complement these.

The niche strategy approach adopted consisted of identifying specific types of intervention that are focused on, add value to and reinforce the attainment of the strategic objectives defined for the OP, taking account of the EU, national and regional determinants outlined above and the need to complement other EU-funded programmes and mainstream national initiatives.

The selected interventions will in many instances provide valuable demonstration effects with the potential for mainstream application and in all cases will be accorded high visibility within the region. This is also a pragmatic response to the level of funding available under the OP and the need to prioritise the allocation of financial resources.

1.4 Financial Allocations

The scale of resources available under this programme means that the programme has selected a number of niche investments under these Priorities. These are designed to address specific issues, consistent with EU and national objectives that will help the region to achieve its convergence objectives. The scope of these niche investments must be considered in the context of overall Government investments in the BMW Region, particularly under the NDP 2007-13.

A further notable factor is the multi-annual profile of the funding available to the BMW Region. This funding is heavily front-loaded with c.79% to be committed within the first three years of the programme. As a consequence, and drawing on the lessons of previous evaluations, the Managing Authority has sought to identify focused interventions that address EU, national and regional priorities, but that do not have long lead-in times.

Following a programme modification approved by the EU Commission in October 2009, the total funding commitment to the Border Midland and Western Regional Operational Programme is €458m over 7 years, which is 50% co-financed by the European Regional Development Fund and 50% from the national exchequer. The allocation at priority level are as follows:

| Priority axis | EU Contribution | National Public Contribution | Total Cost |
|---|--------------------|------------------------------|--------------------|
| 1: Innovation, ICT and the Knowledge Economy (ERDF) | 100,000,000 | 100,000,000 | 200,000,000 |
| 2: Environment and Risk Prevention (ERDF) | 37,500,000 | 37,500,000 | 75,000,000 |
| 3: Urban Development and Secondary Transport Networks (ERDF) | 89,000,000 | 89,000,000 | 178,000,000 |
| 4: Technical Assistance (ERDF) | 2,258,838 | 2,258,838 | 4,517,676 |
| Total | 228,758,838 | 228,758,838 | 457,517,676 |

Unlike the previous programming period, financial allocations are only required to be provided at priority-level and there is no requirement to provide 'measure-level' final allocations. However, an indicative allocation by theme based on the above revised priority allocations has been provided to the OP Monitoring Committee by the Managing Authority, as follows:

| Priority | Categorisation Code | Themes | Indicative Amount |
|--|----------------------------|---|--------------------------|
| Priority 1: Innovation, ICT and the Knowledge Economy | 01 | PRTLII, Marine Research and SFI Actions | 99 |
| | 02 | Applied Research, Incubation & Commercialisation | 24 |
| | 08 | Micro-enterprise | 40 |
| | 10 | Broadband | 37 |
| | | | 200 |
| Priority 2: Environment & Risk Prevention | 45 & 46 | Water Services Investment & Water Conservation & Pilot Sewage | 26 |
| | 43 | Renewable Energy & Energy Efficiency | 30 |
| | 44 | Waste Management | 6 |
| | 56/58 | Natural and Built Heritage | 13 |
| | | | 75 |
| Priority 3: Urban Development & Secondary Transport | 20/22 | Key Linking Routes | 90-100 |
| | 16 | Public Transport | 57 |
| | 59/61 | Urban Development & RAPID & Cultural Infrastructure | 31 |
| | | | 178 |
| Priority 4: Technical Assistance | 85/86 | Technical Assistance | 4.5 |
| Overall Total | | | 457.5 |

1.5 Operational Programme Monitoring Committee

Delivery of the Operational Programme is overseen by the Operational Programme Monitoring Committee, comprising:

- the Managing Authority, i.e. Regional Assembly;
- the Department of Finance;
- the Government Departments and Agencies involved in the implementation of the Measures in the OP;
- the Special EU Programmes Body;
- Regional Authorities and the Western Development Commission;
- Each of the four Social Partners Pillars; and
- appropriate statutory body(ies) to represent each horizontal interest: gender equality, environmental sustainability, broad equality and social inclusion

The EU Commission's representation, headed by the representative of the Directorate General for Regional Policy, as well as the Directors of the 3 Regional Authorities in the BMW Region and representatives of the ERDF Certifying Authority sit on the Committee in an advisory capacity.

