INTERREG PROGRAMME 2014-2020

THE CROSS-BORDER TERRITORIAL COOPERATION PROGRAMME 2014-2020 FOR NORTHERN IRELAND, THE BORDER REGION OF IRELAND AND WESTERN SCOTLAND
## Contents

**SECTION 1:** STRATEGY FOR THE COOPERATION PROGRAMME’S CONTRIBUTION TO THE UNION STRATEGY FOR SMART, SUSTAINABLE AND INCLUSIVE GROWTH AND THE ACHIEVEMENT OF ECONOMIC, SOCIAL AND TERRITORIAL COHESION ................................................................. 4

**SECTION 2:** DESCRIPTION OF THE PRIORITY AXES ................................................................................................................................. 37

**SECTION 3:** THE FINANCING PLAN OF THE COOPERATION PROGRAMME WITHOUT ANY DIVISION BY PARTICIPATING MEMBER STATES .................................................................................................................. 75

**SECTION 4:** INTEGRATED APPROACH TO TERRITORIAL DEVELOPMENT .......................................................... 79

**SECTION 5:** IMPLEMENTING PROVISIONS FOR THE COOPERATION PROGRAMME ....................................................... 83

**SECTION 6:** COORDINATION .............................................................................................................................................................. 104

**SECTION 7:** REDUCTION OF THE ADMINISTRATIVE BURDEN FOR BENEFICIARIES .................................................. 106

**SECTION 8:** HORIZONTAL PRINCIPLES............................................................................................................................... 110

**SECTION 9:** SEPARATE ELEMENTS ............................................................................................................................................. 115

**ANNEXES** ........................................................................................................................................................................... 122
<table>
<thead>
<tr>
<th><strong>CCI</strong></th>
<th>2014TC16RFCB047</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Title</strong></td>
<td>Cross-border Programme for Territorial Cooperation Northern Ireland, Border Region of Ireland and Western Scotland – INTERREG Programme 2014-2020</td>
</tr>
<tr>
<td><strong>Version</strong></td>
<td>Consultation Draft</td>
</tr>
<tr>
<td><strong>First Year</strong></td>
<td>2014</td>
</tr>
<tr>
<td><strong>Last Year</strong></td>
<td>2023</td>
</tr>
<tr>
<td><strong>Eligible From</strong></td>
<td>01 January 2014</td>
</tr>
<tr>
<td><strong>Eligible To</strong></td>
<td>31 December 2023</td>
</tr>
<tr>
<td><strong>EC Decision Number</strong></td>
<td></td>
</tr>
<tr>
<td><strong>EC Decision Date</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Programme Decision Number</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Programme Decision Date</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Programme Entry Into Force Date</strong></td>
<td></td>
</tr>
<tr>
<td><strong>NUTS regions covered by the cooperation programme</strong></td>
<td>Northern Ireland; the Border Region of Ireland i.e. Cavan, Donegal, Leitrim, Louth, Monaghan and Sligo and; Scotland: Lochaber, Skye &amp; Lochalsh, Arran &amp; the Cumbraes and Argyll &amp; Bute, Dumfries and Galloway, East Ayrshire and North Ayrshire mainland, South Ayrshire and Western Isles</td>
</tr>
</tbody>
</table>
SECTION 1: STRATEGY FOR THE COOPERATION PROGRAMME’S CONTRIBUTION TO THE UNION STRATEGY FOR SMART, SUSTAINABLE AND INCLUSIVE GROWTH AND THE ACHIEVEMENT OF ECONOMIC, SOCIAL AND TERRITORIAL COHESION- ARTICLE 27 (1) EU REGULATION 1303/2013 AND ARTICLE 8(2) EU REGULATION 1299/2013

(38,157/70,000 characters)

Introduction

1.1 The Cross-border Territorial Cooperation Programme for Northern Ireland¹, the Border Region of Ireland² and Western Scotland³ (2014-2020) (the INTERREG Programme), is a European Territorial Cooperation programme that aims to promote greater economic, social and territorial cohesion.

1.2 This section sets out the background to, and the detail of, the INTERREG Cooperation Programme (CP) for the period 2014 to 2020, funded through the European Regional Development Fund (ERDF) within the European Structural and Investment Funds (ESIF).

1.3 The development of the CP is informed by the European Union’s key policy instruments, namely the Europe 2020 Strategy (EU2020) and the Common Strategic Framework (CSF), and the European Commission’s position papers on the UK and Ireland.

1.4 EU2020 outlines a ten-year growth strategy centred on five measurable targets to be achieved by 2020. The targets identified relate to expenditure on research and development; generation of renewable energy; working age employment levels; educational achievement; and reduction in poverty and exclusion. The achievement of these targets will be based on plans for smart, sustainable and inclusive growth.

1.5 The Common Provisions Regulation (CPR) Regulation (EU) 1303/2013 identifies a framework of 11 thematic objectives that are designed to contribute towards the EU2020 targets. Member States are encouraged to identify those thematic objectives that are most appropriate to their own context as a basis for the design of CPs and

¹ Comprises the entirety of Northern Ireland
² Comprises Counties Louth, Monaghan, Cavan, Leitrim, Sligo and Donegal
³ Comprises Lochaber, Skye &Lochalash, Arran, Cumbraes, Argyll, Bute, Dumfries, Galloway, East Ayrshire, North Ayrshire mainland, South Ayrshire, Western Isles
the use of the ESIF. This framework is in line with imperatives identified for Cohesion Policy, i.e. thematic concentration, better co-ordination of funds, ex ante conditionalities and strengthened performance orientation.

1.6 The European Commission’s Position Papers on the UK\textsuperscript{4} and Ireland\textsuperscript{5} identify a number of regional priority areas for European Territorial Cooperation across the programme area, including; sustainable use of the marine environment within the context of the Atlantic Strategy; and increasing collaboration within the private, public and academic sectors to promote research and innovation.

1.7 During the 2012 consultation a total of 20 events were held which over 1000 participants attended. Consultation was also held in the eligible jurisdictions with government departments and representatives of sectors including business, rural communities, agricultural representatives, community and voluntary sectors, trade unions and public sector organisations.

1.8 In 2014 a second public consultation was carried out utilising a summary of the INTERREG Cooperation Programme, the Strategic Environmental Assessment and the section 75 Equality Impact considerations.

1.9 A comprehensive summary of the public consultation held in 2012 and in 2014 is provided in section 5.5.

1.10 Based on the results of this public consultation exercise\textsuperscript{6} and informed by the lessons of the INTERREG IVA Programme\textsuperscript{7} and additional research of the needs of the region\textsuperscript{8}, the following strategic areas of investment have been prioritised by the member states for the 2014-2020 period:

- **Smart Growth Priority**: Thematic Objective 1 – Strengthening Research, Technological Development and Innovation - The programme will contribute to the objective within EU2020 of increasing the spend on Research and Development (R&D) to 3% of GDP by 2020 through increased R&D activities within the cross-border competence building for Life and Health Sciences and Renewable Energy

---


\textsuperscript{6}Preparing a new Programme for Cross-border Cooperation (INTERREG) and a new Programme for Peace and Reconciliation (PEACE) 2014 – 2020 – Summary of Consultation Responses, SEUPB, February 2013.

\textsuperscript{7}Mid-Term Evaluation of the INTERREG IVA Programme, SEUPB, 2013.

\textsuperscript{8}The development of a new EU Programme for Cross-border Co-Operation (INTERREG) and a new EU Programme for Peace and Reconciliation (PEACE) 2014 -2020 - Socio-Economic Profile
set up through the programme. Additionally, R&D into renewable energy technologies may contribute to EU2020 targets and lead to reductions in the use of carbon resources and emissions.

- **Sustainable Growth Priority**: Thematic Objective 6 – Preserving and Protecting the Environment and Promoting Resource Efficiency- The inclusion in the programme of the protection and preservation of habitats and species, an emphasis on water and marine management will contribute to enhancing the region’s sustainability and is congruent with the priority for sustainable growth outlined in strategy EU2020.

- **Sustainable Growth Priority**: Thematic Objective 7 – Promoting Sustainable transport and removing bottlenecks in key network infrastructures – The inclusion of E-cars; cycle paths and greenways; and multimodal transport links have the purpose of reducing the reliance upon carbon forms of transport in the region and underpins the EU2020 strategic objective of creating sustainable growth.

- **Inclusive Growth Priority**: Thematic Objective 9 – Promoting Social Inclusion, Combating Poverty and any discrimination. The needs analysis of the region has identified inequalities in health care provision for those citizens living in poverty. The inclusion of improved access to cross-border health services is in line with the EU 2020 strategy to generate inclusive growth.

**Background**

**Population**

1.11 The combined population of the programme region is 3.05 million. This consists of 1.824 million\(^9\) in Northern Ireland, 514,891\(^10\) in the Border Region and 0.71 million in Western Scotland. As a percentage of the respective national populations; Northern Ireland and Western Scotland account for 4% of the UK population and the Border Region accounts for 11% of Ireland’s population. These statistics are reflected in comparatively low population densities and a dispersed business base, which have inherent implications for the economy in terms of public service delivery, and the ability to attract and retain high value graduates and jobs within a comparatively small and less competitive economy.

---


\(^10\) Source: 2011 Census from Central Statistics Office
1.12 The Border Region and Northern Ireland have a largely young population. In the Border Region, 34.9% of persons are aged below 24. The corresponding figure in Northern Ireland is 33.5%. There is a relatively higher ageing population in Western Scotland with 20% of the population aged over 65. This compares with only 12.6% in the Border Region and 14.1% in Northern Ireland.

**Governance**

1.13 The Northern Ireland Executive sets out its aims and objectives in its Programme for Government\(^\text{11}\). The second Programme for Government was agreed following the elections to the Northern Ireland Assembly in 2011. Its stated aim is to grow the economy and tackle disadvantage through a focus on job creation, foreign direct investment, indigenous business development, tourism, skills development and modernisation of health and social care. Supporting the Programme for Government, the Economic Strategy\(^\text{12}\) identifies an overall economic goal of improved economic competitiveness through a focus on exports driven by innovation, research and development, and the development of the skills of the workforce.

1.14 In 2002, Northern Ireland commenced a programme aimed at reforming local government. The intention of this reform was to replace the 26 local authorities created in 1973 with a smaller number of larger local authorities. The Programme for Government published in 2011 contained a commitment to reduce the number of councils in Northern Ireland from 26 to 11. The first elections to these new councils are due to take place on 22 May 2014. The reform also includes enhanced roles for the new councils in a number of areas, including community planning and community well-being and local enterprise development.

1.15 From 2007 to 2013 in Ireland, the main focus of attention for policy makers, officials and citizens has been the economic crisis. On 28 November 2010, the European Commission, the International Monetary Fund and the European Central Bank (the Troika) agreed with the Irish Government an €85 billion rescue deal. The programme that accompanied this rescue deal involved a series of budgets containing austerity measures aimed at restoring stability to the economy. Ireland emerged from this programme on the 15 December 2013 having achieved all of the targets agreed with the Troika. A new government took office in Ireland in 2011 and published its


1.16 At local government level in Ireland, in 2012 the Government published a policy document\(^{13}\) aimed at introducing a programme of reforms that takes account of the prevailing economic climate and addresses the need for improved efficiency. This programme is intended as a comprehensive mechanism for the reform of local government in Ireland. Local authorities will have enhanced roles in the development of regional and local economic strategies.

1.17 The Border Regional Authority\(^{14}\) has identified a number of strategic goals for the region including: to promote innovation, economic growth, competitiveness and the development potential of the region; to facilitate emerging sectors in the region that will provide sustainable jobs for the future; to protect and enhance the quality of the natural environment and built heritage of the region; to exploit the region’s unique location at the interface between two economies, by putting in place the drivers for economic growth, through the development of the Eastern Corridor, Atlantic Arc and the Central Border Area.

1.18 In Scotland, the Scottish Government has identified a number of key commitments in the area of sustainable economic growth\(^{15}\). These include: to implement the Plan for Recovery for the Scottish economy detailed within its 2011 Economic Strategy. This focuses on job creation, capital investment, access to finance and enhanced economic performance; to ensure the transition to a low carbon economy - with targeted investment in renewable energy as key to economic recovery; and to help young people into jobs as one of the key priorities, including guaranteeing all 16-19 year olds a learning or training opportunity.

**Economic Profile of the Region\(^{16}\)**

1.19 The programming period 2007 – 2013 (INTERREG IVA) coincided with a period of global economic crisis. This crisis had a very significant impact on the economy of the

---

\(^{13}\)Government of Ireland, *Putting People First – Action Programme for Effective Local Government*, 2012

\(^{14}\)The Border Regional Authority (2010) *Regional Planning Guidelines (2010-2020)*


\(^{16}\)Statistics used in this and subsequent sections are based on the findings of the Socio-Economic Profile.
region. As a result of the global economic downturn in 2008, almost all sectors experienced a contraction in output. Sectors most adversely impacted included construction, business and financial services as well as retail and manufacturing. Consequently, this led to large scale job losses and a rise in unemployment.

1.20 In terms of productivity per head of the population, Northern Ireland has been between 15% and 20% below the UK average since 2003. This is as a result of its historically low labour market participation rates, an industrial structure which has an under-representation of higher value added sectors such as finance and business services and relatively low productivity on an individual sectoral basis. The picture is similar for Western Scotland where labour productivity lags the UK by around 30%. Labour productivity in the Border Region also lags the state average by around 30%, due principally to the large proportion of employees working in low value added sectors.

1.21 In Northern Ireland the slowdown in the private sector has had a significant impact on the local labour market, with the number of employee jobs falling by 40,000 since the employment peak in 2008. Sectors hit hardest in terms of the number of jobs lost include construction and manufacturing. Retail accounted for the largest decrease within services, followed by business and financial services. Over the same period Scotland lost 139,000 jobs, mostly from the business and financial services sector and construction, as well as agriculture, forestry and fishing. In Ireland, the number of people in employment fell from 2.1 million in 2008 to 1.8 million in 2012. Sectors most severely impacted included construction which shed 142,600 employees as well as the industry and retail sectors.

1.22 Northern Ireland’s unemployment rate stood at 7.6% in September 2012. This was on a par with the UK average. The equivalent rate for Scotland was 8.1%. Figures for Western Scotland for 2012 show that unemployment stood at 10.4%. During 2012, unemployment in Ireland reached 15%, one of the highest rates in Europe. For the Border region, the equivalent figure was 17.7%, largely due to loss of employment in key sectors including construction, wholesale, retail accommodation and food from 2007 onwards.

1.23 The level of economic inactivity in Northern Ireland remains a major challenge for the region as 27.2% of the working age population are economically inactive. This is the highest of all UK regions and is well above the UK average of 22.6%. In Scotland and Western Scotland, the equivalent rates are 23.7% and 24.7% respectively. The figure for Ireland is 30.8%.
Competitiveness

1.24 The productivity per head in the region (ref. Para. 1.13) provides evidence of a lack of competitiveness. Some of the factors that contribute to this lack of competitiveness include:

- **A high prevalence of SMEs** – the business landscape of the programme region is of three economies with a very high prevalence of micro enterprises employing less than ten people, and small enterprises employing less than 250 people. In Northern Ireland 98% of companies are in this category (of which, 89% are micro enterprises). The figures for Scotland and the Border Region are 99% each. This make-up of the private sector represents a potential weakness as SMEs make a lower contribution to the economy in terms of wages, productivity and investment in research and innovation.

- **An under representation of higher value sectors** - the businesses in the region tend to be concentrated in lower value sectors. In the Northern Ireland and Western Scotland economies there is a high dependency on the public sector, retail and hospitality. This is also the case in the Border Region, where the highest employment sectors are the public sector, wholesale and retail. In the Border Region, the high value sectors of ICT and Financial and Professional Activities account for only 8% of employment.

- **Lower gross expenditure on research & development** – Northern Ireland’s Gross Expenditure on Research and Development (GERD) was 1.6% of GDP in 2010. This was on a par with the UK average (1.77%). Western Scotland and the Border Region report similar low levels of expenditure on Research and Development. Further investment is required in order to meet the Europe 2020 target of 3% of GDP (public and private) invested in R&D.

1.25 Sustainable growth at a regional level is predicated on the capacity to innovate. Northern Ireland has one of the lowest levels of innovation active businesses amongst the UK regions – only 27% of businesses were classified as innovation active. In Scotland there is a higher proportion of businesses that are innovation active (29%); the level of business spend on R&D (0.6% of GVA in 2010) is much lower than the UK average and indeed is amongst the lowest in all UK regions. The overall spend outturn in Scotland is considerably buffered by higher education spend on R&D, with Scotland reporting spend that is amongst the highest in Europe. In Ireland, the gross expenditure on Research and Development nationally is marginally better than the UK
but is still below EU average levels. However, the percentage of R&D expenditure in the Border Region is very low.

1.26 In terms of existing research capacity, the region has a strong network of higher education institutions with four universities including a Russell Group institution. There are six further education colleges in Northern Ireland and three in Western Scotland. There are three institutes of technology based along the Border Region of Ireland.

1.27 There has been a high degree of regional research output in recent years, some of which has been classified as world leading or internationally excellent17. This, along with a high level collaboration with other academic institutions across the programme area provides a strong base on which to build and is indicative of a strong capacity to form alliances with other educational institutions.

Environment

1.28 One of the key economic challenges for the programme region relates to how the governments in the three jurisdictions address common environmental issues. The region’s economies are operating in a highly regulated setting, with ambitious national targets set for improvements in areas such as water quality and the management of climate change.

1.29 This is particularly relevant for Northern Ireland and the Border Regions where joint approaches are required to deal with the preservation and exploitation of natural resources and key environmental assets that straddle the border. Northern Ireland shares three International River Basin Districts with Ireland with several major river systems flowing across the border. River basin management is a key requirement of the EU Water Framework Directive.

1.30 The EU Atlantic Strategy advocates the sustainable development of the Atlantic region’s natural resources. Northern Ireland, the Border Region of Ireland and Western Scotland share a maritime border and environment. There is a strong need and opportunity for the three regions to collaboratively develop marine management plans; which share experience, knowledge and best practice to maximise the economic and social potential of this important regional asset.

17 UK Research Assessment Exercise 2008
Sustainable Transport

1.31 The EU 2020 strategy aims to promote sustainable growth by reducing greenhouse gas emissions by 20%. The Europe 2020 strategy requires member states ‘To develop smart, upgraded and fully interconnected transport and energy infrastructures and make full use of ICT’. The Commission is providing seven flagship initiatives to catalyse progress under each priority theme. One of which is a “Resource efficient Europe” the intention is 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. 18

1.32 The development of transport in terms of infrastructure and services is one of the key priorities of the Executive’s policy in Northern Ireland. Transport projects are recognized as being key economic rebalancing measures with ‘enhancement of regional connectivity and the promotion of more efficient and sustainable transport’ identified as a key opportunity.

1.33 Transport is crucial to the economy providing businesses with links to their customers and markets as well as providing individuals with access to employment and services such as education, health and leisure opportunities. However the transport sector is one of the largest contributors to greenhouse gas and carbon emissions in NI. Whilst economic growth is a priority for the Executive looking forward, it is important to develop a more efficient, sustainable and environmentally friendly transport network in NI.

1.34 The Government for National Recovery in Ireland recognise the importance of the investment in transport especially in the public transport and in the National Cycle Policy. There is also recognition that rural transport network is vital for rural communities. 19 The increased provision of sustainable transport is a key priority for the Government of Ireland. The high level goal is to upgrade the transport network and ensure the delivery of public transport services with regard to economic competitiveness, social needs, and sustainability and safety objectives. The key targets are:

- To support sustainable transport;

---

• Work-related travelling by car will be reduced from a current model share of 65% to 45%;

• Car drivers to be accommodated on other modes such as walking, cycling, public transport and car sharing, which will expand the number of people using different modes to 55% by 2020;

• The total kilometres travelled by car fleet in 2020 will not increase significantly;

• The road freight sector will become more energy efficient, with a subsequent reduction in emissions.\(^\text{20}\)

1.35 The Government in Scotland recognise transport as a key element for sustainable growth. The Government will focus on investment to improve the service reliability and journey times, seeking to maximise the opportunities for employment, business, leisure and tourism. Amongst the stated key targets are:

• To facilitate the transition to a low carbon economy by providing integrated and cost-effective public transport and better connecting people, places and work;

• To provide fast and efficient transport to boost productivity, facilitate connectivity and promote the transition to a low carbon economy.

