



Special EU Programmes Body
Foras Um Chláir Speisialta An AE
Boord O Owre Ocht UE Projects



European Union
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**NORTHERN IRELAND, THE BORDER REGION OF IRELAND AND WESTERN
SCOTLAND**

**INTERREG VA PROGRAMME
(2014 - 2020)**

CCI No: 2014TC16RFCB047

MINUTES MONITORING COMMITTEE MEETING

Wednesday 29th June 2016

Attendance

A list of attendees and apologies is attached at Annex II.

1. Welcome and Introduction by Chairperson

The Chair welcomed attendees to this third meeting of the INTERREG VA Programme Monitoring Committee 2014 – 2020 and conveyed apologies for Gina McIntyre, CEO of the SEUPB who normally chairs the Committee.

He advised Members that Gina has been called to give evidence at the Finance Committee meeting of the NI Assembly later in the day. He stressed the importance of Gina's presence at that meeting to represent the views of the cross-border programmes in light of the EU Referendum decision.

The Chair highlighted the value of rotating the meetings around the eligible area, and Scotland's significant contribution to the Programmes.

The Chair welcomed the EU Commission Desk Officers in attendance; Auxiliadora Valpuesta- Contreras who has worked with the programme for the last number of months but is stepping aside as Acting Desk Officer for the Programmes on 1st July 2016, and being replaced by Iva Gailly.

The Chair introduced John Greer as the new Head of the Joint Secretariat, SEUPB. He also welcomed new Members Barry Guckian (NWRA), Hugh O'Reilly (The Wheel) and Catriona Syme (Scottish Government International Innovation) to their first meeting.

2. Agenda

The Chair introduced the agenda, stating his intention to open the meeting with a discussion on the EU referendum results and implications. He stressed the importance of giving the Committee the opportunity to discuss their views on the decision and advised that this may impact the agenda as it currently stands.

The agenda was adopted.

3. Conflict of Interest

The Chair thanked those members that have completed Conflict of Interest (COI) and Code of Conduct forms to date and requested any outstanding forms to be submitted to the Secretariat.

He advised that the COI register is reviewed and updated annually and therefore members will be contacted over the summer to provide any updates.

He requested that members declare any potential conflicts of interest in relation to the agenda – none were declared.

4. Minutes of the previous meeting – 09 December 2015

The Monitoring Committee approved the minutes as a true and accurate record of the previous meeting. The minutes will be uploaded to the SEUPB website.

5. Matters Arising

The Chair overviewed the Matters Arising from the previous meeting, all of which have been addressed.

Discussion on the EU Referendum Decision

In opening discussion on the EU Referendum and resulting Brexit, **the Chair** made the following opening comments;

- The PEACE IV and INTERREG VA Programmes have been agreed for the period 2014 to 2020; the Member States have also agreed the financial contributions for this period.
- The rights and the obligations of the United Kingdom remain constant until exit occurs.
- The future of EU funding Programmes will be part of the exit negotiations. While the timing of the exit is as yet unknown, it is anticipated to occur during the Programming period.
- In the interim, the SEUPB will continue to implement the Programmes as planned, while recognising that changes may be required as a result of the negotiations and the subsequent agreement.
- SEUPB remains completely focussed on meeting the continued challenges on the ground and maximising the positive impact of the programmes regardless of the length of time available.

The Chair asked the Member States present to provide their contributions to the discussion.

The DoF representative thanked the Chair, and acknowledged the benefits the EU has brought to the eligible region, including assisting the development of peace in Northern Ireland.

The DoF representative expressed his Department's disappointment at the referendum outcome and spoke of the challenges ahead. He conveyed DoF's continued support to the SEUPB in successfully implementing the Programmes in their entirety.

The DPER representative also expressed the Irish Government's commitment to the successful implementation of both Programmes.

He informed Members the Taoiseach has identified Northern Ireland as one of four Irish Government priorities around Brexit, and the NSMC will meet twice in the following week to discuss the issues.