Under Article 65 of the Structural Funds Regulation (EC) 1083/2006), the Monitoring Committee shall satisfy itself as to the effectiveness and quality of the implementation of EU co-financed expenditure. This will include reviewing the progress made towards achieving the specific targets of the OP and examining the results of implementation, particularly achievement of the targets set for each priority axis and evaluations. The full list of

responsibilities of the Monitoring Committee is provided in section 8.2 of the Operational Programme.

1.6 Horizontal Principles

In accordance with article 16 of Council Regulation (EC) 1083/2006 laying down the general provisions on the ERDF, the Operational Programme sets out information on the steps taken to ensure equality between men and women, the integration of a gender perspective and the prevention of discrimination on the basis of gender, race or ethnic origin, religion or belief, disability, age or sexual orientation during the various stages of implementing the Funds and, in particular, in the access to them.

The objectives of the BMW Regional OP will also be pursued within the framework of sustainable development and the promotion of the goal of protecting and improving the environment in accordance with article 17 of the above regulation. In addition, the implementation of the OP incorporates mechanisms to promote social inclusion during implementation.

These principles manifest themselves in a number of ways through the implementation of the Operational Programme:

- Each Implementation Plan sets out what impact (if any) the priority theme will have on the principles that have been prioritised as most appropriate;
- The principles may be incorporated, where appropriate, into the project selection procedures of implementing bodies;
- The principles may feature as requirements in evaluations undertaken under the Plan;
- Where appropriate and feasible, specific indicators to assess impact on these horizontal issues are to be developed at priority theme level.
- The OP Monitoring Committee include representatives from the appropriate bodies responsible for the four principles;
- Each Intermediary Body is required to report to their respective Monitoring Committee on the progress of the horizontal principles in their Programmes, using a standard template developed for this purpose.

For the purposes of this evaluation, the common understandings of these principles are as follows

Gender Equality: Gender Equality means that women and men should enjoy the same rights and opportunities and that the different behaviour, aspirations and needs of women and men are equally valued and favoured. Government policy in this area includes positive action in particular circumstances and commitments to apply a gender equality perspective in all areas (gender mainstreaming).

Environmental Sustainability: Ensuring that the economy and society can develop to their full potential within a well protected environment³¹ without compromising the quality of that environment, and with responsibility towards present and future generations and the wider international community. (Sustainable Development: A Strategy for Ireland).

Broad Equality: The prevention of discrimination on the basis of the grounds of gender, race, ethnic origin, religion or belief, disability, age and sexual orientation. Accessibility for disabled persons shall be one of the criteria to be observed in defining operations co-financed by the Funds and to be taken into account during the various stages of implementation.

Social Inclusion: Social exclusion is being unable to participate in society because of a lack of resources that are normally available to the general population. It can refer to both individuals, and communities in a broader framework, with linked problems such as low incomes, poor housing, high crime environments and family problems

To ensure a credible examination of the horizontal principles is undertaken across the mid-term evaluation of the BMW Regional OP, the horizontal issues will be examined in a number of ways:

- (a) examination of the horizontal principles will be mainstreamed through the analytical tasks laid out as in section 3.
- (b) The Evaluator will be required to assess how the horizontal principles are reported across all measures drawing from the progress reports issued to Monitoring Committee meetings;

1.7 Co-operation with Northern Ireland

The economies of both parts of the Island of Ireland are currently undergoing significant economic change, moving towards more innovation-oriented stages of development. Both economies face similar challenges related to the increased pace and intensity of global competition. The two economies must build areas of co-operation particularly in the areas of infrastructure, research and development, skills formation and innovation which will enhance both communities' capacity to position themselves in the knowledge economy of the future.

The investment in the Regional OP will facilitate, where possible, greater co-operation between communities, institutions and enterprises on both parts of the Island especially the areas of infrastructure and enterprise.

1.8 Project Selection

For the 2007-13 programming period, the Monitoring Committee is required to consider and approve criteria for the selection of operations financed under each priority, within six months of the approval of the OP and approve any revision of those criteria in accordance with programming needs. Only operations selected in accordance with the approved criteria are to be eligible for EU co-financing. The specific selection criteria for individual themes were drawn up in consultation with the relevant Intermediate Bodies, in accordance with the principles set out in section 8.7 of the OP.