1.36 The existence of land and maritime borders distorts and disrupts the harmonious development of the cross-border areas. This is particularly the case for transport and communications networks. Borders can also affect the full operation of the labour market. Given, the current economic climate region, it is important to focus on the physical, social and economic development across the eligible regions.

Health & Well Being

1.37 There is evidence in the region that health access inequalities exist and that these are closely related to levels of deprivation. For example, in the Northern Ireland Western Trust area, males from the most deprived areas live 4.4 years and females live 2.7 years less than those from wider non deprived Trust areas. The trend, deprivation and reduced life expectancy, is consistent throughout all the Health Trust areas in N. Ireland.\(^\text{21}\). In Ireland only 57% of those living in consistent poverty have good or very


\(^{21}\) http://www.dhsspsni.gov.uk/inequalities_monitoring_update4-2.pdf
good health, the figure is 84% for those considered not to be in consistent poverty\(^\text{22}\). In Scotland\(^\text{23}\) the life expectancy for women is 84.2 years and 81 years for men living in the least deprived areas. This is in stark contrast to citizens from the most deprived areas, where the life expectancy for women is reduced to 76.8 years and 70 years for men. The reports cited also indicate that people living in rural areas enjoy better health than their urban dwelling counterparts. Despite this however, in both rural and urban areas, deprivation is a consistent indicator of inequality of health status. According to a CSO report in Ireland\(^\text{24}\), in the Border Region 38% of people are in receipt of medical cards. A medical card entitles the holder to free medical care because they belong to a group recognised as being deprived\(^\text{25}\).

1.38 An important recent development in the provision of health care is e-Health. In Ireland an ‘eHealth Strategy for Ireland’, published in December 2013\(^\text{26}\), states national healthcare ICT spending will be “re-aligned” so that it reaches the “EU average of between 2-3%” from the current 0.85%. In Scotland, the Scottish Government has published an eHealth Strategy for Scotland\(^\text{27}\). This strategy has identified a number of strategic objectives for e-Health: supporting people to communicate with NHSS; contributing to care integration; improving medicines safety; enhancing the availability of information for staff; and improving information management for clinical and local managers. In Northern Ireland E-Health and Social Care\(^\text{28}\) is delivering a programme of improvement for the Health and Social Services in Northern Ireland. The strategy emphasises the need for changes in the way the HSC delivers its services to patients and service users for the better by making the best use of information and communication technologies.

1.39 An opportunity exists for the INTERREG Programme to promote cross jurisdiction cooperation in the development and roll out of e Health strategies across the region. This will be of particular relevance to older people’s access to health care services. It will also encourage a transition from institution based service provision to community based services, which will result in economic efficiencies and commercial opportunities across the programme region.

\(^{24}\) CSO quarterly Household survey 2010
\(^{25}\) CSO Quarterly National Household Survey 2010.
\(^{26}\) HSE (2013) eHealth Strategy for Ireland.
\(^{28}\) http://www.ehealthandcare.hscni.net/
Justification of the Proposed Objectives

Translation of regional needs into priorities for results-driven actions

1.40 This section of the CP sets out the priorities selected to address the identified weaknesses in the programme region’s economy. These are considered to be congruent with the EU2020 priorities of Smart Growth, Sustainable Growth and Inclusive Growth and the priority areas identified for European Territorial Cooperation within the EU Commission Position Papers for the UK and Ireland.

Thematic Objective 1 – Strengthening Research, Technological Development and Innovation

1.41 The key aim of this priority area is to encourage investment in sectors that offer the most growth potential, whilst building on existing strengths, and helping the region to become more competitive in a global marketplace. The CP will tackle two key weaknesses in the programme region’s competitiveness, namely the lower level of RD&I expenditure and an under representation of higher added value sectors and innovation inactive SMEs.

Investment Priority One: Enhanced Research and Innovation\[29\]

1.42 While Research, Development and Innovation (RD&I) is a key policy objective for each jurisdiction comprising the region, the INTERREG Programme presents an opportunity to encourage the creation of new and the further development of existing cross-border RD&I partnerships. These partnerships will include representation from academic institutions, SMEs and Government agencies. The intention is to utilise cross-border collaboration to increase the level of research and innovation competence and activity across the programme area in a strategic way designed to contribute towards the development of a more competitive, high value added economy.

1.43 In order to achieve the aim of creating or enhancing research and innovation centres within the timeframe of the programme, the selection of sectors with an existing capacity and capability is essential. Therefore programme support will be directed towards two sectors: Life and Health Sciences; and Renewable Energy. These sectors were selected on the basis of significant existing capability and future growth potential.

29 Enhancing research and innovation infrastructure (R&I) and capacities to develop R&I excellence and promoting centres of competence, in particular those of European Interest. (Regulation (EU) No 1301/2013, Article 5)
This focused approach will further develop research areas in which there is existing critical mass (Life and Health Sciences); and those where the region has distinct advantages to establish a global presence (renewable energy). This approach aligns with the EU Smart Specialisation Platform\textsuperscript{30}; designed to promote the efficient and effective use of public investment in research through concentration on regional strengths and assets. It is based on the premise that spreading investment too thinly across a number of sectors will limit the impact in any one area.

1.44 As part of the scoping work undertaken in the selection of the sectors for targeted growth, the following factors were taken into account:

- \textit{Scale of the Growth Opportunity} – The size of the global market and the ability of the region to serve those markets was considered;

- \textit{Higher Education R&D Structures & Specialisations} – A review of the structures and focus within the higher education sectors of the three regions and a focused consultation with key players led to the selection of sectors that are relevant to all three jurisdictions and provide the opportunity to build on a critical mass of investment to date;

- \textit{Policy Priorities} - The NI Economic Strategy identifies key sectors as being those of Telecommunications & ICT; Life & Health Sciences; Agrifood; Advance Materials; and Engineering. The Border Region Authority has stated its intention of focussing support on SMEs with Export Potential; Tourism & Heritage; Agriculture; Food and Fish Processing; and Low Carbon/ Renewable Energies. Scotland has identified its growth sectors as being in Life Sciences, Energy (including Renewable), Food and Drink, Creative Industries, Sustainable Tourism, and Financial and Business Services. In Ireland the fastest growing sectors include ICT, life sciences, high tech manufacturing and the green economy including renewable energy.

1.45 Two sectors have been chosen for investment by the Programme:

- \textit{Life & Health Sciences} – The global pharmaceutical market is estimated to be worth €130,000 trillion by 2020. Within NI, this sector\textsuperscript{31} provides value to the economy of £310m turnover, generated by 60 companies with approximately 4,000 employees. The pharmaceutical industry in Ireland comprises a mix of international

\textsuperscript{30} http://s3platform.jrc.ec.europa.eu
\textsuperscript{31} Matrix Report Volume 2 Life and Health Sciences
and local companies. Approximately, 120 overseas companies have plants in Ireland including nine of the ten largest pharmaceutical companies in the world. In Ireland, the pharmaceutical industry R&D is responsible for 20% of all business R&D\textsuperscript{32} spend. Scotland’s pharmaceuticals industry has an established and highly skilled labour force and the sector is recognised as a key element of the Scottish economy\textsuperscript{33}. An assessment of the region indicates that it is well equipped to benefit from a greater share of the global market, given the significant biomedical research experience held within the region and the well-established links between the higher education sector and the region’s largest hospitals. Research indicates that the region has world leading or internationally significant capacity and capabilities in nutrition, cancer, diabetes, age related diseases, connected health and the personalised medicine fields.

- **Renewable Energy** – In a recently issued report\textsuperscript{34}, the Renewable Energy Association stated that the UK’s £12.5 billion renewable industry supports 110,000 jobs and has the potential to grow to 400,000 jobs by 2020. Further evidence of the high growth potential of this sector is evidenced in the rise in market value of the sector, which outperformed economic growth over the same period by a factor of eight. Research\textsuperscript{35} indicates that the region has world class academic teams in the areas of marine, low carbon, micro-renewable, biomass, power engineering and energy storage. The programme region is also well placed to capitalise on research and development opportunities in this area due to its abundance of natural resources.

**Investment Priority Two: Promoting Business Investment in Research and Innovation\textsuperscript{36}**

1.46 The programme region has a high level of innovation inactive SMEs. There is an opportunity to build a strong export based economy through increased awareness of, and engagement in innovation amongst the programme region’s SME-dominated business base. The CP offers the opportunity to increase investment in the creation of

\textsuperscript{32} \url{http://www.ipha.ie/alist/medicines-innovation.aspx}
\textsuperscript{33} \url{http://www.sdi.co.uk/sectors/chemical-sciences/sub-sectors/pharmaceuticals-overview.aspx}
\textsuperscript{34} Renewable Energy: Made in Britain, April 2013, Renewable Energy Association and Innovas
\textsuperscript{35} Sustainable Energy Matrix, April 2013, DETI
\textsuperscript{36} Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through SMART specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies (Regulation (EU) No 1301/2013, Article 5 )
cross-border centres and projects designed specifically to strengthen the links between SMEs and Research Institutions.

1.47 Innovation is defined as the development of solutions that meet needs in new ways and it is considered to be wider than R&D in so far as it covers improvements to products, processes and ways of doing business. Despite the existence of significant competence and capability within the research schools within the region, this does not translate to the business world where there is a minority of firms classified as being innovation active.

1.48 A CSO report in Ireland identifies a lack of internal funds and a lack of external finance as being two of the three barriers to innovation. SMEs tend to be more reliant on bank lending as a source of finance than large enterprises and have therefore been more impacted by the financial crisis. One measure of the impact is evident in a comparison of loan application success rates before and after the downturn; in Northern Ireland there was a drop from 95% in 2007 to 65% in 2010; whilst the corresponding figures for Ireland were 99% in 2007 falling to 52% in 2010. A similar pattern, though slightly less pronounced, is repeated in Western Scotland.

1.49 The cost of innovation has also been identified as a barrier to SMEs. Opportunities to overcome this barrier are presented by a number of knowledge transfer initiatives operated by the academic institutions in the region. These involve the transfer of research knowledge and outcomes to SMEs and the development of partnerships aimed at improving the levels of innovation within businesses.

**Thematic Objective 6 – Preserving and Protecting the Environment and Promoting Resource Efficiency**

1.50 The key aim of this priority area is to encourage investment to achieve a resource efficient, sustainable economy through the implementation of green infrastructure and environmental risk management strategies. In delivering this sustainable growth the CP will tackle two key threats in the programme region, namely the integrity of its biodiversity and its water quality.

---

37 Measuring Ireland’s Progress 2011
Investment Priority One: Protecting and Restoring Biodiversity

1.51 Sustainable development and sustainable resource use will be required to balance social, economic and environmental interests to ensure that the drive for economic growth does not compromise the welfare and quality of life of current and future generations. Given the nature of the biodiversity within the region, there is an opportunity for enhanced joint management of the regions’ ecosystems. Northern Ireland, Ireland and Scotland share a maritime border. This investment priority will provide opportunities for cooperation in the protection and recovery of habitats and species and the management and development of the marine environment.

1.52 There is a wide range of habitats and ecologically important sites within the programme region. The management of this environment, to maintain its quality and integrity, is essential for the general wellbeing of individuals and society. One of the challenges facing the economy of the region is to promote sustainable patterns of consumption, production, disposal and land use that will protect vital natural resources and biodiversity in both terrestrial and marine environments. Eco tourism and biodiversity related employment make a substantial contribution to the economy of the region. This investment priority offers the opportunity to promote collaborative initiatives across the region aimed at protecting the integrity of the environment. Collaboration to protect the biodiversity of designated cross-border sites will facilitate the development of common approaches to addressing regional environmental challenges. It will result in an increased number of habitats in favourable condition and increased achievement in meeting the regional EU Biodiversity Framework Directives.

1.53 This investment priority will also promote coordinated initiatives in the area of marine environmental protection and development. In addition to there being a social and environmental need for investment in this sector, there is also a very direct economic benefit to be derived from sustainable marine development. Studies illustrate that Northern Ireland, Ireland and Scotland are regarded as having one of the greatest wind energy resources in Europe from a renewable energy perspective, with the capacity to support economically viable wind, wave and tidal energy projects. According to an ESPON fact sheet on the region the wind energy potential of the Northern Ireland – Border Region of Ireland – Western Scotland programme area is characterised by a median value that is particularly high compared to the EU-27+4 and

38 Protecting and restoring biodiversity and soil and promoting ecosystem services including NATURA 2000 and green infrastructure (Regulation (EU) No 1301/2013, Article 5)

39 ESPON Factsheet – Northern Ireland, the Border Region of Ireland and Western Scotland, November 2012.
all CBC programme areas in Europe. The creation of cross-border marine management plans (incorporating climate change impact assessment), a network of marine protected areas, and the establishment of a regional marine centre will help develop this important emerging sector and contribute to the EU Atlantic Strategy.

**Investment Priority Two: Investing in the Water Sector**

1.54 Close co-operation is required to ensure that activities in one jurisdiction complement water quality improvement activities in the neighbouring area. There is an opportunity to address the significant needs for investment in the water sector to meet the requirements of the environmental acquis.

1.55 Water is an essential natural resource, vital to maintaining bio-diversity, our health, social welfare and economic development. Water bodies including rivers, lakes, estuaries, seas and groundwater provide water to sustain many of our core social and economic activities but most importantly, provide drinking water for our population. However, the region is experiencing challenges in meeting required water standards.

1.56 The EU Water Framework Directives require statutory agencies to protect the status of water bodies from deterioration and, where necessary and practical, to restore water bodies to good status. It is clear from recently issued environmental reports which detail progress being made in areas such as cross-border co-operation and river basin management that substantial investment will be required to improve the classification of many of our water bodies and facilitate increased levels of achievement with regard to the regional EU Water Framework Directive targets.

1.57 Given the fact that many of the water bodies located within the region straddle the border, it is essential that a cross-border management approach is adopted to ensure maximum environmental benefit and greater levels of public sector efficiency. The region shares three international river basin districts with several major river systems flowing across the border. The implementation of cross-border river basin management plans will result in an increased number of these water bodies achieving higher classifications. It will also result in an increased success in meeting the requirements of the EU Water Framework Directives. The investment will provide an opportunity to maximise the cross-border benefits of existing water management.

---

40 Investing in the water sector to meet the requirements of the Union’s environmental acquis; and to address the needs, identified by Member States, for investment that goes beyond those requirements (Regulation (EU) No 1301/2013, Article 5).

41 In accordance with the EU Water Framework Directives, water bodies are each classified as being one of the following: bad; poor; moderate; good; or high.
expertise across the programme area including that located within the Scottish Centre for Natural Environment.

Thematic Objective 7 – Promoting sustainable transport and removing bottlenecks in key network infrastructures

1.58 The justification for inclusion of sustainable transport in the CP is the reduction of CO2 and other greenhouse gas emissions. There are a number of compelling factors; fuel prices for both petrol and diesel fuels in the region are amongst the highest in the national jurisdictions and in the European Union; the connectivity of the region will be improved, and improved connectivity will reduce journey times and facilitate regional development.

Investment Priority Three: Developing and improving environmentally friendly and low carbon transport systems

1.59 In rural communities, which are prevalent in the region and are characterised low density distributed populations, there is a reliance on the use of cars as public transport services are seldom considered economically viable. The region also includes some areas of high density urban populations where cross-border commuting between towns and cities is mainly by car. Cross-border activities related to this investment priority include the creation and utilisation of; E Car networks; additional cycle path greenways; improved multimodal transport links; and the removal of bottlenecks; which will contribute to improving journey times and promote the utilisation of more environmentally friendly forms of transport and reduce carbon emissions.

Thematic Objective 9 – Promoting Social Inclusion, combating poverty and any discrimination

1.60 The key aim of this priority area is to reduce the number of people at risk of poverty and social exclusion by targeting cross-border cooperation in healthcare access and supporting the social and economic regeneration of deprived and rural communities

---

42 Developing and improving environmentally friendly (including low-noise) and low carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility (Regulation (EU) No 1301/2013, Article 5).
Investment Priority One: Investing in Health Infrastructure

1.61 Research had shown that social economic and environmental conditions can influence an individual’s health outcomes. Despite everyone in Northern Ireland and Scotland having access to the National Health Service, health inequalities exist.

1.62 Health outcomes are generally worse in the more deprived areas. Hospital admissions are higher in deprived areas in relation to mental health, and drug and alcohol related admissions. Despite improvements in health care provision, inequalities still remain. These inequalities tend to be highly localised and vary widely without health board areas. The average life expectancy in Scotland is still lower than in other parts of the UK and many Western European countries. Western Scotland accounts for a significant proportion of the health inequalities in Scotland with a close correlation between inequalities and economic deprivation.

1.63 In Ireland, there is a two-tier health care system with the existence of both private and public sector provision. While access to a range of health care facilities is funded by general taxation, a person may be required to pay a subsidised fee for certain health care received depending on income, age, illness or disability. A considerable proportion of the Irish population has private health insurance. However, in 2010, only 29% of the Border Region had private health insurance, compare to the national level of 41%. In the same year, 38% of all persons aged 18 and over in the Border Region had a medical card, compared to 30% nationally. Research undertaken by the Public Health Alliance in 2007, showed that in Northern Ireland and Ireland, people in the lower socio-economic groups have a higher incidence of cancer and lower cancer survival rate, compared to those in higher socio-economic groups.

1.64 Improving the health of citizens across the programme area is important for the economic growth of the region; as keeping people healthy and active for longer will have a positive impact on productivity and competitiveness. The delivery of cross-border healthcare services offers the opportunity to achieve improved patient outcomes and increased public sector efficiencies.

---

43 Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access through social, cultural and recreational services and transition from institutional to community-based services (source Regulation (EU) No 1301/2013, Article 5)

44 The Medical Card Scheme in Ireland, operated by the Health Service Executive, entitles certain people to free public health services. It is distributed on a means tested basis.
1.65 This investment priority will provide opportunities for investment in the delivery of cross-border health care services which contribute to regional and local development, reducing inequalities in terms of health status, and transition from institutional to community based services. The delivery of cross-border health care services will result in better patient outcomes and increased levels of public sector efficiency.

1.66 Access to healthcare and improvements in the efficiency of healthcare delivery can be enhanced by the increased use of information and communications technology (ICT) – e-Health. This has the potential to bring significant benefits to patient and clients of the healthcare services and to professionals involved in the delivery of services. Improved access to and use of information by healthcare professionals will result in greater patient safety and reduce inequalities across the region.

1.67 Healthcare intervention trials are an increasingly important feature of the healthcare development activities taking place across the region. This investment priority will provide the opportunity to invest in the creation of cross-border networks of healthcare intervention trials. This investment will contribute to development of improved access to innovative, potentially lifesaving, healthcare treatments, that would otherwise not be available. This network of research and development activity will provide the opportunity for new models of intervention and treatment to be robustly tested in partnership with the statutory healthcare providers. It will also facilitate increased interaction between statutory healthcare agencies and the substantial life and health sciences SME base across the region while at the same time making the region an attractive location for inward investment in this area. Activities funded under this investment priority will complement and enhance activities funded in the Life and Health Sciences investment priority in Theme 1 of this CP.

**SWOT ANALYSIS**

1.68 The following strengths, weaknesses, opportunities and threats were identified during the process of conducting a socio-economic analysis of the region in preparation for the planning and implementation of the new INTERREG programme.