Given the funding decisions to be made at the next INTERREG VA Stage Two Steering Committee meeting in four weeks' time, **the DPER representative** asked the SEUPB and the UK member state representatives to define "business as usual" in practical terms, particularly in relation to the issuing of Letters of Offer.

Lastly, **the DPER representative** asked for clarity from the EU Commission with regards to the continuance of ERDF allocation, and a Brexit timeline. He voiced concern over the effect of an indeterminate two year negotiation period on the Programmes.

The Scottish Government representative discussed Scotland's aim to continue to manage ERDF funded projects in the period prior to exiting the EU.

The Scottish Government representative continued to state Scotland's position on the Referendum, and the efforts of the Scottish First Minister and Parliament to honour Scotland's vote to remain in the EU.

The Chair thanked the Member States for their comments, and invited the EU Commission representatives to provide the Committee with any clarification.

The EU Commission representative stated the Commission's respect for the UK's referendum decision and was unable to provide further comment or clarification until formal submission (Article 50) is received. She stated the Programmes will form part of the formal exit negotiations, and should continue in their implementation in the interim.

The IBEC representative complimented and supported the Chair's opening words and made the following main points;

- **The IBEC representative** considers the current situation a crisis, and urged the SEUPB and Member States to avoid speculation over the future and instead focus on presenting actions to protect Programme interests, before the triggering of Article 50 in three months' time.

- Expressed frustration over delays to Programme implementation and the resulting shortened timetable to drawdown EU funds.
- Queried whether SEUPB could be allowed complete control to implement the Programmes on an accelerated timetable, given the current critical circumstances.
- Stressed the need for the setting of deadlines to ensure that progress is achieved within a very tight timeframe.
- Advised the SEUPB to redesign the current evaluation process to examine how the Programmes may adapt. In particular, he drew attention to the pathway of Horizon 2020 funding, and how this may change within the designated areas, during and following Brexit.
- Discussed the importance of full utilisation of the 20% funding provision allowed outside the eligible area.
- Expressed his confidence in the ability of the SEUPB to adapt, and encouraged Member States to move rapidly to implement the flow of money.

The ICTU NI representative concurred with the IBEC representative's comments. She informed Members of ICTU's "Remain" campaign, and expressed hope of a linkage arrangement with the EU, incorporating Northern Ireland, Ireland and Scotland.

As a representative of the education sector, **the ICTU NI representative** also expressed concern over the effects of Brexit on funding to the Shared Education programme.

The Chair informed Members the Shared Education programme is an integral component of the PEACE Programme in Northern Ireland and Ireland, with contracts due to issue in Autumn 2016. He thanked the ICTU NI representative for conveying her concerns as conversations around INTERREG will be mirrored in the PEACE Programme.

The NICVA representative informed members of the pending publication of its sectoral report, which identifies the significant contribution EU funding makes to the NI Voluntary and Community sector, particularly within interface areas and society's most vulnerable.

She conveyed concern felt in the sector and encouraged a clear message on the potential impact of Brexit particularly on the PEACE IV Programme.

The Environmental Pillar representative echoed Members' concerns that current circumstances equate a significant crisis.

On behalf of environmental organisations, he asked the SEUPB and Member States to urgently develop an Action Plan which;

- outlines methods of protecting the funding already agreed for the Programmes, including examining the possibility of an escrow-type arrangement
- examines methods of faster, more efficient implementation within time limits
- provides clarity on deadlines for funding
- provides clarity around which funding will be available during negotiations and following Brexit
- identify options for funding which follows any withdrawal, possibly utilising EU transitional money.

The Environmental Pillar representative encouraged the SEUPB and Member States to adopt different thinking and an innovative mind-set in this new environment.

The CBI representative conveyed the anger at the referendum decision expressed among CBI's businesses and business associations. He discussed the significant economic problems faced by Northern Ireland as withdrawal from the European Union detaches Ireland as a significant economic partner.