2. Evaluation Context

The purpose of evaluations as stated in Article 47(1) of the General Structural Funds Regulation (EC) 1083/2006 is to improve the quality, effectiveness and consistency of the assistance from the Funds and the strategy and implementation of the OP with respect to the specific structural problems affecting the Member States and Regions concerned, while taking account of the objective of sustainable development and of the relevant Community legislation concerning environmental impact and strategic environmental assessment.

While the regulatory requirement for an Evaluation Plan under Article 48(1) of the General Regulation (EC) 1083/2006 is confined to convergence (objective one) regions, it was nevertheless considered useful by the Managing Authority to develop a coherent document which provides an overall framework for monitoring and evaluation of the BMW Regional OP 2007-13, as evaluation is considered an important programming tool which can add value by enhancing the effectiveness of programme implementation and ensure a longer term impact.

An Evaluation Plan was adopted by the BMW Regional OP Monitoring Committee at its meeting in October 2009.

The Evaluation Plan reflects the fact that for the 2007-13 programming period there has been a shift in the evaluation approach from the regulatory imperative of a mid-term evaluation, towards a more flexible, demand-driven approach to evaluation. It also reflects the proportionality principle as espoused in Article 74 of the Structural funds Regulation (EC) 1083/2006. The BMW Regional OP includes (in chapter 8) a provision that during the programming period, the Managing Authority will commission and launch evaluations linked to the monitoring of the OP, in particular where the monitoring of programmes reveals a significant departure from the goals initially set or where proposals are made for the revision of the OP.

It was proposed by the Managing Authority in the Evaluation Plan that a comprehensive performance-related evaluation of the BMW Regional OP would be commissioned in 2010. The timing of this evaluation has to balance two important considerations. First, the financial profile of the OP is heavily front-loaded with 79% of the financial commitments in the first 3 years of the programme. Second is the necessity to allow programme changes introduced in the second half of 2009 to take effect.

3 Detailed Terms of Reference

3.1 Evaluation Objective

The key objective of this evaluation will be to provide an independent analysis of progress under the Border, Midland and Western Regional Operational Programme and developments in the programme environment to date and to make appropriate recommendations for programme adjustments on the basis of this analysis.

3.2 Analysis

The key analytical tasks required to complete the mid-term evaluation are set out below under six broad evaluation headings with a set of detailed tasks under each.

Review of External Developments

- A brief review of the implications of the changes in the programme environment since 2006, including a brief analysis of relevant regional and sub-regional data and a review of the implications of any relevant policy and legislative developments at both national and EU level.

Continued Relevance of the Programme Objectives

- Review of the quality, relevance and consistency of the programme objectives and strategy.

Effectiveness/Progress to date

- Review financial progress at priority and OP level compared to OP forecasts up to end 2009.
- Assess the physical progress of the BMW Regional OP on the basis of the reported progress and performance indicators (output and result) at theme and priority level on a cumulative basis to end 2009.
- Identify any constraints (internal or external to the programme) which have affected progress.
- Assess how the horizontal principles are reported on across all measures drawing from the progress reports issued to Monitoring Committee meetings;
- Assess the contribution of the OP to the achievement of the Lisbon goals and to North/South co-operation.

Programme Management and Efficiency

- Assess the functioning of the administrative structures and the overall quality of Operational Programme management and monitoring arrangements
- Review the selection criteria applied in accordance with the principles set out in section 8.7 of the OP.

Indicators

- Review the indicators at priority and theme level having regard to the following criteria:
 - f) Comprehensiveness in terms of capturing programme outputs and benefits;
 - g) The relevance, reliability and timeliness of the indicators including the quality of the data used;
 - h) The realism of the targets set down;
 - i) Consistency with EU Core Indicators;³² and
 - j) The extent to which, horizontal effects are captured.

Conclusions/Recommendations

The Evaluator will be expected to draw appropriate conclusions in relation to each of the analytical tasks set out above and express a view as to whether the priority and OP objectives are likely to be achieved. In addition the Evaluator may express a view on the continuing validity of the ex-ante/needs/ analysis presented in Chapter 3 of the Operational Programme and the continuing relevance of the programme and priority objectives and strategy in this light; and draw conclusions in relation to the structures and arrangements for programme management, monitoring and delivery.

In terms of recommendations, it would be open to the Evaluator to make recommendations on any issue arising from the conclusions drawn. Where the Evaluator proposes adjustments to the allocation of resources within the programme, these must be made within the envelope of remaining resources in the OP budget. Broadly speaking, recommendations should be within the area of responsibility of the Monitoring Committee of the Operational Programme.