**STRENGTHS**

- A strong network of existing social, economic, institutional and inter-governmental relationships between the three regions of the programme area, facilitated by a shared language and common history;
• An entrepreneurial culture, and a strong, indigenous SME base, with which makes a large contribution to employment and regional output;
• Strong educational infrastructure including universities and further education colleges leading a realignment of skills to industry needs;
• Good regional telecoms connectivity;
• High levels of second level educational attainment and higher than average rates of people qualified to tertiary level (against EU and national levels);
• Good record of attracting Foreign Direct Investment (FDI) in manufacturing and services;
• Substantial natural resources, including high quality marine and terrestrial environment;
• Recent investment in road and rail infrastructure;

WEAKNESSES

• Lower levels of productivity, wages and living standards than national averages;
• Significant increase in unemployment since 2008, particularly among young people, contributing to lower regional productivity and high levels of poverty;
• A regional economy with a lack of large firms, which contributes to lower levels of investment in research and development;
• Very limited availability of bank finance which disproportionately affects an economy dominated by SMEs which rely of this type of investment;
• High level of economic inactivity;
• Some FDI has been in low value sectors across parts of the region;
• Large parts of the region are peripheral and rural in nature; rendering the delivery of core public services challenging;
• Low levels of sustainable transport infrastructure;

OPPORTUNITIES

• To enhance co-operation across the three regions, to share best practice and work other to address common issues;
• To grow the economy and create high value jobs by focussing on growth sectors with existing capacity within the private sector and research institutions;
• To utilise the economic and job creation potential of maritime environment especially in relation to energy generation;
• To protect and enhance the quality of the terrestrial environment and contribute to a sustainable growth path;
Recued carbon emissions by increasing the level of sustainable transport infrastructure across the region;

- Build upon existing levels of cross-border co-operation to increase the delivery of core services to remote and peripheral parts of the region;
- Opportunities for increased local level co-operation offered by the Review of Public Administration in Northern Ireland and the Review of Local Government Administration in Ireland;

THREATS

- The region is vulnerable to external shocks linked to national economic policies, Euro zone stability, global market conditions, and global energy prices;
- Low levels of national economic growth;
- Impact of cuts in public expenditure and austerity measures disproportionally affect a region highly dependent on public sector;
- Continuation of reduced access to finance by the private sector, restricting growth;
- Reduced access to markets due to rising transport costs;
- Politically stability is an essential component of economic growth in Northern Ireland.
### Table 1: A synthetic overview of the justification for the selection of thematic objectives and investment priorities

<table>
<thead>
<tr>
<th>Selected thematic objective</th>
<th>Selected investment priority</th>
<th>Justification for selection (1000 char)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1: Strengthening research, technological development and innovation</td>
<td>Enhancing research and innovation (R&amp;I) infrastructure and capacities to develop R&amp;I excellence and promoting centres of competence, in particular those of European interest.</td>
<td>The economies of the region have a low proportion of high value sectors and have low levels of R&amp;I. The three regions working together have the critical mass to pursue R&amp;I of the scale and quality necessary to achieve impact. The research institutions in the region have complementary strengths and capacities. There is an opportunity to build effective Cross-border collaboration partnerships that significantly impacts on the overall regional capacity for R&amp;I in targeted sectors.</td>
</tr>
<tr>
<td></td>
<td>Promoting business investment in R&amp;I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and</td>
<td>SMEs characterised by low levels of innovation activity and low levels of R&amp;I expenditure constitute a large proportion of local businesses. Cross-border co-operation presents opportunities to foster partnerships between SMEs and relevant research institutions, drawing upon the different research strengths across the programme area. The Cross-border nature of the programme also facilitates networks between SMEs and contributes to building a culture of export orientation within SMEs.</td>
</tr>
<tr>
<td>6: Preserving and Protecting the Environment and Promoting Resource Efficiency</td>
<td>Supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies.</td>
<td>The three jurisdictions share habitats and marine resources. Cross-border collaboration is essential in order to adequately address the requirements of the Biodiversity Directive and the Marine Strategy Framework. The programme will facilitate the development and implementation of common approaches to the management of the environment. In particular the improved management of the marine resources will contribute to EU Atlantic Strategy and Action plan.</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td></td>
<td>Protecting and restoring biodiversity and soil protection and promoting ecosystem services including NATURA 2000(^{45}) and green infrastructures.</td>
<td>Investing in the water sector to meet the requirements of the Union’s environmental <em>acquis</em> and to address needs identified by the Member States for investment that goes beyond those requirements.</td>
</tr>
</tbody>
</table>

\(^{45}\)http://ec.europa.eu/environment/nature/natura2000/
<table>
<thead>
<tr>
<th>7: Promoting Sustainable Transport and Removing Bottlenecks in key network infrastructures</th>
<th>The creation of a number of new sustainable transport routes which will promote utilisation of more environmentally friendly forms of transport.</th>
</tr>
</thead>
<tbody>
<tr>
<td>In rural communities, which are prevalent in the region and are characterised by low density distributed populations, there is a reliance on the use of cars, as public transport services are seldom considered economically viable. The creation and utilisation of; E-Car networks; additional cycle path greenways; improved multimodal transport links; and the removal of bottlenecks will promote utilisation of more environmentally friendly forms of transport which reduce carbon emissions.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>9: Promoting social inclusion, combating poverty and any discrimination</th>
<th>Investing in health and social infrastructure which contribute to national, regional and local development, reducing inequalities in terms of health status, and promoting social inclusion through improved access to social cultural and recreational services and transition from institutional to community based services.</th>
</tr>
</thead>
<tbody>
<tr>
<td>The health services across the region face challenges in meeting rising demand within a constrained budget environment. Cross-border co-operation can contribute to the more efficient delivery of health services in border regions, particularly with regard to co-ordination of services. Cooperation across the region is essential to obtain the necessary critical mass for healthcare trials. Co-ordination and sharing of e-health solutions can fast track implementation of this technology.</td>
<td></td>
</tr>
</tbody>
</table>
Justification of the financial allocation

(7383/7000 characters)

1.69 The proposed allocation of funding across the Programme is summarised in the following table:

<table>
<thead>
<tr>
<th>Thematic Objective</th>
<th>Investment Priority</th>
<th>ERDF Allocation (€ million)</th>
<th>Percentage (%) Of Programme allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strengthening research, technological development and innovation</td>
<td>Enhancing research and innovation</td>
<td>45</td>
<td>19%</td>
</tr>
<tr>
<td></td>
<td>Promoting Business Investment in R&amp;I</td>
<td>15</td>
<td>6%</td>
</tr>
<tr>
<td>Preserving and protecting the environment and promoting resource efficiency</td>
<td>Protecting and restoring biodiversity</td>
<td>22</td>
<td>9%</td>
</tr>
<tr>
<td></td>
<td>Investing in the water sector</td>
<td>50</td>
<td>21%</td>
</tr>
<tr>
<td>Promoting sustainable transport and removing bottlenecks in key network infrastructures</td>
<td>Developing and improving environmentally friendly and low carbon transport systems, including inland waterways, and maritime transport, ports, multimodal links and infrastructure</td>
<td>40</td>
<td>17%</td>
</tr>
<tr>
<td>Promoting social Inclusion, and combating poverty and any discrimination</td>
<td>Investing in health</td>
<td>53</td>
<td>22%</td>
</tr>
<tr>
<td>Technical Assistance</td>
<td>Monitoring and Evaluation and Communication</td>
<td>15</td>
<td>6%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>240</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

1.70 The allocation of funding across the investment priorities is based principally on an analysis of the needs of the region and the potential offered by the Programme to have an impact in addressing these needs. The main considerations taken into account in the allocation of resources can be summarised in the following paragraphs.

1.71 Enhancing research and innovation:

The specific objective of this investment priority will be to increase research and innovation capacity across the region within the two target sectors: Health and Life Sciences and Renewable Energy (see 2.5). In order to achieve this objective, it will be
necessary to invest over the life time of the Programme in areas such as the creation of high value R&I employment and the creation of technical R&I capability. The scale of this investment will need to be sufficient to ensure that the cross-border co-operation envisaged for this investment will create the conditions necessary for sustainability beyond the lifetime of the Programme. The project pipeline that has been identified for this investment priority indicates that an investment level of €45 million will be required.

1.72 Promoting business investment in R&I:

The specific objective of this investment priority will be to increase the number of SMEs engaging in research and innovation activity (see 2.9). In order to achieve this objective, it will be necessary to engage in an intensive programme of development with SMEs within the region aimed at increasing their levels of innovation activity and cross-border networking. This investment will manifest itself in increased levels of participation in cross-border R&I development programmes in partnership with other SMEs from across the region. The investment needs to be of sufficient scale to ensure sustainability beyond the lifetime of the Programme. The project pipeline that has been identified for this investment priority indicates that an investment level of €15 million will be necessary.

1.73 Protecting and restoring biodiversity:

The first specific objective of this investment priority will be the recovery of habitat and species of EU concern within the eligible region (see 2.15). In order to achieve this objective, it will be necessary to invest in increased cross-border integrated planning and management of habitats and species, using best practice methodologies. This investment will lead to results beyond the lifetime of the Programme in the form of increased compliance with EU directives and targets in this important area of environmental protection. The project pipeline indicates that an investment of €11 million will be required.

The second specific objective of this investment priority will be to achieve an integrated approach to marine management across the region (see 2.18). In order to achieve this objective, it will be necessary to invest in cross-border integrated data capture and mapping exercises as platforms for the development of joint marine management and development activities. The sustainability of this activity on a cross-border basis beyond the lifetime of the Programme will be evidenced by the creation of a regional
marine innovation centre that will provide a focal point for a critical mass of activity within the sector. This will result in an increased contribution to the achievement of the targets associated with EU Marine strategies.

The project pipeline that has been identified for this investment priority and the two specific objectives associated with it, indicates that an investment of €11 million will be required.

1.74 Investing in the water sector:

The specific objective of this investment priority will be to improve water quality across the region in accordance with the EU Water Framework Directives (see 2.23). In order to achieve this objective, it will be necessary to invest in cross-border shared solutions to the achievement of EU water quality standards and the joint management of water bodies that straddle the border. This will result in long term impacts on the quality of water in the region beyond the lifetime of the Programme. The project pipeline that has been identified for this investment priority indicates that an investment of €50 million will be required.

1.75 Investing in sustainable transport:

The specific objective of this investment priority will be to create a number of new sustainable cross-border transport routes which will facilitate the utilisation of more environmentally friendly forms of transport. The project pipeline which has been identified indicates that an investment of €40 million will be required, comprising of investments in the creation of a cross-border e car network; the creation of new cross-border cycle path greenways; and for investment in multimodal transport links.

1.76 Investing in health:

The specific objective of this investment priority will be to improve access to quality cross-border healthcare services (see 2.29). In order to achieve this objective, it will be necessary to build on the progress that has been made in the development of cross-border integrated healthcare services in previous INTERREG Programmes. This will require investment in improving local community based access to services, taking advantage of the opportunities presented by developments in ICT, increased cross-border mobility of personnel, increased cross-border integration of professional development opportunities and the achievement of greater economies of scale and effectiveness in healthcare trials. This will result in increased cross-border access and
Working Draft

provision of healthcare services for the long term benefit of communities beyond the lifetime of the Programme. The project pipeline that has been identified for this investment priority indicates that an investment of €53 million will be required.

1.77 Monitoring, Evaluation and Communication:

Ensuring compliance with regulatory requirements in the management of the Programme will require an investment of €15 million or 6% of the value of the Programme.
### Table 2: Overview of the programme investment strategy

<table>
<thead>
<tr>
<th>Priority axis</th>
<th>Thematic objective</th>
<th>Investment priorities</th>
<th>Specific objectives corresponding to the investment priorities</th>
<th>Result indicators corresponding to the specific objective</th>
<th>ERDF support EUR</th>
<th>Share of the total Union support to the Cooperation Programme (by Fund)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research and Innovation</td>
<td>Strengthening research, technological development and innovation</td>
<td>Enhancing research and innovation infrastructure (R&amp;I) and capacities to develop R&amp;I excellence and promoting centres of competence, in particular those of European interest.</td>
<td>To increase cross-border research and innovation in two target sectors; Health and Life Sciences and Renewable Energy.</td>
<td>An increase in the number of research staff engaged in cross-border research programmes within the two target sectors; Health and Life Sciences and Renewable Energy across the eligible area.</td>
<td>€45 million</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Promoting business investment in R&amp;I</td>
<td>To increase the number of SMEs engaged in cross-border research and innovation activity</td>
<td>An increase in the number of SMEs engaged in cross-border research and innovation activity.</td>
<td></td>
<td>€15 million</td>
<td></td>
</tr>
<tr>
<td>Priority axis</td>
<td>Thematic objective</td>
<td>Investment priorities</td>
<td>Specific objectives corresponding to the investment priorities</td>
<td>Result indicators corresponding to the specific objective</td>
<td>ERDF support EUR</td>
<td>Share of the total Union support to the Cooperation Programme (by Fund)</td>
</tr>
<tr>
<td>--------------</td>
<td>--------------------</td>
<td>-----------------------</td>
<td>---------------------------------------------------------------</td>
<td>---------------------------------------------------------------</td>
<td>-----------------</td>
<td>---------------------------------------------------------------</td>
</tr>
<tr>
<td>Environment</td>
<td>Preserving and protecting the environment and promoting resource efficiency.</td>
<td>Protecting and restoring biodiversity and soil and promoting ecosystem services including NATURA 2000 and green infrastructure.</td>
<td>The recovery of habitat and species of EU concern within protected areas that is contiguous to the border.</td>
<td>An increase in the number of protected areas, contiguous to the borders which have achieved favourable status as defined by the Biodiversity Directive.</td>
<td>€11 million</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Effective cross-border cooperation to ensure high quality transitional, coastal waters and marine waters.</td>
<td>An increase in the number of transitional and coastal waters designated as high quality under Marine Strategy Framework Directive targets.</td>
<td>An increase in the number of designated protected areas with effective management plans.</td>
<td>€11 million</td>
<td></td>
</tr>
<tr>
<td>Investing in the water sector to improve water quality in cross-border river catchment</td>
<td>An increase in the achievement of the Water</td>
<td>€50 million</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Priority axis</td>
<td>Thematic objective</td>
<td>Investment priorities</td>
<td>Specific objectives corresponding to the investment priorities</td>
<td>Result indicators corresponding to the specific objective</td>
<td>ERDF support EUR</td>
<td>Share of the total Union support to the Cooperation Programme (by Fund)</td>
</tr>
<tr>
<td>-------------------</td>
<td>--------------------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------</td>
<td>-----------------------------------------------------------------------------------------------------------------------------</td>
<td>------------------</td>
<td>-------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Sustainable transport</td>
<td>Promoting sustainable transport and removing bottlenecks in key network infrastructures</td>
<td>Developing and improving environmentally friendly and low carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructures</td>
<td>Improve the environmentally friendly transport infrastructure in the region to promote the utilisation of low carbon transportation.</td>
<td>An increase in the number of sustainable transport journeys utilising cycle paths, electric vehicles and public transport in the cross-border region.</td>
<td>€40 million</td>
<td></td>
</tr>
<tr>
<td>Priority axis</td>
<td>Thematic objective</td>
<td>Investment priorities</td>
<td>Specific objectives corresponding to the investment priorities</td>
<td>Result indicators corresponding to the specific objective</td>
<td>ERDF support EUR</td>
<td>Share of the total Union support to the Cooperation Programme (by Fund)</td>
</tr>
<tr>
<td>--------------</td>
<td>--------------------</td>
<td>------------------------</td>
<td>---------------------------------------------------------------</td>
<td>----------------------------------------------------------</td>
<td>-----------------</td>
<td>---------------------------------------------------------------</td>
</tr>
<tr>
<td>Health</td>
<td>Promoting social inclusion, combating poverty and any discrimination</td>
<td>Investing in health and social infrastructure</td>
<td>To improve access to quality cross-border healthcare services.</td>
<td>An increase in the number of people accessing cross-border healthcare services, resulting in better patient wellbeing and reduced hospital admissions.</td>
<td>€53 million</td>
<td></td>
</tr>
</tbody>
</table>
SECTION 2: DESCRIPTION OF THE PRIORITY AXES (ARTICLE 8 (2) (B) (C) EU REGULATION 1299/2013)

Priority Axis 1

2.1 Research and Innovation

Fund

2.2 European Regional Development Fund (ERDF)

Investment Priority 1

2.3 Enhancing research and innovation infrastructure (R&I) and capacities to develop R&I excellence and promoting centres of competence, in particular those of European interest.

Calculation basis for the Union support

2.4 Calculation basis for the Union support – Intervention rate will be a maximum of 85% ERDF based on total eligible costs (public + private).

Specific Objective 1

2.5 Specific Objective: To increase cross-border research and innovation in two target sectors: Health and Life Sciences and Renewable Energy.

2.6 The Member States aim to achieve the following change with EU support:

- Creation of high value jobs across the region;
- A more productive local economy through increased commercialisation of innovation realised by a partnership approach between the academic, private and public sectors;
- The development of key sectors with an existing critical mass across the region and strong market forecast; to facilitate a strong innovation pipeline;
- An increased number of patents registered within the region;
- Increased research and innovation capacity of regional third level education sector by creating effective partnerships between established actors and those with more limited experience;
• Enhanced regional capacity to avail of opportunities in Horizon 2020\textsuperscript{47}, which will position academic institutions across the territory to access funding for additional research and innovation.

2.7 The Result indicator for the specific objective will be:

2.7.1 An increase in the number of research staff engaged in cross-border research programmes within the two target sectors: Health and Life Sciences and Renewable Energy across the eligible area.

Investment Priority 2

2.8 Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies.

Specific Objective 1

2.9 Specific Objective: To increase the number of SMEs engaged in cross-border research and innovation activity.

2.10 The Member States aim to achieve following change in the region with EU support:

• Increased number of SMEs that are research and innovation aware;
• Increased number of research and innovation capacity building and collaboration programmes initiatives aimed at SMEs;
• Increased number of SMEs co-operating with research institutions;
• Increased number of SME’s participating in cross-border, transnational or interregional research projects.

2.11 The Result indicator for the specific objective will be:

\textsuperscript{47} Horizon 2020, the EU Framework Programme for R&I 2014 – 2020, (€80 billion budget) is the intervention designed to implement the Innovation Union, a Europe 2020 flagship initiative aimed at securing Europe’s global competitiveness.
2.11.1 An increase in the number of SMEs engaged in cross-border research and innovation activity.

Priority Axis 2

2.12 Environment

Investment Priority 1

2.13 Protecting and restoring biodiversity and soil and promoting ecosystem services including NATURA 2000 and green infrastructure.

Calculation basis for the Union support

2.14 Calculation basis for the Union support - Intervention rate will be a maximum of 85% ERDF based on total eligible costs (public + private).

Specific Objective 1

2.15 Specific Objective: The recovery of habitat and species of EU concern within protected areas that is contiguous to the border.

2.16 The Member States aim to achieve the following change in the region with EU support:

- Designated Cross-border habitat sites in the region will achieve or be approaching favourable conditions. These include areas of specific scientific interest (ASSI), special protection areas (SPAs) and special areas of conservation (SAC);

- An increasingly integrated approach to environmental management across the entire programme region;

- Collaborative approaches that will increase levels of protection of the region's physical assets and natural capital;

- Increased levels of achievement in meeting the EU Biodiversity Framework Directives including an increased number of “favourable” habitat conditions across the region;
• Implementation of bespoke strategies designed to ensure the protection of specific species and creation of the most appropriate habitat environment for all species within the designated areas;

• Increased levels of integration across the region resulting in the development of best practice methodologies and increased levels of public sector efficiency;

• Increased awareness of and responsiveness to the potential threats of climate change to habitats and species.

2.17 The Result Indicator for the specific objective will be:

2.17.1 An increase in the number of protected areas, contiguous to the borders which have achieved favourable status as defined by the Biodiversity Directive.