The Scotland Europa representative also supported the views of her fellow Members, and encouraged the SEUPB and Member States to look urgently at developing an Action Plan utilising the continued solid platform of working partnerships between the three eligible regions.

The CNCC representative supported Member comments and noted the risk of paralysis due to the over-whelming work required by the Civil Service as a result of the outcome. She also encouraged the SEUPB to initiate an Action Plan which accelerates the timetable and ensures maximum commitment, and work on the assumption of potential cessation of EU funding in around two years.

The EU Commission representative emphasised the importance of adhering to the 36 week assessment process as outlined in the CP, which is of particular importance at this time.

The Chair thanked Members for their comments and support, emphasising the value of a common understanding of the current crisis and appropriate response.

He advised that the terminology of “business as usual” was not to be interpreted as complacency; the SEUPB recognise the gravity of the situation and the need for a rapid response. **The Chair** acknowledged the request for an appropriate, coordinated Action Plan in order to maximise the opportunities and benefits of the Programme.

The Chair asked Member States to make their Ministers aware of the views expressed at today’s meeting, and invited them to provide any further comment.

The DoF representative agreed to feedback the positive suggestions from today’s meeting to the NI Minister, particularly the requests for an Action Plan and an accelerated pace of Programme implementation.

The Scottish Government representative agreed to feedback the discussions to his Ministers.

The DPER representative also agreed to reflect upon today’s discussion with the Irish Government and acknowledged the requirement to work quickly to identify key milestones and expedite implementation. He reinforced the need for clarity regarding financial commitments ahead of the Steering Committee meeting on 27th July 2016.

The IBEC representative informed Members he had spoken with the NI Finance Minister at an IBEC-CBI function the previous evening, and felt the Minister supported IBEC’s position as conveyed today. He continued to discuss the advantages of the cooperative platform on which the three eligible areas operate and urged continued close cooperation throughout the forthcoming challenges.

The Chair thanked Members once again, and summarised the discussion;

- There is a strong message from this Committee of coordinated and rapid action to protect the Programmes on a practical level
- Whilst recognising some of the constraints discussed, Letters of Offer should be issued and on-the-ground activity commenced as soon as possible, and the 3 month window of opportunity prior to the formal submission of exit documentation should be utilised to initiate this action.
- The SEUPB will discuss with the DoF how to “step up the pace” in practical terms, and minimise inter-departmental bureaucracy.

6. Update on Programme Implementation

The Chair invited the head of JS to provide a presentation on the progress of Programme implementation, and assured Members of the strong pipeline of projects currently under assessment, which may allow for an increased pace of implementation.

The Head of JS assured members that the JS are working diligently to action decisions as quickly as possible, and welcomed further ideas on how to increase the pace of the process within the resources available.

During the presentation, **the IBEC representative** expressed frustration over the delays in the assessment process, such as the postponed Steering Committee meeting on 25 May.

The Head of JS responded, reminding Members that the SEUPB are working through a new assessment process with a 36 week timeframe, he highlighted that the meeting on 25 May would have been well in advance of the deadline (26 weeks), however, necessary departmental approvals were not able to be put in place for that date.

The Chair highlighted the importance of the Steering Committee making definitive decisions on 27th July.

Members raised the following points;

- Queried how soon following Stage 2 approval Letters of Offer can be issued, and if they will be issued in advance of the assumed October 2016 commencement of Article 50.
- Queried the potential of adding new projects to the Programme, given the new set of circumstances.
- Discussed delays in the previous Programmes and the reduced appetite among businesses.
- Queried if the September Steering Committee meeting could be moved forward to July and the December meeting be moved to September.