4. Sources of Information

The following sources of information will be made available:

- Original ('07) and Modified ('09) BMW Regional OP 2007-13
- Implementation Plans for each co-financed theme (updated October '09)
- Selection Criteria for co-financed themes (updated October '09)
- Annual Progress Reports provided to the OP Monitoring Committee
- Reports on horizontal principles submitted by Intermediary Bodies
- Annual Implementation Reports 2007 & 2008 (2009 report available June 2010)

Furthermore, Implementing Departments and agencies will have additional information which can be made available to the Evaluator for the purposes of the evaluation.

The Evaluator should also be aware that the Operational Programme itself was subject to ex-ante evaluation by Fitzpatrick Associates in 2006/07³³.

³² As defined in Working Document No. 2 *Indicative Guidelines on Evaluation Methods: Monitoring and Evaluation Indicators* EU Commission August 2006
http://ec.europa.eu/regional_policy/sources/docoffic/2007/working/wd2indic_082006_en.pdf

³³ Ex Ante Evaluation Report is available at: http://www.bmwassembly.ie/NEWOP_2007-2013/NewOP_Docs/06.16%20BMW%20EX%20ANTE%20FINAL%20REPORT.pdf

Finally the need for desk-based analysis of these information sources should be complemented through consultation with the Managing Authority, Implementing Bodies and other relevant stakeholders, as they make have at their disposal additional information, including reviews they may have undertaken on specific aspects of the programme. This shall include the specialist units responsible for the four horizontal principles.

5. Timing and Organisation of Evaluation

5.1 Timing

The deadline for submission of a complete draft evaluation report is end-September 2010. Following consideration by the steering committee for the evaluation (see below), the Evaluator will be required to submit a final report by end-October 2010

5.2 Organisation

Both the independence and the quality of this evaluation will be achieved by establishing a Steering Committee, comprising the Managing Authority and the Structural Funds Unit, Department of Finance. The role of the committee is largely technical and could be defined as "guiding the evaluation process". The functions of the Steering Committee will be to oversee the Evaluator's work and to exercise a quality control function in relation to the evaluation report.

The Evaluator will be required to attend at least three meetings of the steering committee before submission of the draft final report. They will also be expected to report regularly to the Managing Authority on progress with the evaluation. In addition, the Evaluator will be required to present the draft final report to the Autumn 2010 Operational Programme Monitoring Committee meeting.

5.3 Assessment Criteria

The assessment of the quality of the draft final evaluation report by the steering committee will be based on the following criteria or questions: -

- a) Does the evaluation report comprehensively address the terms of reference?
- b) Is the overall analytical approach adequate and are the methodologies utilised robust?
- c) Are the conclusions and recommendations of the evaluation supported by the analysis carried out?
- d) The structure, presentation and clarity of the report.

Appendix 2

List of Consultations

| Programme/Priority/Theme/Intervention | Policy Department | Beneficiary | Contact Points | Consultation |
|--|----------------------------------|--------------------------------|--|--|
| Priority 1- Innovation, ICT and the Knowledge Economy | | | | |
| ARE, Incubation Facilities and related collaboration initiatives | | IoTs | Jennifer.melia@enterprise-ireland.com | Email and Phone |
| Building Research Capacity PRTL, Technology Sector Research (strand II) | Enterprise, Trade and Innovation | Universities and IoTs | Aidan.Hodson@deti.ie Fergal.Cullen@deti.ie Patricia.Timmins@deti.ie Stephen.Carley@deti.ie | E-mail, Phone & Meeting with HEA, DETI & DES |
| SFI Actions | Enterprise, Trade and Innovation | Universities and IoTs | Fergal_cullen@entemp.ie Donal.keane@sfi.ie orla.oneill@sfi.ie | E-mail, Phone and Meeting with SFI & DETI |
| Research Facilities, Research Equipment, TSR (strand I and III) | Education and Science | Universities and IoTs | Brian_duggan@education.gov.ie Peter_kelly@education.gov.ie Mary_Kelleher@education.gov.ie | E-mail, Phone & Meeting with HEA, DETI & DES |
| Marine Research | Agriculture, Food and Fisheries | Marine Institute | Stewart Roche, tsroche@hea.ie Niall O'Connell, niall@hea.ie Deirdre.kelleher@agriculture.gov.ie Aengus.parsons@marine.ie | E-mail & Phone |
| Microenterprise, Innovation and Entrepreneurship | E,T&I | CEB Central Co-ordination Unit | Sandra.hegarty@enterprise-ireland.com | ETI and EI by email and phone |