Specific Objective 2

2.18 Specific Objective: Effective cross-border co-operation to ensure high quality transitional, coastal waters and marine waters.

2.19 The Member States aim to achieve the following change in the region with EU support:

• Cross-border marine management strategies created on the basis of newly acquired and existing data;

• An increased understanding and capitalisation of the regional marine sector;

• An increase in the availability of comprehensive mapping programmes;

• Increased compliance with the EU Marine Strategy Framework;

• The development and growth of a regional “blue economy” based on the maritime resource;

• Alignment of regional activities with the EU Atlantic strategy;

• The creation of a regional marine innovation centre that will provide a focal point for a critical mass of activity within the sector;

• An increase in the levels of marine skills which are vital to ensure the continued growth of this emerging sector;
• The development of marine based renewable energy production through increased engagement of the academic and private sectors.

2.20 The Result Indicators for the specific objective will be:

2.20.1 An increase in the number of transitional and coastal waters designated as high quality under Marine Strategy Framework Directive targets.

2.20.2 An increase in the number of designated protected areas with effective management plans.

Investment Priority 2

2.21 Investing in the water sector to meet the requirements of the Union’s environmental acquis; and to address needs, identified by the Member States, for investment that goes beyond those requirements.

Calculation basis for the Union support

2.22 Calculation basis for the Union support - Intervention rate will be a maximum of 85% ERDF based on total eligible costs (public + private).

Specific Objective 1

2.23 Specific Objective: To improve water quality in cross-border river catchment areas and shared transitional and coastal waters.

2.24 The Member States aim to achieve the following change in the region with EU support:

• An improvement in the baseline condition of water quality, physical structure and habitat continuity in a number of cross-border catchment areas;

• The achievement of targets relating to good ecological status of all water bodies (rivers, lakes, groundwater, transitional, coastal);

• An integrated approach to the management of river catchment areas which straddle the border;

• Developing shared solutions to meet EU targets with regard to water quality;
2.25 **The Result Indicator for specific objective will be:**

2.25.1 An increase in the achievement of the Water Framework Directive targets in cross-border river catchment areas.

**Priority Axis 3**

2.26 Sustainable Transport

**Investment Priority 1**

2.27 Developing and improving environmentally friendly (including low-noise) and low carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility.

**Calculation basis for the Union support**

2.28 Calculation basis for the Union support - Intervention rate will be a maximum of 85% ERDF based on total eligible costs (public + private).

**Specific Objective 1**

2.29 **Specific Objective:** To improve the environmentally friendly transport infrastructure in the region to promote the utilisation of low carbon transportation.

2.30 The Member States aim to achieve following change in the region with EU support:

- The planning and installation of a regional cross-border electric vehicle rapid charger networks linking routes in Scotland, N. Ireland and Ireland;
- Provision of electric vehicles for use by public and private fleet operators;
- Telematics and software to enable monitoring and interoperability with back office systems;
- Infrastructure and training to support the maintenance of electric vehicles;
• The development of a cross-border multimodal transport hub, providing an increase in public transport capacity and incorporating access to cycle routes and walkways across a cross-border region;

• Planning and implementation of an extensive cross-border cycle network incorporating new and existing routes across the region;

• Signage, marketing and promotion of sustainable transport initiatives.

2.31 The Result Indicator for the specific objective will be:

2.31.1 An increase in the number of sustainable transport journeys utilising cycle paths, electric vehicles and public transport in the cross-border region.

Priority Axis 4

2.32 Health

Investment Priority 1

2.33 Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access through social, cultural and recreational services and transition from institutional to community-based services

Calculation basis for the Union support

2.34 Calculation basis for the Union support – Intervention rate will be a maximum of 85% ERDF based on total eligible costs (public + private).

Specific Objective 1

2.35 Specific Objective: To improve access to quality cross-border healthcare services.

2.36 The Member States aim to achieve the following change in the region with EU support:

• Development of an interregional approach to the delivery of cross-border healthcare services;
Increased cross-border mobility of patients and healthcare professionals resulting in better patient outcomes, increased wellbeing and public sector efficiency;

Development and implementation of co-ordinated plans for healthcare delivery in a number of specified disease areas; including diabetes, dermatology, cancer, mental health and orthopaedics;

Decentralisation of healthcare provision to rural and peripheral areas in order to contribute to the reduction of waiting lists and hospital admissions;

Increased use of e-health technology to facilitate the creation of improved models of care. There will be a particular focus on age related diseases to facilitate increased numbers of older people receiving treatment within their homes;

Increased levels of engagement between the healthcare sector and healthcare focused SME's;

The creation of a network of healthcare intervention trials will provide patients across the region with access to new and innovative treatments which would otherwise not be available;

The professional development of healthcare staff and enhanced retention within rural areas;

Creation of a bank of regional research data will increase the opportunities to attract related inward foreign investment.

2.37 The Result Indicator for the specific objective will be:

2.37.1 An increase in the number of people accessing cross-border healthcare services, resulting in better patient wellbeing and reduced hospital admissions.
### Table 3: Programme Specific Result indicators for ERDF (by Specific Objective) – Article 8 (2)(b)(ii) EU Regulation 1299/2013

<table>
<thead>
<tr>
<th>ID</th>
<th>Indicator (255 char)</th>
<th>Measurement Unit</th>
<th>Baseline Value</th>
<th>Baseline Year</th>
<th>Target Value (2023) (100 char)</th>
<th>Source of Data (200 char)</th>
<th>Frequency of reporting (100 char)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1.1</td>
<td>An increase in the number of research staff engaged in cross-border research programmes within the two target sectors; Health and Life Sciences and Renewable Energy across the eligible area.</td>
<td>Persons</td>
<td>0</td>
<td>2014</td>
<td>To be established</td>
<td>To be established</td>
<td>To be established</td>
</tr>
<tr>
<td>1.2.1</td>
<td>An increase in the number of SMEs engaged in cross-border research and innovation activity.</td>
<td>Persons</td>
<td>0</td>
<td>2014</td>
<td>Tbe</td>
<td>Tbe</td>
<td>tbe</td>
</tr>
<tr>
<td>2.1.1</td>
<td>An increase in the number of protected areas, contiguous to the borders which have achieved favourable status as defined by the Biodiversity Directive.</td>
<td>Square meters</td>
<td>0</td>
<td>2014</td>
<td>Tbe</td>
<td>Tbe</td>
<td>tbe</td>
</tr>
<tr>
<td>2.1.2</td>
<td>An increase in the number of transitional and coastal waters designated as high quality under Marine Strategy Framework Directive targets.</td>
<td>Tbe</td>
<td>Tbe</td>
<td>Tbe</td>
<td>Tbe</td>
<td>Tbe</td>
<td>tbe</td>
</tr>
<tr>
<td>2.1.2</td>
<td>An increase in the number of designated protected areas with effective management plans.</td>
<td>Number of sites</td>
<td>Tbe</td>
<td>Tbe</td>
<td>Tbe</td>
<td>Tbe</td>
<td>Tbe</td>
</tr>
<tr>
<td>-------</td>
<td>------------------------------------------------------------------------------------------------</td>
<td>-----------------</td>
<td>-----</td>
<td>-----</td>
<td>-----</td>
<td>-----</td>
<td>-----</td>
</tr>
<tr>
<td>2.2.1</td>
<td>An increase in the achievement of the Water Framework Directive targets in cross-border river catchment areas.</td>
<td>Tbe</td>
<td>Tbe</td>
<td>Tbe</td>
<td>Tbe</td>
<td>Tbe</td>
<td>Tbe</td>
</tr>
<tr>
<td>3.1.1</td>
<td>An increase in the number of sustainable transport journeys utilising cycle paths, electric vehicles and public transport in the cross-border region.</td>
<td>Tbe</td>
<td>Tbe</td>
<td>Tbe</td>
<td>Tbe</td>
<td>Tbe</td>
<td>Tbe</td>
</tr>
<tr>
<td>4.1.1</td>
<td>An increase in the number of people accessing cross-border healthcare services, resulting in better patient wellbeing and reduced hospital admissions.</td>
<td>Persons</td>
<td>Tbe</td>
<td>Tbe</td>
<td>Tbe</td>
<td>Tbe</td>
<td>Tbe</td>
</tr>
</tbody>
</table>
Actions to be supported under the investment priority (by investment priority)
Article 8(2)(b)(iii) EU Regulation 1299/2013

Priority Axis 1 - Investment Priority 1

2.38 Enhancing research and innovation infrastructure (R&I) and capacities to develop R&I excellence and promoting centres of competence, in particular those of European interest.

Actions to be supported:

2.39 The Programme will support the development of regional, cross-border research and innovation co-operation clusters involving partnerships between third level academic institutions, public sector development agencies and private companies. These clusters will complement existing R&I strategies within individual jurisdictions by promoting cross-border cooperation. Where appropriate, programme support will be provided for the further development of existing competence centres to facilitate increased levels of cross-border collaboration.

2.40 The creation of “Centres” of research competence and associated research programmes within the fields of Health and Life Sciences and Renewable Energy. The following is an indicative list of the target research areas:

- Medical engineering related to connected health;
- Personalised medicine;
- Experimental medicine;
- Mass energy storage;
- Wave and tidal energy;
- Energy production;
- Projects within the above mentioned areas, which incorporate ICT as an enabler technology.

A “centre” may be dispersed over a number of geographical locations, where participating institutions follow an agreed integrated research programme.

2.41 This priority will be targeted at the following final beneficiaries:

- Universities and Institutes of Technology in the programme area;
- Colleges of Further Education in the programme area;
• Health care sector partners including Trusts located across the programme area;
• Private sector partners in the areas of health and life sciences;
• Private sector partners in the field of renewable energy / energy storage;
• Third level institutions and / or research centres outside of the eligible area will be eligible to participate, if their expertise and capacities are exceptional and essential for the successful delivery of the project; and
• Appropriate public sector agencies.

The impact of the proposed competence centres will be further reinforced through the SME research and innovation capability activities incorporated within investment priority 2.

Priority Axis 1 - Investment Priority 2

2.42 Promoting business investment in R&I by developing links and synergies between enterprises, research and development centres and the higher education sector; promoting investment in product and service development, technology transfer, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation; supporting technological and applied research; supporting the development of pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies.

Actions to be supported

2.43 Indicative actions to be supported:

• An education and awareness building programme; Innovation capability audits within SMEs;
• Innovation actions plans tailored to needs of the SME which addresses innovation capability deficiencies;
• An innovation internship programme incorporating technology job creation; designed to address the capability deficiencies; and
• A collaborative research and development programme designed to create and support collaborative research projects between SMEs and research institutions.

2.44 The proposed programme has been designed to provide support to companies at various stages of the research and innovation continuum. It is anticipated that the awareness raising activities will lead to increased demand for innovation support
programmes. Increased capability and improved understanding of the innovation process. The completion of an innovation capability audit will increase capability levels resulting in improved manufacturing processes and new product and process development systems. The creation and support of new research and innovation partnerships will result in increased levels of commercialisation across the programme region.

2.45 In line with the EU strategy to achieve smart specialisation, the programme will target SMEs within established growth sectors; and those with export potential;

Priority Axis 2 - Investment Priority 1

2.46 Protecting and restoring biodiversity, soil protection and restoration and promoting ecosystem services including NATURA 2000⁴⁸ and green infrastructures.

Actions to be supported

2.47 Indicative Actions to be supported:

2.47.1 Biodiversity: this will include:

- Development and implementation plans for cross-border sites;
- Research into species and habitats; including the impact of climate change;
- Management conservation and protection activities; to include breeding programmes;
- Land management activities, including the creation and or restoration of physical environments most suitable to species habitats;
- Removal of invasive species, and negative practices.

2.47.2 Marine: this will include:

- Development and implementation of cross-border marine management plans;
- Mapping of marine/seabed environment;
- Creation of a regional cross-border marine centre;
- Creation of a network of marine protected areas;
- Research and development in the marine environment; including the impact of climate change;

Marine skills development initiatives;
Co-ordinated research programme of direct relevance to the management challenges of the eligible area.

2.48 This priority will be targeted at the following beneficiaries:
- Public sector agencies;
- Local Authorities;
- Non-governmental organisations.

Priority Axis 2 - Investment Priority 2

2.49 Investment in the water sector to meet the requirements of the Union’s environmental acquis and to address needs, identified by the Member States for investment that goes beyond those requirements;

Actions to be supported

2.50 Indicative Actions to be supported:

2.50.1 Water:

- The development and implementation of integrated river basin management plans and actions;
- The development and implementation of management plans and projects for designated drinking water protected areas so that Water Framework Directive(WFD) water (including any designated drinking water protected areas) classification can be maintained and improved;
- River habitat restoration schemes;
- Water management research;
- Research and development in wastewater treatment technologies, including the use of green technologies with direct relevance to the catchment area;
- Creation of demonstration sites in the catchment areas to illustrate best practice wastewater treatment methodologies.
• Sewerage network and wastewater treatment projects to protect and enhance the WFD classification of the cross border catchment areas, transitional and shared coastal waters;  

2.51 This priority will be targeted at the following beneficiaries:
• Public sector agencies;
• Local Authorities.
• Non-governmental organisations;

Priority Axis 3 Investment Priority 1

2.52 Developing and improving environmentally friendly (including low-noise) and low carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility.

Actions to be supported

2.53 Indicative Actions to be supported:
• Development of a comprehensive cross-border cycle network;
• Development of transport hubs to facilitate low carbon transportation in the cross-border region;
• Development of the existing cross border infrastructure for electric vehicles including ensuring inter-operability;
• Actions to facilitate the increased use of electric vehicles by public agencies, including subsidies for purchase of vehicles;

2.54 This priority will be targeted at the following beneficiaries:
• Public sector agencies;
• Local authorities;

49 SOURCE: GUIDANCE ON TYPOLOGY, REFERENCE CONDITIONS AND CLASSIFICATION SYSTEMS FOR TRANSITIONAL AND COASTAL WATERS. PRODUCED BY CIS WORKING GROUP 2.4 (COAST) FOR THE EU. Transitional waters’ are bodies of surface water in the vicinity of river mouths which are partly saline in character as a result of their proximity to coastal waters but which are substantially influenced by freshwater flows. Coastal waters’ means surface water on the landward side of a line, every point of which is at a distance of one nautical mile on the seaward side from the nearest point of the baseline from which the breadth of territorial waters is measured, extending where appropriate up to the outer limit of transitional waters.
• Non-governmental organisations.

Priority Axis 4 - Investment Priority 1

2.55 Investing in health and social infrastructure which contribute to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community based services;

Actions to be supported:

2.56 Indicative actions to be supported:

2.56.1 Cross-border Healthcare Services:

• Creation of new cross-border treatment clinics within individual disease areas such as diabetes, dermatology, cancer, mental health and orthopaedics. These clinics will generally be service based rather than physical infrastructure;

• Creation of cross-border community pharmacies; these will generally be service based rather than physical infrastructure.

2.56.2 E-Health Technology:

• The cross-border e-health solutions within the clinical environment aimed at increasing remote healthcare provision;

• The generation of electronic health records; to be designed and implemented on a cross-border basis support elderly people living at home; to be implemented on a cross-border basis;

• Creation of cross-border healthcare eco-systems incorporating SME’s, academic institutions and the healthcare sector.

2.56.3 Cross-border Healthcare Intervention Trials:

• Creation of cross-border healthcare intervention trials;

• Delivery of cross-border healthcare intervention trials;

• The publication of intervention trial results in academic journals;
• Actions to incorporate findings into healthcare policy.

2.57 In order to ensure best use of the available funds for investment, identification of the most appropriate diagnostic groups and locations for the delivery of related services will be essential. The actions supported by the programme will be underpinned by an action research framework, designed to ensure the maximum learning is derived from the investment and that best practice development is embedded within the regional healthcare systems. In order to maximise the results of the investment, it will be important that the work of the various health care delivery agencies is carefully co-ordinated.

2.58 This priority will be targeted at the following beneficiaries:
• public sector agencies;
• local authorities;
• non-governmental organisations;
The guiding principles for the selection of operations – Article 8 (2) (b) (iii) EU Regulation 1299/2013

(3,500 characters)

<table>
<thead>
<tr>
<th>Investment Priority</th>
<th>Enhancing research and innovation infrastructure (R&amp;I) and capacities to develop R&amp;I excellence and promoting centres of competence, in particular those of European interest.</th>
</tr>
</thead>
</table>

The following suggested selection criteria will be used:

1. Research programme of high standard as determined by international peer review;
2. Demonstration of strong partnership between research institutions, relevant agencies and private sector on a cross-border basis;
3. Demonstration of research being informed by industry;
4. Quality of the project design;
5. Quality of the project team and implementation arrangements;
6. Value for money;
7. Quality of cross-border co-operation with demonstrable added value;
8. Contribution towards sustainable development;

<table>
<thead>
<tr>
<th>Investment Priority</th>
<th>Promoting business investment in R&amp;I</th>
</tr>
</thead>
</table>

The following suggested selection criteria will be used:

1. Programmes that support SMEs to participate in cross-border research and innovation activity;
2. Programmes must operate across the eligible area;
3. SMEs within export potential within manufacturing and tradable services only;
4. Quality of the project design;
5. Quality of the project team and implementation arrangements;
6. Value for money;
7. Quality of cross-border co-operation with demonstrable added value;
8. Contribution towards sustainable development;

| Investment Priority | Protecting and restoring biodiversity and soil and promoting ecosystem services including through NATURA 2000 and green infrastructure. |

The following suggested selection criteria will be used:

1. Activity will be limited to protected sites contiguous to the border;
2. Activity must demonstrate direct link to favourable status as defined by Biodiversity directive;
3. Demonstration of contribution to improved water quality in transitional and coastal waters;
4. Demonstration of contribution to the establishment and management of a network of protected areas;
5. Quality of the project design;
6. Quality of the project team and implementation arrangements;
7. Value for money;
8. Quality of cross-border co-operation with demonstrable added value;
9. Contribution towards sustainable development;

| Investment Priority | Investment in the water sector to meet the requirements of the Union’s environmental _acquis_ and to address needs, identified by the Member States for investment that goes beyond those requirements; |
The following suggested selection criteria will be used:

1. Contribution of the project towards improving water quality in catchment area, including transitional and coastal waters;

2. Quality of the project design;
3. Quality of the project team and implementation arrangements;
4. Value for money;
5. Quality of cross-border co-operation with demonstrable added value;
6. Contribution towards sustainable development;
7. Contribution towards equality.

