

European and External Affairs Committee

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Jeff Cuthbert, Chair, All Wales Programme Monitoring Committee's report

Purpose

This report is provided in response to an invitation from the Committee to update members on the activities of the All Wales Programme Monitoring Committee (PMC) 2007-2013.

Recommendation

That Members note the contents of the paper.

Background

Partnership is a key principle of assistance in the Structural Funds regulation, which state that the objectives of the funds must be pursued in the framework of close cooperation. The member states are charged with organising and designating the most representative partners at the relevant national, regional and local levels and in the economic, social and environmental spheres. The partnership should be established in accordance with national rules and practices and be conducted in compliance with the legislative, legal and financial powers of the various partners. The partnership is charged with covering the **preparation, implementation, monitoring and evaluation** of the operational programmes and satisfying itself as to the effectiveness and quality of the implementation of the programmes. It should also take account of the need to promote equality and environmental protection and improvement. A brief summary of the regulatory requirements is included at Annex A.

A single All Wales PMC has been established for the four domestic Welsh Structural Fund programmes for 2007-2013 in accordance with the new regulations which allow for single monitoring committees to cover multiple operational programmes. This reflects significant rationalisation when compared to the eight single-programme PMCs in operation in Wales for the 2000-2006 period. However, separate PMCs exist for the Ireland-Wales Cross Border Programme (co-chaired by officers from the Irish and Welsh authorities), and for each of the Transnational Programmes in which Wales participates (North-West Europe and the Atlantic Area).

The membership of the PMC has been constituted in compliance with the provisions of the regulation with partners drawn from regional, local and other public authorities; economic and social partners and other appropriate bodies representing civil society and the cross-cutting themes of sustainable development and equality. The PMC comprises a chair representing the Managing Authority (Jeff Cuthbert AM), a panel of 10 expert members appointed via the public appointments process and a further 14 members nominated on a representative basis from amongst partners. Two Directorate Generals of the European Commission (DG REGIO for ERDF and DG EMPL for ESF) participate in the work of the monitoring committee in an advisory capacity, as can the European Investment Bank and European Investment Fund where appropriate (i.e. where they make a contribution to the Operational Programmes). Membership of the All-Wales PMC is included at Annex B.

The new All-Wales PMC met twice in shadow form in May and July 2007, and then became legally constituted at its meeting on 13 September for the two Convergence programmes and the ERDF Competitiveness Programme. Agreements were taken "in principle" until the PMC had legal basis (in October 2007 following the approval of the last Welsh programme). The PMC met two further times in 2007 as the fully constituted PMC for the four Welsh programmes and has met twice to date in 2008. PMC meetings are held on a quarterly basis in different parts of Wales to improve members' awareness of EU-funded projects across Wales and encourage participation from members of the public across the region, whilst the Operational Programmes allow for the possibility of two sub-committees to be established (one per fund), PMC members have been reluctant, to date, to delegating tasks to subcommittees that are unable to take formal decisions and these committees have not yet convened.

It is a regulatory requirement that the functions of the Managing Authority include guiding the work of the PMC and providing it with the documentation required in order for it to fulfil its role monitoring the quality of the implementation of the programmes. WEFO, on behalf of the Managing Authority, provide the Secretariat function for the PMC and its meetings, WEFO, with officials in the Welsh Assembly Government, provides most of the background and advice to assist Members in their work. Senior officials of WEFO attend meetings of the PMC to update Members on the programme management and financial issues relating to the delivery of the Programmes. WEFO, in collaboration with the Chair, prepare the meeting agendas, drawing on issues arising from previous meetings, and provide the PMC with a range of documents to enable them to review progress in implementing the Operational Programmes. Emphasis is placed on ensuring the provision of high-level strategic information on programme delivery in order to ensure strategic discussion on progress towards achieving the specific objectives of the programmes. PMC papers are distributed to members at least two weeks prior to the meetings and are subsequently available to the wider public on the WEFO website. In line with the Rules of Procedure the use of written procedure is exceptional.

WEFO ensured that members from the very first meeting were given clear information and advice as regards their role in monitoring programme implementation and duties according to the regulations and the Operational Programmes. The relevant paper is attached at Annex C, whilst the Rules of Procedure, agreed at the PMC's first meeting, are attached at Annex D.