| | | | | |
|--------------------------------------|-------|-------|--|-----------------|
| Broadband Provision / Demand Stimul. | DCENR | DCENR | Cathy.oconnor@dcmnr.gov.ie Joanne.mccormack@dcenr.gov.ie | Email and Phone |
|--------------------------------------|-------|-------|--|-----------------|

| Programme/Priority/ Theme/Intervention | Policy Department. | Implementing Agency/Authority | Contact Points | Consultation |
|--|---------------------------|---|--|---|
| Priority 2 - Environment and Risk Protection | | | | |
| <i>Water Services Investment, Water Source Protection and Pilot Sewerage</i> | DEHLG | Local Authorities in the BMW Region | Michael.Clohessy@environ.ie | Email and Phone |
| Water Conservation | DEHLG | Local Authorities in the BMW Region | Enda.Falvey@environ.ie Maria.graham@environ.ie | Email and Phone |
| Renewable Energy and Energy Efficiency | DCENR | Sustainable Energy Authority of Ireland | Richard.Browne@dcenr.gov.ie Josephine.maguire@seai.ie Matthew.kennedy@seai.ie | E-mail, Phone and Meeting with DCENR & SEAI |
| Waste Management | | Local Authorities in the BMW Region | William.Culbert@environ.ie | Email and Phone |
| Natural and Cultural Heritage | DEHLG | DEHLG | Deirdre Mason@environ.ie (Built Environment) Paul Connolly@environ.ie (Natural Environment) | Email and Phone |
| Priority 3 - Urban Development and Secondary Transport Networks | | | | |
| <i>Urban Regeneration</i> | | | | |
| Gateway and Hub Fund | DEHLG | BMW Regional Assembly | gfinn@bmwassembly.ie kmoylan@bmwassembly.ie | Email and Phone |
| RAPID Physical Development | DEHLG | Local Authorities in the BMW Region | Pat Boyle pboyle@pobail.ie | E-mail & Phone |
| Playgrounds in RAPID areas | DEHLG | Local Authorities in the | Pat Boyle | E-mail & Phone |

| | | | | |
|--|-------------|--------------------------|--|---------------------------|
| | | BMW Region | pboyle@pobail.ie | |
| Arts Capital | DAST | N/A | Betty.griffin@dast.gov.ie | Email and Phone |
| Key Linking Routes | D/Transport | National Roads Authority | Richard Evers revers@nra.ie | Email and Phone |
| Public Transport | D/Transport | Irish Rail | Dermot.murphy@transport.ie Declan.mahon@irishrail.ie | E-mail & Phone |
| Priority 4 - Technical Assistance | | | | |
| Technical Assistance | | BMW Regional Assembly | gfinn@bmwassembly.ie kmoylan@bmwassembly.ie | |
| | | Department of Finance | Jim.deane@finance.gov.ie Ronnie.downes@finance.gov.ie Patricia.hennessy@finance.gov.ie | |
| | | EU Commission | Stephen.langley@ec.europa.eu Noel.farrell@ec.europa.eu | Invitation for submission |

Horizontal Principles

| Organisation | Horizontal Principle | Contact Points | Consultation |
|---|------------------------------|--|---------------------|
| Department Environment, Heritage and Local Government | Environmental Sustainability | Lorraine.odonoghue@environ.ie | Submission received |
| Department of Justice | Gender Equality | Pauline m. moreau@justice.ie | Submission received |
| Equality Authority | Broad Equality | csullivan@equality.ie | Submission received |
| Department of Social Protection | Social Inclusion | Gerry.mangan@welfare.ie Julie.smyth@welfare.ie | Submission received |

Written Submissions Received

| | | |
|--------------------|--|---|
| Regional Interests | Deirdre Frost, Western Development Commission Jim McGovern, West Regional Authority | Submission covering Review of External Developments; Continued Relevance of Programme objectives; Effectiveness / Progress to Date; and Indicators. Submission covering comments on the 3 priorities, in particular Broadband, Water Schemes, Waste Recycling and Roads. |
| Social Partners | ICMSA | Submission relating to the ongoing need for upgrading and investment in the road infrastructure in the BMW. |

Appendix 3

**Performance Indicator Extract from Annual Implementation Report
2009**

PRTL

Programme for Research in Third Level Institutions

Performance Indicators - PRTL I

INCREASED PHYSICAL INFRASTRUCTURE - There are an additional 819 work spaces being provided through PRTL I Cycle 4, with 483 replacement places also being provided bringing the total number to 1,302. The total space target in respect of all projects is 18,958m².