- In terms of benchmarking – SEUPB are able to complete assessments in 8 weeks, however, total assessment time is 36 weeks, is there therefore scope to allow SEUPB to conduct the full assessment process in that 8 week window.
- Sought clarification on whether Letters of Offer issued prior to Article 50 commencement will be honoured afterwards, and advised caution where any assumptions might be made.
- Discussed the importance of adhering to the 36 week assessment process and the application of simplification.
- Sought clarification on the reasons for the lack of applications received under the Electric Vehicles call and if an extension had been offered. Queried the capacity to reallocate the €6 million to other priorities which are over-subscribed, and asked when the SEUPB will make the decision to forgo the Electric Vehicle theme.
- Queried the number of appeals received with regards to the 13 rejected applications across the Programme.
- Queried the reasons for the 7 applications rejected under the Health and Social Care theme.
- Requested that future reports include any delays that have occurred including the reasons for the delays.
- Highlighted the effect delays can have on Scottish Partners who are providing their own match funding.
- Queried the effect of delays to database implementation on the beneficiaries

The following clarification was provided;

- In terms of the issue of Letters of Offer;
 - SEUPB's priority is issuing Letters of Offer to those projects currently undergoing assessment and SEUPB have a number of ideas to discuss with the Member States to ensure efficient issuing of Letters of Offer; the scope for adopting new activity into the Programme is limited.
- In terms of the assessment process;
 - The SEUPB will work with Member States to look at bringing forward the Steering Committee dates indicated, in the interests of accelerated decision making.

- The 8 week assessment time is stage 1 of the process, where the application is shorter. This is followed by a more extensive stage 2 which takes the process to 36 weeks. Whilst SEUPB's focus will be on making funding decisions earlier than the 36 weeks deadline, it will be dependent on resources and approval by Member States
- In terms of the Electric Vehicles priority;
 - The SEUPB are in negotiations with relevant parties regarding this for priority.
 - The SEUPB plan to conclude these negotiations in the coming weeks and will consider options going forward, including potential reallocation of the funds if necessary.
 - In negotiation with relevant parties, it was clear an extension would not benefit potential applicants to this theme; regulatory and ownership issues affected their application.
 - Any potential reallocations within the Programme must be approved by this PMC before submission to the EU Commission.
- In terms of rejected applications;
 - Of the 13 rejected applications across the Programme, two appeals were received; in both cases, the Steering Committee decisions were upheld by the Review Panel.
 - Under the Health and Social Care theme, the 21 applications received were of high quality, however, SEUPB conducted a robust assessment and have confidence in the 14 applications which were approved.
 - The SEUPB followed review procedure, and provided unsuccessful applicants with detailed feedback on their application.
- In terms of the database;
 - The SEUPB are seeking to customise and use a free INTERACT database.
 - The SEUPB are committed to ensuring delays in database implementation will not impact upon final beneficiaries. If the system is not operational, the burden will fall on SEUPB in terms of an internal manual system.

In clarifying the allocation of funds following the commencement of Article 50, **the EU Commission representative** reiterated that the UK retains the same rights and obligations as before the referendum until exit notification is submitted, and funding following submission is unknown until negotiations commence. She informed Members that Desk Officers have been advised to continue Programme implementation.

The EU Commission representative also reminded the SEUPB of the requirement to publish rationale explaining delays to implementation on both the SEUPB website and in the next AIR, in the interest of transparency.

Lastly, **the EU Commission representative** provided a reminder on applying proportionality principles in project assessment.

The Chair confirmed the Steering Committee will discuss the obligations around delays at this afternoon's meeting, and notification of the delays will be published as required

Action Point 1: MA/ JS

The Monitoring Committee;

- **Noted** the progress in implementation of the Programme; and
- **Noted** the risks identified in relation to the delivery of the database and formal designation.

7. Update on implementation of the Communications Strategy

The Communications Manager provided a presentation on the SEUPB communications Strategy, updated to include actions taken following the EU referendum result.

The Chair thanked the Communications Manager for his presentation and also for his timely issue of SEUPB's statement following the referendum result.

The IBEC representative queried whether the PMC might submit a combined statement on the Referendum result, and was assured by the Chair and the DPER representative that a summary of today's meeting would be communicated along necessary channels and would be extremely useful.