The Operational Programmes commit WEFO to providing information on commitments, expenditure and outputs (planned and realised)

at theme level and a report on achievement against the cross-cutting themes on at least an annual basis. At its meeting in July 2007, the (shadow) PMC agreed a format for the documentation they wish to receive on a regular basis in order to fulfil their monitoring role. The four types of documents foreseen were: regular summary programme monitoring reports, periodic topic reports (on an ad-hoc basis at the behest of the PMC), annual implementation reports (a regulatory requirement upon WEFO) and evaluation reports. WEFO is committed to producing a Programme Monitoring Report at programme level at every PMC meeting once projects are operational and spending. In the meantime as programme implementation gains momentum, WEFO's director provides members with an oral update on progress in terms of project approvals and costs and projects in the pipeline.

Decisions taken to date by the All Wales Programme Monitoring Committee include:

Rules of procedure - establishing the principles of operation of the partnership;

Duties of the PMC in accordance with Article 65 of 1083/2006;

Agreement of Project Selection and Prioritisation Criteria in accordance with Article 65 of 1083/2006. An Assessment and Review Tool to provide a transparent audit trail for the decision making process and to show how the criteria have been applied to a project;

Approval of the Annual implementation Reports 2007 for all four Programmes

Other documentation related to programme delivery received by members for discussion and information include:

20 Strategic Frameworks established to guide the delivery of the four Programmes (listed in Annex E);

Welsh Assembly Government sources of match funding. The Targeted Match Fund has been established to provide Assembly Government central match funding for the 2007-2013 EU Structural Fund Programmes and will be available to all sectors as a match funding source of last resort.

JESSICA (Joint European Support for Sustainable Investment in City Areas) - a financial engineering instrument, to promote sustainable investments and growth in urban areas through recyclable development investment funds.

JEREMIE (Joint European Resources for Micro to medium Enterprises) - an initiative of the Commission together with the European Investment Bank ([EIB](#)) and the European Investment Fund ([EIF](#)) in order to promote increased access to finance for the development of micro, small and medium-sized enterprises in the regions of the EU.

Guidance on Sponsorship, Partnership, Procurement and Grants to give prospective sponsors, match funders and interested stakeholders a clearer understanding of the public procurement requirements in the 2007-2013 Convergence and Competitiveness Programmes;

The application of the cross-cutting themes - summary of the approach being taken to integrate the cross cutting themes of Equal Opportunities and Environmental Sustainability into 2007-2013 Programmes.

The Monitoring and Evaluation Plan - in line with regulatory requirements.

A Communications Plan - in line with regulatory requirements.

The Department for the Economy and Transport (DE&T); Department for Children, Education, Lifelong Learning and Skills (DCELLS); Social Justice and Local Government (SJ&LG) and Department for the Environment, Sustainability and Housing (DESH) have all made presentations to the Programme Monitoring Committee on the projects they wish to bring forward under the 2007-2013 programmes. The Department for Heritage (including Visit Wales), Transport and CCW have been invited to attend future meetings. Members have of course been encouraged to focus on the strategic aspects of programme delivery rather than the details of individual projects as WEFO, as Managing Authority, independently appraise projects on the basis of fit with the programmes and strategic frameworks; eligibility; the selection and prioritisation criteria and wider programme management issues.

Following each PMC meeting, the Chair of the PMC is responsible for briefing Ministers on developments and decisions taken by PMC members as well as any areas of concern reported to the Committee by members.

Annex A

The PMC Role and Responsibilities 2007-2013

As in the 2000-2006 programming period partnership is one of the key principles of Structural Funds Programming. Each Member State is tasked with designating the most representative partnership, in accordance with and full compliance with the national institutional, legal and financial powers of each partner.

The partnership is required to consist of:

-competent regional, local, urban and other public authorities;

-economic and social partners, and

-any other appropriate body representing civil society, environmental partners and non-governmental organisations.

Member States shall ensure partnership involvement at all stages of programming. The partnership is charged with covering the **preparation, implementation, monitoring and evaluation** of operational programmes.

The Programme Monitoring Committee (PMC) shall satisfy itself as to the **effectiveness** and **quality** of the implementation of the programmes.