---

**Investment Priority**

Investing in health and social infrastructure which contribute to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community based services;

---

The following suggested selection criteria will be used:

1. Contribution of the project towards delivering cross-border healthcare;
2. Contribution of the project towards delivering cross-border e-health solutions;
3. Contribution of the project towards delivering cross-border healthcare trials;
4. Assessment of delivery mechanisms; the mobility of healthcare professionals and patients across borders; to include the development of the necessary protocols;
5. Quality of the project design;
6. Quality of the project team and implementation arrangements;
7. Value for money;
8. Quality of cross-border co-operation with demonstrable added value;
9. Contribution towards sustainable development;
<table>
<thead>
<tr>
<th><strong>Investment Priority</strong></th>
<th>Developing and improving environmentally friendly and low carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure</th>
</tr>
</thead>
</table>

The following suggested selection criteria will be used:

1. Contribution of the project towards achieving the stated results and outputs indicators
2. Quality of the project design
3. Quality of the project team and implementation arrangements
4. Value for money
5. Quality of cross-border co-operation with demonstrable added value
6. Contribution towards sustainable development
7. Contribution towards equality
Table 4: Common and programme specific output indicators (by investment priority) Article 8(2)(b)(iv) EU Regulation 1299/2013

<table>
<thead>
<tr>
<th>ID</th>
<th>Indicator</th>
<th>Measurement unit</th>
<th>Target value (2023)</th>
<th>Source of data</th>
<th>Frequency of reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1.1</td>
<td>Number of research institutions participating in cross-border, transnational or interregional research projects. (Common indicator)</td>
<td>Organisations</td>
<td>10 research institutions engaged in Cross-border research programmes.</td>
<td>Research institutions across the programme area.</td>
<td>To be established</td>
</tr>
<tr>
<td>1.1.1</td>
<td>Number of new researchers in supported entities. (Common indicator)</td>
<td>Full time equivalents</td>
<td>To be confirmed following liaison with Science Foundation Ireland</td>
<td></td>
<td>tbe</td>
</tr>
<tr>
<td>1.1.1</td>
<td>Creation of research and innovation competence programmes in the cross-border region within the Health and Life Sciences and Renewable Energies Sectors.</td>
<td>Programmes</td>
<td>3 programmes</td>
<td></td>
<td>tbe</td>
</tr>
<tr>
<td>1.2.1</td>
<td>Number of enterprises cooperating with research institutions. (Common indicator)</td>
<td>Enterprises</td>
<td>40</td>
<td>Tbe</td>
<td>tbe</td>
</tr>
<tr>
<td>2.1.1</td>
<td>Surface area of habitats supported in order to attain a better conservation status. (Common indicator)</td>
<td>Hectares</td>
<td>Tbe</td>
<td>Tbe</td>
<td>Tbe</td>
</tr>
<tr>
<td>2.1.1</td>
<td>Number of cross-border environmental ecosystems management plans</td>
<td>Management plans</td>
<td>16</td>
<td></td>
<td>tbe</td>
</tr>
<tr>
<td>2.1.2</td>
<td>Surface area of sea bed mapped</td>
<td>Hectares</td>
<td>Tbe</td>
<td></td>
<td>tbe</td>
</tr>
<tr>
<td>Section</td>
<td>Description</td>
<td>Units</td>
<td>Description</td>
<td>Units</td>
<td></td>
</tr>
<tr>
<td>---------</td>
<td>-------------</td>
<td>-------</td>
<td>-------------</td>
<td>-------</td>
<td></td>
</tr>
<tr>
<td>2.1.2</td>
<td>Number of marine management plans.</td>
<td>Management plans</td>
<td>Tbe</td>
<td>Tbe</td>
<td></td>
</tr>
<tr>
<td>2.2.1</td>
<td>Number of cross-border water body management plans.</td>
<td>Management plans</td>
<td>Tbe</td>
<td>Tbe</td>
<td></td>
</tr>
<tr>
<td>3.1.1</td>
<td>Creation or enhancement of multimodal public transport hub(s)</td>
<td></td>
<td>Tbe</td>
<td>Tbe</td>
<td></td>
</tr>
<tr>
<td>3.1.1</td>
<td>X number of kilometres of cycle ways/green ways</td>
<td>Kilometres</td>
<td>Tbe</td>
<td>Tbe</td>
<td></td>
</tr>
<tr>
<td>3.1.1</td>
<td>Creation of a cross-border intermodal electric vehicle network(s)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.1.1</td>
<td>Creation of a number of Cross-border treatment programmes.</td>
<td>Treatment Programmes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.1.1</td>
<td>Creation of a number of Cross-border treatment programmes</td>
<td>Health intervention trial network</td>
<td>Tbe</td>
<td>Tbe</td>
<td></td>
</tr>
</tbody>
</table>
Performance framework (Article 8(2)(b)(v) EU Regulation 1299/2013, and Annex II of EU Regulation 1303/2013

Table 5: The performance framework of the priority axis

<table>
<thead>
<tr>
<th>Priority Axis</th>
<th>Indicator or Type</th>
<th>ID</th>
<th>Implementation step, financial, output or result indicator (255 char)</th>
<th>Measurement unit, where appropriate</th>
<th>Milestone for 2018 (255 char)</th>
<th>Final target (2023)</th>
<th>Source of data (200 char)</th>
<th>Explanation of the relevance of indicator, where appropriate (500 char)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research and Innovation</td>
<td>Output</td>
<td>1.1.1</td>
<td>Number of research institutions participating in cross-border, transnational or interregional research projects. (Common indicator)</td>
<td>Organisations</td>
<td>Tbe</td>
<td>To be established</td>
<td>To be established</td>
<td></td>
</tr>
<tr>
<td>Output</td>
<td>1.1.1</td>
<td></td>
<td>Number of new researchers in supported entities. (Common indicator)</td>
<td>Full time equivalents</td>
<td>Tbe</td>
<td>Tbe</td>
<td>Tbe</td>
<td></td>
</tr>
<tr>
<td>Output</td>
<td>1.1.1</td>
<td></td>
<td>Creation of research and innovation competence programmes in the cross-border region within the Health and Life Sciences and Renewable Energy Sectors.</td>
<td>Programmes</td>
<td>Tbe</td>
<td>Tbe</td>
<td>Tbe</td>
<td></td>
</tr>
<tr>
<td>Output</td>
<td>1.2.1</td>
<td></td>
<td>Number of enterprises cooperating with research institutions. (Common indicator)</td>
<td>Enterprises</td>
<td>Tbe</td>
<td>Tbe</td>
<td>Tbe</td>
<td></td>
</tr>
<tr>
<td>Management Indicator</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Tbe`</td>
<td>Tbe</td>
<td>Tbe</td>
<td></td>
</tr>
<tr>
<td>Environment</td>
<td>Output</td>
<td>2.1.1</td>
<td>Surface area of habitats supported in order to attain a better conservation status. (Common indicator)</td>
<td>Hectares</td>
<td>Tbe</td>
<td>Tbe</td>
<td></td>
<td></td>
</tr>
<tr>
<td>-------------</td>
<td>--------</td>
<td>-------</td>
<td>-------------------------------------------------------------------------------------------------</td>
<td>---------</td>
<td>-----</td>
<td>-----</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Output 2.1.1</td>
<td>Number of cross-border environmental ecosystems management plans.</td>
<td>Management plans</td>
<td>Tbe</td>
<td>Tbe</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Output 2.1.2</td>
<td>Surface area of sea bed mapped.</td>
<td>Hectares</td>
<td>Tbe</td>
<td>Tbe</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Output 2.1.2</td>
<td>Number of marine management plans.</td>
<td>Management plans</td>
<td>Tbe</td>
<td>Tbe</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Output 2.2.1</td>
<td>Number of cross-border water body management plans.</td>
<td>Management plans</td>
<td>Tbe</td>
<td>Tbe</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sustainable Transport</td>
<td>Output 3.1.1</td>
<td>Creation or enhancement of multimodal public transport hub(s)</td>
<td>Tbe</td>
<td>Tbe</td>
<td>tbe</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Output 3.1.1</td>
<td>X number of kilometres of cycle ways/green ways</td>
<td>Kilometres</td>
<td>Tbe</td>
<td>Tbe</td>
<td>Tbe</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Output 3.1.1</td>
<td>Creation of a cross-border intermodal electric vehicle network(s)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health</td>
<td>Output 4.1.1</td>
<td>Creation of a number of Cross-border treatment programmes.</td>
<td>Treatment Programmes</td>
<td>Tbe</td>
<td>Tbe</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Output 4.1.1</td>
<td>Creation of a network of healthcare intervention trails.</td>
<td>Healthcare intervention trial network</td>
<td>Tbe</td>
<td>Tbe</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Additional qualitative information on the set-up of the performance framework may be added if needed.
Tables 6-9: Categories of intervention

<table>
<thead>
<tr>
<th>Priority Axis</th>
<th>Code</th>
<th>€ amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research and Innovation</td>
<td>002</td>
<td></td>
</tr>
<tr>
<td></td>
<td>058</td>
<td></td>
</tr>
<tr>
<td></td>
<td>059</td>
<td></td>
</tr>
<tr>
<td></td>
<td>060</td>
<td></td>
</tr>
<tr>
<td>Environment</td>
<td>084</td>
<td></td>
</tr>
<tr>
<td></td>
<td>021</td>
<td></td>
</tr>
<tr>
<td></td>
<td>022</td>
<td></td>
</tr>
<tr>
<td></td>
<td>085</td>
<td></td>
</tr>
<tr>
<td>Health</td>
<td>108</td>
<td></td>
</tr>
<tr>
<td></td>
<td>111</td>
<td></td>
</tr>
<tr>
<td>Sustainable Transport</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Table 7: Dimension 2 Form of finance

<table>
<thead>
<tr>
<th>Priority Axis</th>
<th>Code</th>
<th>€ amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research and Innovation</td>
<td>01</td>
<td></td>
</tr>
<tr>
<td>Environment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sustainable Transport</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 8: Dimension 3 Territory

<table>
<thead>
<tr>
<th>Priority Axis</th>
<th>Code</th>
<th>€ amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research and Innovation</td>
<td>01</td>
<td></td>
</tr>
<tr>
<td></td>
<td>05</td>
<td></td>
</tr>
<tr>
<td>Environment</td>
<td>01</td>
<td></td>
</tr>
<tr>
<td>Health</td>
<td>05</td>
<td></td>
</tr>
<tr>
<td>Priority Axis</td>
<td>Code</td>
<td>€ amount</td>
</tr>
<tr>
<td>----------------------------</td>
<td>------</td>
<td>----------</td>
</tr>
<tr>
<td>Research and Innovation</td>
<td>07</td>
<td></td>
</tr>
<tr>
<td>Environment</td>
<td>07</td>
<td></td>
</tr>
<tr>
<td>Health</td>
<td>07</td>
<td></td>
</tr>
<tr>
<td>Sustainable Transport</td>
<td>07</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>7</td>
</tr>
</tbody>
</table>
A summary of the planned use of technical assistance (Article 8 (2) (b) (vi) EU Regulation 1299/2013)

(2,000 characters)

Technical Assistance

2.59 In accordance with Article 59 of Regulation (EU) No 1303/2013, technical assistance will be utilised by SEUPB as Managing Authority for the INTERREG Programme to assist in the administration and implementation of the programme.

2.60 The types of activities that will be funded through a technical assistance budget will include:

- Programme preparation including technical studies and public consultation
- Programme management including costs associated with the Managing Authority, Certifying Authority, Joint Secretariat, and a National Contact Point in Scotland
- Support and advice to potential beneficiaries
- Advice and support in relation to equality and sustainable development
- Monitoring and evaluation, including the commissioning of specific reports
- Networking of programme bodies and beneficiaries
- Complaint resolution procedures
- Audit and control including the costs of Audit Authority
- Information and communication
- Electronic data exchange. Provision will be made for the involvement of intermediate bodies, the paying agency and others
- Electronic data exchange. Provision will be made to support these organisations as well as beneficiaries in the use of the monitoring system.
A description of the priority axis for technical assistance (Article 8 2 (c) EU Regulation 1299/2013)

Priority Axis 5: Technical Assistance

2.61 Technical Assistance will be used to facilitate the efficient and effective implementation of the Programme, in order that the maximum impact is achieved and in compliance with all the EU regulations.

Fund

2.62 European Regional Development Fund (ERDF)

Calculation basis for the Union support

2.63 The intervention rate will be 85% based on public sector contribution.

Specific objective 1

2.64 **Specific Objective:** To ensure that the programme is managed, monitored and evaluated in an efficient and effective manner.

2.65 **Result:** The programme objectives are achieved and that there is compliance with all the required regulations.

2.66 The necessary systems and procedures will be put in place to ensure that the programme is implemented in a timely manner, and to ensure that programme objectives are achieved, including the targets set out in performance framework. An additional challenge in this programme period will be to ensure that there is as noticeable reduction in the administrative burden for beneficiaries whilst respecting regulatory compliance.

2.67 Technical assistance will be used to fund the costs associated with the Managing Authority, Certifying Authority and Joint Secretariat. Funding will also be used to support the Monitoring Committee, the Steering Committee and the Contact Point in Scotland. Funding may also be used to fund intermediate bodies that may be appointed to implement parts of the programme.

2.68 Technical assistance will be used to ensure adequate support and advice is available to potential applicants. In particular guidance will be given on eligibility criteria, result
orientation and expected outputs. It is anticipated that this approach will increase
the quality of appropriate applications and the overall success rate, as a result of a
better alignment of the number of applications with the available resources and
programme objectives. Some limited direct support may be given to applicants to
assist in the preparation of strategically important operations.

2.69 Technical assistance will be used to assess applications against programme results
and outputs. This may include the commissioning of specific technical studies and
reports, including economic appraisals as may be required.

2.70 Technical assistance will be used to fund the audit and control arrangements,
including the Audit Authority. Increase emphasis will be placed on providing advice
and support to applicants in relation to cost simplification to ensure that potential
gains in relations to reducing the administrative burden are maximised. This may
include commissioning to specific studies and reports to support the application to
costs simplification measures.

2.71 The verification of expenditure and on-the spot—checks as required by first level of
control will be funded by technical assistance. This will include verification of
outputs as may be required by costs simplification methodologies.

2.72 Programme performance will be monitored though the identification of indicators for
each operation and the measuring of their subsequent achievement. Evaluations
may be commissioned to track achievement against the result indicators.

2.73 In response to comments from public consultation and partners, technical assistance
will be used to provide support to applicants and lead beneficiaries in relation to
equality and sustainable development. The SEUPB will co-ordinated the provision of
support and training at all stages of the programme cycle to ensure that these
horizontal themes are fully incorporated into the programme.

2.74 Technical assistance will fund the design and implementation of a central database to
meet all the regulatory requirements of e-cohesion. The costs of the database will be
shared with other ETC and regional programmes in Northern Ireland.
Specific objective 2

2.75 **Specific objective:** To ensure that potential beneficiaries are aware of the opportunities presented by the programme and that the general public is aware of the outputs and results of the programme.

2.76 **Results:** The programme receives high quality applications in line with the potential funding provision and that the public are aware of the positive impact of the programme.

2.77 The managing authority will develop a communication plan for the programme which details the communication messages and actions to be addressed towards various stakeholder groups. Progress on the implementation of this plan will be shared with the monitoring committee and reported in the annual report.

2.78 The result orientation of the programme requires that potential final beneficiaries are informed of the expected outputs and results of the programme and make an informed decision about applying for funds. It is desirable that there is close alignment of the request of funds with the funding capacity of the programme. Good communication measures can assist with this outcome.

2.79 It is important the general public become aware of the positive impacts of the programme and are informed of funding awards, outputs and results. A list of all funded operations will be made easily available on the SEUPB website. The programme will participate in joint initiatives to promote positive messages about ETC programmes.

2.80 Final beneficiaries will be supported in the development and implementation of communication plans for their operations.

2.81 The programme will actively promote the use of social media to achieve its communication objectives.
Table 10: Programme Specific Result Indicators for Information and Publicity and Management, Monitoring and Evaluation

<table>
<thead>
<tr>
<th>ID</th>
<th>Indicator</th>
<th>Measurement Unit</th>
<th>Baseline Value</th>
<th>Baseline Year</th>
<th>Target Value (2023)</th>
<th>Source of Data</th>
<th>Frequency of Reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td>VTA1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VTA2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Actions to be supported and their expected contribution to the specific objectives (Article 8(2)(c)(iii) EU Regulation 1299/2013)

Priority Axis – Technical Assistance

2.82 The following actions will be supported in relation to the specific objective of management, monitoring and evaluation:

- Employment of staff and related costs necessary for the Managing Authority, Certifying Authority and Joint Secretariat to carry out its functions;
- Operation of contact point in Scotland;
- Contracting of services with external bodies/organisations in relation to the delivery of the programme;
- Costs associated with the meeting of the Programme Monitoring Committee and its sub-committees/working groups;
- Allocation of technical assistance for preparatory projects;
- Provision of support and advice to applicants and final beneficiaries on the horizontal principles of equality and sustainable development;
- Technical costs associated with project assessment including specialised support and economic appraisal as may be required;
- Evaluations at a thematic level and programme level to assess achievements of anticipated results;
- Exchange of information and best practice within the programme and between programmes;
- Development and management of central database and other costs associated with e-cohesion;
- Activities associated with management and including first level control activities;
- Funding of the Audit Authority to carry out its functions.

2.83 The following actions will be funded in relation to the specific objective of information and communication.

- Staff costs and associated expenses of the managing authority to carry out its functions in relation to information and communications;
- A major information activity to launch the Programme;
- Workshops, seminars, conferences and other costs to inform potential beneficiaries about the funding opportunities;
• A major information activity per year to highlight programme achievements;
• Distribution of information and publicity about the Programme and its impacts including the development and dissemination of examples of good practice to include examples in a widely spoken language of the EU other than that of the Member State (or States);
• Production and dissemination of a citizens’ summary of the annual and final implementation report;
• Design, maintenance and promotion of a single website (http://www.seupb.eu) providing information on the Programme;
• Support and assistance to final beneficiaries in the correct use of programme’s logo/emblem and other references to the Programme by implementing bodies, funded operations and media relays;
• Support and advice to final beneficiaries in the creation and placement of relevant posters, billboards and plaques referencing EU support and information about the operation;
• Coordination of communication networks across the region to exchange results on the implementation of communication strategies;
• Translation of communication and information material into another official language of the EU;
• Stakeholder surveys and other technical reports associated with evaluation of all information and communications activity.
### Table 11: Output indicators for the Specific Objectives

<table>
<thead>
<tr>
<th>ID</th>
<th>Indicator</th>
<th>Measurement unit</th>
<th>Target value (2023)</th>
<th>Source of data</th>
</tr>
</thead>
<tbody>
<tr>
<td>(5 char)</td>
<td>Public Launch of Programme</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Dissemination activities supported</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Press releases</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Hits on website per month</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Overall Awareness of Cooperation Programme</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Training Workshops and Seminars for Beneficiaries</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Categories of Intervention

Table 12 Dimension 1 Intervention Field

<table>
<thead>
<tr>
<th>Priority Axis</th>
<th>Code</th>
<th>€ EU Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical Assistance</td>
<td>121</td>
<td></td>
</tr>
<tr>
<td></td>
<td>123</td>
<td></td>
</tr>
</tbody>
</table>

Table 13 Dimension 2 Form of Finance

<table>
<thead>
<tr>
<th>Priority Axis</th>
<th>Code</th>
<th>€ EU Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical Assistance</td>
<td>01</td>
<td></td>
</tr>
</tbody>
</table>

Table 14 Dimension 3 Territory

<table>
<thead>
<tr>
<th>Priority Axis</th>
<th>Code</th>
<th>€ EU Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical Assistance</td>
<td>07</td>
<td></td>
</tr>
</tbody>
</table>
3.1 The financing plan

Table 15

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>ERDF</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Table 16

<table>
<thead>
<tr>
<th>Priority axis</th>
<th>Fund</th>
<th>Basis for the calculation of the Union support (Total eligible cost or public eligible cost)</th>
<th>Union Support (a) €</th>
<th>National counterpart (b)=(c)+(d) €</th>
<th>Indicative breakdown of the national counterpart</th>
<th>Total funding (e)=(a)+(b) (2) €</th>
<th>Co-financing rate (f)=(a)/(e)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Priority axis 1</td>
<td>ERDF</td>
<td>70,600,000</td>
<td>60,000,000</td>
<td>10,600,000</td>
<td>National Public funding (c)</td>
<td>National private funding(1) (d)</td>
<td>85%</td>
</tr>
<tr>
<td>Priority axis 2</td>
<td>ERDF</td>
<td>84,700,000</td>
<td>72,000,000</td>
<td>12,700,000</td>
<td></td>
<td></td>
<td>85%</td>
</tr>
<tr>
<td>Priority axis 3</td>
<td>ERDF</td>
<td>47,060,000</td>
<td>40,000,000</td>
<td>7,060,000</td>
<td></td>
<td></td>
<td>85%</td>
</tr>
<tr>
<td>Priority axis 4</td>
<td>ERDF</td>
<td>62,360,000</td>
<td>53,000,000</td>
<td>9,360,000</td>
<td></td>
<td></td>
<td>85%</td>
</tr>
<tr>
<td>Priority axis 5</td>
<td>Technical Assistance</td>
<td>17,700,000</td>
<td>15,000,000</td>
<td>2,700,000</td>
<td></td>
<td></td>
<td>85%</td>
</tr>
<tr>
<td>Total</td>
<td>ERDF</td>
<td>NA</td>
<td>282,420,000</td>
<td>240,000,000</td>
<td></td>
<td>42,420,000</td>
<td>85%</td>
</tr>
</tbody>
</table>