The Monitoring Committee;

- **Noted** the progress in implementation of the Communications Strategy; and

- **Noted** the annual review provided in Annex 3

8. Update on Evaluation Plan

The Programme Manager, MA provided an update on implementation of the Evaluation Plan, and any potential effects caused by Brexit, highlighting that it is expected that the Plan and the associated evaluation timetable will be amended accordingly.

The Monitoring Committee;

- **Noted** the final Evaluation Plan, approved by the ESG on behalf of the PMC;
- **Noted** the work carried out to date by the Evaluation Steering Group; and
- **Noted** progress to date in implementation of the Evaluation Plan for the INTERREG VA Programme

9. Update on Closure of INTERREG IVA Programme

The Chair provided an update on progress in closing the INTERREG IVA Programme, which is proceeding as planned. The final report will be scheduled for review by the PMC at the Autumn 2016 meeting.

The Monitoring Committee;

- **Noted** the Progress in implementation and closure of the INTERREG IVA programme

10. Information Note on Transnational Programmes

The Chair provided an update on the Transnational Programmes for Members' information.

The Monitoring Committee;

- **Noted** the information in relation to the INTERREG VB/C Programmes

11. Any Other Business

- **Atlantic Strategy – overview**

Ben Drakeford, UK Focal Point for the Atlantic Strategy, provided an overview of the Atlantic Strategy and its synergies with the INTERREG VA Programme.

- **Commission Summary Report “Overcoming Obstacles in Border Regions”**

The EU Commission representative presented an overview on the EU Commission’s publication “Overcoming Obstacles in Border Regions”, which was noted by Members.

The Chair thanked the Member and asked the EU Commission representative if the case study on SME development and entrepreneurship between the UK and the NI-Ireland border region was available.

The EU Commission representative replied to say the case study has not yet been published. The Chair expressed interest in the study, which will be brought to the PMC’s attention when it becomes available.

Action Point 2: MA

- **ESIF Funds “Open Data Platform”**

The Chair discussed the Platform as a useful link which details how the EU is spending EU tax payers’ money. He explained the platform’s user-friendly interface allows examination of expenditure per theme, per country and expenditure on the INTERREG Programme. SEUPB’s output achievements will be added to the platform as it becomes available, and SEUPB will circulate the website address to the Committee.

Action Point 3: MA

12. Date of next meeting

The Chair explained the next scheduled meeting of the INTERREG VA Programme Monitoring Committee will take place in October/ November 2016 however, this is open to flexibility if required.

The IBEC representative proposed scheduling an earlier meeting in order to view SEUPB's Action Plan, as discussed at today's meeting.

The Scotland Europa representative agreed, and requested the earlier PMC meeting might coordinate with INTERREG VA Steering Committee scheduled for 7 September 2016.

The Chair agreed to try to coordinate the two, and drew the meeting to a close.

ANNEX I

ACTION POINTS/ISSUES OF CLARIFICATION ARISING FROM MONITORING COMMITTEE

Wednesday 29th June 2016, Grand Central Hotel, Glasgow

ACTION POINTS

ACTION	TIMING	RESPONSIBILITY
<u>Action Point 1</u> Notifications of delays to Programme implementation will be published both on the SEUPB website and in the next Annual Implementation Report	ASAP	MA/ JS
<u>Action Point 2</u> The MA will circulate the EU Commission's case Study on SME development and entrepreneurship between the UK and the NI-Ireland border region to the PMC, when it becomes available	ASAP	MA
<u>Action Point 3</u> The MA will circulate the web address for the ESIF Open Data Platform to Committee members for information	ASAP	MA

ANNEX II

**Attendance – INTERREG VA Programme Monitoring Committee –29th June 2016,
Grand Central Hotel, Glasgow**

Chair

Shaun Henry (SEUPB)