Approval for Cycle 4 of the PRTL I was given in August 2007 and drawdown of funds by institutions began in 2008.

Of a total exchequer capital allocation of c. €109 million, some €9 million was approved for the BMW Region. Funding is spread over NUI Galway, Dundalk IT and Sligo IT as devolved partners. Projects funded include collaborative projects in the Humanities, Nanoscience, Biophotonics, and the Environment.

There are seven capital projects to be funded; the construction of six buildings is underway with one at design phase. In the case of the one equipment only project, all equipment has been purchased.

INCREASED HUMAN INFRASTRUCTURE - The PRTL I enables the quality training of young researchers, who are required both for the public and private sectors. The programme will contribute significantly and directly to the doubling of Ph.D. output in order to upscale research across all the disciplines. This includes building critical mass in research teams and Cycle 4 is contributing to meeting these goals.

As the 2007/08 academic year had already commenced before implementation plans were agreed, much of the human infrastructure was recruited during 2008, with many taking up positions for the 2008/09 academic year. As at 31st December 2009 approximately 98% of the positions to be funded over the lifetime of the programme are in place. In some cases projects have been extended until 2012/13.

Table 1: Regional Breakdown of Human Infrastructure

| Regional breakdown [Posts] | | | | | | |
|----------------------------|-----|--------------------|---------------------|-------------|--------------------|--------|
| Region | PIs | Researchers (PhD+) | Research Assistants | Technicians | PhD Student Places | Others |
| S&E | 35 | 122 | 23 | 28 | 286 | 76 |
| BMW | 8 | 28 | 3 | 4 | 44 | 0 |
| Total | 43 | 150 | 26 | 32 | 330 | 76 |

Approximately €6.97 million in recurrent funding and €7.1 million of capital funding has been issued to institutions under PRTL I Cycle 4 since the announcement of the awards in August 2007 up to the end of 2009 for the BMW Region.

| Performance Indicators | | |
|---|---|---|
| 2006/2007 Base | 2009 | End-2013 Target |
| Enhanced collaboration through the development of National Collaborative Programmes: 2 | Enhanced collaboration through the development of National Collaborative Programmes: 103 | Enhanced collaboration through the development of National Collaborative Programmes: No fixed no. of collaborations set but would encourage |

| Performance Indicators | | |
|--|--|--|
| 2006/2007 Base | 2009 | End-2013 Target |
| An increase in physical infrastructure (work spaces) contributing to meeting SSTI goals | | continued ongoing collaboration both at national and international levels. |
| New and Replacement Work Spaces | Workspaces: No projects completed as yet. | Workspaces: New 2998. Workspaces: Replacement 1071. (For S&E and BMW Region) |
| Provision of new and unique infrastructure (specialised facilities) for Ireland | E.G. Mace Head GMP Manufacturing Facilities; e-Inis; Digital Humanities Observatory | Further graduate initiatives expected in Cycle 5 |
| Enhanced teaching & learning through the development of Graduate Education Programmes | | |
| The provision of a framework for the development of enhanced graduate programmes will provide a nationally relevant broad skill set of importance to academia, policy and industry in Ireland. The increases proposed in the SSTI and the active encouragement of the professional development of researchers in Ireland, with the aim to see a significant movement into the enterprise sector, underscores the need for a 'graduate school type mechanism' in the country. | Ten out of the sixteen programmes that are being funded under Cycle 4 of PRTLII have a graduate education component. | Continued funding for individually funded graduate researchers |