**NOTE:** Figures are rounded - may not total - detailed figures to be calculated.
### Table 17 Breakdown by priority axis and thematic objective

<table>
<thead>
<tr>
<th>Priority axis</th>
<th>Thematic objective</th>
<th>Union support (€ million) % share of ERDF</th>
<th>National Counterpart (public + private) (€ million)</th>
<th>Total funding (€ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Priority axis 1 – Research and Innovation</td>
<td>Strengthening research, technological development and innovation</td>
<td>60 (25%)</td>
<td>10.6</td>
<td>70.6</td>
</tr>
<tr>
<td>Priority axis 2 – Environment</td>
<td>Protecting the environment and promoting resource efficiency</td>
<td>72 (30%)</td>
<td>12.7</td>
<td>84.7</td>
</tr>
<tr>
<td>Priority axis 3 – Sustainable Transport</td>
<td>Promoting sustainable transport and removing bottlenecks in key network infrastructures</td>
<td>40 (16.2%)</td>
<td>7.0</td>
<td>47.0</td>
</tr>
<tr>
<td>Priority axis 4 – health</td>
<td>Promoting social inclusion and combating poverty and any discrimination</td>
<td>53 (22.8%)</td>
<td>9.4</td>
<td>62.4</td>
</tr>
<tr>
<td>Priority axis 5 – Technical assistance</td>
<td>Technical Assistance</td>
<td>15 (6%)</td>
<td>2.7</td>
<td>17.7</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>240 (100%)</strong></td>
<td><strong>42.4</strong></td>
<td><strong>282.4</strong></td>
</tr>
</tbody>
</table>
Table 18: The indicative amount of support to be used for climate change objectives (Article 27(6) EU Regulation 1303/2013)

<table>
<thead>
<tr>
<th>Priority axis</th>
<th>The indicative amount of support to be used for climate change objectives (EUR)</th>
<th>Share of the total allocation to the Cooperation Programme (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research and innovation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Environment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sustainable Transport</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
SECTION 4: INTEGRATED APPROACH TO TERRITORIAL DEVELOPMENT – ARTICLE 8(3) EU REGULATION 1299/2013

A description of the integrated approach to territorial development, taking into account the content and objectives of the cooperation programme, including in relation to regions and areas referred to in Article 174(3) TFEU, having regard to Partnership Agreement of participating Member States, and showing how it contributes to the accomplishment of the programme objectives and expected results

(3,500 characters)

4.1 The programme recognises the particular territorial development challenges of the eligible region and the need for an integrated approach. The programme has been planned in co-operation with the other programmes funded by ESI funds, and in particular the Investment for Jobs and Growth Programme. This co-operation is reflected in the UK Partnership Agreement (Northern Ireland and Scotland Chapters) and the Ireland Partnership Agreement. These Partnerships Agreements set out the complementarity of the activities being planned under INTERREG with other ESI funded programmes.

4.2 During the preparation of the CP the SEUPB have held consultation meetings with all other departments in the region who are involved in developing national CSF programmes which are related to the thematic objectives of this programme. Whilst supportive of number national and European strategic objectives, the INTERREG pipeline has been developed to include projects that can deliver cross-border benefits in the eligible region, which distinguishes these projects from projects seeking support from national programmes. The ability to deliver cross-border benefits is a key criteria for all applicants to the INTERREG programme which will be foremost in the criteria applied at the time of project selection for support. In all cases where there is any potential for duplication of support, the relevant national departments will be consulted prior to any offers of funding. This approach i.e. consultations with other potential funders, will be applied consistently throughout the life of the CP.

4.3 The responses to the public consultation (2012) noted agreement with the broad principles of community led development, i.e. a partnership approach to address local identified needs through a local plan. The INTERREG Programmes has a track record of working effectively with local authorities within the eligible area to fund
investments. Many of these projects have been managed by cross-border Groups, which bring together local authorities from Northern Ireland and Ireland.

4.4 Detailed consideration has been given as to the most effective mechanism of ensuring the continued level of local authority involvement within the programme. It is important to take due account of the changes in local authorities in Northern Ireland as a result of the planned implementation of the Review of Public Administration in 2014-15. This will result in the formation of 11 councils from the existing 26 councils. These new councils will have enhanced responsibilities, which will be reflected in development of local community plans. In Ireland, local government is also being reformed with the implementation of “Putting People First”. This is resulting in a significant programme of restructuring and change, including enhanced economic development responsibilities for local authorities. Local government will have a central role in the oversight and planning of local and community development programmes. Local government in Scotland has a long and established track record of local community planning and economic development through partnership.

4.5 The INTERREG Programmes will not result in any requirement to develop new local plans, but rather seeks to build on the extensive local planning that is currently underway in all three jurisdictions. Local authorities will be encouraged to identify projects through their respective planning initiatives that could be implemented through co-operation with local authorities and other local partners in the other jurisdictions within the eligible region. The programme will not be prescriptive as to the nature of the cross-border partnerships that emerge from this process. It is envisaged that different partnership arrangements, with varying spatial scales will evolve in response to the requirement to deliver the clear output and result focus identified in the programme.

4.6 It is noted that local authorities will have significant responsibilities with regard to other ESI programmes including the PEACE V Programme. Local authorities will be encouraged to identify synergies between ESI programmes, with regard to capturing any efficiencies savings that may be possible through a shared services approach to project implementation.
Contribution of planned interventions towards such strategies, subject to the needs of the programme area as identified by the relevant Member States and taking into account, where applicable, strategically important projects identified in those strategies.

(7,000 characters)

4.7 The Atlantic Strategy was adopted by the European Union in 2011. Its main focus is on helping communities living and working on the Atlantic coast deal with new economic realities, and in particular it identifies the potential of the “blue economy”. It also recognises that the EU shares responsibility for the stewardship of the world's oceans. The strategy covers the coasts, territorial and jurisdictional waters of the five EU Member States: France, Ireland, Portugal, Spain and the United Kingdom. The INTERREG Programme area forms a significant component of the overall strategy area.

4.8 An Atlantic Area Action Plan was adopted in 2013. It considers responses to the challenges of delivering growth, reducing the carbon footprint, using the sea's natural resources sustainably, responding effectively to threats and emergencies and implementing an "ecosystem" management approach in Atlantic waters. The priorities identified in the action plan are:

- Promote entrepreneurship and innovation;
- Protect, secure and enhance the marine and coastal environment;
- Improve accessibility and connectivity;
- Create a socially inclusive and sustainable model of regional development;

There is strong synergy between the investment priorities identified for the INTERREG Programme and the Atlantic Action Plan.

4.9 Priority one of the Action plan aims to promote entrepreneurship and innovation. It identifies the key role of partnership between research institutions, higher education organisations and companies in promoting research and innovation. Such partnership will be facilitated by the planned investments under the INTERREG programme in Theme 1 “Research and Innovation”. Of particular significance is the adoption of the key sector of “renewable energy” within the theme. Resulting investments will utilise the potential of the “blue economy” to contribute to regional development. Whilst the programme is focused on two member states, partnerships
may be formed with research institutions in other Atlantic Strategy Member States if this is beneficial to the achievement of programme objectives.

4.10 The Atlantic Strategy identifies the potential for synergies between Energy and Maritime Policy: to promote increased energy generation from the sea; to optimise the level of clean energy generated and; to reduce the reliance on fossil fuel. In so doing, it confirms the validity of the INTERREG programme’s selection of the Renewable Energy sector as a key growth sector for the region, noting that the natural marine environment could provide for increased jobs (up to 7m jobs in Europe by 2020) and wealth creation, particularly for emerging sectors such as offshore renewable energy.

4.11 The second priority of the Atlantic Action plan is to protect, secure and develop the potential of the Atlantic marine and coastal environment. The achievement of this priority will be facilitated by planned investments by the INTERREG programme. The programme will promote actions to assist the region meet its requirements under the Marine Strategy Framework Directive. This will include actions in relation to: data collection and sharing; establishment and management of protected areas; and research in the marine environment.

4.12 The fourth priority of the Action Plan is to create a socially inclusive and sustainable model of regional development. The INTERREG programme will invest in actions to promote social inclusion and combating poverty. In particular, there will be investments in health care systems. Whilst these initiatives are not exclusively focussed on coastal communities, they will provide valuable insight to the provision of public services to dispersed, low population density peripheral areas, which is characteristic of much of the Atlantic zone. In addition, the programme will welcome applications from small inhabited off-shore islands in recognition of the particular challenges being faced by these communities.
SECTION 5: IMPLEMENTING PROVISIONS FOR THE COOPERATION PROGRAMME – ARTICLE 8 (4) REGULATION (EU) NO. 1299/2013

Relevant authorities and bodies - Article 8 (4) Regulation (EU) NO 1299/2013

Table 19: Identification of and contact details for the relevant authorities and bodies

<table>
<thead>
<tr>
<th>Authority/body</th>
<th>Name of the authority/body (255 characters for each)</th>
<th>Head of the authority/body (255 characters for each)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managing Authority</td>
<td>Special EU Programmes Body</td>
<td>Shaun Henry</td>
</tr>
<tr>
<td>Certifying Authority</td>
<td>Special EU Programmes Body</td>
<td>Gina McIntyre</td>
</tr>
<tr>
<td>Audit Authority</td>
<td>Department of Finance and Personnel in Northern Ireland</td>
<td>Fergal McAneney</td>
</tr>
</tbody>
</table>

Table 20: The body to which payments will be made by the Commission is:

<table>
<thead>
<tr>
<th>Body to which Payments Will Be Made</th>
</tr>
</thead>
<tbody>
<tr>
<td>The managing authority</td>
</tr>
<tr>
<td>The certifying authority √</td>
</tr>
</tbody>
</table>

Table 21: Identification of the body or bodies carrying out control and audit tasks

<table>
<thead>
<tr>
<th>Authority/body</th>
<th>Name of the authority/body (255 characters for each)</th>
<th>Head of the authority/body (255 characters for each)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Body or bodies designated to carry out control tasks</td>
<td>Financial Control Unit of the Special EU Programmes Body</td>
<td>Alistair Mackenzie</td>
</tr>
<tr>
<td>Body or bodies designated to be responsible for carrying out audit tasks</td>
<td>Financial Control Unit of the Special EU Programmes Body</td>
<td>Alistair Mackenzie</td>
</tr>
</tbody>
</table>
Procedure for setting up the Joint Secretariat

(3,500 characters)

5.1 In accordance Regulation (EU) No 1303/2013: Article 123 (1); The Special EU Programmes Body (SEUPB) is the designated managing authority of the Programme.

The SEUPB is one of the six Cross border Bodies set up under the “Agreement between the Government of Ireland and the Government of the United Kingdom of Great Britain and Northern Ireland establishing implementing bodies” signed on 8 March 1999 (the British-Irish Agreement of 8 March 1999). The Agreement was given domestic effect, North and South, by means of the North/South Cooperation (Implementation Bodies) (Northern Ireland) Order 1999 and the British-Irish Agreement Act 1999 respectively.

5.2 In accordance with Regulation (EU) No 1299/2013: Article 23 (2) the managing authority has agreed with the Member States that the joint secretariat (JS) for the programme will be part of the SEUPB.

The JS shall have the following functions:

- assist the managing authority and the monitoring committee in carrying out their respective functions;

- provide information to potential beneficiaries about funding opportunities under the Programme;

- assist beneficiaries in the implementation of operations.

In addition, the JS will support a contact point in Scotland to facilitate the execution of its functions within Scotland.

5.3 A memorandum of understanding will be issued to the JS from the managing authority delegating the roles and responsibilities of the JS.

5.4 The SEUPB will allocate sufficient staffing and financial resources to the JS to enable it to carry out its functions. These resources will be agreed with the Member States as part of the approval of the corporate and business plans for the SEUPB.
A Summary of the Description of the Management and Control Arrangements

5.5 In accordance with the general principles for management and control systems as identified in Article 72 of regulation (EU) 1303/2013, this section will describe the following:

- Overview of responsibilities
- The Monitoring Committee
- The Managing Authority
- Financial Control Unit
- The Joint Secretariat
- The Certifying Authority, including financial flows
- Data management systems
- Use of intermediate bodies
- Audit arrangements
- Irregularities and fraud.

Overview of responsibilities

5.6 The Member State roles will be exercised by the Department of Finance and Personnel in Northern Ireland and the Department of Public Expenditure and Reform in Ireland. These Departments are sponsor departments for the SEUPB. A Financial Memorandum governs the relationships between the two government departments and the SEUPB.

5.7 The formal designation of Managing Authority and Certifying Authority as detailed in this section of the Cooperation Programme will be deemed to have been approved upon the submission of the programme by the Member States and its subsequent approval by the EU Commission.

5.8 The SEUPB will act as the Managing Authority and Certifying Authority. The Managing Authority will be assisted in carrying out its functions by the Joint Secretariat.

5.9 There is a strict separation of functions within the SEUPB. The organisation is divided into three Directorates, namely, the Managing Authority, Corporate Services (which acts as Certifying Authority) and the Joint Secretariat. Each Director is responsible to the Chief Executive who acts as the overall accounting officer for the Programme.
The organisation is structured in this way to ensure functional separation of responsibilities and to reflect the necessary regulatory requirements.

5.10 The Audit Authority is functionally independent of the SEUPB. The Audit Authority is separate unit within the Department of Finance and Personnel.

Monitoring Committee

5.11 In accordance with Article 47 and Article 110 of Regulation (EU) No. 1303/2013, a Programme Monitoring Committee will be established by the Member States to monitor the implementation of the Programme. The Monitoring Committee will be set up within three months of formal approval of the Programme.

5.12 The Monitoring Committee will draw up and adopt its own rules of procedure and agree them with the Managing Authority. At its first meeting, the Committee shall approve detailed provision for the proper and efficient discharge of the duties assigned to it, including the frequency of its meetings, which will be not less than once per year.

5.13 The Monitoring Committee will be chaired by the Managing Authority and will include balanced representation from across the eligible region including representatives of the Member States; economic and social partners; relevant bodies representing civil society, environmental partners, non-governmental organisations, bodies promoting social inclusion, gender equality and non-discrimination and; locally elected representatives. Particular effort will also be made to promote the balanced participation of women and men. The EU Commission shall participate in an advisory capacity.

5.14 Non-Permanent Members or other relevant organisations may be invited by the Programme Monitoring Committee to attend meetings in response to specific agenda items. Other interested parties will be invited to attend as observers.

5.15 The names of the members of the Monitoring Committee will be published on the SEUPB website.

5.16 The Monitoring Committee may be assisted by a number of working groups. The membership and remit of these groups will be proposed by the MA and approved by the Monitoring Committee and may operate on a limited or long-term basis.
5.17 The Managing Authority will be responsible for the preparation of documentation relating to Monitoring Committee meetings including reports, agendas and summary records of meetings. In particular, the Monitoring Committee will:

- Meet at least once a year and review implementation of the programme and progress towards achieving its objectives having due regard to the financial data, common and programme specific indicators and milestones defined in the performance framework
- Examine all issues that affect the performance of the programme including the conclusions of any performance reviews
- Make observations to the Managing Authority regarding the implementation and evaluation of the programme including actions relating to the reduction of the administrative burden on beneficiaries. The monitoring committee shall monitor actions as a result of its observations
- Establish a Steering Committee(s) to select operations for funding in accordance with Article 12 of Regulation (EU) 1299 /2013
- Review the implementation of the communication strategy
- Review the actions in relation to equality and sustainable development.

5.18 The Monitoring Committee shall examine and approve:

- The methodology and criteria used for the selection of operations
- The annual and final implementation reports
- The evaluation plan and any amendments to the plan
- The communication strategy and any amendments to the strategy
- Any proposal by the Managing Authority to amend the programme.

Managing Authority

5.19 The Managing Authority is overseen by a Director who is responsible for ensuring that all functions of the Managing Authority are implemented in full and in accordance with the EU Regulations and programme rules. The Managing Authority will delegate the implementation of some of its functions to the Joint Secretariat, the Financial Control Unit as detailed under the respective sections.

5.20 In accordance with Article 125 of Regulation (EU) No. 1303/2013 and Article 23 of Regulation (EU) 1299/2013 the Managing Authority will carry out the following functions:
Support the work of the monitoring committee and provide it with the information it requires to carry out its tasks, in particular data relating to the progress of the Cooperation Programme in achieving its objectives, financial data and data relating to indicators and milestones;

Draw up and, after approval by the monitoring committee, submit to the Commission annual and final implementation reports;

Make available to intermediate bodies and beneficiaries information that is relevant to the execution of their tasks and the implementation of operations respectively;

Establish a system to record and store, in computerised form, data on each operation necessary for monitoring, evaluation, financial management, verification and audit;

Draw up and, once approved, ensure that appropriate selection procedures and criteria are applied that ensure the contribution of operations to the achievement of the specific objectives and results of the relevant priority axes; are non-discriminatory and transparent; and take into account the general principles of equality between men and women and sustainable development;

Ensure that operations selected for support do not include activities which were part of an operation which has been or should have been subject to a procedure of recovery in accordance with Article 61 of Regulation (EU) No. 1303/2013 following the relocation of a productive activity outside the programme area;

Draw up an evaluation plan and submit to the Monitoring Committee no more than one year after the approval of the programme in accordance with Article 114 of Regulation (EU) 1303/2013;

Put in place effective and proportionate anti-fraud measures taking into account the risks identified.

Draw up the management declaration and annual summary referred to in Article 59 (5) (a) and (b) of the Financial Regulation.

Ensure compliance with the information and publicity requirements laid down in Article 115 of the Regulation (EU) No. 1303/2013.

Ensure that the Certifying Authority receives all necessary information on the procedures and verifications carried out in relation to expenditure for the purpose of certification.
5.21 The Managing Authority will delegate functions through service level agreements to Financial Control Unit and Joint Secretariat. The Managing Authority will retain the overall responsibility for the delivery of these functions.

Financial Control Unit

5.22 The Financial Control Unit will act as the Controller in accordance with Article 23(4) of the Regulation (EU) No. 1299/2013. The legislative basis of the SEUPB enables it to perform the functions of the Financial Controller throughout the eligible area.

5.23 The main role of the Financial Control Unit is to ensure that administrative pre-payment verifications and on-the-spot verifications are carried out in accordance with Article 125 (4 & 5) of the Regulation (EU) No. 1303/2013. Specifically, the FCU will:

- Verify that the co-financed products and services have been delivered and that expenditure declared by the beneficiaries has been paid and that it complies with applicable Union and national law, the Cooperation Programme and the conditions for support of the operation;
- Ensure that beneficiaries involved in the implementation of operations reimbursed on the basis of eligible costs actually incurred maintain either a separate accounting system or an adequate accounting code for all transactions relating to an operation;
- Set up procedures to ensure that all documents regarding expenditure and audits required to ensure an adequate audit trail are set up in accordance with requirements;
- Carry out administrative verifications in respect of each application for reimbursement;
- Carry out on-the-spot verifications of operations, based on sampling informed by the principles of proportionality and risk;
- The final beneficiary will receive payment no later than 90 days from the submission of the payment claim, subject to the availability of funds, in accordance with Article 132 of Regulation (EU) 1303/2013.

Joint Secretariat

5.24 The Joint Secretariat will carry out the following functions:
- Creation of an operation pipeline by issuing calls for proposals in line with the criteria defined in the Cooperation Programme
- Provide information to potential beneficiaries about funding opportunities
- Assess operations for consideration by the relevant Steering Committee
- Satisfy itself that the beneficiary has the administrative, financial and operational capacity to fulfil the conditions for support before approval of the operation
- Satisfy itself that, where the operation has started before the submission of an application for funding, applicable Union and national rules relevant for the operation have been complied with
- Ensure that selected operations falls within the scope of the Programme and can be attributed to a category of intervention
- Ensure that successful operations are provided with a contract setting out the conditions for support including the specific requirements concerning the products or services to be delivered, the financing plan, and the time-limit for execution
- Assist beneficiaries in the implementation of operations
- Maintaining monitoring records on behalf of the Programme and entering these into a database system.