The following are regulatory requirements relevant to the functioning of the PMC. The PMC:

Shall draw up its rules of procedure within the institutional, legal and financial framework of the Member State concerned and adopt them in agreement with the Managing Authority;

Shall consider, approval and revise where necessary the project selection criteria;

Shall review progress towards achieving the programme targets and priority targets as well as the results of implementation taking into account the proportionality principle;

Shall consider and approve annual and final reports;

Shall be informed of the annual control report and any comments on the part of the Commission;

May propose revisions or examinations of the programmes on the part of the managing authority to ensure the funds meet their objectives / improved management;

Shall consider and approve any proposal to amend the content of the Commission decision for the programme;

Shall along with the managing authority monitor with reference to financial indicators;

Shall be sent the results of all evaluations on the programmes;

Shall be informed of the implementation of the communications plan and examples of measure taken.

Annex B

Chair:

- Representative of the Managing Authority, Welsh Assembly Government

14 Members nominated, on a representative basis, from partners and statutory bodies:

CIlr Derek Vaughan	Local Government (West Wales & the Valleys)
(Awaiting nomination from sector)	Local Government (East Wales)
Eleanor Marks	Welsh Assembly Government: Economy and Transport
Grenville Jackson	Welsh Assembly Government: Education and Lifelong Learning
Terri Thomas	Welsh Assembly Government: Rural Affairs and Heritage
Amanda Wilkinson	Higher Education
Glyn Jones	Further Education
Jocelyn Llewellyn	Jobcentre Plus
Derek Walker	Trade Unions
Ann Beynon	Private Sector - Business Wales

Phil Fiander	Voluntary Sector
Simon Harris	Social Economy
Ceri Davies	Environment Agency/Countryside Council for Wales
Kate Bennett	Commission for Human Rights and Equality

10 Members selected via the Public appointments process:

Prof Richard B. Davies	Vice Chancellor University of Wales Swansea
Mr Ifan Evans	Private Sector Director, Welsh Language Board
Mrs Carol Greenstock	Grants Manager, National Trust Wales
Dr Graham Guilford	Private Sector, Chemist. Director of Manufacturing GE Healthcare, Cardiff (previously Amersham plc).
Ms Gillian Hurley	Self-Employed EU Project Manager
Mr Siôn Jones	Economist working in Wales as a Divisional Director for consultancy London Economics.
Mr Peter Mortimer	Local Government Official - Regeneration Resources Manager
Martin Mansfield	Regional Officer, Amicus Trade Union
Dr Alan Tillotson	Chief Executive and Founding Trustee of ARENA Network
Ms Karen Turnbull	Head of Enterprise and Research Services at University of Wales Newport.

Advisors:

Guy Flament, DG Regio, European Commission

Merja Toikka, DG Regio, European Commission

Renate Schopf, DG Empl, European Commission

Nick Moon, Invest Wales - European Investment Bank (EIB) / European Investment Fund (EIF)

Annex C

Duties of The All-Wales Programme Monitoring Committee 2007-2013

The All-Wales Programme Monitoring Committee will need to satisfy itself as to the effectiveness and quality of the implementation of the Operational Programmes for Convergence (West Wales and the Valleys) and Regional Competitiveness and Employment (East Wales) covering the ERDF and ESF funds.

At its first meeting, the PMC shall approve detailed provision for the proper and efficient discharge of the duties assigned to it. The PMC's duties are defined in Articles 65 and 66 of Regulation (EC) 1083/2006 and amplified in the Operational Programmes. These provisions include:

Considering and approving the criteria for selecting the operations to be financed and any revision of those criteria in accordance with programming needs; and

reviewing progress towards achieving the specific objectives and targets of the Operational Programmes on the basis of documents submitted by the Managing Authority.

The PMC and its sub-committees as appropriate shall:

monitor progress towards achieving the physical and financial indicators and targets set for the Operational Programmes and each Priority axis and examine the evaluations referred to in Article 48(3);

consider and approve the annual and final implementation reports on implementation referred to in Article 67 before these reports are submitted to the European Commission;

be informed of the annual control reports and of any comments the Commission may make after examining these reports or relating to these reports;

propose to the Managing Authority any revision or examination of the Operational Programmes aimed at improving their management, including financial management;

consider and approve any proposals to amend the contents of the approved Operational Programmes.