Additional Information in relation to progress under PRTL I

The following table provides additional information on activities under the PRTL I Cycle 4

| Class | Indicator | Outturn to 31 Dec 09 | |
|--------------------------------|--|----------------------|----------------|
| | | Male * | Female * |
| Outputs | PI's | 4 | 1 |
| | Researcher PhD+ | 20 | 16 |
| | Research Assistants | 2 | 2 |
| | Technicians | 7 | 1 |
| | PhD Students | 15 | 28 |
| | Other | 0 | 0 |
| | Total | 48 (28) | 48 (29) |
| ** [Both Regions] | Equipment purchase | 226 (127 in 2008) | |
| | Peer Review Publications | 1645 (739 in 2008) | |
| | Conference/ Presentations | 2,870 (977 in 2008) | |
| | Research Awards | 579 (299 in 2008) | |
| | Patents/ IP Output | 59 (21 in 2008) | |
| Teaching & Learning | Additions to existing courses | 386 (247 in 2008) | |
| Collaborations | New national collaborations established | 103 (40 in 2008) | |
| | New international collaborations established | 257 (122 in 2008) | |
| | North/ South Collaborations established | 23 (12 in 2008) | |
| | Industry Collaborations established | 75 (36 in 2008) | |

Figures in brackets refer to the 2008 figures

* Note 1: Positions appointed related to BMW Higher Education Institutions only. These figures relate to Head Count appointed to date, hence difference with number of posts approved. Figures also cumulative and can include where people leave and are replaced on projects.

** Note 2: Due to the national collaborative nature of PRTL I, all other indicators are for Cycle 4 projects as a whole, both S&E and BMW Regions.

The large increase in collaborations is due in part to the increased involvement by Irish institutions in FP7 projects. In addition, by 2009 all projects were fully formed and in a stronger position to develop international ties. This collaboration can take any form – joint applications for funding, student/staff exchanges, research projects embarked upon, etc.

| Programme for Research in Third Level Institutions – Cycle 4 | | |
|--|---|--|
| Programme | Institutions | Amount Awarded (exchequer funding only) |
| Biosciences and Biomedical | | |
| The National Collaborative Programme on Biopharmaceutical and Pharmacological Sciences | Dublin City University Trinity College Dublin University College Cork University College Dublin | €19,196,000 |
| Clinician-Scientist Graduate Training Programme | NUI Galway Royal College of Surgeons Ireland Trinity College University College Cork University College Dublin | €11,216,000 |
| National Collaborative Programme in Biophotonics & Imaging Platform (NBIP) | Dublin City University Dublin Institute of –Technology NUI Galway NUI Maynooth Royal College of Surgeons, Ireland University College Cork University College Dublin | €30,067,000 |
| The Centre for Applied Science for Health | Institute of Technology, Tallaght | €9,261,000 |
| National Collaborative Programme in Food and Health | University College Cork University College Dublin University of Limerick | €6,414,000 |
| Biosciences Cell Biology and Cell Signalling | University College Cork | €3,000,000 |
| Science Centre | University College Dublin | €17,547,000 |
| Chemical and Physical Sciences | | |
| Network Mathematics | NUI Maynooth | €2,255,000 |
| Information and Communication Technologies | | |
| National Collaborative Programme - e-INIS : The Irish National e-infrastructure | Dublin Institute of Advanced Studies NUI Galway NUI Maynooth, Trinity College Dublin University College Dublin | €12,460,000 |
| National Collaborative Programme - Graduate School of Creative Arts and Media | Dublin Institute of Technology National College of Art and Design | €1,997,000 |

| Programme for Research in Third Level Institutions – Cycle 4 | | |
|---|--|--|
| Programme | Institutions | Amount Awarded (exchequer funding only) |
| Serving Society : Management of Future Communications Networks and Services | Waterford Institute of Technology | €3,195,000 |
| Integrated Research Building | Waterford Institute of Technology | €3,217,000 |
| NEMBES : Network Embedded Systems | Cork Institute of Technology | €13,578,000 |
| Lero : The Irish Software Engineering Research Centre and Graduate School | University of Limerick | €7,333,000 |
| Platform Technologies | | |
| National Collaborative Programme in Nanoscience and Nanoscale Technologies for Ireland (NANOTIERE) | Cork Institute of Technology Dublin City University Dublin Institute of Technology NUI Galway Trinity College Dublin University College Cork University College Dublin University of Limerick | €31,658,000 |
| Humanities and Social Sciences | | |
| National Collaborative Programme Humanities Serving Irish Society (HSIS) | Dublin City University NUI Galway NUI Maynooth National College of Art and Design Royal Irish Academy Trinity College Dublin University College Cork University College Dublin | €28,040,000 |
| The National Collaborative Programme of Research on Knowledge, Innovation, Society and Space (KISS) | Dublin City University NUI Galway NUI Maynooth University College Cork University of Limerick | €16,542,000 |
| Irish Social Science Data Archive (ISSDA) | University College Dublin | €750,000 |
| Environment, Marine and Natural Resources | | |
| Graduate Training Programme | Cork Institute of Technology | € 11,556,000 |

| Programme for Research in Third Level Institutions – Cycle 4 | | |
|---|--|--|
| Programme | Institutions | Amount Awarded (exchequer funding only) |
| in Environment and Climate Change | NUI Galway NUI Maynooth Trinity College Dublin University College Cork University College Limerick | |
| Overall Total | | €229,282,000 |