Certifying Authority

5.25 The SEUPB is designated as the Certifying Authority for the Programme.

5.26 In accordance with Article 126 of the Regulation (EU) No. 1303/2013, the SEUPB in its capacity as Certifying Authority shall be responsible for:

- Drawing up and submitting to the Commission payment applications and certifying that these result from reliable accounting systems, are based on verifiable supporting documents and have been subject to verifications by the managing authority;
- Drawing up the accounts referred to in Article 59 (5) (a) of the Financial Regulation;
- Certifying the completeness, accuracy and veracity of the accounts and that the expenditure entered in the accounts complies with applicable Union and national rules and has been incurred in respect of operations selected for funding in accordance with the criteria applicable to the Cooperation Programme and complying with Union and national rules;
Ensuring that there is a system which records and stores, in computerised form, accounting records for each operation, and which supports all the data required for drawing up payment applications and accounts, including records of amounts recoverable, amounts recovered and amounts withdrawn following cancellation of all or part of the contribution for an operation or Cooperation Programme;

Ensuring for the purposes of drawing up and submission of payment applications that it has received adequate information from the managing authority on the procedures and verifications carried out in relation to expenditure;

Taking account when drawing up and submitting payment applications of the results of all audits carried out by or under the responsibility of the audit authority;

Maintaining accounting records in a computerised form of expenditure declared to the Commission and the corresponding public contribution paid to beneficiaries;

Keeping an account of amounts recoverable and of amounts withdrawn following cancellation of all or part of the contribution for an operation. Amounts recovered shall be repaid to the general budget of the Union prior to the closure of the Cooperation Programme by deducting them from the next statement of expenditure.

5.27 The Certifying Authority will receive ERDF initial pre-financing and annual pre-financing amounts as detailed in Article 134 of regulation (EU) No. 1303/2013. The Certifying Authority will retain these monies for the proposes of making reimbursements of duly verified claims to beneficiaries. In accordance with Article 27 of Regulation (EU) 1299/2013 all ERDF will be paid into a single account maintained by the Certifying Authority with no national sub accounts.

5.28 The Certifying Authority may also receive additional pre-financing from the Member States for the purposes of making payments to beneficiaries.

5.29 The Certifying Authority will submit interim payments claims to the Commission on a regular basis, and submit the final application for an interim payment by 31 July following the end of the previous accounting year, in accordance with Article 135 of Regulation (EU) No. 1303/2013. The Certifying Authority will retain interim payments for the purposes of making reimbursements of duly verified claims to beneficiaries.
5.30 The Certifying Authority, of behalf of the Managing Authority, will make payments to final beneficiaries upon receipt of a duly verified claim by the Financial Control unit.

**Data Management**

5.31 In accordance with the Article 122 (3) of Regulation (EU) No. 1303/2013 the Managing Authority will ensure the installation, operation and interconnection of computerised systems for the management, monitoring, audit, control and evaluation of the Programme. This will facilitate the exchange of information between the managing authority, certifying authority, audit authority, intermediate bodies and beneficiaries by 31 December 2015 at the latest.

5.32 This system, which will be formally procured during 2014, will be a database-driven web-based system hosted on a ‘failsafe’ hosting environment, capable of handling a required number of concurrent users.

5.33 The system will be a shared system between the INTERREG and PEACE Programmes and other ESI funded programmes in Northern Ireland. The Department of Finance and Personnel in Northern Ireland will have lead responsibility for the development and procurement of the system.

5.34 All operations funded under the Cooperation Programme will be recorded onto the system. This includes the recording of all stages of the application / operation life-cycle and all transactions associated with approved operations.

5.35 The system will also provide input data for use by programme authorities when communicating with the European Commission using the web interface of the Commission's electronic data exchange systems (SFC 2014).

**Use of Intermediate Bodies**

5.36 The Managing Authority may appoint one or more intermediate bodies to deliver aspects of the research and innovation theme. A contract will be drawn up to govern the relationship between the Managing Authority and the intermediate body. The contract will detail the roles and responsibilities including arrangements for:
- The selection of operations
5.37 The Managing Authority will put in place arrangements to ensure the effective implementation of the contract.

Audit Authority

5.38 The Audit Authority for the Programme will be a unit designated for this purpose within the Department of Finance and Personnel Northern Ireland. The Audit Authority is functionally independent from the Managing Authority and the Financial Control Unit.

5.39 The Audit Authority will carry out the functions as detailed in Article 127 of the Regulation (EU) No. 1303/2013, namely:

- Ensuring that audits are carried out on the proper functioning of the management and control system of the Cooperation Programme and on an appropriate sample of operations on the basis of the declared expenditure. The declared expenditure shall be audited based on a representative sample and as a general rule on statistical sampling methods. There is provision to apply a non-statistical sampling method which may be used on the professional judgement of the audit authority in duly justified cases;
- Ensuring that where audits are carried out by a body other than the audit authority, any such body has the necessary functional independence;
- Ensuring that that audit work takes account of internationally accepted audit standards;
- Preparing an audit strategy for performance audits, within eight months of adoption of a Cooperation Programme. The audit strategy shall set out the audit methodology, the sampling method for audits on operations and the planning of audits in relation to the current accounting year and the two subsequent accounting years. The audit strategy shall be updated annually from 2016 until and including 2022;
- Draw up an audit opinion in accordance with Article 59(5)(b) of the Financial Regulation;
• Draw up a control report setting out the main findings, including deficiencies found in the management and control systems, of the audits carried out and the proposed and implemented corrective actions;

5.40 A combined audit strategy will be developed which covers the PEACE Programme and the INTERREG Programme for the Border Region, Northern Ireland and Western Scotland.

5.41 The Member States have agreed that the Audit Authority referred to above, will have the authority to carry out its duties directly in all jurisdictions of the eligible area without the establishment of a group of auditors drawn from the two Member States (Article 25 of the Regulation (EU) No. 1299/2013).

Irregularities and Recoveries

5.42 The definition of an ‘irregularity’ is any breach of Union law, or of national law relating to its application, resulting from an act or omission by an economic operator involved in the implementation of the ESI Funds, which has, or would have, the effect of prejudicing the budget of the Union by charging an unjustified item of expenditure to the budget of the Union.

5.43 The Managing Authority will put robust systems in place to detect, record, report and follow-up cases. These systems will be tested during checks performed as part of the first and second level of control. This testing will be further augmented through the role of the Audit Authority.

5.44 Identified irregularities will be recorded in sufficient detail to check whether there is any evidence of a breakdown of systems or a need to take action to correct emerging systemic weaknesses in programme management and control arrangements.

5.45 The Managing Authority will ensure that any money paid as a result of an irregularity is recovered from the lead beneficiary in accordance with Article 27 of Regulation (EU) No. 1299/2013.

5.46 If the Managing Authority is unsuccessful in securing repayment from the lead beneficiary, the Member State on whose territory the beneficiary concerned is allocated shall reimburse the managing authority any amounts unduly paid. The
Managing Authority shall be responsible for the reimbursement of any monies to the general budget of the Union.

5.47 In compliance with Article 126 (h) of the Regulation (EU) No. 1303/2013, where the processing of an irregularity results in the recovery of funds from an operation, the Certifying Authority will keep account of amounts recoverable and amounts withdrawn following cancellation of all or part of the contribution for an operation. Amounts recovered shall be repaid to the budget of the Union prior to the closure of the Cooperation Programme by deducting them from the subsequent statement of expenditures.
The Apportionment of Liabilities among the participating Member States in case of financial corrections imposed by the Managing Authority or the Commission.

5.48 When a financial correction is attributable to a named operation the Managing Authority will ensure that any money paid as a result of an irregularity is recovered from the lead beneficiary in accordance with Article 27 of Regulation (EU) No. 1299/2013.

5.49 If the Managing Authority is unsuccessful in securing repayment from the lead beneficiary, the Member State on whose territory the beneficiary concerned is allocated shall reimburse the managing authority any amounts unduly paid. The Managing Authority shall be responsible for the reimbursement of any monies to the general budget of the Union.

5.50 In cases where the financial correction is not attributable to a named operation, as may be the case for systematic irregularities and corrections imposed by the Commission in accordance with Article 144 Regulation (EU) No. 1303/2013, the Member States shall make provision for repayment to the Union of any monies unduly paid, based on proportions of the national ERDF allocations made to the programme in accordance with Article 4 of Regulation (EU) No. 1299/2013.
Use of the Euro – Art.28 REGULATION (EU) NO. 1299/2013 Regulation

5.51 As per Article 28 of Regulation (EU) No. 1299/2013 and Article 123 of Regulation (EU) No. 1303/2013, expenditure that is incurred in a currency other than euro by the beneficiary shall be converted to euro using the monthly exchange rate of the Commission, in the month during which the expenditure is submitted for verification to the Financial Control Unit. This conversion will be verified by the Financial Control Unit.

5.52 All commitments and payments at the programme level will be made in euro (€). Statements of expenditure from the Certifying Authority to the Commission will also be made in euro.
Involvement of partners (Article 7 (3) (d) ETC Regulation)

Preparation of the Cooperation Programme – A Partnership Approach

5.53 The SEUPB co-ordinated the preparation of the Programme. This was carried out in conjunction with the preparation of the EU Programme for Peace and Reconciliation (PEACE).

5.54 To facilitate a partnership approach, the SEUPB established a Programme Development Steering Group (PDSG) to oversee the drafting and development of both programmes. This partnership included the range of stakeholders consistent with Article 5 of Regulation (EU) No 1303/2013, with representatives comprising the Member States (NI / Ireland / Scotland), local government, social partners and the community and voluntary sector. In order to ensure further stakeholder participation, additional informal sub groups were established to provide input on the following topics: the selection of themes; delivery mechanisms; sustainable development; and equality. A full list of membership of the Programme Development Steering Group is included in Section nine.

5.55 The SEUPB held a large number of bi-lateral meetings with interested parties including government agencies and departments with policy responsibility for emerging themes. Three planning workshops were held with stakeholders to facilitate the identification of the results and outputs associated with the environment, health and local regeneration investment priority areas.

These responses informed the drafting of the Cooperation Programme.

5.57 A second statutory public consultation was held in June 2014. This consultation was held on the draft Cooperation Programme, together with the following supporting documentation: the Ex Ante Evaluation; the Strategic Environmental Assessment; and the Equality Screening Report.

Consultation 2012: Summary of Issues Raised

5.58 To facilitate the consultation, stakeholders were invited to comment on three programme specific considerations; namely that of Lessons Learnt from INTERREG IV; Themes for INTERREG; Eligible Area; and Delivery Structures. Furthermore, the stakeholders also discussed four general issues around programme administration i.e. application, assessment and approval process; project finance and match funding; reduction of the administrative burden; and equality and the environment.

5.59 Direct consultation and discussion was also held with the government departments, North and South, the Scottish Executive and representatives of all sectors, including business, rural, agricultural, community and voluntary, trade unions and public sector organisations.

5.60 All stakeholders were also encouraged to respond to the consultation through the SEUPB website or by written submission; with 48 INTERREG-specific written responses received, in addition to a further 49 written responses covering both the PEACE and INTERREG Programmes.

5.61 Existing documentation on INTERREG, written by external parties, has also been reviewed, with the key recommendations and issues informing the consultation exercise and the development of the programme proposals. Below we detail a summary of the consultation input under the key headings referred above.

Lessons Learnt from INTERREG IV

5.62 The overall view of INTERREG IV was positive, with submissions suggesting that programme activities and projects supported have had a significant impact across the eligible region, albeit that these positive impacts have often been delayed due to delays in project commencement and are lower than anticipated in Scotland and Belfast due to the lower level of investment in these sub-regions (9% programme spend in Scotland). Indeed, the anecdotal evidence is that the sustainability of
INTERREG IVA projects has shown a step improvement from its predecessor programme.

5.63 Notwithstanding this perceived under investment in Western Scotland, the submissions generally endorsed the inclusion of Western Scotland in the eligible region owing, inter alia, to the new ideas and new ways of working brought to the programme by Scottish project partners.

5.64 Feedback received indicates that the more strategic, larger value projects, such as Project Kelvin and Co-Operation and Working Together (CAWT), have delivered a better return on investment than smaller projects. In addition, the programme was considered successful in highlighting thematic issues in the areas of tourism, energy and skills development; and the approval of pilot projects had been attributed to enabling innovative projects that might not otherwise have secured mainstream Government funding.

5.65 Submissions also supported the view that the programme had facilitated excellent cross-border engagement and co-operation particularly in the public sector, which had the positive result of enhancing relations across the regions – the success in this area was especially noted in the promotion of cross-border healthcare and cross-border collaboration within the academic sector.

5.66 It was noted that barriers to participation existed in the requirement for 25% match funding in Scotland, in the risk amongst small groups in relation to ineligible expenditure and in the time required to collate an application to the programme.

5.67 There was widespread support for the delivery mechanisms deployed in the implementation of INTERREG IV; with recognition given to the role undertaken by the SEUPB Joint Secretariat and the cross-border groups, particularly in terms of the profiling of the region in Europe by the latter. It was however considered that there is scope to improve the effectiveness of the programme through increased project support to applicants and beneficiaries. That being said, a number of operational management improvements were suggested, these included changes to project monitoring, delivery, communication / programme awareness, governance and the application, assessment and approval process.

5.68 There was overwhelming support for a significant overhaul of the administration of the programme; which was considered to consist of unnecessarily cumbersome and
inflexible procedures that had caused delays in the timely implementation of projects.

**Themes for INTERREG**

5.69 The programme should build on the existing strengths of the eligible region in a limited number of key growth sectors. A concern raised was the need to ensure support for small and medium sized enterprises, which are the backbone of the economy of the eligible area.

5.70 It was considered important to ensure that activities within the programme can truly demonstrate added value on a cross-border basis, with particular emphasis on finding a 'niche' for cross-border activity, which complements other national and EU funding across the regions and promotes innovative methods to address these issues.

5.71 However there was no overall consensus as to how the requirement for concentration and result orientation should be reflected in the programme design. Seven different themes were recommended from a range of stakeholders.

5.72 In facilitating the discussion on possible themes for INTERREG, stakeholders were asked to document the problems, issues and opportunities that need to be addressed. The key themes emerging are detailed as follows:

- **Economy** – submissions widely supported the use of the programme to target indigenous businesses with a view to reviving, rebuilding and rebalancing the economies of the region by increasing research and development spend and by promoting an outward looking export economy. There was also advocation of a focus on enterprise creation;
- **Innovation** – there is a reported opportunity to further innovate on a cross-border basis within the Europe 2020 sectors of renewable energy, medical technologies, marine, bio-pharma, creative industries and natural resources;
- **Environment and Energy** – submissions highlighted the importance of protecting the environment and adhering to European and international targets that seek to halt biodiversity loss;
• Connectivity: The peripherality of the programme area was highlighted as an issue and this is evident from the low level of connectivity across the regions, particularly in terms of transport and issues with broad band accessibility in some rural areas;
• Health – submissions linked the role of health promotion with a reduction in health inequalities, indicating that opportunity areas included those of e-health and the scope to increase the use of ICT in health to improve efficiencies and to stimulate SME business opportunities in research and innovation;
• Rural – submissions indicated the scope for the programme to enhance employment in rural communities and the promotion of cross-border transport;
• Sector specific needs – some respondents outlined various sectors for specific focus, these included tourism, culture, creative assets, green economy, skills, education and enterprise, connectivity – transport and communications.

Delivery of the Programme

5.73 Generally there was a lack of consensus as to how the delivery structures of the programme should look in advance of identification of the programme’s thematic focus. Furthermore, there were mixed opinions provided in relation to the added value and potential role of the existing local delivery mechanisms, the cross-border Groups, with some viewing them as adding an additional level of bureaucracy, whilst others considered them useful in achieving local involvement.

5.74 A high number of respondents indicated the need for full cognisance to be take of the review of public administration, which will affect local government structures from April 2015 (although in shadow format from May 2014); and the need to explore synergies in delivery between the INTERREG and PEACE programmes.

5.75 In terms of the approach to programme implementation, a mixed response was received – with some preferring a strategic top-down approach; whilst others opted for a bottom-up approach. Middle ground being that a dual delivery mechanism is deployed, with local government leading on the local projects, working alongside regional delivery structures for strategic projects.

5.76 The consultation asked respondents about a number of policy initiatives contained with cohesion policy. Generally sustainable urban development and integrated
territorial investment approaches were not considered particularly relevant to the programme area.

5.77 Respondents noted that delivery options should not be decided until relevant themes were identified. However the general importance of local government was noted, particularly in the context of the reforms in Northern Ireland and Ireland.

5.78 The principles of community lead local development (CLLD) were generally welcomed, in relation to partnerships formulating of local plans which identified local needs and solutions. However it was noted that was important to review this approach in the context of changes to local government in Northern and Ireland, and existing arrangements to facilitate local approaches. The small target population size for CLLD was a concern to some respondents as this was much smaller than existing planning areas.

5.79 Joint action plans were considered as unlikely to be suitable for the programme.

Reducing the Administrative Burden

5.80 There was widespread dissatisfaction expressed about the time taken in assessing applications in the current programming period. Numerous respondents noted the various impacts on the lengthy processing times including the difficulty in planning and securing match funding. In particular respondents raised concerns about the role of economic appraisals / Accountable Departments and the dual nature of the decision making process.

5.81 Respondents were generally open to a more flexible approach to match funding, recommending that a range of public and private sources could be used the source the necessary funds.

5.82 There was a widespread welcome for the introduction of cost simplification including flat rates and unit costs. A range of other recommendations were made including the electronic retention of documents; simplified procurement; increased training and support, audit assurance statements.

Consultation 2014: Summary of Issues Raised
(To be completed)
SECTION 6: COORDINATION - ARTICLE 8(5) (A) REGULATION (EU) NO 1299/2013

Overview

6.1 The following programmes are of particular note for coordination with the INTERREG programme:
- PEACE Programme;
- Investment in growth and jobs: Northern Ireland; Border Midland and West Regional Programme; Scotland;
- Transnational programmes: Northern Periphery and Arctic; Atlantic Area; North West Europe;
- Interregional Programme – INTERREG Europe;
- Rural Development Programmes;
- European Maritime and Fisheries Fund Programmes.
- Competitive Programmes such as Horizon 2020, LIFE.

6.2 The following initiatives are not relevant in relation to co-ordination mechanisms with this programme:
- Cohesion Fund
- Connecting Europe
- European Neighbourhood Instrument (ENI)
- European Development Fund (EDF)
- Instrument for pre-Accession Assistance (IPA)

6.3 The Partnership Agreements between the EU Commission and UK (Northern Ireland and Scotland Chapters) and Ireland presents a framework for the co-ordination of the programmes funded by ESI funds at national level.

6.4 At a regional level the SEUPB has coordinated the development of this programme in close consultation with the relevant authorities in Northern Ireland, Ireland and Scotland who are responsible for the development of other programmes. To facilitate this process in Northern Ireland, the Department of Finance and Personnel chair regular meetings between the respective managing authorities, including the SEUPB.
In addition, the SEUPB attend the Consultative Partnership Group in Northern Ireland which leads the development of the programme for growth and jobs. In Ireland, the SEUPB is a member of the National Strategic Reference Framework Monitoring Committee that co-ordinates the development of all ESI funded programmes, including the Border Midlands and West Regional Programme.

6.5 The Programme Development Steering Group for the INTERREG Programmes includes representation from all the relevant national and regional bodies in the eligible region with programme planning responsibility.