To assist the PMC and its subcommittees where appropriate in discharging its statutory responsibilities, the Managing Authority will ensure that the Committee:

receives information on commitments, expenditure and outputs (planned and realised) for each theme within individual Priorities to inform its Programme monitoring responsibilities generally, and more particularly to assist it in discharging its role of approving the Annual Implementation Report or approving virement requests (if any) the Managing Authority may propose between Priorities prior to submission to the Commission;

receives an annual report on progress toward the achievement of targets;

receives annual reports on the progress of the Cross-cutting Themes of Environmental Sustainability and Equal Opportunities;

advises on the alignment of Strategic Frameworks with the objectives and targets in the Operational Programme prior to their approval by the Managing Authority and agree their use by the Managing Authority in selecting projects and endorse subsequent modifications;

considers the Monitoring and Evaluation Plan of the Managing Authority and any amendments to the Monitoring and Evaluation Plan as referred to in Article 48(1);

is consulted on the Innovative Actions Strategy

Annex D

Rules of Procedure - PMC(07)01

Meetings

1. The Monitoring Committee (PMC) will determine its pattern of meetings so as to ensure the proper and timely conduct of the Committee's business. It is required to meet at least twice per year, although it is anticipated that more frequent meetings may be necessary during the early period of the programme. For the convenience of members, the PMC will agree a forward schedule showing the timing and location of its meetings and those of its two Standing Sub Committees, normally one year in advance.

2. Meetings will normally be convened by the Chair on his/her own initiative; at the request of the European Commission; or, exceptionally, with the Chair's agreement, at the request of another member of the Committee. Notice of at least 15 working days will normally be given although exceptionally this notice may be shorter.

3. The Chair will draw up the agenda, and will include items requested by at least four members of the Committee. Any such requests must be made in writing at least 20 working days before the date of any meeting. Exceptionally, and with the agreement of the Chair, this notice may be shortened to 15 working days.

4. All working papers for the meeting will be circulated with the agenda 10 working days before the date of the meeting, although exceptionally papers may be circulated at a later date. All working papers will be available via the WEFO website at least 2 working days before the date of the meeting.

5. The minutes of the previous meeting will be included on the agenda. In addition, the draft minutes of each meeting will be circulated to members within two weeks of the meeting date and made available via the WEFO website.

6. The PMC will decide whether its meetings, in whole or in part, should take place in public or in private, taking account of the Assembly Government's policy preference for open meetings. However, the Chair may propose to the Committee that discussion of any particular agenda item should take place in private or on a more restricted basis. In ascertaining whether proceedings of the Committee will be

bilingual, the Secretariat will consult members on their language preference in line with Annex B of the Welsh Assembly Government Scheme. and provide simultaneous translation facilities in line with requirements.

Participation in Meetings

7. Members of the Committee will be eligible, subject to paragraph 11 below, to participate in all business transacted by the Committee.

8. PMC meetings will be considered quorate if the Chair and 13 of the 24 members are present. Attendance by sector representative alternates is not encouraged and will only be permitted with the agreement of the Chair, provided in advance of the meeting. If any member fails to attend meetings on three consecutive occasions they will be invited to resign from the PMC. In these circumstances, the Managing Authority will invite the relevant sector to nominate a replacement member.

9. The PMC and its sub-committees will look to operate on the basis of consensus. In the event of a disagreement the Chair, using all appropriate channels, shall seek to resolve any differences arising within the partnership. Should, exceptionally, a vote be necessary the Chair will not normally vote, but will have the casting vote in the event of a tie. The votes of Members will be included in the minutes of the meetings.

Conflict of Interest

10. Members of the Committee are required to declare any interest they may have in a particular agenda item before discussion of it begins. Declarations of interest will be included as a regular agenda item. A member declaring an interest may be asked by the Chair to withdraw from the meeting for the duration of discussion on that item, or otherwise requested not to participate in that item of business.

11. Potential conflicts of interest for Members are most likely to arise in the context of discussion about Programme performance in relation to the type of projects accessing European funding. There are a number of scenarios in which a Member may have an interest, ranging from a very direct to a much less direct interest.