Appendix 4

Comments / Recommendations

on

Performance Indicators

Priority 1: Innovation, ICT and the Knowledge Economy

| Theme | Sub-Theme | Output | Result/Impact | Commentary |
|---------------------------------|--|--|--|------------|
| ARE, Incubation & Collaboration | Applied Research Enhancement | adequate | An additional indicator - no. of start-up Companies developed/no. of people employed | |
| | Incubation Development | adequate | No. of people employed should be classified as a result indicator | |
| | Collaboration | adequate | adequate | |
| Building Research Capacity | PRTLTI | 1. Improve presentation of data 2. Provide net nos. rather than replacement numbers | 1. Improve BMW/S&E breakdown 2. Replace descriptive material with indicator data | |
| | TSR | adequate | Needs a result indicator | |
| | Research Facilities Enhancement Scheme | Indicators appropriate, but specify targets | % of new spaces provided that are in active use as a result indicator | |
| | Research Equipment Renewal Grant | Quantify no. of pieces of equipment purchased | No. of research students that benefit as a result indicator | |
| | Marine Research | adequate | Some result indicators could be re-defined as output indicators | |
| | SFI | adequate | Should be some indicators for what is being produced from the stages that lead up to possible significant discoveries. | |
| Micro-enterprise | | adequate | The survival rate of assisted businesses should be included | |
| Broadband | | adequate | adequate | |

Priority 2: Environment and Risk Prevention

| Theme | Sub-Theme | Output | Result/Impact | Commentary |
|-----------------|-------------------------------------|---|---|---|
| Water Services | Rural Water Source Protection | adequate | Population equivalent served to be added as an indicator | |
| | Pilot Village Sewerage | adequate | adequate | |
| | Water Services Investment Programme | adequate | adequate | |
| | Water Conservation | adequate | adequate | |
| Waste Recycling | | adequate | Are the targets realistic and achievable? | |
| Energy Actions | Energy for Business | Simplify the definition of outputs: 1. No. of large industry entities & no. of SMEs engaged in the programme 2. % of industrial energy use accounted for by large industry participants | 1. Use no. accredited to international standards 2. Simplify 3 rd result indicator and re-classify as an output indicator | |
| | Strategic Development Zones | | | No expenditure expected for the remainder of the OP |
| | Renewable Energy RD&D | 1 st output should read no. of research reports delivered | Re-define 1 st result indicator Other result indicators are more like output indicators | Overall indicators need to be simplified Is the cause and effect sufficient? |
| | Ocean Energy | Simplify definition of indicators | Mis-match between the result indicator and what is reported | |
| | CHP & BioHeat | Adequate, but need to be defined more clearly | 1. Is a reported saving of €6.6m from €1m justified? 2. Review definition of impact indicator 3. Combine MW | |

| | | | | |
|--------------------------|------------------|---|---|--|
| | | | output with 1 st result indicator to form a new indicator | |
| Natural & Built Heritage | Built Heritage | Result indicator should be re-classified as an output indicator | Needs a new result indicator to capture benefit of projects to locality or protection of endangered buildings | |
| | Natural Heritage | Indicator on contribution to education should be reviewed | Adequate | |

Priority 3: Urban Development and Secondary Transport Networks

| Theme | Sub-Theme | Output | Result/Impact | Commentary |
|--------------------|-----------------------------|--|--|------------|
| Urban Development | ERDF Gateways and Hubs Fund | An output indicator per project would be beneficial | Use of GDI is a comprehensive method of assessing the overall strategy but fails to capture how the projects contribute to the overall score | |
| | RAPID Playgrounds | adequate | Target no. of households served should be reviewed | |
| Key Linking Routes | | adequate | 1. Should report both sets of results separately 2. Clarify traffic count units & timeliness of reporting | |
| Public Transport | | Rail line accessibility improvements not captured; Journey time improvements should be a result indicator. | Increased daily services and capacity should be output indicators; Changes in passenger usage levels should be reported on. | |