6.6 The INTERREG and PEACE Programme share the same Managing Authority, Certifying Authority, Joint Secretariat and Audit Authority. There will be complementarity between the memberships of the respective Monitoring Committees. There was been joint planning and consultation mechanism for both the INTERREG and PEACE Programme. There will be shared systems and procedures for the implementation of the two ETC programmes.

6.7 The SEUPB will provide the Regional Contact Point for Northern Ireland for the Northern Periphery and Arctic Programme. The SEUPB will liaise with the national contact points for the other transnational and interregional programmes. This will assist is building a regional awareness of the full range of funding opportunities available under ETC programmes and facilitating relevant participation by beneficiaries in the appropriate programme.

6.8 The aim of this coordination mechanism is to ensure maximum complementarity between programmes. All ESI funded programmes have a requirement to demonstrate focus and concentration. As all programmes are based on a common list of thematic objectives, it is inevitable that there will be shared policy objectives between the INTERREG Programmes and other regional programmes. The distinctive nature of this programme is its cross-border nature; all projects funded under this programme will have to clearly demonstrate cross-border added value. Other relevant regional programmes bodies and policy departments will be consulted during project selection to ensure maximum levels of coordination with regional programmes.
SECTION 7: REDUCTION OF THE ADMINISTRATIVE BURDEN FOR BENEFICIARIES - ARTICLE 8 (5) (B) REGULATION (EU) NO 1299/2013

A summary of the assessment of the administrative burden for beneficiaries and where necessary, the actions planned accompanied by an indicative timeframe to reduce the administrative burden.

(7,000 characters)

7.1 The responses of the public consultation public conducted in 2012 articulated concerns on the long processing times associated with project assessment and approval. In addition, there were widely held views that there was an over-emphasis on inputs and financial propriety to the detriment of outcomes and the achievement of programme objectives. There was a general consensus that the level of bureaucracy within the programme needed to be reduced.

7.2 Sound, effective and efficient management of the EU funds requires appropriate, effective and transparent systems by all institutions involved. These systems need to ensure the selection of high quality operations and effective implementation of these operations to achieve programme objectives.

7.3 The management and control systems must also ensure the prevention and detection of irregularities including fraud, and thus ensure reasonable assurance on the regularity of expenditure. The delivery system should be as simple and streamlined as possible and be compliant with both EU and national rules.

7.4 In response to the results of the consultation and the opportunities presented in the regulations, the Managing Authority has agreed with the Member States a number of administrative simplifications to be undertaken. These are outlined in the following paragraphs.

7.5 Harmonisation of Rules: There will be common rules applied between the PEACE and INTERREG Programmes both of which are managed by SEUPB as the Managing Authority. The current system of guidance notes will be incorporated into a single set of rules, applied throughout the programme area, which will be available at the beginning of the programme period. The rules will reflect the minimum required to meet EU regulations and national procedures.
7.6 Application process: Support will be available to potential applicants through information seminars and workshops. Where appropriate a two stage process will be used. Stage one will be a short application form, with applicants receiving a decision within three months of applying. Applications emerging from stage one of the process will then be invited to provide additional detailed information for stage two of the application process.

7.7 Information on calls for grant aid: The Managing Authority will publish a rolling 24 month programme of calls for applications. Calls will have a high degree of focus and will detail the results and outputs required and total financial allocation of each call. A calendar of Steering Committee dates will be published at the time of the call. The SEUPB and Member States are committed to reducing processing times to not more than 40 weeks. More details on targets for processing times will be published following conclusion of the discussions on the assessment process.

7.8 Assessment: The primary purpose of the assessment process is to assess the potential of the proposed project to deliver the specified results and outputs of the programme in a cost effective manner. The details of assessment process are under discussion between the SEUPB and the Member States.

7.9 Allocation of funding: The regulations require that the final decision on the allocation of grant aid is made by the Steering Committee (appointed by the Programme Monitoring Committee). The Steering Committee will include representatives of the Member States, accountable departments and social partners. The Steering Committees will have access to required technical and financial expertise to make an informed decision. There will be no additional approval processes post-Steering Committee.

7.10 Project duration: The duration of the project can be up to 7 years depending on the nature of the activities being proposed. Where a project is over 3 years duration, the second phase of the project will be conditional on a rigorous mid-term evaluation to re-confirm the allocation of funding. This will eliminate the need for re-application during the programming period.

7.11 Letter of Offer Conditions: Additional conditions in a letter of offer will be reduced to the minimum required to ensure effective management, and will not replicate those contained within programme rules or standard conditions.
7.12 **Monitoring:** The number of indicators within a Letter of Offer will be reduced to not more than 3 project specific indicators in addition to programme indicators. These indicators will reflect the result and output focus of the programme. There will be a renewed focus of programme indicators and independent evaluations at the thematic level. Arrangements for monitoring the horizontal principles (Section 8) will be reviewed to ensure effectiveness and minimise the burden of predict and participants. **Budget structure:** A simplified budget structure will be used within letter of offer, reflecting the limited number of categories of eligible expenditure. This will increase the operational flexibility of Lead Partners in the implementation of operations without the requirement to seek approval for modifications to sub-budget lines.

7.13 **Simplified costs:** The Programme will pro-actively promote and implement simplified costs. All relevant projects will avail of the flat for overheads. Calls for applications and assessment will identify opportunities for unit cost methodology. Where there is a suitable basis for unit costs, this methodology will be mandatory. It is considered that there will be limited scope to apply lump sum payments, but these will be used as appropriate.

7.14 **Lead Partners:** Local authority and other lead partners who are engaging with a large number of final beneficiaries will be required to state how they are reducing the administrative burden for final beneficiaries. Local authorities will be required to use unit costs, flat rates, lump sums or resource allocation models to reduce the administrative burden for final beneficiaries. This will form part of the assessment process.

7.15 **Verification:** Risk based sampling methodology will be used by the first level of control in carrying out its administrative checks. A focus on unit costs and outputs will significantly reduce the level of verification of underlying financial transactions. Increased emphasised will be placed during verification on the achievement of outputs and results as outlined in the letter of offer, and linked to the performance framework of the Programme. The verification process will include control checks to ensure the accuracy and reliability of data collection and input into the central database.

7.16 **E-Cohesion:** The programme will embrace the principles of e-cohesion from the first call. There will be an opportunity for all applicants to apply on-line if they desire to
do so. Applicants will be able to review the status of their application on line. Lead partners will have access to up to date monitoring and financial information on line.

7.17 Arrangements for all measures to reduce administrative burdens will be in place at the time of the first call for applications.
Sustainable development

8.1 This principle seeks to ensure that the Programme supports activity that promotes sustainable development and creates sustainable communities by safeguarding, and requiring the sustainable use of, existing resources to enhance the long-term management of, and investment in, human, social and environmental resources for future generations.

8.2 The Programme was been subject to an Environment Impact Assessment, the report and accompanying documentation is available of on the SEUPB website.

8.3 The programme development process has included participation of the relevant bodies responsible for sustainable development, and these bodies have contributed to the development of the programme.

8.4 The Programme has selected theme of “preserving and protecting the environment and promoting resource efficiency” as one of the themes within the Programme. This will ensure a significant allocation of financial resources to operations with environmental objectives. In addition other priority investment areas such as research and innovation and local regeneration are likely to have a positive impact on the achievement of sustainable development objectives.

8.5 All operations in all themes have to align to and comply with the Sustainable Development Strategy, adopted by the European Council in June 2006; as well as the respective national Sustainable Development Strategy within each jurisdiction.

8.6 As part of the assessment of applications, consideration will be given to the projects adherence to the principles and objectives of sustainable development; as well as the associated environmental costs and benefits resulting. Where deemed appropriate, Environmental Impact Assessments will be made. To inform this assessment, all project applications will detail how their project complies with Directive 85/337/EEC as amended by 97/11/EEC, which requires a statement of environmental impact i.e. that either the project does not have any significant, negative environmental impact
or, where this is not the case, the application should provide a full description (if possible) of the anticipated negative impact as well as of the mitigating measures.

8.7 Additional levels of scrutiny will be applied in the following instances:

8.7.1 Special Protection Areas - Within areas classified as Special Protection Areas (SPAs) pursuant to Directive 79/409/EEC (on the conservation of wild birds), aquaculture Structural Fund plans or projects shall only be co-financed following an appropriate written assessment of their effects individually, and in combination with other plans and projects, and following ascertainment that they will not adversely affect the integrity of the SPAs concerned.

8.7.2 Aquaculture Plans or Projects - Pending their full classification, enhanced scrutiny will apply to areas:
- Proposed or required to be proposed by the Government of the United Kingdom or the Government of Ireland as Special Areas of Conservation (SACs) pursuant to Directive 92/43/EEC (on the conservation of natural habitats and of wild fauna and flora); and
- Proposed or required to be proposed by the United Kingdom Authorities or Ireland Authorities as SPAs pursuant to Directive 79/409/EEC (on the conservation of wild birds).

8.8 Lessons learned from past programmes and the responses to the public consultation have informed the proposed process for incorporating the principle of sustainable development into the programme. The approach taken in the previous programme was considered too heavily weighted towards minimum compliance at the assessment stage which has not added value to the overall design and implementation of operations. Therefore, the intention is that the Joint Secretariat will:
- Incorporate the principle of sustainable development in the design of measures and operations;
- Involve bodies working in the fields of sustainable development at all stages (preparation, implementation, monitoring, evaluation), including the provision of advice on sustainable development in fund-related activities. This will involve engagement with applicants at the development stage of their application. Based on feedback and pilot training sessions delivered near to the end of the previous programme, the intention is to provide access to training to raise
awareness with applicants in the best practice pertaining to sustainable development to positively influence project design and implementation;

- Ensure that project selection criteria will assess projects on the basis of environmental protection requirements, resource efficiency, climate change mitigation and adaptation, disaster resilience and risk prevention;

- Monitor and evaluate the application of the principle of sustainable development.

**Equal opportunities and non-discrimination**


8.10 Accordingly, the Programme will have due regard for the need to promote equality of opportunity:

- Between persons of different religious belief, political opinion, racial group, age, marital status or sexual orientation:
- Between men and women generally;
- Between persons with a disability and persons without;
- Between persons with dependants and persons without; and
- Without prejudice to the above, have regard to the desirability of promoting good relations between persons of different religious belief, political opinion or racial group.

8.11 The Programme has been subject to equality screening in accordance with relevant national legalisation and the SEUPB’s equality policy. All relevant documentation is available on the website of the SEUPB.

8.12 Project applicants will be required to include a statement of the likely equality impact on their application and identify any differential impacts on the above mentioned categories.
8.13 Lessons learned from past programmes and the responses to the public consultation have informed the proposed process for incorporating the principle of equality into the programme. The approach taken in the previous programme was considered too heavily weighted towards compliance at the assessment and monitoring stage which has not particularly added value to the overall design and implementation of operations. Therefore, the intention is that the Joint Secretariat will:

- Provide specialised training to applicants and lead partners on issues regarding equality, with a particular emphasis on disability; including the provision of tool kits and advice, drawing upon resources as appropriate that have been funded and developed in previous programme periods;
- Provide equality training to members of the Monitoring Committee and Steering Committees, with a particular emphasis on raising awareness on disability issues;
- Involve bodies working in the area of equality at all stages (preparation, implementation, monitoring, evaluation) of operations, including the provision of advice on equality-related issues;
- Ensure that project selection criteria will assess projects on equality impact;
- Monitor and evaluate the application of the principle of equality.

**Equality between men and women**

8.14 The Programme shall pursue the objective of equality between men and women and take appropriate steps to prevent any discrimination during the preparation, implementation, and monitoring and evaluation stages of the programme.

8.15 Gender equality aims to ensure that men and women enjoy the same rights and opportunities; with equal value and weighting attributed to the different behaviour, aspirations and needs of women and men.

8.16 The programme development process has included participation of the relevant bodies responsible for promoting gender equality and non-discrimination, and these bodies have contributed to the development of the programme.

8.17 The Managing Authority in partnership with the Monitoring Committee will undertake general self-assessment exercises in relation to gender equality, and may
commission specific evaluation studies or structured reflection focusing on the application of gender main streaming principles.

8.18 The monitoring committee and steering committee for the programme will be, as far as possible, gender balanced and include an equality expertise/ responsibility function.

8.19 Lessons learned from past programmes and the responses to the public consultation have informed the proposed process for incorporating the principle of equality into the programme. The approach taken in the previous programme was considered too heavily weighted towards compliance at the assessment and monitoring stage which has not particularly added value to the overall design and implementation of operations. Therefore, the intention is that the Joint Secretariat will:

- Pursue the objective of equality between men and women and ensure its mainstreaming through the integration of a gender perspective at all stages of the implementation of the funds, including preparation, implementation, monitoring and evaluation;
- Take account of the potential contribution of the programme to gender equality with reference to the specific challenges in the priority investment areas chosen, where relevant;
- Make arrangements for training of relevant staff in the fields of gender equality law and policy as well as on gender mainstreaming related to the implementation of the funds;
- Monitor and evaluate the application of the principle and have regard to the results of such monitoring and evaluation actions.

SECTION 9: SEPARATE ELEMENTS - PRESENTED AS ANNEXES IN PRINTED DOCUMENT VERSION

The performance framework of the cooperation programme

Table 24: The performance framework of the cooperation programme

<table>
<thead>
<tr>
<th>Priority axis</th>
<th>Implementation step, financial, output or result indicator</th>
<th>Measurement unit</th>
<th>Milestone for 2018</th>
<th>Final target (2022)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(500 char)</td>
<td>(500 char)</td>
<td>(500 char)</td>
<td>(500 char)</td>
<td>(500 char)</td>
</tr>
</tbody>
</table>

List of relevant partners involved in the preparation of the cooperation programme

(10,500 characters)

Programme Development Steering Group

1. Border Regional Authority (BRA)
2. Border, Midland & Western Regional Assembly (BMW)
3. Community Workers' Co-operative (CWC)
4. Confederation of British Industry (CBI)
5. Department of Finance & Personnel (DFP)
6. Department of Jobs, Enterprise & Innovation, Ireland (DJEI)
7. Department of Public Expenditure & reform, Ireland (DPER)
8. Irish Congress of Trade Unions (ICTU)
9. Irish Rural Link
10. Northern Ireland Local Government Association (NILGA)
11. Office of the First Minister & Deputy of the First Minister (OFMDFM)
12. Rural Community Network
13. Scottish Enterprise
14. Scottish Government
15. Scottish Social partner
16. Society of Local Authority Chief Executives (SOLACE)
17. Special EU Programmes Body (SEUPB)
18. The Irish Business & Employers Confederation (IBEC)
19. The Northern Ireland Council for Voluntary Action (NICVA)

Equality Sub Group

1. Community Workers' Co-operative (CWC)
2. Department of Finance & Personnel (DFP)
3. Equality Authority
4. Northern Ireland Statistics & Research Agency (NISRA)
5. Women & Peace building – Developing Shared Learning
6. Women into Public Life

Environment Sub Group

1. ADAS
2. Council for Nature Conservation & Countryside (CNCC)
3. Department of Environment, Community and Local Government (DECLG)
4. Department of Finance & Personnel (DFP)
5. Scottish Government
Environment Statutory bodies

1. Department of Communications, Energy and Natural Resources, Ireland
2. Department of the Environment, Community and Local Government (DECLG), Ireland
3. Directorate for Local Government and Communities, The Scottish Government, Scotland (INTERREG only)
4. Northern Ireland Environment Agency (NIEA), Northern Ireland
5. Office of Environmental Assessment, Environmental Protection Agency, Ireland

Respondents to consultation and/or meetings

1. Argyll&Bute Council
2. Alliance Party
3. Ards Borough Council
4. Armagh City & District Council
5. Ballymena Borough Council
6. Banbridge District Council
7. Belfast City Council
8. Carlingford Marine Enterprises LTD.
9. Carrickfergus Borough Council
10. Castlereagh Borough Council
11. Cavan County Council
12. Cavan County Enterprise Board & Cavan Innovation Technology Centre
13. Central Procurement Directorate (CPD)
14. Centre for Advanced Sustainable Energy QUB
15. Centre for Rural Health, University of Aberdeen
16. CeolteoirLuraigh
17. CisteInfheistiochtaGaeilge
18. CisteInfheistiochtaGaeilge
19. Clann Credo
20. Clinton Centre
21. Coleraine Borough Council
22. Comhairle nan Eilean Siar
23. Community Relations Councils (CRC)
24. Conradh na Gaeilge
25. Cooperation and Working Together (CAWT)
26. Cooperation Ireland
27. Councils of the Metropolitan Area (COMET)
28. Craigavon Borough Council
29. Cross border Groups
30. Cross-border Group Officers
31. Democratic Unionist Party (DUP)
32. Department for Employment and Learning (DEL)
33. Department for Regional Development (DRD)
34. Department of Agriculture and Rural Development (DARD)
35. Department of Communications, Energy and Natural Resources (DCENR)
36. Department of Culture, Arts and Leisure (DCAL)
37. Department of Education (DENI)
38. Department of Enterprise, Trade and Investment (DETI)
39. Department of Environment (DOE)
40. Department of Foreign Affairs and Trade (DFA)
41. Department of Health
42. Department of Health and Children
43. Department of Health, Social Services and Public Safety (DHSSPS)
44. Department of Jobs, Enterprise and Innovation (DJEI)
45. Department of Justice
46. Department of the Taoiseach
47. Department of Transport, Tourism and Sport (DTTS)
48. Derry City Council & Derry-Londonderry Strategy Board
49. Derry City Council Sports Development
50. Donegal Community Workers Cooperative
51. Donegal County Council
52. Down District Council
53. Dundalk Institute of Technology (DKIT)
54. Dundalk Town Council
55. Dungannon & South Tyrone Borough Council
56. East Border Region
57. Equality Commission
58. ERNACT EEIG
59. Fermanagh District Council
60. Geological Survey of Northern Ireland
61. Glen Dimplex
62. Groundwork NI
63. Health and Social Care (HSC)
64. Health Research Board
65. International Centre for Local and Regional Development (ICLRD)
66. Intertrade Ireland
67. Invest NI
68. Irish Central Border Area Network (ICBAN)
69. Irish Exporters Association
70. Leitrim County Council
71. Letterkenny Hospital
72. Lifelong Learning/Widening Access
73. Limavady Borough Council
74. Louth County Council
75. Maritime & Coastguard Agency
76. Monaghan County Council
77. Netwell Centre
78. Newry & Mourne District Council
79. NI Water
80. North Ayrshire Council
81. North East Partnership
82. North West Region Cross border Group
83. Northern Ireland Biodiversity Group
84. Northern Ireland Environment Agency (NIEA)
85. Northern Ireland Environment Link
86. Northern Ireland Rural Development Council
87. Ogras
88. Omagh District Council
89. Optimum
90. Pobal
91. POBAL
92. Queens University Belfast
93. Royal Ulster Agricultural Society (RUAS)
94. SAILWEST Scottish Partners
95. Scotland Europa
96. Scottish Council for Voluntary Organisations
97. Scottish Government
98. Sinn Fein
99. Social Democratic and Labour Party (SDLP)
100. South Ayrshire Council
101. Springboard Opportunities Ltd
102. Strabane District Council
103. Stranmillis College Belfast
104. The Agri-Food and Biosciences Institute (AFBI)
105. The County Enterprise Boards
106. The Highland Council
107. The Northern Ireland Statistics and Research Agency (NISRA)
108. The Royal Society for the Protection of Birds Northern Ireland (RSPB)
109. Ulster Unionist Party
110. Ulster Wildlife Trust
111. University of the Highlands & Islands
112. University of Ulster
113. VisitScotland
114. West of Scotland Colleges Partnership
115. West of Scotland European Forum
116. Young Enterprise Northern Ireland (YENI)
ANNEXES

- Draft report of the ex-ante evaluation, with an executive summary (mandatory) (Article 48 (2) CPR).
- Confirmation of agreement in writing to the contents of the cooperation programme, Article 7 (8) ETC Regulation