12. Direct interest in a project may be identified in the following terms:

- (a) personal financial interest;
- (b) being employed by the organisation making the application (except as indicated in paragraph 13a below), or
- (c) any other direct interest, such as being a member of the management board of the applicant organisation;

13. An indirect association with a project may be by virtue of:

- (a) being employed by the applicant organisation, but in a capacity in which the member has not had and will not have any role in the development or management of the project;
- (b) being employed by, or otherwise directly associated with, an organisation which is not the project applicant but is providing match funding for the project.

14. The essential principle is that where a Member has a direct interest, whether financial or non-financial, which would prejudice or give appearance of prejudicing his or her ability to participate in discussion of a particular matter, he or she must make an oral statement declaring the nature of the interest and should not remain in the room for discussion of the matter concerned. In circumstances where a member has an indirect interest, he or she should declare that interest but may remain in the room for the discussion and may speak if invited to do so by the Chair. In those exceptional cases where a committee vote is deemed necessary, any member having declared an interest may vote only if invited to do so by the Chair.

15. If there is any doubt about whether a conflict of interest arises, the advice of the Chair must be sought.

Written Procedures

16. At the initiative of the Chair or, with the agreement of the Chair, at the initiative of another member of the Committee, proposals may be submitted to the Committee for adoption by Written Procedure. Members will normally be asked to give their written opinion on any such proposal within 15 working days, although exceptionally the Chair may request a shorter consultation of no less than 5 working days for particular papers or proposals. The proposal shall be deemed agreed by the Committee in the absence of any written objections within that period.

17. Where written objections from any member are received by the Secretariat within the deadline specified by the Chair, discussions should take place with the relevant member concerning their objection. A member may withdraw written objections to any proposal at any time and, when every written objection is withdrawn, the proposal shall be deemed agreed by the Committee.

18. In circumstances where all objections are not withdrawn, the Chair, in discussion with the Secretariat will determine whether :

- (a) the proposal shall be deemed lost or
- (b) the proposal should be referred back to the Committee for further consideration.

19. Following the timescale for consultation by Written Procedure, the Secretariat shall inform the Committee:

- (a) whether any proposal submitted to the PMC for adoption has, in the absence of any written objection, been deemed agreed; or
- (b) if any member has registered written objections to a proposal and, if so, what the Chair has determined.

Schedule: Key Tasks

20.The PMC shall establish a schedule detailing the timing and arrangements to be followed in carrying out certain key tasks, including the preparation of annual and final implementation reports.

PMC Sub-Committees

21.The PMC will be supported by two standing sub-committees responsible for monitoring and advising the main PMC on the performance of each of the ERDF and ESF programmes respectively.

Working Groups

22.The PMC may establish sub-groups, either of a task and finish variety or on a more permanent basis. Where necessary the Committee may propose to WEFO that other experts or stakeholder groups may be appointed to advise such sub-committees.

Secretariat

23.The Secretariat to the Committee will be provided by the Welsh European Funding Office, which will assist and advise the Committee in respect of all the functions and procedures set out above.

Annex E

Strategic Frameworks

Under the new programming period 2007–2013, a total of 19 thematic and spatially-driven strategic frameworks have been developed, in partnership, to:

- improve impact on growth and jobs
- strengthen strategic alignment between EU and WAG policies
- encourage more 'joined up' action
- assist in reducing the overall volume of projects
- help to shape and balance programme delivery

Strategicframeworks focus on the types of interventions that will best deliver on the priorities and themes of the operational programmes, and are defined as 'plans to achieve a particular strategic purpose by means of interventions that are strategically linked'. They are planning documents and not financial instruments.

Strategic Frameworks :
Innovation, R&D, Technology
ICT
Enterprise
Business Finance
Sustainable Transport
Climate Change

Materials Efficiency
Sustainable regeneration : Swansea Bay; Pembrokeshire; South East; Central & North
CED
Supplying Young People with Skills for Learning and Future Employment
Increasing Employment and Tackling Economic Inactivity
Raising the Skills levels of the workforce
Gender Equality
Making the Connections
Skills for the knowledge economy