Members

Alison Cairns	SCVO
Avril Hall Callaghan	Irish Congress of Trade Unions (NI)
Prof Sue Christie	Council for Nature Conservation & the Countryside (CNCC)
Sean Cronin	Environmental Pillar
Michael D’Arcy	IBEC
Jenny Faichney	Scottish Environment Protection Agency
Dr Maura Farrell	Irish Rural Link
Iva Gailly	EU Commission
Barry Guckian	Northern Western Regional Assembly (NWRA)
John Maxwell	Scottish Government
Brian McCann	Confederation of British Industry (CBI)
Dominic McCullough	Department of Finance (DoF)
Gearoid O’Keeffe	Department of Public Expenditure & Reform (DPER)
Hugh O’Reilly	The Wheel
Linda Stewart	Scotland Europa
Catriona Syme	Scottish Government International Innovation
Andrea Thornbury	NICVA
Auxiliadora Valpuesta-Contreras	EU Commission
Jason Watts	Scottish Natural Heritage

Advisors

Paul Boylan Joint Secretariat, SEUPB

John Greer	Joint Secretariat, SEUPB
Maeve Hamilton	Department for the Economy
Edel Hendry	NISRA / SEUPB
Louise Kenny	Department of Health
Marian Mulholland	CA, SEUPB
John McCandless	Communications, SEUPB
Declan McGarrigle	MA, SEUPB
Philip McMurray	Department of Agriculture, Environment and Rural Affairs (DAERA)
Derek O'Neill	Department of Transport, Tourism & Sport (DTTAS)
Seamus Whelan	Department for the Environment, Community and Local Government (DECLG)
Gerry Wrynn	Department of Jobs, Enterprise & Innovation (DJEI)
Caroline Coleman	National Contact Point, Scotland (SEUPB)

Observers

Dr Norman Apsley	CBI
Ben Drakeford	Focus Point UK (Atlantic Strategy)
Mary Maguire	Department of Finance (DoF)

Secretariat (SEUPB)

Sarah Reid	Managing Authority
Tara McCormick	Managing Authority (minutes)

Apologies

Wesley Aston	UFU
Cllr Alex Baird	NILGA
Ken Bishop	NILGA
Robin Clarke	Highlands and Islands Enterprise
Ivan Cooper	The Wheel
Martin Cronin	Intertrade Ireland
Frank Duffy	Department of Finance
Amanda Dutton	Scottish Government International Innovation
John Farrell	Dept of Health (DoH)
Blair Horan	ICTU (Ireland)
Owen Lyttle	Dept of Agri, Environment & Rural Affairs (DAERA)
Cllr Dermot Nicholl	NILGA

Derek O'Neill	DTTAS
Geraldine McGahey	Equality Commission (NI)
Emer McGeough	NSMC
Mairead McGuinness	Fine Gael MEP
Jim Nicholson	UUP MEP
Cllr Sean Smith	NWRA
Carole Sullivan	Irish Human Rights and Equality Commission
Amaya Vega	Focal Point, Ireland

ANNEX III

Glossary of acronyms used in the minutes:

CNCC	Council for Nature Conservation and the Countryside
DAERA	Department Of Agriculture, Environment & Rural Affairs
DECLG	Department of Environment, Community and Local Government
DfC	Department for Communities (Northern Ireland)
DfC (NI)	Department for the Economy
DoE	Department of Education (Northern Ireland)
DoF	Department of Finance (Northern Ireland)
DoH	Department of Health (Northern Ireland)
DJEI	Department of Jobs, Enterprise and Innovation
DPER	Department of Public Expenditure and Reform
DfI	Department for Infrastructure
ICTU	Irish Congress of Trade Unions
NICVA	Northern Ireland Council for Voluntary Action
NILGA	Northern Ireland Local Government Association
NISRA	Northern Ireland Statistics and Research Agency
NSMC	North South Ministerial Council
NWRA	Northern Western Regional Assembly
SCVO	Scottish Council for Voluntary Organisations
SEUPB	Special European Union Programmes Body
JS	Joint Secretariat
MA	Managing Authority